

▶▶ The Claeys & Engels 2018 **HR BEACON**

January 2018



1 Introduction

Claeys & Engels organised a brief questionnaire among its clients during the period 14–29 December 2017. We received a total of 280 replies.

You are no doubt curious to know the results, and we are delighted to share them with you.

Table of contents

1	Introduction.....	2
2	Challenges for 2018	3
3	Your recruitment policy.....	4
4	Flexible benefit plans.....	6
5	Remuneration policy.....	7
6	Compensation & Benefits.....	8
7	Working hours and time off	10
8	Occasional telework	12
9	Clauses in the employment contract	13
10	Employee representatives.....	14
11	Your policy regarding long term ill employees	15
12	Privacy of your employees	16
13	Data Protection.....	17
14	Discrimination at work	18
15	Mobility and immigration.....	20
16	Visit of the social inspection	21
17	Challenges in case of <i>in-</i> or <i>outsourcing</i>	22
18	Partial exemption for the payment of the income tax on wages	23
19	The cost of your group insurance.....	24
20	Dismissal policy	25
21	Public sector.....	26
22	Overview.....	27

2 Challenges for 2018

Which challenges do you see in your company in terms of HR for 2018?



- Recruitment of new personnel
- Retention of personnel
- Social dialogue
- Cost reduction
- Harmonisation of employment and salary conditions
- GDPR
- Employment of older employees (CBA 104)
- Digitalisation and innovation
- Training of personnel
- Pension plans (rate reduction group insurance, harmonisation blue-collar and white-collar workers etc)
- Attractive remuneration policy (Compensation & Benefits)
- Flexible workforce
- VUCA (*volatility, uncertainty, complexity and ambiguity*)

Analysis

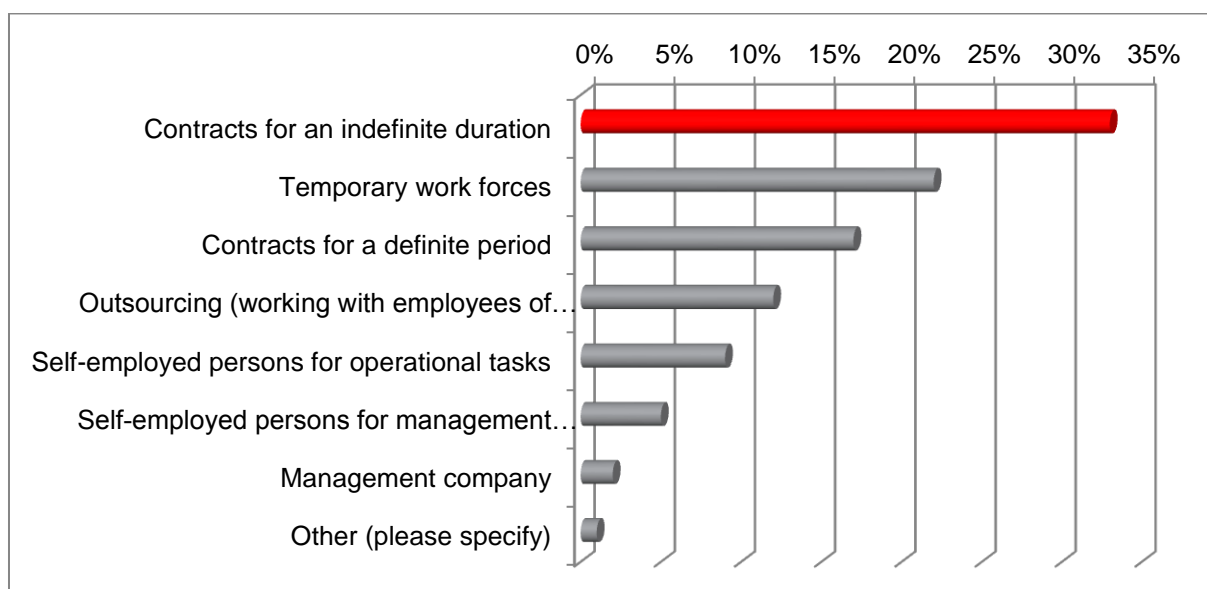
By far the biggest challenge for 2018 is the recruitment of new personnel. This seems to confirm what has frequently appeared in the press: many companies are unable to fill all their vacancies. The “*war on talent*” seems to be gaining a new impetus as is a strong second challenge, namely the maintaining of current personnel. These are followed by GDPR and the management of expenses on the horizon. It is however remarkable that a buzzword of the past year, VUCA, does not yet feature much on agendas. It will be interesting to see if this remains the same next year.

3 Your recruitment policy

For your recruitment in 2018 you plan to use:

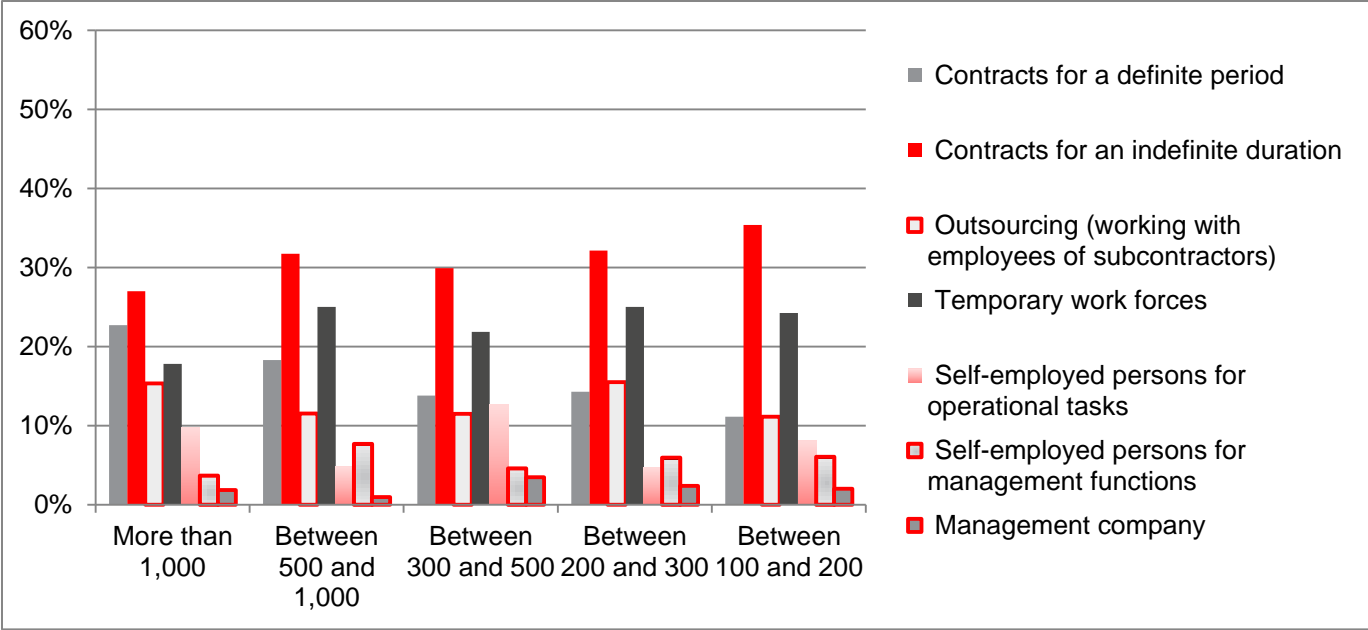
- Contracts for an indefinite duration
- Temporary work forces
- Contracts for a definite period
- Outsourcing (working with employees of subcontractors)
- Self-employed persons for operational tasks
- Self-employed persons for management positions
- Management company
- Other

Other: Student, co-creation, consultant, secondment, self-employed persons through a *provider*, combination of the responses.

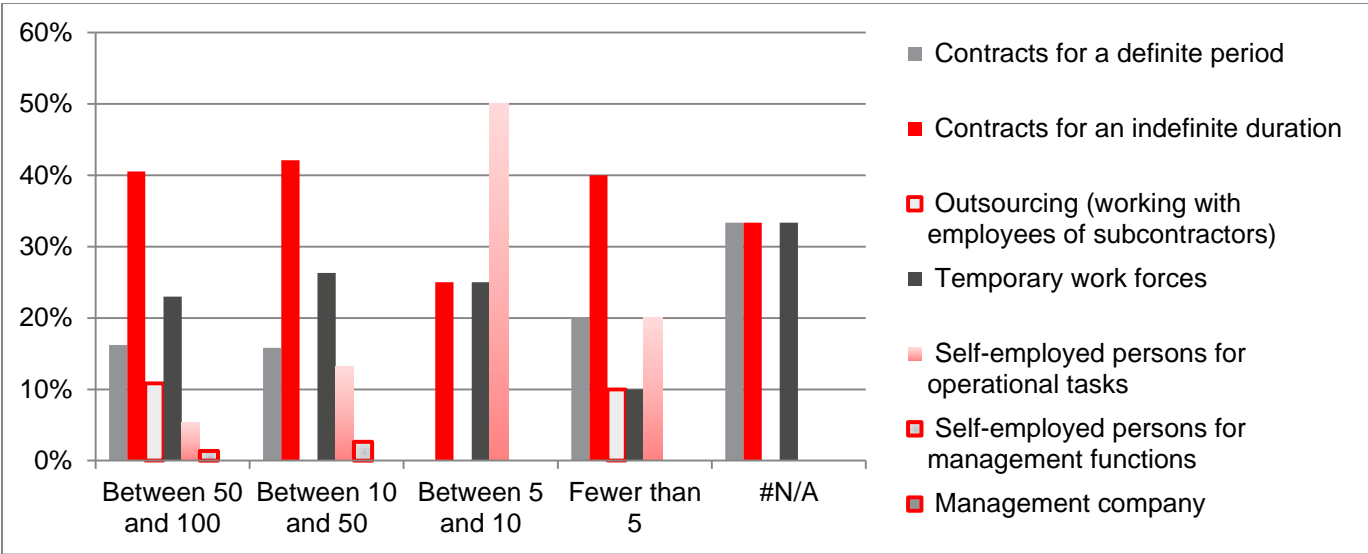


Most participants (33%) will recruit through contracts for an indefinite duration. We have the impression that not much will change in the short term. Contrary to the sometimes alarming messages that nowadays only contracts for a definite period are concluded, this seems not to be the case.

It is interesting now to see if these relations are different in companies with many versus fewer employees. Can we see other trends forming here?



It is clear that companies with many employees follow the same trends and that contracts for an indefinite duration remain common. The larger companies more often work through management companies.

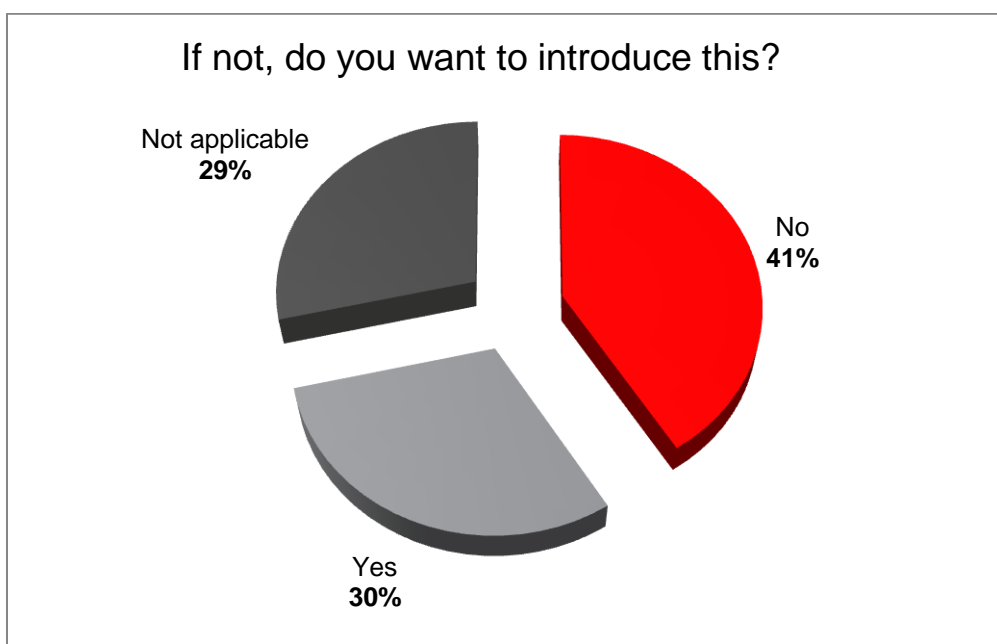
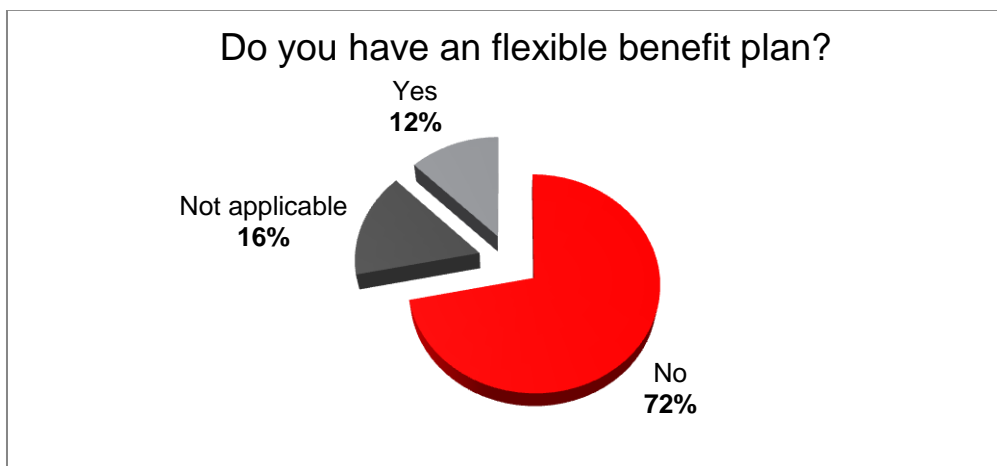


Companies with fewer employees more often work with contracts for a definite period in comparison to contracts for an indefinite duration. Please note that fewer responses were given in this category.

4 Flexible benefit plans

Flexible benefit plans are clearly not yet fully embedded. Merely 12% of the participants have them.

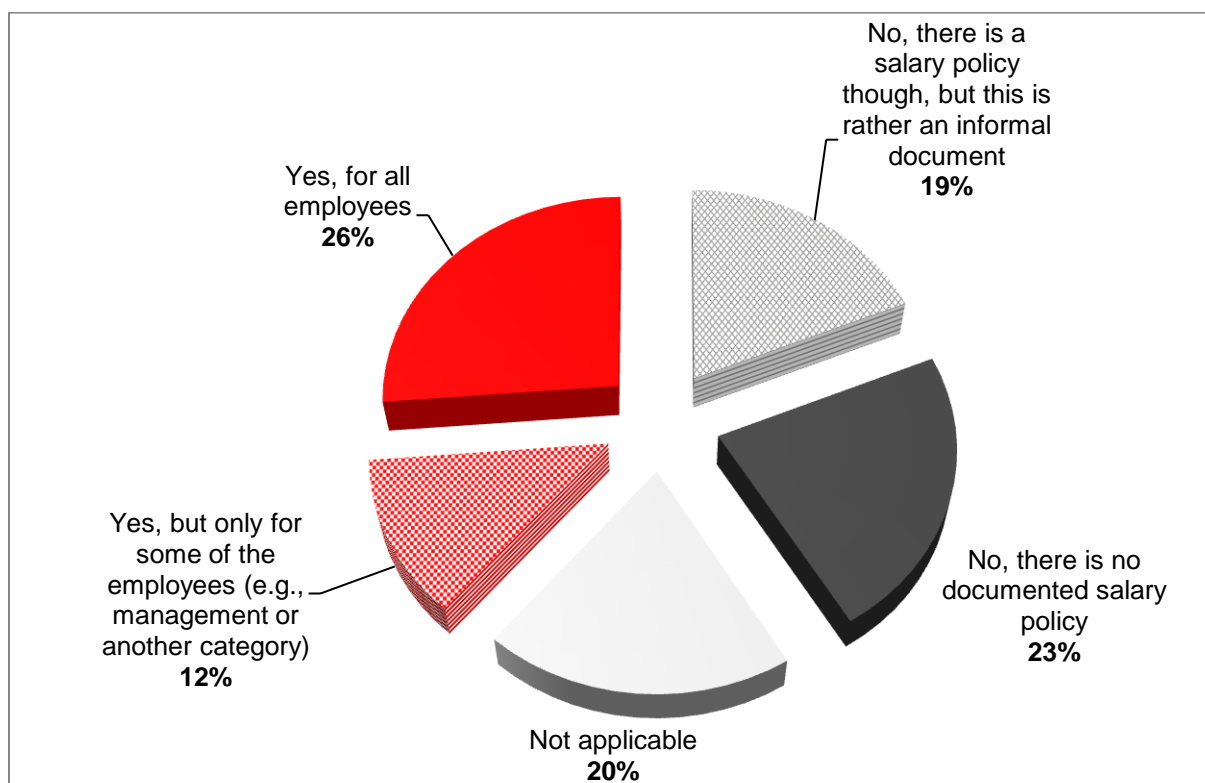
They are clearly gaining in popularity: 30% of the participants are after all considering introducing an employee benefit plan.



5 Remuneration policy

Does your company have a written salary policy / remuneration policy approved by the board of directors?

A very limited number of companies have a documented salary policy for all employees that is approved by the board of directors. In 62% of the cases there is no formally approved remuneration policy.

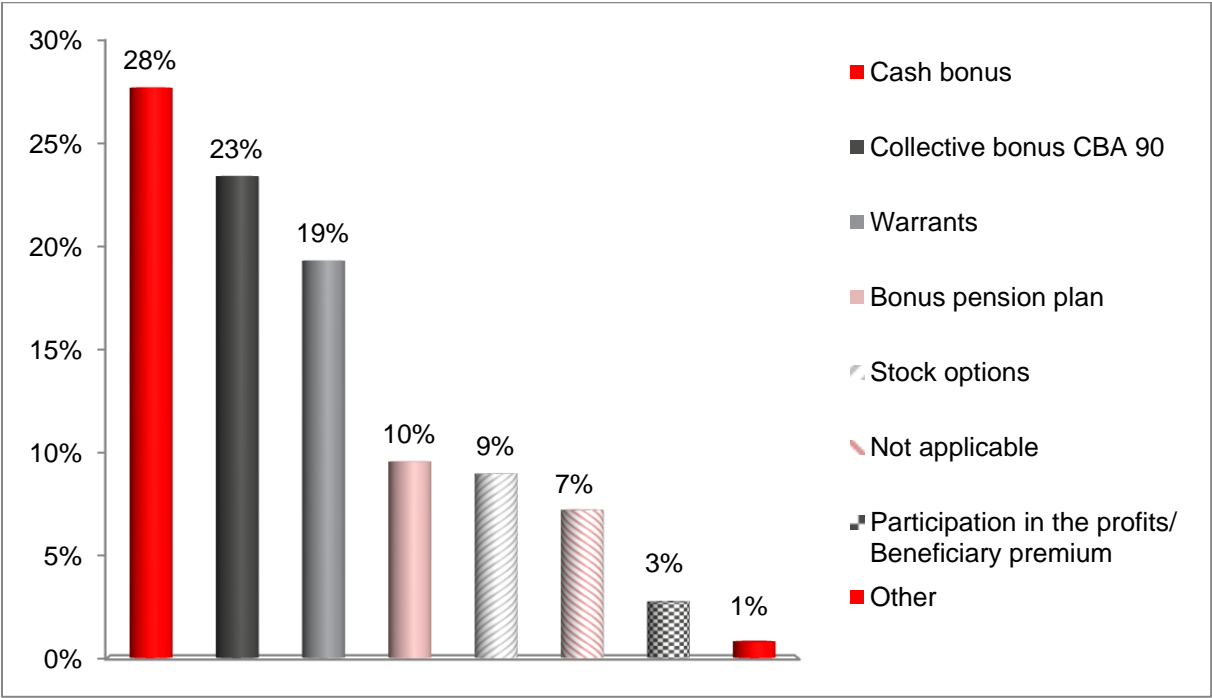


- No, there is a salary policy though, but this is rather an informal document
- No, there is no documented salary policy
- Not applicable
- Yes, but only for some of the employees (e.g. management or another category)
- Yes, for all employees

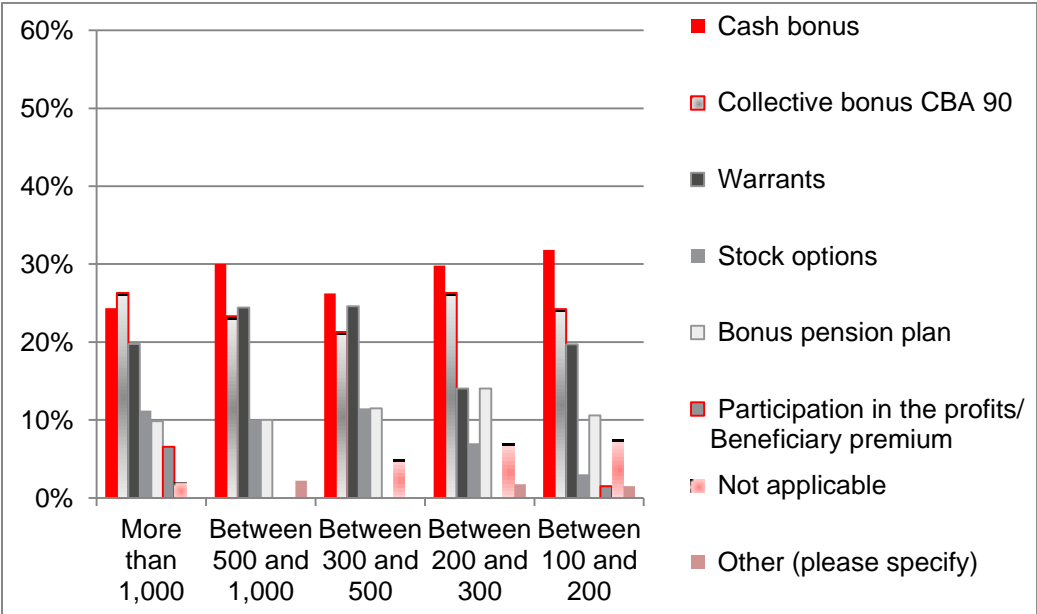
6 Compensation & Benefits

Under which forms does your company grant variable remuneration to its employees?

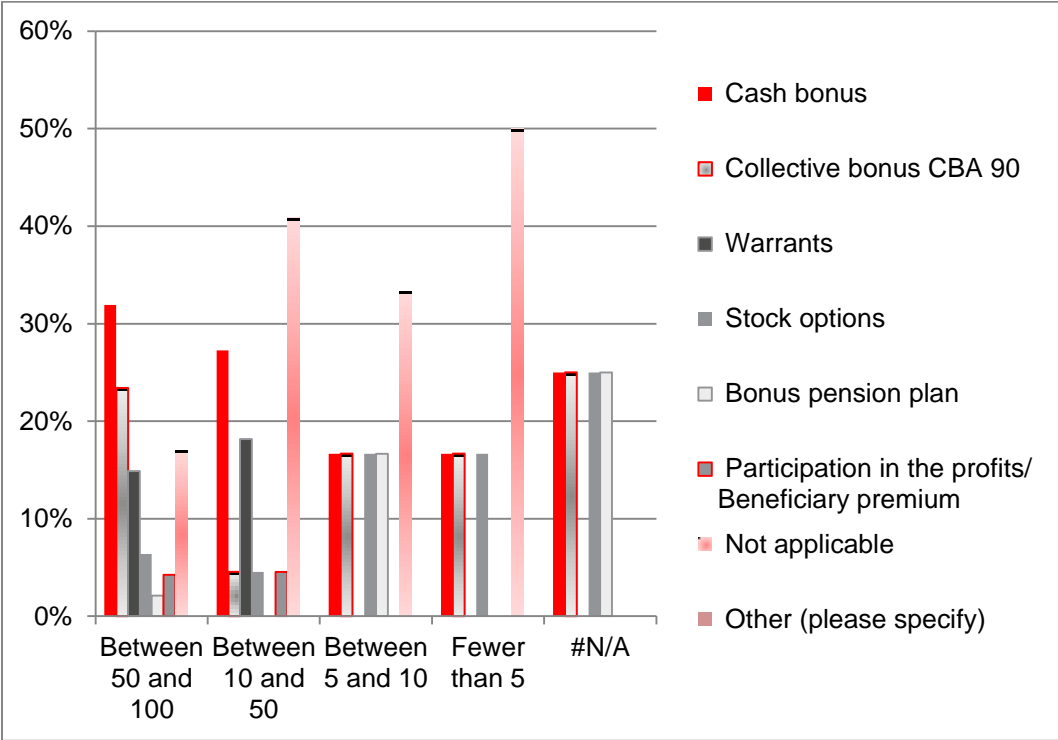
Most companies (28%) still give a cash bonus. We notice however that a lot of them (23%) also give a collective bonus (CBA 90). Warrants are also frequently used. Bonus pension plans and stock options, on the other hand, are less popular as a variable remuneration element.



When we look at the different company sizes, we find that somewhat more of the companies with many employees discontinue cash bonuses and prefer other remuneration instruments.



For companies with fewer employees, the results are less easy to interpret.



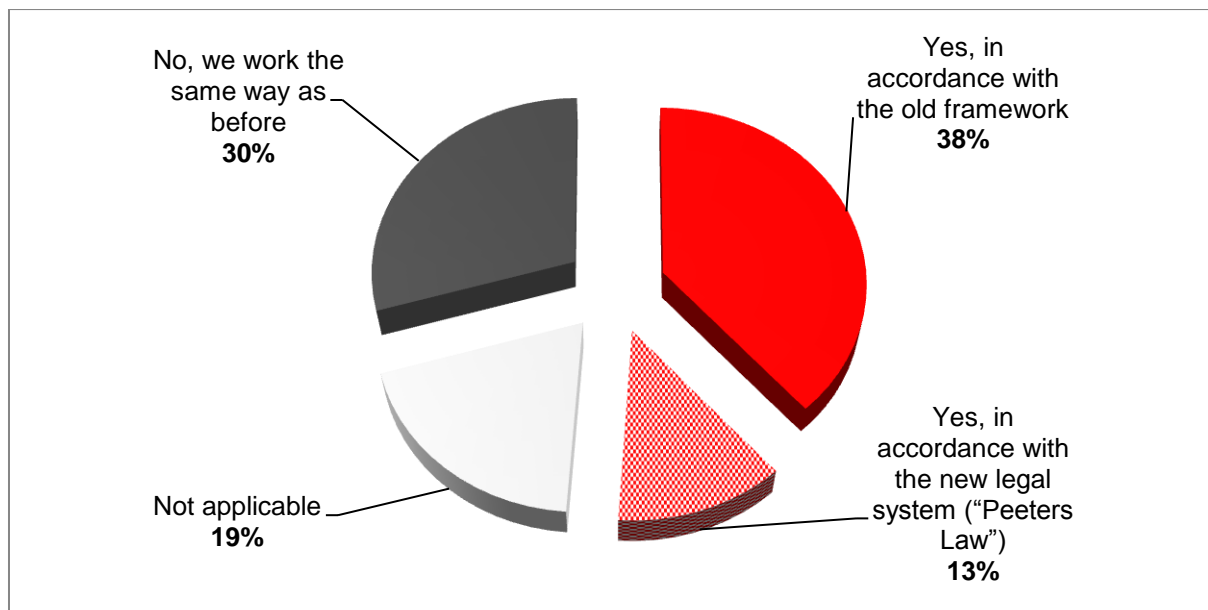
Curious to see if the new profit bonus that has been in effect since 1 January 2018 will significantly change this result next year!

7 Working hours and time off

7.1 General

Does your company use flexitime?

Flexitime has not yet come into common use, but has been introduced in half of the companies. The new regulation of Minister Kris Peeters is not yet very successful (13%), but the legislation is still relatively new.

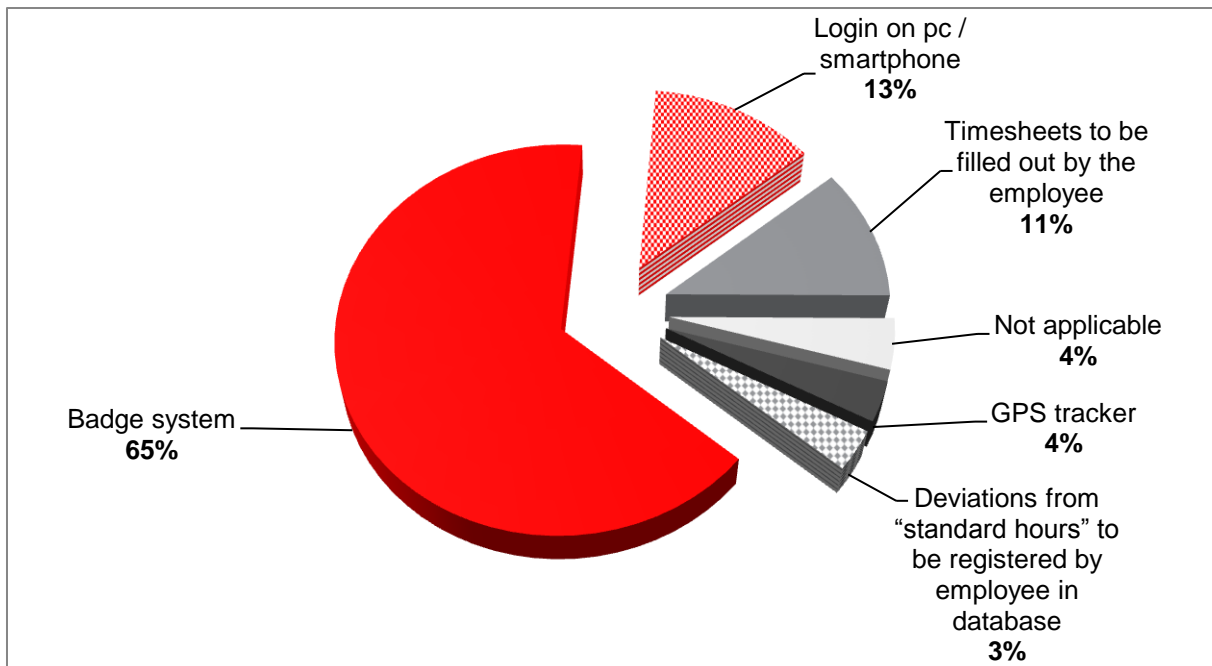


- Yes, in accordance with the old framework
- Yes, in accordance with the new legal system ("Peeters Law")
- Not applicable
- No, we work the same way as before

7.2 Time registration

Do you have a system for time registration in this regard?

When a registration system is introduced, the badge system is clearly the most used solution (65%). Alternative forms through timesheets and logging in on a pc are less popular.

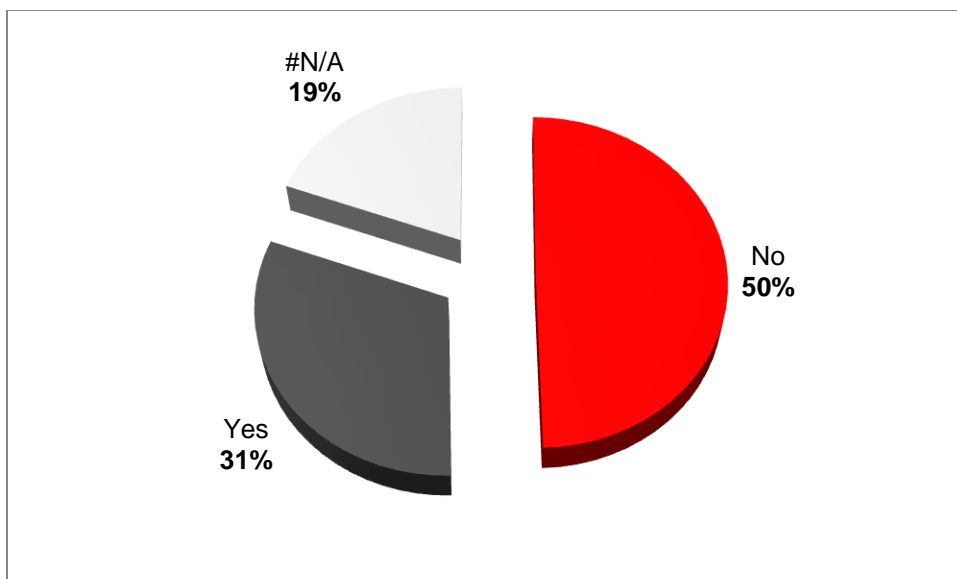


- *Login on pc / smartphone*
- *Timesheets to be filled out by the employee*
- *Not applicable*
- *GPS tracker*
- *Deviations from "standard hours" to be registered by employee in database*
- *Badge system*

8 Occasional telework

Does your company have a policy on occasional telework?

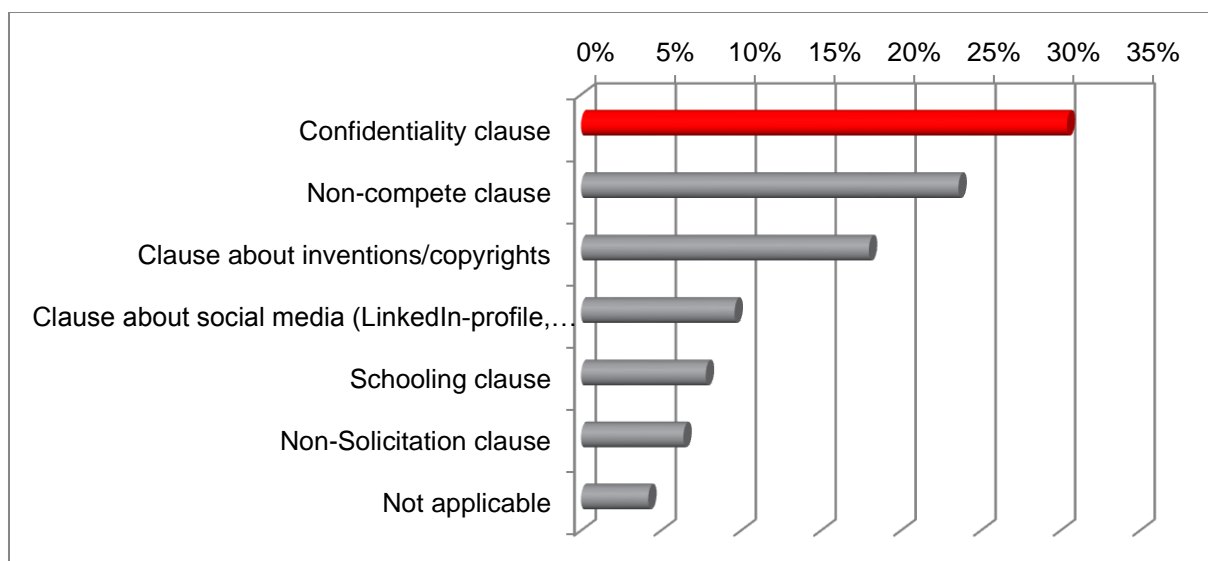
The Act on Feasible and Manageable Work gives employees the possibility to occasionally telework because of force majeure or personal reasons. Good agreements make good friends and so it is recommendable for companies to settle agreements in a policy. Nevertheless, the large majority of the participants in the survey indicate that they have not (yet) introduced a policy on occasional telework (or they did not respond to the question (#N/A)).



9 Clauses in the employment contract

Do you always include the appropriate clauses in your contracts and/or termination agreements in order to defend yourselves against competition or unfair competition by an ex-employee?

- Confidentiality clause
- Non-compete clause
- Clause about inventions/copyrights
- Clause about social media (LinkedIn profile, etc.)
- Schooling clause
- Non-solicitation clause
- Not applicable



The most popular clauses are the confidentiality clause and the non-compete clause. Together they are used in more than 50% of the cases.

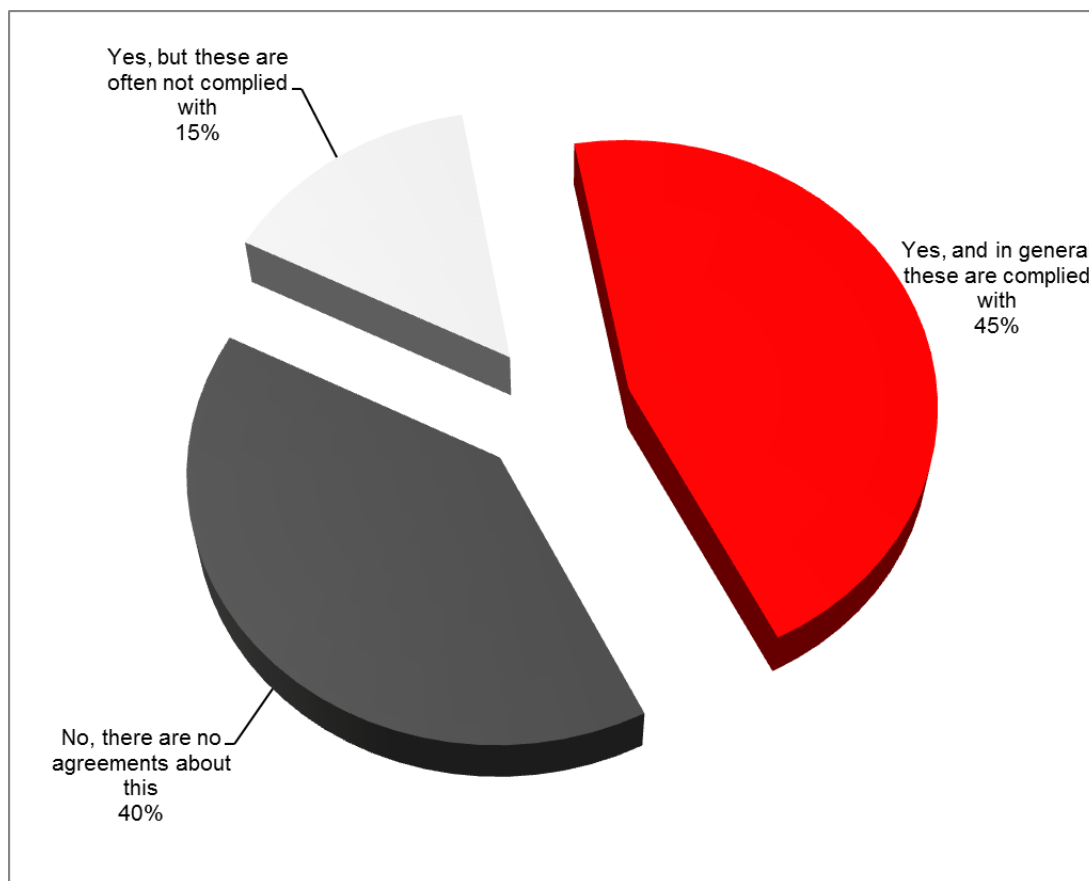
10 Employee representatives

Have you established rules within your company concerning the “necessary time” and facilities for your personnel representatives?

- Yes, and in general these are complied with
- No, there are no agreements about this
- Yes, but these are often not complied with

Of the participants who have a trade union delegation, 60% has laid down rules regarding the time and the facilities which the employee representatives may make use of. When there are rules, it seems that in general these are complied with.

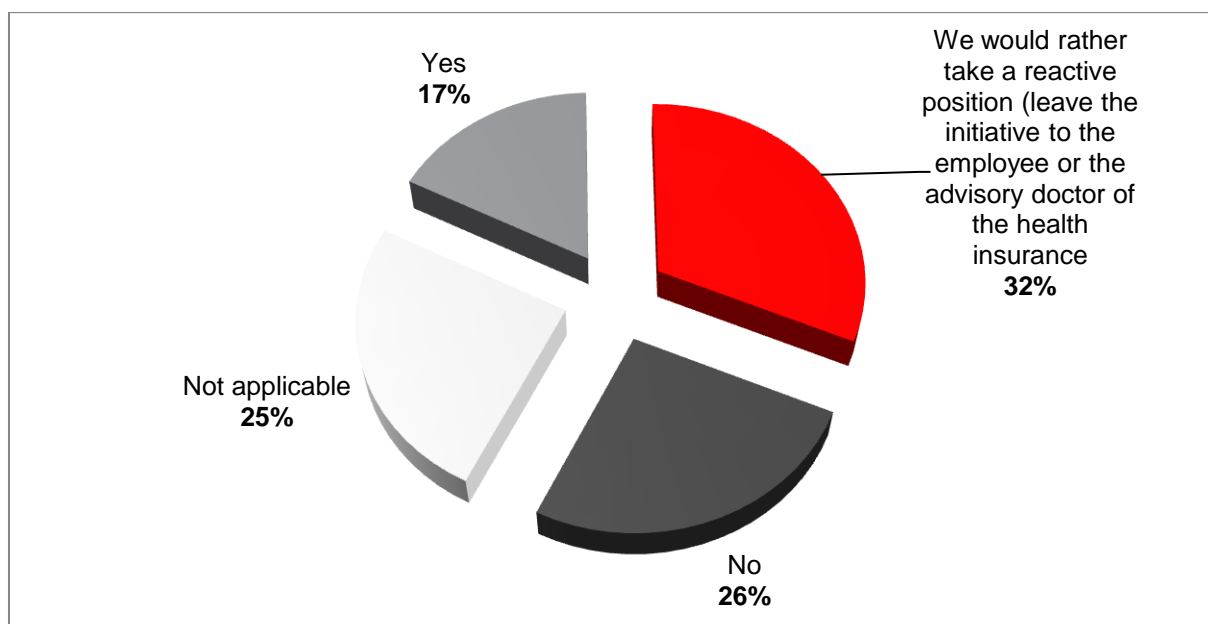
Do you have such rules in your company? If not, it may be useful to introduce them. After all, good agreements make good friends.



11 Your policy regarding long term ill employees

As of 2017 you could, as an employer, initiate a procedure of reintegration for employees who are incapacitated to work as of 1 January 2016. As of 2018, the employer can now also initiate this procedure for employees who are incapacitated to work since before 1 January 2016. Have you worked out a policy in this respect in the framework of the new legislation?

- We would rather take a reactive position (leave the initiative to the employee or the advisory doctor of the health insurance)
- No
- Not applicable
- Yes

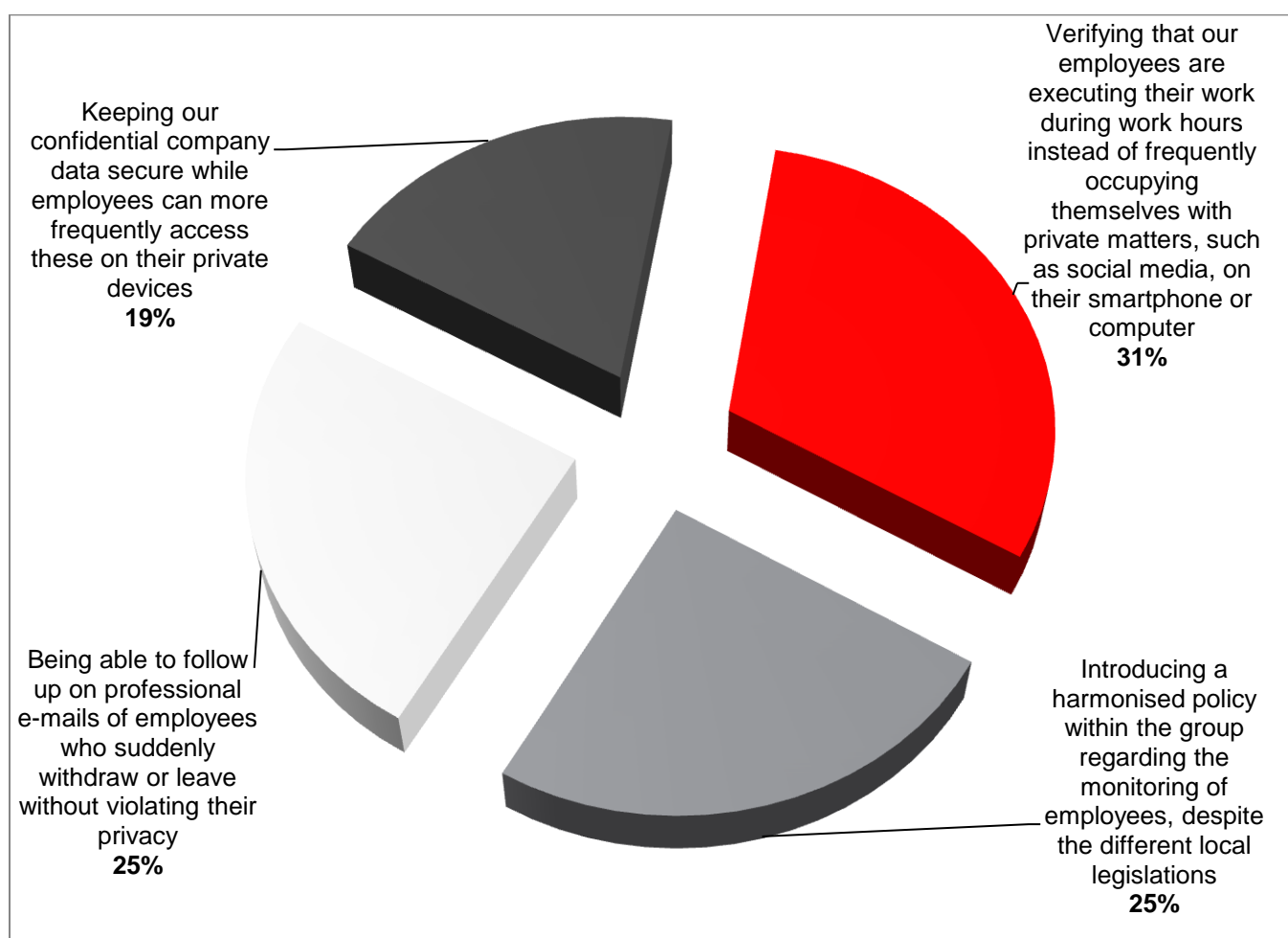


It is clear that this procedure is not yet very popular with most participants. It appears that everyone is waiting a bit to see which way the wind will blow in order to see how this further evolves, which makes sense since the procedure has not been in existence for long.

12 Privacy of your employees

What is your main challenge with regard to the privacy of employees?

- Verifying that our employees are executing their work during work hours instead of frequently occupying themselves with private matters, such as social media, on their smartphone or computer
- Introducing a harmonised policy within the group regarding the monitoring of employees, despite the different local legislations
- Being able to follow up on professional e-mails of employees who suddenly withdraw or leave without violating their privacy
- Keeping our confidential company data secure while employees can more frequently access these on their private devices

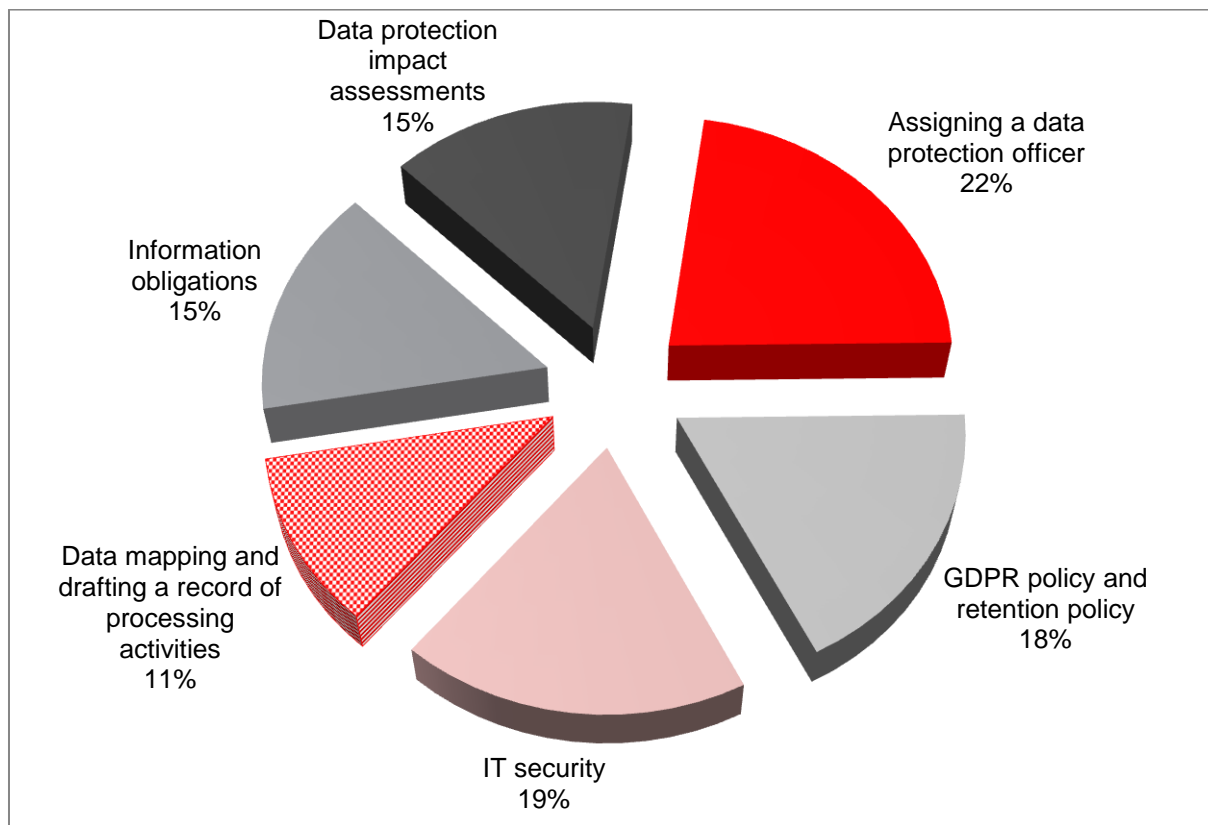


The main challenge this year with regard to privacy is – apart from the GDPR – verifying whether the employees execute their work and do not waste too much time on social media. In a shared second place comes *Introducing a harmonised policy within the group regarding the monitoring of employees, despite the different local legislations* and *Being able to follow up on professional e-mails of employees who suddenly withdraw or leave without violating their privacy*. In last place comes *Keeping our confidential company data secure while employees can more frequently access these on their private devices*.

13 Data Protection

What is your main challenge with regard to GDPR compliance?

- Assigning a data protection officer
- GDPR policy and retention policy
- IT security
- Data mapping and drafting a record of processing activities
- Information obligations
- Data protection impact assessments



In general, we clearly notice that GDPR is on everyone's agenda and that there are no big differences in the priorities, which is logical as the GDPR will be applicable as of 25 May 2018. Finding and assigning a data protection officer (DPO) seems to be the biggest priority, although not all companies have to assign one. Although data mapping and the drafting of a record of processing activities can be considered to be the first step in GDPR compliance, only 11% of the participants see this as the biggest challenge for 2018, possibly because they already had to go through this phase in 2017.

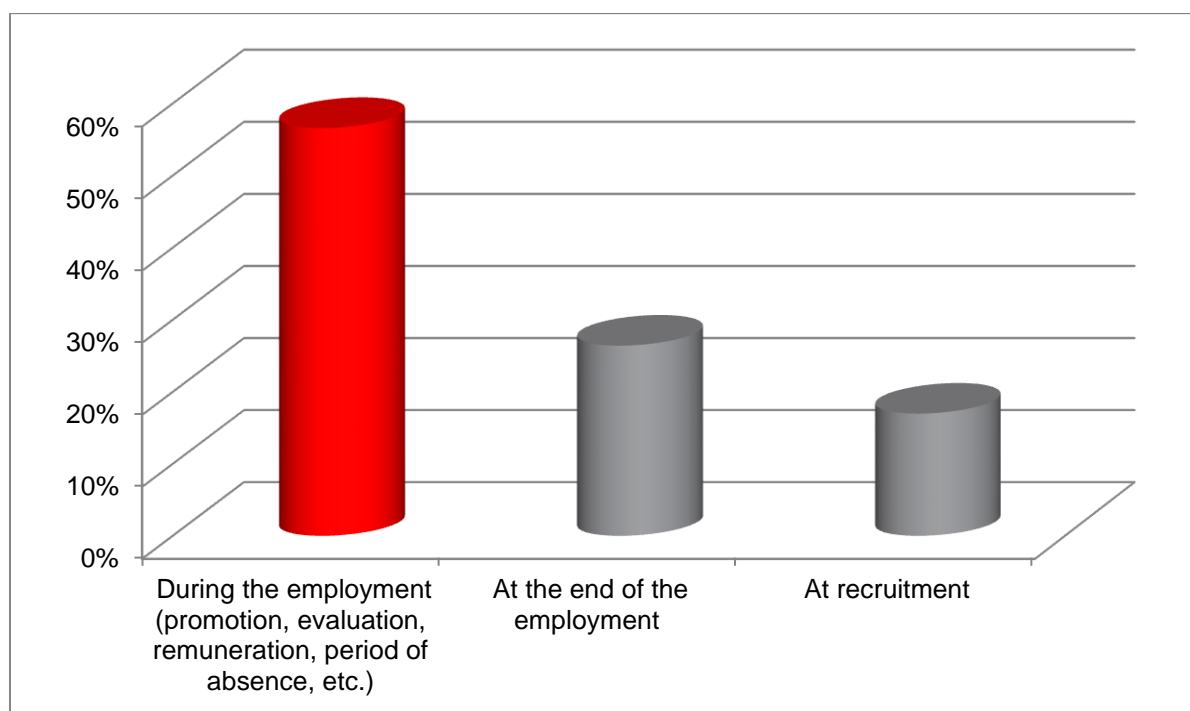
14 Discrimination at work

Have you ever received a formal or an informal complaint based on discrimination at work?

In this survey, 40 participants reported having received formal or informal complaints based on discrimination.

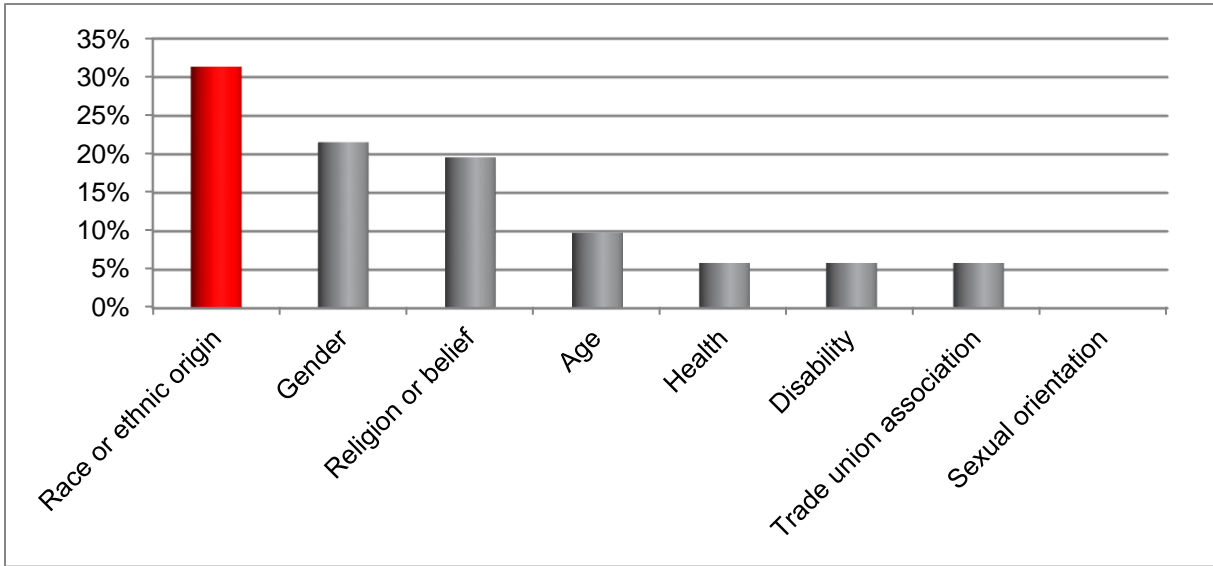
14.1 If so, at what stage of the employment process was this

Most complaints seem to arise during employment. There are considerably fewer complaints during the recruitment process or at the end of employment. This is understandable. Discrimination during recruitment is often less easily detected. However, it is remarkable that there are relatively few complaints at the end of employment as there are possibly quite a few conflicts that could arise, causing the ex-employee to threaten more easily to lodge a discrimination complaint, but fortunately this is not confirmed in the numbers.



14.2 On what discrimination criterion (criteria) was this complaint based?

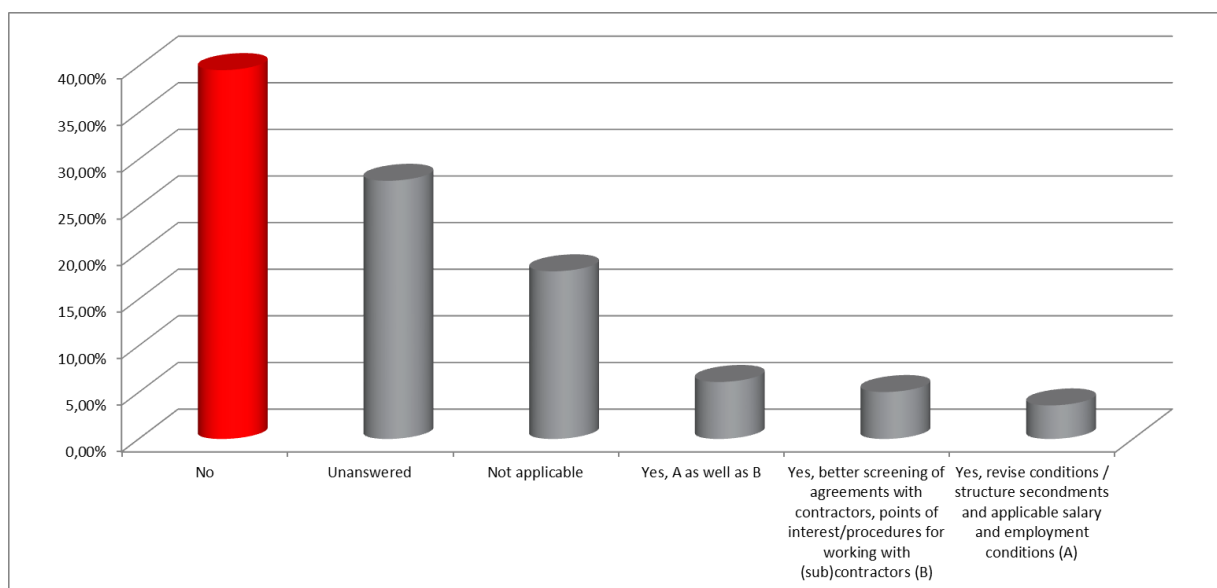
Upon further analysis of the basis on which the formal or informal complaint was found to be based, we notice most complaints are based on ethnicity. Something which is in line with the findings of UNIA's 2016 annual report (see [Dutch report](#) - see [French report](#)).



15 Mobility and immigration

Do the stricter rules on secondment and the heavy sanctions in case of illegal employment of foreign employees have an impact on your policy?

- No
- Not applicable
- Yes, A as well as B
- Yes, better screening of agreements with contractors, points of interest/procedures for working with (sub)contractors (B)
- Yes, revise conditions / structure secondments and applicable salary and employment conditions (A)

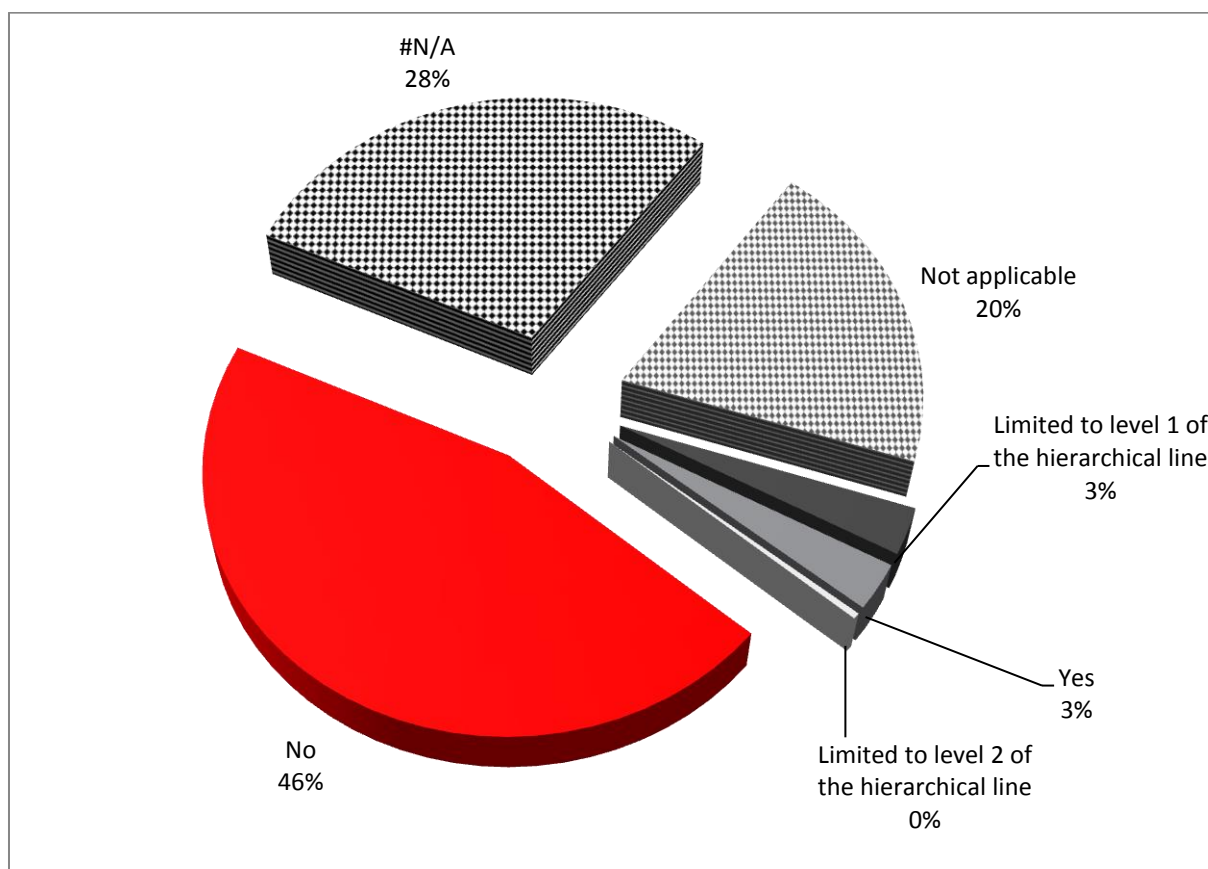


It seems that, for the participants who employ foreign workers, the impact on their policy of the new stricter rules is not significant.

16 Visit of the social inspection

Have you also experienced lately that in case of serious violations of employment law and the laws on health and safety the social inspection more easily proceeds to drafting a summons in which not only the company but also all members of the hierarchical line are held responsible?

- No
- Not applicable
- Yes
- Limited to level 1 of the hierarchical line
- Limited to level 2 of the hierarchical line

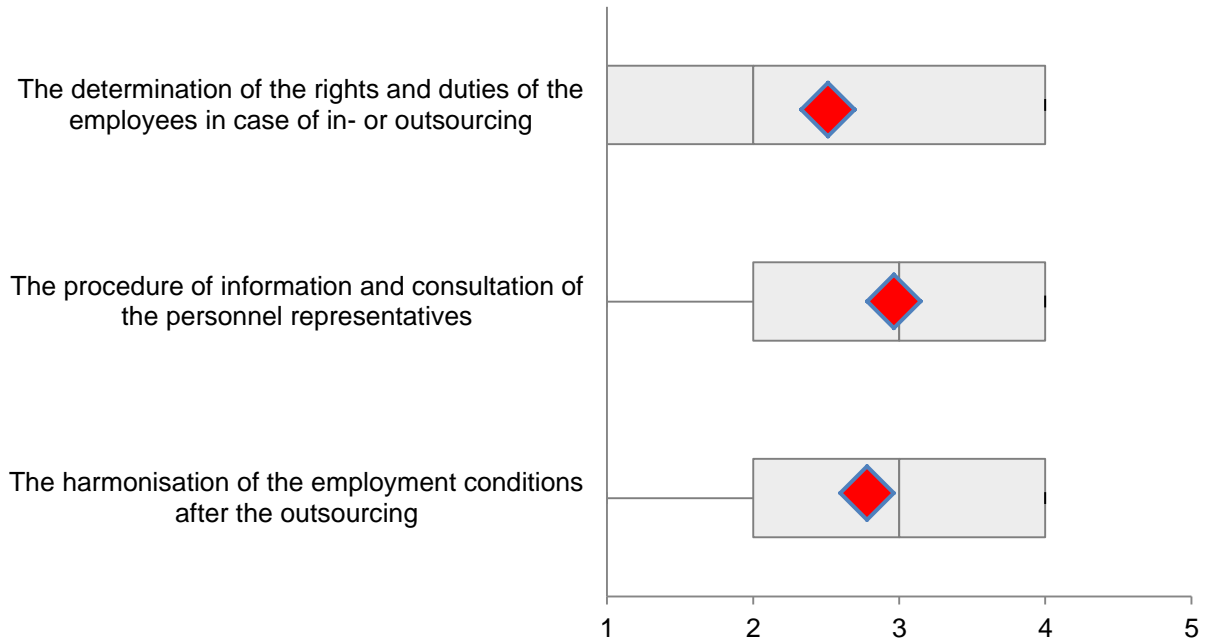


Almost half of the participants skipped this question (#N/A) or responded that the question was not applicable. Among the participants who have been in a situation where serious violations of employment law and prevention legislation were found, the majority reports that they have not experienced that one passes on more quickly to formal proceedings, whereby not only the company but also all members of the hierarchical line are held liable.

17 Challenges in case of *in-* or *outsourcing*

What is your main challenge for *in-* or *outsourcing*? (1 = main challenge, 3 = least important challenge)

- The determination of the rights and duties of the employees in case of in- or outsourcing
- The harmonisation of the employment conditions after the outsourcing
- The procedure of information and consultation of the personnel representatives

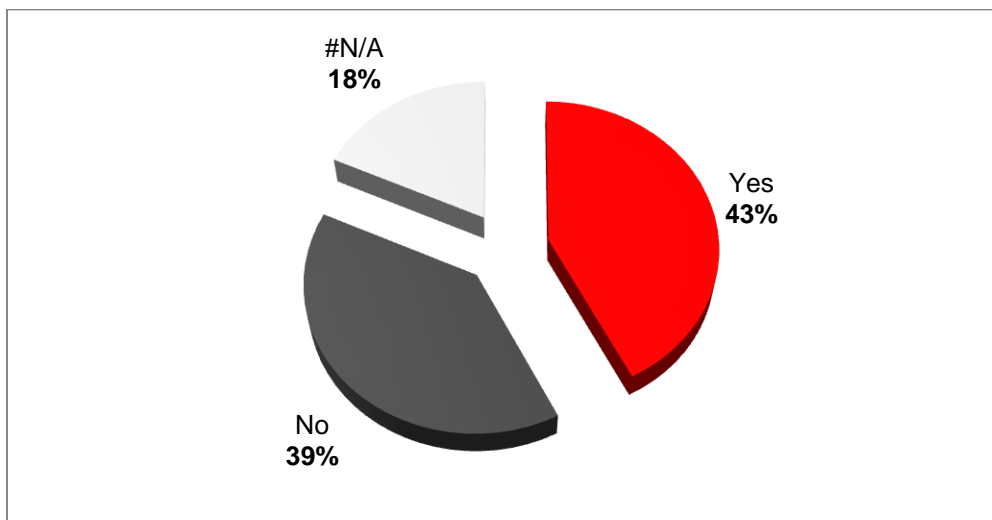


The main challenge in case of outsourcing is the determination of the rights and duties of the employees.

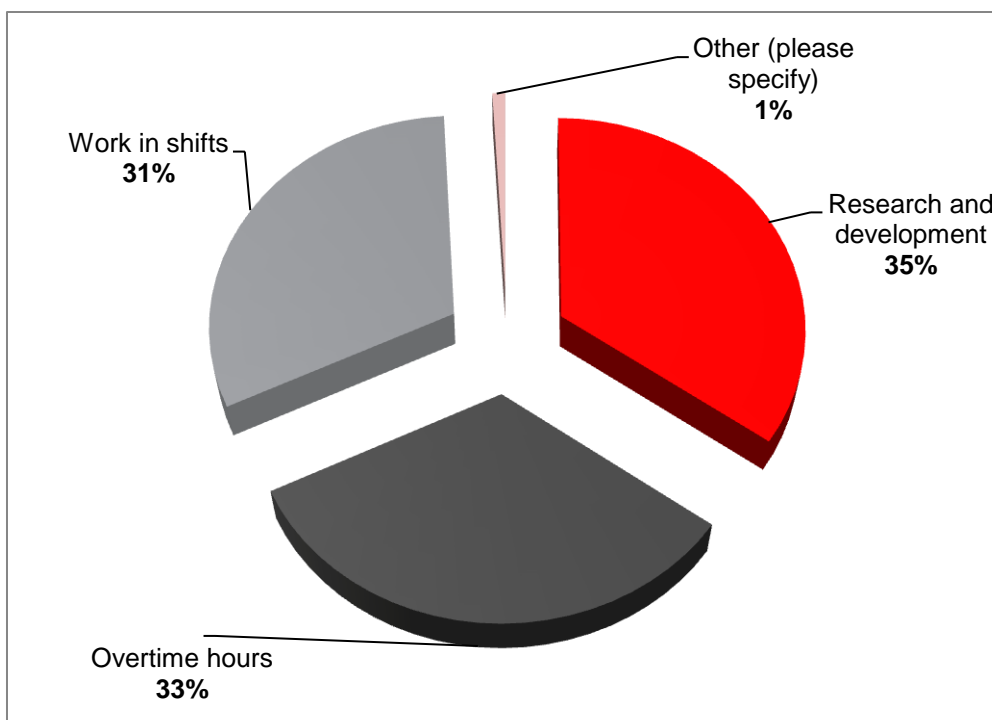
18 Partial exemption for the payment of the income tax on wages

Does your company use the partial exemption for the payment of income tax on wages?

43% of the participants uses the partial exemption for the payment of the income tax on wages.



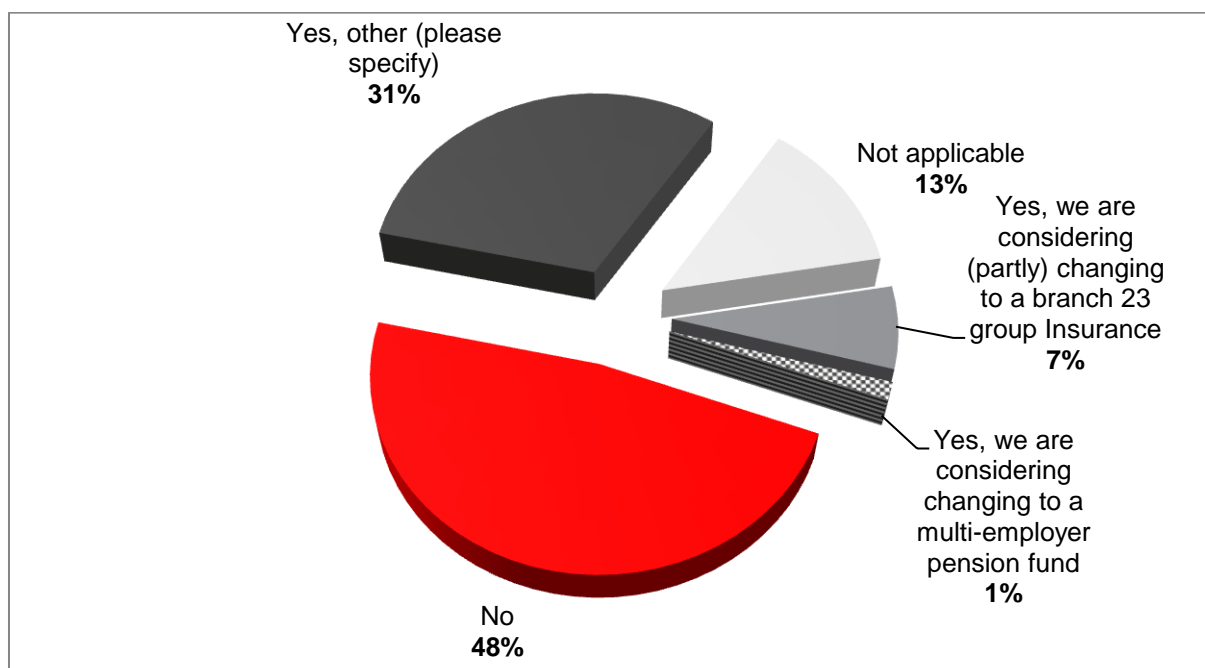
A more detailed analysis shows that when one uses the exemption, the reasons for doing so are very similar: research and development (35%), overtime hours (33%) and work in shifts (31%).



19 The cost of your group insurance

Have the rate decreases that were introduced in recent years by the group insurers in branch 21 group insurances had an impact on your group insurance?

- No
- Not applicable
- Yes, other (please specify)
- Yes, we are considering (partly) changing to a branch 23 group insurance
- Yes, we are considering changing to a multi-employer pension fund
- Yes, we are considering creating our own pension fund



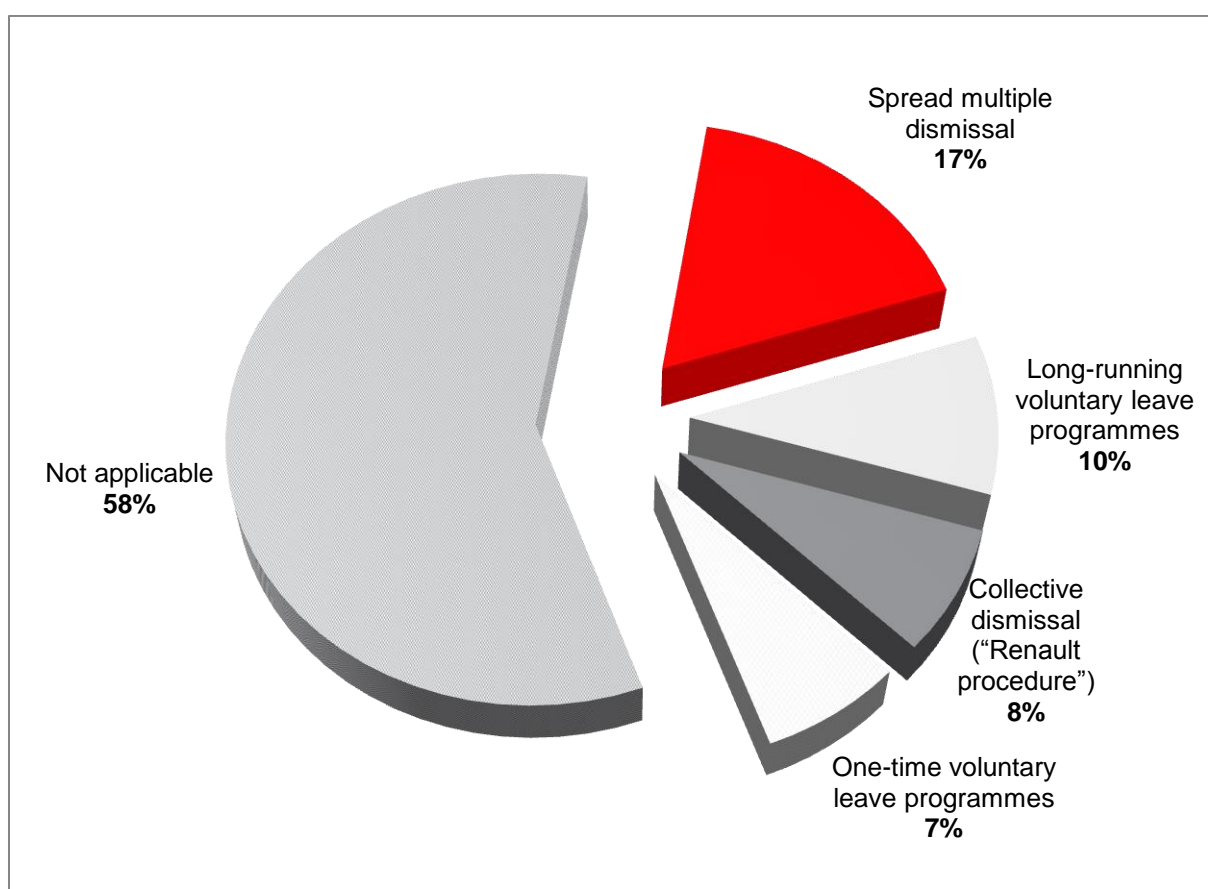
48% of the members indicate that the rate reduction of the group insurers so far has had no impact on the organisation of their group insurance “branch 21”. Of those that do indicate that there is an impact, 7% wants to transfer from their group insurance “branch 21” (with rate guarantee) to a group insurance “branch 23” (linked to investment funds, without a rate guarantee). Some have made minor adjustments to the plan design of their group insurance “branch 21”. The responses to the open questions show that some participants have switched from a defined benefits (DB) plan to a defined contribution (DC) plan. One participant indicates that they have transferred from a group insurance to a pension fund. In order to accommodate a potential future underfunding in the framework of the legal return guarantee, some participants have already created additional reserves. Others indicate that they already have had to pay additional premiums in this context.

20 Dismissal policy

In 2018 in the framework of a possible reorganisation, would you rather work with:

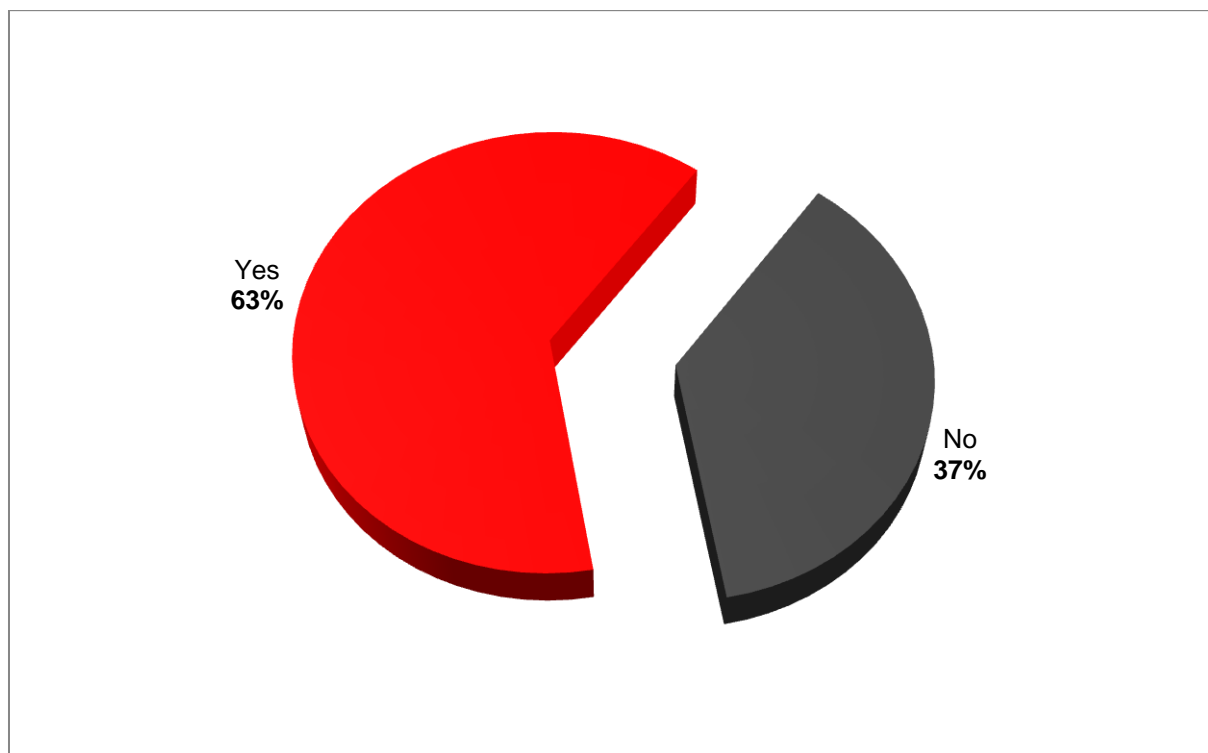
- Spread multiple dismissal
- Collective dismissal (“Renault procedure”)
- Long-running voluntary leave programmes
- One-time voluntary leave programmes
- Not applicable

The minority of the companies would consider reorganisation in the next year. The companies that would consider reorganisation prefer the spread multiple dismissal.



21 Public sector

Do you systematically hold a preliminary hearing when you dismiss a contractual employee because of the employee's behaviour?



The majority (63%) of the public sector participants who responded to this question systematically hold an interview with the employee before dismissal because of the employee's behaviour.

22 Overview

In total, we received 280 responses over a period 14–29 December 2017.

22.1 Profiles

We received responses from participants that match the following profiles (including open responses).

Title		
HR Manager	25.36%	71
HR Director	19.29%	54
Compensation & Benefits Manager	9.64%	27
No response	8.93%	25
HR Business Partner	8.21%	23
In-house Lawyer	6.07%	17
HR Officer / Coordinator	5.00%	14
Director / Managing Director	4.29%	12
Payroll Officer	3.57%	10
Financial Director	2.86%	8
Responsible social relations	1.79%	5
Other	5.00%	14
Total	100.00%	280

22.2 Size of the companies that participated

Companies with differing numbers of employees are represented. Companies with between 50 and more than 1,000 employees account for more than 80% of the results.

Number of employees FTE

More than 1,000	20.36%
Between 500 and 1,000	13.21%
Between 300 and 500	11.07%
Between 200 and 300	10.36%
Between 100 and 200	13.93%
Between 50 and 100	11.43%
Between 10 and 50	6.79%
Between 5 and 10	1.43%
Fewer than 5	1.79%
#N/A	9.64%
Total	100.00%

22.3 Sectors

The number of sectors is very diverse. Below we give an overview of 83% of the responses indicating in which sectors the participants to the survey were employed:

Sector	
Chemical	4.64%
Construction	3.93%
Consultancy	10.36%
Energy	2.50%
Entertainment industry	1.07%
Finance	1.79%
Food service industry	4.29%
Hospital	4.29%
Industry	1.07%
Insurance	1.79%
IT & Telecom	4.64%
Logistics	4.29%
Non-profit	7.50%
Pharmaceuticals	2.14%
Printing & publishing	1.07%
Public sector	6.43%
Real estate	2.14%
Retail	1.79%
Schools / education	2.14%
Steel production	1.43%
Transportation	5.00%
No response	9.29%

22.4 Reply per question

Question	Number of responses
Challenges for 2018	181
Recruitment	240
Variable salary	236
Benefit plan	236
Withholding Tax	229
Group insurance	222
Documented salary policy	223
Gliding work schedules	224
Occasional telework	224
Reintegration procedure	278
Privacy of the employees	201
GDPR	183
Discrimination	202
Secondment and illegal employment	201
Violations of the employment law and the prevention legislation	199
Employee representatives	200
Challenges in case of in- and outsourcing	182
Reorganisation	196
Clauses in the employment contract	191
Public sector	43

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