



# HR Barometer 2022

The Future of Work



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# 1. About the HR Barometer

For the eighth year in a row, **Vlerick Business School** and **Hudson** have carried out an HR Barometer to examine the HR trends and challenges in Belgian organisations.

The HR Barometer explores both the current HR priorities in Belgium and the changes in these priorities over time.

In this report, we provide an overview of the most important findings from the 2022 study, putting an extra spotlight on the 'Future of Work'. What is the current state of affairs in leading Belgian organisations? What areas form the top HR priorities and challenges? And also, in what direction is the future heading?

## Approach

The starting point for the HR Barometer is an online questionnaire that was conducted among the HR Directors and Managers from the leading for-profit organisations in Belgium, i.e. the 200 largest for-profit organisations in terms of employees – including the BEL 20 organisations.

Between January 2022 and February 2022, these HR leaders were invited to participate in an online survey on the HR priorities and challenges that they perceive within their organisations. We enquired about their experiences and concerns, as well as their predictions for the future.

## Questionnaire

The HR Barometer comprises two parts. Part 1 focuses on the strategic importance of various HR domains, by examining organisations' priority and mastery levels within those domains. By using the same questionnaire over the years, we can compare this year's answers with those of previous years to identify trends (a barometer). Part 2 examines a hot topic in HR: for this edition of the HR Barometer, we take a closer look at the Future of Work.



## Response

In total, 115 organisations completed the online survey this year, which equates to over half the largest for-profit organisations in Belgium, which together employ more than 320,000 people across a broad spectrum of industries and sectors and a range of different-sized companies. Having such an extensive reach enables us to generate a comprehensive overview of the HR policies that are applicable to a large proportion of private-sector employees in Belgium.





## 2. General Results

To get an idea of the challenges that HR departments face, we looked at two clear indicators: (a) what are the priorities for the various HR domains and (b) how well do organisations perceive themselves to master these domains.

### Priorities

The 'priority' level of an HR domain indicates not only how important but also how urgent that domain is. Domains that are both important and urgent are highest on the agenda. However, if a domain is lower on the priority list, it does not automatically mean that it is unimportant. Certain HR domains can be very important but less urgent, and therefore they are lower on HR departments' to-do lists.

HR Barometer: Priorities





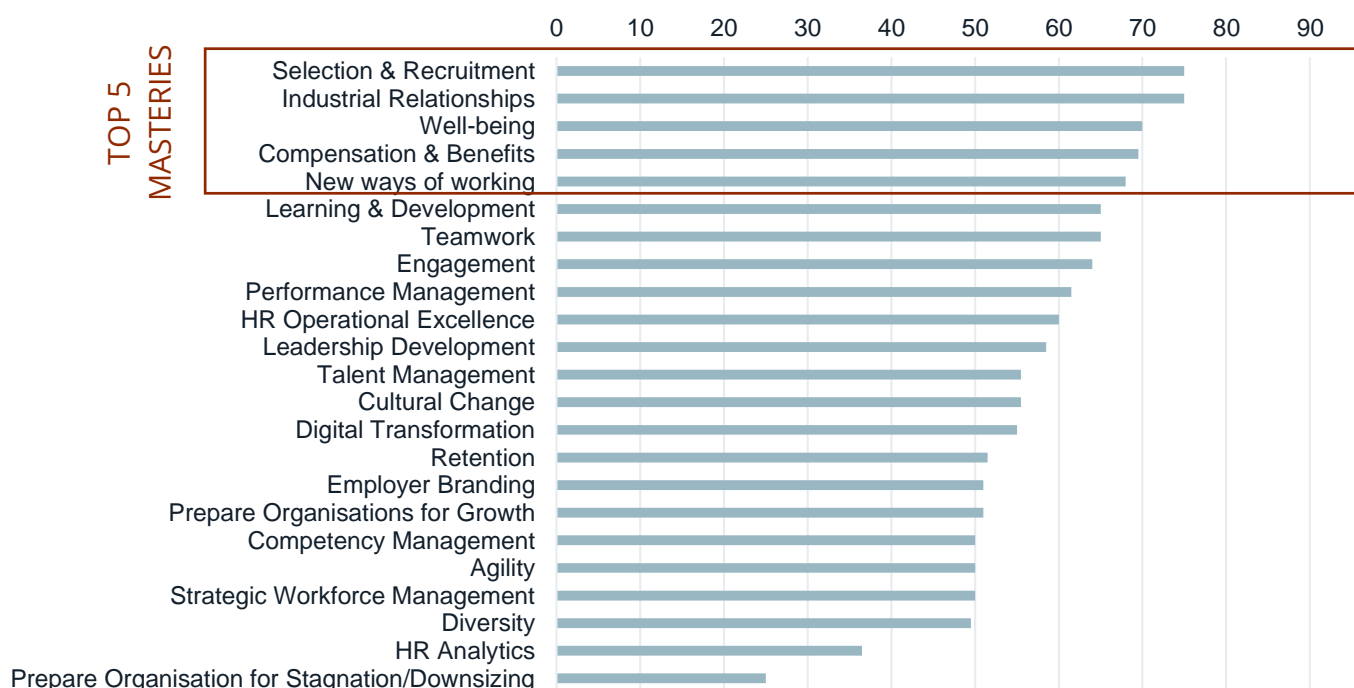
The **top 5 priorities** in HR in the past year were Leadership Development, New Ways of Working, Well-being, Engagement, and Selection & Recruitment.

The **lowest priorities** were HR Analytics, Industrial Relationships, Strategic Workforce Management, and Preparing for Stagnation/Downsizing.

## Mastery

The second indicator examined by the HR Barometer looks at how well Belgian HR Directors and Managers think their organisations master the different HR domains. While the HR Barometer does not allow us to assess the true performance of HR departments, it does provide insights into how HR leaders feel about their departments' performance.

HR Barometer 2022: Perceived Mastery





The respondents perceived their mastery to be **highest** in the following domains: New Ways of Working, Compensation & Benefits, Well-being, Industrial Relationships, and Selection & Recruitment. Interestingly, as was the case for the priority indicator, Selection & Recruitment also scored highest on the mastery indicator. Clearly, great importance was attached to this domain over the last year.

HR Directors and Managers feel less confident about their departments' abilities in the following domains: Agility, Strategic Workforce Management, Diversity, HR Analytics, and Preparing for Stagnation/Downsizing.



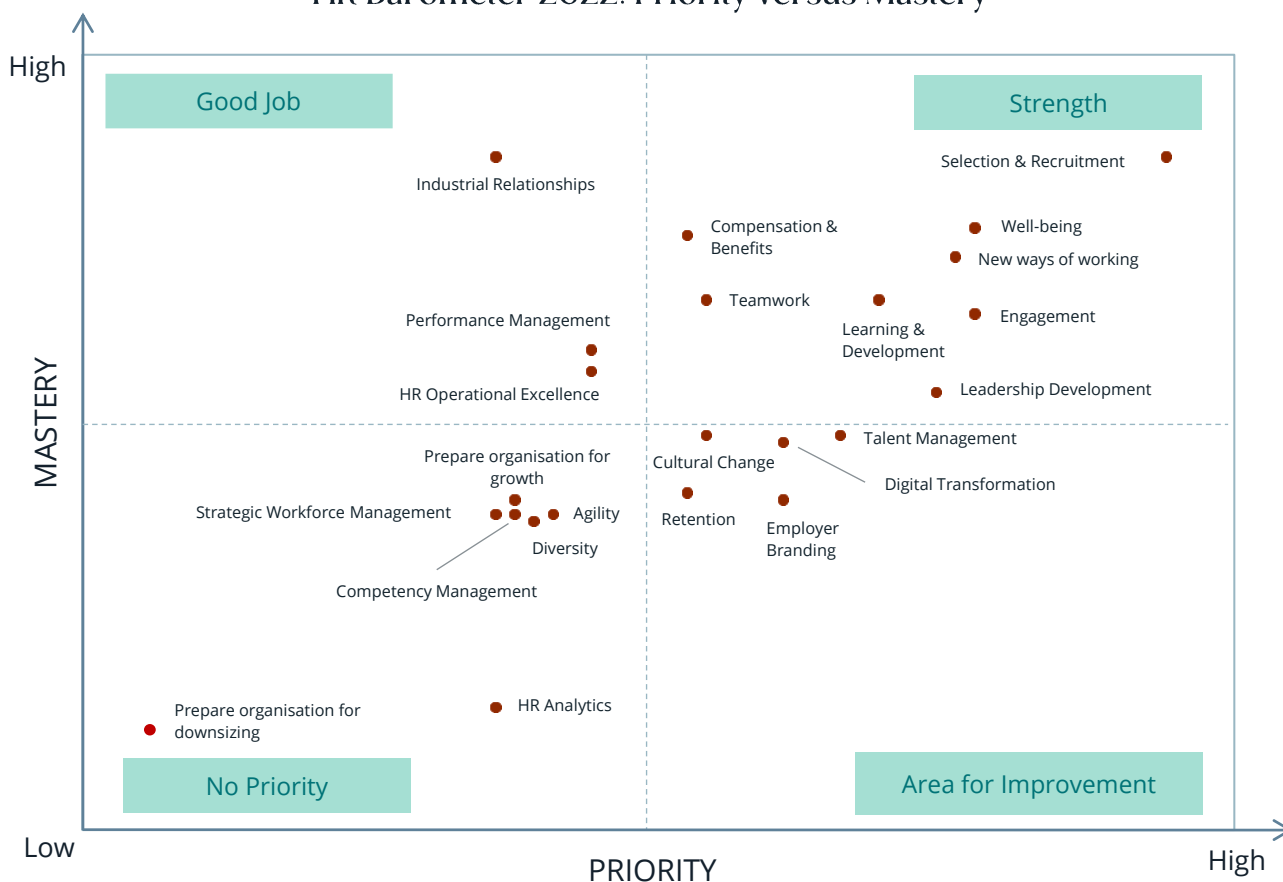


### 3. Quadrant of Challenges

Combining the priority and mastery indicators allows us to create a quadrant that provides interesting insights into the challenges that HR departments face. The quadrant is composed of the following fields:

- Domains with high priority and high mastery are ‘strengths’ for HR departments.
- Domains with high priority, but low mastery are ‘areas for improvement’.
- Domains with low priority, but high mastery, indicate that HR departments are doing a ‘good job’ in those domains.
- All other domains, i.e. with low priority and low mastery, are labelled ‘no priority’.

HR Barometer 2022: Priority versus Mastery





## Strengths

The results of this year's HR Barometer show the HR Directors and Managers feel that their departments master some high priority domains very well. These activities are very high on HR agendas, and HR leaders feel confident in their departments' ability to succeed and perform well in them. This is especially true of domains such as Selection & Recruitment, Well-being, New Ways of Working, Engagement, and Leadership Development. However, HR departments have other strengths as well, including Compensation & Benefits, Teamwork, and Learning & Development.

Given that the 'Strengths' field contains more domains than any of the other three fields in the quadrant, we can state that while HR faces a lot of high-priority challenges, HR departments on the whole feel rather assured of their capabilities.

## Areas for improvement

While the strengths quadrant paints a favourable picture overall, there is still room for improvement in other areas. For example, even though Employer Branding, and Retention are high priority domains, HR Directors and Managers indicate that their departments' mastery in these areas is rather low. Domains such as Cultural Change, Digital Transformation, and Talent Management show similar results, though to a lesser extent. This field of the quadrant clearly shows where the main challenges for HR departments lie.

## Good job

Domains that are fully under control but of less priority – for example, Industrial Relationships, Performance Management, and HR Operational Excellence – are labelled 'good job'. HR Directors and Managers generally believe that their organisations have good knowledge in these fields, but they do not regard them as priorities. These domains form a strong foundation for HR departments, but they require less focus than other domains in the current HR climate.



## No priority

For some domains, HR Directors and Managers feel considerably less confident in their HR departments' capabilities, but at the same time, they find these domains to be of less concern. These 'no priority' domains include Preparing for Growth, Agility, Diversity, Competency Management, Strategic Workforce Management, HR Analytics, and Preparing for Downsizing. As stated earlier, a low priority domain does not necessarily mean that it is unimportant; it can also indicate that it is just less urgent than other domains.

## Unicorns, mustangs, peacocks and hummingbirds

Because images usually stay in our minds longer than words, we would like to use a metaphor to summarise our quadrant of challenges.



The elements which your organisation is constantly dealing with, which demand high priority and which your HR department also masters perfectly are your Unicorns: these are your strengths, the areas in which you can make a difference. Nurture them, feed them, keep them warm and dry, because strengths too must continue to be given attention.



→ **Unicorns: Selection & Recruitment, Well-being, New Ways of Working, Engagement, Leadership Development, Learning & Development, Compensation & Benefits and Teamwork**

Domains that are high priority but that you do not currently master enough can be considered points of attention. Often, these are issues that evolve faster than you expected. They are wild and elusive: these are your Mustangs. Try to figure out how to tame them, how to become their masters. With a little luck (and a lot of hard work), these Mustangs have the potential to grow into true thoroughbreds.



→ **Mustangs: Talent Management, Digital Transformation, Employer Branding, Cultural Change and Retention**

If any domains are a low priority for you, but you perform well in them, then you can be very pleased with yourself: these are your Peacocks. They may not be the domains that you put all of your energy into, but they manage to attract attention and stand out from the crowd.



→ **Peacocks: Industrial Relationships, Performance Management and HR operational Excellence**

Having little mastery over a low priority domain does not necessarily have to be a problem. The organisation just keeps running. In an ideal world, you would free up space for these little (but oh-so fascinating) Hummingbirds. However, remember that in order to do so, you will have to move other things on your priority list.



→ **Hummingbirds: Preparing for Stagnation/Downsizing, HR analytics, Agility, Diversity, Preparing for Growth, Competency Management and Strategic Workforce Management.**



## 4. Changes

Compared with last year's HR Barometer, some domains have changed in priority or perceived mastery level, or even from one field of the quadrant to another, while others have stayed where they were. So what do these changes tell us?

### Little change at the top

It is remarkable that the top 5 priorities correspond rather closely with those of the previous year, the main difference being that last year's focus on Digital Transformation has been replaced by this year's top priority, Selection & Recruitment, which – not coincidentally – is also the biggest riser on the priority scale. But the domains of Well-Being and the New Ways of Working, which were among the top 5 during the pandemic, also remain in this year's top 5, alongside Leadership Development, and Engagement, which have been among the top 5 priorities for some years.

As with the priorities, the top 5 masteries are also similar to those of last year, with only Engagement being replaced by the New Ways of Working this year. This is clearly a result of the efforts that have been made in this domain over the last few years.

### More focus

Last year, we noted that HR had an increasing number of priorities to tackle, with a lot of domains in the 'strength' and 'area for improvement' fields. These results were most likely impacted by the pandemic, which required HR departments to divide their attention across even more domains. HR had to keep a lot of balls in the air!

This year, we note that the level of priorities has now normalised, and more choices are again being made. We see several lateral movements in the quadrants, which signify changes mostly in priority and only to a lesser extent in mastery. Selection and Recruitment, Employer Branding, and Retention saw the biggest rise in priority. Agility fell the most on the priority scale, closely followed by Performance Management, and Digital Transformation.



Overall, few domains rose considerably in mastery, with the exception of Digital Transformation. All other domains remained more or less stable or decreased in terms of their perceived mastery. Preparing for Stagnation/Downsizing fell furthest in terms of perceived mastery, followed by Leadership Development, Engagement, and Preparing for Growth.

These results seem to indicate that HR is trying to refocus, choosing its priorities rather than trying to deal with everything at the same time. Hopefully, this will allow HR to regain control over the domains in which mastery levels have decreased.

## Increasing struggle to secure the talent pipeline

Analysing these changes makes it apparent that finding and retaining the right employees has become the major challenge for HR departments. As already mentioned, Selection & Recruitment is the number one priority and the biggest riser, followed by Retention, and Employer Branding. Clearly, selecting talent, keeping it within the organisation, and projecting a positive organisational image to the outside world have become important concerns; even more so, given that the last two domains remain areas for improvement, in that they are perceived as being both high priority but not fully mastered. At the same time, HR departments' control over both Engagement and Talent Management is slipping, which in turn increases the pressure on the talent pipeline even further. Overall, we can conclude that HR departments are struggling to secure the right talent for their organisations.

## Expectations for 2022

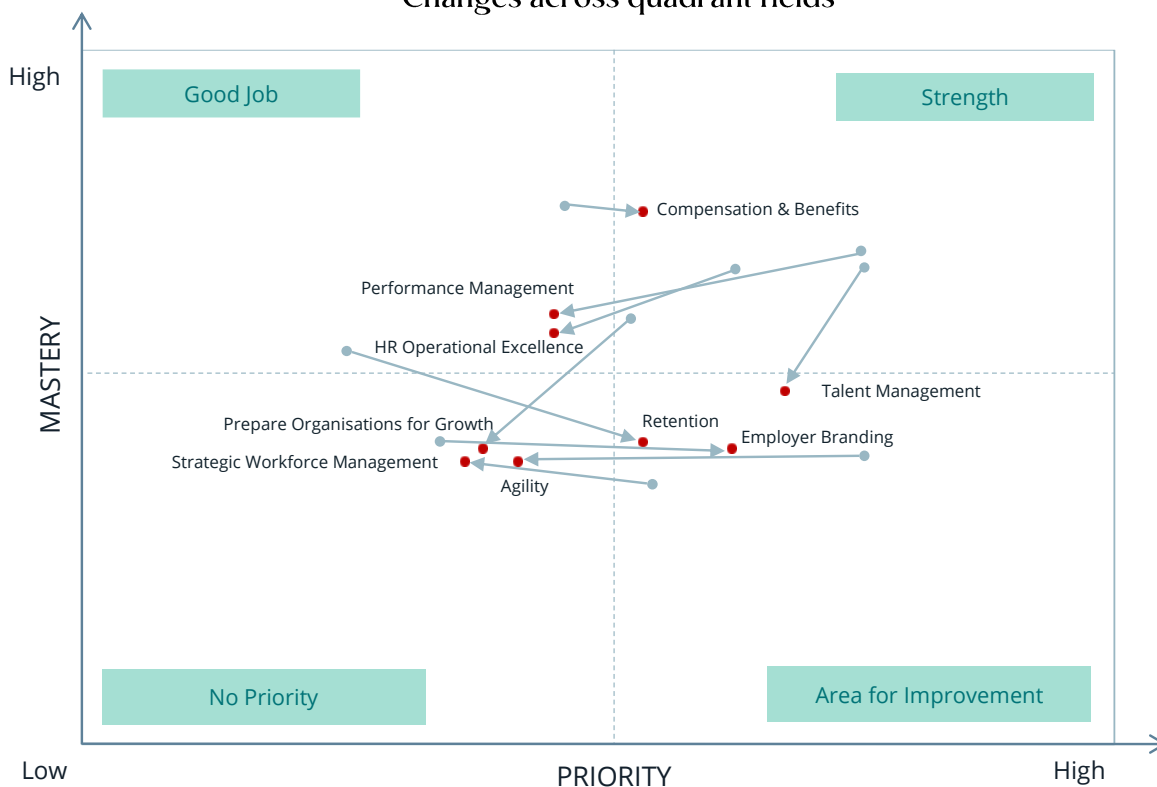
Regarding their priorities for 2022, the HR Directors and Managers indicate that their main focus will continue to be Selection & Recruitment, followed by Leadership Development, and Employer Branding. HR departments will continue to invest in selecting and retaining the right talent and in fighting the continuing war for talent. This becomes even clearer when looking at the planned priority given to Learning & Development, and Talent Management, which come fourth and fifth respectively in this year's ranking. Investing in developing talent remains important.

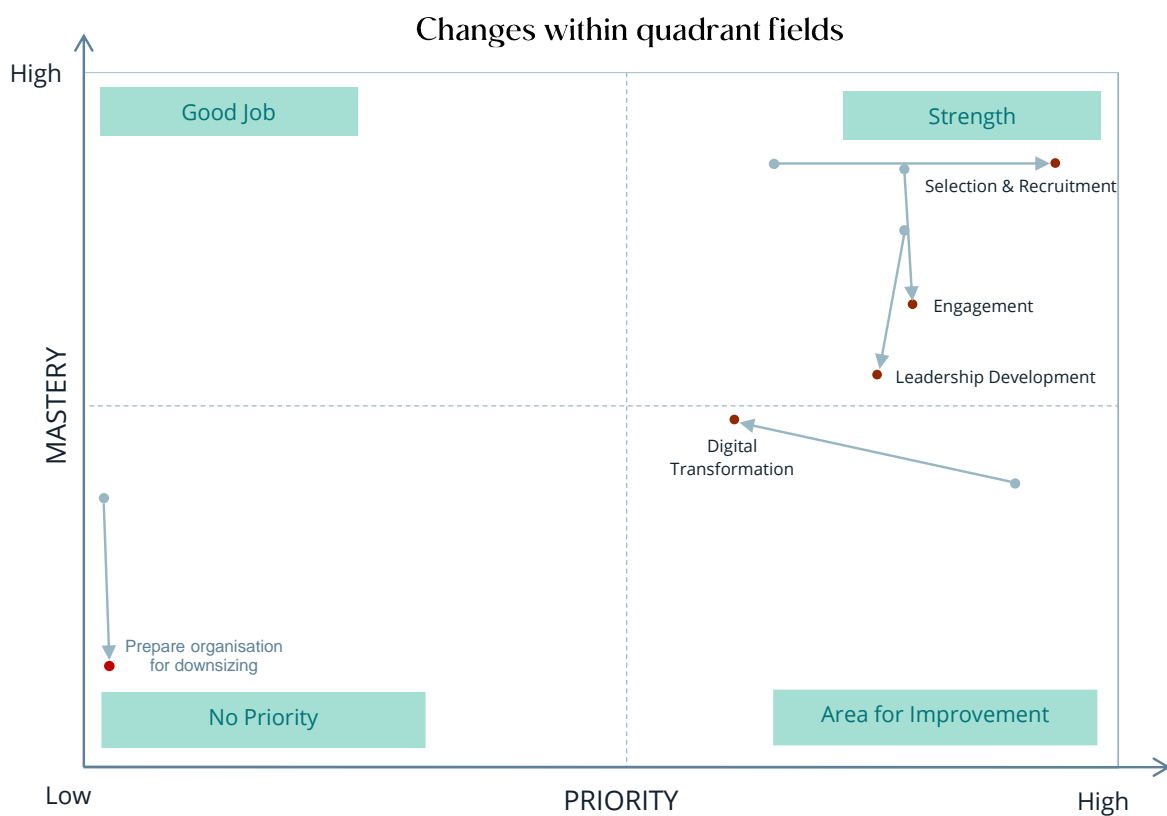


### Domains that remained relatively stable



### Changes across quadrant fields









## 5. Spotlight on The Future of Work

As requested by respondents to last year's HR Barometer, we zoomed in on the "Future of Work" as this year's specific topic: what are the prevailing ideas on this topic among HR professionals? What do they believe the Future of Work will entail? How will all of this impact HR?

### The broader context

#### External evolutions impacting The Future of Work

First of all, it is interesting to see what Belgian HR leaders regard as the major external evolutions that will drive HR priorities for the coming 5 years. They believe that Well-being and Mental Health will have the largest impact, followed by Digitalisation, Automation and AI. The fact that these two topics are at the top of the list shows that the Future of Work might already be here and that, for the time being, it's here to stay. Interestingly, only 22% of respondents thought that Globalisation would be an important driver of HR priorities.

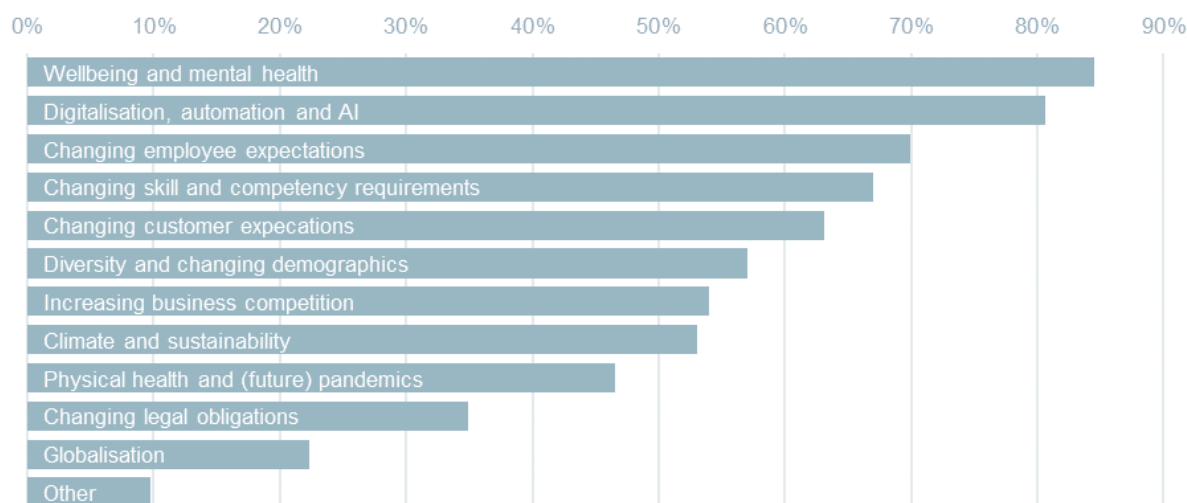
However, we want to point out that the survey was conducted in January and February 2022, just before the outbreak of war in Ukraine. If the survey had been conducted at a later time, it is possible that other external evolutions that we had not previously thought about could also be regarded as having an influence on the Future of Work.

#### Predicting The Future of Work

HR professionals feel rather confident in their ability to predict the Future of Work: 79% of respondents think that the Future of Work can be anticipated, while only 3% believe it should just be taken as it comes.



## How strongly will the following external evolutions drive your organisation's HR priorities for the coming 5 years?



## The impact on organizations

### Organisational Investments

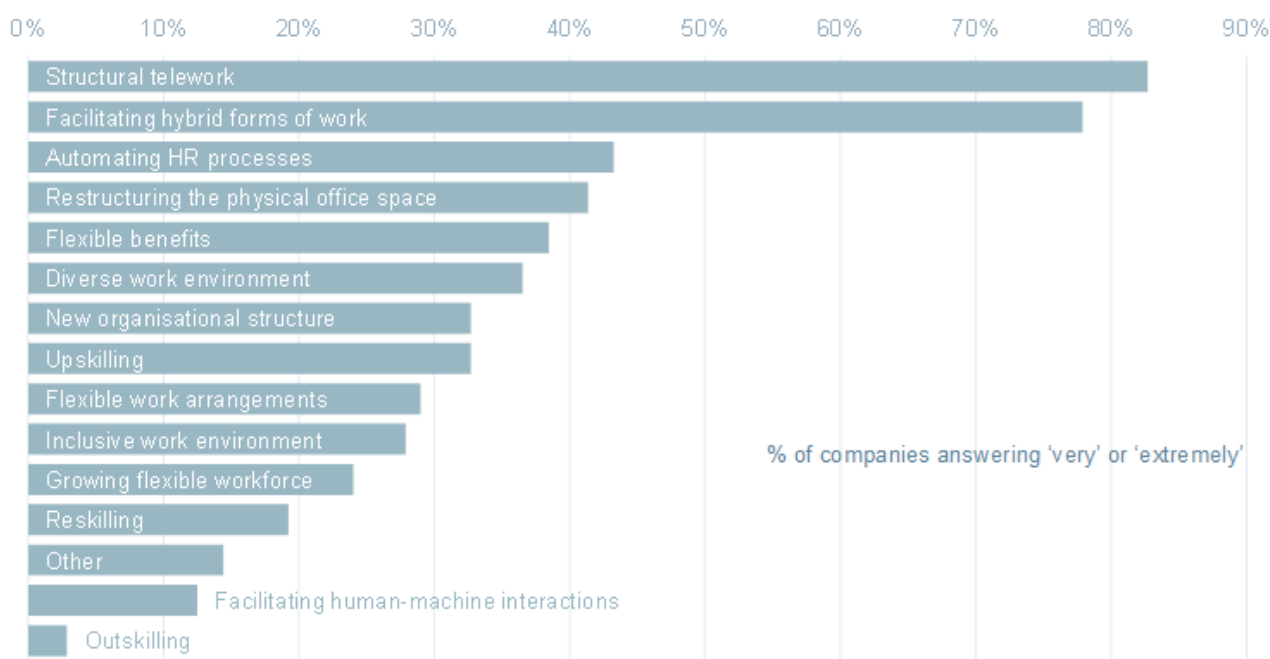
The Future of Work impacts many different elements in an organisation, so investments need to be made in order to be prepared for the future. The investments that already have been or that are currently being made give a clear indication of what organisations are preparing for. In what areas are organisations in Belgium already working? What have they already done or what are they currently preparing for?

Structural Telework and Hybrid Forms of Work are by far the most implemented elements, with 83% and 78% of organisations indicating that they are already working on these elements, respectively. The pandemic has probably played a factor in this result, as it fast-tracked the adoption of more remote and digital work, therefore creating a solid foundation for future telework and hybrid work.

Other aspects are also in progress, though to a lesser extent. For example, 43% of organisations are automating their HR processes and 41% are restructuring their office spaces to adapt to the New Ways of Working.



## How intensely is your organisation already working (or has been working) on following future of work elements?



Interestingly, reshaping the skills of the existing workforce has been less of a concern for organisations, as upskilling (33%), reskilling (19%) and outskilling (3%) are among the least implemented Future of Work elements in Belgian organisations.

This stands in sharp contrast with the perceived need for new skills: 65% of organisations agree that employees will need completely different skills and competencies in future work environments.

Employees will be happy to hear that most organisations (58%) do not believe that the adoption of new technologies will decrease the number of employees needed: only 22% of respondents thought this would be the case.

### Future workplace

Not only the workforce but also the physical workspace will remain of significant importance, as only 11% of respondents think that this will no longer be needed in the future, whereas 79% believe a physical workplace will still be needed.

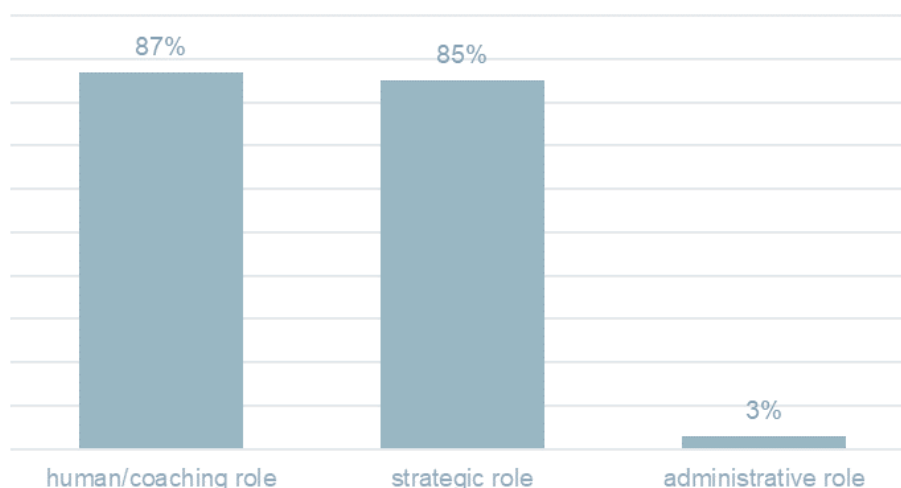


## Impact on HR

### What will the role of HR be?

The Future of Work will undoubtedly also have an impact on the world of HR. Most HR Directors and Managers indicated that their HR departments were evolving towards both a coaching (87%) and a strategic (85%) role. For administrative tasks, however, respondents made it clear that they did not believe that this would be the main focus in the future.

Our HR department is evolving towards a more...



### Is HR ready?

HR Directors and Managers are looking towards the future with confidence, with 63% of respondents believing that their HR departments have the necessary capabilities to be prepared for what is coming, and only 10% who do not.

Additionally, a little less than half the respondents regard their HR department as a frontrunner, compared with only 6% who see their HR department as a backmarker. Clearly, HR professionals do not lack the spirit and morale to tackle any challenges the Future of Work might bring.



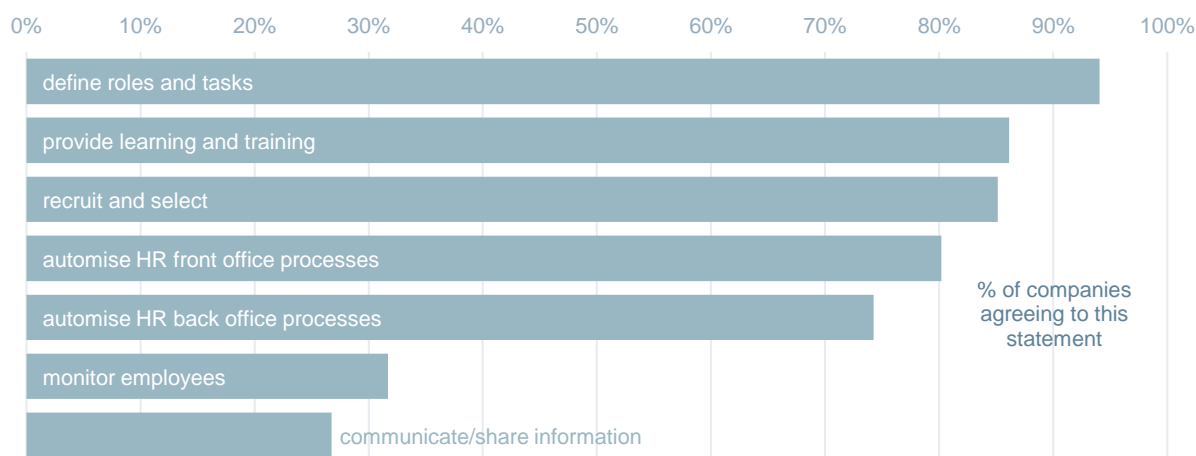
In general, how would you describe your HR department's maturity level regarding the future of work?



### Technology in HR

Of particular interest are the purposes for which HR departments are planning to use technology in the future. The HR Barometer shows that most organisations plan to use technology to define roles and tasks, to provide learning and training opportunities and to select and recruit new talent. The respondents also indicated that they were less interested in making use of employee monitoring software, with only 32% saying they intended to do so. Interestingly, communication and information sharing received the lowest score, even though new technologies could offer greater opportunities in this domain as well.

### Our HR department will use more technology to...





## Barriers to evolve

As the final topic, the HR Directors and Managers were asked to indicate what barriers might hinder their ability to adapt to the future of work. The main barrier they see is a lack of resources. Investing in new technologies, streamlining new processes or implementing change comes at a certain cost. Finding both the budget and the time to implement change can be very hard. And sometimes, changes are implemented only once they have become absolutely necessary, as we saw with the adoption of remote work during the pandemic.

Buy-in from leaders is seen as the second largest challenge. Before a proposed change can be prioritised above the option of continuing with business as usual, leaders often first need to be convinced of the usefulness of that change or that it represents the best course of action for the organisation to take. At the same time, organising and setting up formal procedures to establish any change within an organisation is also seen as a significant barrier to implementing that change.

These three main barriers – in combination with others such as communication within the organisation and buy-in from social partners and employees – make it more challenging for organisations to adapt to the future. However, judging by the morale and determination shown by the HR leaders who responded to this HR Barometer, these challenges might well be overcome, which will allow HR organisations and HR departments to look ahead to the Future of Work.

## Main challenges for HR to adapt to the future of work

01	Lack of Resources Buy-in from Leaders Organising & Adapting Formal Procedures
02	Buy-in from Social Partners Buy-in from Employees Law and Regulation Unpredictable Future
03	Communication from Management Lack of Vision/Strategy Communication within the Team Buy-in from External Clients



## 6. Conclusion

This edition of the HR Barometer provides an insight into the main HR priorities and masteries in 2021 and identifies the most important trends and challenges in the HR environment of Belgium's largest private-sector organisations. Additionally, we took a deep dive both into the Future of Work and into what this might entail for HR departments and organisations as a whole.

In the past year, domains such as Well-being, Engagement, and the New Ways of Working were of high priority, but Selection & Recruitment was the top priority. In terms of mastery, HR leaders felt their departments were most capable in domains such as Industrial Relationships, and Compensation & Benefits. However, once again, Selection & Recruitment came out on top. Some areas for improvement still remain, with HR leaders indicating that domains such as Talent Management, Employer Branding, and Retention require some more work to bring them to the desired mastery level.

Some broader trends could be identified by looking at the changes from the previous year. Overall, most changes took place along the priority scale, which indicates that the elevated levels of priorities from 2020 started to normalise somewhat in 2021, alleviating some of the pressure on HR. However, a combination of factors suggests that the pressure on the talent pipeline is, in fact, increasing. With Talent Management, Retention, and Engagement showing a big drop in terms of perceived mastery, and with Selection & Recruitment, and Employer Branding showing the biggest rise in priority since 2020, it is clear that HR departments are increasingly struggling to secure the right talent for their organisations.

It is likely that these trends and priorities will continue throughout 2022, with HR Directors and Managers indicating that Selection & Development will once again be their main focus for this year, followed by Leadership Development and Employer Branding.



Regarding the Future of Work, the respondents feel rather confident that they can handle whatever comes their way, as most consider themselves to be frontrunners and believe that they are well-prepared for the future. Structural telework, hybrid work and automation are the main areas in which organisations have already taken steps to prepare for the future, but these new developments do not take away from the importance of the physical workplace or from the number of employees needed within organisations. Despite most HR professionals agreeing that employees will need a completely different set of skills in the future, sufficient investment in reskilling, upskilling and outskilling has not yet followed. Finally, a lack of resources, obtaining buy-in from leaders and adapting formal procedures are some of the main obstacles that HR must overcome in order to adjust to the new world of work.

## More information?

Feel free to [contact us](#) should you have any questions regarding the results of the HR Barometer 2022.