HR Barometer 2024

Strategic Workforce Planning

Table of Contents

1. About the HR Barometer

For the tenth 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 2024 study. And, as it is the 10th anniversary edition, we will also have a closer look at the changes over the last 10 years.

Each year, the HR Barometer also takes a closer look at a pertinent HR topic, and this year the spotlight is being put on 'Strategic Workforce Planning' (SWP). What is the current state of affairs in leading Belgian organisations? How do HR professionals in Belgium approach SWP and what do they need to tackle this topic?

Approach

The starting point for the HR Barometer is an online survey that was conducted among the HR Directors and Managers from the leading for-profit organisations in Belgium, i.e. the 250 largest for-profit organisations in terms of employees – including the BEL 20 organisations.

Between January and February 2024, 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 in their HR departments, as well as about their views as HR leaders.

Survey

The HR Barometer comprises two parts. Part 1 focuses on the strategic importance of various HR domains by examining organisations' priority and mastery levels across 23 HR 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 Strategic Workforce Planning (SWP). What is the current state of SWP in Belgian

organisations? What is their scope for SWP and what challenges do they face to improve further in this area?

Response

In total, 124 organisations completed the online survey this year, which equates to over half the largest for-profit organisations in Belgium, which together employ around 375 000 people across a broad spectrum of industries and sectors and a range of different-sized companies.

Size	%
< 1.000 employees	16%
1.000 - 1.500 employees	23%
1.501 - 2.000 employees	15%
>2.000 employees	34%
Not specified	12%

Sector	%
Retail	9%
Industry & manufacturing	8%
Construction	6%
Financial services	6%
Engineering	6%
Public sector	6%
Energy & utilities	5%
Transport & storage	5%
Automotive	4%
Insurance	4%
Pharmaceutical & healthcare	4%
Services (legal, professional, HR)	4%
Fast moving consumer goods (FMCG)	3%
Chemical	2%
Hospitality, horeca & leisure	2%
IT	2%
Aerospace & defence	2%
Property & real estate	2%
Social profit	2%
Telecommunications	2%
Media & internet	1%
Other	6%

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 priorities do organisations assign to the various HR domains and (b) how well do organisations perceive themselves to master these domains.

Priorities

The 'priority' level indicates how important and urgent a specific HR domain is. Domains that are both important and urgent are highest on the agenda. However, if a domain scores lower on the priority list, it does not necessarily mean that it is perceived as unimportant: given the many different domains HR needs to cover, it is simply not easy to treat all of them with the same degree of urgency.

	Priority
TOP 3	
Leadership Development	77
Selection & Recruitment	76
Learning & Development	73
Employer Branding	70
Talent Management	70
Well-being	70
Engagement	70
Digital Transformation	68
Retention	60
Performance Management	58
Cultural Change	56
HR Operational Excellence	55
Strategic Workforce Management	53
Teamwork	53
Diversity, Equity & Inclusion	52
Compensation & Benefits	52
Competency Management	51
HR Analytics	51
Prepare Organisations for Growth	50
Industrial Relationships	50
Agility	45
New Ways of Working	40
Prepare Organisation for Stagnation/Downsizing	5

Reported HR priorities for the past year (Jan-Dec 2023)
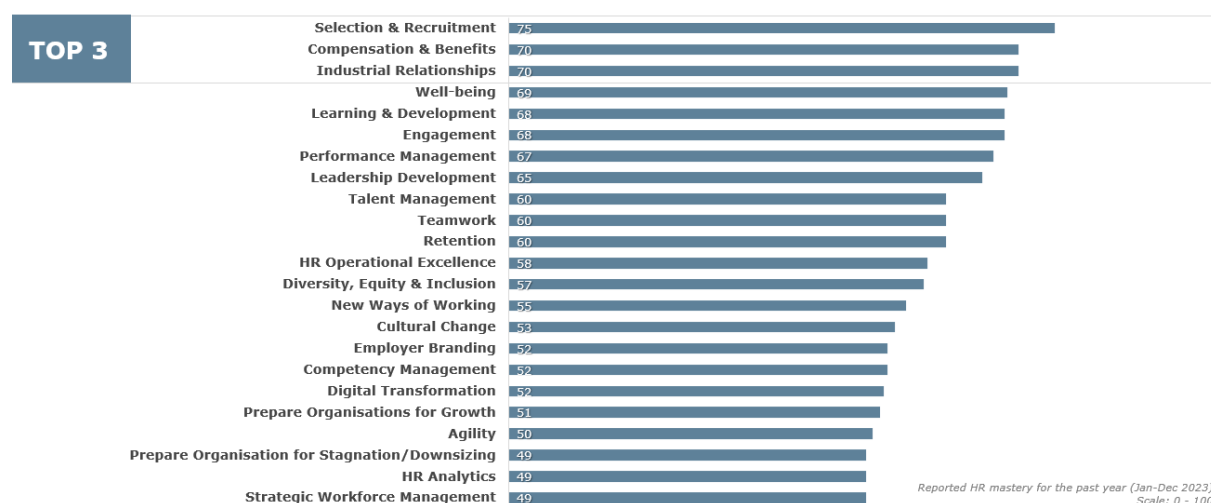*Scale: 0 - 100*

The **top 3 priorities** for the past year (January to December 2023) in HR were: Leadership Development, Selection & Recruitment, and Learning & Development. While Selection and Recruitment – which was the frontrunner over the previous two years – remains a significant priority, the top priority spot is now occupied by Leadership Development.

The **lowest priorities** were Agility, New Ways of Working, and Prepare Organisations 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 various 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.

	Domain	Score
TOP 3	Selection & Recruitment	75
	Compensation & Benefits	70
	Industrial Relationships	70
	Well-being	69
	Learning & Development	68
	Engagement	68
	Performance Management	67
	Leadership Development	65
	Talent Management	60
	Teamwork	60
	Retention	60
	HR Operational Excellence	58
	Diversity, Equity & Inclusion	57
	New Ways of Working	55
	Cultural Change	53
	Employer Branding	52
	Competency Management	52
	Digital Transformation	52
	Prepare Organisations for Growth	51
	Agility	50
	Prepare Organisation for Stagnation/Downsizing	49
	HR Analytics	49
	Strategic Workforce Management	49

Reported HR mastery for the past year (Jan-Dec 2023)
Scale: 0 - 100

The HR leaders perceive their mastery level to be **highest** in Selection & Recruitment, Industrial Relationships and also Compensation & Benefits – a new entry in the top 3 this year. As has been the case for the past two years, Selection and Recruitment scored high on both the priority and mastery indicators.

HR leaders feel **less** confident about their departments' performance in HR Analytics, Strategic Workforce Management, and Prepare Organisations for Stagnation/Downsizing. It is notable that HR Directors still have a degree of insecurity about SWP, but at the same time they recognise its essential role and necessity within their field, which is why SWP was chosen as this year's spotlight topic.

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'.
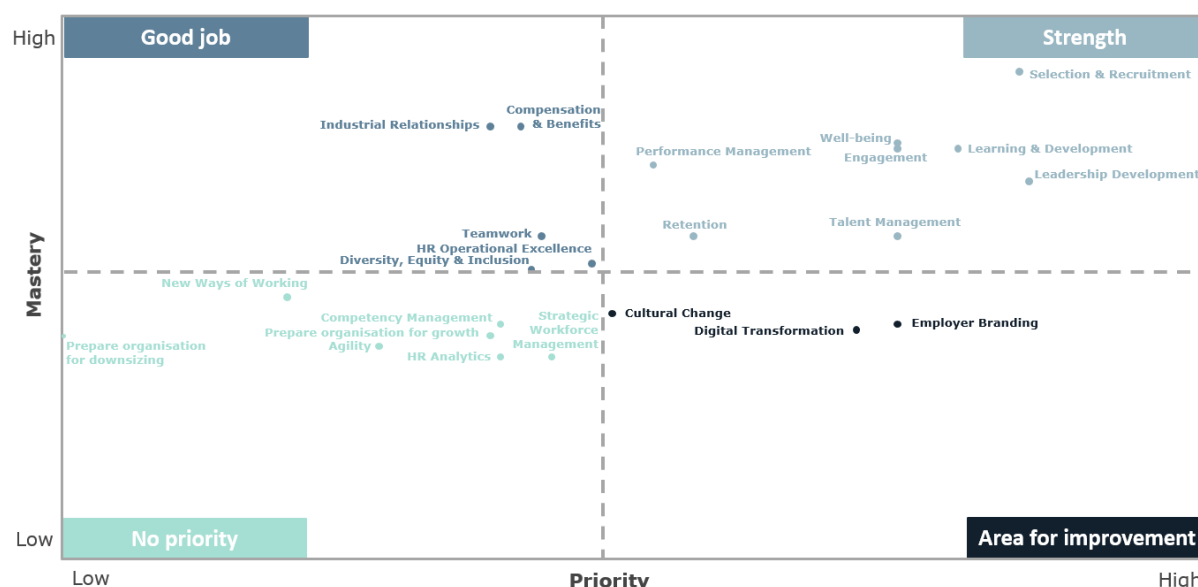
Strengths

The domains in which HR leaders show most confidence in their HR departments' ability to perform well and succeed and that are also very high on HR agendas include: Selection & Recruitment, Learning & Development, and Leadership Development.

However, HR departments have other strengths as well, including Well-being, Engagement, Talent Management, Performance Management, and Retention.

With the 'Strengths' field containing 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 promising picture, there is still room for improvement in other areas that are high on the agenda but for which mastery levels are on the lower side. Digital Transformation requires the most improvement, followed by Employer Branding and then Cultural Change. This section of the quadrant highlights the main challenges faced by HR Directors today. Last year's spotlight topic, Diversity, Equity & Inclusion, has a higher perceived level of mastery this year and so has moved out of this quadrant, which indicates that progress is being made in this area.

Good job

The 'Good Job' quadrant includes HR practices that are fully under control but are considered less of a priority. HR departments generally perceive Industrial Relationships and Compensation & Benefits as the domains they master best. Additionally, Teamwork, HR Operational Excellence, and Diversity, Equity & Inclusion also fall into this category. This quadrant shows the areas in which HR efforts are well-managed but that may not currently demand as much attention.

No priority

The 'No Priority' quadrant contains the HR practices that score low both on priority and on perceived mastery level. HR Directors and Managers are considerably less confident about their capabilities in such domains, but they are also less concerned about it. These 'no priority' domains include Agility, HR Analytics, Strategic Workforce Management, Competency Management, Prepare Organisation for Growth, and New Ways of Working. The fact that 'Preparing the Organisation for Downsizing' is found on the extreme left of the grid – which indicates that it has the lowest priority among HR activities – may suggest that HR remains relatively optimistic about the future.

4. Changes from last year

Compared with last year's HR Barometer, some domains have changed in terms of perceived priority or 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?

Changes at the Top

This year's results show several changes within **the top 5 HR priorities.** Leadership Development, Selection and Recruitment, and Employer Branding have maintained their positions in the top 5 ranking. But, as stated earlier, for the first time in two years Selection and Recruitment is no longer number 1, having switched positions with Leadership Development, which is this year's new top priority. Additionally, this year sees two newcomers to the top 5: Talent Management and Learning & Development, the latter of these being the highest climber on the list.

We also see notable differences in **the top 5 perceived masteries** compared with last year. Both Compensation & Benefits and Learning and Development have joined the top 5. Despite showing a decrease in priority, the domain of Compensation & Benefits has a strong perceived mastery level, which even show an increase from last year; these changes are also reflected in the quadrant, with Compensation & Benefits moving from being a 'strength' to a 'good job'.

The New Ways of Working then **leaves the top list**, along with Teamwork. The New ways of working has not only decreased the most in terms of priority, but it is also now perceived as being less fully mastered. It moves from a 'good job' to 'no priority', as it has now become the new normal.
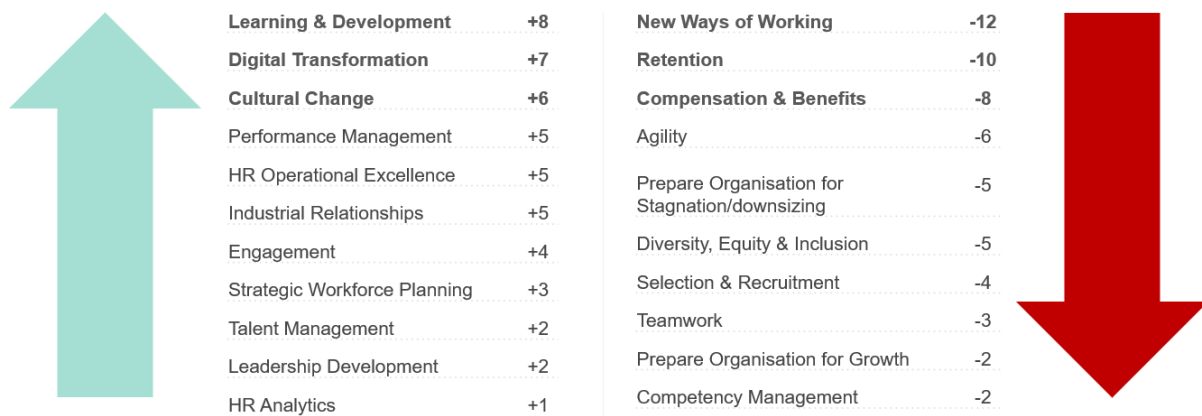
General Changes

We have observed not only movement in the top rankings but also general changes in other HR domains as well. We see that Digital Transformation and Cultural Change are gaining importance in terms of priority. Cultural Change has moved from 'no priority' to 'area for improvement', which indicates that more attention is being given to it. Retention is becoming less of a priority but is still considered a 'strength'.

Furthermore, HR leaders perceive their departments to now have better mastery over the domains Prepare Organisation for Stagnation/Downsizing and Learning & Development – which is also a rising priority. Teamwork and also Agility are among other domains that decreased most in terms of mastery.

Other noticeable movers between quadrants include HR Operational Excellence, which this year changed from 'no priority' to 'good job'. Additionally, HR leaders now see Performance Management as a high priority, which has moved from 'good job' to 'strength'.

Trends in HR priorities – 2024 versus 2023

Learning & Development	+8	New Ways of Working	-12	
Digital Transformation	+7	Retention	-10	
Cultural Change	+6	Compensation & Benefits	-8	
Performance Management	+5	Agility	-6	
HR Operational Excellence	+5	Prepare Organisation for Stagnation/downsizing	-5	
Industrial Relationships	+5	Diversity, Equity & Inclusion	-5	
Engagement	+4	Selection & Recruitment	-4	
Strategic Workforce Planning	+3	Teamwork	-3	
Talent Management	+2	Prepare Organisation for Growth	-2	
Leadership Development	+2	Competency Management	-2	
HR Analytics	+1			

Perceived Mastery – 2024 versus 2023

Increasing	
Prepare Organisation for Stagnation/downsizing	**+9**
Learning & Development	**+6**
Compensation & Benefits	**+5**
HR Analytics	+4
HR Operational Excellence	+4
Leadership Development	+3
Engagement	+3
Performance Management	+3
Competency Management	+2
Diversity, Equity & Inclusion	+2
Employer Branding	+1
Retention	+1
Industrial Relationships	+1
Digital Transformation	+1

Decreasing	
New Ways of Working	**-11**
Teamwork	**-6**
Agility	**-5**
Well-being	-2
Strategic Workforce Planning	-1
Prepare Organisation for Growth	-1

Expectations for 2024

Reviewing the priorities for the upcoming year, i.e. the areas in which HR departments expect their main focus to be, we note that, similar to last year, HR departments look set to maintain their **focus on Selection & Recruitment,** although Leadership Development now follows it more closely, while both Learning & Development and Talent Management also remain high on the agenda, all of which emphasises the importance of attracting, developing and retaining the right people. It is evident that these priorities underscore the ongoing 'war on talent'. Digital Transformation has replaced Employer Branding in the top five expected priorities for 2024.

5. 10 years of the HR Barometer

In honour of the tenth edition of the HR Barometer, we would like at this point to look back at some of the insights gained over the past decade by taking a deeper dive into five major results that have emerged during this time.

HR has a stable and full agenda

Despite the trends and peaks, HR has a stable agenda. Over the past 10 years, **HR strengths have remained relatively stable**: Selection & Recruitment, Leadership Development, and Learning Development have been consistently indicated as strengths: persistent high priority and high perceived mastery.

Additionally, **several HR domains** – such as HR Analytics and Strategic Workforce Management – **have never been considered real priorities**. However, this may be changing, given the emerging interest being shown in Strategic Workforce Planning (SWP), the focus of this year's spotlight.

Industrial Relationships is perceived as the most stable HR domain. This stability is evident in both mastery and priority scores, which have a consistent positive gap: i.e. the mastery score is slightly higher than the priority score, indicating effective performance in an area deemed to be important.

HR priority and mastery fluctuations

On the other hand, the perceived HR priority and mastery levels for some domains are more dynamic. **The Covid-19 crisis** has had a clear impact on various HR domains and the priority levels given to them. At the height of the pandemic, there was a significant decline in priority for Employer Branding but an enormous increase for New Ways of Working, Preparing for Growth, Teamwork, Well-being, and Agility. As the crisis developed and eventually receded, we observed the opposite trends again, with things gradually getting back to normal or becoming the new normal.

Furthermore, for some HR domains, Covid-19 led to mastery peaks that were less evident before or after the pandemic: the domains Teamwork, Leadership Development,

and HR Operational Excellence received their highest mastery scores during the Covid-19 period.

Reverse relationship for DEI

Looking at the relationship between mastery and priority levels for Diversity, Equity & Inclusion (DEI), we see a dynamic but reverse relationship. Ten years ago, DEI was less of a priority for most companies; however, over time, its priority has increased. Surprisingly, while DEI has become more of a priority, HR's perceived mastery of this domain has decreased. It appears that as more emphasis began to placed on DEI as a priority, HR's lack of mastery in this area became more apparent.

There has been a slight change again over the past year, as we can observe an increase in mastery coinciding with a sudden decrease in priority. This might indicate that the gap between DEI priority and mastery levels is being bridged.
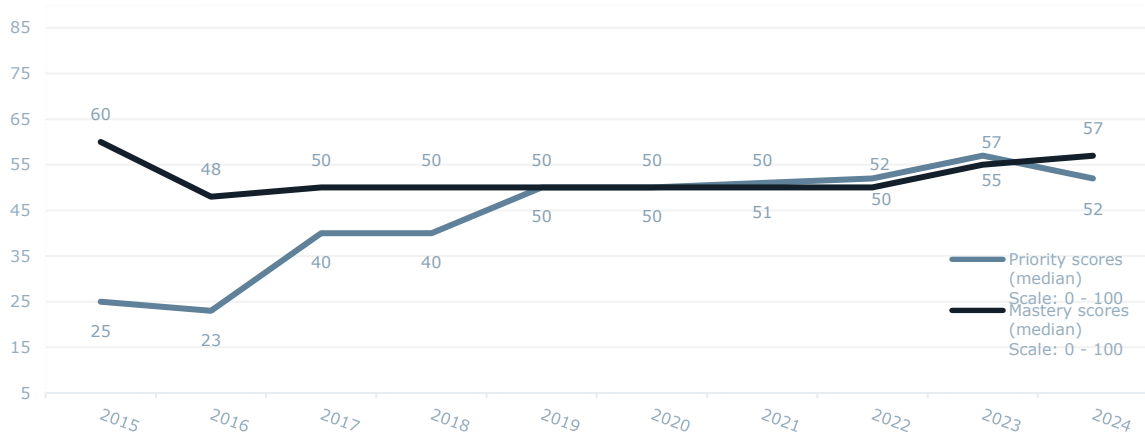
Interpreting HR Priorities as Economic Indicators

The last and final interesting result relates to the expected – theoretical – prediction of the economy. For example, if companies suddenly prioritise Preparing for Growth over Preparing for Downsizing, it could signify generally positive expectations about the future economy, whereas prioritising Preparing for Downsizing over Preparing for Growth would indicate the opposite.

However, we have learned over the past 10 years that the indicators Preparing for Growth and Preparing for Downsizing do not mirror each other: growth has remained more dominant over the years, while downsizing seems to be less relevant to most companies.

The results of this year's HR Barometer show that the scores for these indicators are not linked, as we see a slight decrease for Preparing Organisation for Growth and also a decrease for Preparing Organisation for Downsizing. While it is impossible for HR to know exactly what is going to happen in the future, the focus remains more on growth (50%) than on downsizing (5%), which has been assigned by far the lowest priority level of all HR practices.

6. Spotlight on Strategic Workforce Planning

Every year, we zoom in on a specific topic that HR Directors want to know more about. As requested by respondents to last year's HR Barometer, this year we are taking a closer look at Strategic Workforce Planning (SWP). What are Belgian organisations actually doing in terms of SWP? How do HR professionals in Belgium approach SWP and what challenges and opportunities do they see?

Although SWP has never been high on HR agendas throughout the 10 years of HR Barometer research (i.e. compared with other HR topics, it has been consistently seen as low in terms of both priority and perceived mastery level), last year's survey revealed that the topic was catching the attention of respondents, who indicated SWP as one of the most interesting HR topics to learn more about. Does this mean that SWP will rise in terms of priority or are organisations simply trying to gauge where others stand?

## 6.1 SWP – Current state

What is SWP?

SWP is defined as a proactive business process that aligns organisational needs and external evolutions with an organisation's people strategy and staffing needs. In other words, the main goal is to ensure that you will **have the right people in the right place at the right time** to achieve organisational goals. We see 5 main dimensions in dealing with SWP: Demand forecasting, Supply forecasting, Workforce segmentation, Scenario planning and Action planning.

SWP evolutions over time

Despite growing interest in the topic, **both the priority and mastery scores for SWP have remained low** over the last number of years, with the exception of both 2021 (possibly impacted by Covid-19) and this year, when a slight increase in priority score was noticed. However, in general, SWP is still perceived as a low priority compared with other HR areas. Moreover, while SWP is potentially generating slightly more interest,

there is still considerable room for improvement in terms of mastering this domain, as its perceived mastery level is the lowest of all HR areas.
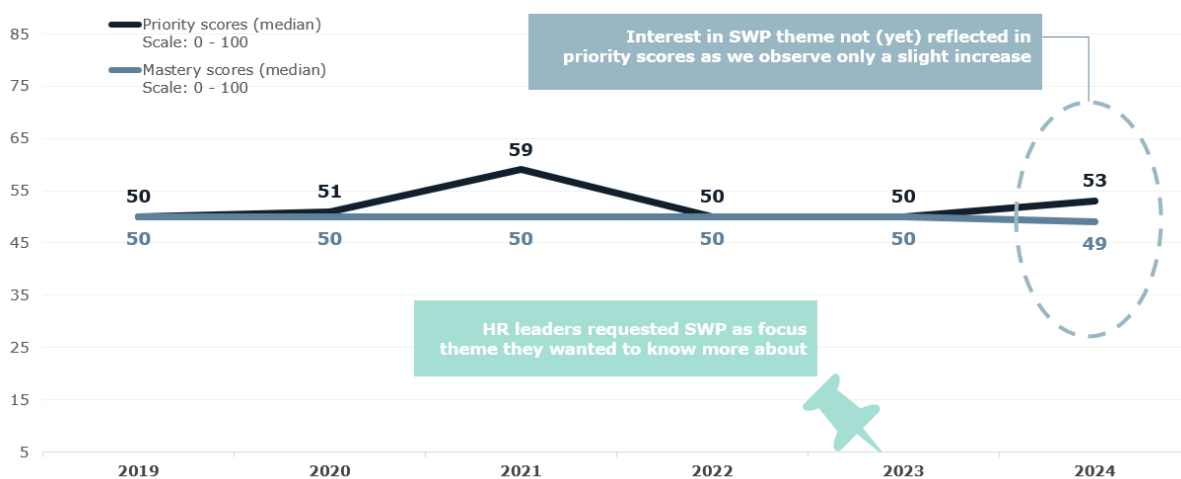
Perspective of HR Directors

The results reaffirm that HR Directors recognise the importance of engaging in SWP: 65% of respondents indicated that SWP is **crucial to business survival** and only 30% consider it merely a buzzword that is not here to stay.

However, the importance that HR Directors gave to last year's topic, Diversity, Equity, and Inclusion (DEI), was even more pronounced, (73%), with only 11% dismissing DEI as a buzzword. While the perception of SWP may be slightly less emphatic, it continues to be seen as an important topic within HR departments.

SWP drivers

HR leaders indicate that the main driver of investment in SWP is "**the business**" (86%). They want to be able to respond to their (future) business staffing needs effectively in order to reach, for example, production targets, budgets and/or cost savings. The second most important driver is organisational strategy – SWP is needed to align the workforce with the organisation's vision, mission, values and objectives (76%) – followed

by the external environment (71%) such as industry transformation and labor market conditions. It is less influenced by organisational changes (51%), such as mergers & acquisitions and successions.

Current State of SWP

In total, 77% of participating organisations engage in SWP in some form. For the majority (36%) of organisations in this category, this occurs on an **ad hoc basis**, i.e. from time to time rather than every day. A few organisations (20%) engage in SWP more regularly or even see it as a strategic priority (21%).

For a minority (17%) of responding organisations, SWP is a topic of discussion but does not lead to any concrete actions being taken. Only 7% indicate that SWP is not on their agendas at all, proving that most of organisations are engaged in at least some SWP-related activities.

Taking a closer look at how responding organisations implement the various SWP dimensions – i.e. what they do actively at least once a year in this area – we see that '**Demand forecasting'** (determining what talents are needed and what the organisation will require) is carried out the most (90%). This is followed by **'Supply forecasting'** of internal talent (82%), which involves examining the available internal talent within the organisation; 70% of organisations then take steps to implement '**Workforce segmentation'** and '**Action planning'**.

'**Supply forecasting**' of available external talent is conducted at least once a year only by 54% of responding organisations, which indicates that they clearly focus more on the available internal talent than look at available talent outside the organisation. Actively working out different scenarios for the total workforce happens the least, with only 40% of organisations doing it at least once a year.

Perception

In this section, we will briefly shed some light on how HR Directors reacted to certain statements on SWP in their organisation.

— **Only 13% of HR Directors are satisfied** with the outcomes of SWP actions in their organisations, which, on the whole, does not really reflect a positive situation.

— In general, information regarding areas and activities related to SWP **does not seem to be actively communicated**, with just 14% of respondents indicating that they actively communicate on SWP-related matters**.** The perception of how well their departments master SWP probably has an impact on this result, as HR leaders who perceive their departments' mastery level of SWP to be higher also communicate more actively about SWP.

— On the other hand, only 29% agree that SWP is a theoretical notion that does not entail any clear actions for their organisations. However, the majority of HR Directors still believe that **SWP is more than just some ideas** and they indicate that it does result in at least some action.

So although HR leaders indicate that they do see the importance of SWP for business survival and that some actions are being taken on an ad hoc basis, they are still not really satisfied with the outcomes of SWP in their organisations and there is a clear need for better communication on the topic.

6.2 SWP – Roles and responsibilities

When it comes to SWP, formal responsibilities within organisations vary. Approximately 50% of organisations state that there are **no clear formalised responsibilities** regarding SWP within their organisations: 16% do not assign SWP responsibilities to anybody at all in the organisation, while in 31% of organisations, SWP responsibilities exist but are not formalised.

For the remaining half, SWP responsibilities are often integrated in the job descriptions of multiple people/multiple teams (32%) rather than assigned to someone specific/one team (13%), indicating that responsibility for SWP is somewhat **fragmented across various roles**.

Only 8% of organisations have a dedicated function for SWP.

People with formalised SWP responsibilities typically report to the HR Director (56%) or the CEO (20%), a result which aligns with HR's predominant role in driving the professionalisation of SWP. According to 90% of HR Directors, **HR is in the driver's seat** when it comes to advancing SWP practices in their organisations. Only 13% of organisations felt the need to collaborate with external partners in order to develop SWP expertise, which indicates that the majority of responding organisations prefer to handle SWP internally.

The role of technology in SWP

Regarding the role of technology, **only 23% of organisations rely on mapping tools** to gather data for SWP purposes. This means that most will use just Excel files or another alternative way rather than specific SWP mapping tools. Interestingly, organisations that do use such mapping tools also tend to communicate more effectively about SWP, as the tools are likely to help generate additional visuals and data that can be used to communicate SWP results effectively.

6.3 Scope of SWP

SWP time horizon

A crucial aspect of SWP involves anticipating the future and thinking about long-term workforce requirements. A key question here is how far into the future do organisations plan for their workforce needs.

The survey reveals that 44% of respondents look one year ahead when analysing workforce needs (which is considered medium-term planning), while 36% extend their planning horizons to between two to five years (which is considered longer-term planning). Therefore, approximately 80% of respondents in total conduct their strategic workforce planning (SWP) for a **one- to five-year time horizon**. However, some organisations (22%) prioritise short-term planning, focusing on periods of less than a year. At the other end of the spectrum, a minority of respondents (4%) emphasise long-term planning, with a planning horizon that extends beyond five years.

This diversity in planning horizons demonstrates the different strategies adopted by organisations in their SWP efforts.

SWP and Annual Budgeting

When considering the impact of the annual budgeting cycle on SWP, 60% of respondents state that the annual budget has more impact in their organisation than long-term SWP has. This **suggests greater emphasis is put on annual budgeting than on longer-term strategic planning.**

Interestingly, in organisations where the annual budgeting cycle has more impact, HR's satisfaction with SWP outcomes tends to be lower. While the budgeting cycle may be used to operationalise SWP, it is crucial to ensure that annual budgeting considerations do not overshadow long-term strategic planning, given how important it is for organisations to maintain a balance between short-term financial considerations and long-term strategic goals.

Functions

The main functions focused on under SWP are the **key functions to the business** (52%) and **bottleneck professions** (32%), i.e. the more difficult positions to fill. Of the responding organisations, only 31% focus on all the functions within the organisation; therefore, SWP does not necessarily take an organisation's entire workforce into account. Other functions that are sometimes considered while conducting SWP are functions impacted by transformation (19%) and C-level functions (14%).

Only 6% of the participating organisations look at the entire labour market rather than focus just internally, which indicates that most organisations take the external labour market into less consideration.

What gaps are analysed?

The main gaps (i.e. shortages) that the participating organisations analyse relate to '**quantitative shortages'**, where the focus lies on the difference between the available and the required number of employees. It is noteworthy that there is almost no distinction between analyses of current and future shortages: HR departments seem to analyse both gaps almost equally (72% and 73% respectively). This raises questions about whether HR departments are effectively distinguishing between present and future needs, in terms of staffing levels.

'**Qualitative mismatches'** are being analysed to a lesser extent: around 40% of respondents indicate that they analyse discrepancies between the available composition of the workforce and the requirements of the organisation (here, again, with little distinction between current and future mismatches). In other words, they attempt to identify the skills, knowledge and competencies that are/will be needed to ensure the organisation achieves its strategic goals, and they assess whether they have/will have the right people in the right positions.

Regarding the '**surpluses'**, (e.g. if there are too many individuals in certain roles or functions), 37% of responding organisations analyse future surpluses and 34% focus on current surpluses in their SWP. Therefore, a slight discrepancy exists between the attention being given to future and current surpluses, and it can also be seen that surpluses are analysed to a lesser extent than shortages.

Work elements

The work elements that are regarded as falling under SWP predominantly centre on **traditional jobs** (i.e. functions) with a total of 77%, followed by skills (72%) and then competencies (66%), when certain qualitative aspects are examined. Other work elements that are considered (but to a lesser extent) include: projects, attitudes, roles, teams and tasks.

Despite the fact that the current focus remains predominantly on 'jobs' or 'functions', 78% of HR leaders expressed a **desire to adopt a more skill-based perspective** so that their organisations can prepare better for the future. This gap suggests a discrepancy between organisational aspirations of flexibility and the current approach to workforce management. Embracing a skills-based approach could allow organisations to be more flexible with their workforces and to be better aware of what is needed and what is available (internally and externally) within a competitive and turbulent labour market landscape. Interestingly, organisations that consider skills to be an important work element for SWP also seem to invest more in 'advanced' SWP techniques, such as 'scenario planning' and 'action planning' to help them close these gaps.

6.4 SWP – Taking action to move forward

HR departments employ various strategies to close the gaps identified between organisational needs and available resources. The primary approach is the **"buy" strategy** (85%), emphasising recruitment and selection to hire new staff. This aligns with the findings of the HR Barometer trends, where recruitment and selection emerge as high priorities.

The second approach is the **"bind" strategy** (80%), which involves retaining current employees. This reflects the importance of retention as shown in the HR Barometer trends, albeit it slightly lower than last year.

The combination of recruitment and retention of employees stands out as one of the most commonly taken actions to close the identified gaps.

Another potential action is investing in "**bot" strategy**, (i.e. investing in technology and automation), with 57% of responding organisations having a lesser focus on technological solutions for filling gaps. In fourth place, actions are being taken to focus on **'building' staff** (51%) through reskilling or upskilling initiatives for employees (e.g. develop existing staff or move employees within the organisation).

Lastly, with 44% and 43% respectively, less emphasis is placed on **'boosting' employees** (i.e. accelerating planned promotions and successions), and on '**borrowing' employees** (i.e. outsourcing activities or investing in a flexible workforce). '**Bouncing'** strategy, which involves removing redundant functions and transitioning employees is more exceptional (30%) and seems to be more prevalent in organisations that are preparing for downsizing, where the need to bounce redundant functions and individuals is more pronounced. However, as we saw in the HR barometer trends, this is not a priority in most organisations.
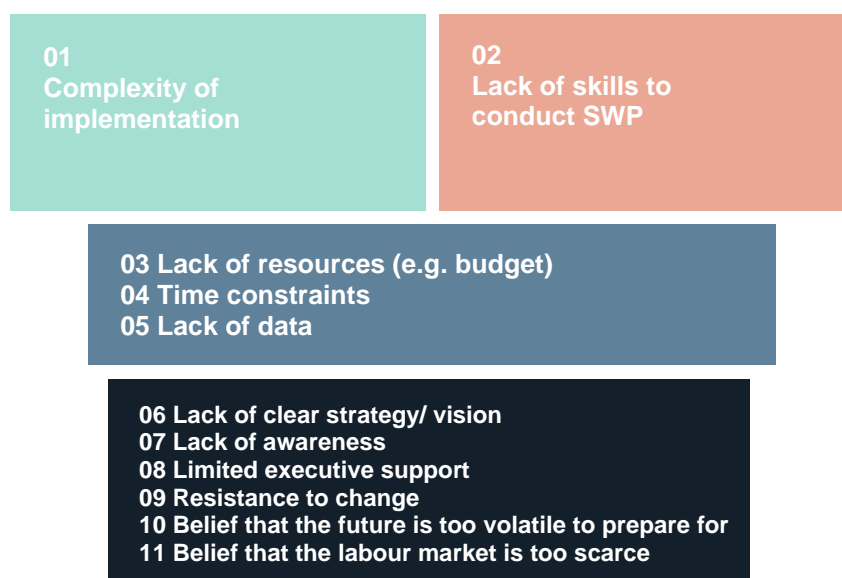
Challenges

What then is preventing HR from doing more? What challenges are hampering HR efforts to implement SWP?

The main challenges indicated by the HR leaders are the complexity of **implementation** itself and **the lack of skills** required to effectively conduct SWP. This longstanding trend of low mastery that we see in the HR Barometer trends underscores the perceived difficulty of the task. Conducting timely research into what talents an organisation will need in the future, where this talent can be found, whether internal potential can be trained and supported for this, etc. – while at the same time taking the adaptability of the labour market into account – is seen as a difficult job.

Other challenges, such as a 'lack of resources' and 'time constraints' can further complicate SWP efforts. These specific challenges scored significantly higher than was the case for previous spotlight topics like Cultural Change, HR Analytics, and Diversity, Equity, and Inclusion (DEI), which underscores once again that the main obstacles to SWP are related more specifically to skill shortages and the inherent complexity of SWP rather than to budget and/or time constraints.

The lowest ranked challenge is the belief that the future is too volatile to prepare for or the notion that the labour market is too scarce. While these are often given as reasons for not adopting SWP, this is not confirmed by the HR leaders.

01 Complexity of implementation	02 Lack of skills to conduct SWP

03 Lack of resources (e.g. budget)
04 Time constraints
05 Lack of data

06 Lack of clear strategy/ vision
07 Lack of awareness
08 Limited executive support
09 Resistance to change
10 Belief that the future is too volatile to prepare for
11 Belief that the labour market is too scarce

7. Conclusion

The HR Barometer provides insights into the main HR priorities and masteries and identifies the most important trends and challenges in the HR environment of Belgium's largest private-sector organisations. Additionally, this year, we took a deep dive into the topic of Strategic Workforce Planning and what this might entail for HR departments and organisations as a whole.

Over the past year, development has been regarded as the way to go. Leadership Development has become the number 1 priority, and Learning & Development is this year's highest climber. Selection & Recruitment, despite scoring slightly lower this year, is still a key priority (number 2). However, this focus on finding solutions to current business needs also means that HR departments have less scope to prioritise potential game changers, such as Strategic Workforce Planning. The biggest reduction in priority was indicated for New Ways of Working (which have become the new normal) and Retention.

In terms of mastery, we note that Prepare Organisations for Stagnation/Downsizing increased significantly for the second year in a row, but its overall mastery score remains one of the lowest, together with that of HR Analytics and Strategic Workforce Management. HR leaders feel most insecure about Employer Branding and Digital Transformation – not unexpectedly, as both of these fall under the category of 'area for improvement'. HR leaders are most confident about Industrial Relationships and Compensation & Benefits.

Regarding Strategic Workforce Planning, many HR leaders agree on the importance of SWP, but only a few are satisfied with their organisations' current outcomes. Additionally, the perceived mastery level of SWP is the lowest among all the activities that we have mapped in the HR Barometer Trends over the past few years. Interestingly, the main bottlenecks are the complexity of implementation and the lack of necessary skills to conduct SWP, which indicates that many organisations still have a steep learning curve ahead of them to further optimise this SWP activity.

The findings also showed that HR communication on SWP across organisations is generally rather limited and that HR relies less on specialised technology or mapping

tools to gather data for SWP. However, when organisations do utilise specialised technology or mapping tools, there is a higher chance that HR will actively communicate about SWP. Additionally, there seems to be a preference within HR for developing SWP expertise in-house rather than for partnering with external specialists. These factors may contribute to the current, less advanced state of SWP practices.

SWP responsibilities are not often formalised in a dedicated function or job description. However, it does seem that HR is best placed to further professionalise SWP, and in many organisations (42%), CHROs already have end responsibility.

The key drivers of SWP are mostly influenced by business objectives (86%) and organisational strategy (76%). In contrast, external environmental factors have less of an impact (51%) on shaping SWP. While this complexity within SWP may hold organisations back from taking their strategies to the next level, SWP is already being conducted on either an ad hoc or a regular basis in 77% of participating organisations, which indicates that most organisations are taking at least some steps. As interest and engagement in SWP continue to grow, we hope see interesting changes in the near future.