HR BAROMETER 2017

HRM TRENDS AND CHALLENGES IN BELGIAN ORGANISATIONS
Dear HR professional,

For the third year in a row, Vlerick Business School and Hudson have launched an HR barometer on the trends and challenges in HRM in Belgian organisations. The barometer explores the HR priorities of leading companies operating in Belgium and shifts in these HR priorities over time.

The HR barometer is a yearly initiative launched in January and involves two parts. The first part of the barometer focuses on the strategic importance of different HR practices and policies, so that over time, the shifts in these priorities can be explored. The second part examines a hot topic in HR. For this edition of the HR barometer, we look into the topic of HR impact on the organisation.

This report provides you with an overview of the most important findings of the study in 2017 and the shifts compared to 2016, based on a quantitative analysis of the HR priorities of leading Belgian organisations.

We hope this report provides you with interesting and useful insights,

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1 METHODOLOGY
METHODOLOGY

Research design

- **Investigate** the trends and challenges in HRM in leading organisations operating in Belgium.
- Among the largest profit organisations in Belgium (Bel 20+ 200 largest profit organisations in terms of number of employees).
- Through an online survey among HR Directors and Managers.
- Broad spectrum of industries.

Timing


Sample

- 55 organisations.
- Representing about 205,000 employees in Belgium.
**ONLINE SURVEY**

**Actual HR practices:**
- Indicate the **priority** of HR practices and the **mastery** of these practices in 2016
- On a scale from 0% (no priority/low mastery) to 100% (top priority/role model)

**Future HR practices:**
- Look ahead to the **planned priorities** in 2017 and indicate top 5.

<table>
<thead>
<tr>
<th>Selection &amp; recruitment</th>
<th>Leadership development</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer branding</td>
<td>Teamwork</td>
<td>Prepare organisation for stagnation/downsizing</td>
</tr>
<tr>
<td>Prepare organisation for growth</td>
<td>The new ways of working</td>
<td>HR Analytics</td>
</tr>
<tr>
<td>Learning &amp; development</td>
<td>Well-being</td>
<td>HR Operational excellence</td>
</tr>
<tr>
<td>Talent management</td>
<td>Engagement</td>
<td>Industrial relationships</td>
</tr>
<tr>
<td>Competency management</td>
<td>Compensation &amp; benefits</td>
<td>Cultural change*</td>
</tr>
<tr>
<td>Performance management</td>
<td>Diversity</td>
<td>...</td>
</tr>
</tbody>
</table>

* New topic in the list

**Specific HR Topic:**
- Spotlight on HR impact on the organisation
SAMPLE CHARACTERISTICS

A. NUMBER OF EMPLOYEES IN BELGIUM

- < 500 employees: 43.6%
- 501 - 1000 employees: 16.4%
- 1001 - 1500 employees: 5.5%
- 1501 - 2000 employees: 16.4%
- > 2000 employees: 18.2%
SAMPLE CHARACTERISTICS

B. NUMBER OF EMPLOYEES INTERNATIONAL (INCLUDING BELGIUM)

- < 5000 employees: 49.1%
- 5001 - 25000 employees: 21.8%
- 25001 - 50000 employees: 16.4%
- 75000 - 100000 employees: 10.9%
- >100000 employees: 1.8%
C. NUMBER OF BLUE & WHITE COLLAR EMPLOYEES

**SAMPLE CHARACTERISTICS**

**Blue collar**
- No employees: 27.3%
- 1-200 employees: 30.9%
- 201-500 employees: 14.5%
- 501-1000 employees: 16.4%
- > 1000 employees: 9.1%

**White collar**
- No employees: 3.6%
- 1-200 employees: 7.3%
- 201-500 employees: 50.9%
- 501-1000 employees: 16.4%
- > 1000 employees: 20.0%
D. COMPANY SECTOR

- Industry & Manufacturing: 20.0%
- Chemical, Pharmaceutical & Healthcare: 14.5%
- Energy & Utilities: 14.5%
- Telecommunications & IT: 10.9%
- Retail: 9.1%
- Construction & Engineering: 9.1%
- Legal & Professional services: 7.3%
- Transport & storage: 7.3%
- Financial services & Insurance: 5.5%
- Automotive: 5.5%
- Public Sector: 5.5%
- Fast Moving Consumer Goods: 5.5%
- Aerospace & Defense: 1.8%
SAMPLE CHARACTERISTICS

E. RATIO OF HR STAFF TO EMPLOYEES

→ Average ratio: 1 HR staff member per 87 employees
2
GENERAL RESULTS
I.

HR BAROMETER 2017: ACTUAL PRIORITIES
HR BAROMETER 2017: ACTUAL PRIORITIES

* Word size reflects average priority level across respondents
HR BAROMETER 2017: ACTUAL PRIORITIES

Top 3 priorities

- Leadership Development
- Selection & Recruitment
- Talent Management

Retention
Prepare Organisation for Growth
Learning & Development
Engagement
Cultural Change
Performance Management
Well-being
HR Operational Excellence
Industrial Relationships
Competency management
The New Ways of Working
Teamwork
Employer Branding
Compensation & Benefits
HR analytics
Diversity
Prepare organisation for stagnation/ downsizing

Leadership Development: 80
Selection & Recruitment: 79
Talent Management: 75
Retention: 70
Prepare Organisation for Growth: 70
Learning & Development: 70
Engagement: 70
Cultural Change: 70
Performance Management: 61
Well-being: 60
HR Operational Excellence: 60
Industrial Relationships: 53
Competency management: 53
The New Ways of Working: 51
Teamwork: 50
Employer Branding: 50
Compensation & Benefits: 50
HR analytics: 48
Diversity: 40
Prepare organisation for stagnation/ downsizing: 10
TRENDS IN ACTUAL PRIORITIES: HR BAROMETER 2016 COMPARED TO 2017

*New topic in 2017
II.

HR BAROMETER 2017: PERCEIVED MASTERY
HR BAROMETER 2017: ACTUAL PERCEIVED MASTERY

Top 6

1. Industrial relationships
2. Compensation & Benefits
3. Engagement
4. Leadership development
5. Learning & development
6. Selection & recruitment

Well-being: 62
Retention: 61
Teamwork: 60
Performance management: 60
Talent management: 60
*Cultural Change: 57
Prepare organisation for growth: 54
HR operational excellence: 51
The new ways of working: 51
Competency management: 50
Diversity: 50
HR analytics: 49
Employer branding: 48
Prepare organisation for stagnation/downsizing: 40
TRENDS IN PERCEIVED MASTERY: HR BAROMETER 2016 COMPARED TO 2017

- Selection & recruitment
- Employer branding
- Prepare organisation for growth
- Learning & development
- Talent management
- Performance management
- Leadership development
- Teamwork
- The new ways of working
- Engagement
- Well-being
- Diversity
- Compensation & Benefits
- Retention
- Prepare organisation for stagnation/downsizing
- HR operational excellence
- HR analytics
- Competency management
- Industrial relationships
- Cultural Change

* Actual mastery 2017
* Actual mastery 2016
* New topic in 2017
III.

HR BAROMETER 2017: PRIORITY VS MASTERY
HR BAROMETER 2017: PRIORITY VERSUS HR MASTERY

- Good job
- Strength
- Area for improvement

- Prepare organisation for stagnation/ downsizing
- Industrial Relationships
- Compensation & Benefits
- Teamwork
- Diversity
- The New Ways of Working
- HR analytics
- Employer Branding
- Performance Management
- Well-being
- Retention
- Cultural Change
- Talent Management
- Selection & Recruitment
- Leadership Development
- Prepare Organisation for Growth

High Actual Mastery vs. Actual Priority

Actual Priority

Low Actual Mastery
High score in terms of priority and mastery:

Main strengths
- Leadership development
- Selection & Recruitment
- Engagement
- Learning & development

Second in a row
- Talent management
- Retention
- Performance management
- Wellbeing
PRIORITY VS HR MASTERY: AREAS FOR IMPROVEMENT

High score in terms of priority, but not in terms of mastery:

Main areas for improvement:
- Cultural change
- Prepare organisation for growth

Second in a row
- HR operational excellence
Lower score in terms of priority, but high score in terms of mastery:

Good Job
- Industrial relationships
- Compensation & Benefits
- Teamwork
Rather low score in terms of mastery but not perceived as a priority:

No Priority
- Prepare organisation for stagnation/downsizing
- Diversity
- HR analytics
- Employer branding

Second in a row
- The new ways of working
- Competency Management
TRENDS IN PRIORITY VS MASTERY: TOPICS THAT REMAINED STABLE COMPARED TO 2016

- High Actual Mastery, High Actual Priority: Good job
- High Actual Mastery, Low Actual Priority: Strength
- Low Actual Mastery, High Actual Priority: Area for improvement
- Low Actual Mastery, Low Actual Priority: No priority

Topics:
- Industrial Relationships
- Engagement / Learning & Development
- Selection & Recruitment
- Leadership Development
- Well-being
- Performance Management
- Retention
- Talent Management
- Cultural Change
- Prepare Organisation for Growth
- Prepare organisation for stagnation/ downsizing
- The New Ways of Working
- HR Operational Excellence
- Competency management
- Employer Branding
- HR analytics
- Diversity
TRENDS IN PRIORITY VS MASTERY: CHANGED PRIORITIES ACROSS QUADRANTS

Actual Priority

High

Low

Actual Mastery

High

Low

Comp & ben

Teamwork

Retention

Good job

Strength

No priority

Area for improvement
TRENDS IN PRIORITY VS MASTERY: CHANGED PRIORITIES WITHIN QUADRANTS

- High Actual Mastery
  - Good job
  - Strength
  - Talent Management

- Low Actual Mastery
  - No priority
  - Area for improvement

Actual Priority

- Low
- High

- Prepare organisation for stagnation/downsizing
- HR analytics
- HR Operational Excellence

Area for improvement

Strength

Trend in priority vs mastery: Changed priorities within quadrants
IV.

HR BAROMETER 2017: PLANNED PRIORITIES
PLANNED PRIORITIES 2017

Top 5 priorities when looking ahead to the coming year:

1. Leadership development
2. Selection & Recruitment
3. Talent Management
4. Prepare Organisation for Growth
5. Employer branding

Compared to the planned priorities in 2016, engagement dropped the top 5 in exchange for employer branding.
V.

HR BAROMETER 2017: SPOTLIGHT ON “HR IMPACT ON THE ORGANISATION”
HR IMPACT ON THE ORGANISATION: IS HR REPRESENTED IN THE BOARD?

Does the HR Director have a place on the board or equivalent top executive team?

94,5% YES
5,5% NO
HR IMPACT ON THE ORGANISATION: EVALUATION OF HR PRACTICES

Top 5 KPI’s HR practices and policies are currently evaluated upon:

1. Selection & Recruitment
2. Employee Engagement
3. Absenteeism
4. Turnover/Retention
5. Cost

Top 5 KPI’s participants would like to be evaluated upon:

1. Change management / Cultural change
2. Employee Engagement
3. Selection & Recruitment
4. Turnover/Retention
5. Training & Development / Wellbeing
HR IMPACT ON THE ORGANISATION: KPI’S TO MEASURE ORGANISATIONAL SUCCESS

KPI’s on three different levels:

<table>
<thead>
<tr>
<th>Category</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial outcomes</td>
<td>47</td>
</tr>
<tr>
<td>Organisational outcomes</td>
<td>30</td>
</tr>
<tr>
<td>Human Resources outcomes</td>
<td>23</td>
</tr>
</tbody>
</table>

Q: Please indicate the importance of the following Key Performance Indicators (KPI’s) in your organisation to measure organizational success (total must sum to 100).
Q: Please indicate the top 3 Financial Key Performance Indicators in your organisation to measure organisational success.
<table>
<thead>
<tr>
<th>Organisational Financial KPIs</th>
<th>Correlate with</th>
<th>HR Priorities &amp; Mastery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>Lower HR priorities on: Talent management</td>
<td>Lower perceived Mastery of: Retention</td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>Lower HR priorities on: Competency Management, Teamwork</td>
<td>Lower perceived mastery of: Teamwork, NWOW</td>
</tr>
</tbody>
</table>
HR IMPACT ON THE ORGANISATION: ORGANISATIONAL OUTCOMES

Q: Please indicate the top 3 Organisational Key Performance Indicators in your organisation to measure organisational success

Top 3 Organisational Outcomes

- Customer satisfaction: 83.6%
- Achievement of the organisational goals & strategy: 60.0%
- Quality of product/service: 60.0%
- Productivity: 54.5%
- Innovation: 34.5%
Q: Please indicate the top 3 Human Resource Key Performance Indicators in your organisation to measure organisational success
**HR IMPACT ON THE ORGANISATION: ADDED VALUE OF HR**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very little extent (score between 0-25)</th>
<th>Little extent (score between 25-50)</th>
<th>Moderate extent (score between 50-75)</th>
<th>Great extent (score between 75-100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR builds relationships and connects with line management’s ideas and decisions through listening, understanding and building coalitions.</td>
<td>11%</td>
<td>20%</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>HR looks for compromises with line management and makes concessions to reach for outcomes that satisfy its greater interest.</td>
<td>4%</td>
<td>18%</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>HR offers logical, rational reasons to convince other departments and line management of its point of view.</td>
<td>4%</td>
<td>18%</td>
<td>49%</td>
<td>29%</td>
</tr>
<tr>
<td>HR challenges the ideas of line management.</td>
<td>24%</td>
<td>36%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>HR generates new ideas and inspires line management.</td>
<td>6%</td>
<td>24%</td>
<td>47%</td>
<td>24%</td>
</tr>
<tr>
<td>HR communicates the ideas of line management and encourages that these are heard.</td>
<td>9%</td>
<td>27%</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Q: Please indicate how often the following statements apply to your HR department in the organisation (ranging from 0% = not at all, to 100% = ‘to a very great extent’).
Q: Please indicate how often the following statements apply to your HR department in the organisation (ranging from 0% = not at all, to 100% = ‘to a very great extent’).
Q: How does the board in your organisation perceive HR’s added value to organisational success according to you?

<table>
<thead>
<tr>
<th>Perception</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less good</td>
<td>12.7%</td>
</tr>
<tr>
<td>Good</td>
<td>43.6%</td>
</tr>
<tr>
<td>Very Good</td>
<td>40.0%</td>
</tr>
<tr>
<td>Excellent</td>
<td>3.6%</td>
</tr>
</tbody>
</table>
ROLE OF HR AS A STRATEGIC BUSINESS PARTNER IS CONFIRMED:

- In most organisations, HR is represented in the top executive team
- Involved in the development of the business strategy from the outset
- **Though**: HR seems only moderately involved in the business strategy implementation

CULTURAL CHANGE IS CONSIDERED AS THE MOST IMPORTANT HR KPI
Organisations want to be evaluated upon, whereas in practice Selection and Recruitment is the most important KPI.

Although training and development is considered as an important HR KPI, few organisations indicate that their HR practices are evaluated upon this KPI.

Financial outcomes and organisational outcomes are considered as most important to measure organisational success, followed by HR outcomes.
VI.

TOPIC NEXT HR BAROMETER
Which topics would the respondents like to see covered in the next edition of the HR barometer?

- HR analytics
- Organisational culture / Mobility & employability
- The new ways of working
VI.

FINAL LESSONS LEARNED
Leadership development and R&S remain top priorities, followed by Talent Management.

Trust in economy is clearly growing, as shown by the increased priority of retention, engagement and employer branding.

Cultural change and Preparing Organisation for Growth are most important areas for improvement.

Although currently not high on priority list, HR Analytics is chosen as topic to explore in-depth next year.

HR is an important strategic business partner. In most companies, HR is represented in the board & strongly involved in developing business strategy. Though, less involved in strategy implementation.

Cultural change is considered as the most important HR KPI the HR directors want to be evaluated upon.
MORE INFORMATION?
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