

The Claeys & Engels 2019 **HR BEACON**

February 2019



For the second year in a row, Claeys & Engels organised a brief questionnaire among its clients during the period from 20 December 2018 until 4 January 2019. We received a total of 224 replies.

We are delighted to share the results with you.

The analysis of the figures is in English

Contrary to last year, in our statistics we have not taken into account the people who did not give an answer to a question, which can result in slight deviations compared with the results of last year.

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1 Challenges for 2019

Which challenges do you see in your company in terms of HR for 2019?

1.1 2019



1.2 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

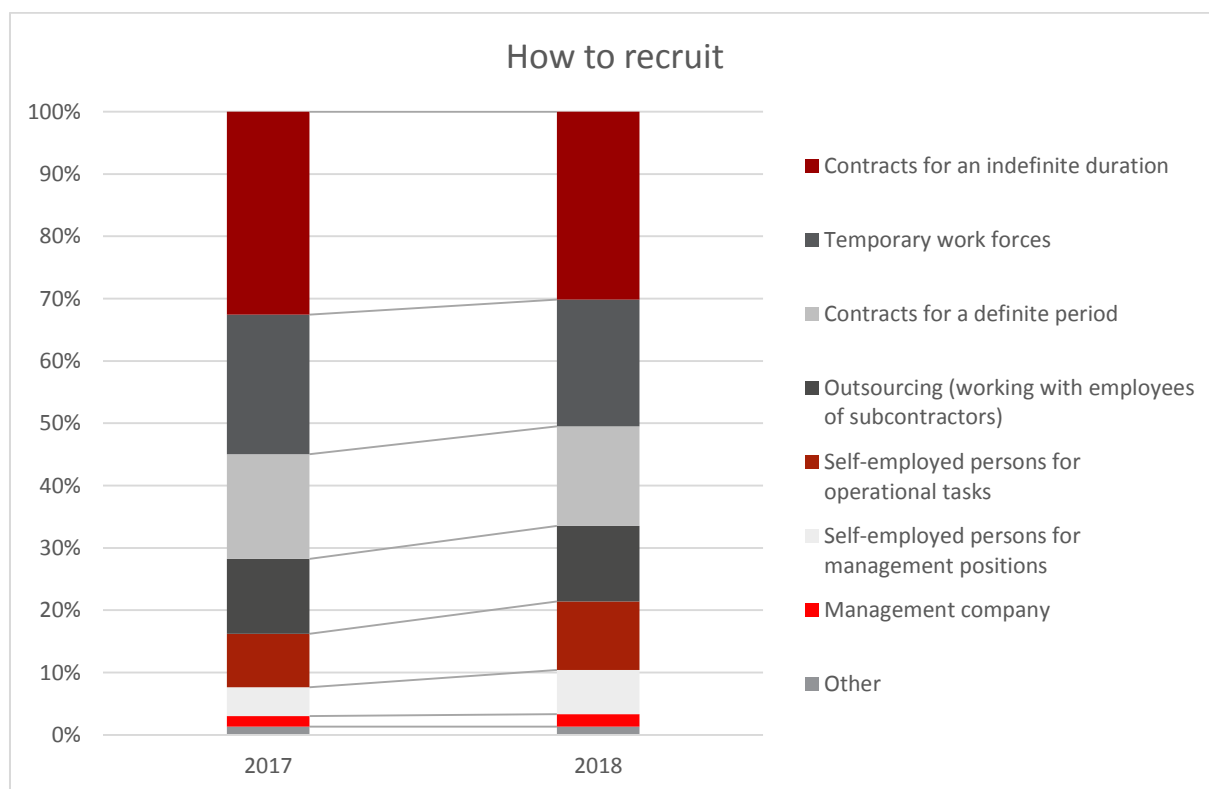
As in 2018, the recruitment of new personnel is by far the biggest challenge for 2019. The “*war on talent*” seems to be gaining a new impetus as is a strong second challenge, namely the maintaining of current personnel. Social dialogue has clearly a greater presence compared to last year which can be explained by the fact social elections are upcoming in 2020. In 2018, VUCA, was not yet much on agendas, while this year there is more enthusiasm about this subject. The GDPR has lost a bit of its relevance, probably because the deadline of 25 May 2018 has passed. The question is whether this is right. Data protection and GDPR are not just a hype, but remain important and must be implemented in everyone’s HR policy.

2 Your recruitment policy

For your recruitment in 2019 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 through a provider, combination of these answers.

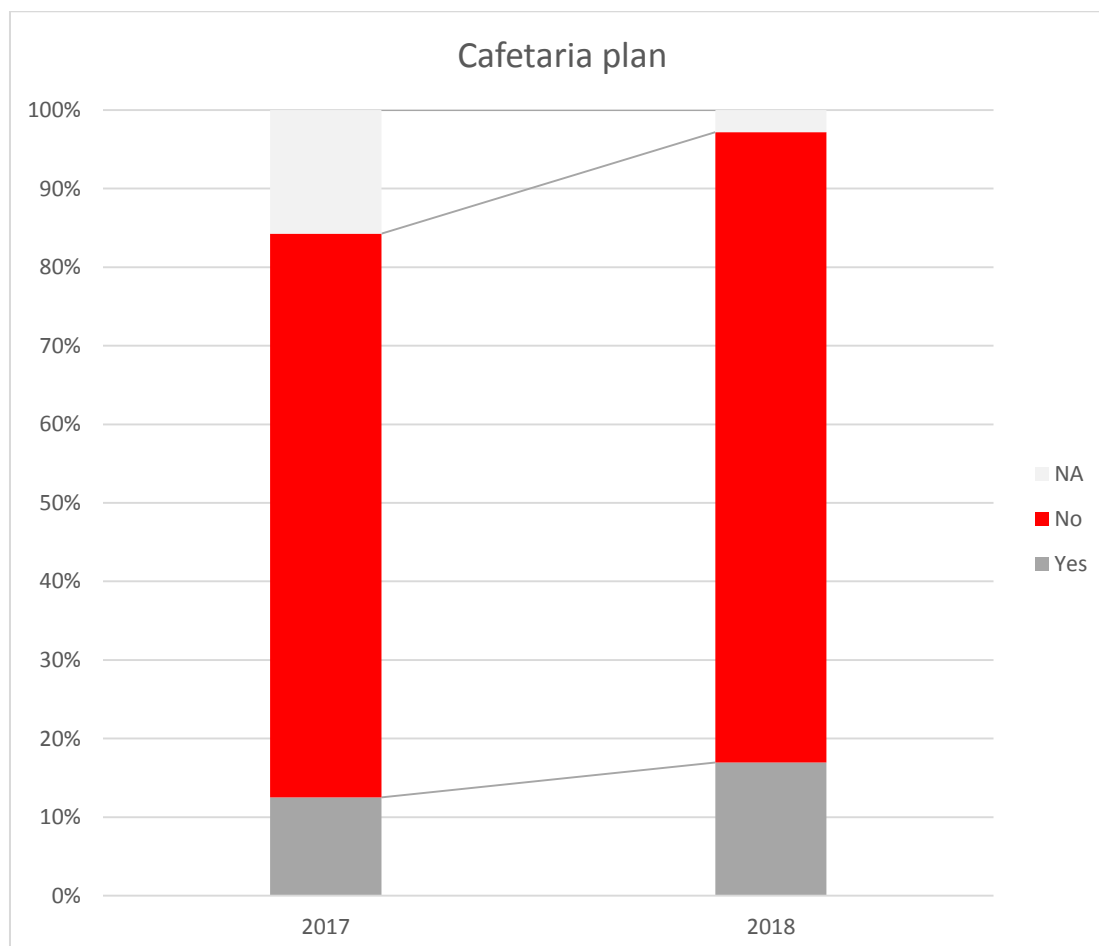


Most participants will recruit through contracts for an indefinite duration. We have the impression that not much will change in the short term. Contrary to the sometimes alarming messages that nowadays only contracts for a definite period are concluded, this seems not to be the case as it was last year.

3 Flexible benefit plans

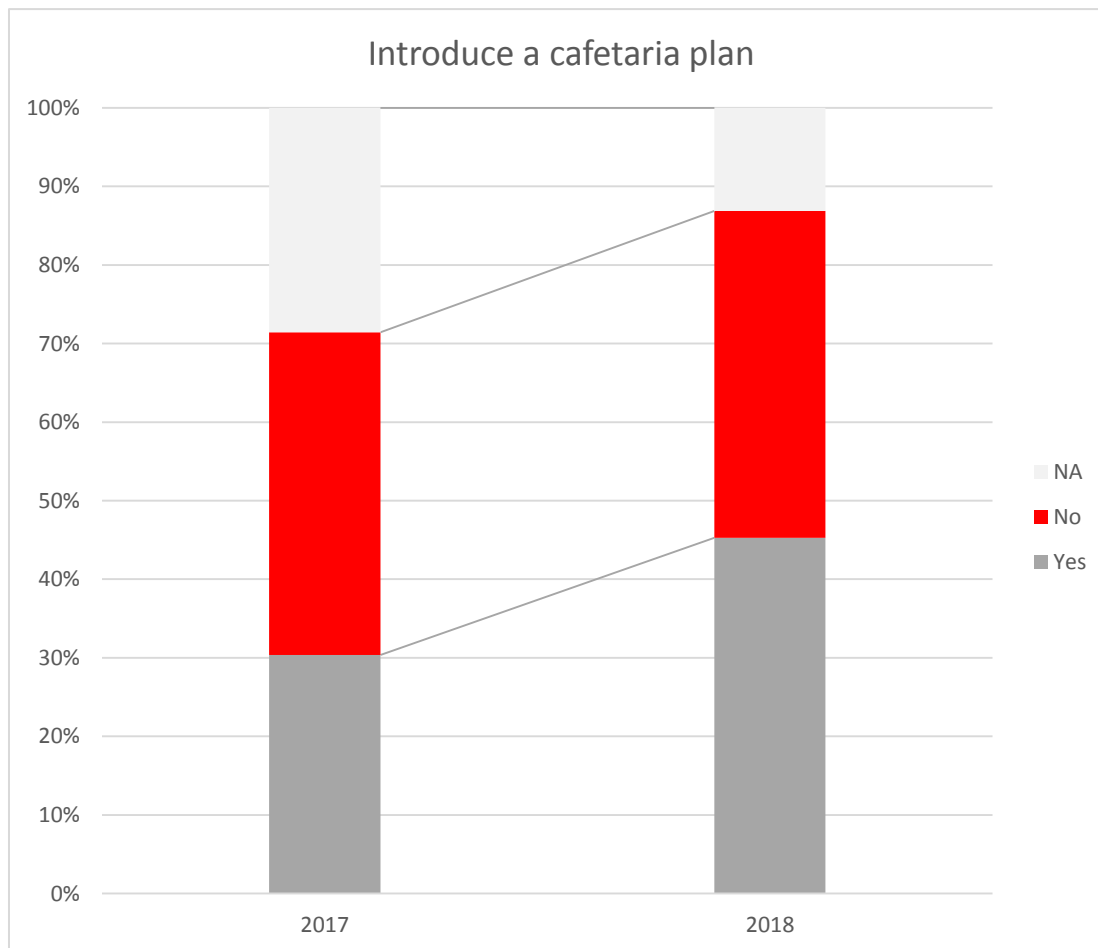
Do you have a flexible benefit plan (*flexible reward*)?

Flexible benefit plans are clearly not yet fully embedded. As last year, a small percentage of the participants have them. Nevertheless, we note an increase in the number of participants in this questionnaire that have introduced a flexible benefit plan.



If not, are you considering of introducing an employee benefit plan?

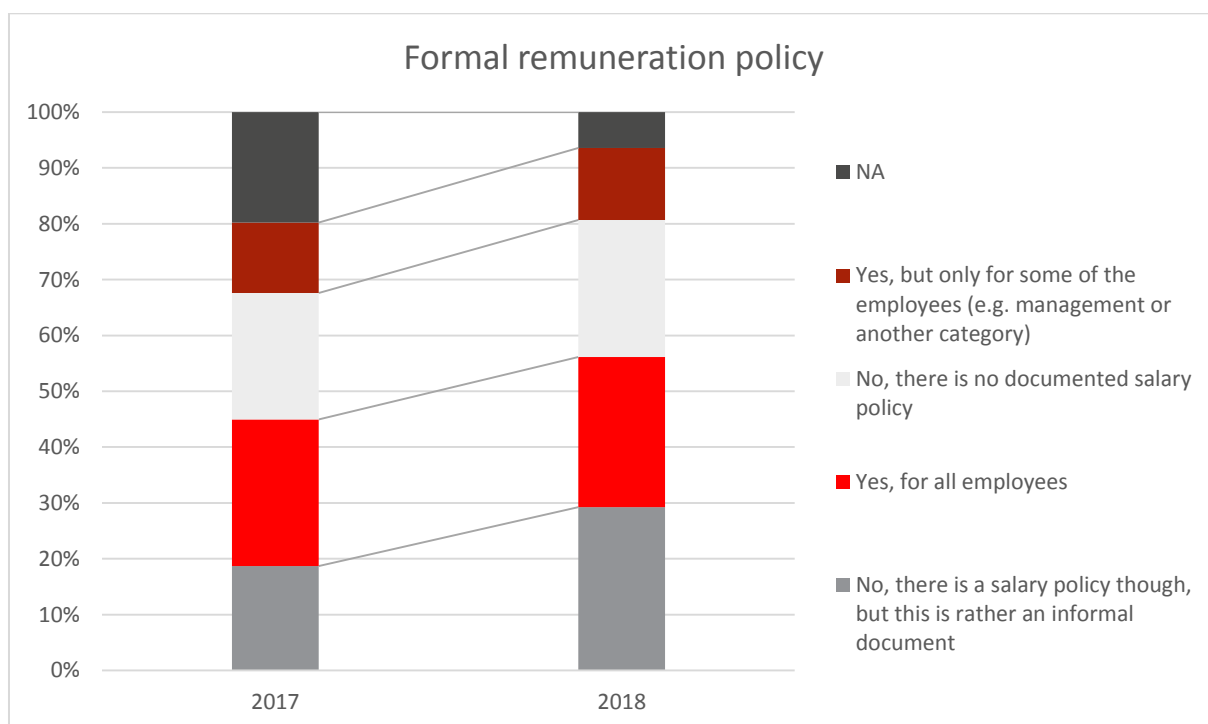
The wish to introduce an employee benefit plan is clearly higher than last year, an increase from 30 percent to 45 percent.



4 Remuneration policy

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

- No, there is a salary policy though, but this is rather an informal document
- No, there is no documented salary policy
- NA
- Yes, but only for some of the employees (e.g. management or another category)
- Yes, for all employees

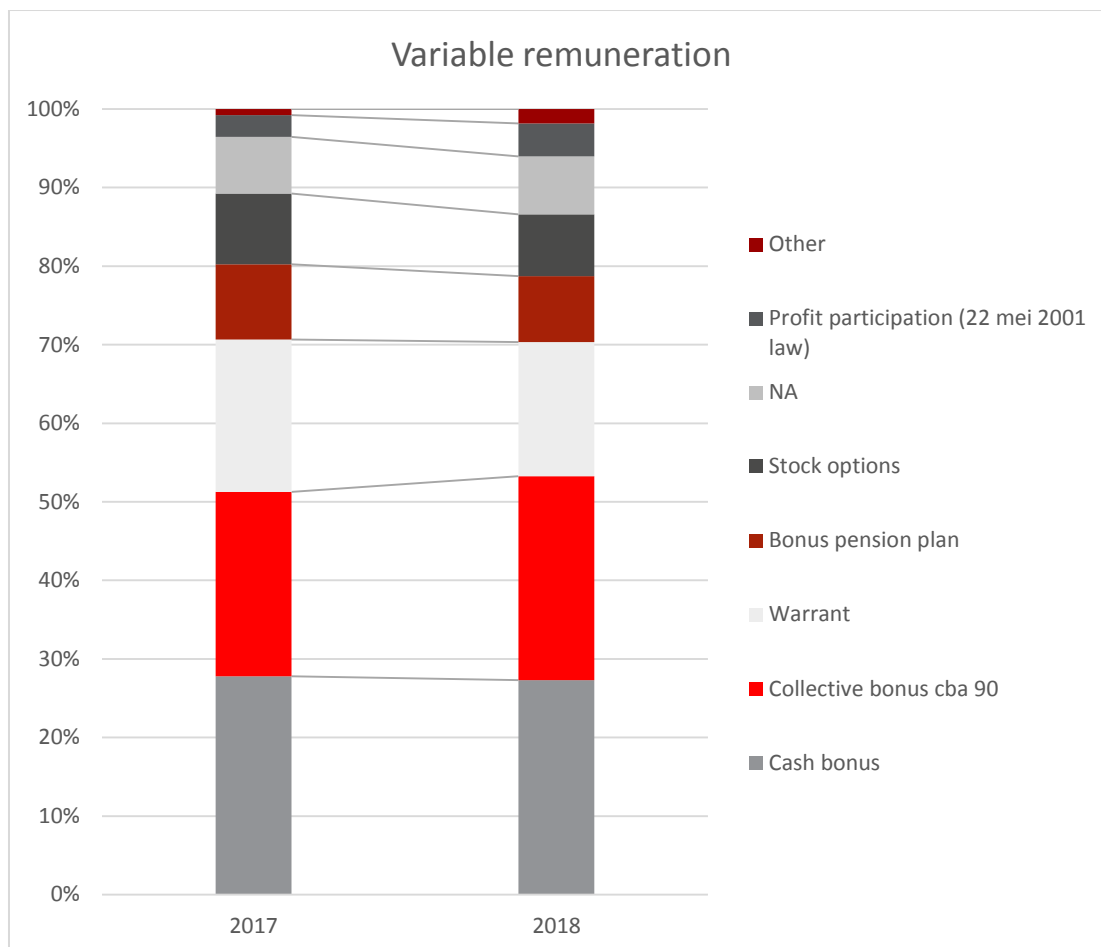


The trend we noticed in 2017 was confirmed in 2018: a very limited number of companies have a documented salary policy for all employees that is approved by the board of directors. In 2018 60% (in 2017 - 62%) of the participants has no formally approved remuneration policy.

5 Compensation & Benefits

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

- Cash bonus
- Stock options
- Warrants
- Collective bonus cba 90
- Profit participation (22 May 2001 law)
- Bonus pension plan
- Not applicable
- Other



Most companies (27%) 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, but have lost a bit of popularity. Bonus pension plans and stock options, on the other hand, are less popular as a variable remuneration element.

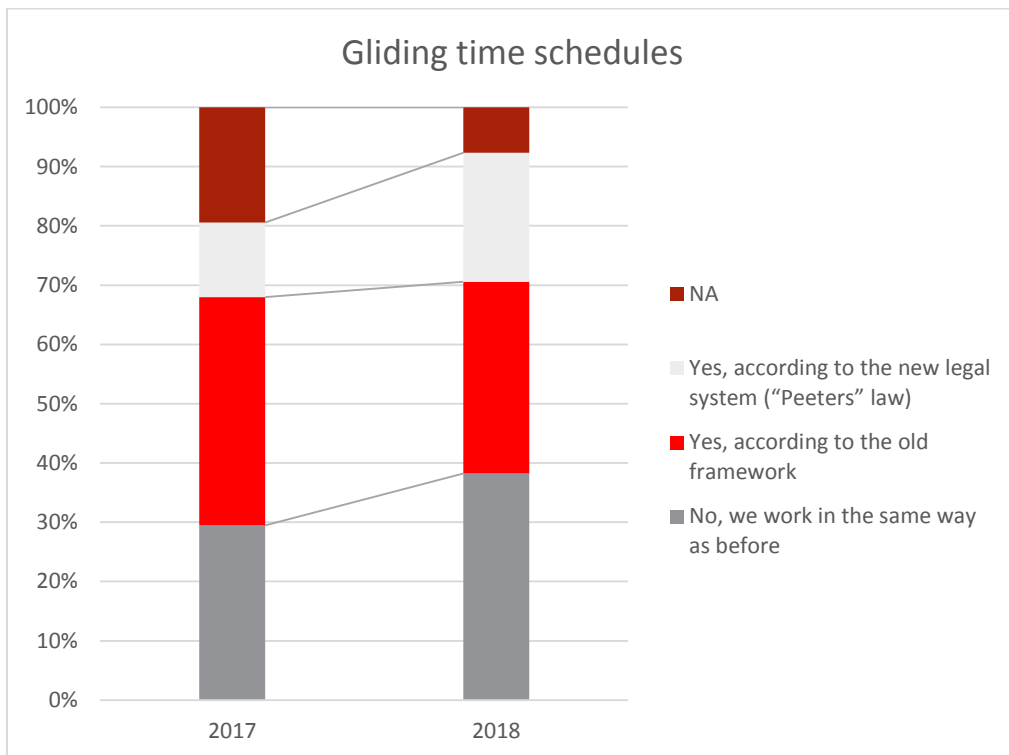
When we look at the different company sizes, we find that somewhat more of the companies with many employees have discontinued cash bonuses and prefer other remuneration instruments.

6 Working hours and time off

6.1 General

Does your company use flexitime?

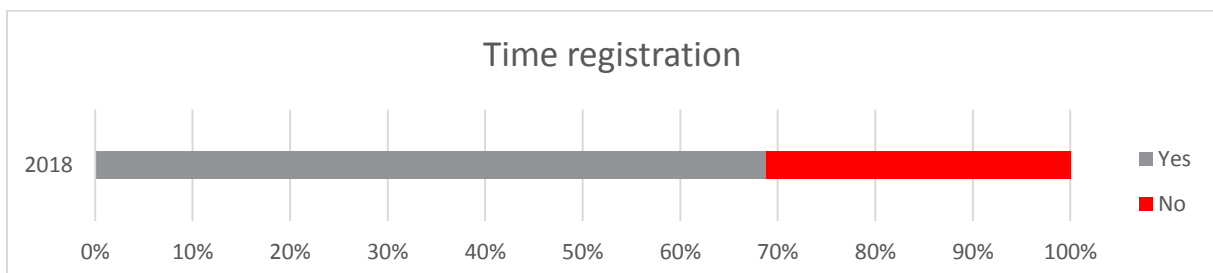
- Yes, in accordance with the old framework
- Yes, in accordance with the new legal system ("Peeters Law")
- Not applicable
- No, we work the same way as before



The regulation of Minister Kris Peeters was not very successful in 2017, but in 2018 we see an increase in the companies that applied this regulation.

6.2 Time registration

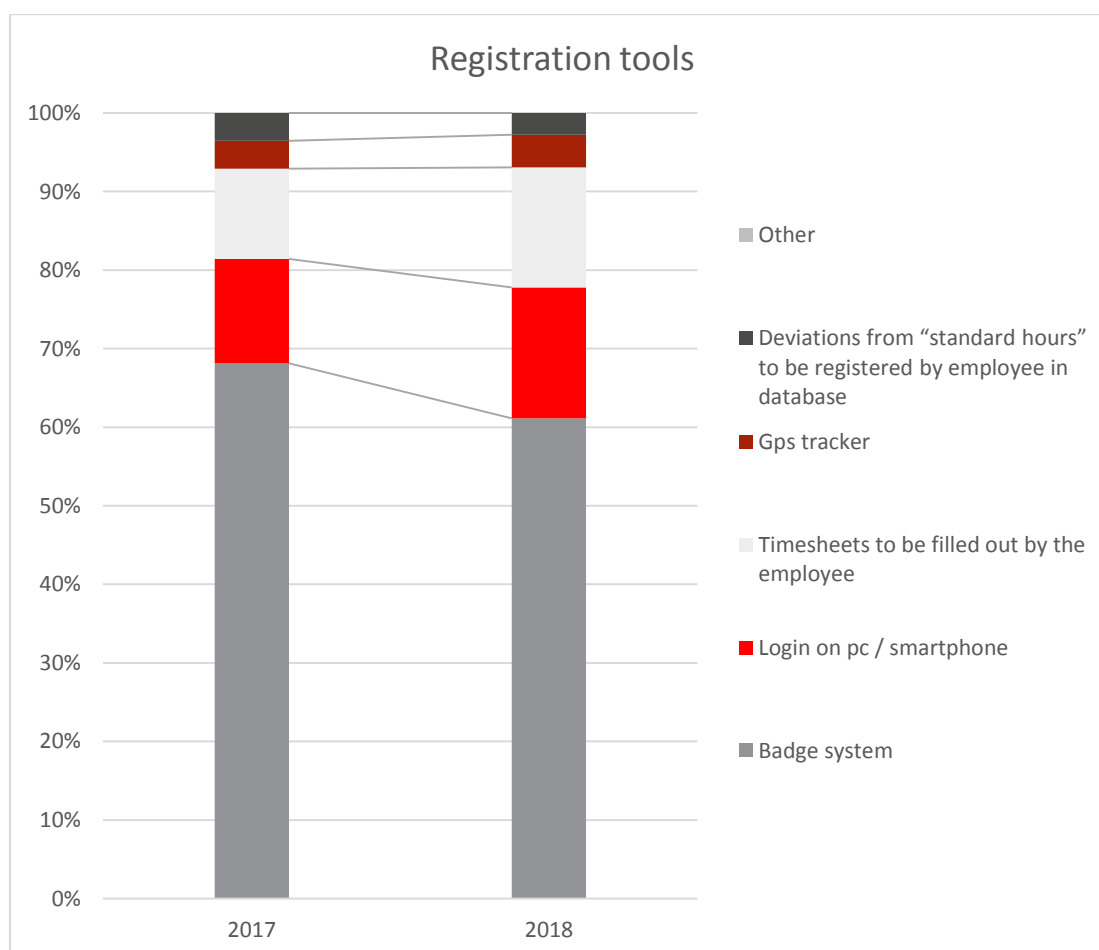
Do you have a system for time registration in this regard?



With flexitime, the issue of monitoring is coming up and we see that most of the participants provide a system for time registration.

If so, which one?

- *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*

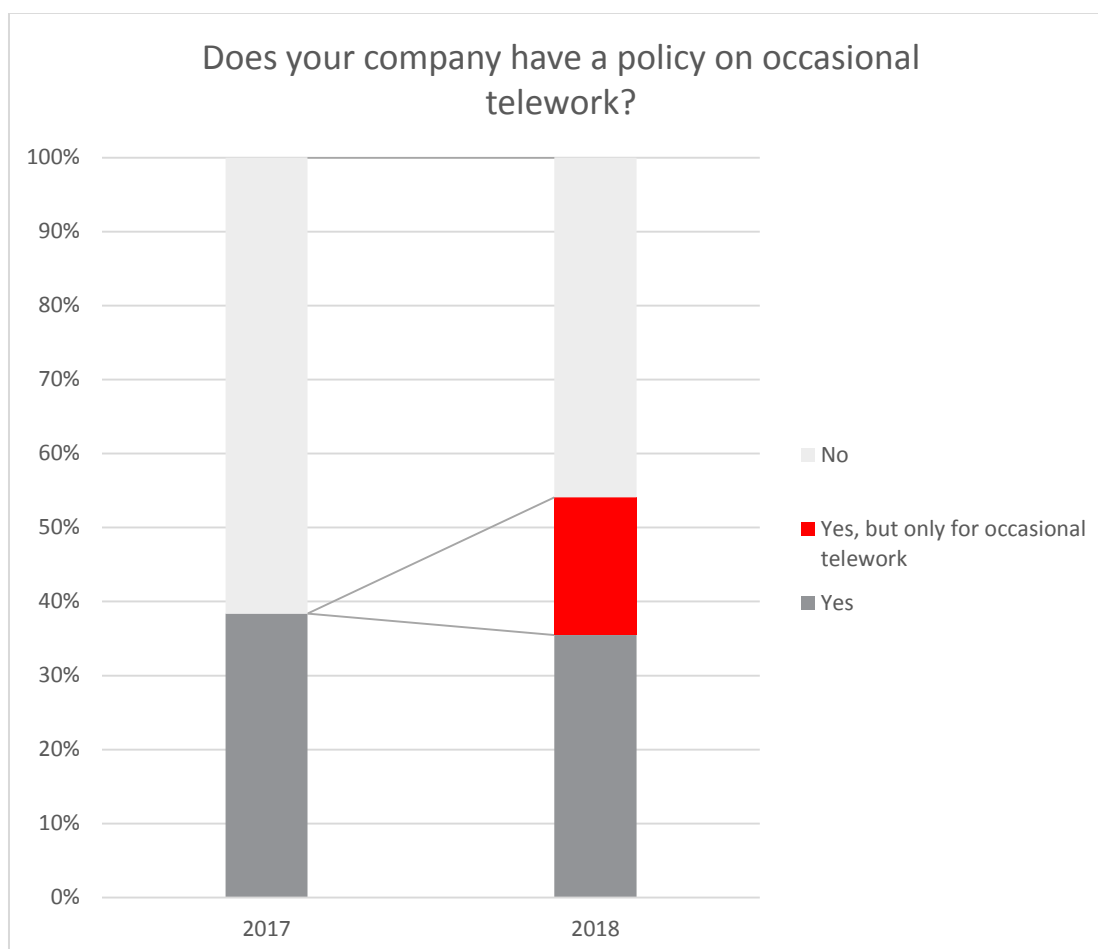


When a registration system is introduced, the badge system is clearly the most used solution. Alternative forms through timesheets and logging in on a pc are less popular, but have gained in importance.

7 Occasional telework

Does your company have a policy on occasional telework?

- Yes
- Yes, but only for occasional telework
- No

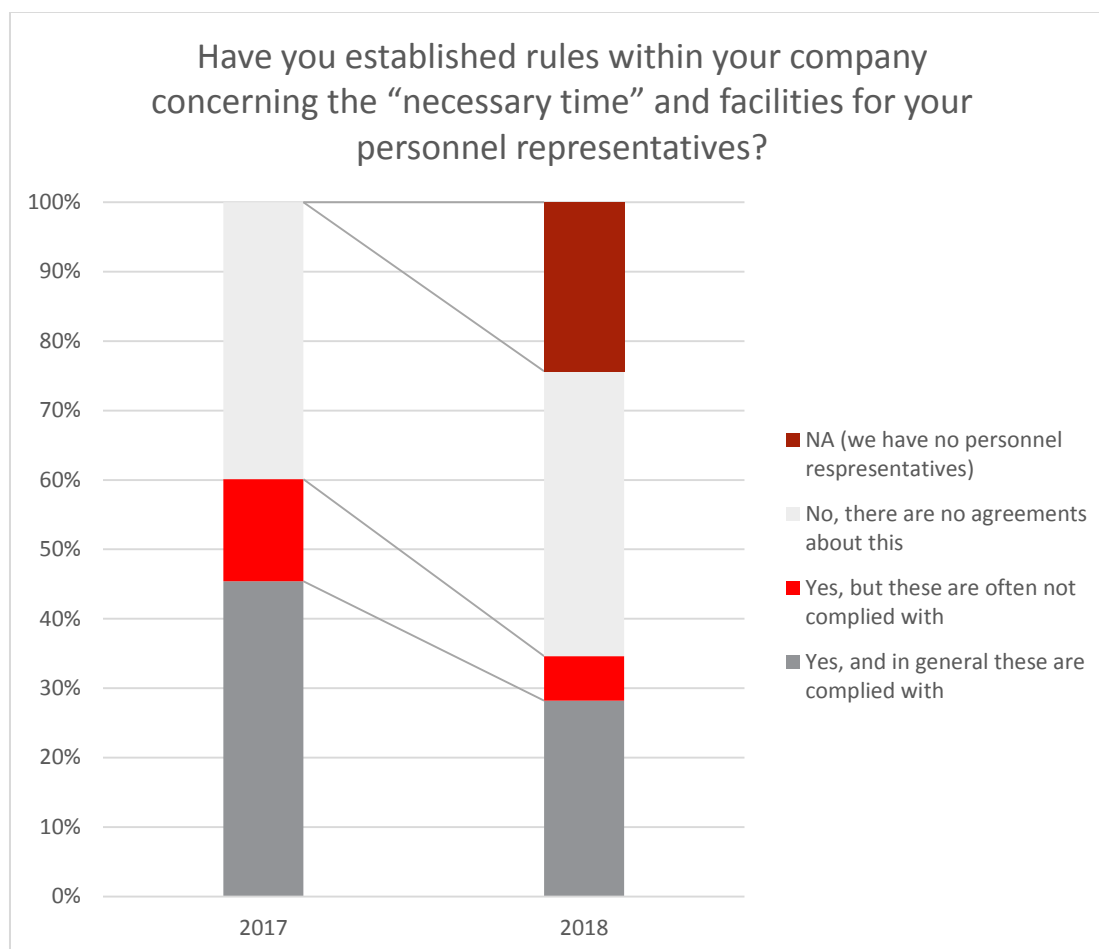


In 2018, a large majority of the participants in the survey indicate that they have introduced a policy on occasional telework. A development which we can only encourage because a lot of problems show up when employees do not know what is expected of them.

8 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
- NA (we have no personnel representatives)



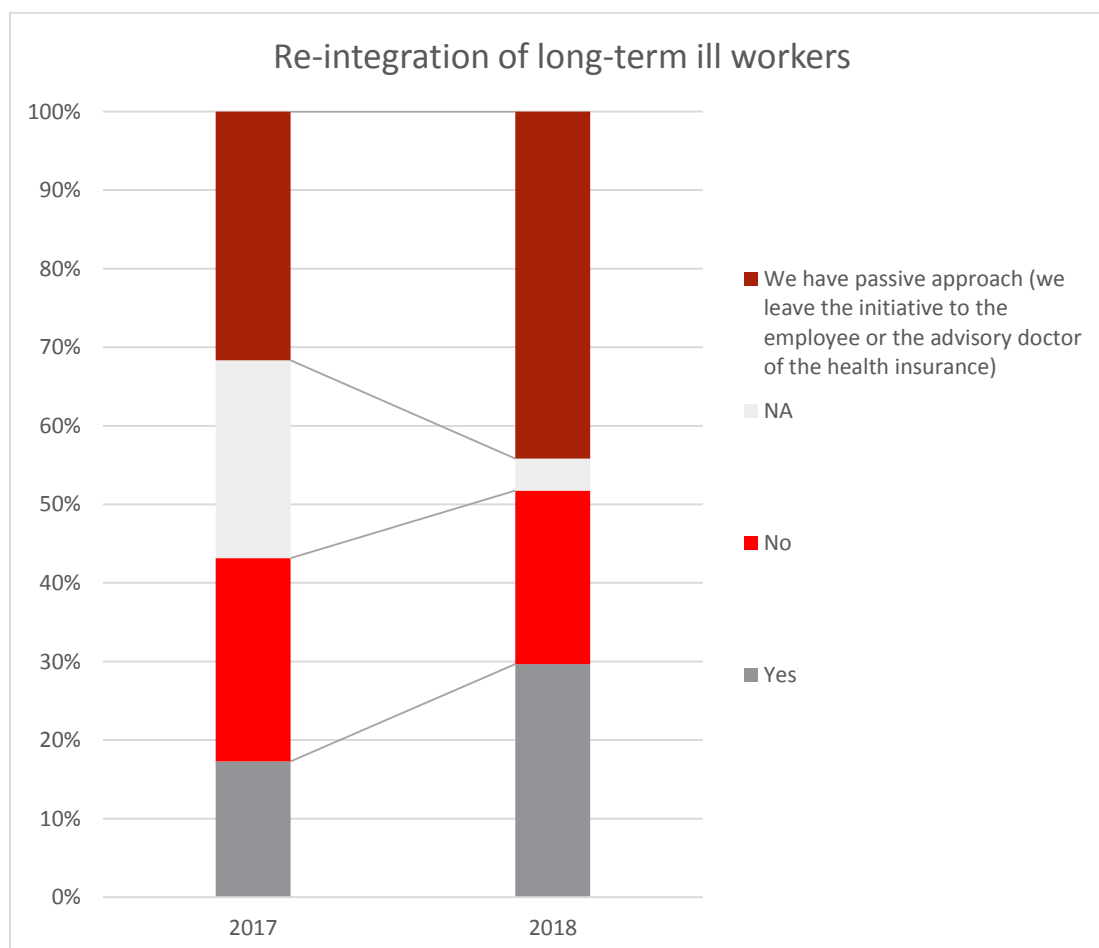
Of the participants who have a trade union delegation, this year only 35% has laid-down rules regarding the time and the facilities which the employee representatives may make use of. When there are rules, it seems that in general these are complied with.

In the run-up to the social elections of 2020, it may be useful to introduce such rules. This is the perfect time to get ready for the election of the next representatives.

9 Your policy regarding long-term ill employees

Have you worked out a policy regarding the reintegration of your long-term ill employees?

- 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

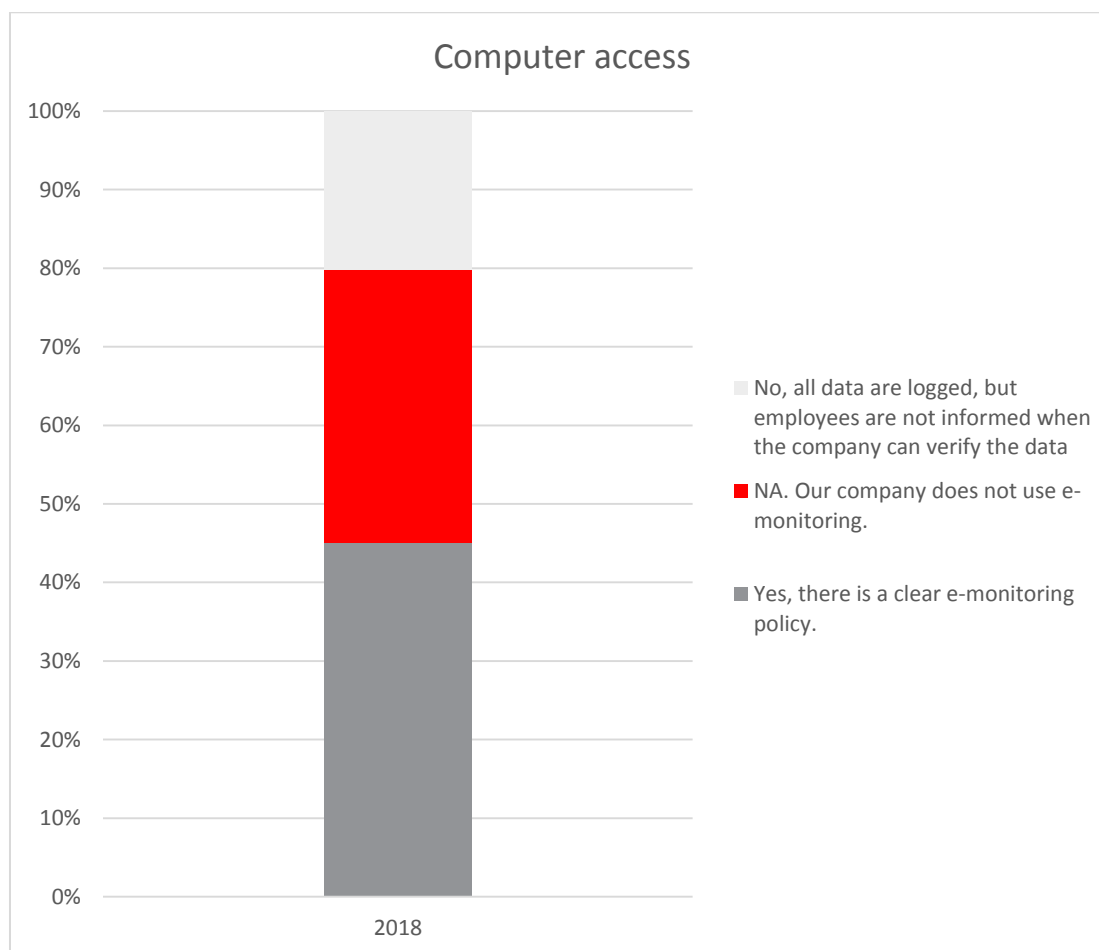


It is clear that this procedure is applied more than last year. It is also clear that most of the employers take a reactive position.

10 Privacy of your employees

Do you give transparent information to your employees in which cases and how much their activities on the computer can be controlled?

- Not applicable. Our company does not use e-monitoring.
- Yes, there is a clear e-monitoring policy
- No, all data are logged, but employees are not informed when the company can check the data

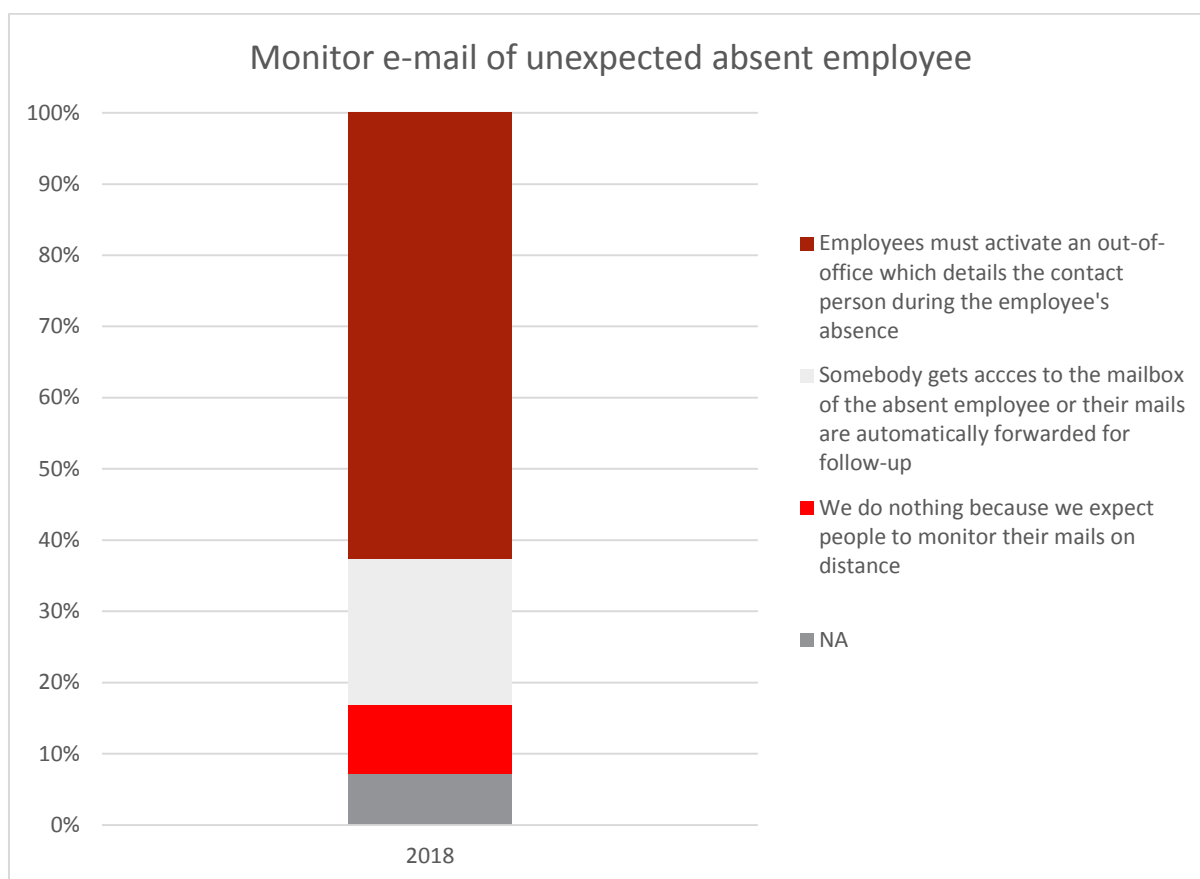


E-monitoring is often used but not all companies inform their employees properly. It is recommended to give clear guidelines, not only to eliminate the uncertainty with the employees, but also to take the right measures in case of a violation of this policy. Moreover, the evidential value of the controlled e-mails can be jeopardised.

This obligation is gaining prominence following the obligation of transparency that is prescribed by the GDPR and the need for measures to protect personal data. Accidental data loss is bad, but intentional data loss can have disastrous consequences.

What happens with the monitoring of the e-mail account of an unexpected absent employee?

- Nothing, because we expect people to monitor their mails at a distance.
- Employees must activate an out-of-office which details the contact person during the employee's absence.
- Somebody gets access to the mailbox of the absent employee or their mails are automatically forwarded for follow-up.
- Not applicable.



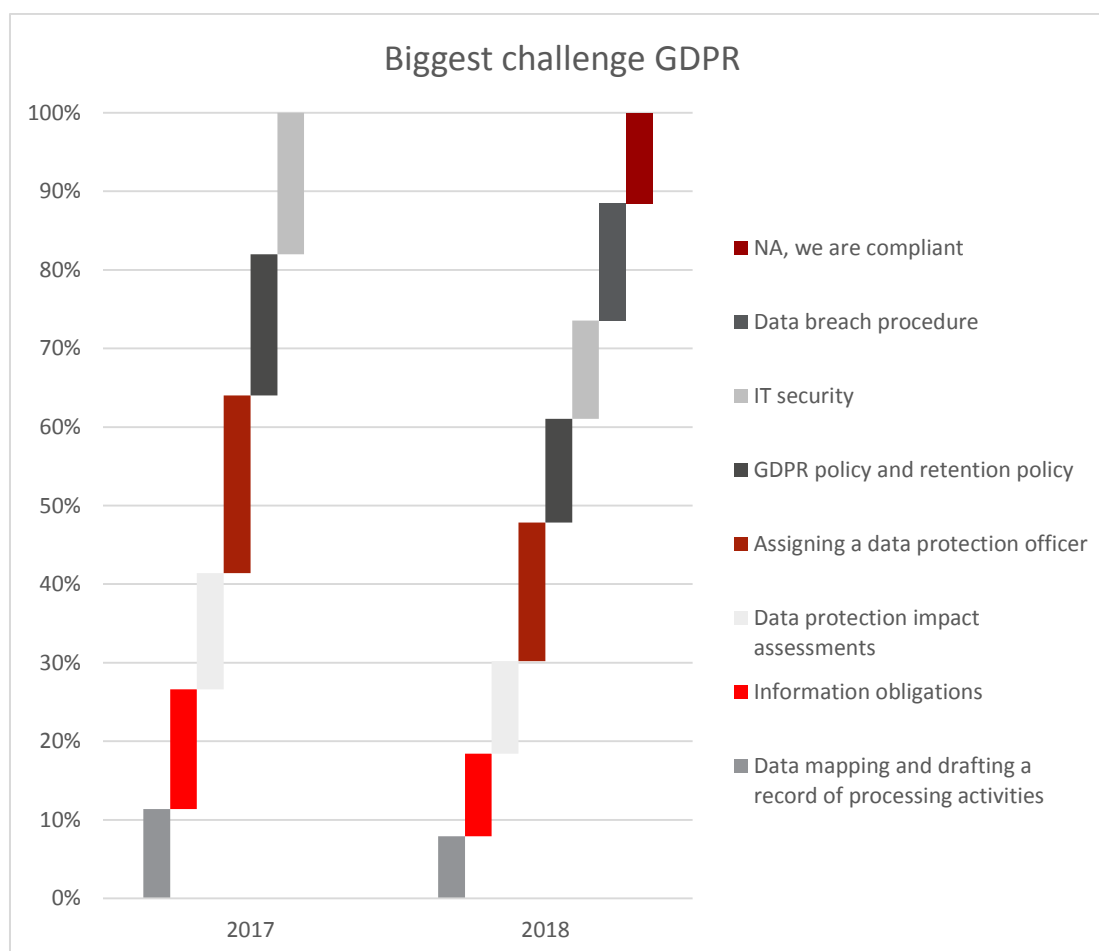
Monitoring of e-mails of an unexpected absent employee is a difficult matter which many companies are struggling with. Not only is the sender of the e-mail not aware that his e-mail will possibly not be processed by the recipient, getting access to that e-mail can potentially be a breach on the privacy of the sender and the recipient (except when you have the permission in advance).

It is recommended in this matter to keep a good balance and to tighten up the procedures.

11 GDPR

What is your main challenge with regard to GDPR compliance?

- Data mapping and drafting/updating a record of processing activities
- Information obligations
- Data protection impact assessments
- Assigning a data protection officer
- GDPR policy and retention policy
- IT security
- Data breach procedure
- NA, we are compliant

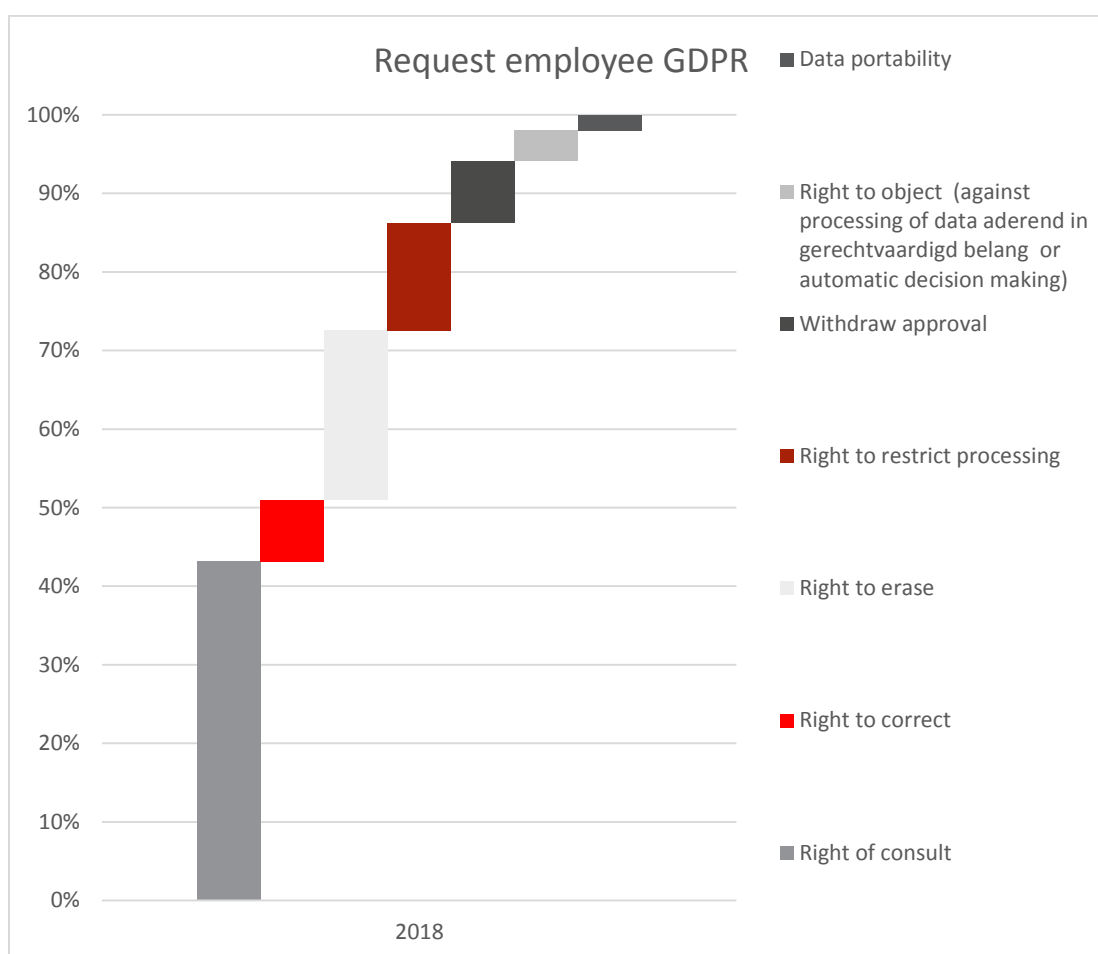


Many companies seem to have found a solution to assign a data protection officer. For the rest, the different obligations of the GDPR seem - not surprisingly - to be a major challenge. Some of the respondents have indicated that they are already compliant.

And yet, it seems that a lot of companies are still struggling with the various obligations of the GDPR.

Have you received a request from an employee regarding his rights under the GDPR over the last few months? If so, which right did it concern?

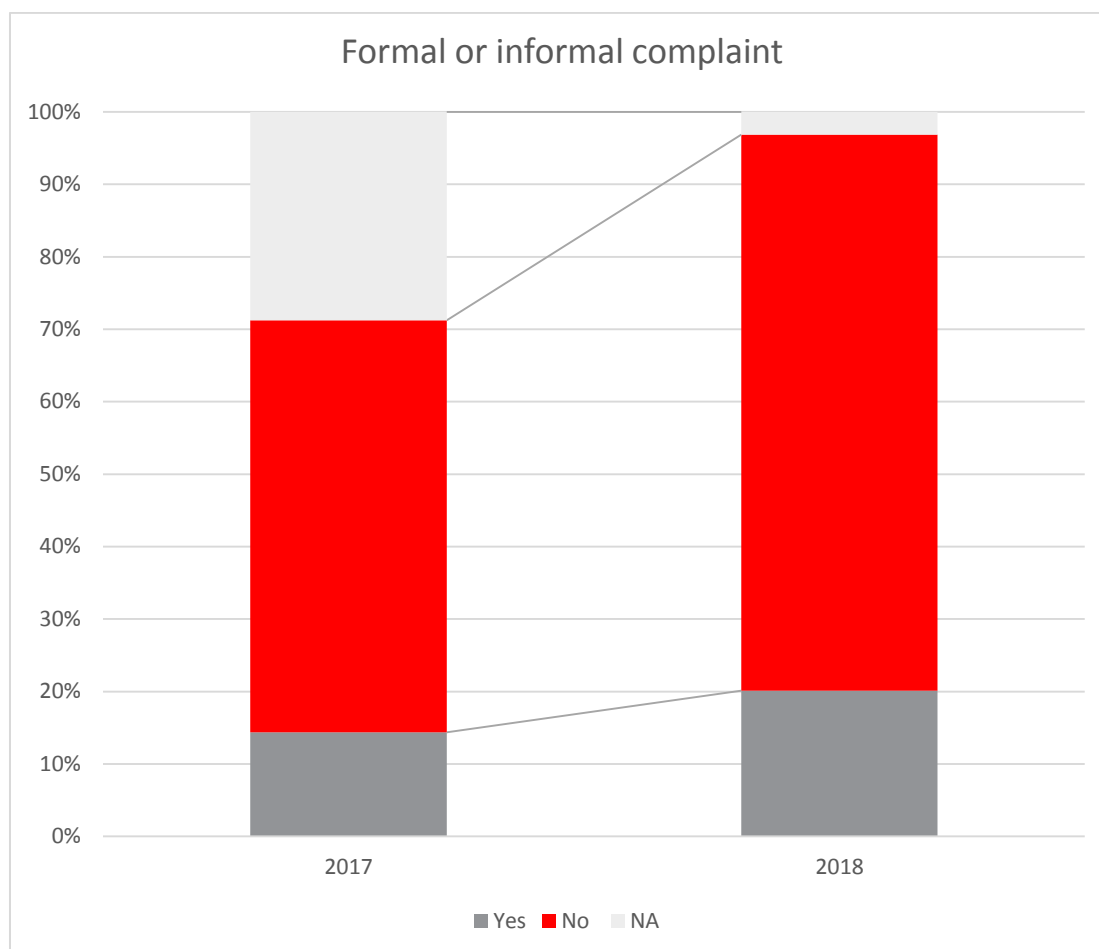
- Right to consult
- Right to correct
- Right to erase
- Right to restrict processing
- Withdraw approval
- Right to object (against processing of data based on legitimate interest or automatic decision making)
- Data portability



When employees exercise their rights under the GDPR, in most cases they exercise their right to consult the personal data which is processed about them. It is important that each company is prepared for potential requests from their employees to respond on a proper way and act within the legal deadlines. Efficient procedures and template forms could help with this.

12 Discrimination at work

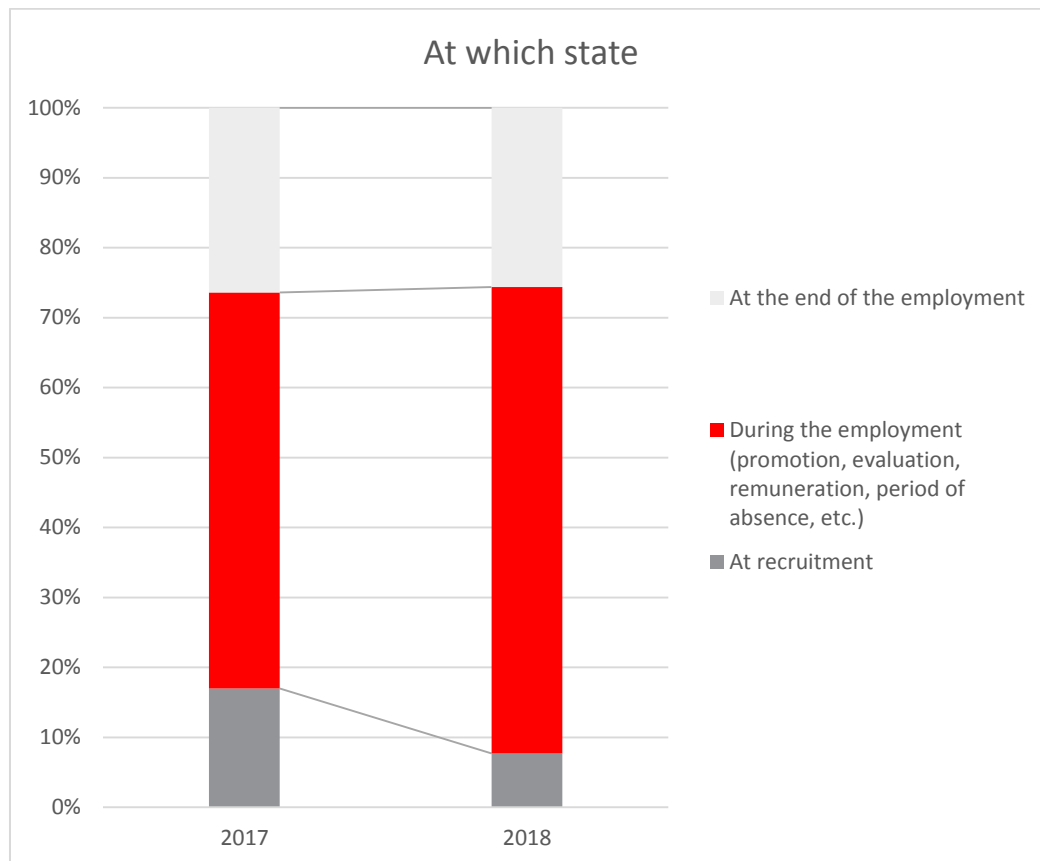
Have you ever received a formal or an informal complaint based on discrimination at work?



There is a small increase of the number of complaints based on discrimination at work, but the majority of the employers have no big problems with complaints based on discrimination.

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

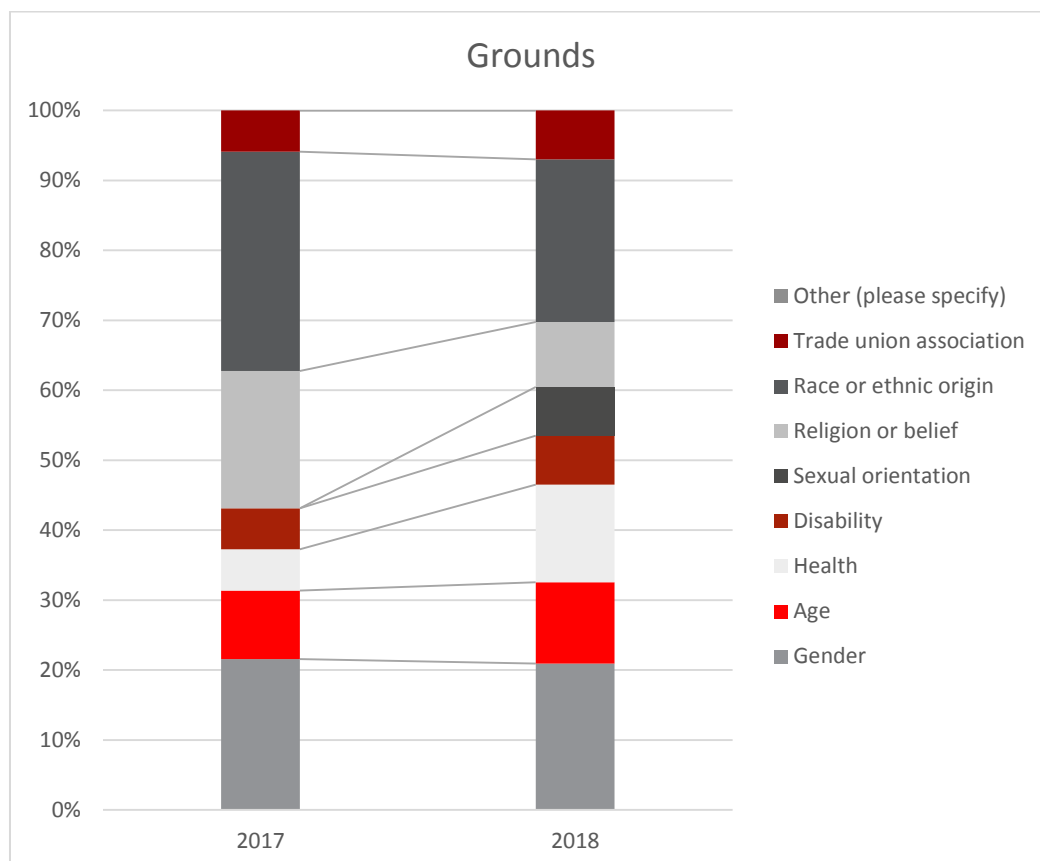
- At recruitment
- During the employment (promotion, evaluation, remuneration, period of absence, etc.)
- At the end of the employment



Most complaints still 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.

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

- Gender
- Age
- Health
- Disability
- Sexual orientation
- Religion or belief
- Race or ethnic origin
- Trade union association



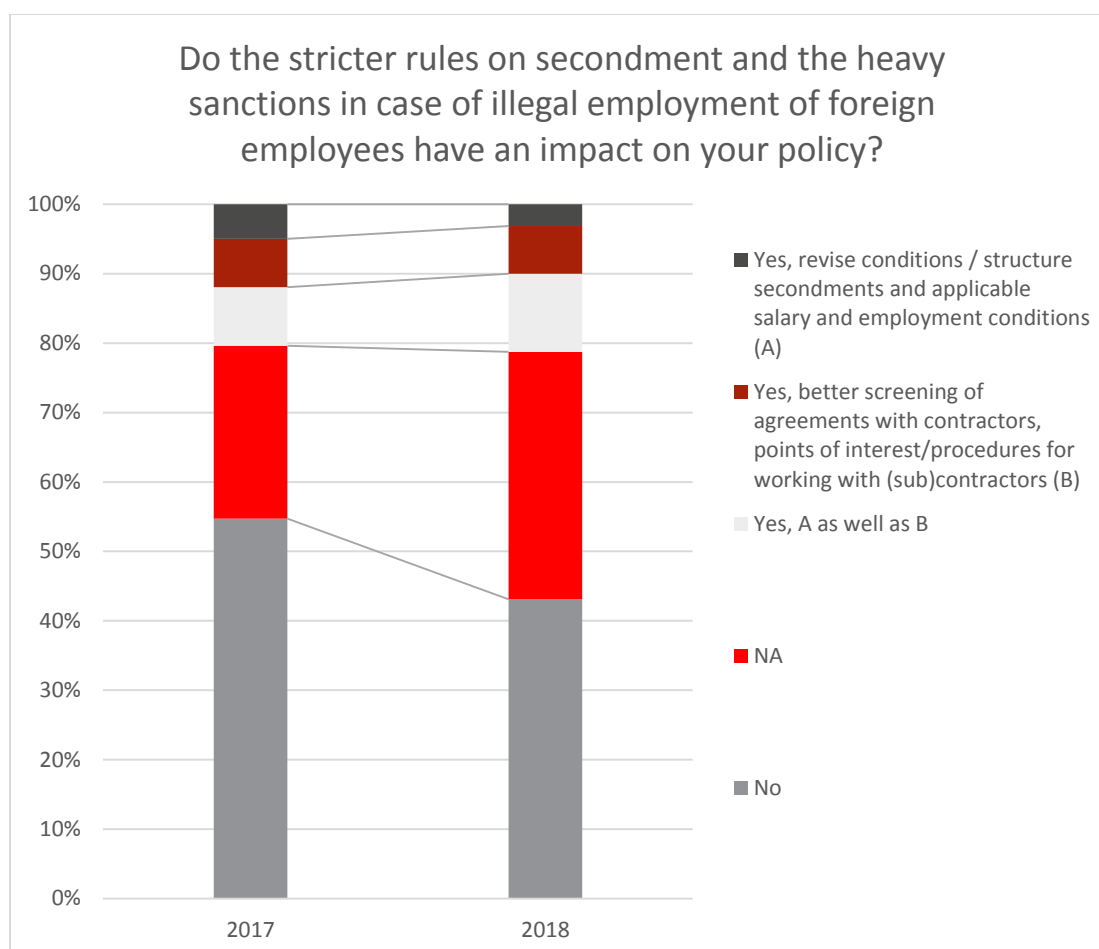
Upon further analysis of the basis on which the formal or informal complaint was found to be based, we notice most complaints in 2017 are based on ethnicity. Something which is in line with the findings of UNIA's 2016 annual report (see [Dutch report](#) - see [French report](#)).

In 2018, there were more complaints based on health compared to the previous year. Complaints based on gender, race or ethnic origin remain the more common discrimination criteria.

13 Mobility and immigration

Do the stricter rules on secondment (A) and the heavy sanctions in case of illegal employment of foreign employees (B) 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)



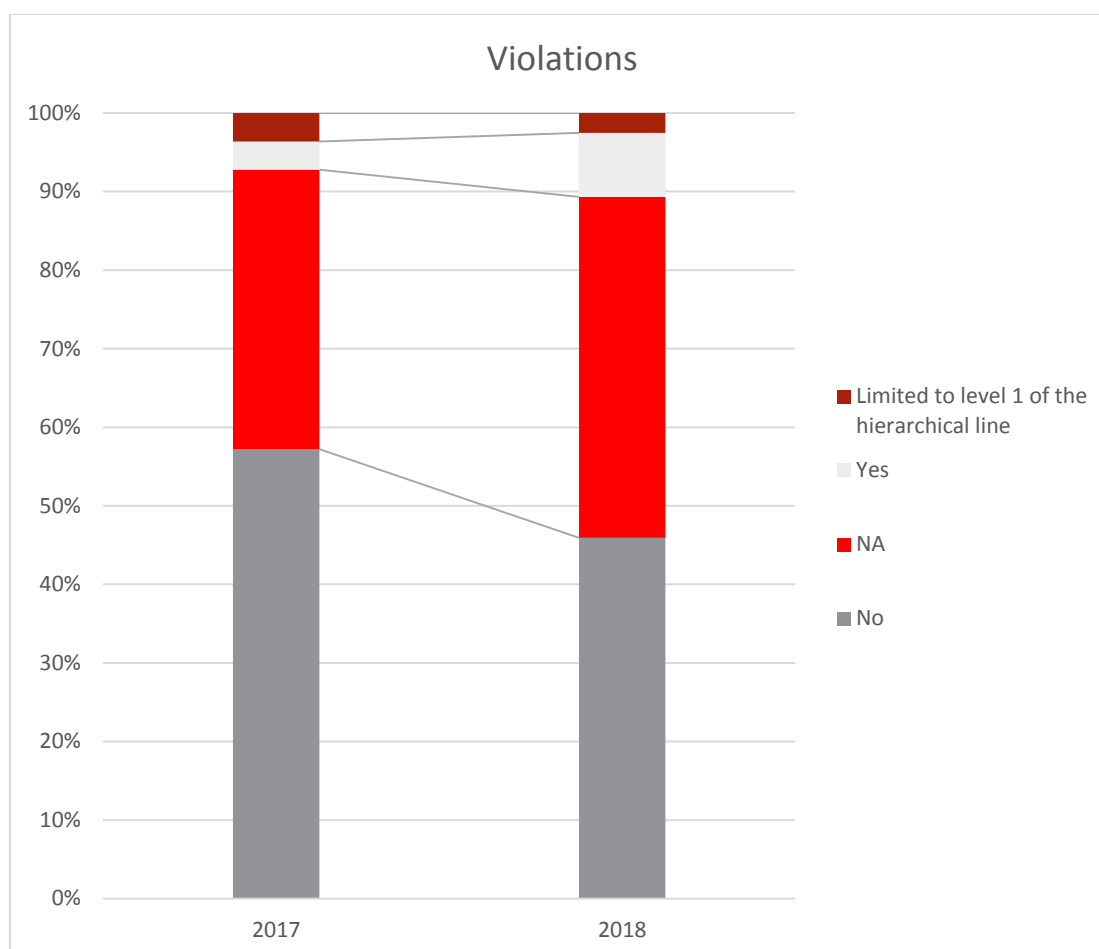
It seems that, for the participants who employ foreign workers, the impact on their policy of the new stricter rules is not significant.

The results of last year seem largely to be confirmed. Nevertheless, we must bear in mind that a larger number of participants have indicated that this question is not applicable to them. In view of the strict and increased controls, we recommend paying attention to this, especially when you work with foreign subcontractors.

14 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 drafts 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



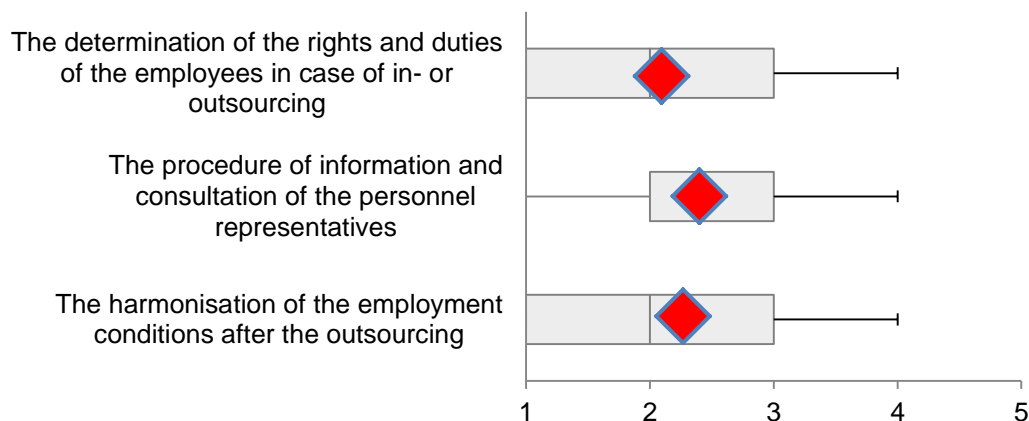
Among the participants who have been in a situation where serious violations of employment law and prevention legislation were found, the majority reports that they have not experienced that one passes on more quickly to formal proceedings, whereby not only the company but also all members of the hierarchical line are held liable.

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

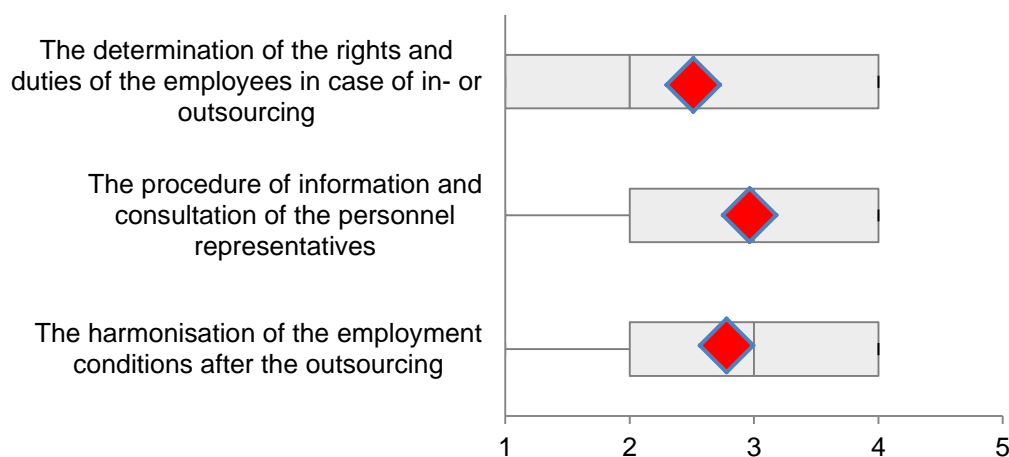
What is your main challenge for *in-* or *outsourcing*? (1 = main challenge, 3 = least important challenge)

- 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

15.1 2018



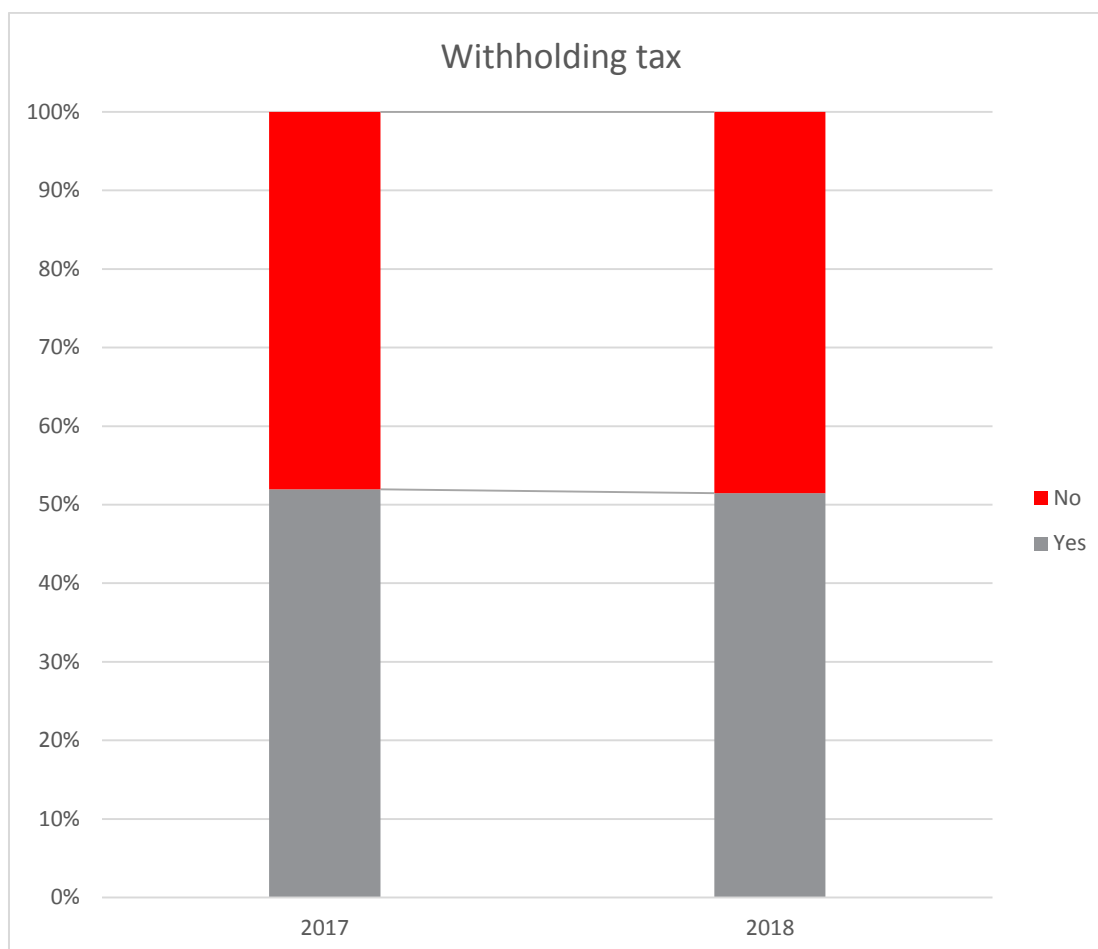
15.2 2017



The main challenge in case of outsourcing is not only the determination of the rights and duties of the employees. The second concern is the harmonisation of the employment conditions.

16 Withholding tax

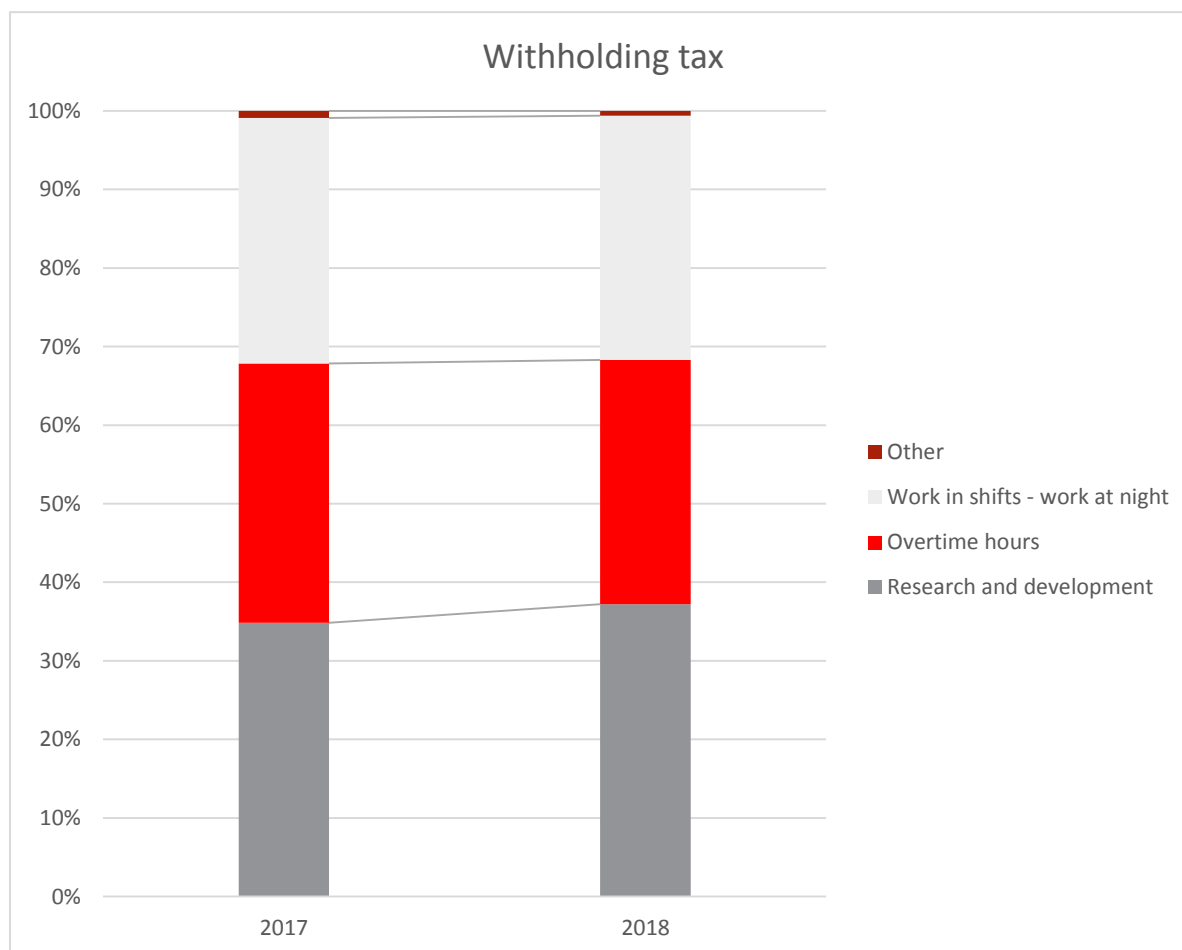
Does your company use the partial exemption for the payment of income tax on wages?



Approximately half of the participants uses the partial exemption for the payment of the income tax on wages.

If so, which one?

- Work in shifts - work at night
- Research and development
- Overtime hours
- Other

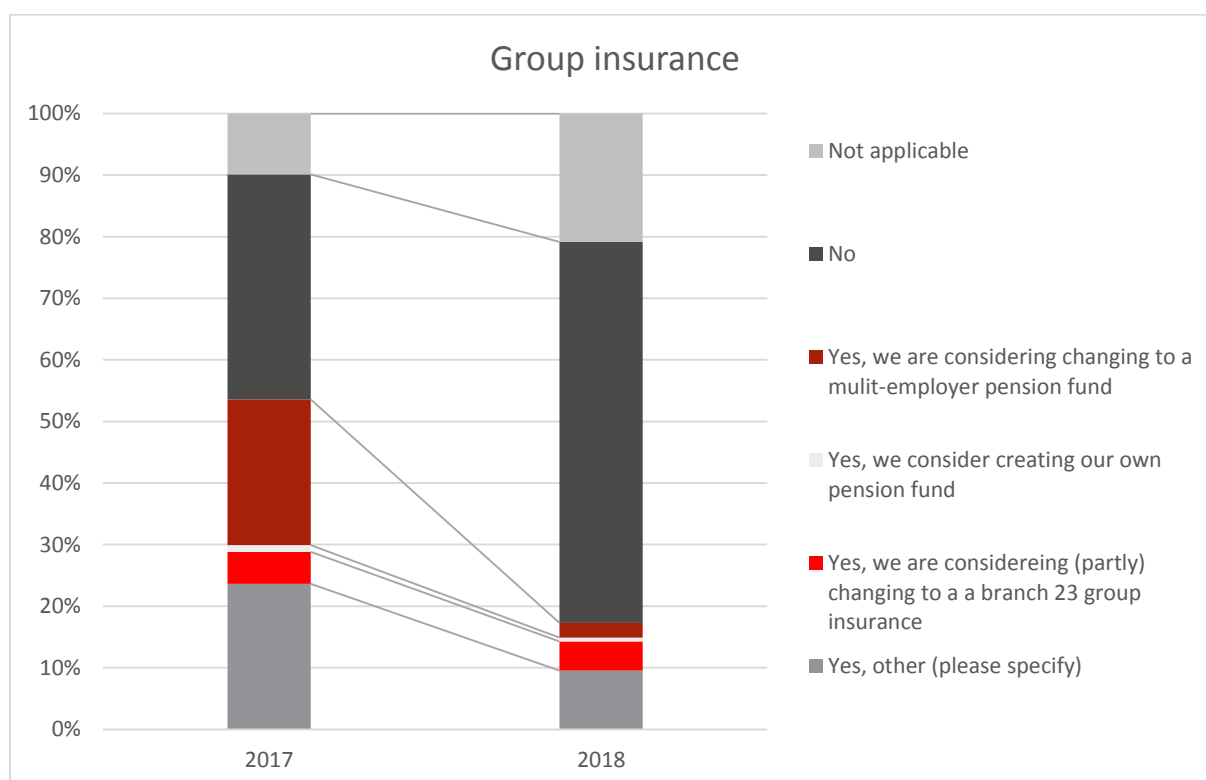


A more detailed analysis shows that when one uses the exemption, the reasons for doing so are very similar. The underlying conditions barely change: research and development (37 percent in 2018 – 35 percent in 2017), overtime hours (31 percent in 2018 - 33 percent in 2017) and work in shifts (31 percent in both years).

17 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

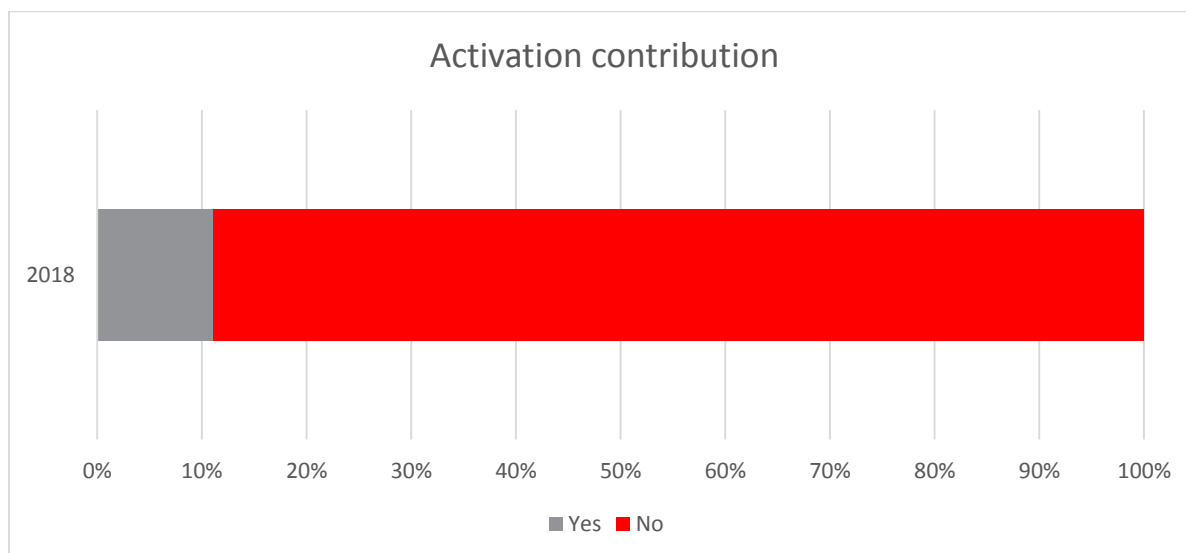


In 2018 62 percent of the members indicated that the rate reduction of the group insurers so far has had no impact on the organisation of their group insurance “branch 21”. In 2017 this number was 48 percent of the members. In 2018 there was less enthusiasm to switch to other products or solutions.

In 2018, two members changed from a group insurance towards a pension fund. To prevent a potential under-funding in the future regarding to the legal guaranteed return, some of the members have set up reserves. Others indicate that they already pay extra contributions in this regard. Yet other members are negotiating with group insurers with higher returns. Two members indicate that the financial fund deserves extra attention in order to avoid problems.

18 Activation contribution

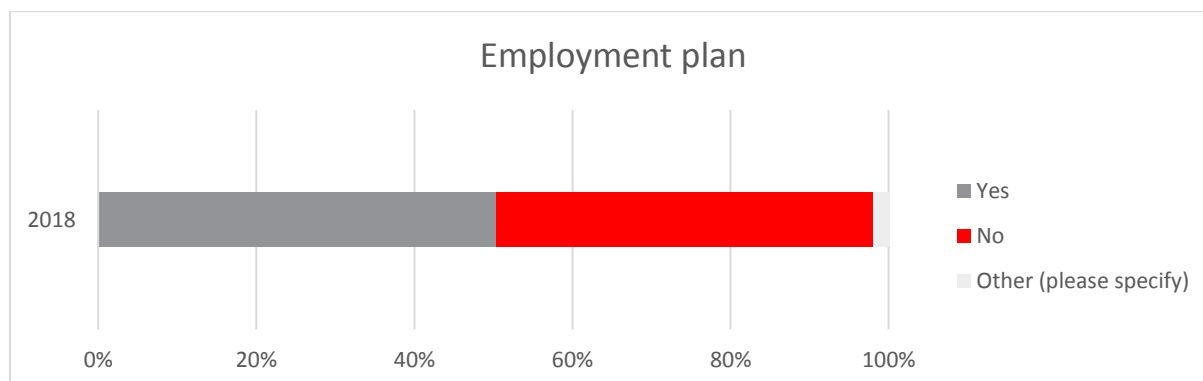
Activation contribution: Does the introduction of an activation contribution have the consequence that you allow a conventional exemption of performance?



The activation contribution has clearly the consequence that the majority of the companies no longer allow a conventional exemption of performance. At least, no activation contribution is due in case of the exemption of performance during the period of notice.

19 Employment plan for older employees

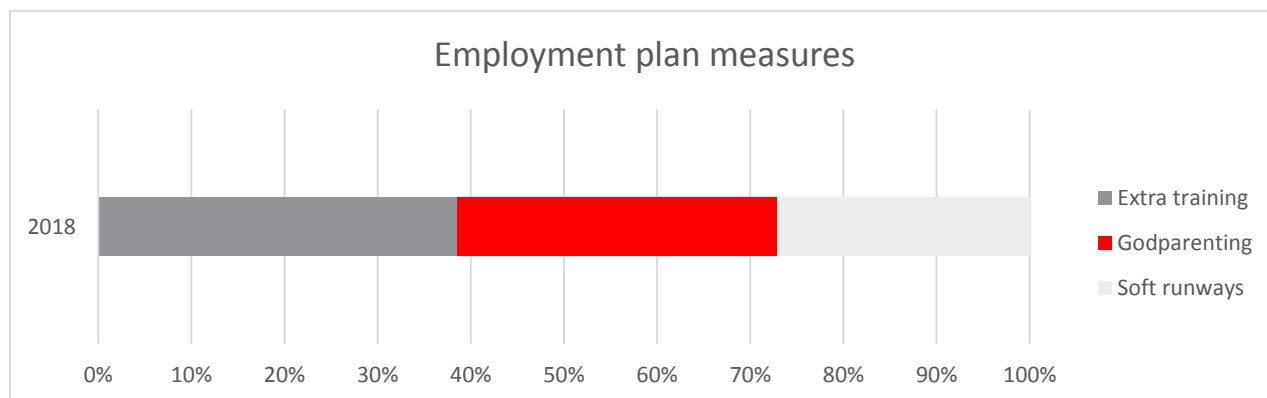
Do you have an employment plan for older employees?



50 percent of the participants has already an employment plan for older employees. 48 percent has no plan. Three of the participants left a comment: one participant treated every case individually and the other two participants were still busy drafting or updating their plan.

If so, which measures do you provide in this plan?

- Soft runways
- Godparenting
- Extra training

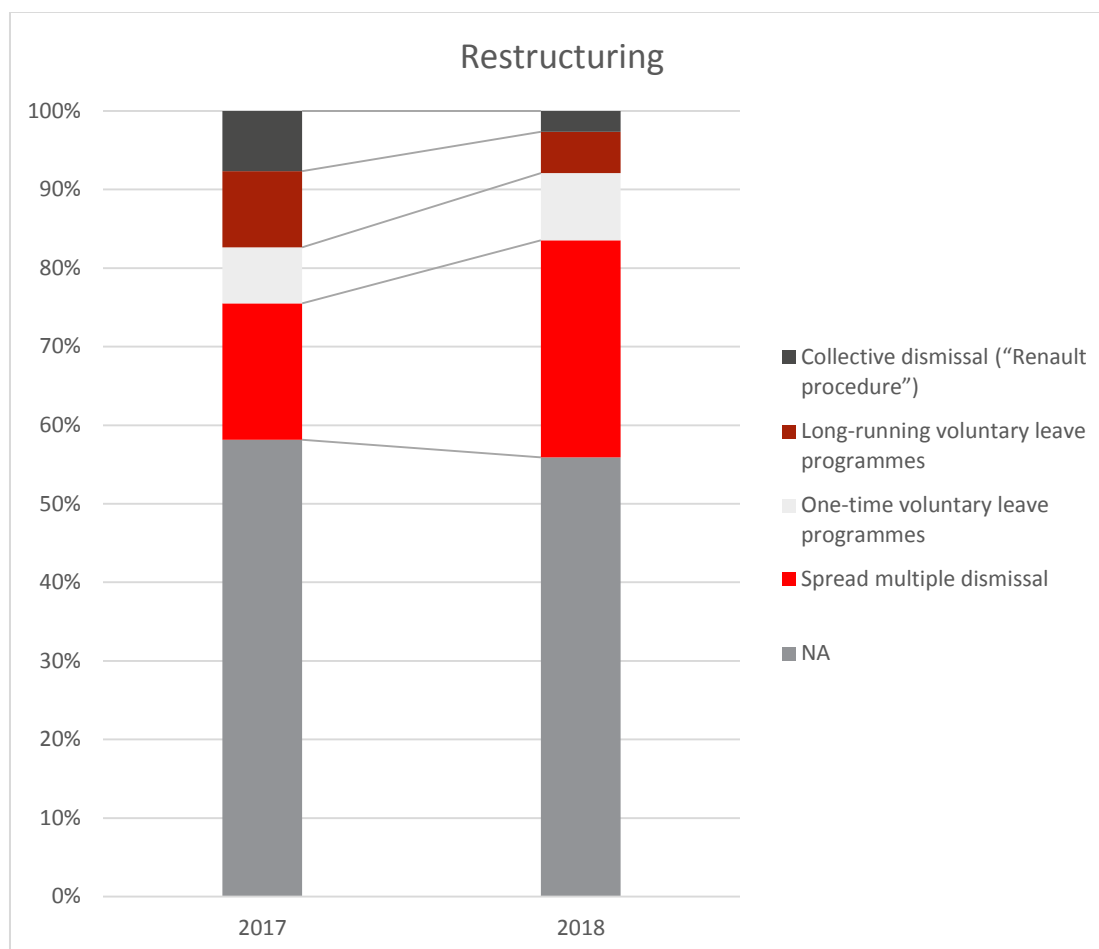


Extra training is clearly the most successful measure with 39 percent of the participants using it. With 34 percent godparenting takes second place and the system of soft runways is used in only 27% of the cases.

20 Dismissal policy

In 2019 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

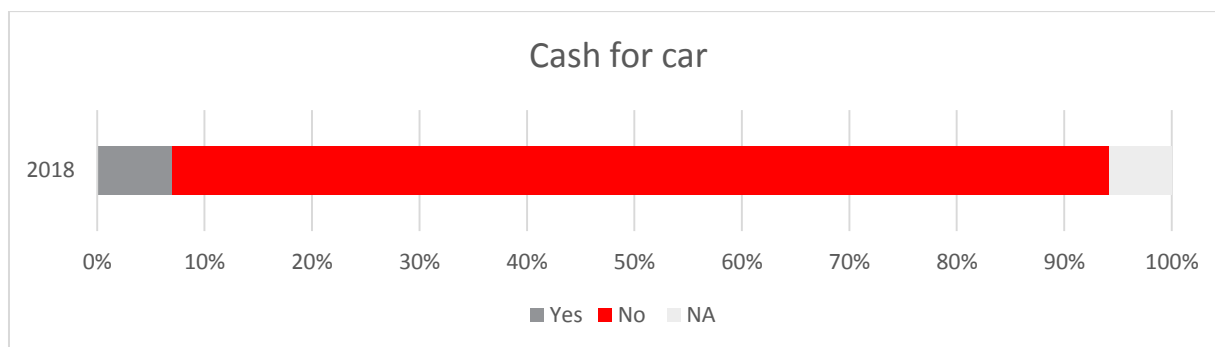


The minority of the companies are considering reorganisation in the next year and all prefer the spread multiple dismissal in 2019.

Long-running voluntary leave programmes are reducing and the Renault procedure only accounted for 3 percent of the cases in 2018, while in the questionnaire of 2017 this result was 8 percent.

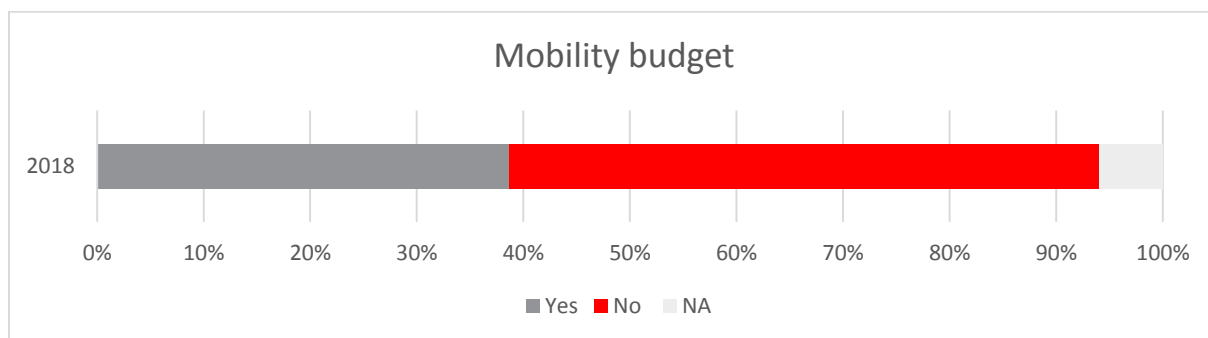
21 Cash for car - Mobility budget

Have you introduced *cash for car*?



The whole legislation about cash for care had little impact and it is clear that most companies has not waste energy on this. Only 7 percent has introduced this system.

Do you have the intention to introduce a mobility budget?



By comparison, there is more enthusiasm for a mobility budget: 39 percent of the participants wants to introduce such a budget. We think that there could be more enthusiasm for this project, but the current state of this project is too insecure.

22 Overview

In 2018, we received 280 responses over the period 14–29 December 2017. In 2019, we received 224 responses over the period 20 December 2018 - 4 January 2019.

22.1 Profiles

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

Title	2017	Title	2018
HR Manager	25.36%	HR Manager	26.79%
HR Director	19.29%	HR Director	17.86%
Compensation & Benefits Manager	9.64%	HR Business Partner	11.61%
Unanswered	8.93%	Compensation & Benefits Manager	10.71%
HR Business Partner	8.21%	Inhouse lawyer	9.82%
In-house Lawyer	6.07%	Other	7.14%
HR Officer / Coordinator	5.00%	HR Officer / Coordinator	4.46%
Director / Managing Director	4.29%	CEO / Managing director	4.02%
Payroll Officer	3.57%	Responsible social relations	3.13%
Financial Director	2.86%	Financial Director	2.23%
Responsible social relations	1.79%	Payroll Officer	2.23%
Other	5.00%		

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.

No. of employees FTE	2017	FTE	2018
More than 1,000	20.36%	More than 1,000	24.55%
Between 500 and 1,000	13.21%	Between 500 and 1,000	14.73%
Between 300 and 500	11.07%	Between 300 and 500	12.05%
Between 200 and 300	10.36%	Between 200 and 300	12.05%
Between 100 and 200	13.93%	Between 100 and 200	11.61%
Between 50 and 100	11.43%	Between 50 and 100	10.71%
Between 10 and 50	6.79%	Between 10 and 50	10.71%
Between 5 and 10	1.43%	Between 5 and 10	2.23%
Fewer than 5	1.79%	Fewer than 5	1.34%
#N/A	9.64%	Grand Total	100.00%
Grand 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	2017		2018
Chemical	4.64%	Other	12.50%
Construction	3.93%	Chemical	9.38%
Consultancy	10.36%	IT & Telecom	8.04%
Energy	2.50%	Banking / financial sector	7.14%
Entertainment industry	1.07%	Retail & Distribution	6.70%
Finance	1.79%	Industrial	6.70%
Food service industry	4.29%	Food service industry	5.80%
Hospital	4.29%	Metal	5.36%
Industry	1.07%	Energy	4.46%
Insurance	1.79%	Pharmaceuticals	4.46%
IT & Telecom	4.64%	Insurance	4.02%
Logistics	4.29%	Non-profit	4.02%
Non-profit	7.50%	Construction	3.57%
Pharmaceuticals	2.14%	Transport	3.57%
Printing & publishing	1.07%	Consultancy	3.13%
Public sector	6.43%	Logistics	2.68%
Real estate	2.14%	Catering industry	2.23%
Retail	1.79%	Temporary agency work	1.79%
Schools / education	2.14%	Hospital	1.34%
Steel production	1.43%	Printing/Publishing	1.34%
Transportation	5.00%	Steel production	0.89%
Unanswered	9.29%	Real estate	0.89%

22.4 Replies per question

Question	2017	2018
Challenges for 2019	181	180
Recruitment	240	176
Variable salary	236	177
Benefit plan	236	179
Cash for car		171
Mobility budget		168
Activation contribution		162
Withholding tax	229	171
Group insurance	222	168
Documented salary policy	223	171
Gliding work schedules	224	170
Occasional telework	224	172
Reintegration procedure	278	172
Privacy of the employees	201	166
GDPR	183	140
Discrimination	202	162
Secondment and illegal employment	201	160
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