Global Human Capital Trends 2014
Engaging the 21st-century workforce

Introduction


Lead and develop

Develop leaders at all levels: Close the gap between leadership hype and readiness
Leadership remains the top human capital concern — and the largest “readiness gap” in our survey. The need: develop new leaders faster, globalise leadership programmes, and build deeper bench strength. www.deloitte.com/leadersatalllevels

Corporate learning redefined: Prepare for a revolution
It’s a new age for Learning & Development. Online content, MOOCs, collaboration tools, and social media now fuel a training model where employees own their skills and experts share knowledge freely. www.deloitte.com/learningredefined

Performance management is widely broken: Replace “rank and yank” with coaching and development
Companies worldwide are questioning their forced ranking, rigid rating systems, and once a year appraisal process. This is the year a new model of performance management will likely sweep through HR. www.deloitte.com/PMisbroken

Attract and engage

The quest for workforce capability: Create a global skills supply chain
Organisations now compete globally for scarce technical and professional skills. How can you locate and develop this talent when it takes years to develop expertise? www.deloitte.com/Workforcecapability

Talent acquisition revisited: Deploy new approaches for the new battlefield
Talent acquisition and recruiting are undergoing rapid disruption, challenging companies to leverage social networks, aggressively market their employment brand, and re-recruit employees every day. www.deloitte.com/Talentacquisitionrevisited

Move beyond retention: Build passion and purpose in the workforce
Survey respondents say retention and engagement is the second biggest human capital challenge they face (after leadership gaps). What’s the secret to becoming a “talent magnet” in the coming years? www.deloitte.com/beyondretention
Shift from diversity to inclusion: Move from compliance to diversity as a business strategy
The world has become highly diverse, but many companies have not — especially when it comes to combining diversity with the inclusive culture needed to truly drive value. www.deloitte.com/diversitytoinclusion

Rescue the overwhelmed employee: Simplify the work environment to improve life and work
Technology and too much access have turned us into “overwhelmed” employees. Nearly every company sees this as a challenge to individual productivity and overall performance, but struggles to handle it. www.deloitte.com/overwhelmedemployee

Transform and reinvent

Reskill the HR team: Accelerate the development of HR professionals into skilled business consultants
HR pros need an increasingly wide range of skills, not only in talent areas but also in understanding how the business works, makes money, and competes. How are HR teams staying current and viable? www.deloitte.com/reskillingHR

Implement talent analytics: Go from talking to delivering on Big Data
Analytics is an exciting and fast-growing areas of human resources, but many companies are lagging. How can they address this game-changing area of HR to move quickly and methodically into the future? www.deloitte.com/talentanalyticsinpractice

Race to the cloud: Integrate talent, HR, and business technologies
Cloud-based HR technology promises to integrate people systems, enable learning and talent management, and reengineer recruiting. But massive adoption of new software is harder than it seems. www.deloitte.com/race-to-the-cloud

Globalise and localise the HR function: Balance scale and agility
A new model of “high-impact” HR blends globalised talent practices for consistency and mobility with localised flexibility to attract, retain, and manage people appropriately. www.deloitte.com/globalandlocalHR
I am pleased to share with you a summary of the market trends and priorities that are driving human capital decisions, according to our survey of corporate leaders across Belgium.

This report is a special excerpt from our global survey of over 2500 business leaders, capturing results from all of the world’s major economic regions. EMEA was well represented, with 1162 respondents. Belgium accounted for 79 of these responses.

Our annual global human capital survey sets out to analyse the HR and talent trends which we believe will most significantly impact organisations in the near future. This year, our report focuses on both the importance of these 12 global trends and the readiness of business and HR leaders to address them. An important feature of our analysis is the opportunity to compare the urgency and readiness of organisations to address each of these trends in Belgium, in the Europe, Middle East and Africa (EMEA) region, and globally.

This report on Belgium is designed to complement the Deloitte Global Human Capital Trends 2014 report. We believe both reports will inform your organisation’s leadership, both inside and outside HR and talent management, on the priorities which will help you engage the 21st-century workforce and achieve positive business results. In addition, we are also taking a step further in utilising analytics and are pleased to provide access to a web-based human capital dashboard with the key survey results. I can recommend reading the report in full, especially the section on top 10 insights that I find to be very insightful.

This year, the 12 trends are divided into three broader themes:
• Lead and develop
• Attract and engage
• Transform and reinvent.

We look forward to discussing these insights further, and to helping you address the implications of these trends for your HR, talent management, and business operations as you prepare for the year ahead.

Yours sincerely,
Yves Van Durme
Deloitte Belgium Human Capital Leader
Top trends in 2014: Leadership tops the list

One of the top 10 findings, #7, reveals that HR functions that rate themselves as ‘performing’ focus more intensely than others.

The four top trends in Belgium in 2014 are:
• Leadership,
• Reskilling HR,
• Workforce capability,
• The Overwhelmed employee.

The ranking of top trends in Belgium slightly differs from what we see in EMEA and globally. As is the case for EMEA and globally, Leadership is clearly the top trend for Belgian businesses. Reskilling HR has similar importance in Belgium and in EMEA and is also ranked in the top three globally. Retention and engagement is the second most important trend in EMEA and globally. Belgian companies only rank it as the fifth most important trend. Workforce capability is ranked as the third most important trend for Belgium-based respondents while in EMEA and globally, along with Talent & HR Analytics, it is in the top 5 as per the importance index. The Overwhelmed employee stands out in Belgium in fourth place while only being ranked seventh and eighth in EMEA and globally. Recognising this is a new trend on the agenda, it looks like we have an opportunity to address it early and might have a unique perspective on this trend.

Figure 1 on the next page illustrates capability gaps for each trend, based on importance (importance index) that is attached to a specific trend and the degree organisations feel they are prepared to respond to it (readiness index).

Though Belgian business ranks Leadership as the most urgent trend to address, it is concerning that the capability gap for Leadership is by far the largest measured (39%). For comparison, EMEA businesses as a whole report a leadership readiness gap of 31 percent and the global figure comes down to 34 percent. This readiness gap in leadership is thus not limited to Belgium but even more significant than in other regions.

Regarding the second most important trend, reskilling the HR function, Belgian business’ capability gap stands at 22 percent, lower than our EMEA (25%) and global (26%) survey respondents. This suggests that while Belgium has a number of organisations that have a definite challenge around preparing HR to respond to changing business requirements, this might be explained by a large proportion of stable predictions in growth levels for Belgium (cfr business outlook section).

Likewise, regarding the third most pressing trend, workforce capability – while there is definite business recognition that employee skills and capabilities are a critical organisational challenge, there is substantial sentiment that companies have the relative ability to address this challenge: this is reflected in the capability gap being 16%. This is a view shared in part by EMEA respondents (12%) as well as global respondents (15%).

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While Talent acquisition and access, Talent & HR analytics and HR technology seem (slightly) less imperative to Belgium, the capability gap is nonetheless quite important (respectively 23%, 24% & 23%). Some advice based on a statistically better global sample: business leaders have less confidence in their organisation’s readiness to deal with the top 5 trends than HR leaders do. Gaps between business and HR in areas such as Talent and HR analytics and Global HR & Talent management were exposed.

"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 organization’s self-rated readiness and subtracting its urgency, normalized to a 0–100 scale.”

**Figure 1: Top trends by Urgency & Importance Index vs. Capability Gap**

**NOTE:** The difference between the weighted average for importance and readiness equals the capability gap.

**For Readiness Index we have used the following weightages:**
- Ready: 100
- Somewhat Ready: 50
- Not Ready: 0

**For Importance Index we have used the following weightages:**
- Urgent - 100
- Important - 66.6
- Somewhat Important - 33.3
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State of HR

According to the self-assessment of HR and talent programmes included in the survey, HR investments are seemingly paying off for Belgian companies. As Figure 2 shows, Belgian respondents do not award themselves ‘excellent’ ratings, which in itself is not a unique response pattern for Belgium. A large majority awards itself a ‘good’ (30%) or ‘adequate’ (44%) rating in its self-assessment of HR and talent programmes, which compares positively to its global and EMEA counterparts. The results for Belgium are in general more positive than the Human Capital Trends survey 2013, possibly indicating a growing level of recognition of HR progress in the country.

Belgian organisations indicate a slower intention to invest in HR programmes rate, which seems to suggest a relative satisfaction level and/or a lower need to adapt to a changing business agenda. In Belgium, 10% of companies plan to significantly increase (more than 5%) investment in HR in the next 12-18 months, in comparison to 12 percent of EMEA companies and 13 percent of global companies. Less than one in three Belgian companies (27%) plan to increase HR investments, which is lower than the average in EMEA (33%) and the global average (34%). In fact, the percentage of Belgian companies that plans to decrease HR investments in the next 12-18 months (16%) is much higher than their peers in EMEA (10%) and globally (8%). This could however be in part a response to a limited growth forecast by Belgian business – as explored further in the Business Outlook section on the next page.

Figure 2: HR Report card and Investments

Belgium

- **Good**: 30%
- **Adequate**: 44%
- **Getting by**: 18%
- **Underperforming**: 8%

EMEA

- **Excellent**: 9%
- **Good**: 30%
- **Adequate**: 34%
- **Getting by**: 23%
- **Underperforming**: 9%

Global

- **Excellent**: 9%
- **Good**: 30%
- **Adequate**: 31%
- **Getting by**: 24%
- **Underperforming**: 10%
Belgian business takes a stable view of business growth with 42% of respondents expecting similar growth levels. This can be read as a less optimistic view of the outlook for business growth compared to the global average and in particular, its EMEA regional peers. While 16 percent of respondents on the global level expect strong growth in 2014, only 11% percent of Belgian respondents do. The percentage expecting moderate growth (30%) is also lower than in the EMEA regional group (35%) and the global total (36%). More than four out of ten Belgian respondents expects similar growth to 2013 this year, compared to 37% of its EMEA region peers and 34% of organisations globally.

Figure 3: Business Outlook

Belgium
- Strong growth compared to 2013: 11%
- Moderate growth compared to 2013: 30%
- Similar growth compared to 2013: 42%
- Slower growth than 2013: 11%
- Much slower growth than 2013: 5%

EMEA
- Strong growth compared to 2013: 14%
- Moderate growth compared to 2013: 29%
- Similar growth compared to 2013: 37%
- Slower growth than 2013: 11%
- Much slower growth than 2013: 4%

Global
- Strong growth compared to 2013: 36%
- Moderate growth compared to 2013: 37%
- Similar growth compared to 2013: 34%
- Slower growth than 2013: 10%
- Much slower growth than 2013: 7%
Closing comments

Engaging the 21st-century workforce is a multi-faceted challenge on a global scale, and unsurprisingly there seems to be no ‘one size fits all’ response. The survey results however reflect a definite level of commonality around core Human Capital trends both globally and regionally. Some further insights into specificities per industry are emerging, as is indicated under global finding #6.

The Belgian survey respondents, as with most countries, indicate a certain level of overlap regarding the trends, but also key peculiarities. Belgian top priorities (leadership, reskilling the HR function, workforce capability and the overwhelmed employee) paint a picture of:

• a business environment that agrees on the urgency of specific Human Capital issues
• while acknowledging that the ability to effectively respond to these issues is not always fully present
• with a certain risk for ‘status quo’ supported by an anticipated stable growth in terms of economic outlook.
Belgian survey participants

Over 2500 business leaders participated in the global survey. The EMEA region was well represented, with 1162 respondents. Belgium accounted for 79 of these responses. 76% of the Belgian respondents occupies an HR function, meaning that 24% of the respondents hold a position in the business. The professional services industry was best represented (23% of all respondents), followed by the consumer business industry (18%), manufacturing (14%) and technology, media and telecommunications (14%).

Figure 4: Survey participants

- **Organisation size**
  - Large (10,001+)
  - Medium (1,001 to 10,000)
  - Small (1 to 1,000)

- **Job function**
  - HR
  - Non HR

- **Level in organisation**
  - Board level
  - C-suite
  - Vice President
  - Senior Manager
  - Manager
  - Individual contributor

- **Industry group**
  - Professional services
  - Consumer business
  - Manufacturing
  - Technology, Media and Communication
  - Financial services
  - Public sector
  - Other
  - Life Sciences and health care
  - Energy and resources
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