

The Hudson logo consists of the word "Hudson" in a white serif font, centered on a dark teal square background.

Hudson

The HR Barometer title and subtitle are displayed in white text on a lime green rectangular background. The title "HR Barometer" is in a larger font, and the subtitle "By Vlerick Business School & Hudson" is in a smaller font below it. A thin white vertical line is on the right side of the green box.

HR Barometer
By Vlerick Business School & Hudson

HR BAROMETER 2018

HRM TRENDS AND CHALLENGES IN BELGIAN ORGANISATIONS

Dear HR professional,

For the fourth 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 analytics.

This report provides you with an overview of the most important findings of the study in 2018 and the shifts compared to 2017, based on a quantitative analysis of the HR priorities of leading Belgian organisations.

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

Nikola Trbovic

Director Research & Development

Ellen Volckaert

Manager Research & Development

Dirk Buyens

Head HRM Centre & Director Open Exec Ed

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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

- January 2018 to March 2018

Sample

- 62 organisations
- Representing about 258.000 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.

- | | | |
|-----------------------------------|---------------------------|--|
| ■ Selection & recruitment | ■ Leadership development | ■ Prepare organisation for stagnation/downsizing |
| ■ Employer branding | ■ Teamwork | ■ HR Analytics |
| ■ Prepare organisation for growth | ■ The new ways of working | ■ HR Operational excellence |
| ■ Learning & development | ■ Well-being | ■ Industrial relationships |
| ■ Talent management | ■ Engagement | ■ Cultural change |
| ■ Competency management | ■ Compensation & benefits | ■ Agility* |
| ■ Performance management | ■ Diversity | ■ ... |
| | ■ Retention | |

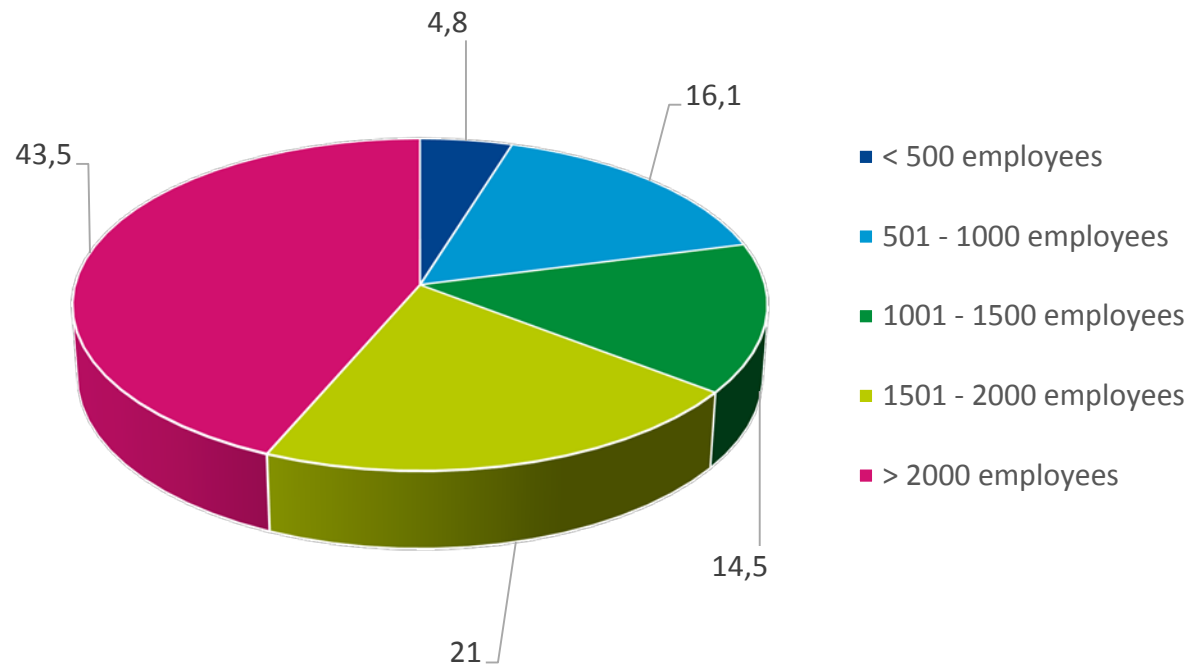
* New topic in the list

Specific HR Topic:

- Spotlight on the use of HR analytics

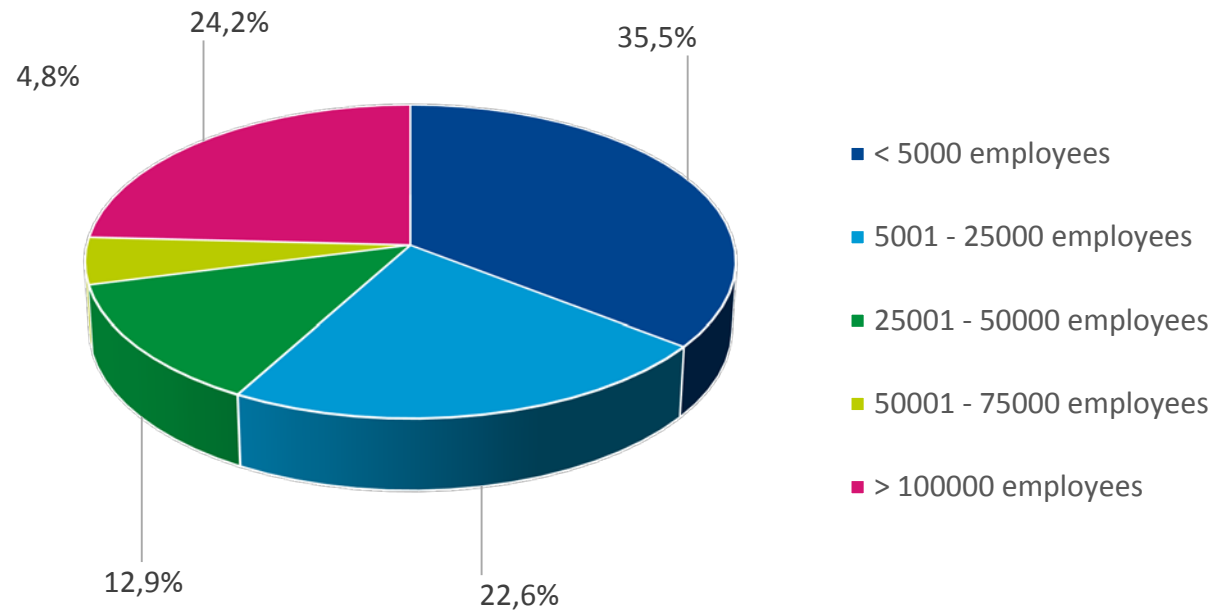
SAMPLE CHARACTERISTICS

A. NUMBER OF EMPLOYEES IN BELGIUM



SAMPLE CHARACTERISTICS

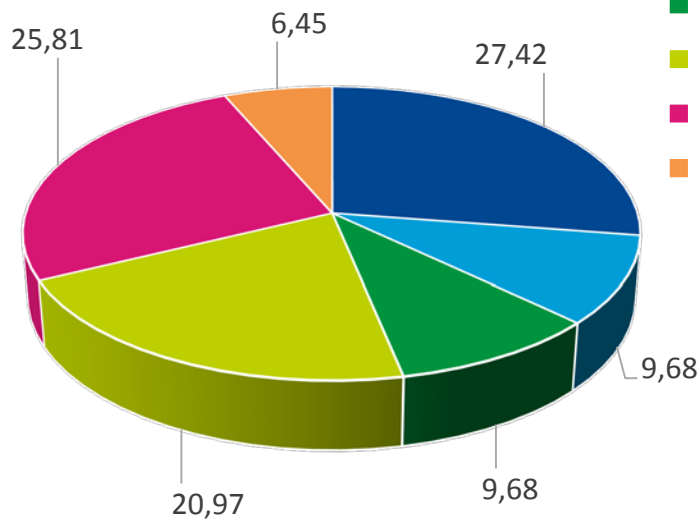
B. NUMBER OF EMPLOYEES INTERNATIONAL (INCLUDING BELGIUM)



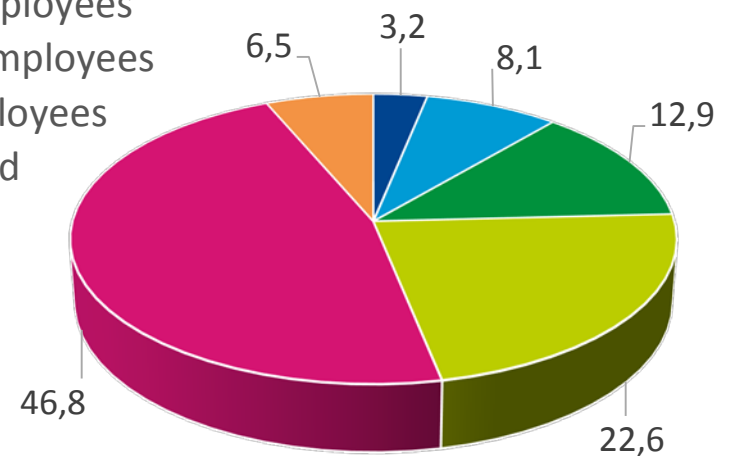
SAMPLE CHARACTERISTICS

C. NUMBER OF BLUE & WHITE COLLAR EMPLOYEES

Blue collar



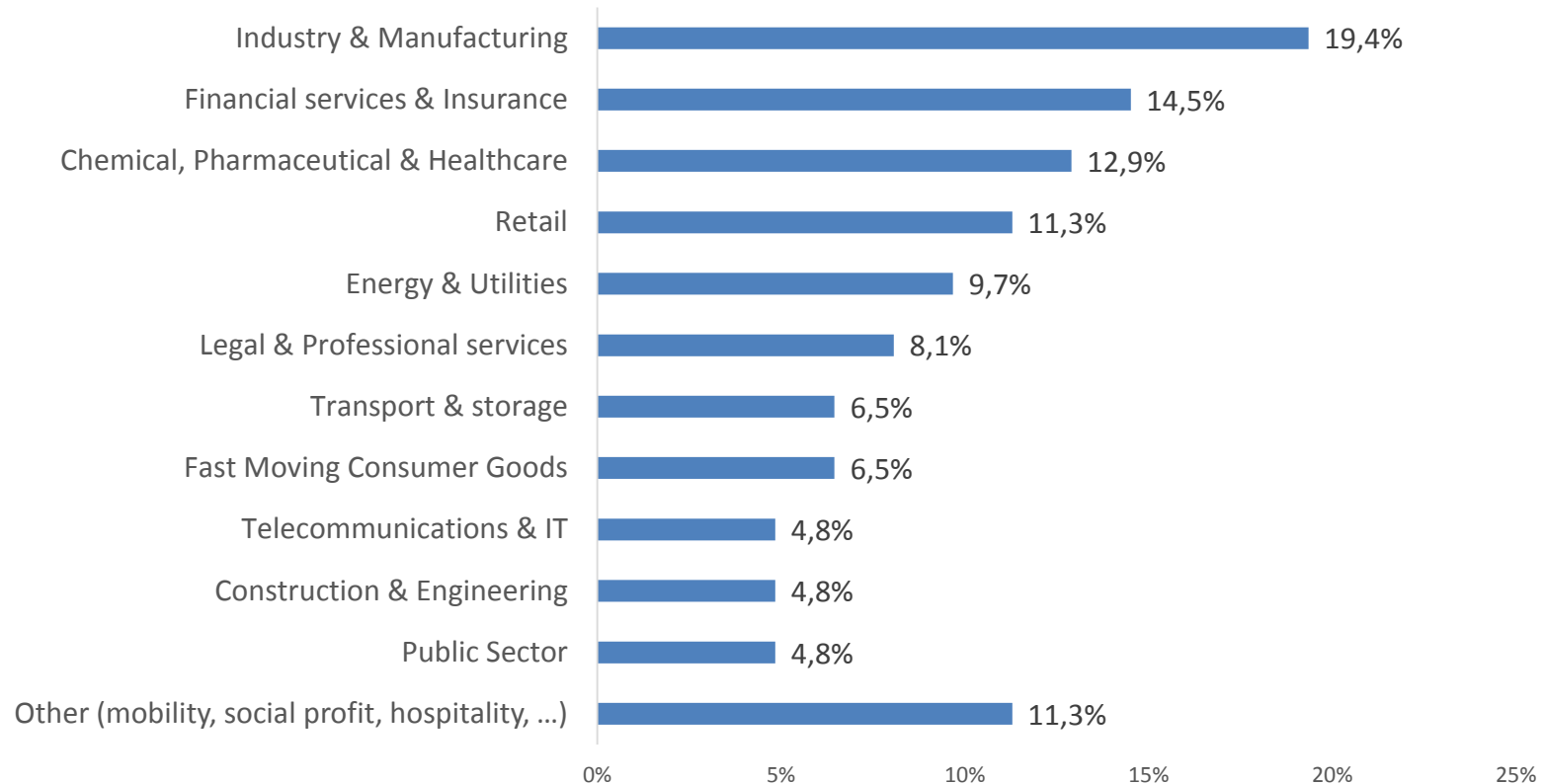
White collar



- No employees
- 1-200 employees
- 201-500 employees
- 501-1000 employees
- > 1000 employees
- Not specified

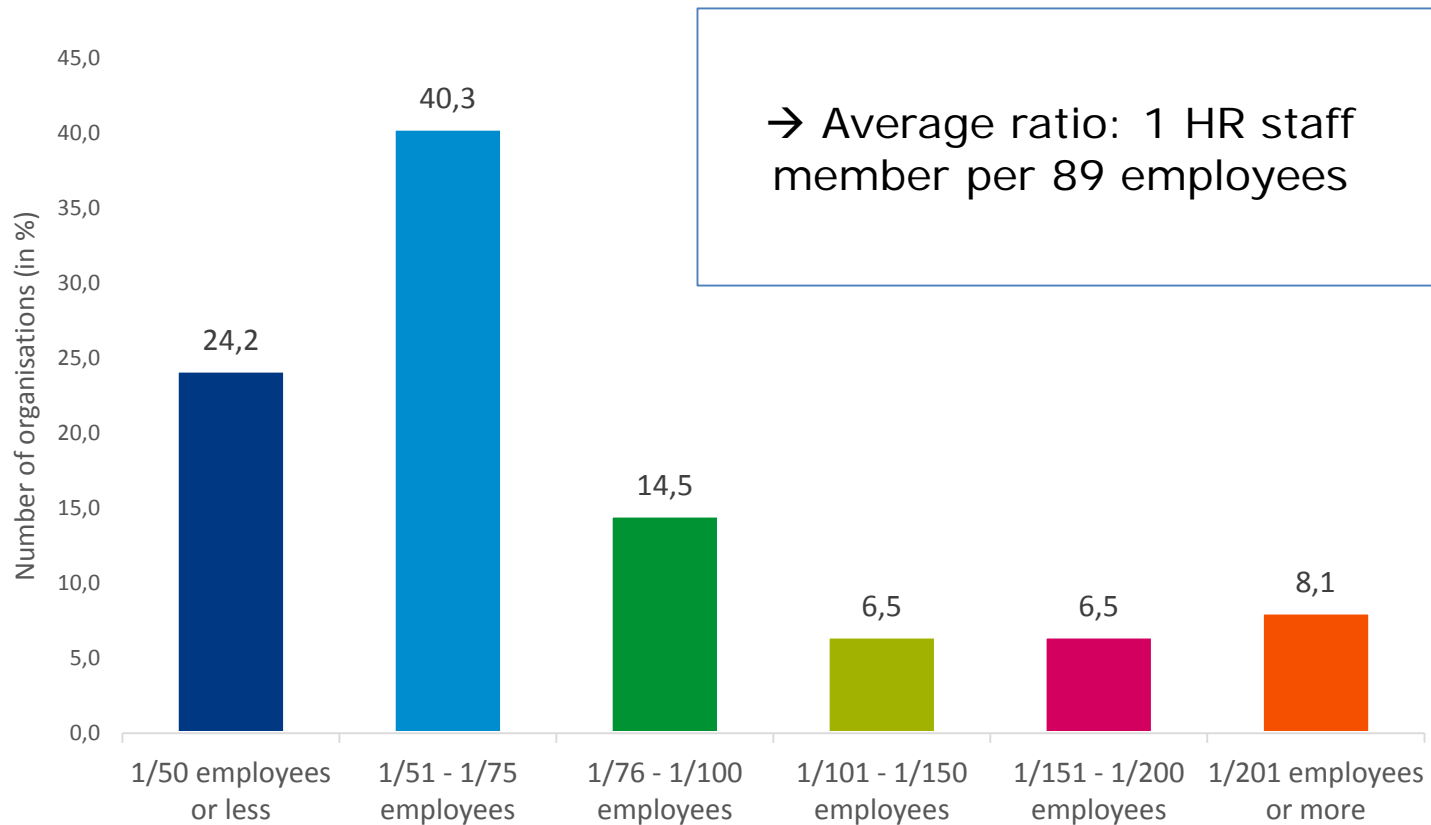
SAMPLE CHARACTERISTICS

D. COMPANY SECTOR



SAMPLE CHARACTERISTICS

E. RATIO OF HR STAFF TO EMPLOYEES



2

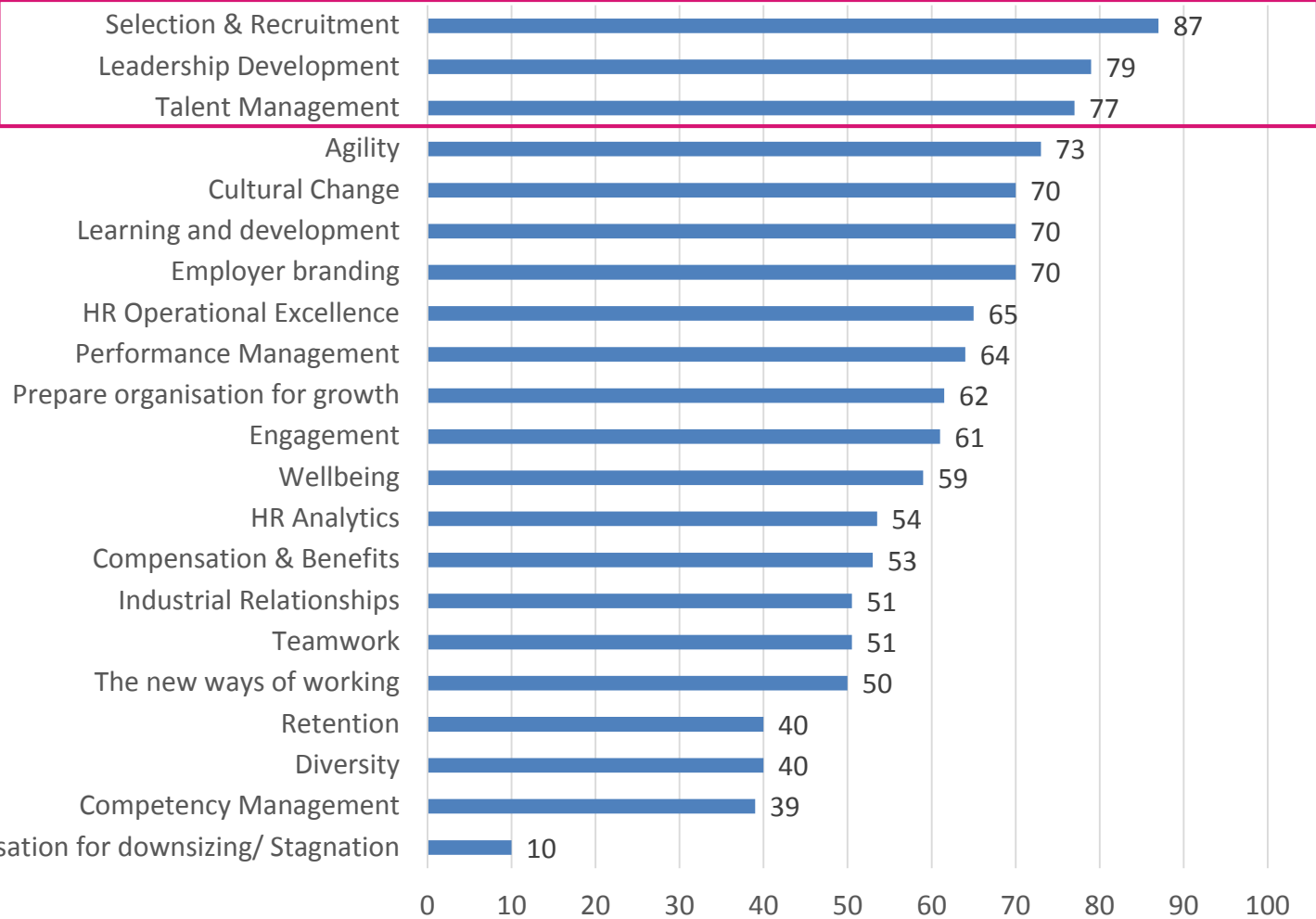
GENERAL RESULTS



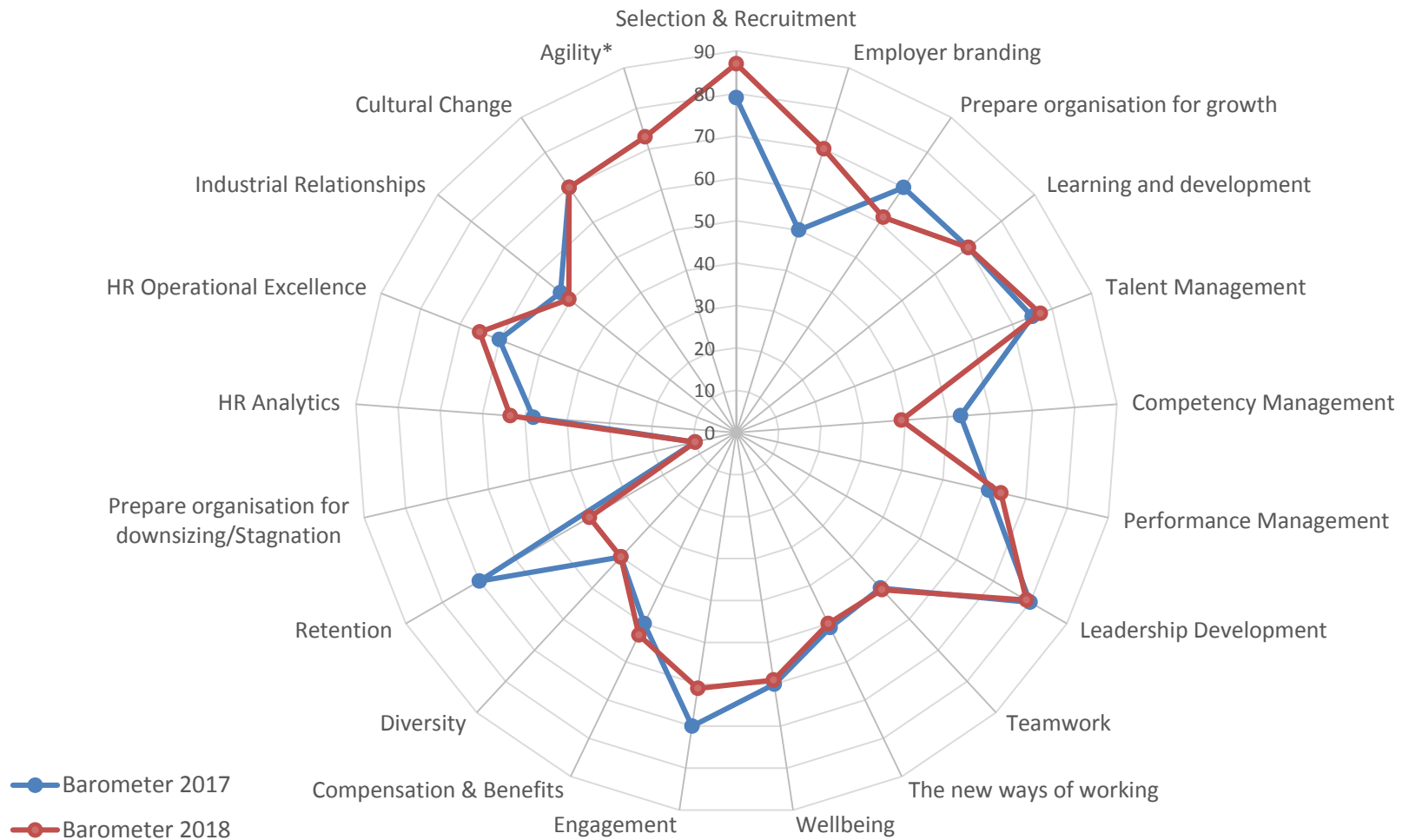
HR BAROMETER 2018: ACTUAL PRIORITIES

HR BAROMETER 2018: ACTUAL PRIORITIES

Top 3 priorities



TRENDS IN ACTUAL PRIORITIES: HR BAROMETER 2017 COMPARED TO 2018



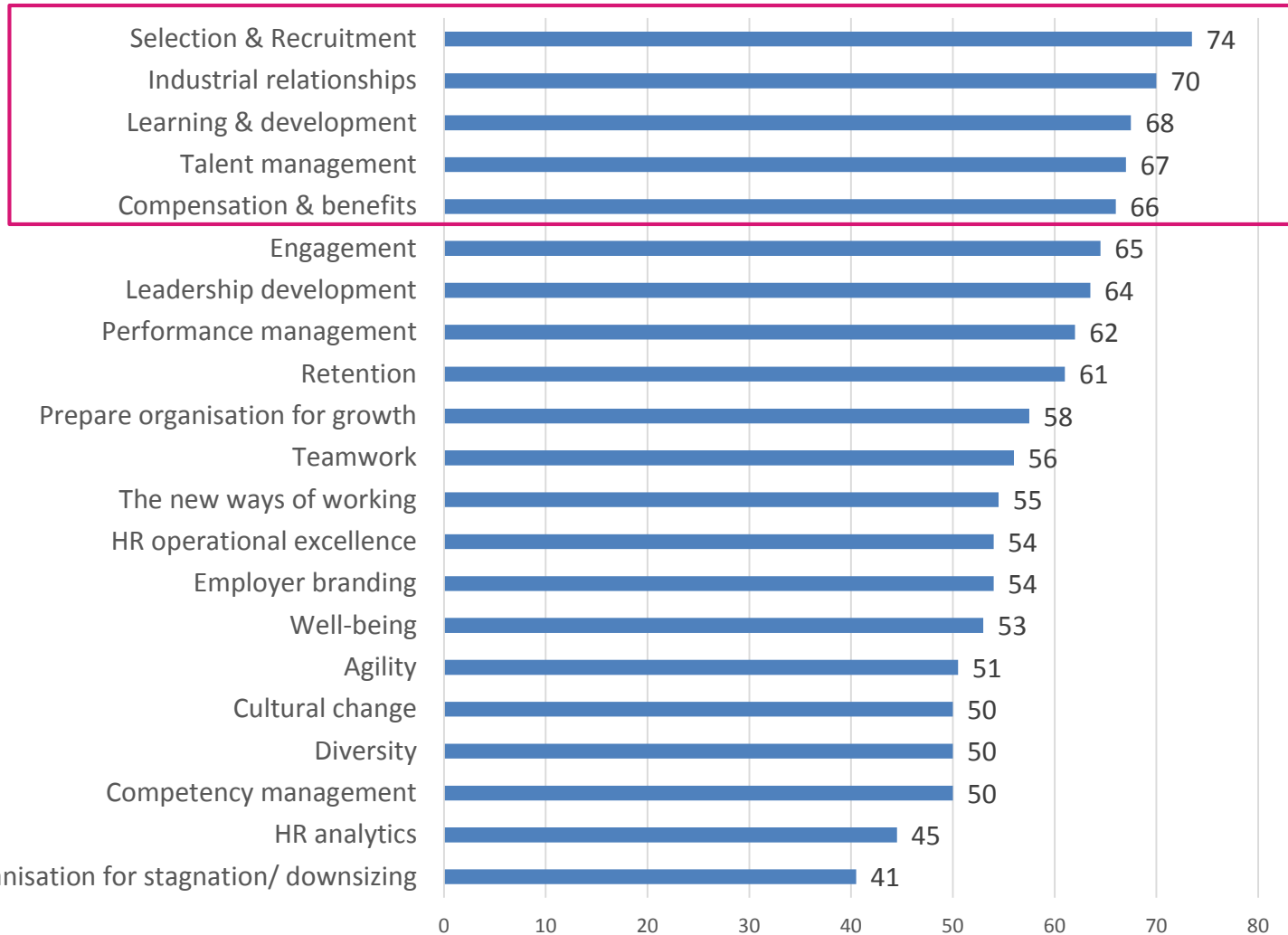
* New topic in 2018



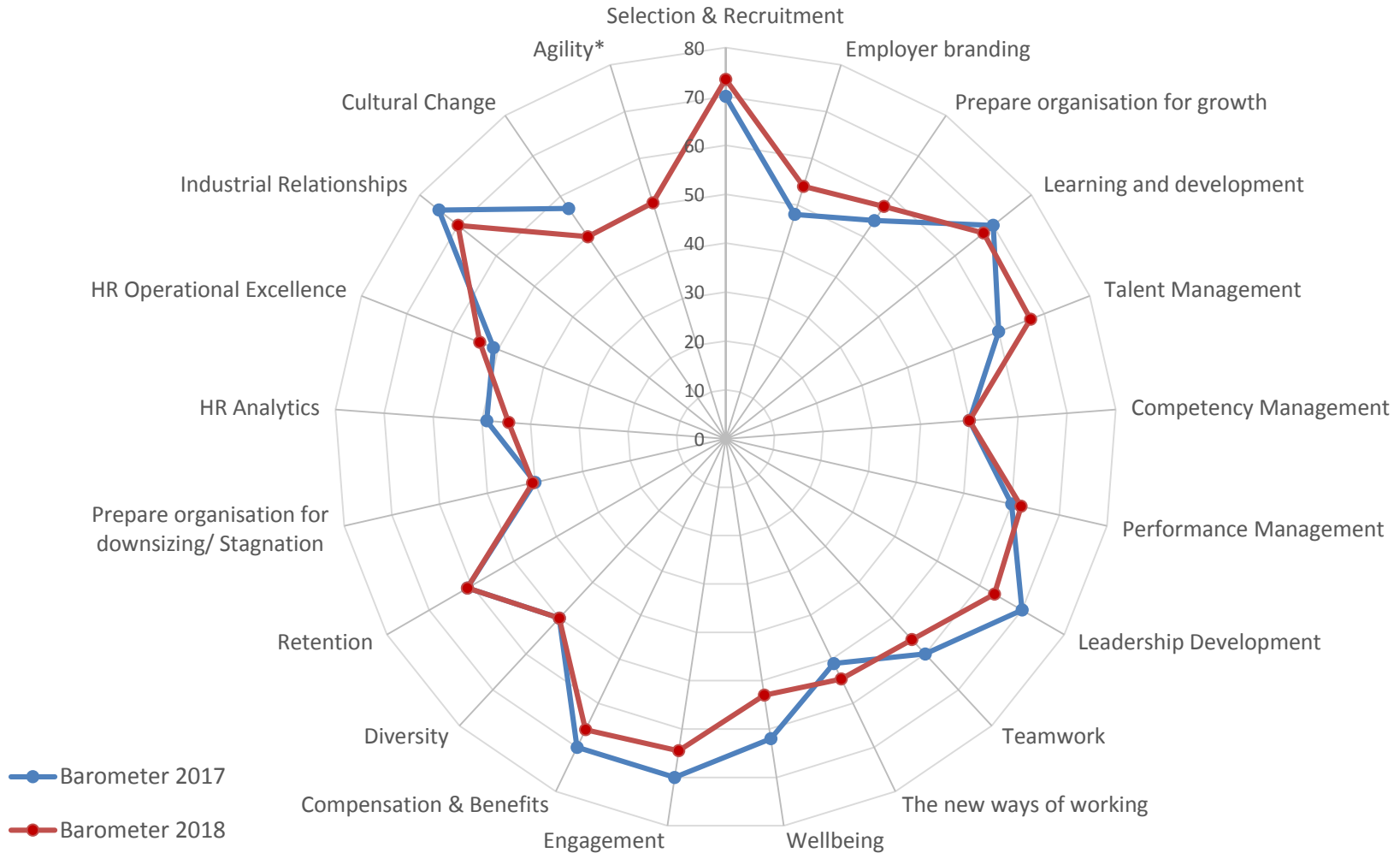
HR BAROMETER 2018: PERCEIVED MASTERY

HR BAROMETER 2018: ACTUAL PERCEIVED MASTERY

Top 5



TRENDS IN PERCEIVED MASTERY: HR BAROMETER 2017 COMPARED TO 2018

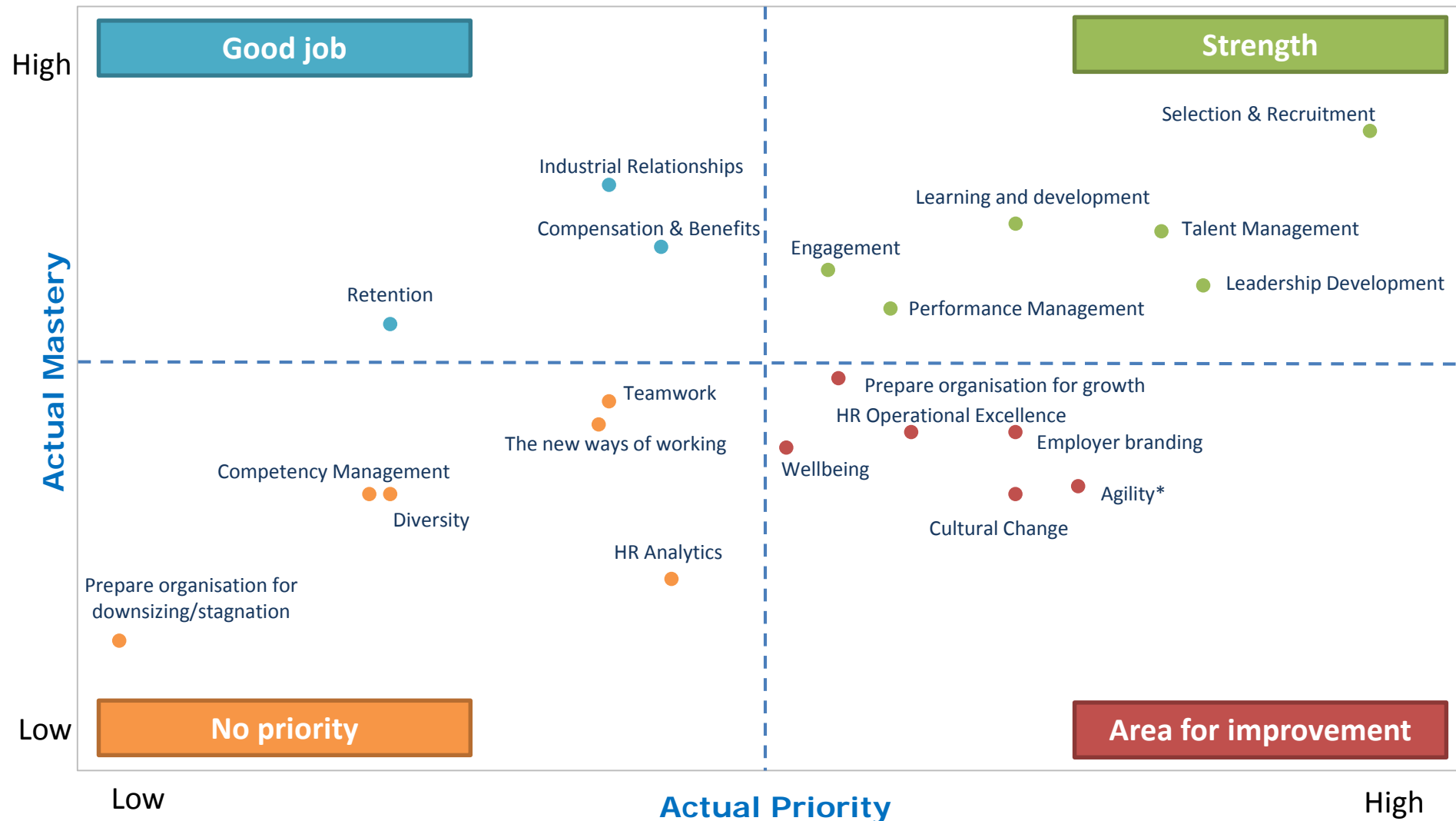


* New topic in 2017



HR BAROMETER 2018: PRIORITY VS MASTERY

HR BAROMETER 2018: PRIORITY VERSUS HR MASTERY



PRIORITY VS HR MASTERY: STRENGTHS

High score in terms of priority and mastery:



Main strengths

- Selection & Recruitment
- Learning & development
- Talent Management

Second in a row

- Leadership Development
- Performance management
- Engagement

PRIORITY VS HR MASTERY: AREAS FOR IMPROVEMENT

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



Main areas for improvement:

- Agility
- Cultural change
- Employer branding

Second in a row

- HR operational excellence
- Wellbeing
- Prepare organisation for growth

PRIORITY VS HR MASTERY: UNDER CONTROL?

Lower score in terms of priority, but high score in terms of mastery:



Good Job

- Industrial relationships
- Compensation & Benefits
- Retention

PRIORITY VS MASTERY: NO PRIORITY

Rather low score in terms of mastery
but not perceived as a priority:



No Priority

- Prepare organisation for stagnation/downsizing
- Competency Management
- Diversity

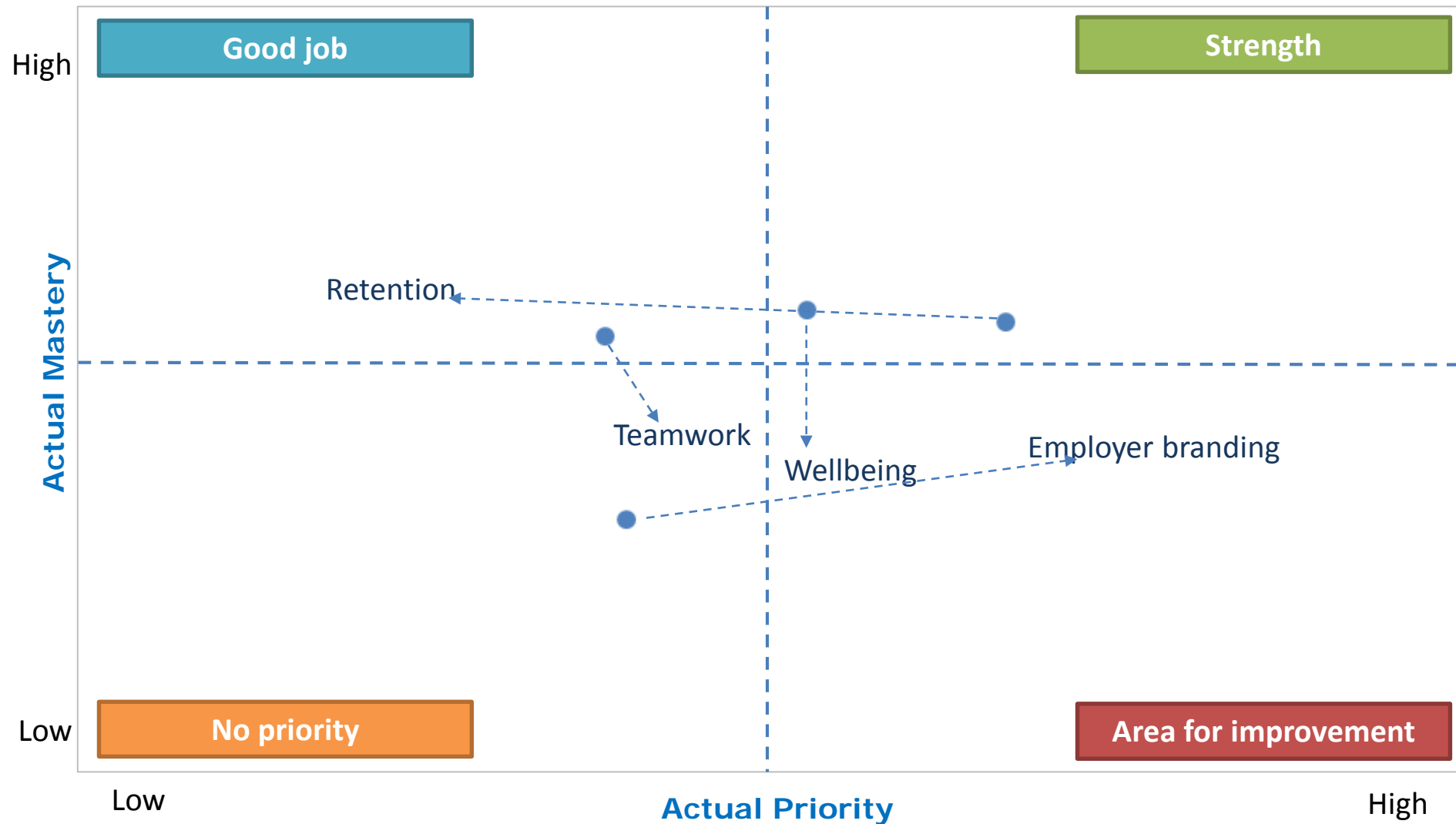
Second in a row

- The new ways of working
- Teamwork
- HR analytics

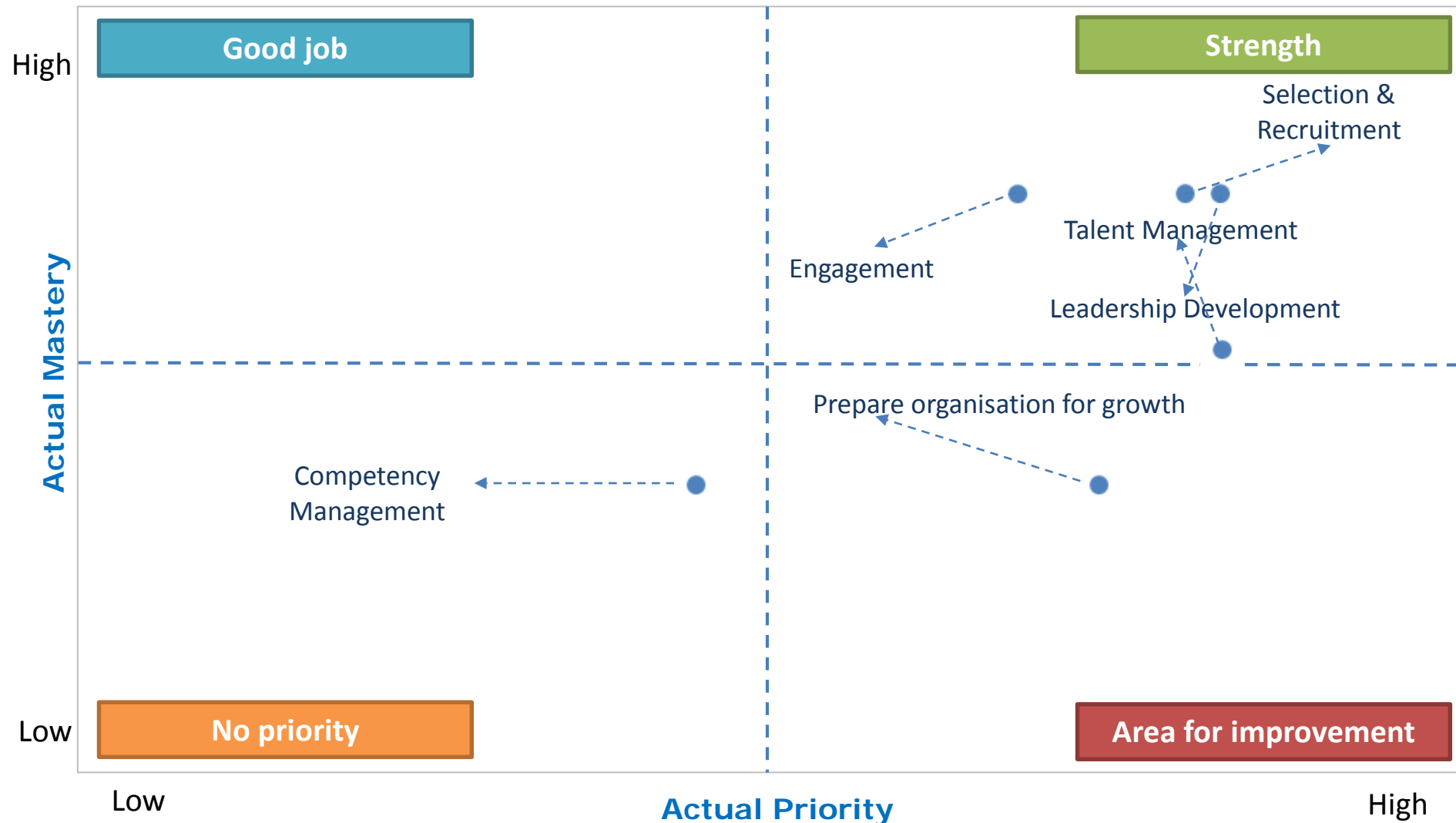
TRENDS IN PRIORITY VS MASTERY: TOPICS THAT REMAINED STABLE COMPARED TO 2017



TRENDS IN PRIORITY VS MASTERY: CHANGED PRIORITIES ACROSS QUADRANTS



TRENDS IN PRIORITY VS MASTERY: CHANGED PRIORITIES WITHIN QUADRANTS



IV.

**HR BAROMETER 2018:
PLANNED PRIORITIES**

PLANNED PRIORITIES 2018

- Top 5 priorities when looking ahead to the coming year:



- 1** Selection & Recruitment
- 2** Leadership Development
- 3** Talent Management
- 4** Cultural Change
- 5** Employer branding



HR BAROMETER 2018: SPOTLIGHT ON "HR ANALYTICS"

WHAT IS HR ANALYTICS?



HR
analytics?

- Also called **people** -, **talent** - or **workforce** analytics.
- The Use of people data in **analytical processes to solve business problems**. HR analytics uses both people-data, collected by HR systems and business information.
- HR analytics enables HR practitioners and employers to **gain insights into their workforce, HR policies and practices**, with a focus on the human capital element of the workforce, and can ultimately inform more **evidence-based decision making**

(CIPD)

AVAILABLE HR-RELATED DATA

The majority of organisations gather HR-related data:

95%

gathers data about:

- Absenteeism
- Turnover
- Workforce planning
- Performance data
- Compensation & Benefits
- Recruitment data

94%

gathers data about training
& Development information

90%

gathers data about
employee engagement

92%

gathers data about:

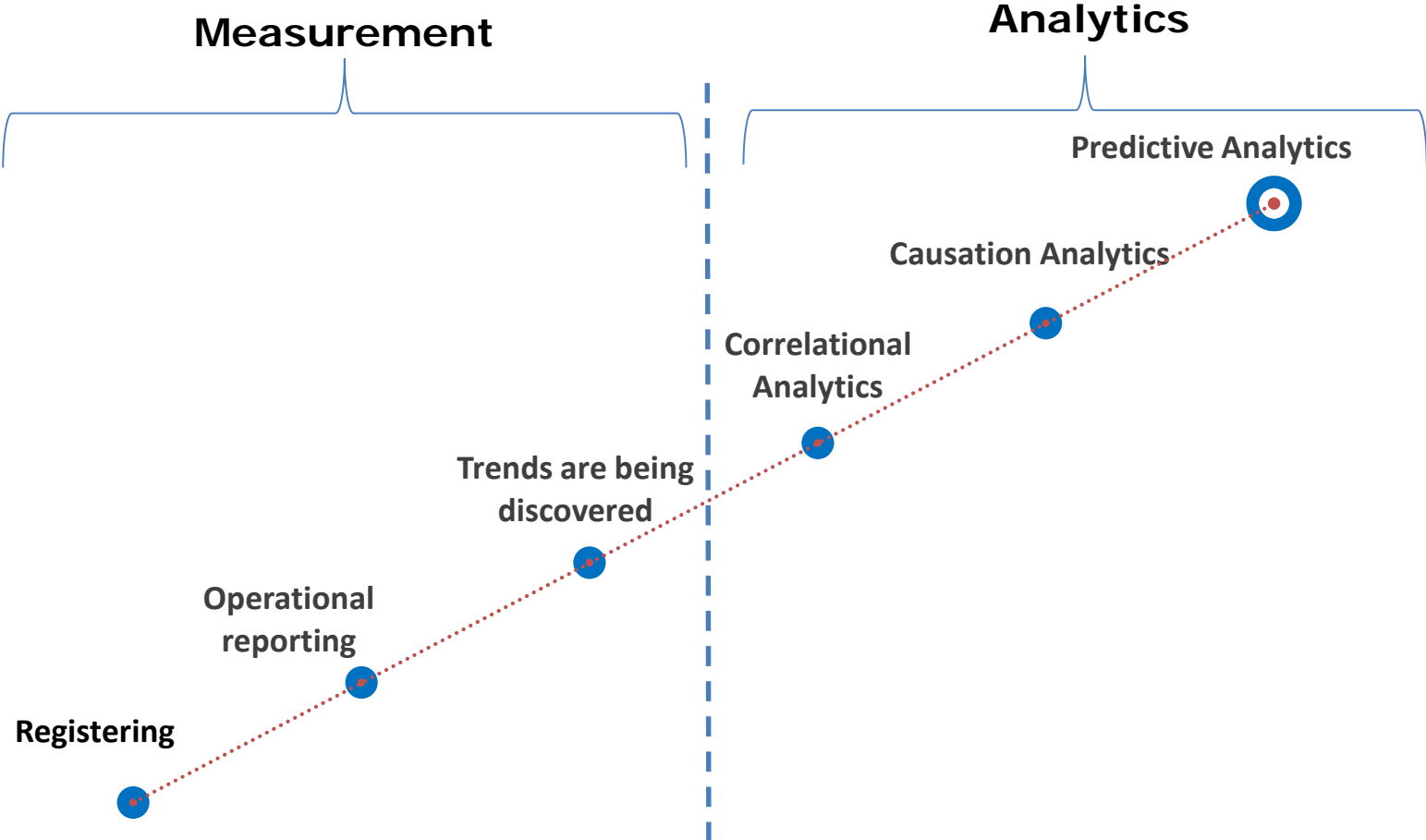
- Succession planning
- Skills & Competencies

89%

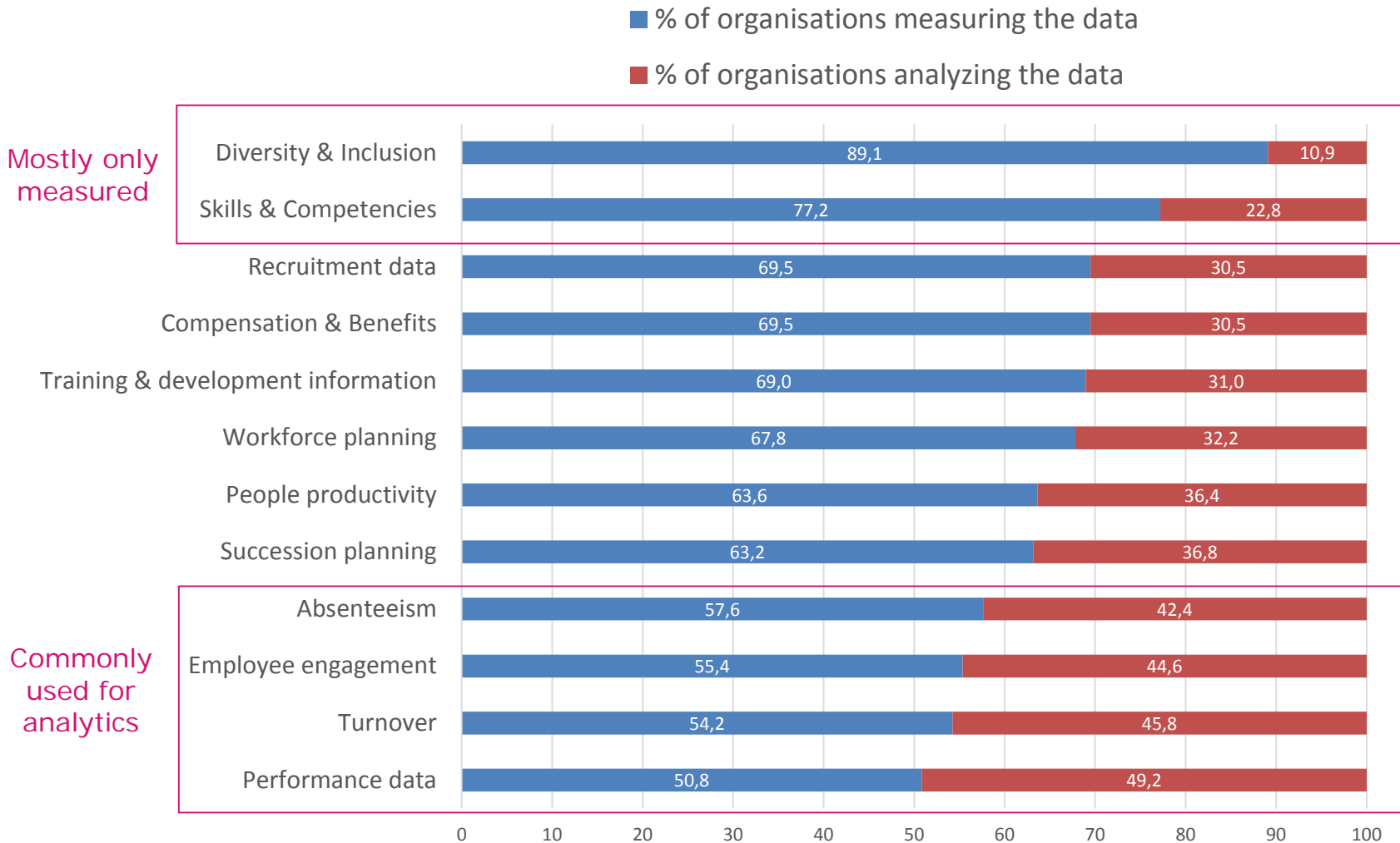
gathers data about:

- People productivity
- Diversity & Inclusion

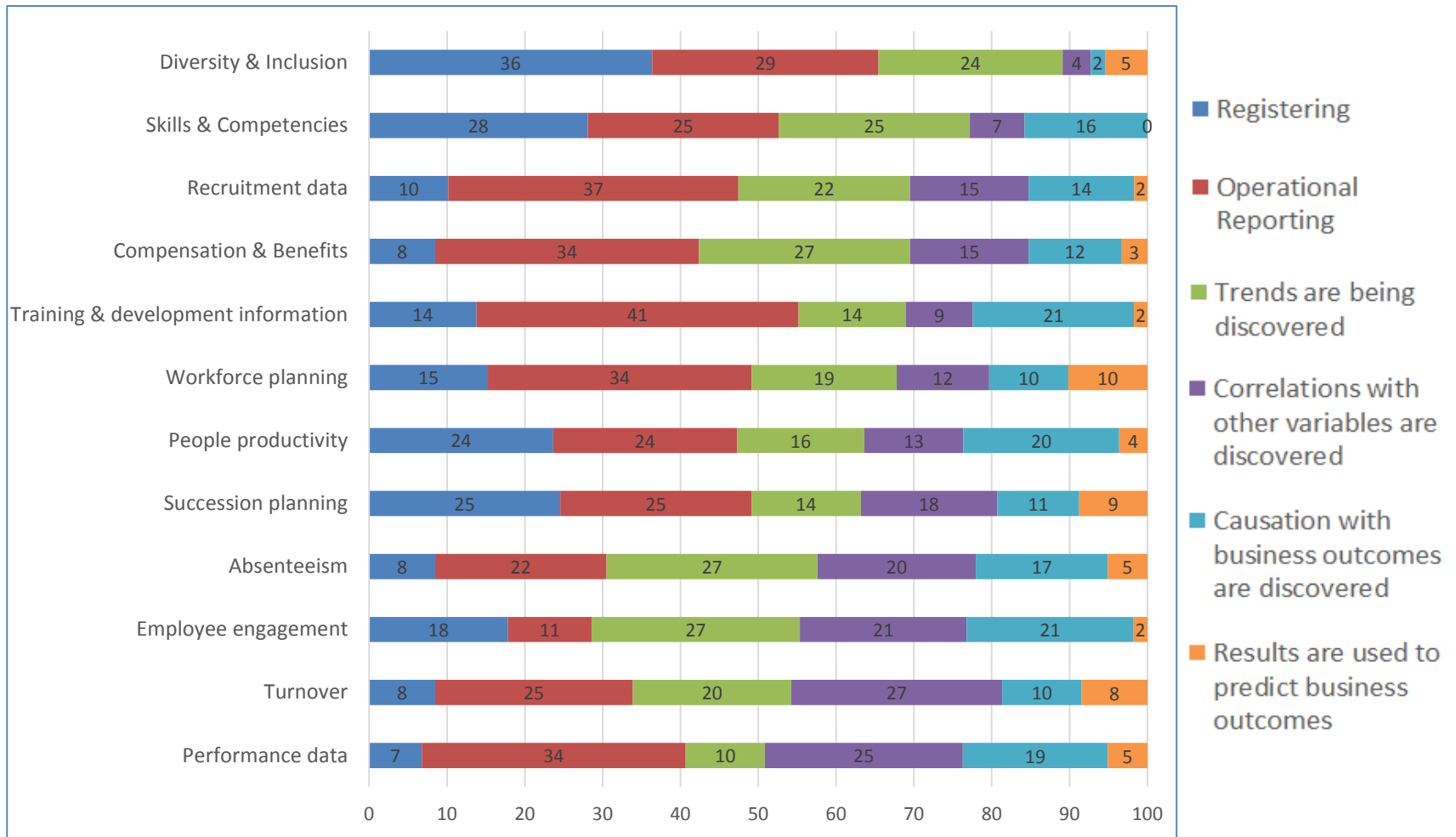
HR ANALYTICS MATURITY



MEASUREMENT VS ANALYTICS OF PEOPLE DATA



FROM REGISTERING TO PREDICTING

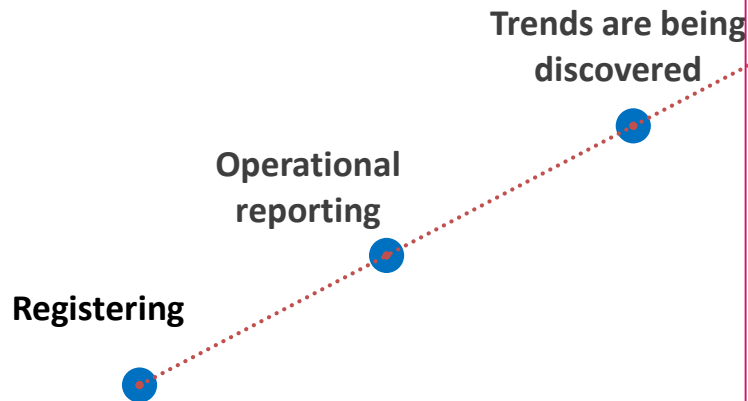


Q. Please indicate on a 6 point scale what your organisation is doing with the following data, going from 1) simply registering it up to 6) using it to predict future outcomes.

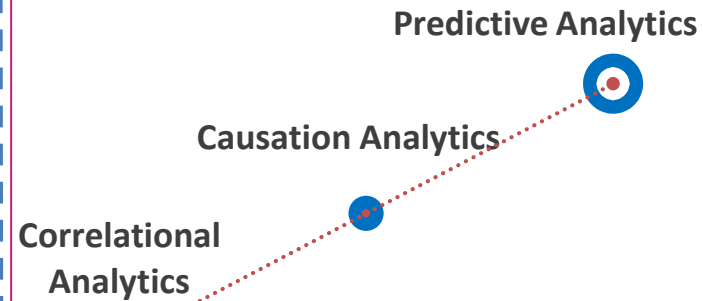
GENERAL HR ANALYTICS MATURITY

LOW HR ANALYTICS MATURITY

75% of organisations focus on **measurement***



HIGH HR ANALYTICS MATURITY



25% of organisations focus on **analytics***

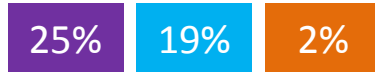
* Based on overall HR maturity score on the 6 point scale (mean score between 1 – 3.5 = focus on measurement; mean score between 3.5 and 6 = focus on analytics)

USE OF PEOPLE DATA FOR HR ANALYTICS

MOST OFTEN USED FOR HR ANALYTICS:



Performance management



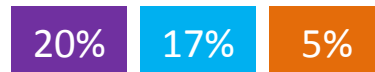
Employee engagement



Turnover



Absenteeism



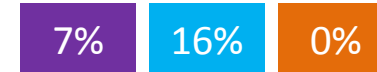
RARELY USED FOR ANALYTICS:



Diversity & inclusion



Skills & Competencies



PEOPLE DATA LINKED WITH BUSINESS OUTCOMES



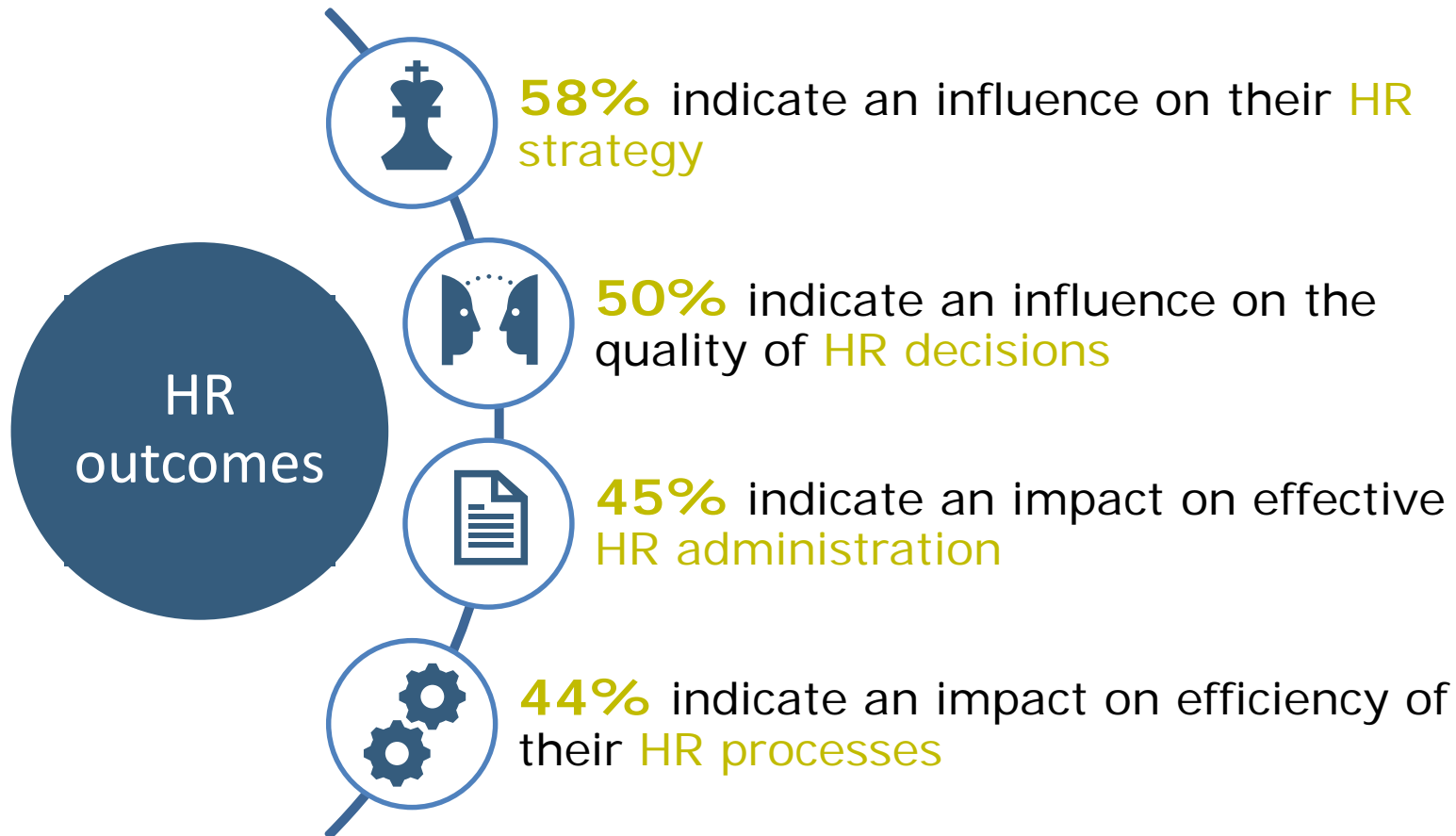
37,1%
Say HR analytics help to prepare for possible future business challenges

HR ANALYTICS MATURITY: HIGHLIGHTS



- The majority of organisations **go further than simply registering** the people data. Though for most people data, **focus remains on measurement, not on analytics.**
- When doing analytics, most companies **focus on correlations and causations**
- **Few organisations focus on predicting business outcomes** using HR analytics

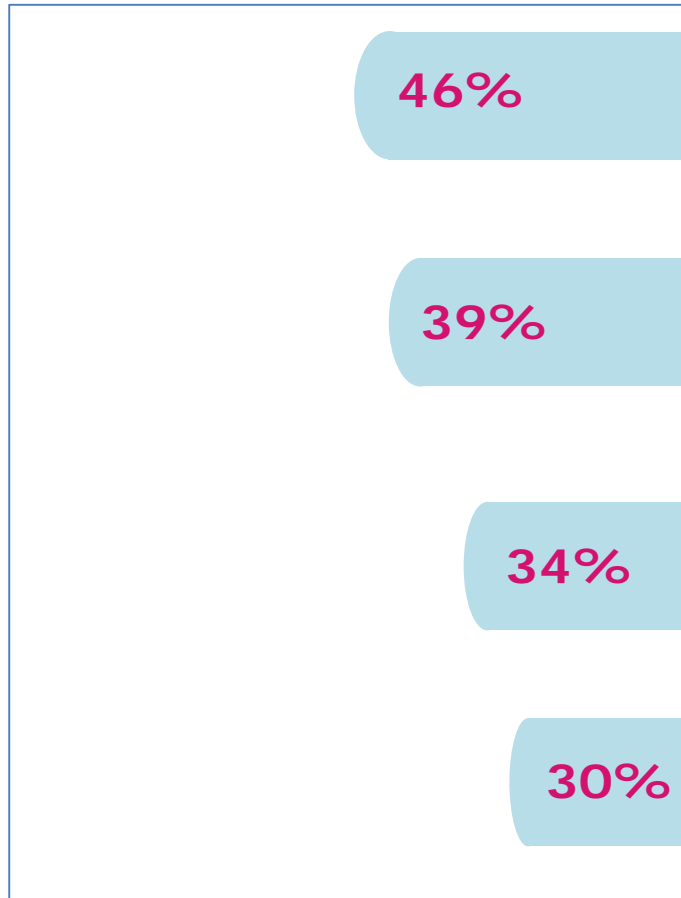
IMPACT ON HR OUTCOMES



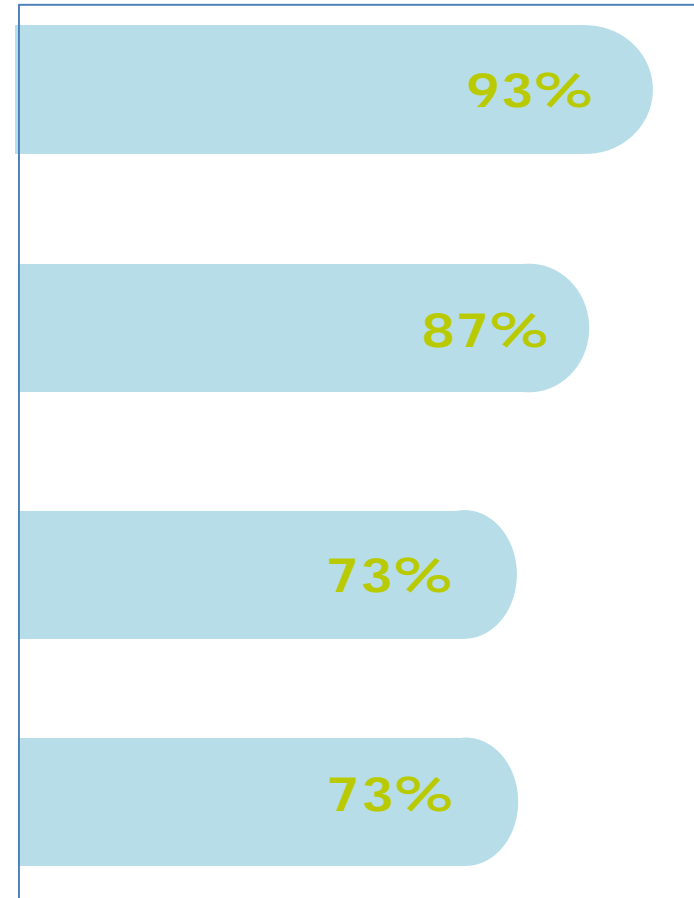
Q. To what extent does HR analytics influence the following HR outcomes within your organization (on a scale of 0-100)? This figure shows the % of organisations with a score between 55-100

IMPACT ON HR OUTCOMES ACCORDING TO HR ANALYTICS MATURITY

LOW MATURITY



HIGH MATURITY



% of respondents indicating an impact of HR analytics on HR outcomes



IMPACT ON ORGANISATIONAL OUTCOMES

Less than half of the companies indicate a link between HR analytics and organisational outcomes within their company.



44%

ACHIEVEMENT OF ORGANISATIONAL GOALS & STRATEGY



37%

QUALITY OF PRODUCT/SERVICE



44%

PRODUCTIVITY



37%

CUSTOMER SATISFACTION



36%

TIME
(response time, cycle or delivery time)



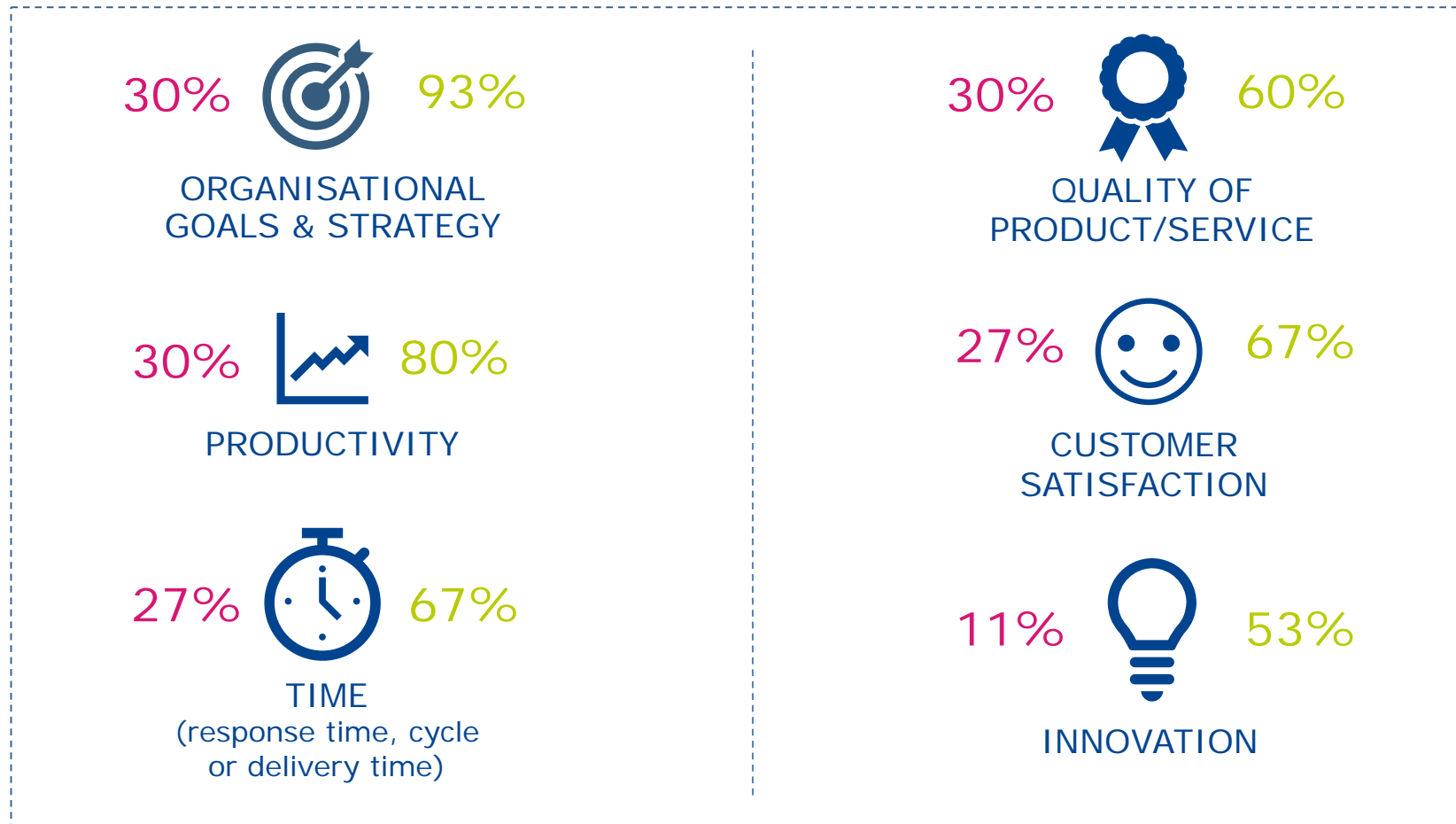
23%

INNOVATION

Q. To what extent does HR analytics influence the following organisational outcomes within your organization (on a scale of 0-100)?

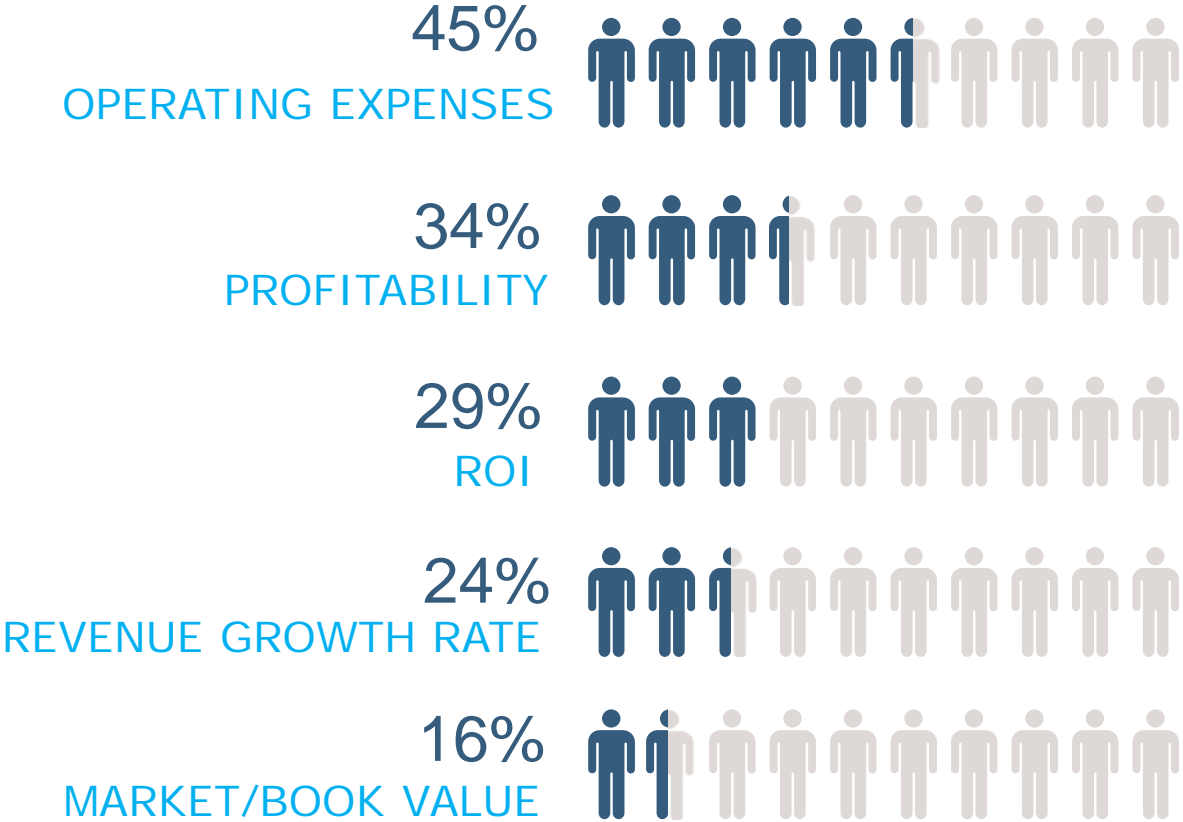
IMPACT ON ORGANISATIONAL OUTCOMES ACCORDING TO HR ANALYTICS MATURITY

LOW MATURITY vs HIGH MATURITY



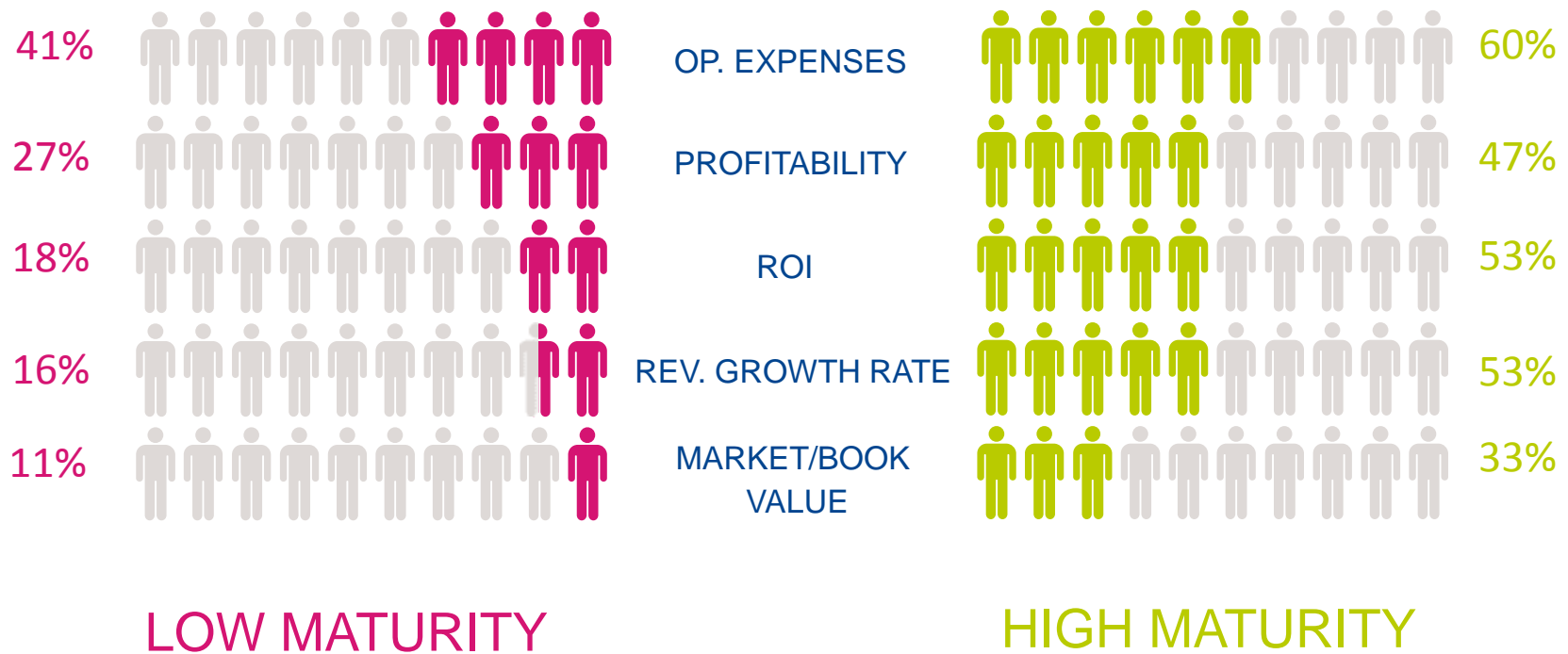
% of respondents indicating an impact of HR analytics on organisational outcomes

IMPACT ON FINANCIAL OUTCOMES



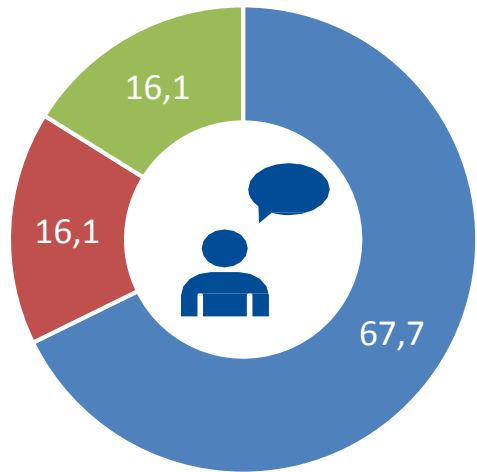
Q. To what extent does HR analytics influence the following financial outcomes within your organization (on a scale of 0-100)?

IMPACT ON FINANCIAL OUTCOMES ACCORDING TO HR ANALYTICS MATURITY



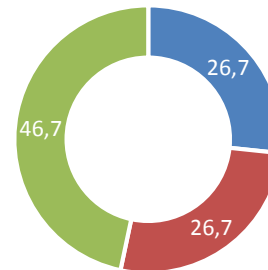
% of respondents indicating an impact of HR analytics on organisational outcomes

SATISFACTION WITH THE USE OF HR ANALYTICS

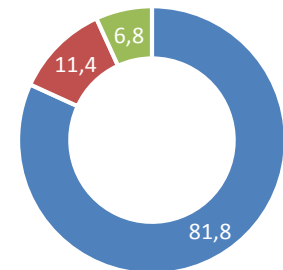


■ Not satisfied ■ Neutral ■ Satisfied

High HR analytics maturity



Low HR analytics maturity

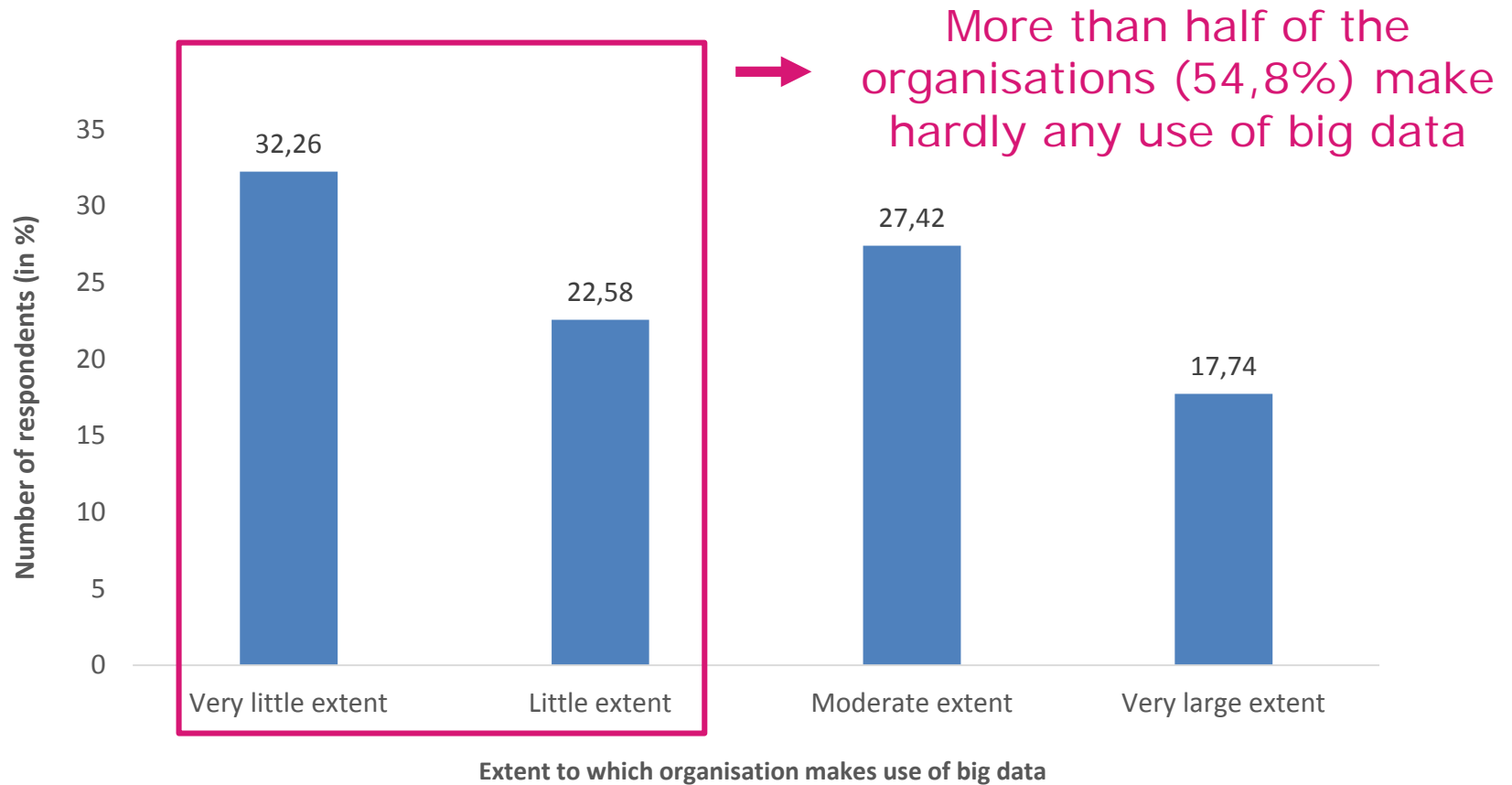


“HR analytics are mainly focused on reporting, more focus should be placed on analytics for strategic decisions & predictions”

(quote respondent)

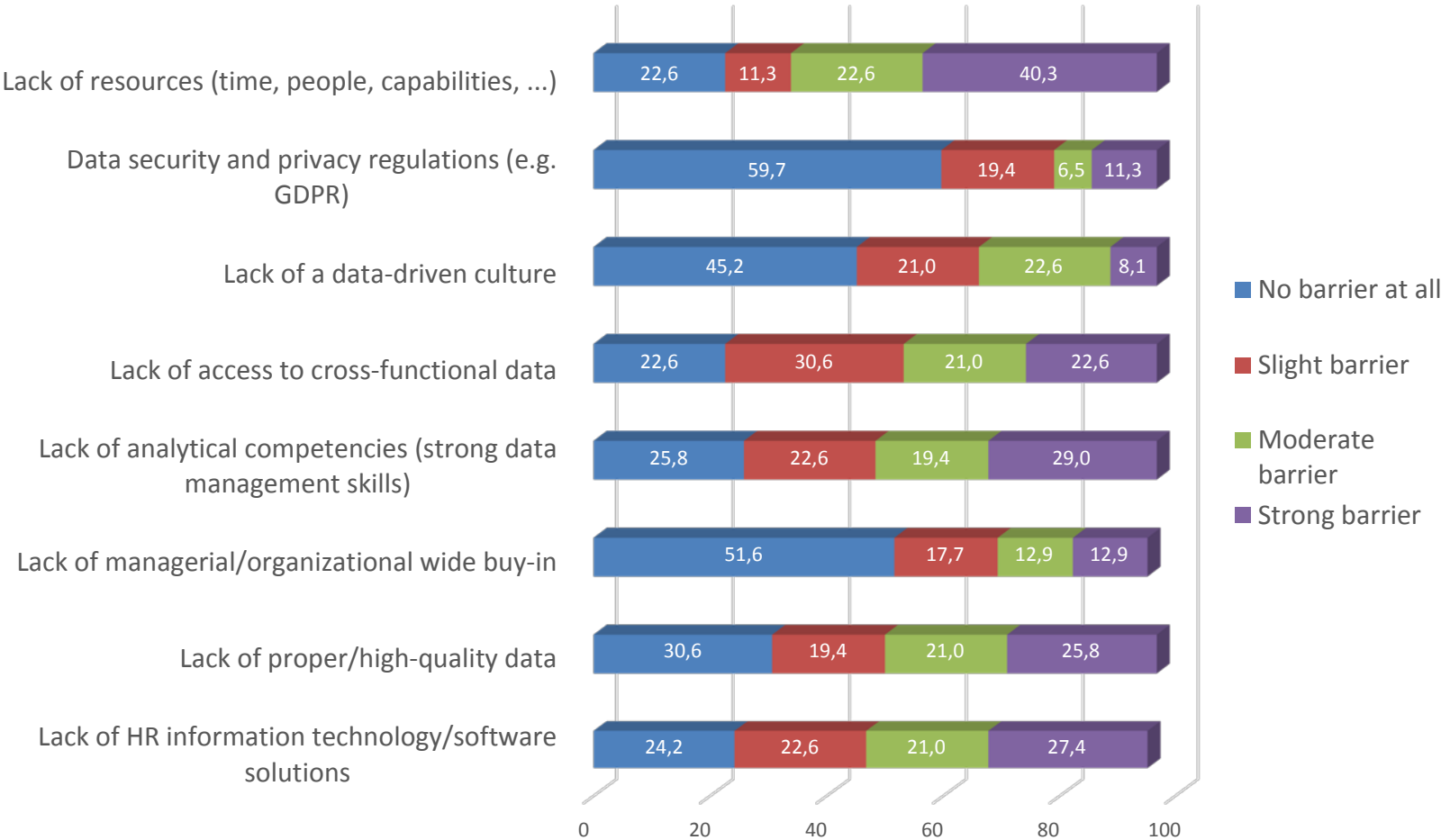
Q. How satisfied are you with the outcomes of your HR analytics within your organisation?

USE OF BIG DATA IN GENERAL WITHIN ORGANISATION



Q. Apart from HR analytics (which is linked to people data), to what extent does your organisation as a whole use big data analytics?

BARRIERS TO IMPLEMENT HR ANALYTICS



BARRIERS: 3 LEVELS

1



LACK OF RESOURCES
TOOLS & COMPETENCIES
IS BIGGEST BARRIER

63% indicate they do not have the necessary time, people, capabilities, ... for HR analytics

2



ACCES TO HIGH-QUALITY
DATA IS SECOND
BIGGEST HURDLE FOR
COMPANIES

47% indicate they are missing access to proper and high-quality data for HR analytics

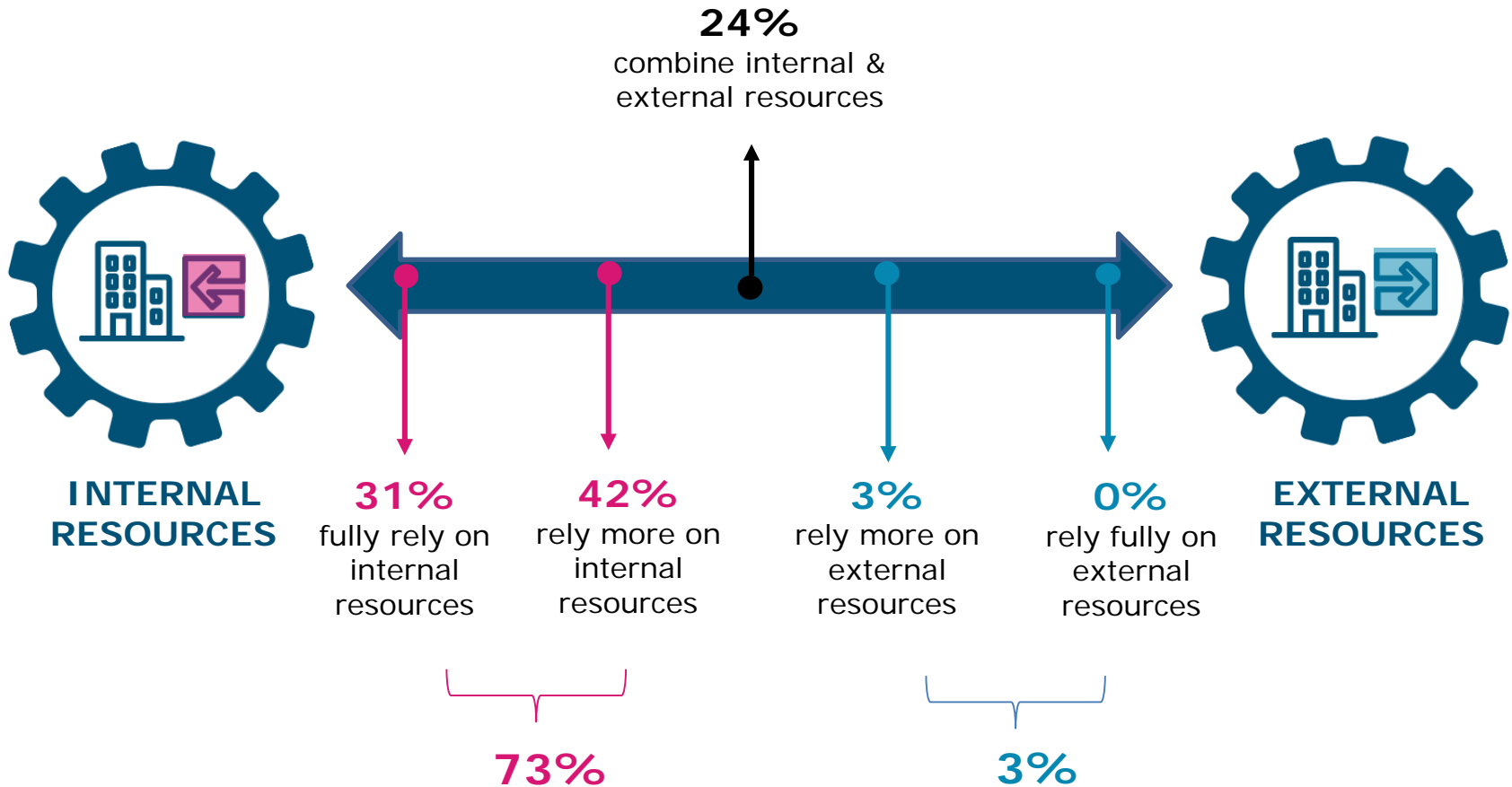
3



CULTURE, BUY-IN AND
CONTEXT ARE LESS OF
AN ISSUE

31% indicate they are lacking a data-driven culture

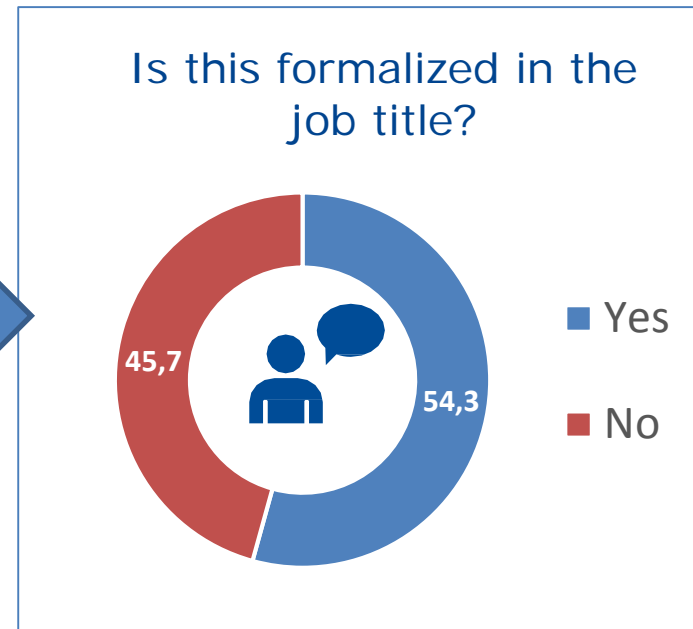
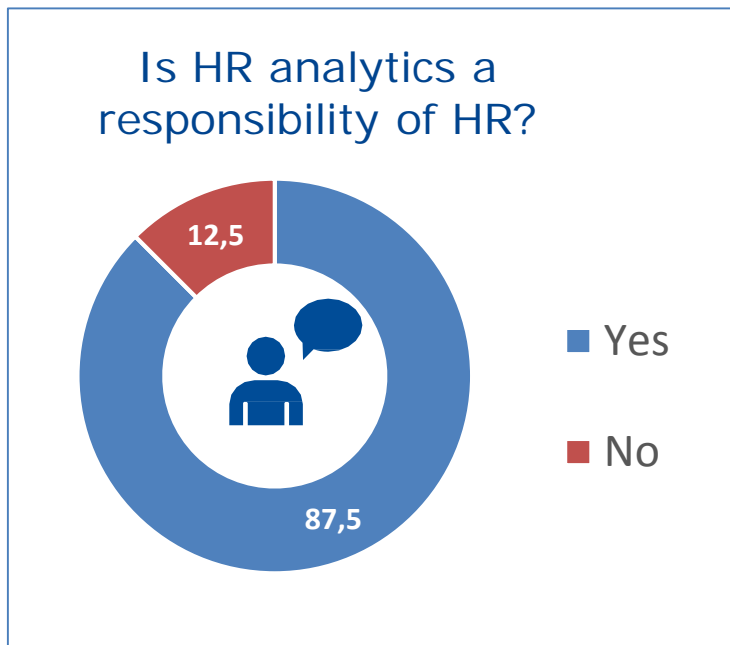
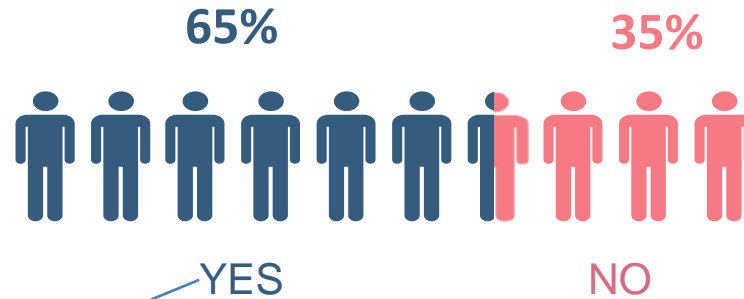
INTERNAL OR EXTERNAL RESOURCES



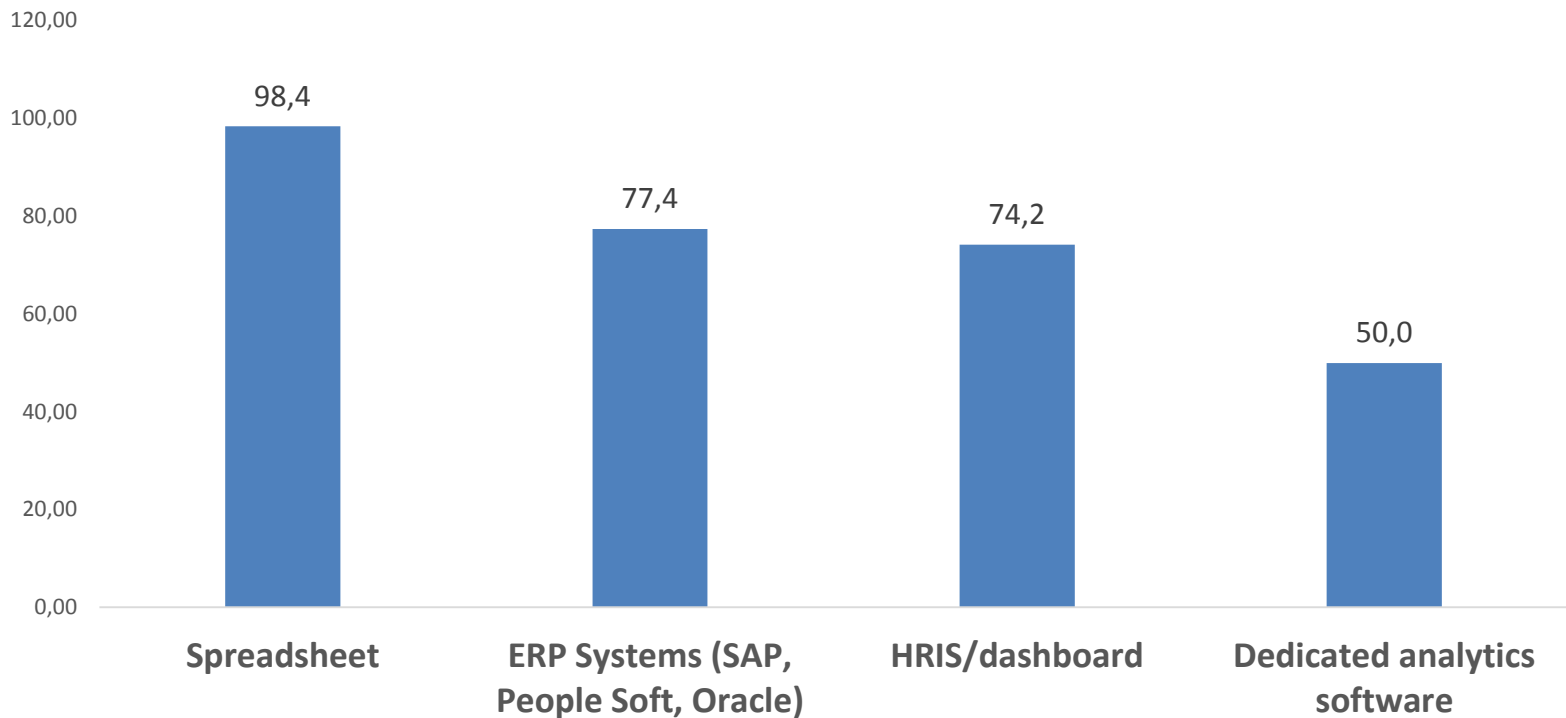
Q. Please indicate to what extent you rely on internal or external resources/providers to perform HR analytics

HR ANALYTICS FUNCTION

Is there someone within the organisation who is specifically responsible for HR analytics?

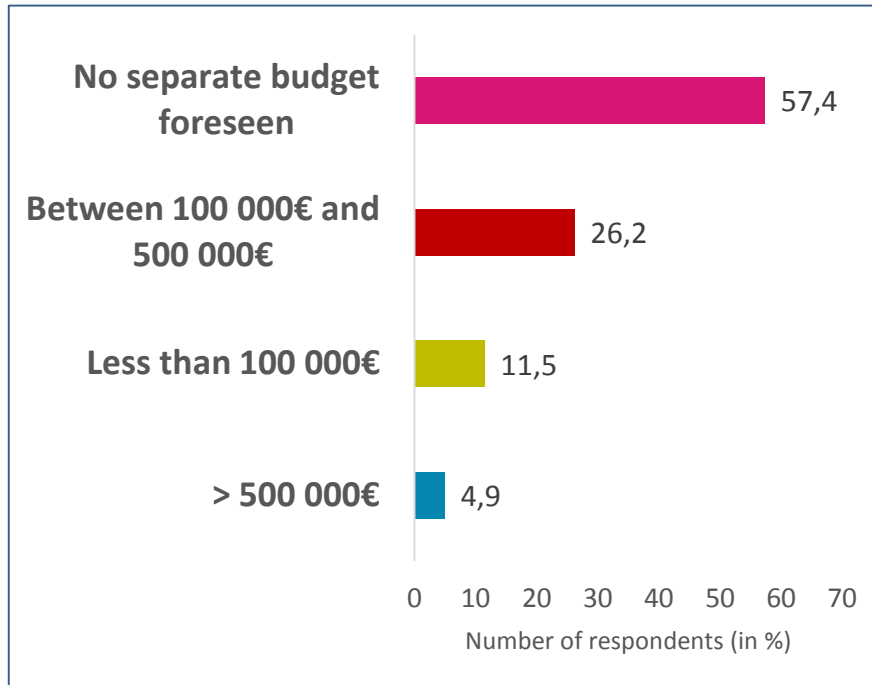


TOOLS USED FOR HR ANALYTICS



Q. Which tools do you use for HR analytics?

BUDGET FOR HR ANALYTICS (INCLUDING PERSONNEL)



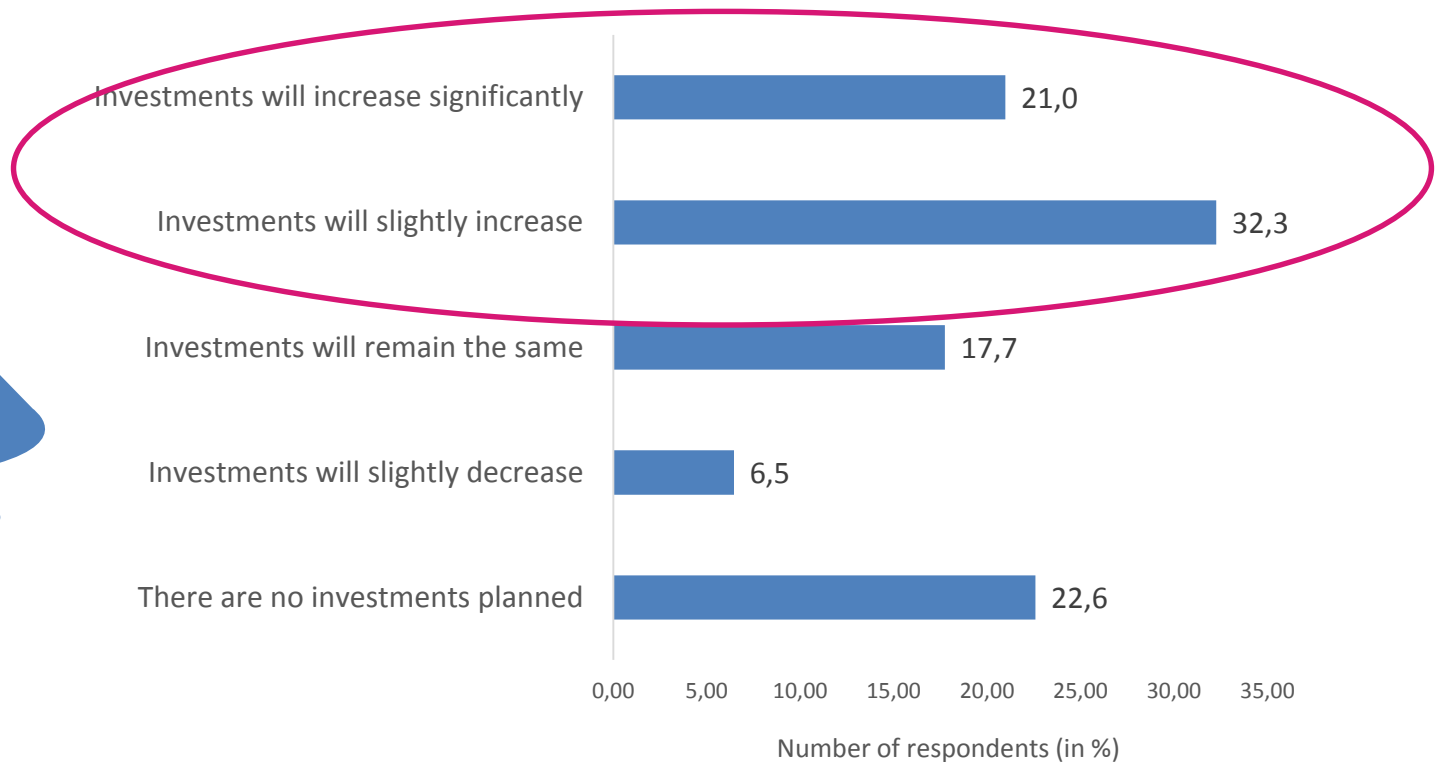
57% of organisations have no separate budget for HR analytics.

Only **5%** have a budget in excess of 500 000

Q. What is your budget for HR analytics (including personnel)

HR ANALYTICS INVESTMENT PLAN

More than half of the respondents (i.e., 53,3%) predict that investments in HR analytics within their organisation will increase.



GDPR COMPLIANCE

94% of respondents predict that their organisation is ready to be compliant with the EU GDPR by 25 May 2018.



EXPECTED IMPACT OF GDPR ON DATA ANALYTICS



33,9%
expects a (rather)
negative impact



56,5%
expects a neutral
impact



9,7%
expects a (rather)
positive impact

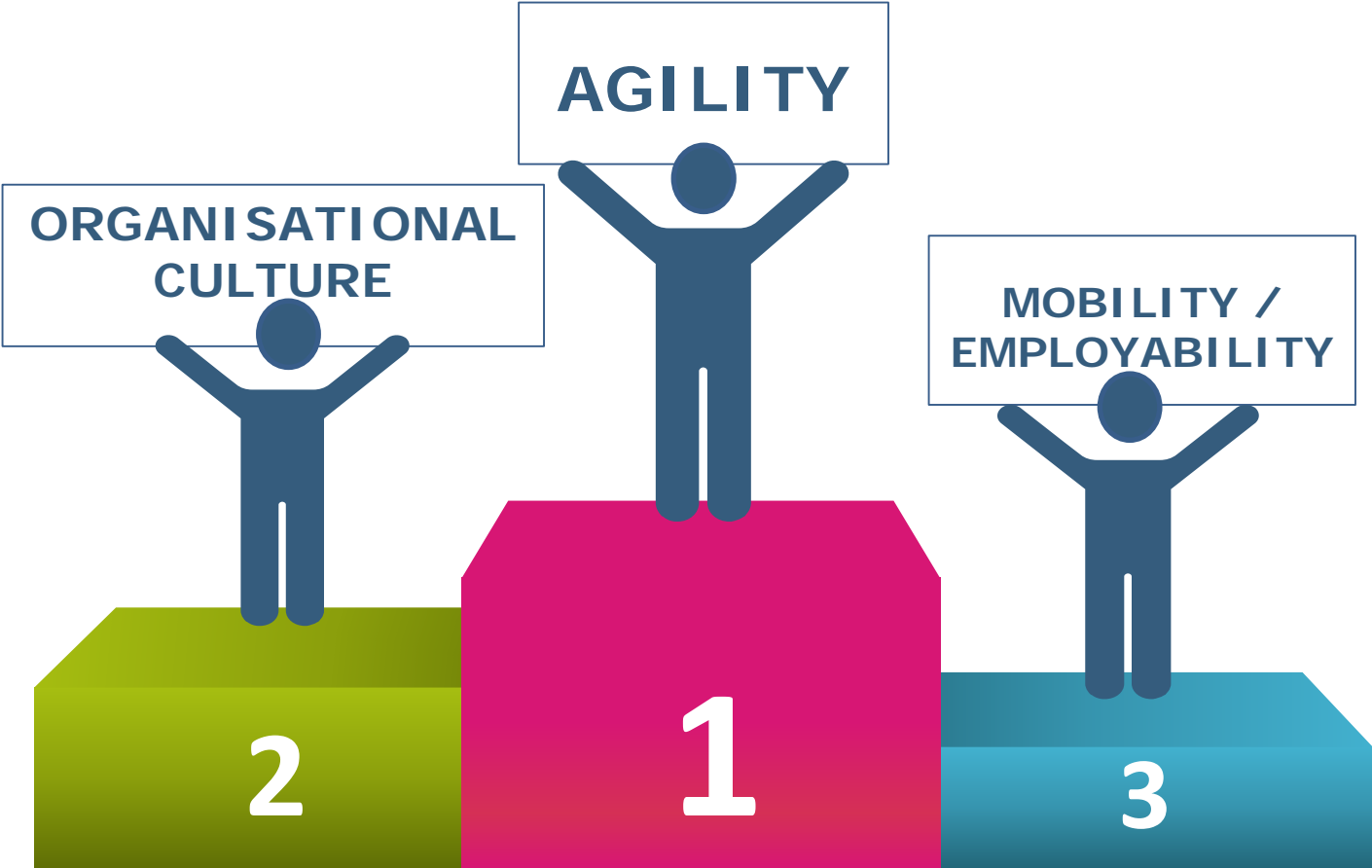
"A lot of administration"
"Slower to reach goals on data management"
"Impact on historical data"
"Requires much time to manage all aspects of GDPR"

"Better respect for data privacy"
"Increasing awareness for data privacy"
"Conscious use of data"

VI.

TOPIC NEXT HR BAROMETER

NEXT HR BAROMETER: TOP 3 TOPICS

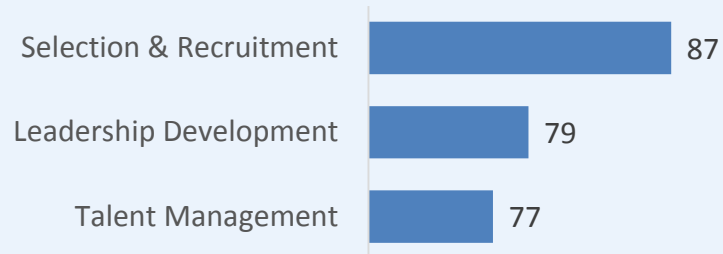


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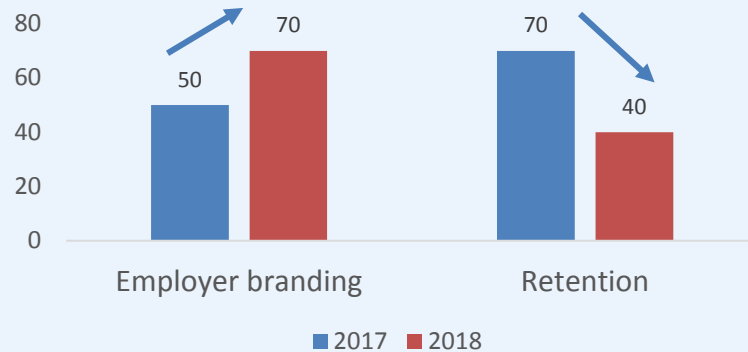
FINAL LESSONS LEARNED

KEY TAKEAWAYS: PRIORITIES & MASTERY

Top priorities 2018



Biggest shift in priority 2017 vs 2018



Prepare organisation for stagnation is no priority today

Compared to 2017, companies have a stronger focus on attracting talent.

Topic next year

Agility is chosen as a topic to explore in more depth next year



Most important areas for improvement:

- Agility
- Employer branding
- Cultural change



Scoring high in terms of priority but not in terms of mastery!

KEY TAKEAWAYS: HR ANALYTICS

Use of HR analytics

- 16%** Is satisfied with HR analytics within their organisation
- 65%** Have someone within the organisation who is responsible for HR analytics
- 57%** Have no separate budget for HR analytics



Lack of resources **biggest barrier** for HR analytics.

53% Predict that investments in HR analytics will increase

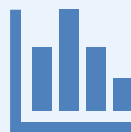
73% relies especially on internal resources to do HR analytics.

Measurement vs Analytics

Most companies measure people data, but do not apply analytics on them.

Analytics are most often performed on:

- Performance management
- Employee engagement
- Turnover
- Absenteeism



Whether HR analytics has an impact on HR, organisational & financial outcomes depends significantly on the **HR Analytics Maturity**.



4

MORE INFORMATION?

MORE INFORMATION?

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