

Global Human Capital Trends 2015 Leading in the new world of work



Contents

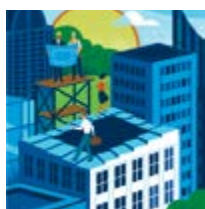
Introduction		3
Foreword		4
Top trends in 2015		5
Top challenges		7
Capability gap		8
State of HR		9
Conclusion		10
Belgian survey participants		11
Contacts		12

Introduction

This year's 10 trends are focused on four broad areas

CEOs and HR leaders who participated in our 2015 Global Human Capital Trends report revealed 10 critical HR trends, clustered in four areas. A small definition of each trend can be found below.

LEADING



Leadership: Why a perennial issue?

Companies are struggling to develop leaders at all levels and are investing in new and accelerated leadership models.



Learning & Development: Into the spotlight

Companies are actively exploring new approaches to Learning & Development as they confront increasing skills gaps.

ENGAGING



Culture and engagement: The naked organisation

Organisations are recognizing the need to focus on culture and dramatically improve employee engagement as they face a looming crisis in engagement and retention.



Workforce on demand: Are you ready?

Companies are taking a more sophisticated approach to managing all aspects of the workforce, including the hourly, contingent, and contract workforce.



Performance management: The secret ingredient

Organisations are replacing traditional performance management with innovative performance solutions.

REINVENTING



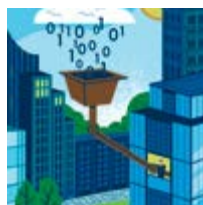
Reinventing HR: An extreme makeover

HR is undergoing an extreme makeover to deliver greater business impact and drive HR and business innovation.



HR and people analytics: Stuck in neutral

Too few organisations are actively implementing talent analytics capabilities to address complex business and talent needs.



People data everywhere: Bringing the outside in

HR and talent organisation are expanding their HR data strategies by harnessing and integrating third-party data about their people from social media platforms.

REIMAGINING



Simplification of work: The coming revolution

Organisations are simplifying work environments and practices in response to information overload and increasing organisation and system complexity, and information overload.



Machines as talent: Collaboration, not competition

The increasing power of computers and software to automate and replace knowledge workers is challenging organisations to rethink the design of work and the skills their employees need to succeed.

Foreword



I am pleased to share with you the summary of the major trends and challenges that are driving human capital decisions, according to our survey of corporate leaders across Belgium. This report is a Belgian excerpt from Deloitte's 2015 *Global Human Capital Trends* report, one of the largest-ever longitudinal global talent studies, with replies from more than 3,300 business and HR leaders in over 106 countries. The survey asked business and HR executives to assess the importance of specific talent challenges facing their organisation and judge how prepared they were to meet them.

This year's report spotlights the 10 trends that shape our new working world, which reflect four major themes for the year: leading, engaging, reinventing and reimagining.

What are the **main findings**?

- The global survey reveals that **culture and engagement** is the **new and most urgent priority that companies around the world are facing**. This challenge highlights the need to understand your organisation's culture and to improve employee engagement.
- Building **leadership and the need to transform learning & development** are top issues on the minds of CEOs and CHROs.
- Compared to last year, the **capability gap** (between an issue's importance and an organisation's readiness to address it) **has increased for many** of these trends. This might be a clear indication that the accelerating economy, and shifting business and talent markets have created a growing urgency to reinvent our human capital management approach.

Notably, **73% of Belgian leaders are not satisfied with the capabilities of their current organisation's HR and talent programs**. Globally, 64% of the respondents believe their HR solutions are barely adequate or falling behind. What about you?



We believe that 2015 is a critical year for corporate and HR leaders. Given the constantly evolving and competitive business environment, companies can't be left behind and must embrace new approaches and technologies. These trends will serve as a guide for the new ways of thinking and required actions to meet new challenges. We also invite you to take a look at [the interactive HC Trends Dashboard](#), where you can explore the trends by geography, industry, and company size.



Our findings show that information needs to be on-demand, fast to absorb and available on mobile devices. In line with this, we also invite you to take a look at the movie we made, [download the report app](#) and share your opinion with us on social media.

We look forward to engaging with you around the findings and helping you unpack the related implications for your human capital, HR and talent management decisions.

Yours sincerely,

Yves Van Durme
Deloitte Belgium Human Capital Leader

Top trends in 2015 for Belgium

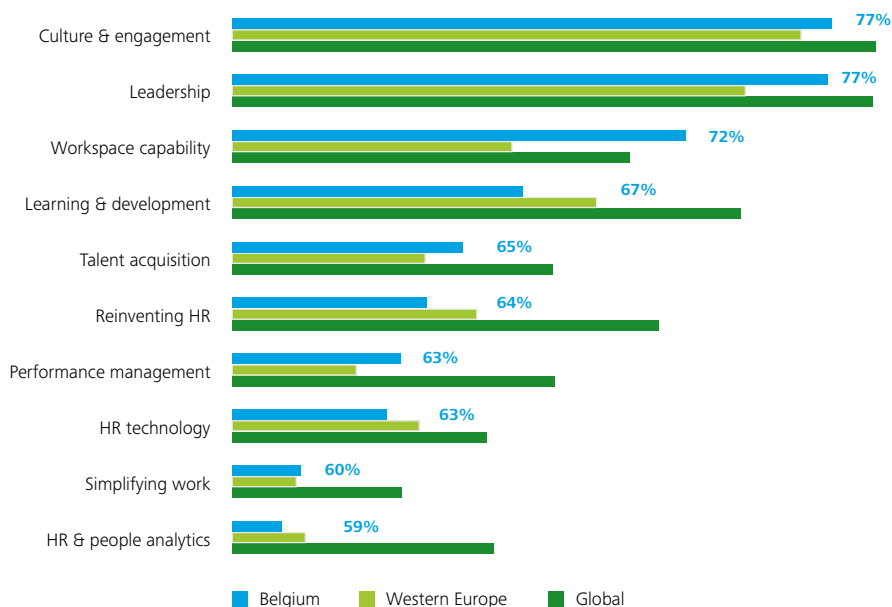
The emerge of culture & engagement and leadership still a perennial issue

Belgian leaders have rated our Human Capital trends by their importance for their organisation. The following chart shows the top 10 trends for Belgian leaders in comparison with Western European and world leaders. The key findings are presented below.

The top 3 trends for Belgium in order of the importance index are the following:

1. Culture & engagement and leadership (77%)
2. Workforce capability (72%)
3. Learning & Development (67%)

Figure 1: Human Capital Trends Top 10 for Belgium



The importance index is the weighted average of rated importance by the respondents, normalized to a 0-100 scale.

In line with the statistics on a global and European level, **Culture & engagement**, emerged as a **new trend at the top** of our 10 major themes for 77% of our Belgian contributors.

Leadership appears to be a recurrent issue that companies face **in Belgium and around the world**. For the third consecutive year in a row, our Belgian contributors rated leadership as the number one issue.

Workforce capability is rated as the third issue that Belgian companies have to face in today's business environment. With a significantly higher rating compared to the average global respondent, it reveals its **importance, specifically in Belgium**.

This year, corporate **learning & development (L&D)** burst into the scene as one of the **most significant business and talent issues** facing our respondents.

Top trends compared to last year

Learning & Development and talent acquisition have gained in importance

Two trends made an interesting progression compared to last year. **Learning & Development** moved up 4 places in 2015 and **talent acquisition** moved up 1 place compared to 2014.

Workforce capability was already an important Belgian trend last year and remained at the third position.

Compared to the survey of last year, performance management is significantly more important, with a gain of 4 places. It is now placed in the top 10 trends.

Figure 2: Top 10 Belgian trends in 2015 compared to 2014

Trends	Ranking 2015	Ranking 2014	Difference
Culture & engagement	1	-	new
Leadership	1	1	→ 0
Workforce capability	3	3	→ 0
Learning & development	4	8	↑ 4
Talent acquisition	5	6	↑ 1
Reinventing HR	6	2	↓ -4
Performance Management	7	11	↑ 4
HR technology	8	10	↑ 2
Simplifying work	9	-	new
HR & people analytics	10	9	↓ -1



Top challenges

Performance management and talent acquisition keep you awake at night

Respondents were asked to indicate which of the trends they considered as the 5 most important challenges they will face in the short and long term. The charts below indicate which trends were selected by the Belgian leaders.

Leadership and culture & engagement are the **most important challenges** leaders say they will face in their organisation in the short and long term. There is a clear parallel with the most important trends and challenges on a global level.

Interestingly, there is perception that **performance management** is **considered as an important short-term** (45%) rather than long-term **challenge**. 89% of our respondents have changed performance management processes or plan to change them in the next 18 months. This might be an indication that the majority, although not ready for it now, believe that by 2018-2020 performance management will be revamped and no longer be a major challenge.

HR technology and HR/people analytics appear as **long-term challenges**, while they remain absent in the short-term ranking.

As we can see, the **future challenges are aligned with our top trends** (culture & engagement and leadership). HR technology and HR/people analytics are significant long-term challenges while performance management is a crucial short-term challenge.

Figure 3: Most important short term challenges (12 – 18 months)

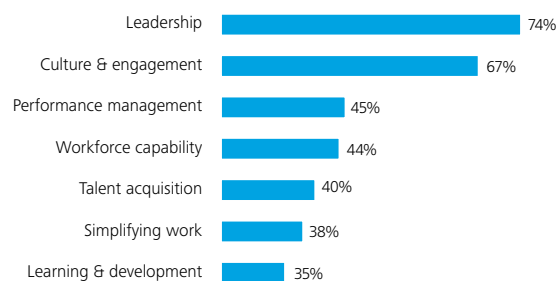
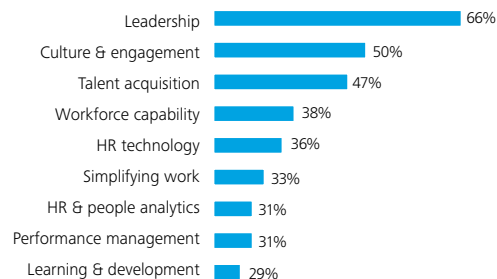


Figure 4: Most important long term challenges (3-5 years)



Capability gap

Belgian respondents not ready to address major trends



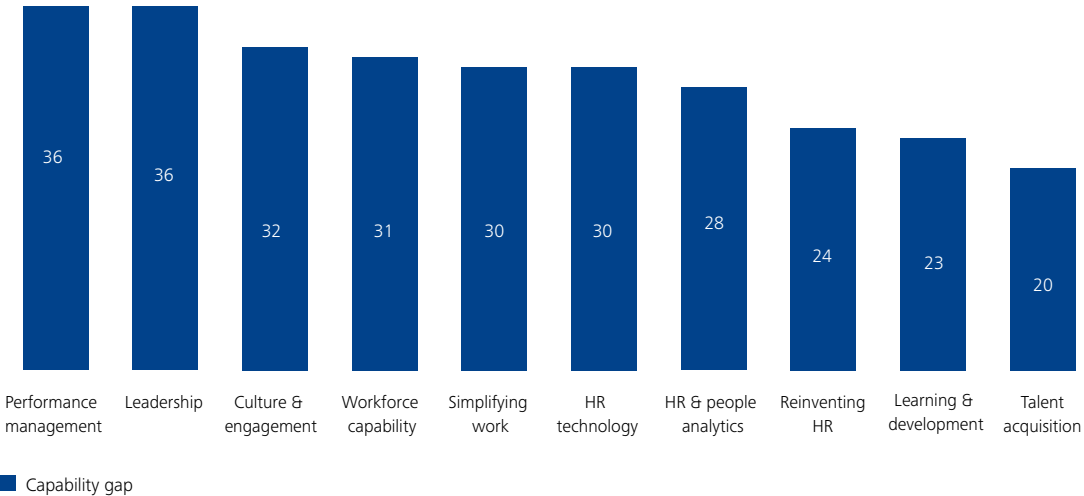
The first pages of this report sum up the top trends and challenges of our today's business. The question still remains: Are we ready for the challenges?

The same trends acknowledged as the most important are also the ones Belgian respondents consider to be the least prepared for. Performance management (a capability gap of 36 compared to an average of 19 globally), leadership, culture & engagement and workforce capability show the 4 widest gaps between importance and readiness in our top 10 trends.

Compared to the global result, the Belgian capability gap is wider for workforce capability and performance management than global and Western European figures. For the other trends the capability gap's magnitude is in the same range.

Thus, the analysis of the chart below reveals a positive correlation between importance and non-readiness for our top 10 trends.

Figure 5: Top Belgian trends by capability gap



"The Human Capital Capability Gap Index is a research-based index that shows HR's relative capability gap in addressing a given talent or HR-related problem. It is computed by taking an organisation's self-rated readiness and subtracting its importance, normalized to a 0-100 scale."

State of HR

Belgian leaders cautiously optimistic on growth but...not satisfied with the state of HR

Belgian respondents are **cautiously optimistic about the future**. Most expect similar growth to last year.

In line with the global and EU business outlook, most Belgians also have a positive view on the future of their organisation: 77% expect growth, with the majority choosing the cautiously optimistic option of “steady but slowing growth” (63%).

As explained above, **Belgian leaders rate their HR solutions poorly**. Only 27% are satisfied, while globally 36% of leaders believe their HR and talent programs perform well.

Furthermore, the state of business complexity is equally discouraging. **80% of our Belgian respondents describe their work environment and business practices as complex or very complex**. In response, 59% are working on simplifying their processes.

One reaction to this complexity is **growing investment in HR**. It demonstrates how important it is to speed up HR’s ability to deliver value as the economy improves.

- 82% of Belgian organisation will continue or even increase their investment in HR.
- 69% of participating Belgian leaders are busy with planning or implementing **cloud-based HR / talent technology**. Compared to only 48% on a global level, we are clearly amongst the **pioneers in this area**.
- 67% have or are updating their retention and engagement strategy (66% on a global level).
- Concerning the Belgian talent sourcing and recruiting activity, 53% has or is updating their strategy. On a global level 64% has done or is busy with this exercise.
- Talent and people analytics are a high priority and a great opportunity, but progress is slow both in Belgium and the rest of the world. Only 6% of respondents consider themselves strong at it. In terms of investment, 31% of Belgian leaders are currently actively developing HR analytics, compared to 35% on a global level.

Figure 6: Business outlook

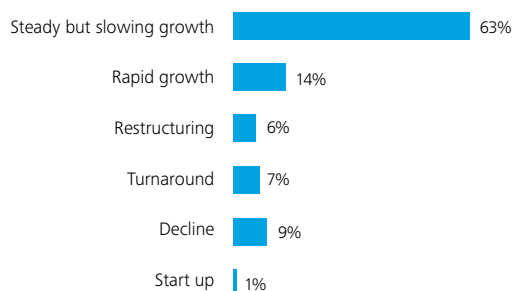


Figure 7: HR performance rating in Belgium

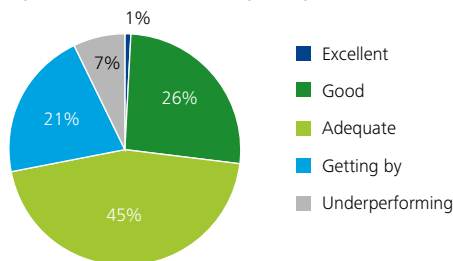


Figure 8: State of complexity of Belgian work environment and business practices

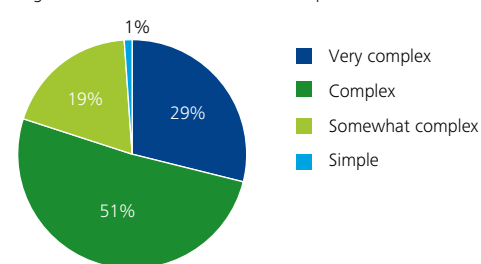
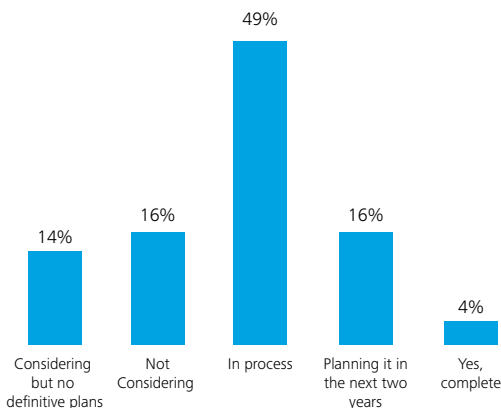


Figure 9: Implementing cloud-based HR/talent technology



Conclusion

Today's organisations have to deal with corporate transparency, greater workforce mobility and worrisome skills shortages. In this changing environment, the culture & engagement trend has emerged as the top critical issue for the future. Leaders must thus understand that **a well-defined company culture attracts talents and above all makes the best stay.**

The shortage of skills is a burning issue in today's economy. It implies a serious threat to executing the business strategy. This is revealed by the importance attached to talent acquisition by our participants.

In response to this trend, companies can either develop employee skills or attract specialists from outside the organisation. Investing in Learning & Development can further positively impact employee engagement and retention. Redefining the learning strategy as part of employee engagement can be observed as a good practice both at global and Belgian level. **We therefore advise companies to reimagine and redesign their learning experience.**

Despite the vast importance respondents attach to the leadership trend, it remains a major issue to address for the third year in a row. Our respondents are right to weight leadership this high. Research shows that companies that invest 1 to 2.5 times more in leadership than others, leapfrog their competitors by 3 to 4 times. Tomorrow's leaders – at all levels of your organisation – need to be identified today. This includes looking at growing leader segments such as Millennials and women. To avoid falling behind, **leadership needs to be treated as a strategic initiative that requires long-term consistent investment**, rather than a short-term training program.

In comparison to other countries, the Belgian survey reveals the importance of workforce capability, by which we mean attracting, managing and engaging talent both internally and externally. The quest for skills is tough in Belgium. Taking into account the relatively high cost of labor, we can assume that the driver for hiring contract workers is particularly high here. This trend of a hybrid workforce with both "owned" and "on-demand" employees seems irreversible.

Managing **a hybrid workforce combined with the trend of culture & engagement will be an extra challenge.** Certainly, it will **require a new engagement strategy** fostering integrated relationships across HR, business leaders, procurement and outside specialists.

Last but not least, our study reveals **the worryingly low rating of HR performance. HR needs to deliver greater business impact and to reskill itself.** Companies who address this challenge reap significant benefits. Their HR performance receives an excellent rating, far outperforming their competitors and winning the war for talent.

Belgian survey participants

This report reveals the results of the annual Global Human Capital Trends survey of more than 3,300 business and HR leaders from 106 countries – one of the largest human capital surveys of its kind.

Belgium accounted for 86 of these respondents. 80% of participants work in HR, 20% represent the business. In particular the Financial Services, Public Sector and Technology, Media and Telecommunications sectors are well represented.

We would like to thank all participants who completed the survey during 2014 for sharing their assessments with us.

We welcome your participation in the 2016 survey. For more information, please refer to the website.

<http://www2.deloitte.com/be/en/services/human-capital.html>

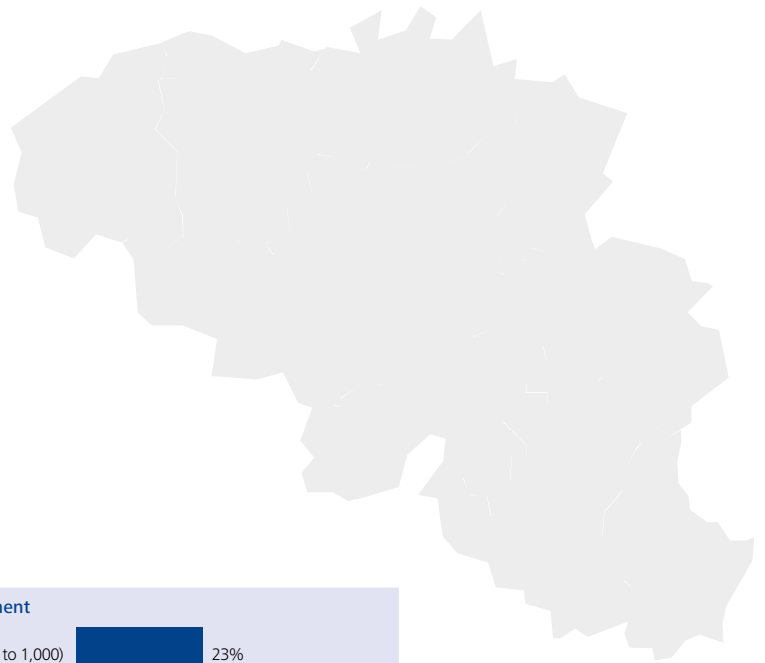
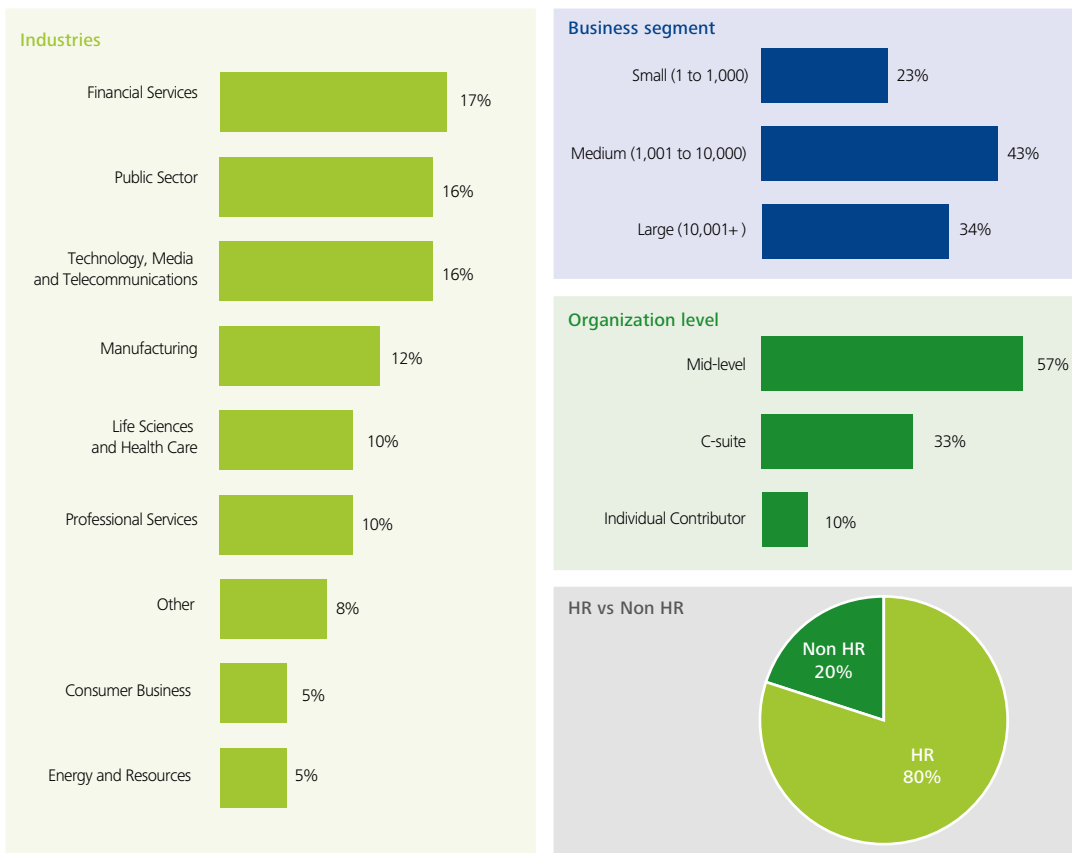


Figure 10: Belgian survey participants



Contacts

Yves Van Durme

Partner, Human Capital
+32 (0)478 65 40 53
yvandurme@deloitte.com

Nathalie Vandaele

Human Capital Public Sector
+32 (0)497 05 08 60
nvandaele@deloitte.com

Liesbeth Van Malderghem

Human Capital Financial Sector
+32 (0)497 05 11 40
lvanmalderghem@deloitte.com

Geert Vercaeren

Human Capital
Manufacturing & Chemicals
+32 (0)476 87 52 38
gvercaeren@deloitte.com

Lieven Verbrugge

Leadership & coaching
+32 (0)497 37 88 85
lverbrugge@deloitte.com

Wim Peeters

Partner, Vision by Deloitte
+32 (0)475 58 29 29
wim.peeters@vision.be

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