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New fundamentals for a boundaryless world

Middle East 2023 Human Capital Trends

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Contents

Prologue	2
Introduction	3
Navigating the end of jobs	10
Powering human impact with technology	21
Activating the future of workplace	31
Negotiating worker data	41
Harnessing worker agency	53
Unlocking the workforce ecosystem	66
Taking bold action for equitable outcomes	79
Advancing the human element of sustainability	93
Elevating the focus on human risk	107
Leading in a boundaryless world	119



Prologue

IN 2020, WE wrote a prologue to our 10th annual Deloitte Global Human Capital Trends report, reflecting on the prior decade that had been characterized by “newness” and exponential change. We released that study in May 2020, at the height of a global pandemic that would mark the beginning of a new set of disruptions entering the world of work.

Today, as we enter 2023, the initial crisis response of the global pandemic has faded, but change has continued to enter the workplace at a blistering pace. Perceptions that economic growth is slowing, fears of an impending recession, and rising costs of living are putting increased pressure on organizations and business leaders to do more with less. At the same time, global talent trends—including a hot labor market, a rise in stakeholder

capitalism, and shifts in the composition of the workforce—call into question the very foundation of how, where, and why we work.

Read more about how seven business and societal shifts are altering the trajectory of organizations' human agendas in [The journey to 2030](#).

As we look forward to the decade ahead, lessons from the past few years are still top of mind, including how business realities can change in an instant. Without an option to return to the past or go back to business as usual, organizations and workers must traverse this new landscape together, calling on a new set of fundamentals to navigate the boundaryless world.



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.

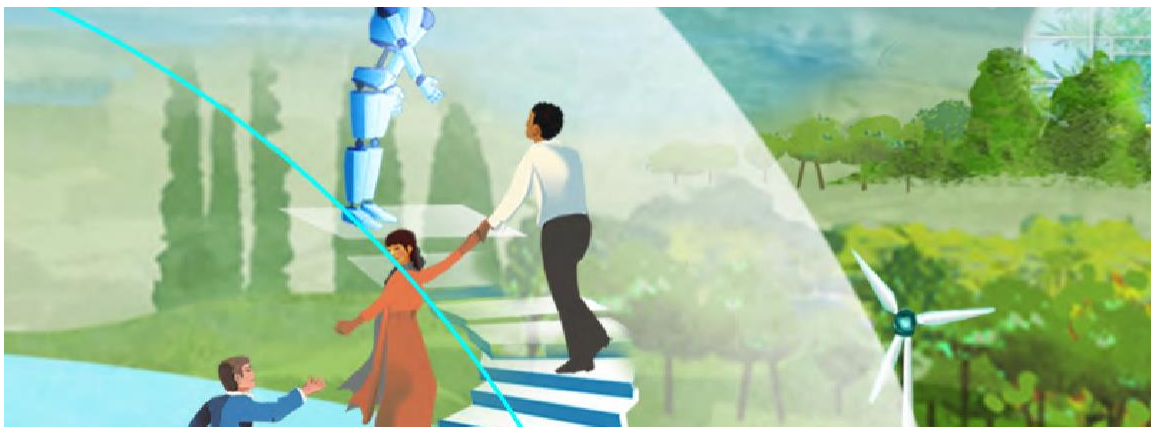
Three chapters of this report exemplify where organizations and workers must *cocreate their relationship*.

- **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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Navigating the end of jobs

Skills replace jobs as the focal point for matching workers with work

Coauthored by Karen Weisz.

Since the dawn of the industrial age, the job has been the defining structure for organizing and managing every aspect of work. That approach made sense when business changes occurred slowly, and workers were just pieces in the industrial machine. The solution? A skills-based approach to managing work and workers, delivering business agility and worker autonomy by enabling work to be performed beyond formal job boundaries.

THE CONCEPT OF the *job*—a predefined set of functional responsibilities assigned to a particular worker—is so ingrained in how organizations operate that it’s hard to imagine any other way of managing work and workers. Yet many recognize this traditional construct is failing to serve our boundaryless world. Our [skills-based organization survey](#) revealed that only 19% of business executives and 23% of workers say work is best structured through jobs. As a result, a growing number of organizations are beginning to imagine work outside of the job—turning workforce management on its head by increasingly

basing work and workforce decisions on skills—not formal job definitions, titles, or degrees.

This shift is being driven by several related factors:

Performance pressure. Thirty percent of our skills-based organization survey¹ respondents report their organizations are ineffective at matching the right talent to work. A skills-based approach boosts productivity, efficiency, and effectiveness by better aligning workers with work that fits their skills and capabilities, including technical skills, soft or human skills, and potential

future skills in adjacent areas. Organizations that do this effectively can unleash worker potential to drive greater value and are 52% more likely to be innovative².

Need for agility. Sixty-three percent of business executives report workers are focused on team and project work that falls outside their current job descriptions. Further, 81% of executives say work is increasingly performed across functional boundaries. A skills-based approach improves organizational agility by enabling workers to be quickly deployed—or redeployed—based solely on their skills and the work that needs to be done, irrespective of their job title or functional area. Organizations with a skills-based approach are 57% more likely to be agile³.

Talent shortages. Focusing on skills helps alleviate talent shortages by providing a more expansive view of the work people are able to do, instead of artificially limiting the talent pool to people with specific backgrounds and job histories. This also allows organizations to mitigate talent shortages by plugging gaps with internal resources

instead of hiring from outside. Organizations with a skills-based approach are 107% more likely to place talent effectively and 98% more likely to retain high performers and have a reputation as a great place to grow and develop⁴.

Increased focus on equitable outcomes. A skills-based approach also helps promote diversity and equity in the workplace. In the skills-based organization survey, 75% of executives say hiring, promoting, and deploying people based on skills (versus tenure, job history, or network) can help democratize and improve access to opportunities. Merck and IBM, for example, are part of a coalition called OneTen that is committed to hiring, upskilling, reskilling, and promoting one million Black people without four-year degrees by shifting to a skills-first approach⁵.

The readiness gap

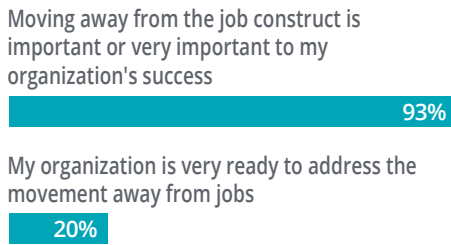
In the Deloitte 2023 Global Human Capital Trends survey, 93% of our respondents said moving away from a focus on jobs is important or very important

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- Your organization spends too much time adjusting job descriptions to accommodate changing work
- You are losing top talent as a result of inadequate development opportunities to grow adjacent skills
- You are having difficulty accessing talent due to overreliance on degrees and previous roles over skills and potential aligned with emerging business priorities
- Promising, diverse candidates are being screened out of talent pipelines due to their supposedly inadequate job history
- Workers are struggling to find new opportunities outside of their siloed business units

FIGURE 1

The readiness gap for a skills-based approach



Source: Deloitte 2023 Global Human Capital Trends survey.

to their organization’s success. Yet only 20% believe their organization is very ready to tackle the challenge, representing the largest readiness gap of all trends surveyed (figure 1).

What’s holding organizations back? According to the skills-based organization survey, the top challenge/obstacle is *legacy mindsets and practices*, cited by 46% of business and HR executives as one of the top three obstacles to transforming into a skills-based organization. Technology is not the issue; only 18% cite lack of effective skills-related technology as a top three obstacle, the lowest of the 10 obstacles listed⁶.

The new fundamentals

Define work based on the skills required.

Instead of defining work as a specific set of tasks and responsibilities (i.e., a job), define work primarily based on the skills it requires. Organizations will need to first consider their strategic objectives or desired outcomes, then identify the work that needs to be done to achieve them and the skills required to do that work.

Collect and analyze data about worker skills.

Thanks to recent technology advances in skills assessments, skills inferencing, analytics powered by artificial intelligence (AI), and live “tryouts” for evaluating external candidates, organizations have

access to a differentiated level of work skill data. Similar technology can be used to inventory the skills of existing workers, supplemented with more holistic data about workers’ interests, values, work preferences, and more.

Collecting data about workers can be controversial, as discussed in our “[Negotiating worker data](#)” chapter. However, in the context of skills, our research suggests workers are more open to having this data collected. Eight in 10 workers are willing to have their organization collect data about their *demonstrated* skills and capabilities and seven in 10 are willing to have data collected about their *potential* abilities. This even extends to using AI to passively mine worker data as they work, with 53% of workers seeing this as positive⁷.

View workers based on their skills, not job titles. Instead of viewing workers narrowly as job holders performing predefined tasks, view them holistically as unique individuals with a portfolio of skills to offer—and then match them with work that aligns with those skills. The work might be performed by an individual, a team, or a shifting set of resources, each person contributing their appropriate skills (while improving their current skills and developing new ones), then moving on to other work when their particular skills are no longer needed. As part of the deployment process, it’s ideal to match workers with work that aligns not only with their skills, but also with their unique interests, values, passions, development goals, location preferences, and more—since people are happiest and most productive when doing work that fits who they are and what they care about. Doing so will help workers maximize their personal contributions and growth. It will also help create a more equitable and human-centric worker experience, creating value for workers and society at large.

Make decisions about workers based on skills. Beyond matching workers to work based on skills, organizations will want to make skills the

focal point for all workforce practices throughout the talent life cycle—from hiring to careers to performance management to rewards—placing more emphasis on skills and less on jobs. For example, in hiring, that means evaluating candidates based on skills and capabilities rather than degrees and certifications. More than one in three respondents to the Deloitte 2023 Global Human Capital Trends survey state that they are not using skills to help their workforce meet their fullest potential, highlighting an opportunity to embed skills throughout the talent life cycle.

“Skills can be a very objective, quantifiable measure of capability and proficiency. We’re able to use skills data as an input into workforce planning decisions, where we take a lot of different data sets, and we align that to business strategy. With Cisco being a large, complex global organization, this strategy will allow us to be nimble and very intentional about our workforce planning decisions.”

— Kate Driscoll, Workforce Strategy and Organizational Design leader, Cisco⁸

Current experiments: What leading organizations are exploring

- **The US Army Civilian workforce** is implementing a career-pathing capability for its contracting and logistics professionals, moving toward a skills-based organization with increased flexibility to meet changing mission needs and workforce agency to enable employees to better own their career and stay longer within the Army. The career-pathing approach allows Army leadership to visualize the skills and preferences, not just positions, of its current talent, shows fit alignment to future-state roles, and leverages talent data to support a more resilient and sustainable future workforce⁹.

- **A financial services organization** developed a virtual career assistant that uses AI to mine employees’ skills and interests to determine their most suitable jobs—and where training could help them pursue new opportunities.
- **Morning Star**, the tomato-processing company, has only two management layers: the president, who makes strategic decisions, and everyone else. Instead of job titles, workers create their own list of outcomes and problems to be solved, with authority and pay based on skills, expertise, and value created—rather than position¹⁰. For example, one worker’s personal mission is to turn tomatoes into juice in a way that’s highly efficient and environmentally responsible.



The path forward

FIGURE 2

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> • Deconstruct work to its lowest level and define work outcomes to align with business priorities • Inventory current skills in critical workforce segments • Create a work architecture by mapping work to skills to jobs • Pay for hot skills versus priority jobs • Link skills to learning to unlock workforce potential • Increase access to talent through screening criteria that emphasize skills over job history 	<ul style="list-style-type: none"> • Expand skills inventory with a greater focus on future skill needs • Define broad work clusters based on outcomes or challenges to be solved • Establish an internal talent marketplace to match workers to work and learning • Refocus leaders on managing to outcomes, not job-based tasks 	<ul style="list-style-type: none"> • Extend the talent marketplace to include your entire workforce ecosystem (internal and external workers) • Involve workers in cocreating their own customized work experiences • Use skill adjacencies and AI for emerging work, reskilling opportunities, and career progression • Set compensation based on a worker's skills and outcomes achieved • Transform talent management so that all practices are skills-based

Source: Deloitte analysis.

Looking ahead

A skills-based approach is not an invitation to exert more control over what people do by using algorithms to assign people to ever-smaller pieces of work based on ever-narrower definitions of skills. Talent marketplaces today, in contrast, use AI to suggest new opportunities to people (e.g., projects, tasks, mentors, learning experiences, and more), granting workers autonomy and choice in what they decide to pursue.

To thrive, organizations should trust workers to deliver outcomes based on their skills, interests, and potential, not just their past credentials and job history. It will also require a willingness to assign work based on adjacent skills, not just

current skills. This will give workers opportunities to grow in adjacent areas by building on the skills they already have, which is extremely beneficial both for them and the organization.

Efforts to adopt skills-based thinking range from modest to radical. Some are starting with classifying skills, while others are doing away with the concept of jobs entirely. In a conversation with M&T Bank's Chief Talent Officer Neil Walker-Neveras, he shared, "When the Paycheck Protection Program (PPP) was rolled out during the pandemic, we had to stop thinking about jobs and start thinking about skills. We were the number six Small Business Administration lender in the country—and the number one in much of the Northeast US—so we had a responsibility to help

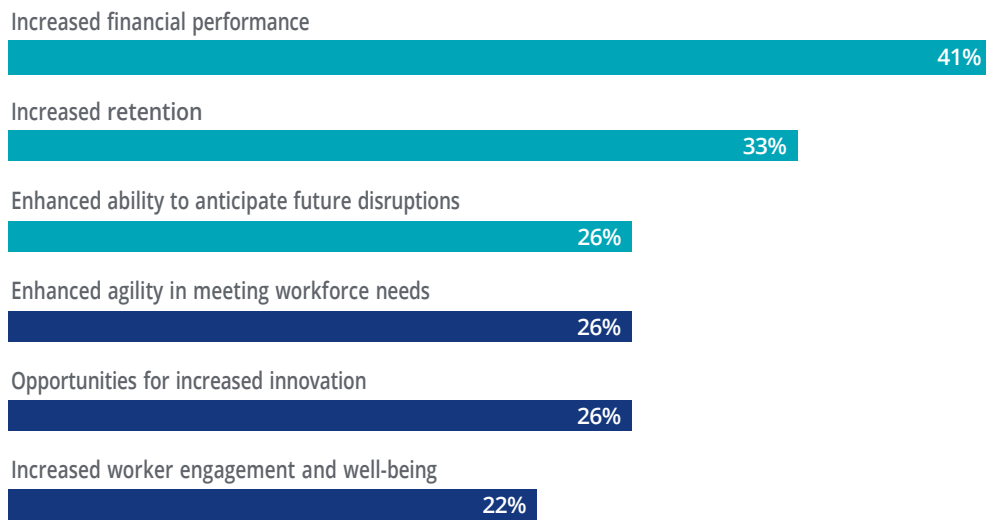
small businesses stay viable. By focusing on skills versus jobs—and rapidly mobilizing talent in an agile way—we outperformed our peers, funding 96% of qualified applicants loans in the first round, and 100% in the second round, versus peers with more advanced technology that struggled to fund more than 50% in the first round¹¹.”

Regardless of which approach you take on your journey to become a more skills-based organization, one thing is clear: There are significant outcomes to be achieved, both for the organization and for the workforce.

FIGURE 3

Benefits from effectively matching workers to work

■ Benefit to organization ■ Benefit to workforce



Source: Deloitte 2023 Global Human Capital Trends survey.

Endnotes

- 1 Sue Cantrell et al., *The skills-based organization: A new operating model for work and the workforce*, Deloitte Insights, September 8, 2022; the article features data from Deloitte's skills-based organization survey, which polled 1,021 workers and 225 business and HR executives across a range of industries and in 10 countries, namely Australia, Brazil, Canada, Germany, India, Japan, Singapore, South Africa, the United Kingdom, and the United States.
- 2 Ibid.
- 3 Ibid.
- 4 Ibid.
- 5 PRNewswire, "OneTen launches technology platform to create and enable one million career opportunities for black talent over the next 10 years," June 29, 2021.
- 6 Cantrell et al., *The skills-based organization*.
- 7 Ibid.
- 8 Interview with authors.
- 9 Based on work done by Deloitte with this client.
- 10 Gary Hamel, "First, let's fire all the managers," *Harvard Business Review*, December 2011.
- 11 Interview with authors.

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Navigating the end of jobs

Skills replace jobs as the focal point for matching workers with work

Middle East

Introduction

The job market in the Middle East is undergoing a shift in the way companies approach hiring and talent development. Instead of solely focusing on qualifications, businesses are increasingly valuing an employee's skills and experiences. This trend has created exciting opportunities for individuals with diverse backgrounds and skill sets who are sought after by employers looking to build a more competitive workforce¹.

To meet the demands of a rapidly changing business environment, many companies in the Middle East are adopting skill-based models in their talent development strategies. These businesses are using various tools such as competency frameworks, talent assessments, and training and development programs to identify, develop, and manage the skills of their employees. By prioritizing talent management, these companies are ensuring that they have the right talent and skills to succeed in the competitive market.

Additionally, as per Deloitte ME 2023 Deloitte Human Capital Trends, the majority of business leaders surveyed confirmed that aligning worker skills with organizational priorities in ways that go beyond formal job responsibilities is important for their organization's success and believe that their organization is either very ready or ready to address this trend. Moreover, approximately 72% of these leaders confirm that their organizations are aware of the skills possessed by their workforce.

UAE

UAE is a country that has been at the forefront of the shift towards skill-based models in the Middle East. The government has made significant investments in education and training programs that aim to develop a highly skilled workforce and support the country's economic diversification efforts².

One of the key initiatives in the UAE is the National Program for Advanced Skills, which aims to develop a highly skilled Emirati workforce in key sectors such as healthcare, education, energy, and technology. The program provides vocational training and education to Emirati nationals and aims to create new job opportunities and enhance productivity in these sectors³.

The UAE government has also been promoting skill-based models in various industries such as healthcare, construction, and technology. For instance, the Dubai Future Foundation launched the "One Million Arab Coders" initiative, which aims to provide free coding courses to one million young Arabs to help them acquire the skills required for future job opportunities⁴.

Furthermore, the UAE government has established the Emirates Institute for Banking and Financial Studies (EIBFS), which offers training and education programs in banking and finance. The institute provides courses and certifications to individuals and organizations to enhance their knowledge and skills in the financial sector and supports the development of a skilled workforce in the banking industry⁵.

Overall, the UAE is taking a comprehensive approach to develop a skill-based workforce that is equipped with the necessary skills and competencies to meet the demands of the job market. This approach is essential for the UAE to maintain its competitiveness in the global market and achieve its long-term economic and social goals.

Saudi Arabia

Saudi Arabia's government has placed a strong emphasis on developing the skills and capabilities of the country's workforce through the use of a skill-based model that includes upskilling and reskilling initiatives. As part of its Vision 2030 program, KSA is investing in the development of its workforce to meet the changing demands of the labor market⁶.

One of the main initiatives in the program is the Human Capability Development Program, which focuses on instilling values, developing basic and future skills, and enhancing knowledge in citizens to ensure they can compete effectively in the ongoing local economic, social, and cultural developments while also competing in the global labor market⁷.

Additionally, KSA is promoting vocational training and education, supporting entrepreneurship and innovation, and encouraging private sector involvement in the development and delivery of training programs⁸.

Saudi Aramco, a Saudi Arabian national petroleum and natural gas company and one of the largest oil producers in the world, has a strong commitment to skill-based models through upskilling and reskilling its employees, recognizing that ongoing learning and development is essential to keep up with the fast pace of change in the oil and gas industry. The company provides a wide range of training and development programs to help employees build new skills and enhance their existing ones, with the goal of supporting their professional growth and development. This is a key part of its strategy to attract and retain top talent and maintain its position as a leader in the oil and gas industry⁹.

Qatar

Qatar has also been actively promoting and implementing skill-based models to enhance its workforce's productivity and efficiency. The country has recognized the importance of developing a skilled workforce to achieve its vision of becoming a knowledge-based economy. Given the country's diverse workforce, with many expatriates from around the world, companies also place a high value on cultural awareness and the ability to work effectively in a multicultural environment.

A number of entities in Qatar, like the Qatar Aviation Authority (QCAA) and Qatargas have implemented skill-based models to assess and develop the competencies of their employees. QCAA has established a competency framework for each role within the organization, which is used to assess employee competency and identify areas for improvement. It also provides ongoing training and development opportunities to ensure that employees are up-to-date with industry standards¹⁰.

Similarly, Qatargas uses a skill-based model to attract, develop, and retain a talented workforce while achieving Qatarization targets. Its focus is on maintaining optimal levels of skills and experience among employees through workforce development programs¹¹.

Conclusion

Ultimately, our research results indicate that:

- The job market in the Middle East is shifting towards valuing skills and experiences over qualifications, creating exciting opportunities for individuals with diverse backgrounds and skill sets.

Companies in the Middle East are increasingly adopting skill-based models to talent development and management to remain competitive and meet new challenges.

- Business leaders acknowledge the importance of aligning worker skills with organizational priorities and believe their organizations are ready to address this trend.
- The UAE, Saudi Arabia, and Qatar are actively promoting and implementing skill-based models through the provision of necessary training and development opportunities, customized programs to address skill gaps, and recognizing ongoing learning and development as essential for keeping up with the fast pace of change in their industries.

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Powering human impact with technology

Technology contributes to making work better for humans and humans better at work™

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

New workplace technologies are emerging that don't just augment human workers but actually help them improve their own personal and teaming capabilities—helping humans become better humans and teams become better teams. This is more than just wearables. It's technology supporting humans in countless ways to foster new behaviors and help workers become better versions of themselves.

THE RELATIONSHIP BETWEEN intelligent technology and workers has evolved significantly over time. At first, technology was used as a substitute for workers, automating them out of tasks that were dull, dirty, dangerous, or disconnected. Next, it was used to augment workers, functioning alongside them as a tool that provided additional or enhanced capabilities and insights. We referenced these trends in previous reports as superjobs¹ and superteams², which have

continued to accelerate thanks to how technologies are advancing. Now, we're seeing technologies emerge that aren't just a substitute or supplement for workers but actually help them improve who they are—enabling humans to become better humans and teams to become better teams.

For example, Gogi Anand from LinkedIn shared, “The whole employee experience is about to be turned upside down by technology, and it's going

to be very beneficial for people. For example, when I do presentations, I get prompts from Speaker Coach within Microsoft Teams, and it tells me how quickly I'm speaking, or if I'm dominating a meeting. It gives me instant feedback that helps me become a better presenter. When I look in my recognition platform, AI nudges me to be more inclusive in my language. This type of technology will be really helpful for both information workers and frontline workers³.”

Leveraging principles from psychology, anthropology, sociology, and behavioral science, these innovative technologies are reshaping the boundaries of how we define and improve human, team, and organizational performance. Intelligent devices powered by AI, in particular, are providing an ever-growing volume of performance-related information to enhance human impact at work. In fact, some studies estimate that AI and machine learning will contribute to a 37% increase in labor productivity by 2025⁴.

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- Multiple, competing technology solutions are leading to workforce exhaustion, productivity plateaus, and team dysfunction
- Your technologies are focused on and designed for organizational performance, rather than human and team performance
- Your technology investments are measured solely on cost and ROI, rather than human outcomes



The readiness gap

According to the Deloitte 2023 Global Human Capital Trends survey, more than 90% of surveyed business leaders believe that using such technology to improve work outcomes and team performance is very important or important to their organization's success. Yet only 22% believe their organizations are very ready to use technology to improve work outcomes and team performance.

FIGURE 1

The readiness gap for harnessing technology

Using technology to improve work outcomes and team performance is very important or important to my organization's success

93%

My organization is very ready to use technology to improve work outcomes and team performance

22%

Source: Deloitte 2023 Global Human Capital Trends survey.

While many organizations have implemented traditional workplace technologies to drive better work outcomes, many are currently cautious about embracing new intelligent technologies that are more experimental in nature. However, they see the opportunities ahead. Forty-two percent of business leaders expect that over the next 2–4 years, technology will help drive better organizational outcomes by nudging workers and teams to perform better.

The new fundamentals

Enable technology to work on the worker (and the team). The traditional view of technology as a substitute or supplement for human labor is too narrow. Moving forward, you need to harness technologies that help your people

and teams become the best possible versions of themselves. This means nudging them to learn new behaviors, correct old behaviors, and sharpen skills. For example, successful and error-free surgeries in the operating room (OR) require finesse, but determining the exact amount of pressure to apply on the instrument is challenging for surgeons. Technology provides surgeons with smart scalpels and forceps that allow them to gauge and adjust pressure in real time, subsequently improving precision and patient outcomes⁵.

Use interventions and nudges to make humans better. Technology can also aid humans in improving on things that are “fundamentally human.” Given the traditional view of technology as a substitute or supplement for humans, it’s ironic to think of technology being used to make humans more human. Yet that’s exactly what we’re talking about here. Technology can help us get better at what we already do best—things like driving well-being, practicing emotional intelligence, and fostering creativity and teaming, which technology itself can’t do.

Helping humans become better versions of themselves is a worthwhile endeavor on its own. However, from a business perspective, it has the valuable fringe benefit of making people better at their jobs, thereby boosting engagement and performance. Building on the surgery example from the previous fundamental, technologies are also monitoring care team members’ time in the OR and cross-referencing that time with error data for the relevant type of surgery, to deliver alerts about fatigue risk. Not only does this improve outcomes for the patient, it also improves well-being for the surgical team.

Scale insights for greater impact. Beyond the individual and team impact, this technology–human team collaboration can also drive impact through insights at scale. All this technology, whether it’s used for nudging, collaboration,

training, or another purpose, creates data “exhaust⁶.” This data is a powerful tool all on its own. Following the surgical example, technology aggregates the data about finesse adjustments, time in-surgery, and errors, to draw insights across an entire hospital or health system to inform changes to workforce practices like shift length, scheduling, or equipment investments. This type of information could then be used to elevate performance and outcomes across workers, teams, the organization, and the ecosystem.

This imagined future isn’t just possible; in many cases, it’s already here. And its potential impact is even greater when applied not just to individuals, but also to teams (and to networks of connected teams pursuing adjacent goals). The result is improved performance, learning and development, communication, and collaboration. Executives who responded to the Deloitte 2023 Global Human Capital Trends survey believe in the benefits of enabling technology and teams to collaborate to drive outcomes, with one in three reporting an increase in financial performance as a result of their approach to technology and team collaboration.

Current experiments: What leading organizations are exploring

- **Humu** analyzes company data and worker feedback to identify changes likely to improve workers’ happiness, performance, and retention⁷. The technology is like a virtual personal coach, using AI to mine worker surveys and other data inputs to identify which behavioral changes could help workers and organizations reach their goals. It then sends workers tailored nudges that appear in email, Slack, or Microsoft Teams. The nudges are aimed at changing behaviors, often with explanations or links to research about why the behaviors matter. As workers (and the people around them) report improvement, machine learning helps the system move on to additional goals.
- **Ultranauts** is using Teams and Slack bots to eliminate barriers that made it challenging for neurodivergent people to find a home in tech companies⁸. The company’s CEO empowered employees to create their own personal “biodex”—a quick-start guide to working with them so people with diametrically different styles can immediately understand how to best collaborate.
- **Drishti’s** action recognition technology, which is enabled by AI and computer vision, allows DENSO, a Japanese auto component manufacturer, to generate real-time, continuous analytics on manual tasks performed by its production employees⁹. The resulting data set gives production managers the ability to quickly identify and eliminate bottlenecks, improve processes, boost efficiency, and prioritize tasks. Drishti CEO Prasad Akella noted, “We’ve found that employees at factories are excited to use Drishti because it helps them train continuously without interference from a manager. The system nudges the line associate when a mistake happens, giving him or her the opportunity to fix the problem, unbeknownst to anyone else.”
- **Dawn Avatar Robot Café** in Tokyo has robot servers that are operated remotely by people who can’t leave their home due to disability, childcare, or other reasons¹⁰. These remote-controlled robot avatars were designed to make the workplace more accessible, giving the remote café workers more opportunities to interact with others and expanding the pool of potential café workers.

The path forward

FIGURE 2

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> • Understand how the technology in place impacts the workforce experience as you automate and augment work • Remove technology barriers for cross-team collaboration • Define measures of success for team performance, inclusive of technology 	<ul style="list-style-type: none"> • Incorporate nudging technology in your digital transformation journey • Prioritize the “moments that matter” for human-technology collaboration, and the investments needed to address them • Understand and address risks of humans and technology working together (e.g., configure technology to mitigate unconscious bias) 	<ul style="list-style-type: none"> • Embed purpose into the enterprise tech strategy by choosing technologies whose functionality and capability help enable the organization’s purpose • Enable technology-driven insights on human performance, which contribute to development opportunities and performance recognition decisions • Measure technology investments against their ability to improve worker and team performance and human outcomes (e.g., well-being, engagement)

Source: Deloitte analysis.

Looking ahead

As we move from the information age to the imagination age, technology is evolving from helping workers produce outputs to enabling humans and teams to focus on outcomes, making work better for humans and humans better at work™. These outcomes have downstream effects on customers, product quality, site safety, the environment, and beyond. Realizing this value requires organizations to move away from outdated views of technology as a productivity enhancer and embrace the potential of intelligent

technologies to enable human and team impact, powered by technology.

You’ll know your organization is making progress if workplace technology is improving teamwork and helping teams stay connected, and if workers are improving their personal capabilities with more time to focus on high-value cognitive tasks such as creativity, ideation, and innovation. These workplace technologies will also play a significant role in enabling other trends in this report, such as worker data, workforce ecosystems, and the future of the workplace.

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Powering human impact with technology

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Middle East

Introduction

The past few years have been a trial of endurance, a cacophony of hardships that included a pandemic, rising inflation, and turbulent geopolitics. Organizations globally and in the Middle East continue to feel the heat of these difficult times, and while some were unable to manage and overcome these difficulties, others were able to survive and thrive. At the core of these thriving organizations lies the origin of their success: their people.

Seeing as how the inspirations, ambitions, creativity and humanity of any organization resides in its human capital, organizations in the Middle East are echoing their global peers in adopting technologies that not only support their workforce in collaborating and innovating, but also empowers their most intrinsic abilities: Their human impact.

In our 2021 M.E. Human Capital Trends Report we noted that “87% of private corporations in Saudi Arabia and the UAE expect that in the coming five years humans and machines will work as an incorporated team within organizations”¹ and according to the Oxford Insights Government AI Readiness Index 2022, an annual report that analyzes the readiness of governments in adopting AI technology across the globe, “the Middle East & North Africa region has the second largest range of scores within any region globally”². This should serve as an additional indicator that the Middle East’s pace in adopting intelligent technologies is on the path of exponential acceleration.

Additionally, and according to the Deloitte ME 2023 Deloitte Human Capital Trends, more than 80% of surveyed regional business leaders believe that using technology to improve work outcomes and team performance is very important or important to their organization’s success. Yet only 22% believe that their organizations are very ready to use technology to improve work outcomes and team performance. This readiness gap was perhaps best analyzed in Deloitte’s 2021 AI Readiness in the Middle East Report which noted that while GCC organization leaders understand the advantages of adopting AI on business outcomes, their struggle materializes when it comes to the “how” of implementation³.

UAE

In the UAE, the inviolability and value of AI and intelligent technologies on business outcomes have not gone unnoticed by either governmental bodies, private organizations, or the workforce. According to a recent 2022 poll of technology and engineering employees in the UAE, commissioned by the Institute of Engineering and Technology (IET), AI is being positioned as the UAE’s most important industry over the next 10 years, where the AI sector was ranked ahead of other sectors such as construction, electronics, aerospace, robotics, design engineering, IT and Cybersecurity⁴.

Additionally, a 2022 study commissioned by Dataiku that involved 2,487 decision-makers across France, the UK, Netherlands, Germany and the UAE showed that the UAE leads the EMEA region in the leverage of data, data science and artificial intelligence⁵.

The study also showed a significant “awareness in UAE respondents of AI’s role in their jobs and within their organizations and sector in the coming years”⁵. ADNOC, the Abu Dhabi-based leading diversified energy group, has implemented a predictive maintenance project to improve the efficiency of its operations and reduce downtime. The project involves the use of advanced analytics and machine learning algorithms to detect equipment failures before they occur, allowing for proactive maintenance⁶.

Saudi Arabia

AI and other intelligent technologies are one of the core elements expected to help achieve the ambitions of Saudi Arabia’s Vision 2030 which aims to enhance, develop or transform every cornerstone of the Kingdom.

This is evidently clear in Saudi Arabia’s National Strategy for Data and Artificial Intelligence, which focuses on 6 key dimensions: Ambition, skills, policy and regulations, investment, research & innovation, and ecosystem⁷.

Saudi Arabia, as per the Global AI Index 2021 which measures countries’ readiness for AI adoption, ranks 22nd globally and is also the top-ranked country in the Middle East and North Africa (MENA) region⁸. Additionally, the number of AI start-ups in the country has grown significantly in recent years, with 33 AI start-ups recorded in Saudi Arabia in 2020, up from just four in 2015⁹.

To be able to truly see the manifestation of KSA’s AI ambitions, one must not look further than Saudi Aramco. Aramco, a Saudi Arabian national petroleum and natural gas company and one of the largest oil producers in the world, has developed a state-of-the-art AI Hub as part of its “4th Industrial Revolution Center”, where field specialists and developers work together to identify areas of Aramco’s operations where AI could make the most impact. The AI Hub is home to a team of engineers, developers, data scientists and field experts, all focused on creating, monitoring and managing AI solutions – using advanced analytics, Big Data and machine learning to improve efficiency, optimize response times, ensure safety and reduce emissions¹⁰.

Additionally, Aramco has in the past year launched a new strategic project titled “Aramco Global AI Corridor”, to foster the development and application of artificial intelligence (AI) across the energy industry. The initiative aims to bring together industry leaders, researchers, and startups to collaborate and innovate in the field of AI¹¹.

Sabic, a Saudi Arabian organization among the world’s largest petrochemicals, has launched 21 initiatives as part of its digital transformation journey, one of which is the “Asset Health Care” that aims to improve asset reliability and reduce unplanned outages by leveraging AI to promptly predict potential equipment failures¹².

Qatar

Qatar has set up an AI Committee which during 2022 developed the National AI Strategy and recommended initiatives and an implementation plan to transform the National AI Strategy into reality and achieve its strategic goals”¹³.

The government of Qatar launched its National AI Strategy with the goal of positioning Qatar as a global leader in the field of artificial intelligence. The strategy aims to promote research and development of AI, encourage the adoption of AI technologies in various sectors, and build a sustainable AI ecosystem in the country. The strategy also focuses on developing the necessary talent and skills for the AI workforce, as well as establishing strong partnerships with the private sector and international organizations to drive innovation and collaboration in AI¹⁴.

Qatar's investment in AI is significant, with an estimated US\$15 billion allocated to AI development over the next decade¹⁵. This investment reflects Qatar's commitment to leveraging AI technology to drive economic growth and improve society.

The Qatar foundation, a not-for-profit organization that focuses on education, research and innovation and community development, is conducting a “research-to-startup” pipeline that paves the way for commercial sustainability in AI. Through its work on AI, the Qatar Foundation aims to support economic growth, drive social progress, sustain the environment, and protect and promote cultural heritage¹⁶.

Conclusion

Ultimately, our research results indicate that:

- Middle East organizations are adopting technologies to support their workforce in challenging times and attribute their success to their people
- The pace of adopting AI and other intelligent technologies is exponentially increasing on national levels, both in the GCC in particular and the Middle East as a whole, with the Middle East having the second-largest range of scores.
- While regional business leaders believe that using AI is important for their organizations' success, there is a readiness gap in implementing it.
- The UAE, Saudi Arabia, and Qatar are actively leveraging AI in various sectors such as data science, efficiency, response time, safety, emissions, and transformation.

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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,¹ 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.

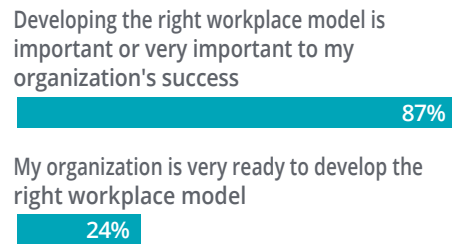
As organizations reimagine the workplace in a postpandemic world, the result is not a single location or one-size-fits-all solution, but a variety of capabilities and spaces that support different ways of getting work done. This reimagination is not just limited to knowledge workers, but also extends to frontline workers. A recent survey by Forbes and Microsoft² 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 generation³. 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 work⁴. 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)⁵. 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 controllers⁶. 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 outcomes⁷. 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 strategy⁸. 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 2026⁹. 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 development¹⁰.

The path forward

FIGURE 2

Survive. Thrive. Drive.

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

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.

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Activating the future of workplace

The workplace evolves to be an input to the work itself

Middle East

Introduction

The importance of developing the right workplace model to support business needs and worker preferences has come to fore for many organizations in the region with 90% of survey respondents identifying it as important or very important to their organization's success. While the COVID-19 pandemic pushed organizations to challenge the traditional boundaries of work, even today organizations are rapidly learning to put the needs of their employees, including work life flexibility, at the core of future workplace design with 84% of the survey respondents citing that an increase in worker influence and choice is important or very important for organization's success. As per the survey, 22% cited that their organizations are very ready to develop the right workplace model and only 22% are very ready to address worker agency. Future ready organizations have defined the role the workplace plays in supporting their wider organizational and individual employee purpose and understand it's not what a workplace looks like, but how it works, that matters more¹. Several programs and initiatives at a regional level have been launched to encourage boundaryless workplace with a seamless transition between the physical and digital workplace.

The workplace model is an opportunity for organizations to reflect who they are and should be aligned with the company culture. In the survey, 44% of respondents cited ways of working and 40% cited culture as attributes that are most important in creating the future workplace.

Knowing that the time to act is now, many organizations in the region are trying to create a future workplace where workers can thrive by re-designing existing work processes and activities and reimagining the work itself. As 38% cited culture and 33% cited leadership commitment and capabilities as the top barriers into creating the future workplace, a culture of trust and management focus on outcomes should be incorporated into the workplace model to address the barriers observed in the region and prepare for an exciting future.

UAE

A digital workplace enabled through the metaverse offers employees the ability to work remotely from any location. The Government of Dubai has taken a bold step into the metaverse with its metaverse strategy² which aims to turn Dubai into one of the world's top 10 metaverse economies and a global hub for the metaverse community. With this strategy, Dubai aims to support more than 40,000 virtual jobs by 2030.

UAE Government entity Dubai Electricity and Water Authority (DEWA) has launched its 'DEWAVerse'³ platform on the Metaverse encouraging business as usual in the metaverse through projects including Customer Service Centre which enables customers to interact with Customer Care agents virtually, DEWA Workplace which mimics DEWA buildings, DEWA Future Lab which enables virtual brainstorming sessions using innovation tools and DEWA Onboarding metaverse experience.

More and more companies in the region are tapping the benefits of a more hybrid work culture. At 3M, employees are given the flexibility to create a customized work routine where they can balance their own needs with business requirements through their trust-based approach, Work Your Way. Laszlo Svinger, Vice President, and Managing Director at 3M Middle East & Africa (MEA) said: “Over the last couple of years, office space has evolved considerably. Today, we must consider the needs of our employees as well as the needs of the environment, especially as we take urgent action to combat climate change and its consequences.”⁴

A prime example of how the workplace evolves to be an input into the work itself is the Abu Dhabi Youth Hub⁵, a community space for the UAE's youth. From meeting rooms, a filming studio, work desks, a gallery, theatre, art studio, library to the availability of 3D printers, everything on location is made with the intention of investing in the youth's potential and empowering them to create and develop the country. The space is very open, well equipped, with the tools that nurture ideation and creativity.

The Ministry of Health and Prevention (MoHAP) has launched the world's first Metaverse customer happiness service center⁶ at the Arab Health 2022. It enhances the integration of the real and virtual world and offers a tangible solution for people of determination who are unable to move physically from their homes to one of the Ministry's customer happiness centers and finish their transactions smoothly.

Each organization is unique and the approach to hybrid working may vary with the requirements of the industry and geographies they operate in. Al Zubair Group, a leading Microsoft Gold Partner along with the Microsoft EMEA Team recognized the importance of hybrid work and created the Hybrid Work Lab⁷ experience which ties in everything from audio, visual, and furniture to create a wholesome experience using top technologies from around the world.

Saudi Arabia

The Ministry of Labor and Social Development in KSA launched the next phase of the “remote-work” program⁸ that includes an electronic portal for self-employment that will help achieve the Vision 2030 plan to find suitable job opportunities for Saudi citizens. The ministry launched the platform, known as Marn, which offers hourly-based employment and does not require employers to pay end-of-service benefits.

Saudi Arabia's Ministry of Human Resources and Social Development (MHRSD) has approved the introduction of work from home⁹ in the government sector. The ministry's approval of telework as a new method of work in the government sector is part of achieving diversification and ensuring continuity of jobs in various work environments. MHRSD's teleworking initiatives prioritize women's participation in the labor market, in addition to creating opportunities for Saudis in rural areas and qualified persons with special needs.

Aramco's Digital Transformation aims to optimize every area of their business. A key program of this initiative is the Digital Workforce¹⁰ which helps to automate routine, time consuming tasks while empowering their employees to learn new skills in AI and Big Data and directly impacts employee satisfaction and productivity.

Qatar

The modern workplace is undergoing dramatic changes as organizations in Qatar have begun adopting a hybrid way of working to empower employees to work where and when they want.

A law came into force that allows Qatari Government employees to opt for part time work¹¹ to emphasize the “Human Development” pillar of Qatar’s National Vision 2030. This part time job request was initiated as a part of the terms and control of the system at Qatar government agencies. The move aims to strengthen family units in Qatar by giving caregivers an opportunity to balance their responsibilities at home and at work. There will be certain jobs that are permitted to opt-in which will be determined by the Civil Service and Governmental Development Bureau.

The research conducted by the Doha International Family Institute (DIFI) at Qatar Foundation has led to a change of government policy that will mean more flexible working hours¹² for Qatari women. Ooredoo Group has announced the institutionalization of the flexible working initiative¹³ after successfully completing its trial that was launched in 2021. It has given employees the option to work a flexible day and work from home two days a week. This initiative is fully aligned to Ooredoo’s strategic plan to advance its ways of working through increase in adoption of agile methods. The initiative has been further enhanced by introducing another trial that enables employees to work from any location outside of Qatar for up to 4 weeks within a year. Fatima Sultan Al Kuwari, Group Chief Human Resources Officer, Ooredoo, said: “The adoption and development of a more agile, modern working culture aligns with our forward-thinking, future-proof strategy, and with our aim of ensuring our organizational culture is fast-moving, innovative, efficient and imaginative enough to stay at the forefront of progressive human capital and operational management.”

Qatar Steel is dedicated to the welfare and development of its employees and strives to be inclusive as an employer of choice in the region. This has been achieved through their flexible working environment¹⁴ and talent retention framework.

Qatar Airways stepped into the Metaverse with the ‘QVerse’ Virtual Reality and World’s First MetaHuman Cabin Crew¹⁵. Qatar Airways Group

Chief Executive, His Excellency Mr. Akbar Al Baker, said: “With physical boundaries beginning to be challenged by the metaverse on an increasingly larger scale, it is exciting to embrace a technology that enables all travel enthusiasts to enjoy a unique immersive experience of our award-winning products and services.”

Conclusion

Ultimately, our research results indicate that:

- A more permanent change around ways of working has come to fore as governments and companies have begun putting in place a flexible and remote work policy.
- What started during the COVID-19 pandemic, the great work-from-home experiment, has made leaders realize the benefits of moving towards adopting a more hybrid way of working to meet worker needs and business outcomes at the same time.
- The hybrid workplace model is likely to endure as organizations in the GCC are digitally empowering their workforce to work remotely day or night from any location by ushering in new technologies like the Metaverse.
- Hybrid work is likely to stay as economic expansion within the region drives up demand for office space.
- Governments, organizations, and leaders in the GCC region are learning to rapidly adapt to business disruptions and have altered long established work traditions of viewing employer controlled physical workspace as a necessity for employee productivity but are also seen to be eager to bring back workforce into the office.
- The future of workplace will need to offer a seamless transition between the physical, digital, and virtual workplace.
- Organizations in the GCC should look to deconstruct work to understand the expected work outcomes to design the fit-for-work workplace strategies and consider the voice of workers and their needs.

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Negotiating worker data

Organizations and workers vie for control of worker data when they should focus on mutual benefits

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

As organizations continue to expand the worker data they collect—data about behavior, communications, social connections, and even keystrokes and mouse clicks—a negotiation is emerging over who controls that data and how it gets used. The key to success is finding ways to use worker data, which benefits organizations and workers alike, even as regulations continue to evolve.

ALTHOUGH ORGANIZATIONS HAVE long sought to tap into the value of worker data, many continue on their journey to make the most of the information they are collecting. Meanwhile, many workers still don't have a holistic understanding of what data is being collected and how it is being used—and receive little benefit from its usage. These challenges have only increased as technologies more easily collect and analyze vast and growing amounts of worker data, and the required skill sets and capabilities needed to leverage this data evolve just as quickly.

In addition to traditional information such as demographic data, survey results, and performance metrics, organizations are now collecting data on worker skills, behaviors, and interactions (both inside and outside the workplace). This expanding data set is becoming more valuable as organizations increasingly view it as a strategic asset to inform key business and workforce decisions and enhance their analytics capabilities accordingly to harvest its value. Christopher Westcott, a people experience leader in finance, highlighted the power of worker data to transform

the business when he said: “We don’t have to do guesswork anymore. We have opportunities to collect information about individual aspirations, skills and capabilities, and where we need help most in the organization. New tools and technologies put that data at our fingertips, and we’ll use it to create more effective workforce plans. More importantly, we’ll use this data to help people see meaningful career paths in a way we never could before¹.”

In an era of rising agency where workers have more choice, power, and influence than ever before, workers are starting to fight for a higher degree of control over their data—as well as mutual benefits from its use. Much like their personal lives, workers choose to share data where it provides them value—e.g., wearable tech that guides their workouts—and choose not to share data when they’re worried about how it’s being used—e.g., customers declining cookies on sites they don’t trust. This mentality is increasingly evident in their professional lives as well. According to a recent study published in *Harvard Business Review*, 90% of employees are willing to let their employers collect and use data about them and their work, but only if it benefits them in some way².

Used appropriately, worker data can produce major benefits for organizations and workers. However, workers and executives alike still have concerns about surveillance in the workplace and the responsible use of worker data. The same *Harvard Business Review* study noted that only 30% of the executives whose companies use workforce data reported being highly confident about using the data responsibly³.

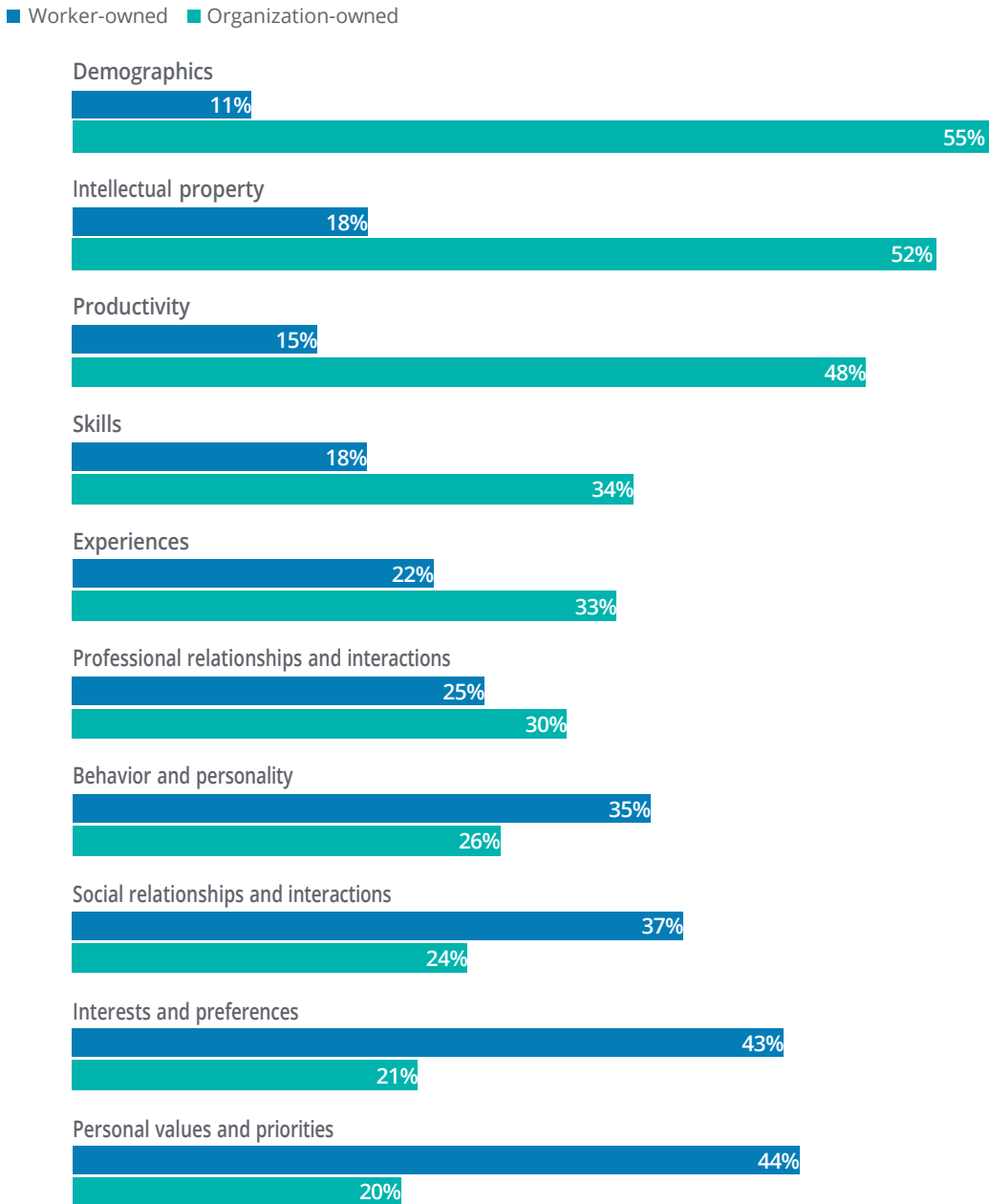
The regulatory landscape makes this discussion complicated across the globe. In Europe, it’s good news for workers, as the General Data Protection Regulation (GDPR) protects EU workers by setting strict legal requirements for processing data. It restricts the types of worker data that can be collected and how such data is used. In the United States, companies often have wider latitude under relevant laws to collect and use worker data. In the Asia-Pacific region, examples indicate that governing bodies are the arbiters of worker data. Singapore’s Ministry of Manpower collects and owns all data on Singapore’s labor market, leveraging it to enhance organizational access to workers and improve employment practices and workplace experience⁴.

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- Your workers feel as if their every move is being monitored, increasing stress, job dissatisfaction, and turnover, and leading to a lack of trust.
- Conversations about worker data usage and value are increasing in labor union negotiations, worker listening and engagement forums, and other decision-making forums.
- Workers are sharing data more readily outside of the organization (e.g., LinkedIn, Glassdoor) but are reticent to provide it through organizational channels due to a perceived lack of benefit to them.
- Your organization faces increased challenges and pressure from regulators related to data reporting, privacy, and maintenance.

FIGURE 1

Perspectives on worker data ownership by organization vs. workers



Source: Deloitte 2023 Global Human Capital Trends survey.

As more governments start requiring companies to report environmental, social, and governance (ESG) data (such as workplace health and pay equity), this level of sensitive data requirements will intensify the negotiation over data control, specifically regarding collection and usage of worker data and mutual benefit. Organizations can help alleviate worker fears by proactively initiating conversations about worker data and benefits with their workforce.

The readiness gap

According to data from the Deloitte 2023 Global Human Capital Trends survey, the vast majority of business leaders (83%) believe that leveraging worker data to create benefits for both the organization and its workers (while building trust and confidence in how worker data is used) is important or very important to their organizations' success. Yet only 19% believe they are very ready to do so.

FIGURE 2

The readiness gap for negotiating worker data

Leveraging worker data to both organization's and employees' benefit while building trust and confidence in how that data is used is important or very important to my organization's success

83%

My organization is very ready to leverage worker data to both the organization's and employees' benefit while building trust and confidence in how that data is used

19%

Source: Deloitte 2023 Global Human Capital Trends survey.

When asked to identify top barriers to realizing value from worker data, 27% of respondents cited culture, making it the most common barrier. However, "culture" may be a broad proxy for

misaligned values or disagreements over if, how, or when worker data should be used.

The new fundamentals

Build trust and seek mutual benefits. Success will require building a relationship of trust between workers and their organization, government, or third party to use data in mutually beneficial ways. We are seeing signs that organizations are beginning to make decisions that are mutually beneficial. When asked in the Deloitte 2023 Global Human Capital Trends survey to identify the top benefits from their organization's approach to using worker data, the top response was increased worker engagement and well-being of the workforce. While organizations might want to control their worker data, many are ultimately using that data for their workers' benefit—as well as the organization's. For example, as the major impacts of the pandemic subsided, some organizations used worker interaction data to conduct network analysis and inform development of hybrid work practices⁵. Additionally, several startups are leveraging artificial intelligence (AI) to identify patterns based on worker interactions and communications and advise organizations on burnout risks⁶.

Data can also help workers improve their performance, as we discuss in more detail in our "[Powering human impact with technology](#)" trend. A global technology company is using cognitive AI tools to analyze worker data generated by their global sales teams to determine why some sellers do better than others and to make recommendations to improve the knowledge and win rates of their sales force⁷. By identifying patterns of behavior missed by humans, AI can recommend the next best course of action or even quick learning modules that improve the success of their sellers.

Embrace workers' desire to control their data. As workers recognize the value of their personal data, they are expecting more control of that data and influence over how it's being used. According to the Deloitte 2023 Global Human Capital Trends survey, a significant majority of organizations (61%) describe their existing data ownership structure as either *shared* or *worker-owned*. This represents a significant departure from the traditional model of full control by the organization. Organizations must accept this new reality instead of clinging to their old model of controlling all the worker data that they collect.

Use expanded worker data to create more, and mutual, value. Fortunately, expanded availability of worker data opens up new opportunities to create business value for everyone involved. Learnings can be taken from the trajectory of customer data, where, as expanded customer data became available, organizations developed sophisticated strategies and analytics to generate deep and valuable business insights from that data. Currently, leaders who responded to the Deloitte 2023 Global Human Capital Trends survey say the worker data that is most valuable to their organization is basic productivity data (i.e., data to make people work harder and/or smarter). However, over the next 2–4 years, more advanced data is expected to become valuable, including behavior data, personality data, and data about professional relationships and interactions. Along the way, rising worker agency will prompt organizations to hone their methods and balance business-oriented insights with insights that benefit the workforce.

From a technology and operations perspective, organizations must build on their current focus on establishing clean, accurate data to find ways to derive new insights by asking different questions, such as “How do we assess risk and reward and decide what data to gather?” and “Are we using our data to its fullest potential to serve our business and our workers alike?”

To achieve any degree of worker trust and control over data, organizations need to design the overarching data architecture, including workforce data policies that are transparent, accessible, and ethical (i.e., biometric data). Also, they need to recognize and reward teams (i.e., leveraging blockchain) for using data in ways that enhance individual and team performance. This helps reinforce data analysis as a core competency.

Current experiments: What leading organizations are exploring

- **Schlumberger** is using AI to help manufacturing workers improve performance and reduce worker fatigue⁸. Its Center for Reliability & Efficiency in Denton, Texas, collects, aggregates, and anonymizes video data and then uses AI to look for patterns. The data is never used to monitor how individuals work; however, any worker can privately opt in to see their own performance data. The data creates valuable benefits for workers and the organization—for instance, the company has used it to give workers more frequent but shorter breaks to combat productivity-sapping fatigue.
- **Telstra**, Australia's largest telecommunications company, has given its workers the ability to edit their own career data⁹. The company maintains an internal site called MyCareer, which is used to store career and skills data, and enable the organization to more effectively match talent to work. Workers are able to manage their own data and are given the ability to challenge any incorrect or incomplete inputs.
- **ABN AMRO** is on a journey to bring together all HR and enterprise data to create an integrated IT and data landscape, which will enable machine learning and nudges for employees on career-related topics like

development or open roles¹⁰. The Netherlands-based global bank is also rewriting its privacy statement to ensure more transparency for employees. A dashboard that includes data on employee experience, diversity, workforce,

talent acquisition, and learning is accessible to all employees; this dashboard is also used by business leaders to make decisions regarding their workforce.

The path forward

FIGURE 3

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> Proactively understand your compliance requirements Before capturing data, clearly define the intent of the organization and perform a risk analysis Capture and organize worker data into logical categories to make data actionable Secure worker data 	<ul style="list-style-type: none"> Evaluate how worker data benefits both the workforce and organization Build trust by being consistently transparent with your workforce about what data you have and how you're using it Enhance worker data protection through new approaches such as limiting data storage time and providing clear data notices for internal data sharing, remote data access, and disclosures to external entities/agencies 	<ul style="list-style-type: none"> Expand worker data to be inclusive of the full workforce ecosystem Explore worker data elements that could be portable (goes with the worker) in order to drive value for the worker (e.g., skill profile) Use advanced technology (i.e., blockchain) to store and protect data Utilize AI to access worker data sets that unlock adjacent information and value

Source: Deloitte analysis.

Looking ahead

Earlier, we highlighted negative signals that suggest your existing approach to worker data might not be working. In contrast, here are some positive signals to help you sense if your organization's new approach to managing worker data is a success:

- Worker data is being used responsibly and workers widely consent to the use of their data for internal and commercial purposes and feel they are benefiting from it

- Your organization can use worker data with ease—and valuable insights are being generated from it
- There is a growing diversity of data to leverage across your workforce ecosystem
- As a business leader, you increasingly rely on worker data to guide the purpose and direction of your organization and workforce strategies

Ultimately, organizations, workers, unions, and government organizations will all need to become vested partners to gain tangible benefits from collecting and sharing worker data—not just

business-focused benefits from tracking performance (such as increased productivity and reduced rule-breaking), but broader benefits that promote mutual well-being.

With the volume and scope of worker data increasing every day, the issue of control is not

going to go away. Organizations that tackle the issue sooner rather than later—finding ways to create mutual benefits both for themselves and their workers—will have a clear advantage when it comes to creating value and generating breakthrough insights from worker data.

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Negotiating worker data

Organizations and workers vie for control of worker data when they should focus on mutual benefits

Middle East

Introduction

With the aim of improving employee performance, organizations in the Middle East have started collecting data on their workers' behavior. This data is intended to be used to facilitate decision making, manage human resources, monitor compliance and regulations, and customize benefits among other reasons.

Deloitte's ME 2023 Deloitte Human Capital Trends results¹ provide great insight into how organizations in the Middle East are handling worker data and where their employees stand in that regard. In terms of decision-making, employers and employees in organizations across the Middle East have identified productivity and demographic data, professional relationships, interactions and skills as the current most valuable types of worker data for their organizations.

76% of survey participants believe that the aforementioned types of worker data are most often owned by the organization which decides what to do with it, or there is a shared ownership and shared decision rights between the organization and workers. These results differ from the survey results at a global level, where the same type of data is either worker-owned or ownership is shared between workers and organization.

The majority of survey participants based in the Middle East have defined infrastructure and technology to be the most significant barriers in realizing the value of worker data. They have also found that the greatest benefit of companies using worker data has been elevated leadership collaboration and effectiveness by providing leaders with insights into workers' needs and preferences and identifying high-performers, skills gap and diversity gap, among other insights.

Common types of worker data collected by organizations are performance metrics, demographic data, behavioral data such as website usage, email communications, and social media activity as well as attendance and time tracking data². To collect employee data, HR, IT, Sales or other departments in an organization may rely on machine learning, BI tools, or data warehouses². Organizations across the Middle East have been dealing with worker data in many ways, and tailor their approach depending on local government regulations, as well as their data technology's level of sophistication.

UAE

The United Arab Emirates Labor Law and its accompanying laws regulate how employee data is utilized in the UAE. The legislation mandates that companies keep and own a complete record of all their employees' personal information, as well as information on their employment relationship, and details on their hours worked and compensation received.

One example of organizations using their worker data to benefit both the company and its employees is Emirates Group; it relies on employee data to manage its extensive staff. Emirates Group does so by gathering and analyzing data on its employees' attendance, productivity, and performance. From this, they gain a high-level overview of their hiring, training, and career development trajectories. This serves Emirates Group in streamlining their business processes, retaining top personnel, and raising staff morale. The organization also makes use of employee data to adhere to labor laws and rules, such as tracking working hours to guarantee minimum wage and overtime needs are met³.

Another notable example of a company leveraging worker data in the region is Dubai Electricity and Water Authority (DEWA). Employee performance and productivity, and monitoring adherence to labor regulations are tracked by DEWA using employee data. Informed decisions about employee development and training programs are also made using this data in order to plan for future demands of the labor force. Additionally, DEWA's employee data keeps track of the health and safety of its workers and to carry out projects and programs that support a safe and healthy workplace. DEWA is tasked with gathering and keeping information on its employees, including personal and employment-related data, utilized to administer benefits, manage performance, and handle pay scales as well as to comply with legal obligations⁴.

It is crucial to remember, nonetheless, that employees in the UAE have specific rights regarding their personal data, and that employers are obligated to treat this information in compliance with these laws and regulations. For instance, companies must get workers' permission before collecting, using, or disclosing sensitive personal information, and workers have the right to view and update their personal information. Importantly, businesses must maintain the privacy of their employees.

Saudi Arabia

Similarly, organizations in Saudi Arabia are expected to handle employee data in accordance with the Kingdom's labor laws and regulations. This includes gathering, keeping and using personal data in a way that safeguards employees' rights to privacy. Employees must give their written authorization before data is collected or utilized; collected data must only be used for legal business objectives. Employers must also maintain employee data in confidence, keep it secure, and properly dispose of it once it is no longer needed.

For instance, the state-owned oil corporation Saudi Aramco owns and makes use of employee data by gathering and examining large amounts of data on its employees, including information on their demographics, work performance, and employment history. Collected data is then leveraged to improve health and safety outcomes, identify training and development needs, and optimize personnel and resource allocation. Aramco is able to make decisions for the enhancement of the overall efficacy and efficiency of its operations by utilizing collected worker data⁵.

Al Rajhi Group, a major retailer in KSA, is another organization that makes use of employee data. It employs data and technology to track and analyze employee performance, attendance, and productivity in order to manage its sizable and geographically dispersed staff. Data is gathered through various sources, including HR systems, performance management tools, and surveys and then consolidated into a data warehouse, to enable analysis. Various technologies are used to analyze data including Microsoft Dynamics 365 and Business Intelligence (BI) tools. Data is then used to make data-driven decisions about hiring, firing, and other personnel issues, as well as to improve workforce planning and scheduling. Al Rajhi Group is able to improve the performance of its staff and provide clients ameliorated service by utilizing worker data⁶, thus contributing to the benefits of both company and employees.

Qatar

In Qatar, the collection, use, and protection of worker data is regulated by the Ministry of Administrative Development, Labor, and Social Affairs (MADLSA). Under the Labor Law of Qatar, employers are required to collect and maintain certain types of worker data, such as personal information, work history, and compensation details. However, employers must also comply with data protection and privacy regulations, which stipulate that worker data must be collected and used for legitimate purposes only, and that appropriate safeguards must be placed to protect worker privacy⁷.

Qatar has also recently implemented the Personal Data Protection Law, a new data protection law that applies to the collection, processing, and storage of personal data, including worker data, aimed at protecting individuals' privacy rights. The law establishes a data protection authority and sets requirements for obtaining individuals' consent, providing transparency in data processing, and implementing security measures to protect personal data.

An example of an organization adopting the worker data approach in Qatar is Hamad Medical Corporation, one of the major healthcare organizations in the Middle East.

The corporation gathers and examines data on its personnel, including demographic data, work performance, and work history, to ensure the greatest outcomes for patients as well as the effective use of resources. Utilizing this data highlights areas in need of training and development and optimize personnel and resource allocation. As a result, Hamad Medical Corporation is in a position to take well-informed decisions that raise the standard of its healthcare offerings as a whole⁸.

Conclusion

Ultimately, our research results indicate that:

- Organizations in the Middle East are increasingly gathering information on the interactions, connections, and behavior of their employees. This information is used in various ways, including to personalize benefits, monitor compliance with laws and regulations, manage human resources, and improve performance.
- Survey participants have identified productivity data and demographics as the most valuable type of worker data in terms of decision-making. They have also noted that worker data is most often owned by the organization and have agreed that infrastructure and technology are the biggest barriers in realizing the value of worker data.
- Worker data in some companies in the Middle East falls under state mandates that require businesses to maintain and be the only owner of the employee records. However, employees must provide explicit approval for their data to be used. In addition, collected data must only be used for legal business matters, and employers are required to keep employee data private, safe, and appropriately dispose of it when no longer needed.
- Organizations in the Middle East need to use and analyze employees' data in order to better manage their staff, make well-informed decisions on training, development, hiring, performance plans, retention, customized benefits, among other insights.

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Harnessing worker agency

Organizations drive value and strengthen their relationship with workers by embracing rising worker influence

Coauthored by Karen Weisz.

Workers today have more choices and influence than ever before—and are increasingly willing to use that newfound influence to shape the actions and agendas of their organization. Business leaders need to harness worker passion and energy to create mutual benefits for everyone—not just for their workers and organization, but for the world as a whole.

AS NOTED IN the “[Work as fashion](#)” future we wrote about in our Deloitte 2021 Global Human Capital Trends special report, worker agency is on the rise¹. In this future, workers have more choice and influence over the work they do—and over the organizations for which they work. Most recently, this has been a focus in the context of return to work, with worker agency misinterpreted by organizations to be solely about [workplace preferences](#) and organizations trying to express their power by dictating what “flexibility” should mean for the workforce².

In reality, worker agency has multiple dimensions. One is worker *self-determination*, with workers wanting meaningful choice and influence over the work they do (and how, when, and where they work). Workers who quit a job in 2021 said no opportunities for advancement (63%) and feeling disrespected at work (57%) were reasons why they quit³. Another is worker *activism*, with workers wanting their organizations’ values, strategies, policies, and actions to align with their own personal values across a wide range of issues, from environmental practices and social good to racial

and gender equity—and everything in between. A toxic corporate culture, for example, is 10.4 times more powerful than compensation in predicting a company’s attrition rate compared with its industry⁴. Leading elements contributing to toxic cultures include failure to promote diversity, equity, and inclusion (DEI), workers feeling disrespected, and unethical behavior⁵.

This rise in worker agency is being driven by a confluence of factors, including:

- **Ongoing talent/labor shortages.** Today’s workers have more job options and are less dependent on their organizations, emboldening them to demand what they want. This expectation of agency and influence will remain, regardless of fluctuations in labor supply. This is supported by data from this year’s Deloitte Global Gen Z and Millennial survey⁶, which found that a third of respondents would leave their job even without another one lined up. By shaping workforce strategies and practices that incorporate agency into their design, organizations can access the talent they need and build stronger and longer relationships with their workers.
- **Rising social consciousness.** Public awareness and action have risen sharply on a wide range of social, political, environmental, and economic issues, with individuals feeling an increased sense of empowerment and responsibility to stand up for what they believe in. Two in five Gen Zs and millennials have rejected a job or assignment because it did not align with their values around societal and environmental impact, and diverse and inclusive cultures⁷. By contrast, organizations who have committed to their organizational

purpose have observed improved benefits—50% of respondents to our Deloitte 2023 Global Human Capital Trends survey noted increased worker retention and well-being.

- **Technology advances.** Digital technologies make it easier for individual workers to create value without being tied to a specific organization or job. Also, they enable people to connect and communicate about issues in real time on a global scale and provide organizations with valuable insights about what is important to their workers. As an example, social media serves as both a microscope and a megaphone, amplifying voices to inform the decisions organizations make and hold them accountable for their actions on a larger, more public scale.
- **Low government impact⁸.** When governments don’t offer support to workers—through, for instance, public policy and regulation to protect jobs and wages, enhanced social safety nets and benefits, better access to education, or investment in reskilling—workers will expect organizations to provide them. By doing so, organizations can increase engagement and retention.

The manifestations of worker agency vary by country and region due to differences in laws, social behavior, cultural norms, and the relationship between workers and organizations. Despite the local and regional variation, however, the overall trend is that workers are gaining more influence and choice than ever before—and are willing to use it to shape and steer company behavior, or just to determine their level of engagement and productivity, as witnessed by the “quiet quitting” phenomenon⁹.

This global trend is putting significant pressure on organizations to align their values, strategies, policies, and actions with the personal values of their workers (individually and collectively), and with the values of the larger society. Although

this can be challenging, given different workers and different parts of society expect different things, the benefits to the worker, the organization, and society outweigh those challenges.

SIGNALS: THIS TREND APPLIES TO YOU IF...

- Workers are disengaged despite increased listening and what feels like continuous changing of worker programs and policies
- Your organization measures itself against competitor and industry benchmarks but still struggles to solve for the challenges most important to your business strategy and workforce
- Your business outcomes (financial, reputational, etc.) are suffering due to increases in worker protests and activism related to a mismatch of organizational and workforce priorities

The readiness gap

In the Deloitte 2023 Global Human Capital Trends survey, 84% of the business leaders we surveyed say worker agency is important or very important to their organizations’ success. Yet only 17% feel they are very ready to address the issue, the second lowest readiness score among all the trends surveyed.

According to the Deloitte 2023 Global Human Capital Trends survey, this gap is being driven by a recency bias with a focus on agency that is driven by the pandemic, such as compensation, location, and working hours, which surfaced as the top three areas (44%). In order to truly harness agency and drive increased value, the focus needs to be on areas such as purpose, voice, and work, which were the lowest three selected in our survey (16%).

FIGURE 1

The readiness gap for worker agency

Addressing an increase in worker influence and choice is important or very important to my organization's success



My organization is very ready to address an increase in worker influence and choice



Source: Deloitte 2023 Global Human Capital Trends survey.

The new fundamentals

Embrace the moving target. Harnessing worker agency for greater value requires a recognition that this is not a fad—attention to it is not optional. Additionally, the shared goals you create with your workers today will not be evergreen because what’s important to people changes frequently. Cocreation is as much about sharing in what questions are asked as the answers reached. The implication is that cocreating this relationship needs to become an embedded set of practices between the organization, its workers, and those who represent them. Deloitte’s High-Impact Workforce Architecture research describes this as cultivating a

“creator’s mindset” on the part of the workforce—instilling a desire to not just adapt to changes as they come but to actively contribute to shaping the organization’s future¹⁰. A creator’s mindset has benefits for the worker: They are more resilient in the face of the change they had a part in creating and are more apt to feel a strong sense of belonging given the direct line of sight to contribution that comes with cocreation¹¹. It also has benefits for the organization—the Workforce Architecture study found that organizations that cultivate this creator’s mindset are 1.8 times more likely to delight customers and 2.8 times more likely to innovate versus those that don’t.

Shared journey, shared outcomes. Workers and organizations need to be in continuous dialogue, with forums and outcomes that are shared. While listening to workers’ preferences and opinions is a prerequisite to this set of practices, it is not sufficient to create a meaningful, impactful relationship. Organizations need to activate workforce contribution into formal decision-making forums that impact business outcomes. This activation can take many forms depending on the size of the organization, regulations, and involvement of labor unions and works councils. This type of shared decision-making provides both empowerment and agency to the worker and improves business outcomes. For example, in Germany, employee works councils are required by law for all companies with more than five employees¹². These works councils have rights extending from day-to-day issues, such as holidays and payment methods, to economic aspects, such as an organization’s investments, site closures, and potential takeover¹³.

Focus on specific decisions that support your worker–organization relationship aspirations. It is not practical or efficient for organizations to embed worker agency into every facet of the business. Rather, organizations should focus on embedding workers into the processes and forums that help build the type of worker–organization relationship aligned with the organization’s values and goals. For one organization, this may mean rallying to a common purpose, whereas for another organization, it may mean focusing on design of the work.

Commit to making it real. These actions can’t be lip service for organizations and workers to achieve the mutual benefit outlined at the beginning of this section. If workers commit and organizations fail to meaningfully integrate workers’ perspectives into business practices, workers’ trust will be undermined, and they are likely to disengage. “Making it real” could look like matching workers with work assignments, tasks, or initiatives that align with their values, interest, and skills—turning passion into productivity. Depending on the relationship that organizations and workers have, both parties could potentially expect workers to find meaning and purpose largely outside of work (“work is work” future¹⁴). In this case, “making it real” could mean cocreating with the worker on the work itself, rather than focusing on purpose.

Current experiments: What leading organizations are exploring

- **Novartis** recently introduced a “Choice with Responsibility” policy that empowers employees to choose how, where, and when they work within their country of employment¹⁵. The policy shifts responsibility from manager-*approved* to manager-informed and is designed to optimize both personal and business performance.
- **Haier** enables choice and autonomy on what to work on by letting any employee join or create one of its thousands of microenterprises, and then shares the wealth with them¹⁶. Although base pay is modest—often not much more than minimum wage—teams that achieve their “leading targets” can multiply their salary by 5–10 times. Frontline teams have the freedom to run their businesses as they fit.
- **The Commonwealth of Massachusetts**, , as it continues to position itself as an employer of choice, has increased its workplace flexibility to attract and retain talent¹⁷. Its leaders and managers continuously solicit work preferences from their individual employees and teams to create hybrid schedules that balance those preference with operational needs. Not only has this increased workplace flexibility led to greater workforce retention rates, but the improved two-way communication that started within this hybrid environment has enabled leadership to hear directly from their workforce about the issues, challenges, and opportunities they’re facing.
- **M&T Bank** has created a program that gives employees 40 hours of paid volunteer time to spend on any effort aligned to their passions¹⁸. This program allows their workers align their individual choices, actions, and values with the organization’s overall purpose to “make a difference in people’s lives.”



The path forward

FIGURE 2

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> • Collect worker sentiment and perspectives on the most important underlying needs, then use those insights to inform decisions • Communicate how worker and worker representation input influences your organization's priorities and actions • When prioritizing, focus on action rather than process, creating a “minimum viable policy” (the smallest amount of policy required to protect the organization) 	<ul style="list-style-type: none"> • Create structures and processes that directly involve workers and their representation (i.e., works councils, labor unions) into decision-making forums and policy development • Foster self-organizing teams or worker “discovery teams” to connect promising ideas with areas of worker passion • Leverage continuous sensing and an ongoing dialogue with workers to proactively understand changes to motivations and needs • Offer a series of manageable, modular choices to workers that empower them without leaving them feeling overwhelmed 	<ul style="list-style-type: none"> • Increase worker representation at the highest levels of decision-making (such as the board or executive leadership team), especially on ESG and DEI issues • Train leaders in psychological safety and the art of listening • Grant autonomy and choice in work by letting workers flow to projects, tasks, problems to be solved, and outcomes to be achieved

Note: There are geographical differences in regulatory requirements for worker representation (e.g., works councils in EU countries). Source: Deloitte analysis.

Looking ahead

Worker agency doesn't mean you need to let workers dictate everything your organization does, nor does it mean creating structures for workers to share perspectives that aren't actioned upon (i.e., board committees with minimal influence). It's a two-way collaboration, not a free-for-all. But a free-for-all isn't necessary to fulfill workers' desire for influence and control. What's needed is an open, respectful relationship that gives workers meaningful, mutually beneficial choices and brings them into the decision-making process on issues that touch the workforce. Workers should be included in decisions at the strategic level of the organization, such as facility and operations

locations, and can also be included in decisions at the individual level, like work schedules.

And while it may be tempting for leaders to “wait it out” when it comes to these decisions, the shift in worker sentiment and rise of worker agency will not change or “go back to normal” regardless of workforce supply and demand changes or an economic downturn. With the pace of business, workforce, and societal disruption, workforce agency provides the level of agility needed to navigate these disruptions.

Ultimately, worker agency can be a potent source of motivation unto itself. Psychological research links agency to motivation and behavior, as well as to physical health and overall well-being¹⁹. A key

takeaway is that giving people influence and freedom of choice is often just as important as the actual choices you offer them.

Organizations should start by acknowledging and embracing workers' desire to share authorship of the organization's future and then cocreating that

future based on bilateral input. The resulting relationship is one where both organizations and workers have a seat at the table, sharing both authority and accountability. Together, they solve challenges and realize benefits, based on purpose, the work itself, or other mutually agreed-upon factors.

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Harnessing worker agency

Organizations drive value and strengthen their relationship with workers by embracing rising worker influence

Middle East

Introduction

Employees' definition of an ideal workplace has been revolutionized, from being bounded by the financial return their employment will offer them to an employment of influence and purpose. In today's world, employees are seeking jobs where they have influence and choice over the work they do. On top of having a say on how, when and where they work, employees are looking for organizations whose missions are in line with their personal values. The people element of any organization is and will always be what helps organizations move forward or backwards. This reality forced organizations in the region to discover and implement new policies that will elevate the overall employee experience and put their human capital at the forefront of their priorities. The fact that the region has witnessed initiatives aimed at providing employees flexibility and influence, from flexible working policies to engagement initiatives, is an indicator that worker agency is on the rise, which is embracing the employees' need to have influence, choice, and purpose over the work they do.

85% of respondents in the Middle East region who participated in the Deloitte ME 2023 Deloitte Human Capital Trends consider the worker agency important to their organization's success, and 68% consider themselves ready to address this trend. Interestingly, respondents globally have indicated almost similar importance and readiness to the worker agency in their organizations.

This is a testament to the rising need to respond to the worker agency which pushes organizations to imagine and deliver innovative initiatives to help them respond to this trend. From the employees' standpoint, 32% of respondents indicated they are negotiating enhanced benefits and increasingly asking for paid time off and well-being benefits from their employer, and 24% of respondents are increasingly negotiating compensation benefits. From an employer standpoint, 33% of respondents indicated that their organization is providing enhanced benefits and compensation packages in response to increased working agency. To effectively address the worker agency in the Middle East, organizations in UAE, KSA and Qatar are reimagining their policies to elevate their employee experience and ultimately retain their talent.

UAE

Organizations in the UAE have been among the early adopters of initiatives that are aimed at aligning an organization's values and policies with the personal values of employees. ADNOC, the state-owned oil company of the UAE, has indicated that more than 4,000 employees volunteer across several ADNOC outreach campaigns² in order to give back to the community and achieve their corporate social goals. Additionally, more than 62,000 hours have been dedicated by ADNOC's employees to work with their local partners in distributing at least 1.1 million iftar meals during ADNOC's Ramadan campaign.

Implementing such initiatives that provide employees the satisfaction of giving back to the community embeds the purpose into their job and the organization as a whole. On top of the volunteering initiative, ADNOC focuses on employee engagement and satisfaction to stay close to its workforce³. The organization conducts an annual engagement survey to gather the employee's feedback and drive improvements in the areas that are critical to the employees³. Additionally, ADNOC hosts virtual events and sends e-communications to keep their employees informed about the organization's strategy, progress and business goals.

From the Financial services industry in the UAE, Emirates NBD encourages its workforce to contribute to volunteering activities in order to give back to society. A total of 97 employees from Emirates NBD group have registered in the Emirates Nature – WWF volunteer program that aims at empowering organizations and individuals in the UAE with training, networking, and volunteering opportunities¹. Additionally, Emirates NBD employees have invested 5,648 hours in cleaning water bodies in UAE, which included 43 dive clean-ups, 20 beach clean-ups and 3 Kayak clean-ups. On top of these initiatives, the organization provides its employees a paid leave for volunteering as part of the benefits provided to employees.

Saudi Arabia

Organizations in the Kingdom of Saudi Arabia are designing initiatives and policies to respond the worker agency. SABIC, the world's largest petrochemicals manufacturer, is committed to a hybrid working model and employees can apply for flexible work arrangements through its digital Human Resources platform. Given the importance of Corporate and Social Responsibility (CSR) programs and initiatives in addressing the worker agency, NEOM, the Kingdom's most ambitious project, aims to provide training and upskilling programs to at least 7,000 people from the surrounding areas to enhance their employment prospects. Additionally, NEOM launched a volunteer initiative to support local families during Ramadan⁴.

Other organizations in the Kingdom are addressing the worker agency by implementing employee engagement initiatives.

Alamari launches employee satisfaction surveys on an ad hoc basis to gauge its workforce reactions and identify key improvement areas to take forward⁵. Staying close to the workforce and responding to their needs and acting upon their expectations have proven to yield higher retention rates and better employee satisfaction. Similarly, STC launches semi-annual employee engagement surveys to monitor its workforce satisfaction and feedback⁶. Additionally, the organization regularly reviews its compensation and benefits strategy in order to offer a competitive scheme compared to the market.

Qatar

Organizations in the region are addressing this trend either by deploying employee engagement initiatives that help them listen and respond to their employees' needs and expectations, or by enforcing their CSR initiatives and programs. QatarGas launches annual surveys to provide confidential feedback to capture their employees' concerns and assess their satisfaction levels⁷. Additionally, employees can submit any concerns or grievances via an online tool with the aim of staying close to their taskforce. Similar to other organizations in the region who are embedding purpose to their jobs, Ooredoo's staff volunteers visited young patients as part of its ongoing CSR activities⁸. From the Oil and Gas industry in Qatar, Qatar Energy inspires and engages their people to support the community, and launches initiatives related to community development, environmental protection and road safety⁹. These initiatives aim to support the local communities and create a social impact, which reflects the employees' purposes and personal values.

Conclusion

Ultimately, our research results indicate that:

- Worker agency is on the rise and will continue to evolve in the region. This indicates that organizations should introduce and refresh their policies to address the worker agency and ultimately enhance employee retention.
- Organizations globally are introducing policies that allow employees to choose how, where and when they work.
- Organizations respond differently to the worker agency with some organizations redesigning their policies to keep them closer to their employees and others implementing initiatives that can embed purpose to their people's jobs.
- Organizations need to adapt to the new reality and redesign their business models and policies to be workforce-centric, in alignment with the everchanging needs and requirements of their talent.

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Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem—and with it, critical skills and worker potential

Coauthored by Karen Weisz.

Organizations increasingly rely on nontraditional workers for skills and activities that are high value and strategically important. Yet, their workforce strategies and practices are still designed for traditional workers. To unlock the full benefits of the entire workforce—which include improved business agility and scalability, expanded access to talent, and improved worker productivity and performance—you need to think of your workforce as an all-inclusive, boundaryless ecosystem, where different types of workers have different needs and make valuable contributions in different ways. This requires workforce strategies, processes, systems, and programs that maximize the unique contributions of different worker types while supporting them all in a more consistent way.

THE REDEFINITION OF the workforce began well before the pandemic. However, it has accelerated as the talent shortage and reliance on traditional work models have strained organizations' ability to access the critical talent they need. Workers are also demanding increased

flexibility over their lives and work, which nontraditional employment models can deliver.

Contingent workers already comprise a significant portion of the total labor pool (near 30%, according to some studies)¹. And over half of workers

surveyed (55%) say they already have, or are likely to, switch employment models throughout their careers, fluidly moving between traditional full-time jobs, internal opportunities outside of their formal jobs (perhaps via a talent marketplace), and freelancing/gig work².

The shift is being fueled by several related trends, including:

Rise of worker agency. Workers of all kinds are gaining the power to influence/dictate how and where they work (and for whom).

Shortage of talent. Organizations are struggling to find the talent they need and are willing to take talent in whatever form they can get it.

Need for increased agility. Today's organizations need the ability to change directions quickly—and adjust their talent accordingly.

Generational preferences. Younger generations view work and careers differently and don't necessarily see themselves working full time over the long term for a single organization.

Rise of digital technology and the nontraditional workplace. Technology advances are making it possible for people to work productively from an anywhere-anytime-any-workforce model.

Shift to skills-based organizations. Forward-thinking organizations are shifting their primary focus from jobs and job titles to skills. This aligns well with an ecosystem mindset that values workers for the skills they provide, regardless of their employment status.

Although adoption has increased, organizations have yet to unlock the full value of the workforce ecosystem, which requires creating a better sense of belonging and a unified experience across that ecosystem. Currently, nontraditional workers are often treated as outsiders, typically not included in organizations' workforce planning, unable to access development opportunities, and not effectively recognized for their contributions to the business, all impacting productivity and personal engagement. A true workforce ecosystem requires organizations to shift their mindset, culture, work strategies/practices, and platforms/data access.

Finding better ways to integrate nontraditional workers into the workforce and culture will help give organizations expanded access to the crucial skills and talent necessary to thrive. It will also help unlock the full potential of that talent, while improving the organization's ability to scale up and down or shift focus more rapidly in response to changes in the marketplace. This is confirmed by data from the Deloitte 2023 Global Human Capital Trends survey, which reveals the top two drivers to optimize the workforce ecosystem are the workforce ecosystem's ability to meet the current demand they have (46%) and provide the agility they need for the future (36%).

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- You are struggling to find the talent you need with the critical skills to execute your business strategies
- Your listening/sensing uncovers morale and engagement concerns on teams composed of traditional and nontraditional workers
- Access issues to data, collaboration tools, and work systems for your nontraditional workers are negatively impacting productivity

The readiness gap

According to the Deloitte 2023 Global Human Capital Trends survey, 84% of business leaders recognize the importance of inclusively leading an expanding workforce, including those inside and outside the organization. However, only 16% believe they are very ready to do so, representing the lowest readiness score (figure 1).

FIGURE 1

The readiness gap for workforce ecosystems

Inclusively leading an expanding workforce, including those inside and outside the organization, is important or very important to my organization's success

84%

My organization is very ready to inclusively lead an expanding workforce, including those inside and outside the organization

16%

Source: Deloitte 2023 Global Human Capital Trends survey.

Traditionally, organizations have tried to adapt through tweaks and workarounds to their traditional workforce models and policies. However, we're now at a point where duct tape and baling wire aren't good enough and fundamental changes are required. The top two barriers to unlocking the workforce ecosystem, according to the Deloitte 2023 Global Human Capital Trends survey, were the need to shift culture (27%) and ways of working (26%).

The new fundamentals

Adopt a workforce ecosystem mindset.

Moving forward, you need to think of your entire pool of workers (and future workers) as a boundaryless ecosystem—treating all types of

workers as highly valuable and integral to the business. This includes not only explicitly factoring nontraditional workers into your workforce strategies and plans, but also integrating all workers into your organization's culture (whether they are full-time or part-time workers; remote or in-person). Every single person who contributes work to your organization should reflect its core values and feel like part of the culture.

Interestingly, despite being overlooked at an organizational and system level, data from *MIT Sloan Management Review* and Deloitte reveals that a vast majority of global managers (93%) already consider both internal and external workers to be part of their workforce, indicating that managers may have already adopted this mindset³.

Take a skills-based approach. As noted in the “[Navigating the end of jobs](#)” chapter, a growing number of forward-thinking organizations are moving away from the centuries-old workforce model that is built on a foundation of formal, narrowly defined jobs and job titles. In its place, they are adopting a new skills-based approach centered around skills, capabilities, and interests. This shift aligns perfectly with the concept of a workforce ecosystem, focusing on the work that needs to get done—and skills required to do it—rather than worker type or job title.

Create an open workforce platform. Instead of having completely different approaches and platforms for traditional and nontraditional workers, adopt an open approach to talent that unlocks the full potential of every type of worker while providing greater consistency across your entire workforce ecosystem:

Open. Develop workforce strategies and plans that recognize and embrace the unique value and contributions of all types of workers, as well as their unique needs and preferences.

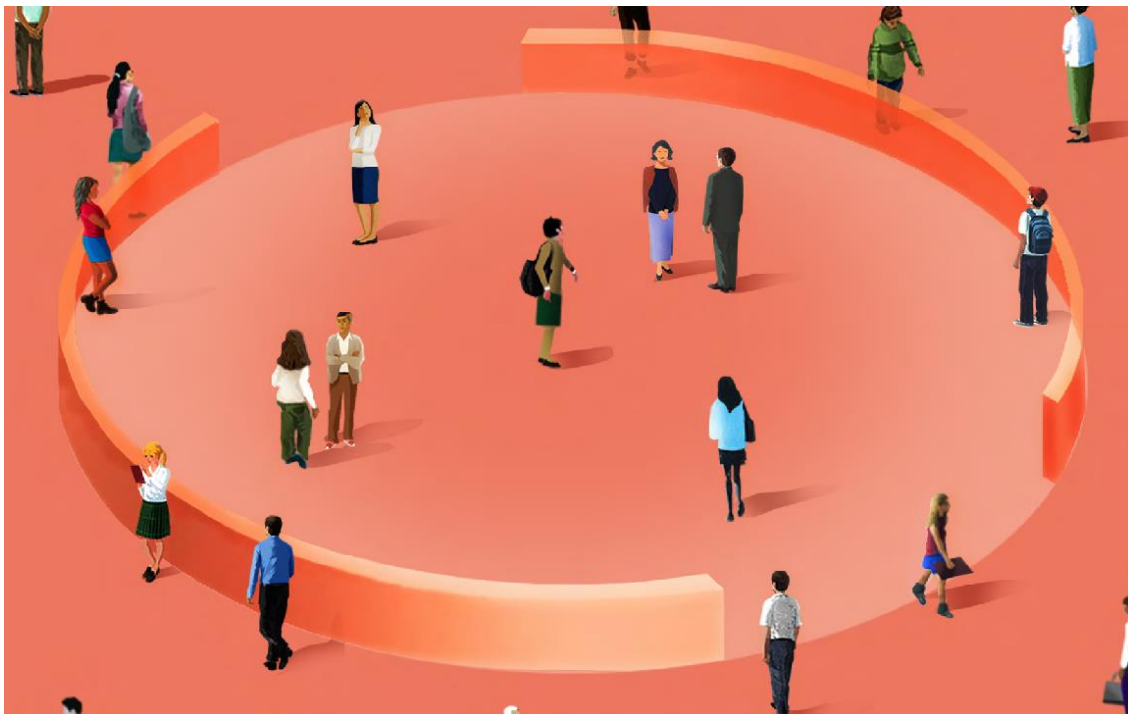
Integrated with speed. Ecosystem platforms need to be integrated with business strategies to flexibly adapt to changing work and customer needs.

This isn't to suggest all workers should be treated identically. Different types of workers have different needs, contribute value in different ways, and choose different trade-offs. For example, traditional full-time employees typically receive extras such as full benefits and greater job security in exchange for dedicated focus, availability, and loyalty to a single employer. Other worker groups get fewer perks in exchange for higher hourly rates and increased flexibility. To attract and harness crucial talent, it's important to respect those personal preferences.

Pivot from directing to orchestrating.

Preparing organizations and managers to operate in a workforce ecosystem requires new

management practices, shifting away from legacy command-and-control approaches to cross-functional alignment and integration, to effectively access, engage, manage, and develop external workers in ways that were previously reserved for traditional employees. Today, it is common for external workers to be influenced by many different groups, such as human resources, procurement, technology, and business development, which often do not communicate with each other about external worker processes and practices. Going forward, functional and business unit leaders need to work together to purposefully and systematically think about the holistic workforce ecosystem. These new relationships may require fundamental changes in management practices, technology, integration, and leadership, which all underpin an organization's ability to successfully orchestrate workforce ecosystems⁴.



Current experiments: What leading organizations are exploring

- **Faith-based health care providers** in the United States are exploring the creation of a consortium to develop and share talent that can be deployed across multiple member systems; build a more attractive, collective employer brand; and address talent challenges and shortages within health care. This also creates deployment flexibility within the consortium and expanded career opportunities and agency for workers, who have shared access to multiple organizations within the consortium.
- **Two large media companies** going through a merger are shifting the workforce ecosystem paradigm as they seek to harmonize their two businesses and workforces. While traditional workforce integration approaches would consider employees first and only, these companies intentionally began their workforce integration work by looking at external workers first and then “zooming in” to traditional employees. This shift will enable the organizations to better identify areas of focus and overlap to achieve synergy targets and align on the right growth plays for the future integrated organization.
- **Novartis** is integrating the management of its 100,000-plus internal workers and 50,000 external workers under the umbrella of the People & Organization function to offer a seamless experience and a holistic workforce strategy. Building this integrated view will enable leaders to think intentionally about the desired balance of internal and external workers, basing those decisions on the specific needs of the business and considering factors such as availability of skills, speed to access, and affordability⁵.
- **Unilever** employs more than 150,000 people worldwide, but the outer core of the consumer goods company’s workforce—people, third parties, and agencies—is estimated at 3 million. Senior leaders at Unilever are working to digitize data and insights about the external workforce as a prerequisite to upskilling external workers in addition to employees, to create a more flexible and agile workforce⁶.
- **M&T Bank** partnered with a regional coalition of nonprofits, local governments, and educational institutions to address unemployment and underemployment in Western New York (WNY) by training community members in high-need skills⁷. The WNY Tech Skills initiative provides free courses in skills such as data analysis, UX design, and software engineering, and is designed to promote economic stability and health within the community, while building the broader ecosystem of talent in the region which all companies can access.
- **Local government and nonprofits** are responding to increasing workforce development challenges across the Greater Mesilla Valley region in New Mexico. The Las Cruces Chamber of Commerce and The Bridge of Southern New Mexico hosted a summit with leaders from government, private industry, higher education, and the community, to build a coalition for a self-sustaining local workforce ecosystem in the region. The summit centered on strategies to recruit, develop, and retain local talent, particularly in light of increasing worker agency. This coalition approach demonstrates a true ecosystem mindset, as government and private companies come together to build a collective development approach for their workforce.

The path forward

FIGURE 2

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> • Understand your holistic workforce, comprising all those that perform work for your organization, to inform your strategic workforce planning efforts • Ensure all workforce reporting capabilities also include the holistic workforce • Recognize your engagement strategies (e.g., town halls) must include the holistic workforce • Understand costs and risks associated with nontraditional workers 	<ul style="list-style-type: none"> • Expand talent strategies and practices to include your full workforce ecosystem where appropriate and aligned to employment laws • Create an integrated engagement strategy for the full workforce ecosystem • Provide appropriate access to your platforms 	<ul style="list-style-type: none"> • Use skills, not jobs, as the foundation for accessing critical talent • Encourage traditional employees to get outside experience and skills • Tap into the full workforce ecosystem to positively influence outcomes in areas such as sustainability, DEI, and human risk • Enhance leadership capability and mindset to successfully orchestrate the full workforce ecosystem

Source: Deloitte analysis.

Looking ahead

Instead of clinging to the traditional, narrow definition of “workforce”—which prioritizes full-time employees and treats everyone else as “other”—organizations need to adapt their mindset and practices to fit the real-world talent pool, which is far more complex and increasingly comprised of nontraditional workers with skills and experiences that are high value and strategically important.

The new workforce fundamentals—such as an ecosystem mindset and open workforce platform—aren’t just better for the current and future workers in your ecosystem; they are better for your organization too—giving you access to more and better talent; helping you get the most value from

different kinds of talent; and providing more flexibility to scale up and down or shift focus in response to the changing needs of your business and marketplace. Respondents to the Deloitte 2023 Global Human Capital Trends survey, who have made strides to optimize their approach toward workforce ecosystems, also report increased innovation, financial performance, retention, and a stronger leadership pipeline.

Chris Ernst, chief learning officer at Workday, said, “Harnessing the power of the ecosystem allows our business to get work done in a much more inclusive, agile, and flexible way. At Workday, we use Career Hub, where employees can share their current skills and interests, and receive relevant connections, gigs, curated learning content, and recommended jobs to help them on their career

journeys. We've had over 2,100 workmates (about 12% of our workforce) participate in gigs. It's really been an organic adoption and we've been able to quickly expand from small, short-term gigs to multiple month gigs that are connecting employees to opportunities to solve business challenges.”

Organizations have been pursuing these objectives for decades but always had to design solutions around the boundaries of the traditional workforce model. With an ecosystem mindset and open workforce platform, those traditional boundaries are removed, enabling leaders to maximize the contributions of every worker, regardless of their work arrangements.

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Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem— and with it, critical skills and worker potential

Middle East

Introduction

Similarly to the global landscape, entities in the Middle East region have been realizing in the past few years the benefits of having the contingent, part-time, free-lancing and remote workforce integrated as part of their business, culture and future plans to be able to achieve their visions and strategies efficiently. With the huge business and digital transformations that the region is embarking on, coupled with the new effective ways of working that were experienced during the Covid-19 pandemic, contingent, part-time, remote and future workers are becoming increasingly essential assets. They are presenting viable options to entities to cope with the increasing operational costs, improve workforce productivity, attract and retain the right skills and capabilities and allow the proper balance of flexibility to be able to quickly respond to market changes.

The increased focus on including the internal and external workforce as part of the overall workforce strategies in the Middle East is also echoed in the Deloitte ME 2023 Deloitte Human Capital Trends. Based on the report, more than 80% of surveyed business leaders believe that inclusively leading an expanding workforce, including those inside and outside the organization is very important or important to their organization's success. Yet only 26% believe that their organizations are very ready to inclusively lead an expanding workforce.

Key interventions are required to build and maintain workforce ecosystems. Strategic workforce planning activities will help in scaling up and down operations by identifying the required workforce supply for the needed workforce demand and providing the best fit workforce model to meet requirements. Agile and efficient recruitment processes will help in acquiring the required talent depending on the employment type and requirements. Employee value proposition components in an organization should be designed in a way to cater for all employees (part-time, remote, or full time) to be able to attract and retain the required talent.

As larger workforce ecosystems are built, there are some considerations that organizations should keep in mind to ensure positive impact. Managing a larger and more diverse workforce can make it more challenging to build and maintain a strong company culture.

Organizations must find new ways to engage and connect with their employees, including contingent workers, in order to build a sense of community and common purpose. In addition, as the workforce becomes more distributed, it can be difficult to coordinate and communicate effectively. This will lead organizations to invest in new technologies and platforms to manage remote workers, as well as develop new policies and practices to support flexible work arrangements.

Furthermore, with a larger workforce ecosystem comes greater risks to data security and privacy. Organizations must take proactive actions to ensure that sensitive information is protected, including implementing robust data security and privacy measures.

Some leading companies in the region have already started to design and implement flexible workforce models to better manage their internal and external workforce to ensure organizational success.

UAE

At the national level, the UAE has taken a huge step forward to build the infrastructure and set the regulations to address the flexible job market. The UAE has introduced new laws that would govern the different work models applicable in the UAE as well as clarify the roles and responsibilities of both employers and employees. The different work models can vary from Full-time, Remote Work, Shared Job model, Part-time, Temporary Work, to Flexible Work¹. This initiative will encourage employees and employers to further adopt the different work models and pave the way for the future of the workforce.

Moreover, the updated UAE labor law provides the option for residents to undertake part-time jobs in addition to their current primary role, without the need to obtain the main employer's approval. The residents are only required to issue a temporary work permit from the Ministry of Human Resources and Emiratization. In addition, the part-time work arrangements will be subject to the contract where the exact number of working hours/days and remote/on site ways of working will be defined, with a maximum of an average of 144 hours in three weeks².

One of the leading companies in the energy sector in the UAE, ADNOC, has launched a program to leverage the skills of its retirees pool³. Through this pool of experts, the organization aims to create a strong SME network and leverage their capabilities, experience, and know-how to ensure business continuity and added value outcomes in future mega-projects led by the organization.

In addition, this pool has also access to monetary and non-monetary benefits such as trainings, counseling, and statutory pension scheme. By doing so, ADNOC is still benefiting from their talent pool even if they are no longer full-time employees.

Chalhoub Group, a leading luxury product and service provider in the Middle East (based in Dubai), has implemented several HR initiatives, including a hybrid workplace model that empowers employees to take ownership of their careers and offers flexible work arrangements. The company has also introduced "working from abroad" policies to improve employee productivity and build trust. Additionally, the Group has accelerated its digital HR transformation to better adapt to the needs of its workforce in this hybrid working environment. A "Smart People Data" strategy was designed and executed to enhance hybrid employee experience. As a result of these HR reforms, the Group has been officially recognized "as a Great Place To Work® in five countries"⁴.

Saudi Arabia

Similarly to the UAE, the Kingdom of Saudi Arabia has also launched initiatives at the national level to unlock the workforce ecosystem and promote part-time and freelancing opportunities. The Ministry of Human Resources and Social Development has launched a flexible-work program, supported by a flexible-work platform "Mrn"⁵ with the aim of boosting the number of Saudi nationals in the job market⁶. This will help in decreasing the unemployment rate, managing the flexible desires of the Saudi workforce as well as responding to market needs in an efficient manner.

Furthermore, students in KSA are now eligible to have part-time jobs on and off campus. Students are allowed to fill several part-time roles simultaneously if they desire to do so, however, “Part-time employment can only be held by an employee for a total of 95 hours per month”⁷. These efforts further demonstrate how Saudi Arabia is trying to foster a culture that empowers part-time/flexible work arrangements to fulfill its talent’s needs.

Given the exponential growth of the tourism and hospitality sector in the Kingdom, leading companies are looking for new ways to recruit employees. Ritz-Carlton has partnered with Marn to source employees for flexible jobs. This will enable the company to overcome seasonal demand challenges and decrease turn-over rate. Others, such as Hilton, are also looking to adopt similar tactics as hiring flexible workforce through the Marn platform which helps in scaling operations efficiently with quick recruitment, and at the same time, reduce employee-related costs⁸.

Sabic has committed to implement a hybrid working model, supported strongly by digital solutions. The company has rolled-out the “HR One Platform” which would enable employees to have access to resources wherever they are based. Furthermore, employees will be able to request flexible work arrangements via the platform, which stresses Sabic’s direction to promote flexible arrangements to retain its employees and strengthens its position as “top employer Asia Pacific”⁹.

Qatar

Qatar has also launched new reforms at the national level to enable hybrid workforce models’ adoption. According to research conducted by Doha International Family Institute at Qatar Foundation, “a lack of workplace support and the absence of adequate flexible work hours arrangements have been identified as posing a major obstacle to attaining work-family balance for female employees”¹⁰.

Given the ambition to achieve the Human Development pillar in Qatar National Vision 2030 and develop a motivated and capable workforce, the government issued a decision to encourage Qatari women workforce and answer their needs by providing more flexible work options.

Furthermore, the Civil Service and Government Development Bureau (CSGDB) added a new feature in its existing Mawared system which allows governmental employees to request for part-time work in their agencies. This new scheme aims to improve employee productivity and engagement by providing more flexible arrangements.

Although conditions have been clearly set for this new scheme and “the number of part-time employees should not exceed 15% of the total number of employees in the government agency”¹¹, this initiative is a great example of Qatar’s efforts to allow part-time employees as part of their workforce ecosystem.

Ooredoo Group, a leading Telecom company, was a pioneer in testing and adopting new workforce models. After the successful results of launching a trial flexible initiative which provided employees the option to work from home for a certain number of days per week, they opted to adopt it and further enhance it to promote additional flexibility. This is one of the several initiatives that Ooredoo Group are implementing to create an agile, efficient, innovative and modern working culture¹².

Conclusion

Ultimately, our research results indicate that:

- The Middle East has already embarked on the journey to unlock its workforce ecosystem and is launching different initiatives and programs to integrate its internal and external workforce as part of its overall workforce management activities and plans.
- UAE, Saudi Arabia and Qatar have put in place certain rules and regulations to govern and set the foundations for flexible work models and provide the proper assurance for both employers and employees.
- Implementing hybrid workforce models are proving to be an important solution to increase workforce participation and decrease unemployment rate in these countries as well as answering and overcoming specific industry/country needs and challenges.
- Companies with flexible work arrangements are increasingly becoming more attractive to employees as their needs and preferences are changing over time.
- As those practices mature with time, organizational and national objectives and visions will be achieved more efficiently.

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Taking bold action for equitable outcomes

The DEI conversation shifts from activities to outcomes

Coauthored by Devon Dickau.

Diversity, equity, and inclusion (DEI) are often treated as a single monolithic objective, rather than separate but mutually reinforcing sets of actions—with diversity and inclusion being necessary prerequisites to achieve equitable outcomes. DEI progress has traditionally been measured based on activities and effort, often with little consideration for actual outcomes achieved. DEI actions should be in service of achieving equitable outcomes in the workforce—and broader society—while boosting an organization’s innovation, competitiveness, and long-term business success.

IN THE LAST two years, large multinational organizations made more than 1,000 public DEI commitments and pledged more than US\$210 billion to DEI initiatives,¹ inviting increasing accountability for DEI-related promises. Workers across the ecosystem, customers, suppliers, shareholders, and society now expect organizations to fulfill their commitments and responsibility to make a positive impact on the world² not simply by

demonstrating activity but by proving progress and living up to the expectations of a social enterprise³. For example, Generation Z and millennial workers who are satisfied with their employers’ societal and environmental impact, and their efforts to create a diverse and inclusive environment, are more likely to want to stay with their employers for more than five years⁴. Meanwhile, performative actions—those focused on appearing to address issues

without the commitment of time and resources to achieve real outcomes—may erode trust in leadership and the organization, potentially impacting attrition and employer brand, particularly among marginalized identity groups⁵.

Some organizations are making progress on DEI actions. Specific to *diversity*, there has been a 1% increase in the representation of women in the global workforce since 2017, and a 6% rise in the number of women in C-suite roles (although only 26% of C-suite roles are filled by women)⁶. As it relates to *inclusion*, we have observed that many organizations are making progress in that there are increased perceptions of being able to bring one’s “authentic self” to work. This is the case at Deloitte, as our *2022 DEI Transparency Report* reveals a year-over-year increase in the perceptions of bringing one’s “authentic self” to work across several identity groups⁷.

However, actions and programs that are diversity- or inclusion-focused do not always result in equitable outcomes. As an illustration, many organizations have developed leadership programs for women in pursuit of more gender diversity in senior leadership roles. These programs often are intended to promote diversity and enable a culture in which the program participants feel included. Yet, many organizations may not update systemic processes, such as internal mobility or performance management practices, which may serve as barriers to equitable advancement. A focused program does not guarantee *equity* for those program participants. Instead, equity acknowledges that the organization as a system is designed to give everyone—with both consideration for and regardless of identity—equitable opportunities to thrive. While the representation of women in the workforce may be increasing globally,

the fact remains that for every 100 men who are promoted, only 87 women are promoted—and women leaders are still leaving organizations at higher rates than men⁸.

Organizations face four common challenges in furthering DEI progress:

- Too much emphasis on activities, not enough on equitable outcomes.**
According to the Deloitte 2023 Global Human Capital Trends survey, 23% of organizations measure progress regarding diversity commitments through adherence to compliance standards—which may focus on activities instead of the impact of those activities. For example, the existence of mentoring programs for specific identity groups versus the outcomes those programs produce such as intent to stay and perceptions of fairness.
- More focus on solving for the individual than on solving for the system.**
Organizations typically prioritize DEI activities that address professional development, unconscious bias, and inclusive behaviors at the individual level. Often this comes in the form of training alone, yet research shows that individual-focused DEI training alone, which is point-in-time and widely distributes accountability, generally does not instigate the behavior change required to improve equitable outcomes⁹. Focusing on the individual is insufficient in overcoming the underlying institutional (within the organization) and structural biases (acknowledging that an organization is a system within broader systems of culture and society) that are barriers to DEI progress.

- **Over-aggregated data to report progress or results.**

Many organizations do not proactively collect and synthesize data needed to deliver actionable insights on DEI beyond workforce representation (i.e., diversity)—and even then, the data may be over-aggregated, making it difficult to surface equity challenges facing specific identity groups. For example, organizations often track internal mobility of workers by identity groups, but fewer analyze internal application rates to understand potential disparities in the number of attempts to apply for internal roles—potentially surfacing inequities across identity groups in accessing internal mobility opportunities.

- **A disconnect between DEI objectives and other business objectives.**

Social enterprises prioritize societal value as a component of (not separate from) business outcomes. Deloitte calls this the “Purpose Premium,” suggesting that organizations with a focused strategy that articulates the

differentiated role it serves in society realize value and competitive advantage through improved reputation, innovation, market valuation, operational efficiency, risk mitigation, and talent outcomes¹⁰. Similarly, decades of research has revealed correlations between more diverse and inclusive organizations and core business objectives such as innovation and profit. Yet, according to Deloitte 2023 Global Human Capital Trends survey respondents, only 15% (diversity) and 30% (inclusion) indicate that their organizations connect diversity and inclusion progress—which contribute to equitable outcomes—to business outcomes such as increased profitability or productivity.

Equitable outcomes should be considered business outcomes, not separate from “the business.” Senior executives, in collaboration with DEI leaders, should consider taking the lead on systemic change. Although more than 90% of CEOs have built DEI into their strategic priorities/goals¹¹, bold actions are required to achieve equitable outcomes.

GLOSSARY OF DEI TERMS

Equitable outcomes are when all people have fair access, opportunity, resources, and power to thrive, with consideration for and elimination of historical and systemic barriers and privileges. Equality, by comparison, is when all people are treated identically, without consideration for historical and systemic barriers and privileges.

Diversity is the representation, in a group, of various facets of identity, including (but not limited to) race, ethnicity, nationality, gender identity, LGBTQIA+ identity, socioeconomic status, ability, religion, geography, education, and age.

Inclusion is the actions taken to understand, embrace, and leverage the unique strengths and facets of identity for all individuals so that all feel welcomed, valued, and supported.

Systems are sets of things working together as part of a mechanism or an interconnecting network. Society is a system that includes organizations. Organizations are systems. Within organizations, the talent life cycle is a system. Therefore, a change in one part of the talent life cycle can impact other parts of the talent life cycle.

SIGNALS: THIS TREND APPLIES TO YOU IF...

- Your organization does not have diverse representation at the highest levels
- Your organization is experiencing disproportionate attrition across groups despite DEI efforts
- Your DEI efforts are solely led by HR
- Your worker data doesn't provide sufficient detail to assess DEI outcomes or progress
- Your organization's DEI strategy and goals are disconnected from purpose and business strategy
- You're not getting proportional participation from all identity groups in key talent programs, e.g., benefits and leadership development programs

The readiness gap

In the Deloitte 2023 Global Human Capital Trends survey, 86% of the business leaders we surveyed say embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to their organizations' success. Yet only 25% feel they are very ready to address the issue.

FIGURE 1

The readiness gap for DEI

Embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to my organization's success



My organization is very ready to embed DEI into everyday ways of working and teaming while measuring outcomes



Source: Deloitte 2023 Global Human Capital Trends survey.

According to the Deloitte 2023 Global Human Capital Trends survey, most organizations have prioritized diversity and inclusion actions over equitable outcomes. In fact, the top benefits of organizations' DEI efforts are primarily focused on inclusion-related outcomes such as "worker engagement and well-being." Meanwhile, equitable outcomes such as "stronger leadership pipeline and

increased talent access" and "contributions to positive community or societal outcomes" fall within the bottom four, along with "increased innovation" and "enhanced ability to anticipate future disruptions and agility in meeting business and workforce needs."

Looking ahead 2–4 years, surveyed respondents expect their organizations' DEI efforts to have a large impact on "increasing brand recognition" (27%), but much less of an impact on achieving equitable outcomes such as a "stronger leadership pipeline or increased talent access" (9%) and "contributing to positive community or societal outcomes" (10%). What's more, 24% of organizations are not establishing accountability or measuring progress in their equity commitments. Our conclusion in evaluating these survey results is that there may be a DEI "commitment drift" on the horizon.

The new fundamentals

Re-orient to outcomes, not activities. It's important to measure DEI success according to DEI outcomes (that is, what is changing?), not what is being done (such as dollars spent, trainings completed, or participation in affinity groups). Organizations should identify the specific inequities that exist across identity groups within their own organizations, uncover the root causes of those inequities, and design interventions and

solutions to address them. Just as every business strategy is tailored to the individual organization’s customer needs, achieving equitable outcomes requires a tailored approach specific to each organization’s strategy, context, and history of engagement with communities.

Focus on the system, not the individual.

Inequity is a dynamic, systemic challenge requiring a systemic response. Deloitte’s Equity Activation Model (figure 2), introduced in *The Equity Imperative*,¹² presents a systems-based view of how businesses can activate equitable outcomes within and outside of their own organizations. The model is structured around three primary spheres of influence (each of which includes activators and enablers) that are within every organization’s reach: workforce, marketplace, and society, all of which are encircled by organizational culture.

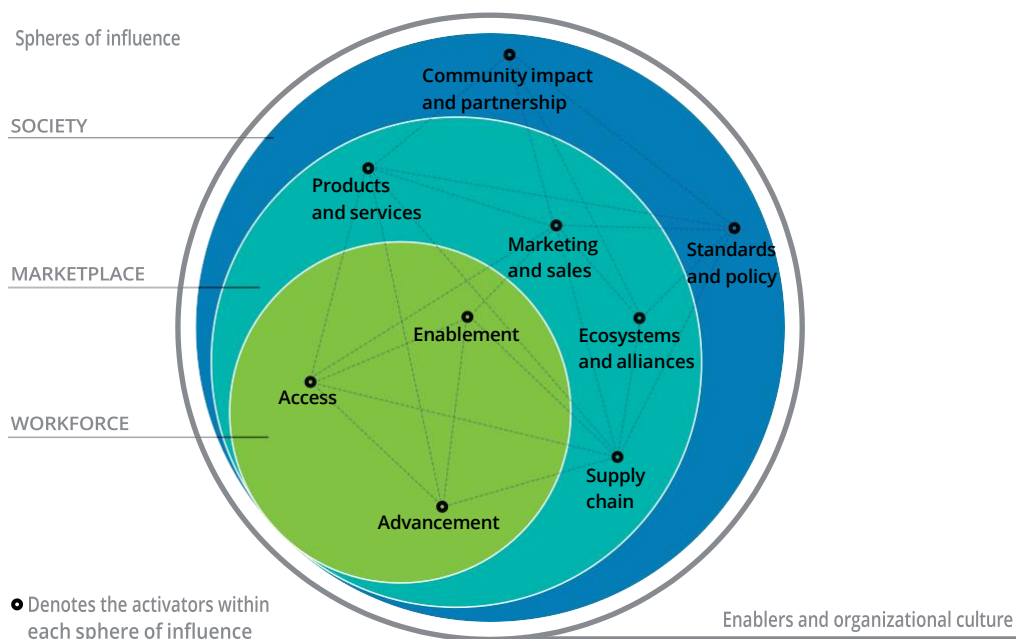
To unleash an organization’s potential to make DEI impact in the marketplace and society at large,

organizations should first prioritize equitable outcomes for the workforce. Yet, many DEI efforts have historically focused on single workforce processes (such as talent acquisition or succession planning) rather than the interconnected system of workforce processes across the talent life cycle. Systemic change requires that DEI efforts cascade across the talent life cycle and traverse multiple talent processes to mutually reinforce equitable outcomes.

Produce disaggregated actionable insights, not aggregated descriptive data.

Disaggregated data can uncover equity barriers that exist at each stage of the talent life cycle, enabling an understanding of the unique root causes associated with individual and intersectional identities. A comprehensive assessment can reveal moment-in-time inequities and establish a baseline for continuous sensing to enable immediate intervention and predictive modeling to address the needs of specific identity

FIGURE 2
Deloitte Equity Activation Model



Source: "The equity imperative: The need for business to take bold action now," Deloitte, February 2021.

groups. For example, in disaggregating talent experience data among people with disabilities (rather than people with disabilities versus those without), an organization may learn that workers with physical disabilities and workers with learning disabilities experience a variance in outcomes and therefore require different DEI actions. Disaggregation of data also allows for intersectional analyses or a multivariate synthesis of multiple identity groups. For example, surfacing insights about the experiences of people with disabilities who are LGBTQIA+ compared to those with disabilities who are not LGBTQIA+.

Center DEI as intrinsic to, versus separate from, the business. Equitable outcomes impact and are impacted by every part of the business, suggesting an interconnection between HR-anchored DEI efforts and DEI efforts focused on products, services, supply chain, community impact, and more. The *Deloitte 2018 Global Human Capital Trends* report introduced the concept of a symphonic C-suite, which entails leaders acting as a symphony of experts playing in harmony instead of a cacophony of experts who sound great alone, but not together. That concept applies here, too. Executives across the organization should be held accountable for championing systemic change and driving accountability in others to achieve equitable outcomes. Many organizations have evolved from having assigned HR leaders solely responsible for DEI, to creating roles such as chief DEI officers who are members of or report to the C-suite. However, accountability for achieving equitable outcomes is not just the responsibility of DEI leaders or HR but *all* leaders across the organization—including members of the C-suite. Addressing systemic inequities requires a commitment to improving equity in all organizational decisions, policies, practices, and actions across spheres.

In applying these new fundamentals, organizations should consider a “glocal” (global-local)

approach¹³. As organizations make the shift to solving inequities, one global DEI strategy will likely not work for every region or country. For example, there are elements of representation such as gender, age, disability status, and sexual orientation that may be relatively consistent worldwide, while other elements, such as race, ethnicity, and religion, as well as regulations, culture, and history vary greatly across geographies. A truly global DEI strategy is not one created by headquarters or the leaders in the most populous country, but one that is globally designed from the outset.

Current experiments: What leading organizations are exploring

- **Google** has been reporting its workforce representation data since 2014, significantly earlier than most other companies¹⁴. In 2022, Google publishes trend data for workforce representation, hiring, attrition, exits, and self-ID, tech versus non-tech versus leadership roles, by race/ethnicity and by gender—globally and by region. Such depth and specificity allow workers to see themselves in the data and pinpoint areas of strength and opportunity. Importantly, intersectional data for the US workforce—for example, hires of Black women compared to Black men, or attrition for Asian women compared to Asian men—allow even more precision to enable development of solutions to drive equitable outcomes for cohorts that are most underrepresented¹⁵. Chief diversity officer Melonie Parker, speaking to the power of data, notes, “We are seeing promising progress in the improved attrition for many of our intersectional communities...The data from our Diversity Annual Report also shows us areas where we’ll work to do better, and we remain focused on improving hiring and retention for [those specific communities]¹⁶.”

- Unilever:** UK-based consumer products company Unilever created a disabilities inclusion program informed by comprehensive analysis of the physical accessibility of sites, the accessibility of virtual sites, and recruitment processes. The organization conducted a survey of more than 2,000 employees across Brazil, India, and the United Kingdom, carried out in-depth interviews, and asked individuals to keep a diary of their working environment to inform both root causes and potential solutions. Global guidelines for disability inclusion facilitate accessibility in IT, talent acquisition, communications, and workplace design¹⁷.
- Genentech, a member of the Roche Group:** In 2021, nearly all Genentech senior leaders identified specific actions to advance the three strategic pillars of the pharmaceutical company’s DEI strategy: foster belonging, advance inclusive research and health equity, and transform society on their own teams. For greater transparency, Officer Action Plans are shared with employees annually. “Awareness among our employees drives accountability and pushes these plans forward,” said Emily Reyna, head of Diversity & Inclusion Business Partners¹⁸.

The path forward

FIGURE 3

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> Set DEI goals and assign them to leaders Use currently available data as a basis for measurement and reporting Report on representation, participation rates, and workforce sentiment broadly internally and as is required by local regulators Designate a full-time DEI leader who is informed about all workforce practices, policies, and processes 	<ul style="list-style-type: none"> Identify and execute goals based on desired equitable outcomes, with a focus on finding insights and root causes that will directly impact goals and actions Embed equity goals in the strategy and execution of each talent practice Launch campaigns such as self-ID (as allowed by local law) to increase data accuracy Hold all leaders accountable for equitable outcomes (tied to their performance management and compensation) Identify leading practices to try as experiments, and iterate over time Release publicly available transparency reports (as transparent as local laws allow) 	<ul style="list-style-type: none"> View workforce processes as a system to understand equity implications within and across processes Build trust so workers understand how data will be used, benefits of sharing, and feel safe self-identifying Shift analysis from historical and current to predictive to determine where the next inequity might occur Make DEI part of the leadership DNA, exemplifying and actioning DEI priorities on their teams Provide the DEI leader with investment, influence over work practices, and access to the C-suite

Source: Deloitte analysis.

Looking ahead

Delivering meaningful and equitable outcomes requires a well-crafted DEI strategy and implementation plan that has leadership buy-in and support and that is supported by financial resources and dedicated full-time workers across the organization. Key focus areas include changes to organizational capabilities, operating models, and governance—and transforming the organizational culture.

When measurable progress on equity is not being made, the instinct might be to double down on programmatic DEI. However, sustainable change happens by connecting all internal and external

parts of the business across the entire business ecosystem. Organizations should orient themselves toward equitable outcomes and then equip individuals accordingly.

Transparency and clarity around success metrics can enable accountability to internal and external communities affected by inequities and help people within the organization understand what is being done. Sharing the *why* and *how* helps build trust and enhances worker engagement—making everyone in the organization part of the DEI journey.

The new fundamentals of DEI lay a path to bold action in pursuit of more equitable outcomes for all.

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Taking bold action for equitable outcomes

The DEI conversation shifts from activities to outcomes

Middle East

Introduction

The recent years have seen a growing commitment to promoting diversity and inclusion across the Middle East region, as governments and organizations recognize the social, economic, and cultural benefits of a more inclusive society. In fact, there are positive signs of change, with many Middle Eastern countries taking steps to promote diversity and inclusion with a greater focus on reaching gender equality. For example, the United Arab Emirates has implemented a range of initiatives to encourage women's participation in the workforce, including legal protection against discrimination and a commitment to equal pay. Additionally, many governments and organizations in the region recognize the importance of promoting greater cultural awareness and understanding and are working to promote diversity and inclusion through education and training programs. For example, the Qatar Foundation for Education, Science and Community Development has launched a range of initiatives to promote intercultural dialogue and understanding, including scholarships and exchange programs for students. However, reaching gender equality is not the only diversity and inclusion challenge in the region. According to the UAE's Chartered Institute of Personnel and Development, organizations in the Middle East also experience employee age and race issues.

With the Middle East currently going through a huge transformative period, diversity is seen as a focus for many organizations. In the Deloitte 2023 Global Human Capital Trends survey, 81% of the business leaders surveyed in the Middle East say embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to their organizations' success and 66% feel they are very ready to address the issue.

Deloitte has been focusing on Diversity and Inclusion for years. Underpinned by Respect & Inclusion, and supported by a consistent communication strategy, Deloitte Middle East set a clear Diversity & Inclusion strategy, aligned to its People & Purpose ambition, and focused on three main pillars, Gender Balance, Wellbeing and Nationalization, which goes beyond the importance to talent – it encompasses the expectations of the clients and its commitment to society.

Deloitte Middle East has also launched The DME Diversity and Inclusion platform that provides its people with a variety of resources and tools to help guide them into showcasing respectful and inclusive behaviors and to start making inclusive actions today.

UAE

The UAE has proactively set appropriate gender balance initiatives and strategies in place that work towards a diverse and inclusive economy. Currently, the UAE is ranked first regionally and 18th globally in the Gender Inequality Index (GII) of the United Nations Development Programme's (UNDP) Report Human Development 2020 and 24th among 170 countries in terms of progress in women's inclusion, justice and security, and the highest regionally in terms of gender equality, according to the World Economic Forum's 2021 Global Gender Gap report.

Since 2015, and in order to further enhance its position on gender equality, the UAE government established the UAE Gender Balance Council, responsible for developing and implementing the gender balance agenda in the Emirates. With a vision to position the country as a global leader in gender diversity, the council will be launching strategies that will drive this vision forward. Furthermore, 18 leading local and multinational companies from diverse sectors have signed a pledge to accelerate the achievement of the 5th Sustainable Development Goal¹ that the UN is working on in the United Arab Emirates – “Gender Equality – Achieve gender equality and empower all women and girls”. This pledge aims to increase gender balance in the workplace, with an emphasis on increasing the representation of women in leadership positions to 30% by 2025 through policy, programme, and initiative developments that are aligned with UAE government direction.

Various initiatives to promote diversity and inclusion in the workplace are being implemented in support of the UAE's objectives of achieving gender equality as a sustainable approach, and many organizations and government entities have developed diversity and inclusion strategies as an integral part of their business strategies.

Abu Dhabi Global Market (ADGM), has launched the "Diversity and Inclusion Charter" and the "Women in Leadership" program; ADNOC set three key goals for diversity and inclusion, including an ADNOC oil and gas asset to be managed by women; the Central Bank of the UAE issued a notice stating that banks and other financial institutions are required to provide services to their retail and corporate customers of both genders equally, and to develop policies and procedures that promote gender equality in all banking and financial transactions. Abu Dhabi Finance ensures gender equality in all tiers of their recruitment process, including, most importantly, equal pay.

1The Sustainable Development Goals that the UN is working on in the United Arab Emirates are a global call to action to end poverty, protect the earth's environment and climate, and ensure that people everywhere can enjoy peace and prosperity.

Saudi Arabia

The Saudi government has taken steps in recent years to promote diversity and inclusion in the workplace, as well as in society more broadly. Today, the empowerment of Saudi Arabian women is at the heart of the Kingdom's Vision 2030 reform program, with far-reaching social and economic goals. Increasing the participation of females in the workforce has delivered a knock-on effect and fueled the country's transformation that was already gaining momentum. This is providing more opportunities for the younger generation, especially women, encouraging them to play a more significant role in the economy.

Seeing men and women working alongside each other has played a huge part in organizations hiring and promoting talent based on qualifications and skills, not gender. As a result, more Saudi women are now working in engineering, construction, retail, hospitality and military sectors and more importantly taking on managerial positions. Saudi Aramco has been making efforts to promote diversity and inclusion within its own organization, including increasing the representation of women and promoting cultural understanding between different groups (e.g., Women in Business – supports women early in their careers to be successful in the corporate workplace by covering topics about assertiveness, work/life balance, personal branding, communication, networking, and more). The General Authority for Statistics has been working to promote diversity and inclusion in data collection and analysis, including collecting data on diversity and inclusion in the workplace, and promoting the use of this data to inform policy and practice. KAUST (King Abdullah University of Science and Technology) has been making efforts to promote diversity and inclusion within its own community, including increasing the representation of women in STEM fields (e.g., The KAUST Early Career Accelerator Program (ECAP) for Women in Cybersecurity has been launched to promote gender diversity within the Saudi Arabian cybersecurity labor market and arm participants with the skills and knowledge required to obtain careers in the local market. The program saw four female graduates complete formal training in integrated risk management and will continue to receive ongoing mentoring and on-the-job support, as they put their training into practice to help protect the university from a range of digital risks.

Arabian Centers Company (ACC) has announced plans to lead the way by creating the most diverse and inclusive workplace in the Kingdom, setting a target to fill 40% of leadership positions in the organization with women by 2025 and focusing on creating clear and fair structures of equal pay and career development for men and women to progress in Arabian Centers.

Qatar

Qatar has made significant strides over the recent years in increasing the participation of women in higher education and in the Qatari workforce where they remain concentrated in entry-level administrative jobs and mostly in the public sector. In order to support the Qatar National Vision 2030 and its mandates to establish gender equality at work, progress is being noticed recently, where women are starting to take up leadership roles and move into higher positions within public and private organizations. The Qatar Leadership Center that works with the mandate of creating future leaders for the country has helped to a certain extent in the path of giving equal opportunity for developing male as well as female leaders in the country.

The statistical indicators have also shown that Qatari women are more educationally qualified than men, and that there is a great need to increase training and job-enriching opportunities for them to work in higher levels of management and senior positions within Qatari organizations.

Concrete actions towards increasing women's empowerment were set out in the Qatar National Development Strategy as were methods for improving women's work-life balance. Yet, more efforts are required to be taken by Qatar's ruling family and governmental authorities to enhance further women's participation in the workforce.

Conclusion

Ultimately, our research results indicate that:

- Organizations in the Middle East are responding to the challenges of nationalization and diversity and inclusion by prioritizing diversity and inclusion in their recruitment and retention strategies, investing in training and development programs, partnering with government agencies, and appointing leaders who are committed to promoting inclusive practices.
- The UAE government has been a regional leader in promoting gender diversity and can be lauded for its efforts to effect change.
- Creating and enhancing opportunity, choice, and environments that attract and retain talent from all backgrounds is critical to business success.
- Driving long-term change in the region isn't something that can be realized within a day. Instead, it takes much strategizing, writing new policies and training to address diversity and inclusion challenges.
- Diversity and inclusion in the Middle East region is primarily focused on gender equality, however, companies also experience employee age and race issues. These are areas that diversity and inclusion practices in the region should focus on next.

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Advancing the human element of sustainability

Human sustainability rises to the fore of organizations' sustainability strategies

Coauthored by Karen Cunningham and Laura Richards.

Enterprises' initial efforts to address sustainability issues have been largely driven by public relations or brand defense—with less regard for meaningful outcomes. More recent efforts, such as reducing emissions in operations or manufacturing, are producing real but incremental improvement at the fringes of the business. Now it's time to take the next step to achieve tangible outcomes by focusing on the human element by operationalizing people-enablers in the organization, planning for the right technical and soft or human skills, making work better for humans, and designing for human sustainability. This is where fundamental and lasting change takes root and outcomes can be achieved.

SUSTAINABILITY ISSUES HAVE a real and existential impact on society and the earth, and organizations are often being called on to play a more central role to create meaningful outcomes for people, the planet, and prosperity¹. Many executives understand the importance and the need to make meaningful change, with nearly

70% of surveyed organizations incorporating more sustainable materials or increasing the efficiency of energy use². However, just funding sustainable “things” will not produce sustainability outcomes.

The cold, hard truth is that many sustainability efforts only dabble at the fringes of the business

and ignore the human element, which is where meaningful and lasting change takes root. For example, many companies have scaled back corporate travel or switched to more sustainable materials, but those actions alone don't hardwire sustainability into the workforce or the work itself,

which is the kind of change needed to cultivate a culture of sustainability that could fundamentally shape a company's energy and social impact. Humans are the conduits for material and lasting change.

GLOSSARY OF SUSTAINABILITY TERMS

Sustainability. Meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability includes everything needed for an organization to achieve long-term existence, profitability, and growth. It also includes an ambition to ensure that economic, social, and technological progress occurs in harmony with nature so all human beings can fulfill their potential and enjoy prosperous and fulfilling lives, in dignity and equality, in a healthy environment. "Sustainability" is not synonymous with environmental, social, and governance (ESG), but rather encompasses it.

ESG. The framework that organizations use to monitor and report progress against their sustainability agenda.

- **Environmental.** Tackling environmental costs, long-term climate risks, and challenges related to natural capital through sustainable business practices and supply chain management. Includes careful management of emissions and stewardship of natural resources including water, agriculture, minerals, land, and other materials.
- **Social.** Committing to workforce management practices that advance inclusion, pay equity, health, safety, and well-being, as well as the advancement of human rights, community impact, and societal impact.
- **Governance.** Establishing and executing board and leadership policies and practices on decision-making authority, accountability, and reporting transparency. Includes leadership and governance, shareholder rights, executive incentives, and corporate ethics and behavior.

SIGNALS: THIS TREND APPLIES TO YOU IF...

- Your organization faces rising pressure from workers and other stakeholders for accountability in creating and promoting good jobs, good work, and good platforms³
- The communities in which you work are demanding greater transparency about how the organization is creating value in society
- Your regulators and shareholders are requiring more transparent reporting on human, environmental, and societal measures
- Your organization is struggling to measure the ROI of sustainability efforts

The readiness gap

In the Deloitte 2023 Global Human Capital Trends survey, 84% of respondents acknowledge that understanding the impact of sustainability on their organization and defining ownership for driving progress and outcomes is important to their organizations' success. Yet only 21% believe that their organizations are very ready to address such issues.

FIGURE 1

The readiness gap for sustainability

Understanding the impact of sustainability on my organization and defining ownership for driving progress and outcomes is important or very important to my organization's success

84%

My organization is very ready to understand the impact of sustainability on the organization and define ownership for driving progress and outcomes

21%

Source: Deloitte 2023 Global Human Capital Trends survey.

The new fundamentals

Embed sustainability into purpose, strategy, and culture. Sustainability cannot continue to be a siloed ESG, employee health and safety, or corporate social responsibility initiative. Instead, sustainability priorities should be integrated into *how* and *why* organizations operate at all levels throughout the business if they are to experience the behavior change needed to drive tangible outcomes. When asked to identify barriers to achieving sustainability outcomes, Deloitte 2023 Global Human Capital Trends survey respondents overwhelmingly pointed to traditional barriers to change, such as organizational culture, rate of change, funding and resource constraints, and regulations. These identified barriers have in common the externality of control, likely related to

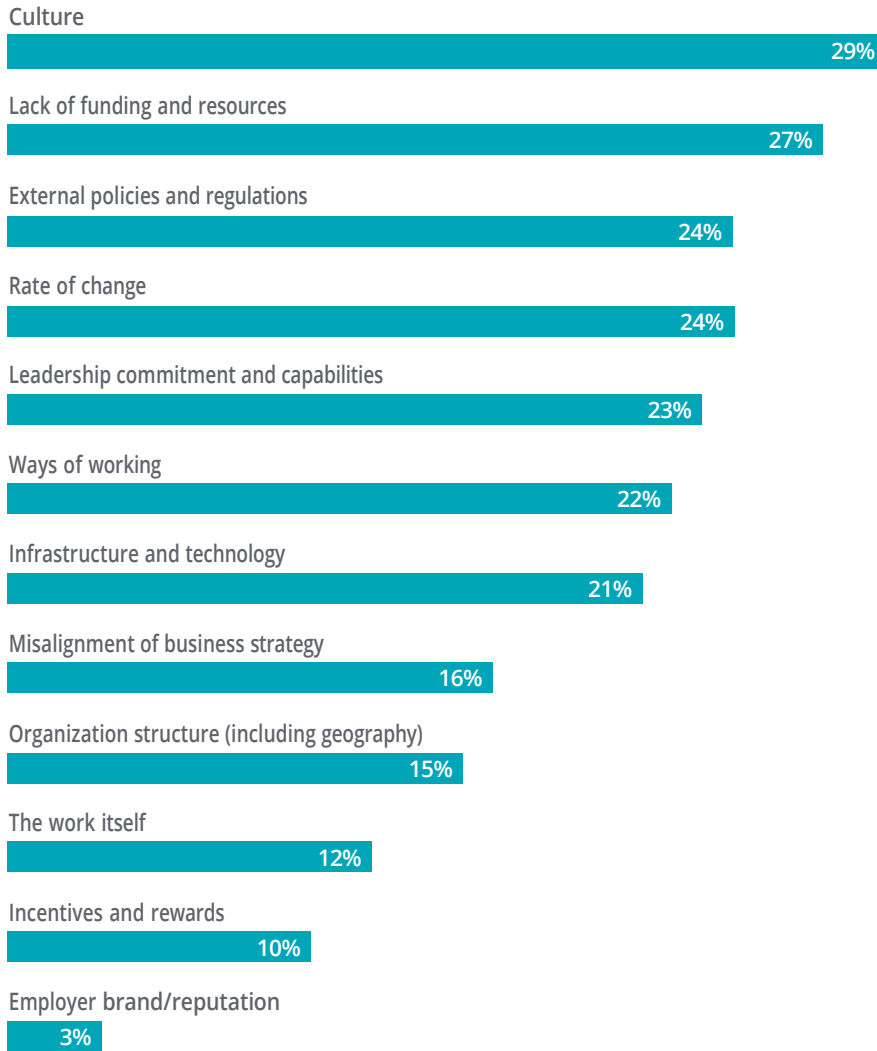
the fact that less than 30% feel empowered to take an ownership role in their organization's sustainability outcomes.

But leaders can shift this thinking by understanding that to make material change, they should make tactical and tangible decisions to weave sustainability into the cultural fabric of the organization and take control of sustainability outcomes. This involves aligning around and telling the narrative of sustainability as a core part of the organization's corporate purpose, putting a supporting organizational structure and operating model in place, and hardwiring the sustainability strategy into business and workforce practices and the work itself. This can be accomplished by aligning incentives, rewards, and performance management to sustainability outcomes.



FIGURE 2

Barriers observed in achieving organizations' sustainability goals



Source: Deloitte 2023 Global Human Capital Trends survey.

Plan strategically for sustainable skills needs. Achieving sustainability outcomes may require the cultivation of new skills, capabilities, and experience within the workforce. An increasing number of organizations seem to be taking note. For example, LinkedIn observed among organizations represented on their platform, significant double-digit growth in organizational demand for skills, such as pollution prevention, environmental policy, and environmental auditing between 2016 and 2022 (57%, 58%, and 67%

growth, respectively)⁴. The Deloitte Economics Institute predicts that there will be an increase in 300 million jobs globally by 2050 in order to transition to net-zero⁵. But sustainability skills are both technical *and* human in nature. Organizations will need more than specialized experts with skills in waste reduction or decarbonization. To truly embed sustainability into their way of being, organizations will need to conduct workforce planning in the context of all skills and capabilities needed to operate in a sustainability-forward

culture and future. In addition to the “green” capabilities required, this will involve considering how to instill enduring human capabilities, such as empathy and conceptual thinking, and develop new skills, such as scenario-based decision-making, among workers in the broader ecosystem.

Make work better for humans. In 2021, we wrote about the potential for organizations to design “good jobs” in which job quality is high, workers have a voice, and the organization offers training and skill development⁶. Within the context of sustainability, “good jobs” look more like a holistic approach to work, where the health, safety, and well-being of the worker is prioritized and where work output contributes to sustainability outcomes. For example, sustainable fashion company Everlane regularly evaluates labor conditions, wages, training, and the environmental impact of the factories within its supply chain to ensure worker conditions meet its social responsibility standards⁷. In 2021, the organization reframed its mission statement to adopt a people-first focus on environmental sustainability, promoting both safe environmental practices and safe work environments.

Design for human sustainability. Many organizations have begun to value not only environmental stewardship, but also human sustainability, or the creation of value for current and future workers and, more broadly, human beings and society. These organizations unleash individuals’ potential and help them become healthier, more skilled, and more connected to a sense of purpose and belonging. Human sustainability differs from political activism or worker engagement in that the intent is to positively impact the humans and communities who touch an organization, rather than the organization itself. In a global survey conducted by Deloitte in 2022, 64% of workers stated they would be more attracted to, and remain at, an organization that creates value not just for shareholders, but for workers as human beings and

greater society as well. Human sustainability has also moved up steadily higher on the corporate agenda. Seventy-nine percent of business leaders agree that the organization has a responsibility to create value for workers as human beings and society in general⁸.

Our understanding of what it means to create and sustain value is shifting, to the benefit of humans from the board room to the surrounding communities.

Current experiments: What leading organizations are exploring

- **Hilton.** The hospitality company offers one example of how organizations are pursuing both human and organizational sustainability. In response to talent shortages resulting from the pandemic and increased worker agency, Hilton looked for new talent within communities in need of work. The company hired survivors of human trafficking, refugees, and formerly incarcerated individuals, which created value for the workers and society, and simultaneously, the business⁹.
- **Interface Carpet Company.** The global commercial flooring company’s journey to carbon neutrality began in the mid-1990s, when Interface leaders put environmental sustainability at the company’s core by incorporating it into its design philosophy, performance measures, and culture¹⁰. The organization’s core mission, as stated, is to “restore the health of the planet.” This mission has been incorporated into determining what products it designs and how, workers’ performance evaluations, and the interactions that drive daily work. The organization has already achieved its goal of carbon neutrality and aspires to become carbon negative by 2040.

- **Apple.** In 2021, the global technology company added a modifier to its bonus structure, which could increase bonuses for executives by 10% should they achieve predefined sustainability goals¹¹. The move came after an activist shareholder failed to push through an initial proposal in 2020 but continued to work with Apple executives to implement the change.
- **United States Agency for International Development (USAID).** Through its Green Cities program, the organization collaborates with local governments to increase access to inclusive green jobs, reduce pollution, advance equity, and create net-zero systems in a multitude of communities across the developing world¹².
- **American International Group (AIG).** The global financial services and insurance company has committed to radical transparency through its sustainability reporting, which accounts for

the broader ecosystem¹³. Published annually, AIG’s sustainability report includes information on third-party emissions as well as data on the composition of its full workforce. The organization has also created a sustainability-focused framework for underwriting, which incorporates its sustainability values into the largest body of daily work.

- **Anheuser-Busch InBev.** The organization has adopted an ecosystem approach to its sustainability efforts, taking action to help clean the water it sources to produce beer, supporting the financial well-being of farmers whose crops are sourced, and helping make safe beer with indigenous crops for consumption in local communities¹⁴. The organization’s aim is to operate within its ecosystem in a symbiotic manner, growing together with its suppliers, consumers, and communities.



The path forward

FIGURE 3

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> Align leaders around the sustainability ambition, vision, and goals and their accountability to outcomes Strategically communicate to ensure internal (workforce) and external (market) visibility into leadership commitments, progress, and outcomes of sustainability goals Provide your workforce with sustainability or “green” upskilling opportunities relevant to your industry and organizational strategy Manage the changes associated with new technology, processes, tools, and ways of working as a result of sustainability investments 	<ul style="list-style-type: none"> Cocreate your sustainability strategy with members of your ecosystem (workers, partners, customers, suppliers, vendors, etc.) Rearchitect work to drive environmental sustainability, workforce equity, worker health, safety, and well-being Evolve your operating model, organization design, job architecture, compensation, and rewards to align with and enable your sustainability strategy and commitments Pay attention to the jobs most at risk for negative impact on health and well-being Take a holistic approach to work, in which the health, safety, and well-being of the worker is prioritized, and work output contributes to sustainability outcomes 	<ul style="list-style-type: none"> Account for shifts in skills and expertise that will enable long-term sustainability capabilities within your workforce planning approach Design for human sustainability and account for intended and unintended consequences of sustainability decision-making on your workforce, the market, your community, and society

Source: Deloitte analysis.

Looking ahead

Many organizations are facing mounting pressure from governments, global coalitions, their communities, and, not least, their current and future workforce to address sustainability issues. And that workforce is demanding that organizations dispense with the lip service surrounding sustainability in favor of observable outcomes. In the Deloitte Global 2022 Gen Z and Millennial survey, nearly half of respondents said they have personally put pressure on organizations to act on sustainability topics¹⁴. Thirty percent of workers in a 2021 Deloitte external survey said they would consider switching jobs to work for a company that

is more environmentally sustainable¹⁶. If an organization relies on workers and talent—and what organization doesn’t?—it will need to start making meaningful, quantifiable progress quickly. Two essential steps that can help achieve this progress are embedding human sustainability into the organization’s sustainability strategy and promoting behavior shifts across the workforce ecosystem that align with sustainability goals.

Setting aside both internal and external stakeholder pressures and wider societal needs, the benefits to businesses for growing their readiness to lead on these issues is clear. In many ways, the problems represented by sustainability serve as a

useful proxy for the entire set of challenges that surfaced throughout the Deloitte ME 2023 Deloitte Human Capital Trends. In that light, it should not be surprising that a deeper statistical analysis of the survey data found a clear and predictive relationship between organizational readiness to address challenges of sustainability, inclusion, trust, and purpose and the likelihood of high performance on business and workforce outcomes—the strongest such predictive relationship of any group of items in this year’s study.

Regardless of the ultimate benefits, many organizations tend to struggle to prioritize the need

for long-term sustainability over short-term financial results. While culture and funding are reported as top barriers, they will also be key enablers to help achieve future success. In an interview with Christine Dacre, the chief financial officer of TransLink, she noted the criticality of applying both a long-term focus and a human lens. She says, “This work takes time and a lot of investment upfront, which can be tough when you don’t necessarily see the benefits right away. Moreover, you have to look beyond your company at the whole ecosystem, including suppliers, existing infrastructure, and existing technology. You need a lot of collaboration among stakeholders because no one organization can go at it alone¹⁷.”

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Advancing the human element of sustainability

Human sustainability rises to the fore of organizations' sustainability strategies

Middle East

Introduction

Sustainability, and more specifically human sustainability, has always been a crucial topic that concerns us all. However, what has changed is the new generation's sense of urgency towards the matter, especially in the Middle East region. According to Deloitte's 2022 Gen Z and Millennial Survey, Millennials and Generation Z have openly expressed their preference to work with eco-conscious organizations and have been pressing big organizations in the Middle East to act towards sustainability and inclusion¹. They are not the only ones doing so; board members are being urged by investors to address matters such as sustainability and well-being, as many new studies have been referring to their impact on employee productivity and company profit².

The Deloitte ME 2023 Deloitte Human Capital Trends³ finds that around 72% of respondents based in the Middle East believe that their organization's response to Environmental, Social and Governance (ESG) matters is quite important for their success.

Similarly, 72% of Middle Eastern respondents acknowledge that some of the organization's success depends on their consideration of broader societal and environmental risks when making workforce decisions.

On the other hand, when asked whether their organizations are ready for this change towards sustainability, only 40% of respondents expressed that they were very ready. Despite that, this level of readiness in the Middle East is encouraging in comparison to the broader pictures, as only 21% of global respondents trust their organization is very ready to address sustainability issues.

When asked about the potential reasons for this readiness gap, 60% of Middle East-based respondents of the Deloitte 2023 Global Human Capital Trends survey believe external policies and regulations to be a barrier when globally, only 24% believe it to be an issue. Culture got the highest number of votes by global respondents, with 29% believing it to be the biggest barrier, when only 20% believe so in the Middle East.

The contrasts between opinions and readiness between global and Middle East responses could be explained by the disagreement on who should take ownership of the change towards human as well as environmental sustainability.

It is worth mentioning that almost 86% of respondents from the Middle East indicate that Senior Leadership is responsible for managing this sustainable shift. However, only about 42% reported leaders to be ready to follow the ESG trend. Some of the actions that leaders may take include incorporating sustainability and diversity in the organization's core culture. They could also establish a sustainability strategy into the business, which would integrate pay equity, career development opportunities, talent acquisition and retention, amongst other concepts. When asked what their organization's focus for ESG is, about 71% of the Deloitte 2023 Global Human Capital Trends survey respondents based in the Middle East agree that incorporating ESG priorities into the company's mission/vision is quite important. Nevertheless, only around 43% voted that their organization is ready for this. Additionally, 57% of the same respondents admit that addressing the impacts of climate change is important, and similarly, 43% believe their organization to be ready. These numbers indicate that organisations and their employees are aware of the importance of sustainability yet have not all acted towards addressing it. Bridging the gap between knowing and doing is vital.

UAE

As 2023 has been announced as the Year of Sustainability in the UAE, Abu Dhabi has been named the next host of the 28th United Nations climate change summit, Conference of Parties (COP28). The country is committed to promoting a protected environment that offers communities an ideal living and working space⁴. Dubai has also contributed to this initiative by hosting the World Expo in 2021 and was insistent on ingraining sustainability in every aspect of this incredible event. Buildings were constructed using sustainable materials, which are being repurposed and recycled for District 2020, and renewable energy sources. Most of the food served was safe for consumers, ethically manufactured and packaged. Additionally, 50% of the landscape plants came from native and adaptive species, without using chemical pesticide or overconsumption of water⁵.

Dubai Electricity and Water Authority (DEWA) has also been promoting a sustainable lifestyle to residents of the country, for both environment and cost purposes. It launched the Smart Living Initiative where consumers can monitor their home usage. As part of the initiative, consumers get a summary of their electricity and water consumption at the end of each month in comparison to similar homes. DEWA also established The Green Charger Initiative which encourages the public to switch to electric vehicles. It made charging stations free and available across all of Dubai. The UAE government took this successful initiative a step further and offered free parking and tolls for electric vehicle drivers⁶.

Saudi Arabia

Saudi Arabia has committed to a sustainable vision called Vision 2030, designed to address energy and climate challenges in the Kingdom, in hopes of inspiring other countries to invest in the future of their people. More notably however, KSA announced its aim to reach Net Zero by 2060, as acting towards sustainability will spark innovation and create high-quality jobs⁷. Savola Group, a popular grocery store chain in the Kingdom which adheres to ethical business practices apparent through the various initiatives they have established. The "Makeen" program trains people with disabilities and offers them employment opportunities. "Negaderha" targets food waste prevention in both households and HORECA (hotels, restaurants, cafes, etc). "Be Healthy" promotes a healthy lifestyle by sharing healthy recipes and in-store workshops. Finally, "Friend of the Environment" replaced millions of plastic bags with biodegradable ones, determined to reduce the amount of micro-plastic humans ingest⁸.

Ma'aden, a mining company in Saudi Arabia, is committed to the country's Vision 2030 and functions around the belief that Human Capital as a mean of success, is crucial to progressing towards a sustainable future. As they made the incredible shift to more eco-friendly materials and tools, they also focused on people's success. Ma'aden founded schools all over Saudi's underdeveloped areas, hoping to give back to the community and offer the youth equal opportunities in life with their scholarship programs. Moreover, the Ma'aden Academy strives to stimulate a sense of environmental responsibility and sustainable mining in the region, which could encourage people to partake in the industry and make a sustainable difference⁹.

Additionally, as part of their sustainability strategy, Al Marai, a large food and beverage company, released their 25 goals to reach by 2025. Their 3 pillars are Caring for People, Protecting the Environment, and Producing Responsible Products. Caring for People revolves around improving their offered nutrition and well-being programs, promoting professional development, ensuring equal employee opportunities, and as a result, reducing employee turnover. This pillar also aims to improve the youth's employability by offering scholarships, amongst other things. Protecting the Environment involves reducing plastic and packaging material, as well as energy and waste going to landfills, while using alternative fuel vehicles. Lastly, Producing Responsible Products includes making materials less dangerous to ingest and having ethical sourcing processes, which include animal welfare¹⁰.

Qatar

RasGas, a gas-producing company, founded The Jetty Boil-Off Gas (JBOG) Facility, a large environmental gas-producing project that eventually reduced JBOG flaring by 90%, which as a result saved 29 billion standard cubic feet of gas per year. For context, this can power more than 300,000 homes or over 11% of Qatar's population, which in turn, can lower the cost of electricity.

Another instance of RasGas's steps towards sustainability is their Wastewater Reduction and Reuse (WRR) program, which aims to reduce wastewater injection into deep well formations, to recycle water using advanced technologies, and to reuse suitable streams of treated water for irrigation¹¹. Ultimately, all of these combined efforts would lower the cost of living for Qatar residents.

Qatar also hosted the FIFA World Cup 2022 with the intention of making it the most socially, economically, and environmentally sustainable one yet. All 8 stadiums built had sustainable design, construction, and everyday management. Cooling systems were powered by solar panels and irrigation systems for landscape used 100% recycled water. They developed a transport system which includes a metro, tram system, and new bus routes to reduce car emissions on roads. More than 36,000 workers were involved in the project. For that reason, the Workers Welfare program was established to reduce accident frequency, as well as over-exhaustion and over-heating¹², in the hopes of making the overall experience more humane.

Many banks in the region have also devoted efforts to ESG matters, including HSBC Qatar. HSBC's approach to a sustainable future includes equipping people with employability and financial skills required to transition in the rising low-carbon world. This bank has also dedicated funds specifically to support ESG projects in the country, such as Sustainable Financing Bonds, and Green Loans & Sustainability-Linked Loans, as well as investing in projects involved in sustainable Export and Infrastructure. HSBC has also founded the HSBC ESG Academy in which experts and industry leaders host seminars around a range of sustainable topics, including Future Cities, Energy Transition, Food Security, and sustainable projects funding.

HSBC's goal is to have their customers feel supported by investors willing to fund their sustainable initiatives and collectively build a thriving low-carbon economy¹³.

Conclusion

Ultimately, our research results indicate that:

- Organizations launching their own sustainable journey should begin by implementing forward-thinking policies.
- Organizations can also align the company's strategy with sustainability efforts. Not only will this create a sense of commitment and prioritization, but it will also ensure a quantified return on their sustainability investments.
- Organizations could reduce compliance risks, and this could range from regulations in waste management, pollution, and energy efficiency to human rights and labor responsibility².
- It is crucial to engage board members and the ecosystem, as investors now turn an eye to sustainability matters and employee well-being, which is pivotal in productivity, collaboration, and motivation.
- Other elements that should be incorporated into ESG strategies include pay equality, benefits, career advancement, hiring, retention, and productivity¹⁴.

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Elevating the focus on human risk

Opening the aperture and changing the lens on risks to focus on the human element

Coauthored by Zac Shaw.

As C-suites and boards of directors grapple with contingencies for a growing list of disruptive external risks—including environmental, social, technological, political, and economic issues—they should consider expanding their focus beyond the operational and financial effects of those risks, to include the human implications. It is imperative they understand that the impact of these disruptive risks on humans (both inside and adjacent to organizations) is substantial, as is the linkage between the human impact and that of the organization at large. Seeing these disruptive risks through a human lens paves the way for greater resiliency, enables superior business results, and creates a more effective and informed set of solutions for mitigating—and thriving in the face of—these disruptions.

WHEN IT COMES to human-related risks, organizations and their most senior leaders focus on a narrow set of *workforce* risks—the potential risks that human workers pose to the business. These risks include operational concerns such as worker turnover, poor efficiency, difficulty acquiring and retaining

talent, and compliance with regulations. Typically, their primary focus, if they have a focus at all, has been on the financial and operational impact of these risks. C-suites and boards have only occasionally expanded their focus to include their reputational implications and, more rarely, their human effects.

“Most boards are not handling human risks as a strategic issue.”

— Mike Fucci, board member at Acadia Healthcare and Flotek Industries; retired Deloitte chairman

Yet all risks have a significant human element. Some have an outsized effect *on* humans. Others are affected and driven to some degree *by* humans. As such, we refer to these as *human risks* because they affect humans’ professional and personal lives in palpable ways, in addition to the impact they have on your organization’s short-term performance, long-term viability, and reputation and brand.

Given the criticality of these human risks, they require the same attention and investments as traditional measures of risks. However, findings from the Deloitte 2023 Global Human Capital Trends survey shows this level of prioritization on human risks is lacking across several dimensions:

- **Environmental.** Climate change and the availability of natural resources could profoundly alter the availability, location, and conditions of work as well as the workforce. According to the Deloitte 2023 Global Human Capital Trends survey, only 18% of respondents believe climate will be a top risk facing their organization in the next 2–4 years. Yet, there are clear signs this will continue to drive where work gets done, how work gets done, and the local availability of workers.
- **Social.** Injustice and inequality don’t stop at the workplace door. These social issues can affect how workers feel about work, how they collaborate, and their sense of value and belonging to their organization. According to [Deloitte’s Global 2022 Gen Z and Millennial Survey](#), two in five workers have rejected a job or assignment because it did not align with their values around societal and environmental

impact and/or diverse and inclusive cultures. However, only 12% of the Deloitte 2023 Global Human Capital Trends survey respondents believe social and racial injustice will have a substantial impact on the workforce in the next 2–4 years.

- **Technological.** Data privacy and security, virtual work, and automation are vital to the health of a business, but they also shape the experience of getting work done and the types of work available to humans. Yet only 9% of the Deloitte 2023 Global Human Capital Trends survey respondents noted that their organizations believe technology replacing humans is a top risk facing their workforce today. And just 21% believe cyber risks like data privacy and security will have a significant impact on the workforce.
- **Economic.** The impact of income disparities—including access to health care, food, and education—affect the abilities and effort that people bring to their work, yet only 30% of respondents acknowledge the workforce impacts of this risk.
- **Political.** Government regulation and political polarization or conflict profoundly influence the nature of the worker-organization relationship and the relationships workers have with one another, yet only 24% of Deloitte 2023 Global Human Capital Trends survey respondents expect this to have a significant impact on their workforce over the next 2–4 years.

These risks don’t occur in a vacuum: Economic risks often drive social ones, environmental risks place different burdens on technology, and so on. The common thread is that all these risks have a distinct human impact. This impact should be addressed not just at the strategy table, but in the everyday lives of the humans throughout the ecosystem who contribute to your business.

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- Your organization lacks the data needed to report on a broad set of human risks
- You are struggling to understand what is impairing the organization's ability to recover from unexpected events or disruptions to their business
- Your board and C-suite expect and need more transparent workforce data to make basic decisions
- Your organization is struggling to demonstrate progress on its DEI commitments

The readiness gap

According to the Deloitte 2023 Global Human Capital Trends survey, 81% of respondents acknowledge the importance of anticipating and considering broader societal and environmental risks like political instability and social injustice when making workforce decisions. Yet less than 19% believe their organizations are very ready to address those risks when making workforce decisions.

FIGURE 1

The readiness gap for human risk

Anticipating and considering broader societal and environmental risks when making workforce decisions is important or very important to my organization's success

81%

My organization is very ready to anticipate and consider broader societal and environmental risks when making workforce decisions

19%

Source: Deloitte 2023 Global Human Capital Trends survey.

The current approach to managing workforce risk is insufficient, with only 44% of executives in Deloitte's forthcoming Workforce Risk survey¹

believing that the risk-related metrics their organizations capture give an adequate view of current exposure to workforce risk. That figure falls to 34% when executives are asked to evaluate their preparedness over the next three years.

The new fundamentals

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

Shifting to a focus on human risks requires a more expansive framework that accounts for the complexity and dynamism of today's world of work. That means moving beyond outdated models that only consider a limited set of internal factors, such as open roles, succession plans, and workforce safety, to account for a broader set of both internal and external human risks. This new framework must look comprehensively at *what* work is performed, *how* work is performed, and *where* work is performed. It must also consider the well-being of the communities in which the organization operates, the well-being of the workforce, and the long-term employability of the workforce—and whether the organization is “future-proofing” workers by helping them acquire transferable skills and capabilities.

Even under today's narrow lens of workforce risk, few organizations are meeting the mark. According to our forthcoming Workforce Risk survey, only 40% of organizations have a clear definition of workforce risk and less than 10% of executives say they are satisfied with how their organization monitors risk. This is especially concerning given the limited set of risk measures today, with few organizations considering expanded metrics like the impact of inclusion (27%) or environmental, social, and governance (ESG) (16%) on the workforce.

Create organizational agility through expanded insights. Human risks don't follow an organization's planning timeline. Instead, they emerge quickly, often catching organizations off-guard and sending leaders scrambling to respond. Beyond determining consistent definitions and instituting a human risk framework, organizations need to enhance business planning and ongoing risk measures to evaluate progress in a more timely manner. Yet only 40% of the organizations surveyed say they are implementing data and analytics to better sense and prepare for emerging human risks. And, only 43% plan to do so within the next 2–4 years.

The ability to generate those analytics depends on an integrated data infrastructure that can ingest expanded human risk factors and provide consumable insights for organizational response. For instance, consider how an enhanced understanding of human risk, including workforce factors and the broader economic, political, technological, social, and environmental landscape, could influence business decision-making. This might include determining where to open a new manufacturing facility, which workforce skilling and benefits programs to offer, or how an organization plans to support workers, redirect

supply chains, or pivot business priorities in the event of a climate or public health emergency.

Even in instances in which the analytics are not predictive, they still increase organizational agility by providing a foundation by which actions can quickly be taken, evaluated, and adjusted in times of disruption. And the insights generated will allow organizations to focus on a broad set of human risk outcomes: financial, operational, regulatory, reputation, and brand.

Instill responsibility at the board-level so it cascades through the organization. The limited emphasis placed on human risk management has traditionally fallen to an organization's chief human resources officer and on occasion, its chief financial officer. Even simple knowledge or understanding of workforce-related risk appears to be limited outside the human resources department.

"The most ineffective way to approach human risks is to say this is an HR-only issue."

— Mike Fucci, board member at Acadia Healthcare, Flotek Industries; retired Deloitte chairman

According to Deloitte's Workforce Risk survey, only 40% of board members have expert-level knowledge of workforce-related risks. Today's global disruptive risks can have a material effect on a company's long-term viability and need to be fully understood by all executives, but particularly by board members. Boards should embrace responsibility for human risks head-on in service of the investor and stakeholder needs of today and tomorrow, which requires more than just creating or expanding existing subcommittees to take ownership.

Accountability cannot end with the board. Instead, it must cascade through the organization so that monitoring and preparing for human risks becomes a way of operating. And yet, only 39% of our Workforce Risk survey respondents noted that line managers have expert-level knowledge of workforce-related risks. These line managers are often closest to and most in tune with worker sentiment on the ground. Creating human connection among workers and with the organization can help preempt human risks, just as neighbors feel shared accountability to look out for their street. As discussed elsewhere in this report, continuous dialogue between the organization and its workers is a critical component to engage and activate the workforce when it comes to human risk.



Current experiments: What leading organizations are exploring

- **Gard.** The Norway-based global insurance provider actively conducts scenario planning around potential risks, including those posed to the workforce. The company identifies a broad list of potential risks related to socioeconomics, environment, geopolitics, and technology, and then asks both the board and managers which they believe are most likely. Gard then conducts scenario planning around these risks with cross-functional working groups to identify potential solutions².
- **MetLife.** The global insurance provider places responsibility for ESG risks with the board and they meet with executives regularly to review data to evaluate climate risks. The organization is currently developing the ability to stress test and conduct scenario planning around climate change³.
- **US Department of the Treasury.** The Bureau of the Fiscal Service has started to take a more expansive view of the risks it evaluates including workforce risks, which are now part of its enterprise risk framework. The agency also plans to advance its data and analytics capabilities to further support evaluation of and decision-making around risks⁴.

The path forward

FIGURE 2

Survive. Thrive. Drive.

<p style="text-align: center;">Survive</p> <p style="text-align: center;"><i>Remain viable in the marketplace</i></p>	<p style="text-align: center;">Thrive</p> <p style="text-align: center;"><i>Differentiate to gain competitive advantage</i></p>	<p style="text-align: center;">Drive</p> <p style="text-align: center;"><i>Lead the market by radically innovating and transforming</i></p>
<ul style="list-style-type: none"> • Expand the criteria that you use to evaluate risks to include the human impacts along with financial and brand risks • Ensure your holistic workforce is included when evaluating the human impact • Collect data regularly to inform your decisions around high priority human risks as part of your periodic business planning efforts • Create more transparency in communicating human risks and mitigating actions to your workforce 	<ul style="list-style-type: none"> • Designate roles and/or teams across your workforce ecosystem to focus on sensing, scenario modeling, and risk preparation • Consider current and emerging human risks when defining your business and workforce strategies • Instill accountability for preparing for human risks at the board and executive level 	<ul style="list-style-type: none"> • Identify the behaviors that drive human risks and create incentives and a culture of shared accountability to change those behaviors • Use advanced data and analytics to sense patterns, predict risks, and drive planning and preparedness both inside and outside your organization • Share your approaches and insights with other organizations, communities, and regulatory bodies to advocate for and benefit all humans in society

Source: Deloitte analysis.

Looking ahead

A human-centered, predictive approach to managing risk requires a significant mindset shift for leaders and workers alike—as well as an additional investment. However, the dangers of sticking with the *status quo* far outweigh the costs of improvement. Executives who do not prioritize a broader, more human-centric approach to risk management could find themselves at odds with board members, and other influential stakeholders, who are increasingly interested in how human risks are managed.

While the board ultimately needs to be accountable, it will take your entire workforce to effectively care for human risks. Many human risks are caused by “wicked problems” in that they are complex, dynamic, and seemingly intractable social challenges⁵. The same kind of ecosystem thinking that informs business strategies can be brought to bear on its human risks, pulling on the talents and resources of workers, executives, and the communities in which they operate to cocreate solutions.

Leading organizations continue to expand their sensing capabilities and collaborate with workers to predict and plan for all forms of human risk. Those that don't may soon find themselves outpaced and overwhelmed by emerging challenges and disruptive risks—and unable to react effectively, much less capitalize on new

opportunities. Continuing to apply a traditional business-centered perspective to risk management may signal to workers, and even customers, that the organization does not prioritize workers, which can ultimately adversely affect the organization's financial and operational performance, reputation, and brand.

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Elevating the focus on human risk

Opening the aperture and changing the lens on risks to focus on the human element

Middle East

Introduction

Looking beyond 2023, elevating the focus on human risks will be essential to maintaining a healthy and sustainable business environment in the GCC. This shift in focus will require government entities and organizations to take a more comprehensive approach to risk management – one that takes into account not just financial and operational risks, but also the risks associated with the people who make up their workforce and customer base.

This means looking beyond traditional risk management models and embracing a more holistic approach – one that focuses on creating a strong organizational culture, promoting employee well-being and safety, and investing in technology and systems that can help mitigate human risks.

It is worth noting that elevating the focus on human risks is not just an ethical imperative, but a strategic one as well. After all, healthy, motivated and resilient people are more likely to drive innovation, promote growth, and weather the storms of volatility and disruption¹.

In the GCC and according to the Deloitte ME 2023 Deloitte Human Capital Trends, 41% of respondents believe that currently “Education and workforce viability” have the greatest impact on their organization’s workforce; Nevertheless in 2 to 4 years, 32% of the respondents believe that “Climate” will take over and be the most impactful on the workforce².

To address these challenges, the leading organizations and government entities in the GCC must prioritize human development and invest in programs that support education, job creation, and access to basic services. This can include initiatives to improve governance and the rule of law, promote economic growth and diversification, and support civil society organizations. Currently, and based on the Deloitte ME 2023 Deloitte Human Capital Trends, 77% of respondents are “conducting regular workforce planning” as a mean to manage the impacts of these human risks and 59% are “reevaluating business strategy and workforce planning as they experience disruption” which is considered a reactive measure rather than a proactive one. However, in 2 to 4 years, 55% of respondents are considering to follow proactive measures in “creating a governance structure for sensing and managing human risks”.

In summary, the focus on human risk in the GCC as well as managing the impact of human risk on the workforce will, according to the Deloitte ME 2023 Deloitte Human Capital Trends, increase financial performance, increase innovation and increase retention. By elevating the focus on human risk, we can build a more peaceful, prosperous, and secure future for both businesses and people in our region.

UAE

In recent years, organizations in the United Arab Emirates have been placing increased emphasis on mitigating human risks in their operations. This shift in focus is driven by recognition of the potential impact that human factors can have on an organization's success, as well as a desire to create a safer, more inclusive, and more productive work environment. As a result, UAE organizations are investing in programs and initiatives that address issues such as diversity and inclusion, employee well-being, mental health support, and workplace safety³. By taking a proactive approach to human risks, these organizations are positioning themselves for long-term success and demonstrating their commitment to their employees and the wider community¹⁵.

As an example, Dubai Petroleum has established a robust safety culture that prioritizes the protection of its employees and contractors, with regular training programs and emergency preparedness measures⁴. Another example is Abu Dhabi National Oil Company (ADNOC) which has implemented a human risk management program that focuses on the health, safety and well-being of its employees and contractors⁵.

Another program worth mentioning is the “Happiness and Wellbeing Program at Workplace” by the Ministry Of Community Development (MOCDUAE)⁶. The program aims to promote happiness and wellbeing of government employees in the workplace. It comprises an annual assessment of the employees’ happiness and wellbeing, a manual for happiness and wellbeing at the workplace in addition to other supporting initiatives.

Saudi Arabia

Organizations in the Kingdom of Saudi Arabia are also placing increasing importance on addressing human risks in their operations. This is driven by a desire to create a more sustainable and resilient workforce, as well as to stay ahead of rapidly evolving regulations and stakeholder expectations¹⁴.

To address these challenges, many organizations in KSA are implementing programs and initiatives that focus on promoting employee well-being, diversity and inclusion, mental health support, and workplace safety. These initiatives are helping organizations to better understand and manage the human risks that can impact their operations, and are fostering a more engaged, productive, and motivated workforce. By prioritizing human risks, organizations in KSA are demonstrating their commitment to creating a better future for their citizens and residents⁷.

For instance, the Ministry of Human Resource and Social Development, responsible for enforcing labor laws and protecting workers' rights, has been working to raise awareness about the importance of human rights in the workplace and to promote better working conditions for employees across all industries⁸.

In addition, the General Authority for Small and Medium Enterprises (Monsha’at) which is working to support the growth and development of small and medium-sized enterprises in Saudi Arabia, is currently promoting a more human-centered approach to risk management in these businesses, emphasizing the importance of fair treatment and respect for employees’ rights⁹.

There is also the “Quality of Life Program” as part of the Kingdom’s Vision 2030, which aims to improve the individual and families’ quality of life by creating the necessary environment to develop and support new livable and lifestyle options in Saudi Arabia, including cultural, entertainment, sports, tourism, and urban activities, and other related activities that nurture the citizens and residents’ quality of life. This will ultimately create more engaged and thus higher performing workforces.

These are just a few examples of organizations in Saudi Arabia that are changing the lens on risk to focus on the human element. By doing so, they are helping to promote a more inclusive and equitable society, where the rights and welfare of all citizens are respected and protected.

Qatar

In Qatar, organizations and public entities are also elevating their focus on human risks as they recognize the critical importance of addressing these issues in order to achieve long-term success and to create a better future for their employees and the wider community¹⁰.

For instance, Qatar Foundation is known for its innovative approach to risk management and focus on the human element. It has implemented several programs and initiatives aimed at creating a safe and secure environment for its stakeholders¹¹ (i.e., establishing a “Workers Welfare Department”, a regular assessment for organizational processes and policies for the recruitment and retention of workers and finally periodic welfare audits will take place as an extension to ongoing health, safety and environment (HSE) audits.)

In the Health Sector, Hamad Medical Corporation (HMC), one of the largest healthcare providers in Qatar, has taken a human-centered approach to risk management by implementing several programs to ensure the safety and well-being of its patients, employees, and visitors¹². This includes training programs on patient safety and the development of policies and procedures to reduce the risk of harm to patients. Same for the Energy Sector, Qatar Energy, a fully integrated energy corporation covering the full spectrum of the oil and gas value chain, has implemented a number of initiatives to promote a culture of safety and security among its employees, contractors and partners¹³. The company has a strong focus on the human element in its risk management practices, including the development of training programs and safety campaigns to raise awareness among its employees and partners.

Conclusion

Ultimately, our research results indicate that:

- GCC countries and in particular KSA, UAE and Qatar realize the critical importance of addressing human risks in order to achieve long-term success.
- These countries are promoting a more inclusive and equitable society, where the rights and welfare of all citizens are respected and protected.
- Various programs and initiatives are being developed and implemented to help organizations and public entities to better understand and manage the human risks that can impact their operations, and hence enabling a more engaged, productive, and motivated workforce.

Finally, the journey to elevate the focus on human risks in the GCC will be a long one, but one that is ultimately worthwhile.

By embracing an approach that elevates the focus on human risks, businesses and organizations can create a bright future for themselves, their employees, and their customers in the years to come; and ultimately, further investments as well as a significant mindset shift for both GCC leaders and employees are vital to reach a human-centered, predictive approach to managing risk¹⁶.

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- 14 The Vision Realization Programs were designed to translate Vision 2030 into action Vision Realization Program – Vision 2030
- 15 'We the UAE 2031' vision 'We the UAE 2031' vision - The Official Portal of the UAE Government
- 16 6 Strategies for Leading Through Uncertainty 6 Strategies for Leading Through Uncertainty



Leading in a boundaryless world

Reshaping the way you lead and influence others

How do you lead in a boundaryless world in which work is no longer defined by jobs, the workplace isn't a specific place, many of the most important workers aren't traditional employees, and leadership isn't determined by the organization chart? To thrive, leaders must evolve in tandem with their organizations and adopt a new set of fundamentals to mobilize workers and teams against new outcomes.

Dear leaders,

Your organization is facing a pivotal reframing moment, and you are too, as business and societal shifts are changing the trajectory of organizations' human agendas to thrive in an age of discontinuity.

We are leaving behind a simpler, more compartmentalized world and moving into a boundaryless one. As such, both the definition of a leader and the work of leading have changed.

FIVE DISCONTINUITIES AHEAD¹

- Radical science and technology: The next wave of exponential progress
- Shift to stakeholder capitalism: The inevitable internalization of "externalities"
- Globalization reinvented and active governments return
- Decline of "the theory of the firm" and rise of "the theory of the ecosystem": A new strategic unit of analysis
- Rise of networked power: Power default is switching from hierarchies to networks

Leadership is no longer contingent on position, hierarchy, or number of direct reports. Leaders today can be anyone who mobilizes workers to get work done, and that remains true whether those individuals have or don't have formal reporting relationships and whether those individuals sit inside or outside the organization.

As a leader, the proven ways in which you have operated your organization are in question—as are the tried-and-true management techniques on which you have come to rely. In fact, Deloitte 2023 Global Human Capital Trends survey respondents consistently ranked leadership among the top five barriers for seven of the nine trends we explored. The opportunity presented by this moment to lead in new ways is enormous.

ELEVATED EXPECTATIONS FOR THE C-SUITE

Today's expanded definition of leadership means that individuals at all levels are mobilizing against the new opportunities that the boundaryless world presents. The key consideration for C-suite executives is how to harness this energy in ways that advance shared organizational goals without stifling innovation and agility at the team level.

Doing so will require a more symphonic C-suite than ever before,² operating in harmony to inspire their organizations against new measures of success and holding leaders at all levels accountable to that shared vision. Only C-suites that work as a team will be able to achieve the level of vulnerability required to thrive in the boundaryless world. That includes vulnerability to be willing to experiment, test, and fail, and vulnerability to operate with a greater level of transparency and empathy than ever before.

In May 2020, amidst the COVID-19 pandemic that was putting immense pressure on the organization, AdventHealth CEO Terry Shaw took key members of his executive team to an offsite location to discuss the future of their organization. At the advice of his executive coach, the leaders focused on two areas: 1) what the pandemic taught them about their organization and what they as leaders would carry forward, and 2) how the organization needed to change and adapt to come out of the pandemic ready for the next set of disruptions the marketplace could bring.

"The pandemic wasn't over, but we spent two weeks designing a lot of things for our future that are now either already installed or being installed."

— Terry Shaw, president and CEO, AdventHealth

"It changed the trajectory of our organization and impacted the focus that we had in ensuring that we future-proof our company beyond dealing with the pandemic of that moment."

— Olesea Azevedo, chief people officer, AdventHealth

The fundamentals around *where* you show up and how *you* show up, or the mindset you adopt to drive work forward, have changed. In a world where leaders exist at all levels, you must become an orchestrator. This entails cocreating value with your workers and teams, rallying people around an idea, and building influence. Those who are successful will do this to the benefit of the organization, the workforce, and society at large.

“At all levels, we need to lead in ways that help the whole boat go faster. To do this, we focus relentlessly on transparency. For our enterprise leaders, this means that their job is not to make decisions for people, but to ask really good questions and empower their teams to make the decisions themselves. There is also transparency and accountability for outcomes versus outputs including celebrating successes openly and asking, ‘What can we learn from that?’ when things don’t go well. This leads to better outcomes in the future.”

— Neil Walker-Neveas, chief talent officer,
M&T Bank

Your influence has never been more needed. Your role has never been harder.

The leadership gap

The Deloitte 2023 Global Human Capital Trends survey respondents told us that leadership is more important than ever and increasingly difficult to find. Ninety-four percent of respondents believe leadership capabilities and effectiveness are important or very important to their organization’s success, representing the highest importance score across all trends. Yet only 23% believe their organization’s leaders currently have the capabilities necessary to manage in a disrupted, boundaryless world (figure 1).

The lack of readiness may be due to a misunderstanding of the implications of and opportunities within the new world we’re entering. For example, fewer than 15% of respondents believe their organizations have leaders who are very ready to inclusively lead an expanding workforce—or to consider broader societal and environmental risks when making decisions. Only 16% believe their leaders are very ready to use technology to improve outcomes and team performance, and only 18% believe their leaders are very ready to develop the right workplace model for their organization.

FIGURE 1

The readiness gap for leading in a disrupted world

Leadership capabilities and effectiveness in a disrupted world are important or very important to my organization’s success

94%

Leaders in my organization are very ready to lead effectively in a disrupted world

23%

Source: Deloitte 2023 Global Human Capital Trends survey.

Reimagining leadership

The growing leadership gap is likely not due to a lack of skills or competence. Instead, it’s more apt to be the result of looking at work and workers through yesterday’s lens—based on yesterday’s definitions and boundaries. In a boundaryless world, leadership is less about formal authority and hierarchy and more about insight, personal accountability, connection to values, and action. This means you’ll need to activate your teams and your workplace in different ways, requiring you to challenge your assumptions about what the organization is, who is in it, and how it works.

But where to begin? Nearly half of the survey respondents say their organization's leaders are struggling to identify what to prioritize because they are overwhelmed by the number and frequency of disruptive shifts occurring. On that count, the new fundamentals you'll need to adopt as a leader are similar to the changes your organization will need to make.

The new fundamentals

Framing the challenge: Think like a researcher. In the past, you were a successful leader because of your ability to come up with the right answer or solution—execution then being a matter of making sure your workers did their jobs in operationalizing that solution. In a boundaryless world, your success will be less dependent on defining the solution and more dependent on creating an environment and mobilizing workers to experiment and adapt, quickly absorbing and learning from new information. As such, a new measure of success as a leader will be a shift from managing *jobs and activities* to orchestrating *outcomes*.

Respondents from the Deloitte 2023 Global Human Capital Trends survey agree this mental shift toward outcomes over outputs is needed. Thirty-three percent of respondents cited lack of accountability for outcomes as a barrier to leaders' ability to drive value for the organization. Managing and driving toward outcomes will require constant experimentation and learning—and strong capabilities for finding and using data to inform decisions. There must also be greater comfort with making mistakes and challenging legacy orthodoxies. Survey respondents anticipate that in the next 2–4 years, leaders' ability to challenge the status quo and drive new ways of working will be one of the most important roles they play in the organization. To be an effective leader in a boundaryless world, you will likely need to move faster than your organization. Start by

focusing your attention and teams on outcomes and creating space for experimentation (and learning from mistakes).

Charting a new path: Cocreate the relationship. It used to be that a handful of executives were the primary drivers of much of your organization's success, enabled by the workers inside the four walls of the organization. Your power and agency directly correlated with your job level. But in a boundaryless workforce ecosystem, where workers have greater agency than ever before, problem solving is a team sport—and the best solutions are cocreated. Yet 34% of survey respondents say their organization's leaders are not at all ready to lead in a world where solutions are cocreated. This cocreation-readiness gap is larger than the gaps that exist in the other new fundamentals.

Leaders may view cocreation as a challenge to their hierarchical authority—and perhaps even a personal failure in not being able to solve problems entirely on their own. These are conclusions drawn based on old boundaries. Cocreation must be viewed as an opportunity for leaders to tap into the full knowledge and experience of workers in your organization's ecosystem, resulting in better solutions. On a personal level, it helps expand your network of influence across the organization.

With cocreation, how you build relationships—and who you build them with—matters more than ever. To achieve the expected results, you'll need to intentionally invest in building relationships with all types of workers in your organization, including those outside, inside, upwards, and down. You'll also need to actively cultivate a more intimate knowledge of the workers with whom you build those relationships. This might include their expertise, potential, dreams, and needs. In an expanded ecosystem, influence is not granted, it's earned by giving others agency, ownership, information access, and a path to achieving their own personal aspirations.

Designing for impact: Prioritize human outcomes. In business, an organization's financial and operational metrics such as revenue generated, costs reduced, and market share captured have been the traditional measures of a leader's success. But in a boundaryless world, outcomes broader to the organization are joining that list. Every choice that you and your organization make has consequences. No individual or organization can escape the impact of each other's actions and decisions. For example, as an organization, you could choose to ignore political conflict, but this decision in and of itself is a choice—one that could potentially cause customers and workers to disengage or lose trust.

To thrive in this boundaryless world where everything is connected, leaders must put humans at the center of everything they do—designing for meaningful outcomes that benefit both the organization and the humans it touches. This starts with having genuine care for the people that you lead and replicating that in your actions inside and outside of work. This goes beyond empathy: You must demonstrate genuine care and concern for the people you lead in their work and their lives to build meaningful connections and outcomes.

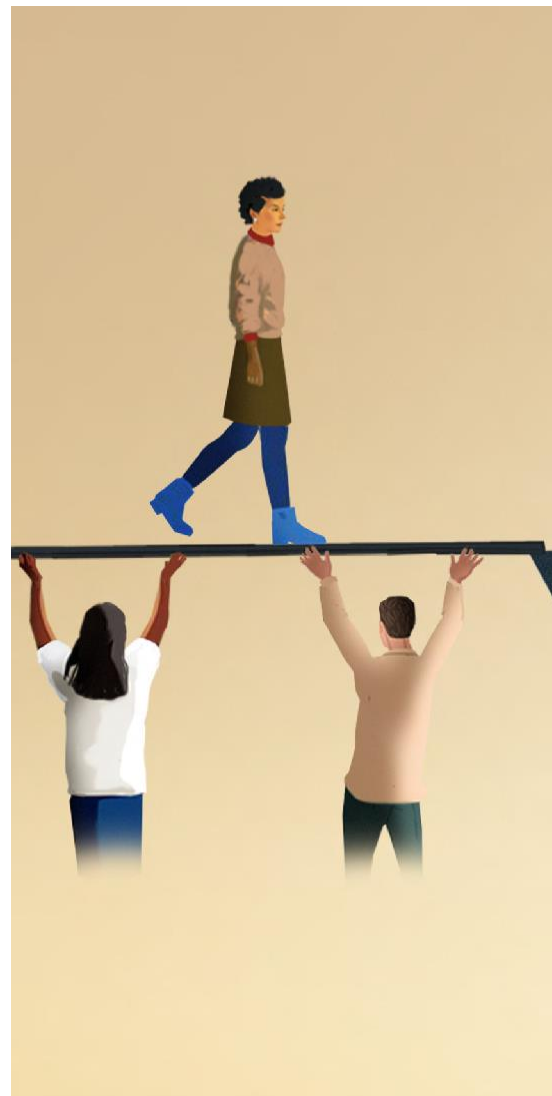
This mindset shift will likely be very challenging since few leaders are currently held accountable for driving human-centered solutions to human-centered challenges. For example, more than 40% of survey respondents said their business function currently has no role in measuring sustainability outcomes. As such, success—at least for the time being—might mean holding yourself to higher standards than your organization itself currently does.

The good news is that playing a positive role in society doesn't need to be at the cost of financial outcomes. Businesses that make a genuine commitment to socially responsible action outperform the market³.

The choice in front of you

Leader, this is your opportunity. You can take advantage of this lack of boundaries to reframe your role in creating the future of your organization, assuming personal accountability for charting a more human course forward.

Or you can choose the alternative: Accept the chaos that may come as boundaries fall away and do what is minimally necessary to survive with the hope that you will weather the storm. However, you will have to do so without the tether of the numerous and dated bedrock assumptions about work and workers.



Although the potential for disruption is real, so is the opportunity for an extraordinary reimagination of what the work, workforce, and workplace can be. Should you choose this bold path and commit yourself and your organization to driving toward a new future, we recommend that you:

- 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 impacts with the human agenda in mind.

Agility will be one of the defining characteristics of the decade to come. Embrace the possibilities the boundaryless world can create for you as a leader, for your organization, and for society at large as we build a more equitable and human future.

Endnotes

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