

HR, Fluid as Hula-Hoop Shaking

Insights on HR and payroll
in times of uncertainty



Based on the survey

‘The Future of Work and People in Europe – HR, Fluid as Hula-Hoop Shaking’

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Introduction

In case you hadn't noticed: 2020 has been a real roller coaster. And what a ride it's been! Not so long ago, none of the issues that are plaguing businesses today were on anyone's radar. From widespread homeworking and social distancing to reduced sales and even workforce transformations. Indeed, events have unfolded so quickly that most of us just went with the flow.

Although health experts had long warned that it was only a matter of time before a global pandemic shook things up, COVID-19 took the vast majority of the business world by surprise. No point in dwelling on missed opportunities, though. The issue at hand: what do you do when change becomes the only constant? Or, in other words, **how do you prepare for uncertainty?**

The capability to adapt quickly and smoothly will now – more than ever – mean the difference between failure and success, between followers and innovators. HR will play a pivotal role in this because it deals directly with a company's most important and flexible resource: its people.

“The changes in the workplace due to COVID-19 have been so drastic and sudden that they have placed HR at centre stage – right where it should always be. The change agent potential of HR has long been underestimated.”

Cathy Geerts,
HR Director at SD Worx

How good is your HR at keeping its balance?



8 key takeaways

The COVID-19 pandemic had an instant impact on European businesses. Priorities were reshuffled, new strategies saw the light of day, unexplored domains suddenly became known territory and workplaces were quickly revamped.

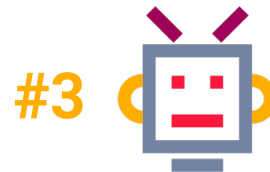
When we asked 3,000 companies about their (adapted) approach to HR, these answers struck us the most:



Nearly half of European companies are convinced that **COVID-19 will have a lasting impact** on their businesses and that we will have to radically change the way we work (together) after the crisis.



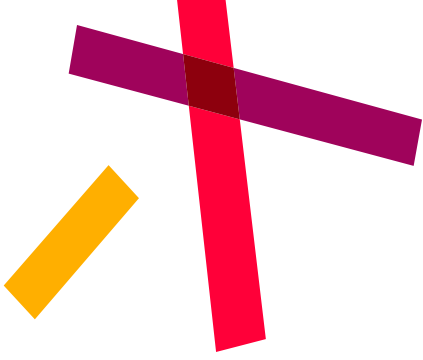
By far, the number one concern today is **to ensure smooth, efficient payroll** calculation and payment. 'Payroll' tops the overall list of 19 possible HR priorities in all but 3 countries.



Companies are mainly inclined to **outsource technology-based HR tasks**, such as HR process automation, digital transformation and payroll, to bounce back from the crisis.



The trend towards more personalisation in HR results in almost half of companies having **'flex reward projects'** in progress or planning such projects within the next 12 months.



#5



Only 37% of polled organisations claim to have reached a high level of **digital maturity in HR**. Particularly SMEs (<100 employees) can still take big leaps.

#6



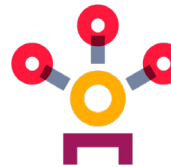
Nearly 6 out of 10 employers are actively trying to improve the **employee experience**, either with running projects or with projects to be carried out within the next 12 months.

#7



Flexibility in workforce management is still at an early stage, while those who employ flex workers agree that it's an effective way to acquire the right talent at the right time (at the right price).

#8



HR is facing uncertain times, so **stability** is key. At the same time, constant changes call for a **fluid approach**. The ability to mix the best of both worlds will define HR's success.



A brave new world for HR

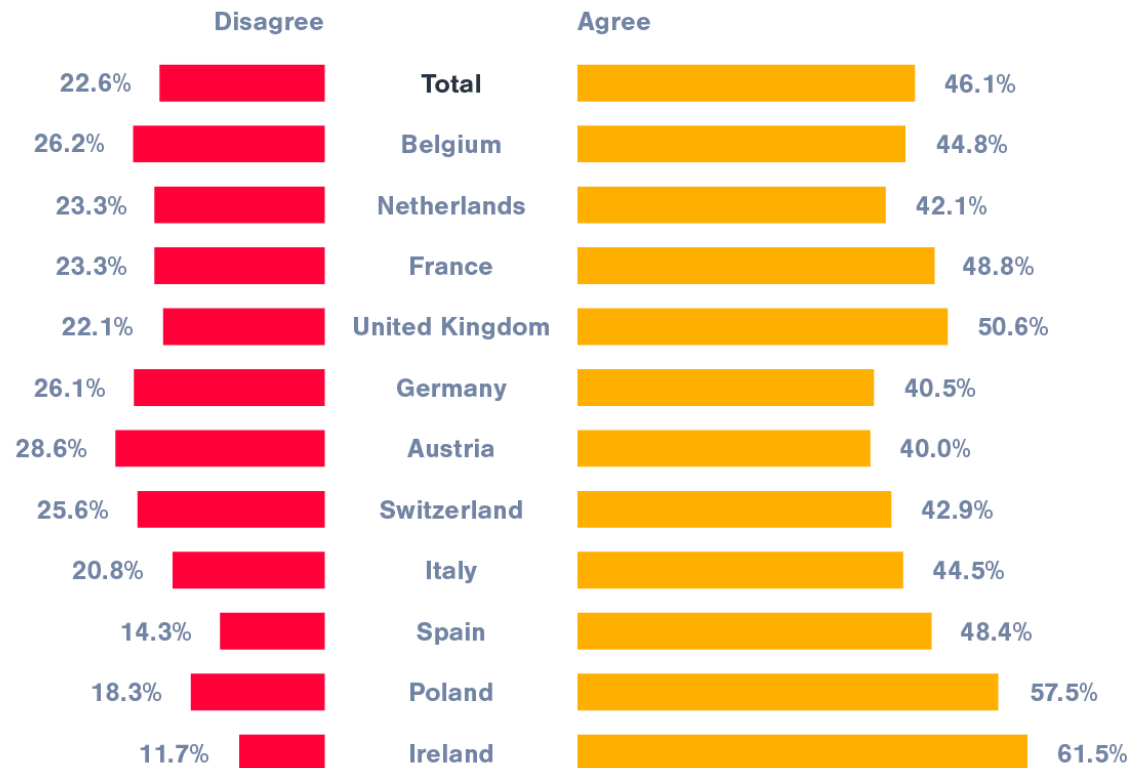
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Towards lasting innovation

Unsurprisingly, most companies agree that the COVID-19 crisis will have a lasting impact on their businesses. In the UK, Ireland and Poland, more than half of polled organisations feel this way. But also in other countries, like Spain, Italy and France, there's an outspoken awareness that **companies urgently need to pave the way for future-proof HR and payroll.**

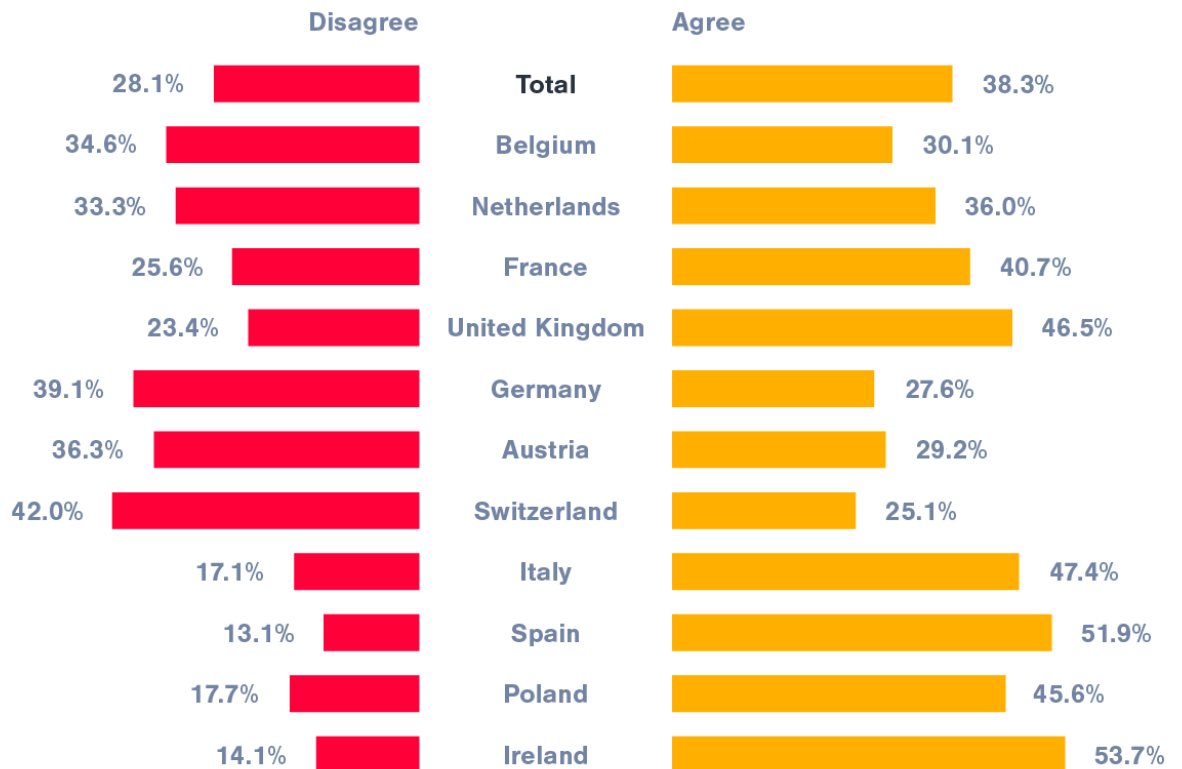
More than half of the surveyed companies in Ireland, Poland and the UK believe that COVID-19 will have a lasting impact on their businesses.

The coronavirus crisis will have a lasting impact on my business



The decisions that companies make during this and next year will alter the very core of their businesses. The countries that agree most with this statement are the same countries that explicitly acknowledge the dramatic impact caused by the global health crisis. However, not everybody seems to be on the same page. It appears that entrepreneurs and HR professionals in Austria, Switzerland, Belgium, Germany and the Netherlands have a different, more nuanced perspective on the future of their businesses.

My organisation's business will look radically different after the crisis



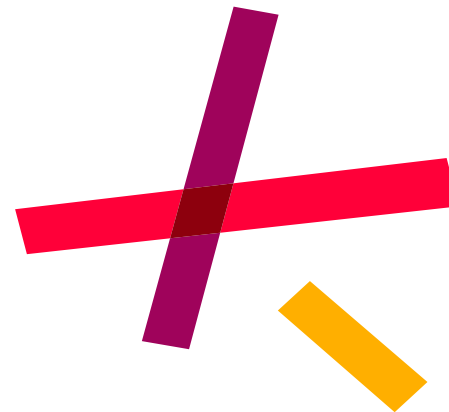
What about the way we work (together)? On this topic, there's more agreement. The majority of polled organisations in all 11 countries agree that there are radical changes ahead. It's interesting to see that our Belgian and Dutch survey participants are also of the same mind, leaving only Germany, Austria and Switzerland in the group of countries with mixed feelings on the impact of COVID-19.

46.7%

of European companies are convinced that we will radically change the way we work (together) after the crisis.

"It's safe to say that COVID-19 is disrupting, well, everything. Companies need to fast-track measures that would otherwise have been introduced more gradually. The same goes for HR. Increased emphasis on automated and digital processes, exhaustive home working policies, more flexible workforces, employee experience and wellbeing, and other new or renewed priorities are a matter of survival for many companies – they have no choice. But there also comes a time to take a step back in order to find a viable balance in this transition. The goal: turn radical changes in working (together) into lasting changes."

Fiona McKee, HR Director at SD Worx



Revised priorities

There's a general consensus that we need to drastically change the way we work (together). HR will obviously be one of the driving forces behind the transition, but **which objectives do entrepreneurs and HR professionals eye first?**

We provided 3,000 companies with a list of 19 possible HR tasks and asked them to score each task on importance and priority. Without further ado, these topics define the agendas today:

Ranking priority	Total	Belgium	Netherlands	France	United Kingdom	Germany	Austria	Switzerland	Italy	Spain	Poland	Ireland
Payroll	1	1	1	1	1	1	2	2	1	1	1	6
HR service to employees	2	2	2	3	3	2	4	1	9	2	2	2
Performance management	3	3	3	5	9	6	1	3	2	6	7	1
Wage costs	4	5	4	2	11	3	3	5	7	4	3	5
Operational efficiency	5	4	13	6	5	10	10	6	3	5	9	4
Learning	6	8	6	8	4	8	8	9	5	11	4	3
Well-being	7	7	8	9	2	9	7	4	8	8	10	8
Employee experience	8	13	12	12	6	7	6	8	14	3	8	9
Work-life balance	9	9	14	7	10	4	9	10	15	9	14	7
Recruitment	10	6	5	4	13	14	12	12	6	7	5	11
Progress management	11	14	11	13	7	11	11	7	4	14	6	12
Socio-legal regulations	12	12	7	14	15	5	5	11	19	10	17	16
HR analytics	13	10	10	11	12	12	14	14	11	13	13	14
Diversity & Inclusion	14	17	15	15	8	16	16	15	12	15	15	10
HR process automation	15	16	9	18	14	13	13	13	18	18	19	18
Digital transformation	16	11	16	16	17	15	15	16	17	17	18	15
HR policy	17	15	18	10	16	19	17	17	16	12	16	13
Reward	18	18	19	19	18	17	18	18	13	16	12	19
Contingent workforce	19	19	17	17	19	18	19	19	10	19	11	17

● higher priority than European average (+4)

● lower priority than European average (-4)

HR priorities: 3 European trends



#1 Back to basics

Payroll is king in times of crisis. All countries – except for Austria (2), Switzerland (2) and Ireland (6) – ranked the correct and on-time payment of their talent as their number one priority. Answering and processing HR questions from employees – HR services – came in second place. Strikingly, the most valued priorities are operational, administrative tasks.



#2 Focus on cost efficiency

The next cluster of priorities concerns cost efficiency. Understandably, in times of crisis, one of the first things employers tend to look at is maintaining cash flow. HR departments have several ways of contributing to this overall objective. For example, by focusing on performance management, by optimising wage costs or by ensuring operational efficiency.



#3 Policy work on the back burner

Somewhat surprisingly, we find policy-related topics at the very bottom of the priority list. Devising a set of ideas or a plan to digitally transform or automate HR processes, establishing a uniform HR approach for the entire company – including internationally – and improving the remuneration package offered to employees are all considered less urgent/important by entrepreneurs and HR professionals.

A few exceptions aside – Poland and Italy for rewards, Belgium for digital transformation and France for HR policy – most companies seem to put strategic projects with medium- to long-term impacts on hold for the time being. More pressing matters, often related to COVID-19, are dealt with first.

HR priorities: findings per country

Click on the country to discover the key findings.



HR priorities: findings per country

Belgium

Technology appears to be the way forward. Out of all polled countries, Belgian companies give the most importance to HR analytics and digital transformation. Employee experience, on the other hand, scores relatively low.



Recruitment



Digital transformation



HR analytics



[> Back to the general map](#)

HR priorities: findings per country

Ireland

While other countries clearly consider smooth and efficient payroll to be their top concern, Irish companies have a different outlook. For example, learning is rated a lot higher in 3rd place, making Ireland the most learning-oriented country.



Learning



Diversity & Inclusion



HR policy



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HR priorities: findings per country

Spain

Spanish companies prioritise talent management. Work-life balance, recruitment, HR policy and – especially – employee experience are all high on the agenda. HR process automation seems less of a concern.



Employee experience



Recruitment



HR policy



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HR priorities: findings per country

Austria

Austria, like Switzerland, follows the European average in almost all topics. The only real differences can be found in operational efficiency (lower score) and socio-legal regulations (higher score).



Socio-legal
regulations



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HR priorities: findings per country

France

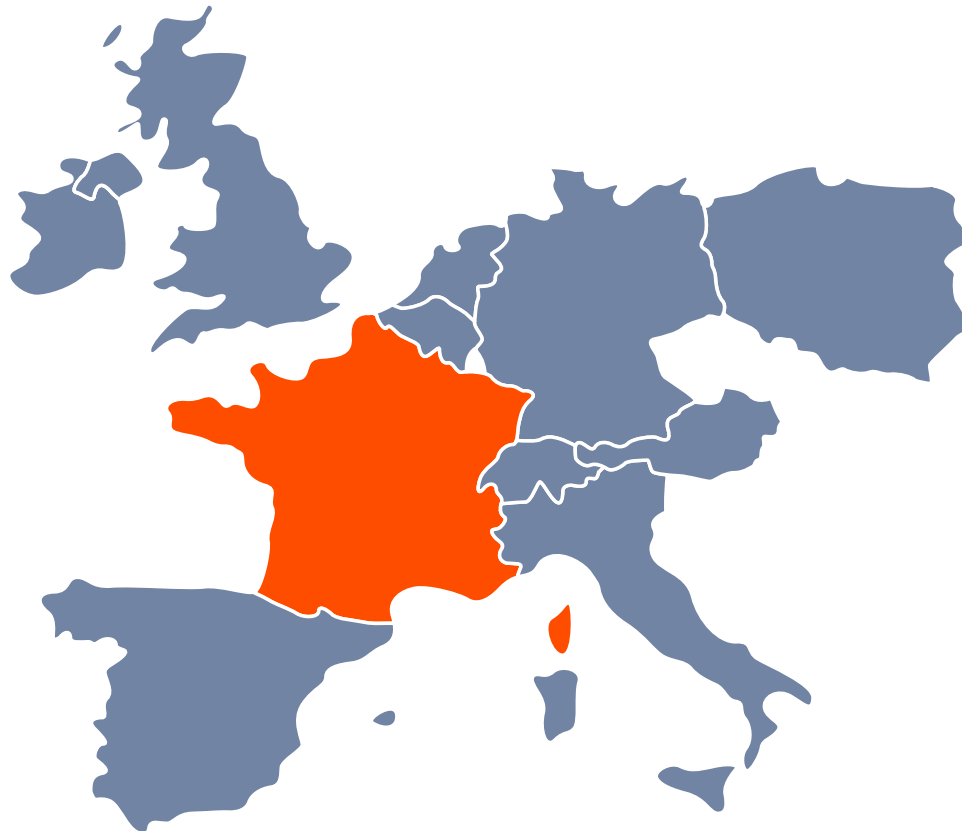
Similar to Belgium and the Netherlands, recruitment is a top priority, while employee experience is pushed towards the bottom half of the list. France, however, is the only country that gives HR policy the value it deserves.



Recruitment



HR policy



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HR priorities: findings per country

The Netherlands

Technology-inspired tasks, such as HR analytics and HR process automation, are highly valued in the Netherlands. More employee-centred topics, including employee experience and work-life balance, are on the back burner for now.



Socio-legal regulations



Recruitment



HR analytics



HR process automation



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HR priorities: findings per country

The United Kingdom

British companies value wellbeing most by quite a large margin; only payroll scores higher. In line with that observation, diversity and inclusion are top priorities. Surprisingly, wage costs fell to the bottom of the list during COVID-19.



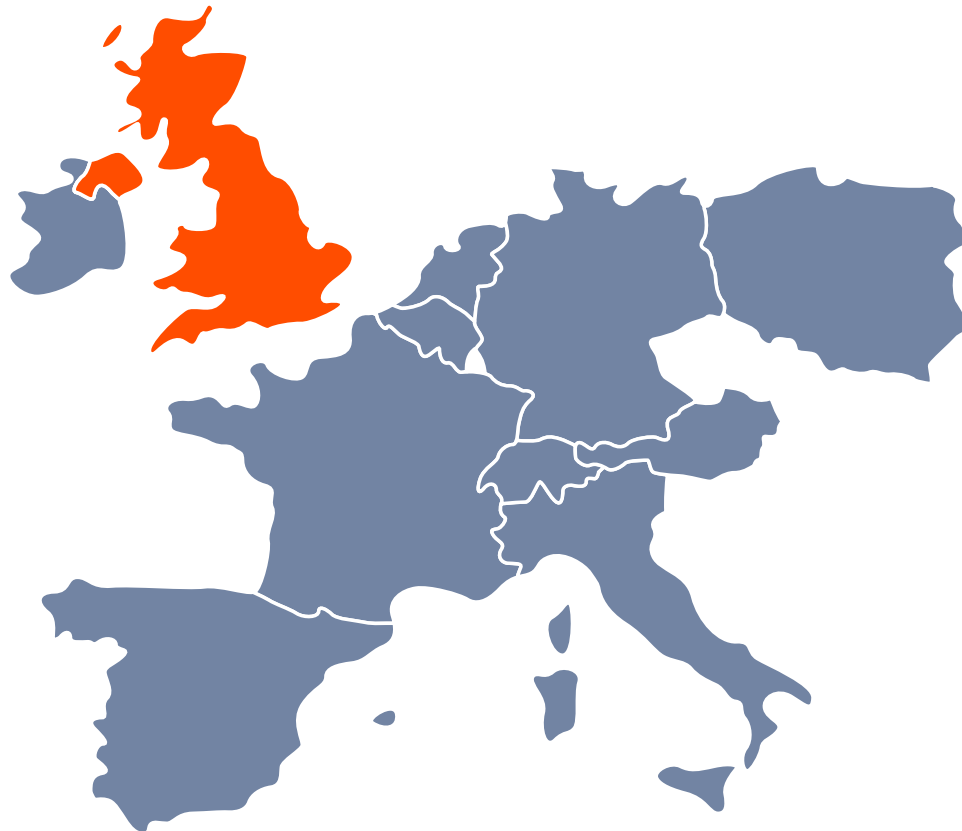
Well-being



Process
management



Diversity & Inclusion



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HR priorities: findings per country

Switzerland

A significant emphasis on wellbeing and progress management indicates that employees come first during the pandemic. Their mental health is essential.



Well-being



Process
management



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HR priorities: findings per country

Germany

German companies prioritise work-life balance and socio-legal regulations, which seems logical in a country with a high need for standards concerning regulations and privacy. Recruitment, however, received the lowest score.



Work-life
balance



Socio-legal
regulations



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HR priorities: findings per country

Italy

As opposed to other countries, progress management, recruitment, contingent workforce and reward policy outscore HR tasks like employee experience, work-life balance and socio-legal regulations. Equally striking, HR services (answering and processing HR questions from employees) is 9th on the list.



Recruitment



Process management



Reward



Contingent workforce



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HR priorities: findings per country

Poland

The resemblance between Poland and Italy is unique: they share a strong focus on progress management, recruitment, contingent workforce and reward policy, while HR process automation ranks low on the priority list.



Recruitment



Process management



Reward



Contingent workforce



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Hula hoop 1: Payroll

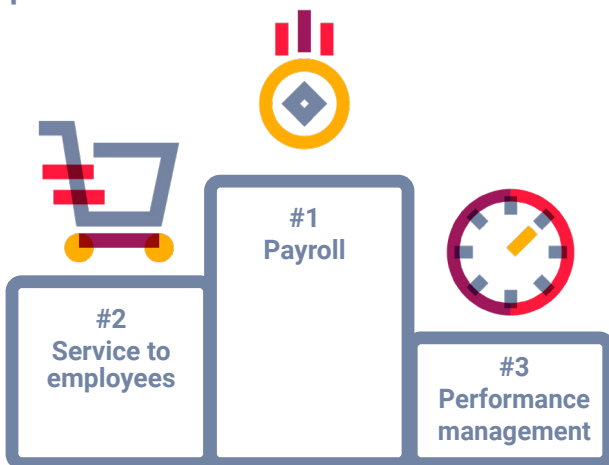
The first challenge goes straight to the heart of HR: combining smooth operational processes on a day-to-day basis, including payroll, with more strategic HR projects. Balance well to benefit from both, because operational improvements increase fluidity and have immediate impact, while more in-depth initiatives add long-term value and stability.

Top of mind

It's no coincidence that we picked payroll as the first topic to report on. It has long been one of the most vital parts of HR, because your employees need to be able to rely on correct and on-time payments. If not, you risk growing apart from your most important asset: your people.

In times of crisis, this quintessential element of the employer-employee relationship needs to be top of mind. You already have enough to deal with, so self-inflicted trouble with your workforce is the last thing you want. According to the results of our survey, European companies are fully aware of this fact. They almost unanimously place **smooth and efficient payroll calculation and payment at the top of their priority list**.

Top 3 HR priorities



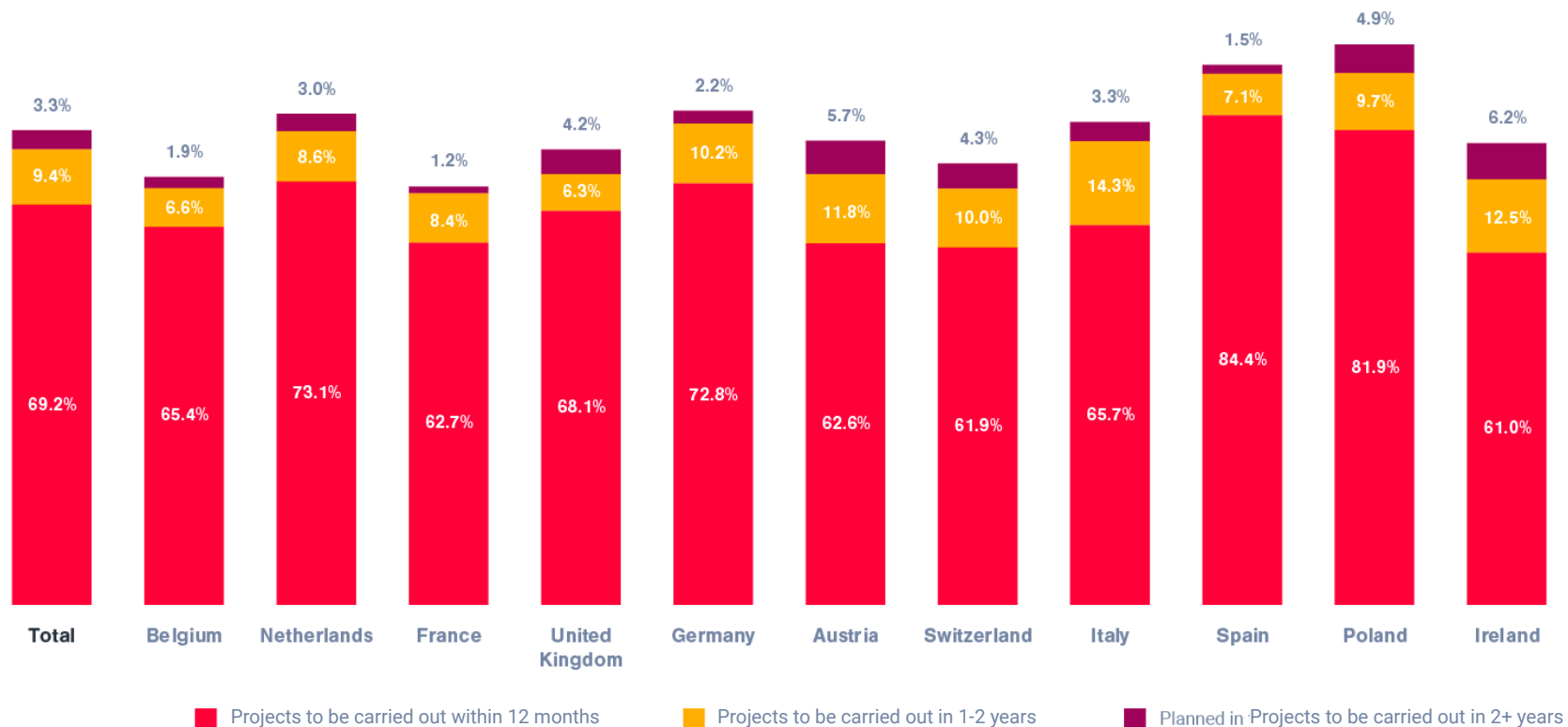
“Due to COVID-19, companies often need to deal with unexpected situations, such as mass homeworking, furlough and temporary shutdowns. Moreover, a variety of government support measures has further complicated things for HR. Payroll professionals need to stay fully focused to deliver a flawless payroll. So, it doesn’t come as a surprise that payroll is considered the top priority for HR. It is not only more complicated than ever, it’s also extremely important. After all, in times of crisis and uncertainty, people want to be sure that their salaries are paid correctly and on time.”

Ria Vermeir,
Unit Manager Outsourcing Services
at SD Worx

The more concrete result: **nearly half of European companies have projects in place to streamline their payroll processes.** In countries like Belgium, the Netherlands, Germany and Spain, the figures show an even greater interest in payroll optimisation during COVID-19. And many more companies plan similar projects for 2021 and beyond.

More than 8 in 10 companies are planning – or have already started – projects to smoothen their payroll processes.

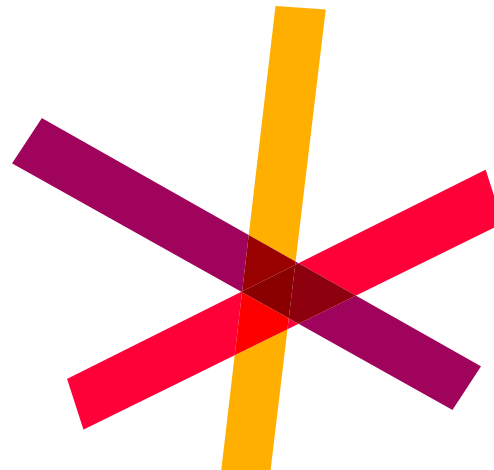
Do you have or plan projects to ensure smooth, efficient payroll calculation and payment?



So, why exactly is it that companies prioritise their payroll processes nowadays? We've already mentioned the importance of this topic for employee motivation, but an equally decisive argument is that in many HR departments, payroll processes have often been overlooked when it comes to improvement, efficiency and risk management. In other words, it's a domain where both quick wins and more long-term benefits are still in the cards.

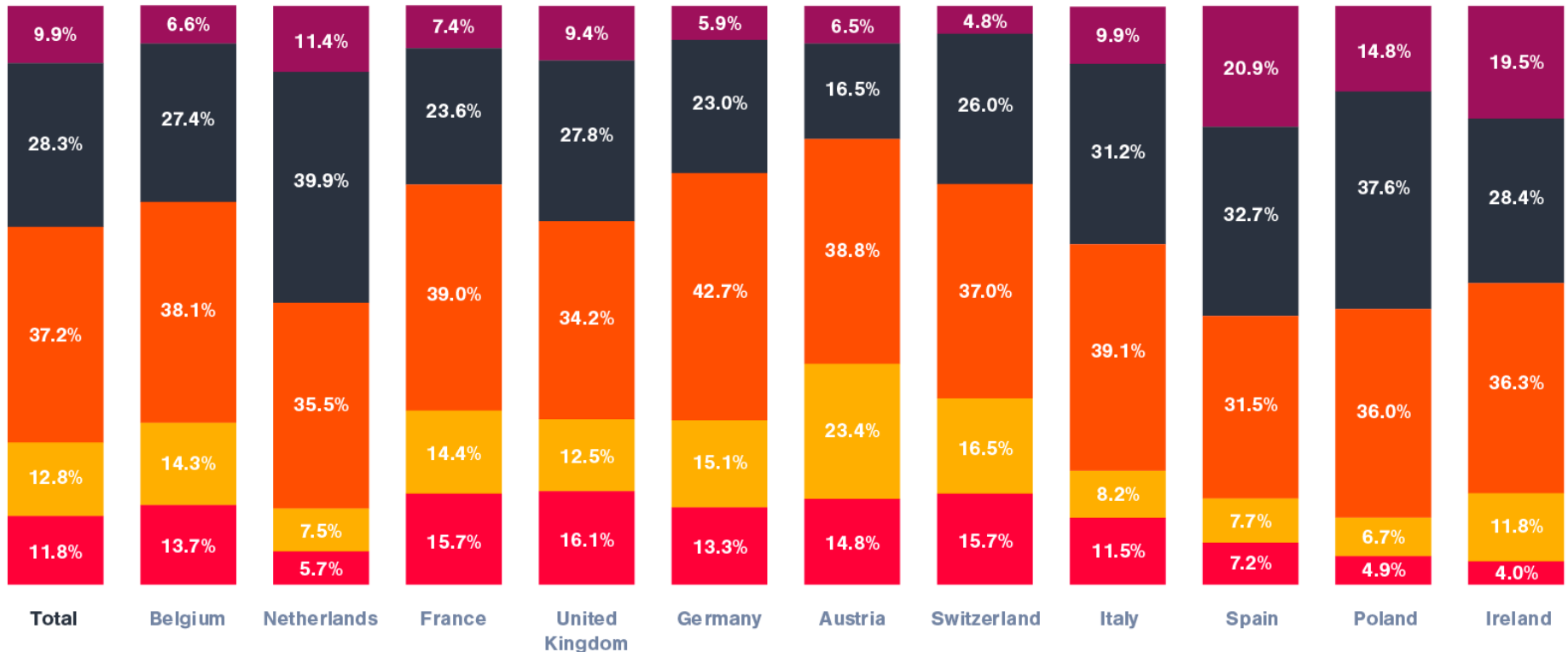
A manual world

The amount of time, expertise and energy it takes to process every cheque, expense, deduction, garnishment and remittance is incredible. All personnel directly involved in payroll processes know exactly what a **labour-intensive and expert job** payroll has become over the last few years. Unmistakably, digitisation and automation are among the most promising courses of action that first come to mind in tackling this issue.



This graph shows the current state of payroll automation in Europe:

To what extent are your HR & payroll processes and systems automated?



Level 1: very low level
HR processes are not or only partially automated or integrated;
a lot of manual interventions and paperwork are required.
Excel spreadsheets are used at best.

Level 2

Level 3

Level 4

Level 5: very high level
HR processes are fully automated,
robotic and/or integrated

Except for countries like the Netherlands, Spain and Poland, where over half of companies report an advanced level (scores 4-5) of payroll automation, there's still a lot of work to be done.

Strikingly, while payroll optimisation is the top HR priority in Europe, HR process automation and digital transformation are considered less urgent. We strongly believe, however, that companies can gain a unique competitive edge by successfully combining both worlds.

A possible way out of the impasse is outsourcing. Payroll services providers already have the people, the expertise and the technology for the job, so it might be a route worth investigating. To what extent European companies already make use of (payroll) outsourcing is discussed in the next chapter.





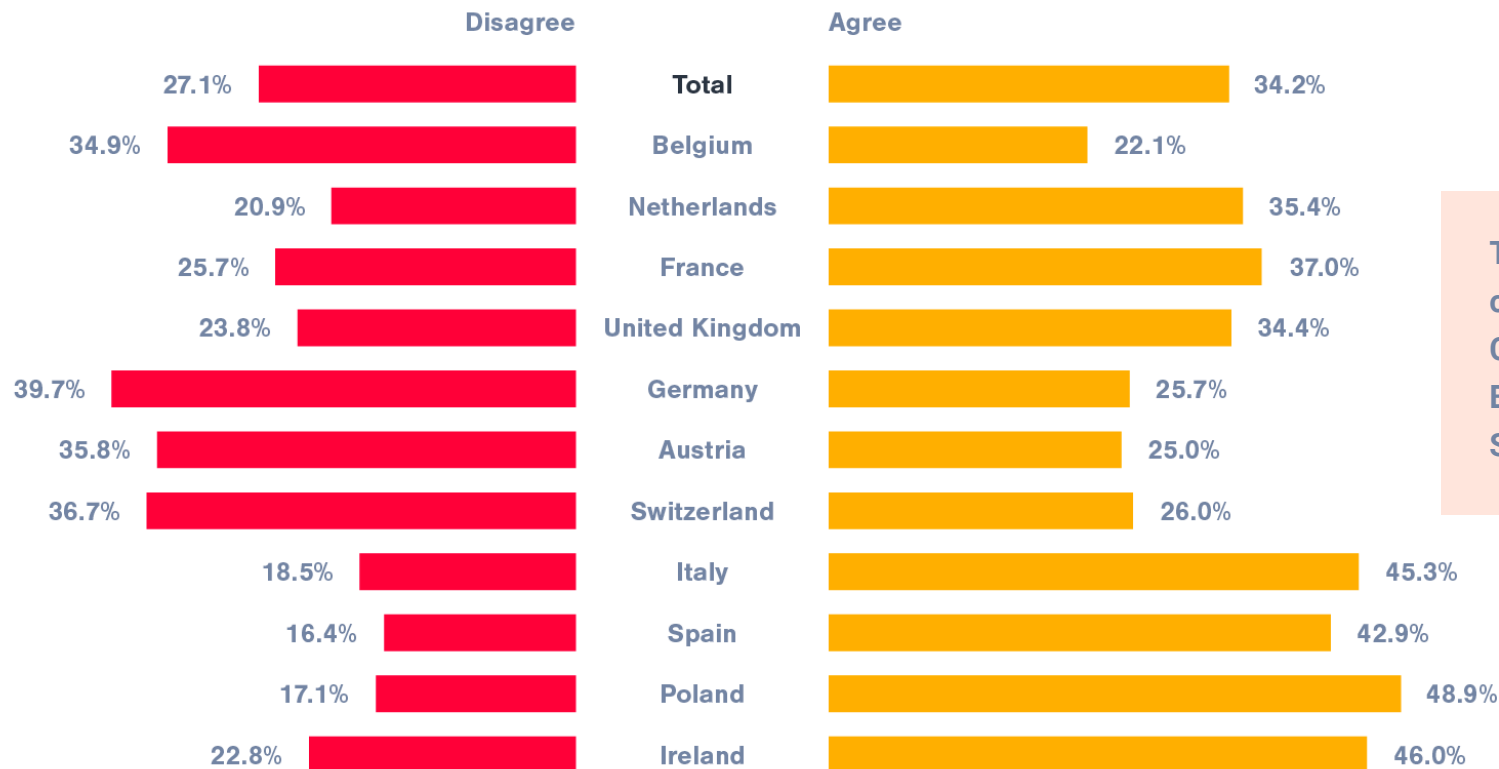
Hula hoop 2: Outsourcing

Acquiring long-term in-house expertise or counting on third parties for support: why choose if you can have both? An outsourcing partner can assist in various ways, from the implementation of high-tech tools to personalised consulting, while this 'borrowed expertise' allows you to get smarter yourself. The only true challenge is finding a balance that fits your company.

Technology key for most often outsourced HR tasks

Let's get straight to business: do European companies turn to outsourcing as a way to ease the burden on their HR teams? The short answer is 'not really'. **Most entrepreneurs and HR professionals indicate that they'd rather outsource less instead of more in light of COVID-19.** Especially Polish, Irish, Italian and Spanish companies prefer to keep as many HR tasks in-house as possible in the (near) future. In the other polled countries, there's much more disagreement on whether or not outsourcing is the way forward.

Following the coronavirus crisis, we will take on more HR projects ourselves and outsource fewer tasks



The most outsourcing-oriented countries during COVID-19 are Germany, Belgium, Austria and Switzerland.

We need, however, to put these figures in the right perspective. While the general idea of outsourcing might not sound very appealing to many companies, most agree that **some HR tasks lend themselves better to outsourcing than others**. That's why we asked companies which specific duties they'd prefer to outsource to external specialists.



Ranking outsourcing	Total
HR process automation	1
Socio-legal regulations	2
Digital transformation	3
Wage costs	4
Contingent workforce	5
Recruitment	6
HR policy	7
Payroll	8
HR analytics	9
Reward	10
Learning	11
Diversity & Inclusion	12
Progress management	13
Employee experience	14
Operational efficiency	15
Well-being	16
HR service to employees	17
Work-life balance	18
Performance management	19

Belgium

- 1 HR process automation
- 2 Socio-legal regulations
- 3 Payroll
- 4 Digital transformation
- 5 Reward

Netherlands

- 1 HR process automation
- 2 Socio-legal regulations
- 3 Payroll
- 4 Wage costs
- 5 Digital transformation

France

- 1 Socio-legal regulations
- 2 HR process automation
- 3 Wage costs
- 4 Payroll
- 5 HR analytics

UK

- 1 HR process automation
- 2 Digital transformation
- 3 Socio-legal regulations
- 4 Wage costs
- 5 Reward

Germany

- 1 Socio-legal regulations
- 2 Wage costs
- 3 HR process automation
- 4 Payroll
- 5 Recruitment

Austria

- 1 HR process automation
- 2 Contingent workforce
- 3 Socio-legal regulations
- 4 Recruitment
- 5 HR policy

Switzerland

- 1 Recruitment
- 2 Socio-legal regulations
- 3 HR process automation
- 4 HR policy
- 5 Progress management

Italy

- 1 HR process automation
- 2 Contingent workforce
- 3 Digital transformation
- 4 Socio-legal regulations
- 5 Recruitment

Spain

- 1 Digital transformation
- 2 HR process automation
- 3 Socio-legal regulations
- 4 Contingent workforce
- 5 HR service to employees

Poland

- 1 Digital transformation
- 2 Socio-legal regulations
- 3 Diversity & Inclusion
- 4 HR process automation
- 5 Recruitment

Ireland

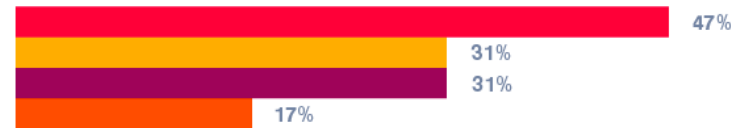
- 1 Digital transformation
- 2 Socio-legal regulations
- 3 Wage costs
- 4 HR process automation
- 5 HR policy

Top 5 HR tasks companies would like to mostly or fully outsource



#1 HR process automation

Automating tedious and time-consuming manual tasks to free up time.



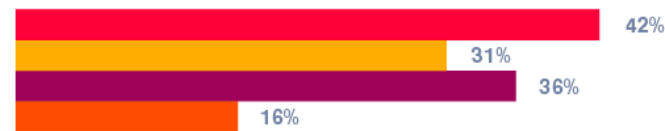
#2 Socio-legal regulations

Gaining insight and advice into complex rules and laws, and applying them correctly.



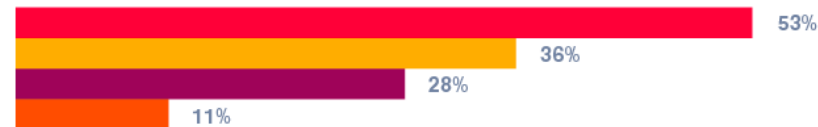
#3 Digital transformation

Implementing digital solutions in the workplace, while guiding employees through that transformation.



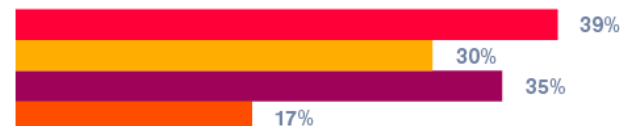
#4 Payroll

Ensuring the correct and on-time payroll calculation and payment of employees.

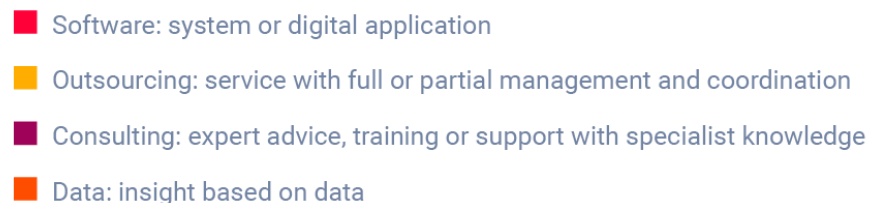


#5 Wage costs

Optimising and regulating wage costs effectively.



It's worth to note that for all of these HR tasks, except for 'socio-legal regulations', employers are mainly looking for **technological support**. Top-notch third-party software appears to be a key argument, particularly for 'payroll' and 'wage costs'.

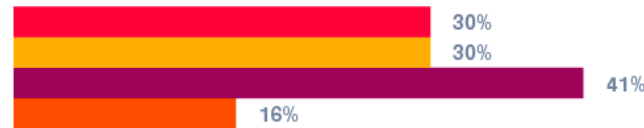


Top 5 HR tasks companies don't want to mostly or fully



#1 Learning

Developing key competencies, knowledge and attitudes within the workforce



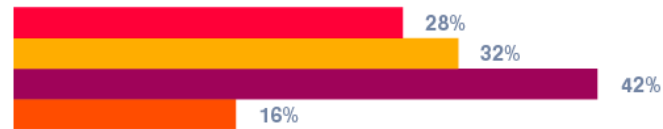
#2 HR services for employees

Swiftly answering and processing questions from employees.



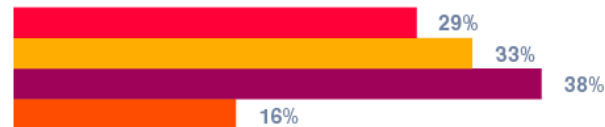
#3 Wellbeing

Facilitating on the mental, physical and emotional health of employees.



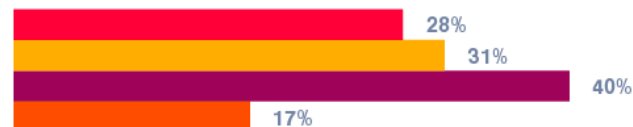
#4 Work-life balance

Implementing measures to create a flexible workplace in terms of time and location.



#5 Performance management

Motivating employees to be high achievers.



Technology-based outsourcing is more appealing than consultancy-based outsourcing for HR process automation, digital transformation, payroll and wage costs.

These HR tasks are all very **employee centred**. It seems that most companies prefer to deal directly with their talent. If companies do turn to a third party, they are mainly looking for consulting (advice and training) on this front.

- Software: system or digital application
- Outsourcing: service with full or partial management and coordination
- Consulting: expert advice, training or support with specialist knowledge
- Data: insight based on data

A shortcut to peace of mind

Today, about **1 in 3 European companies partially or fully outsource HR tasks** to external providers. In countries like Belgium, the numbers climb to about 50%. And when looking at the HR strategies of larger companies or organisations in the manufacturing industry, the appeal of outsourcing further increases.

So, what exactly is so attractive about outsourcing? To answer this question, we zoomed in on one of the 5 most-outsourced HR tasks: payroll and HR administration. Interestingly, this core responsibility for every HR department is often outsourced by both small and large companies.

The outsourcing of payroll and HR administration is especially popular in Belgium, the Netherlands, France and Germany.

It turns out that European companies choose outsourcing for these 5 reasons:



1. Lighter administrative burden on personnel

Payroll duties are often repetitive, time-consuming and error-prone tasks that can easily be taken over by external experts. Moreover, chances are that payroll administration is not your HR staff's favourite task, so outsourcing might brighten things up in the office.



2. Continuity of HR activities

You control a lot, but not everything. Internal and external mobility can put a heavy burden on your team, just like unforeseen absences. Finding adequate replacements on short notice is often difficult due to the increased complexity of payroll. But as you know: payroll never stops.



3. More time for staff to focus on more value-adding tasks

As you undoubtedly know, a lot of work goes into payroll calculation and payment. Consequently, projects with higher strategic value are put on hold when it's that time of the month (or year). Outsourcing is an ideal way to free up time for your staff.



4. Better services for employees

We've seen that HR services is the number two priority for companies these days. This means answering and processing employee questions adequately. What better way to complete that mission than with the help of a partner who has all the answers, including tools and consulting?



5. Injection of expertise and know-how

The lack of sufficient legal, HR and/or international knowledge can be a large obstacle for (smaller) companies, while finding employees to complement your team might turn out to be a strenuous and costly activity. A possible solution: borrowing talent from an outsourcing partner.

Outsourcing as a way to hit various targets at once

"SD Worx isn't just an outsourcing partner. Their consultants actively think along with us in order to optimise our HR processes. For example, they've helped us automate internal flows as well as our process for business intelligence reporting. An extra benefit: our own employees now have more time for strategic projects, such as data analysis."

Kjell Bakkovens,
Manager HR Office at Aquafin



Hula hoop 3: Reward policy

Another way to create fluidity is by personalising remuneration packages. Why not offer your team a menu that reflects employees' life stages, preferences and personal needs? This will boost motivation and – more importantly – can complement a cost-efficient, manageable overall reward policy. That is, if you find the right balance.

Change on the horizon

Defining a reward policy isn't just about ticking the right boxes or meeting compliance parameters. In a fierce hiring environment where both SMEs and large enterprises are jostling for top talent, **the benefits you provide could be game changers**. Why? Not all employees want the same benefits. Your fresh-out-of-university accountant will probably have other preferences than your eco-minded senior account manager with three kids to provide for and a mortgage to pay. Therefore, employers should adopt a more fluid approach to remuneration.

"As a niche bank with 355 employees, we have to be innovative to attract commercial and financial talent. We accomplish that by offering personalised reward packages. This type of flexibility also matches our dynamic vibe and the growth opportunities we provide."

Thomas De Meyer,
HR Director at Europabank

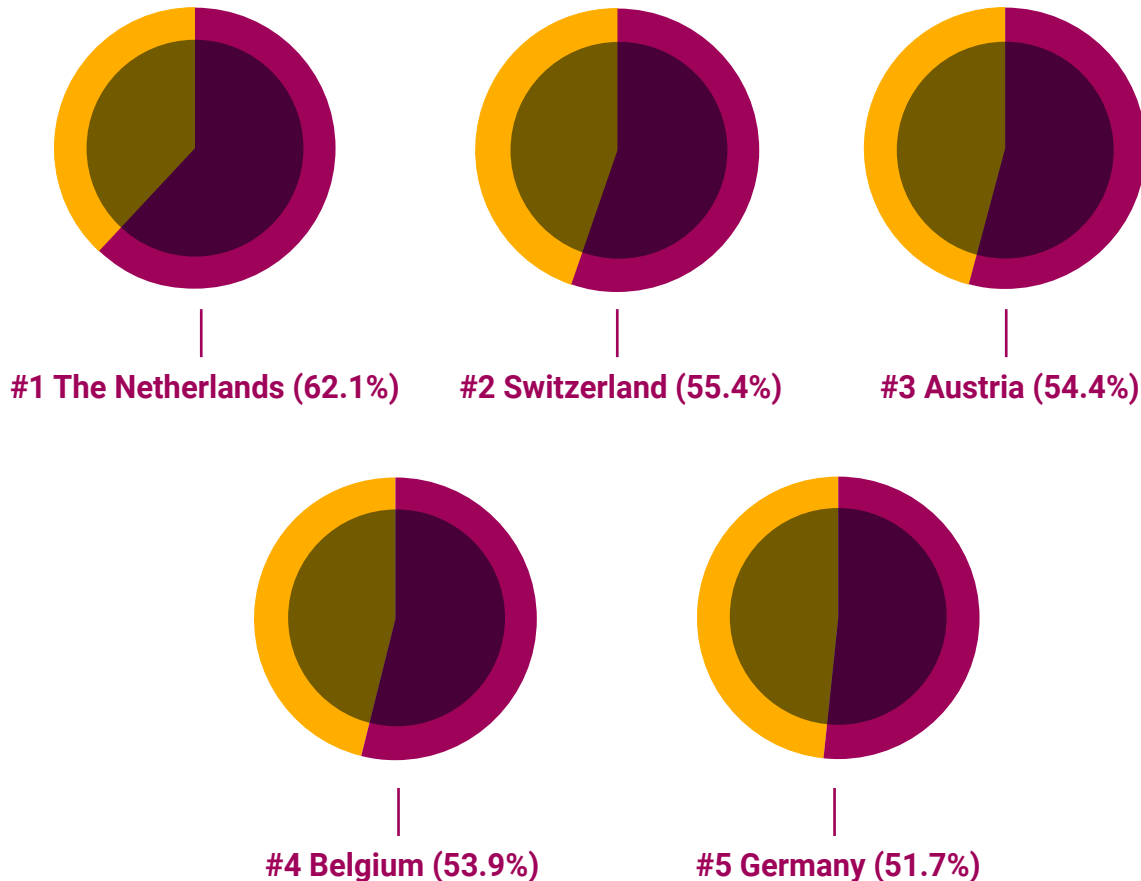
Many forward-thinking workplaces are already customising their reward offerings and moving away from one-size-fits-all packages, but the reality is that **the majority still compensate their workforces the same way they did two decades ago.**

Variable salary & benefits

Premiums, bonuses and commissions	Seniority bonus, productivity bonus, attendance premium, safety bonus, innovation premium, compensation for shift work or night shifts, compensation for standby/invention service, compensation for specific working conditions
Refund of expenses	Refund of expenses, allowances for international assignments and travel, teleworking allowances
Mobility benefits and allowances	Company cars, company bicycle, bicycle allowance, subscription for public transport, mobility budget
Insurance policies and supplementary social security	Pension insurance, life insurance, invalidity insurance/guaranteed income, hospitalisation insurance, insurance for outpatient costs
Technical devices	Mobile/smartphone, compensation for telephone costs, compensation for internet, laptop
Benefits associated with corporate culture	Gift to mark seniority, gift to mark wedding or birth, gift to mark retirement, New Year's reception, company canteen
Long-term incentives	Profit sharing, purchase of shares/bonds at a significantly reduced price, allocation (free of charge) of shares/bonds, allocation of shares or bond options, warrants
Benefits relating to leisure time and work time	Extra leave days, paid leave, flexible working hours
Health and well-being benefits	Shopping service, ironing and washing service, daytime childcare, fitness subscription, fitness room, well-being programmes
Vouchers and cheques	Meal vouchers, cultural or gift vouchers, holiday cheques
Loans	Attractive or interest-free loans, salary advances on credit, etc.
Price reduction	Price reduction on own products or products distributed by the organization

The 5 countries where only offering fixed salaries is most common

About half of European companies only offer fixed salaries to their employees. In some countries the numbers are even higher:



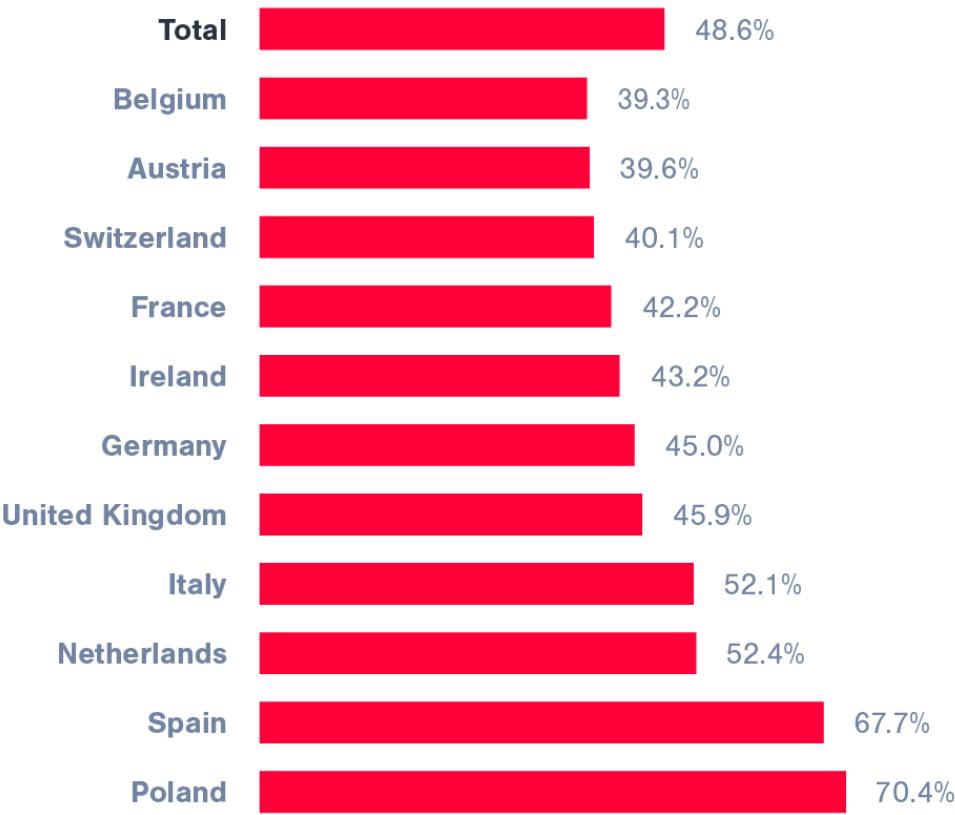
“Today, professionals from all generations want tailored reward packages. According to our own research, about 4 out of 10 employees would consider leaving their employer if they don’t have a say in the reward system. Flexible rewards effectively counter that feeling and boost employee engagement.”

Leen Scheepens,
Senior HR Manager BeNeLux at Robert Half

So, is the trend towards more customised reward packages the wishful thinking of HR experts, or is it still a real prospect? Considering the overall priority list of European companies, in which an improved and more flexible reward policy ranks second to last, things don't look too bright. But we also have indications that something is bubbling behind the scenes.

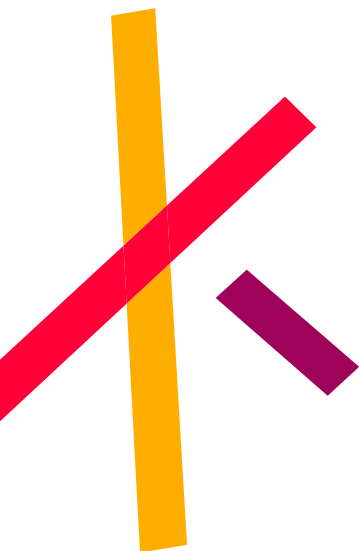
Almost half the companies have **'flex reward projects'** in progress or plan to launch such projects within the next 12 months. Particularly Spain and Poland have big ambitions. Equally promising, 48.6% of polled organisations admit that a more flexible remuneration system is an important topic moving forward.

Companies doing or planning projects within the year to improve and make the remuneration of employees more flexible

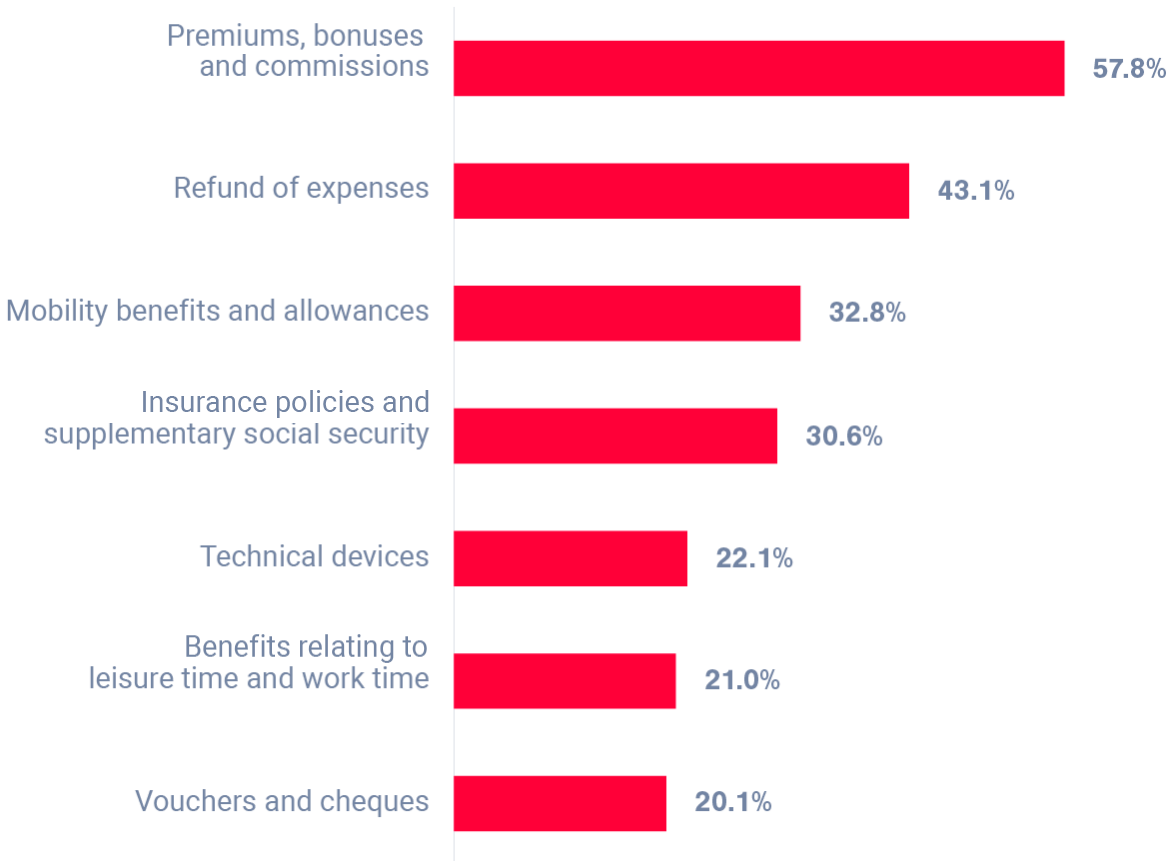


From bonuses to bike leasing

Let's say you don't offer any customisable reward packages just yet. Which benefits could you add to the mix? A good source of inspiration is what your competitors offer. In Europe, these are currently **the most popular types of flexible rewards**:



How is the benefits package compiled for the majority of employees?



A deep dive into the top 3 benefits



#1 Premiums, bonuses and commissions

Over half the companies that offer flexible remuneration do so with rewards related to the nature of the job (safety bonus, compensation for intervention services, night shift premium, etc.), employee or team performance (e.g. productivity bonus) or personal situations (e.g. seniority bonus). Our survey shows that premiums, bonuses and commissions are quite popular everywhere, especially in Poland and Germany.



#2 Refund of expenses

This type of remuneration includes the refund of expenses made during international assignments, such as for accommodation and transport. Another example is the allocation of homeworking allowances. In that case, employees can count on their employer to cover internet or other costs. The reimbursement of training fees is also a common form of 'refund of expenses'.

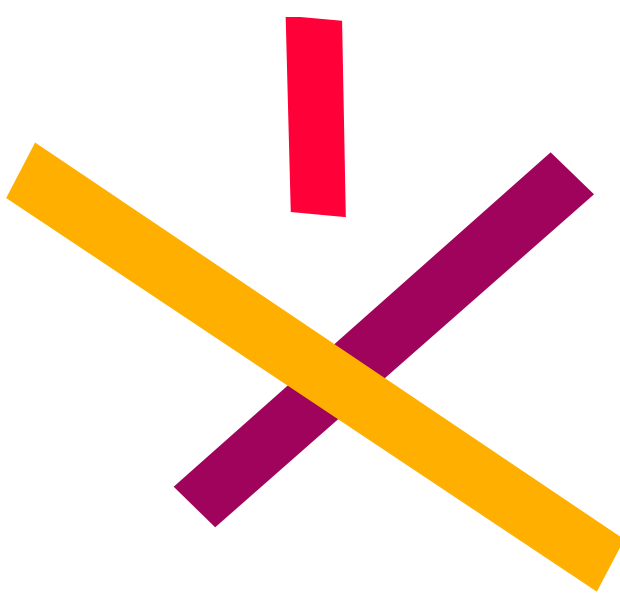


#3 Mobility benefits and allowances

Looking at customisable rewards, mobility scores highest in the European charts. Not so long ago, this mainly referred to company cars and public transportation, but in recent years, the number of mobility options has grown rapidly: bicycle leasing, carpooling and mobility apps, to name just a few. Belgian, German and Dutch companies in particular focus on these benefits.

An alternative path: pay on demand

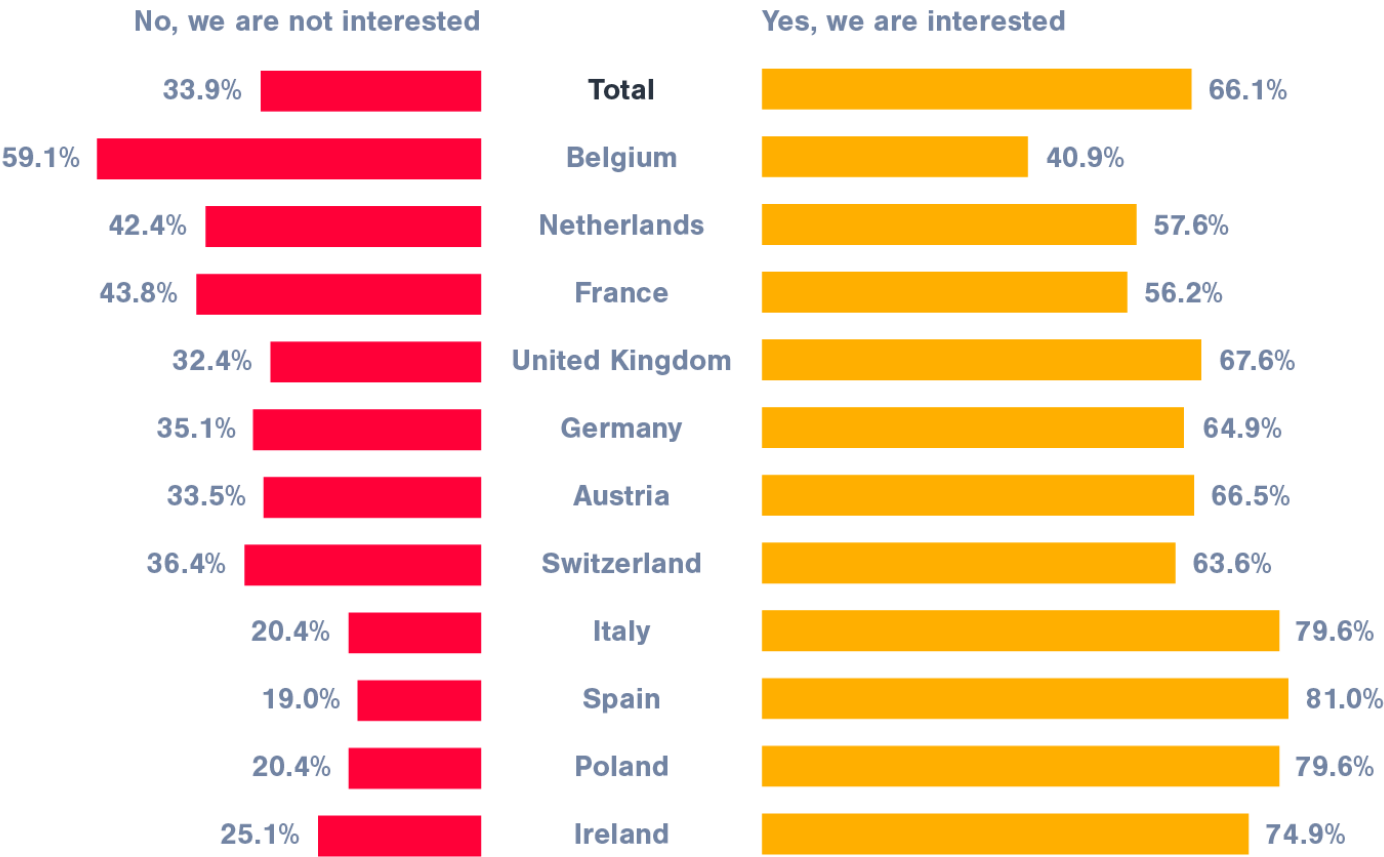
Another way of injecting fluidity into your reward policy is by offering employees **a flexible pay date**. Among the European companies that have already heard of this tactic (almost 90%), opinions are largely positive: 2 out of 3 are willing to consider it or already have 'pay on demand' in place. The only country where a majority (59%) doesn't see much point in letting employees decide when they get paid is Belgium.



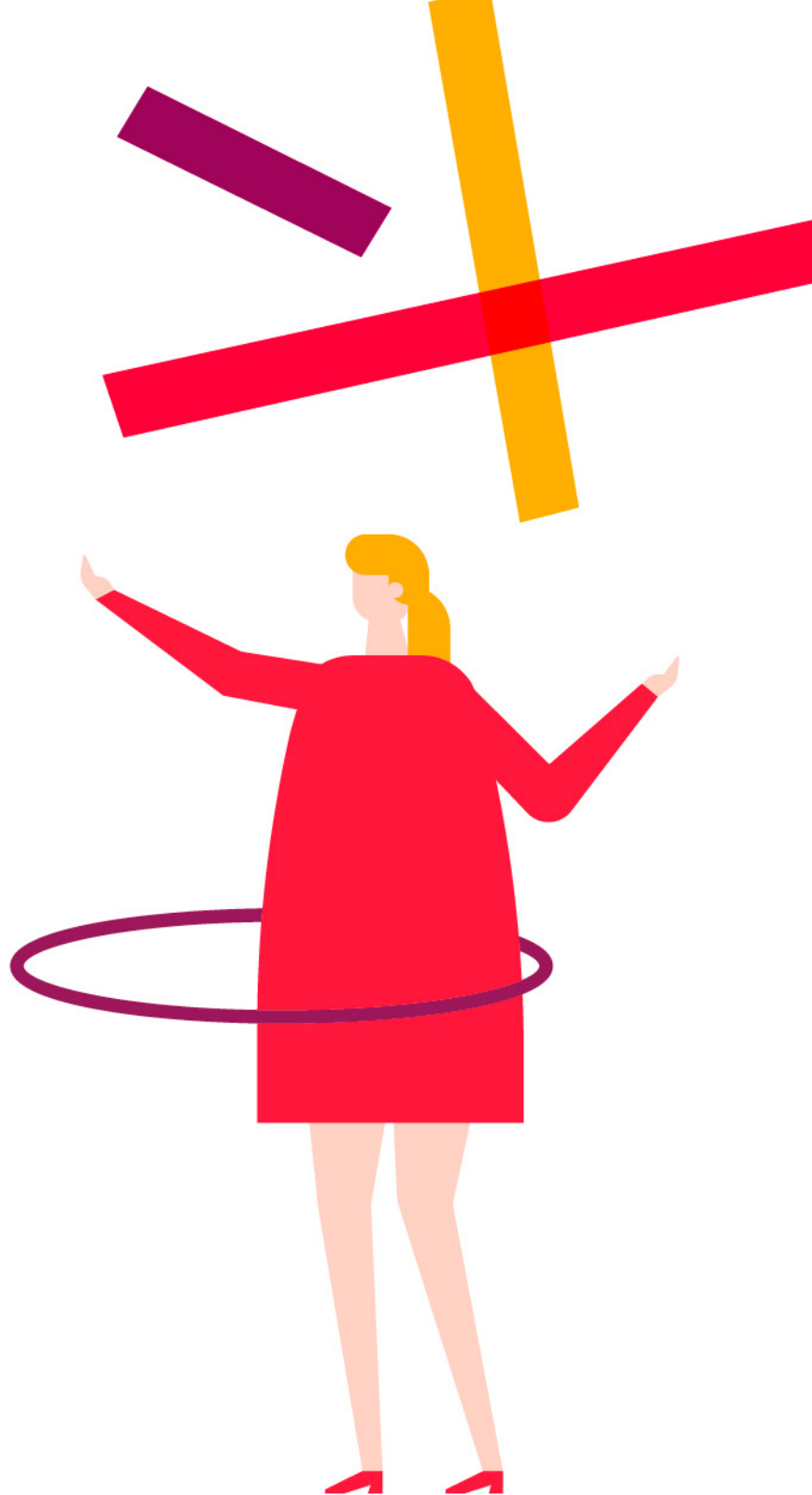
“All employers should develop and maintain a reward policy that is aligned with their business strategy and in harmony with the market. Flexibility has become a crucial part of this balancing act. Opening up a transparent dialogue with your team about pay systems, future reward perspectives and expectations encourages trust – an invaluable asset in times of change.”

Kirsty Douglas,
Reward Manager at SD Worx

Is there any interest within the organisation in making the date of payment of salaries flexible?
(those familiar with the concept)



‘Pay on demand’ sounds more appealing to larger companies than SMEs.



Hula hoop 4: Digital HR

HR can be more strategic in the age of Industry 4.0, as administrative and routine tasks disappear thanks to automation. Even more, HR experts can leverage technology to add some creativity and buzz to their operations. But implementing stable, frictionless tools as well as tailor-made digital solutions to finetune your own way of working, requires a great deal of balancing.

Searching for the digital leaders

Emerging technologies such as edge computing, blockchain and artificial intelligence (AI) are providing companies with plenty of opportunities to up their games. Early adopters are already seeing impressive results, from increased productivity to enhanced customer experiences.

One of the main areas in which Industry 4.0 can disrupt the status quo is HR. For example, AI can be easily embedded in areas like recruitment, training and onboarding. The end goal: **to help HR make better decisions based on analyses, predictions and diagnoses generated by high-tech applications.**

Sounds promising, doesn't it? This graph, however, proves that many companies still have a long way to go when it comes to digital maturity:



Top 3 countries with the highest automation level in HR and payroll

#1 Poland

#2 Spain

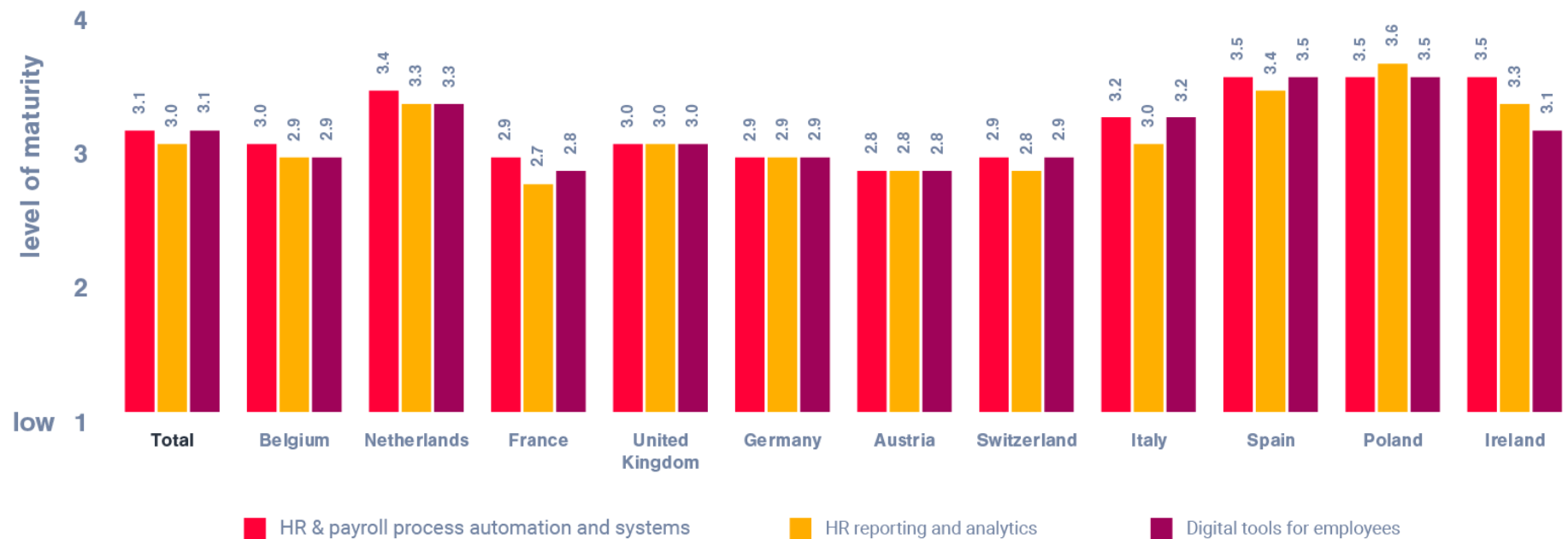
#3 The Netherlands

“The digital revolution doesn’t make people – or the HR teams that work with them – any less important. Tomorrow’s HR leaders will need to be true knowledge workers with tech-savvy mindsets. Technology is freeing up HR to take on big-picture matters, making the field more exciting, more demanding and perhaps more competitive as well.”

Cathy Geerts,
HR Director at SD Worx

What is your level of maturity in HR technology?

high 5



37%

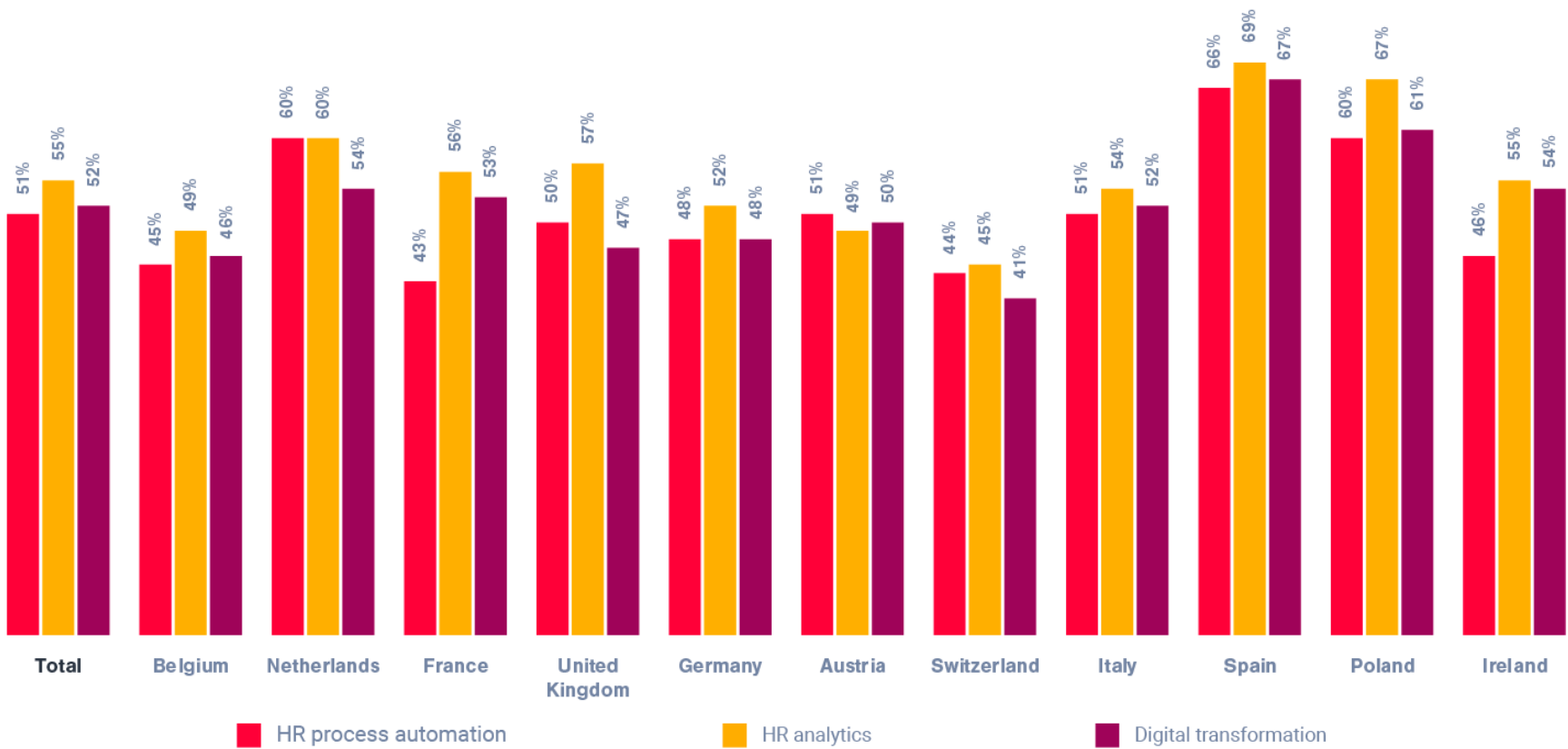
of polled organisations claim to have reached a high level of digital maturity, a similar share report a rather moderate level and 25% urgently need to step things up on this front. SMEs (less than 100 employees) in particular can still take big leaps toward digital maturity.

Lower priority, but lots of action

COVID-19 has put digital transformation and HR process automation on hold. Out of 19 possible HR priorities, these two tasks came in at 15th and 16th place in our survey, respectively. Only Belgian and Dutch companies give the implementation of more technology in HR and payroll slightly higher priority.

In terms of digitisation or automation projects planned within the next 12 months, the panorama changes a bit. About half of polled companies have something up their sleeves:

Companies having or planning projects within 12 months on HR technologies



Spain, Poland and the Netherlands not only have the highest digital maturity levels, they're also the most ambitious countries for now.

Combining these figures with the HR tasks that companies wish to mostly or entirely outsource in the future, we can only conclude that **many employers are counting on third parties to help them boost their digital maturity levels.**

Top 3 HR tasks companies wish to mostly or entirely outsource



#1 HR process automation



#2 Socio-legal regulations



#3 Digital transformation

The resemblance of our observations to those for reward policy – low priority, lots of planned projects – is striking. But just as with flexible remuneration, we'd like to see even more tech-inspired projects in HR, outsourced or not. The game-changing potential of these tactical interventions remains under the radar for many employers.

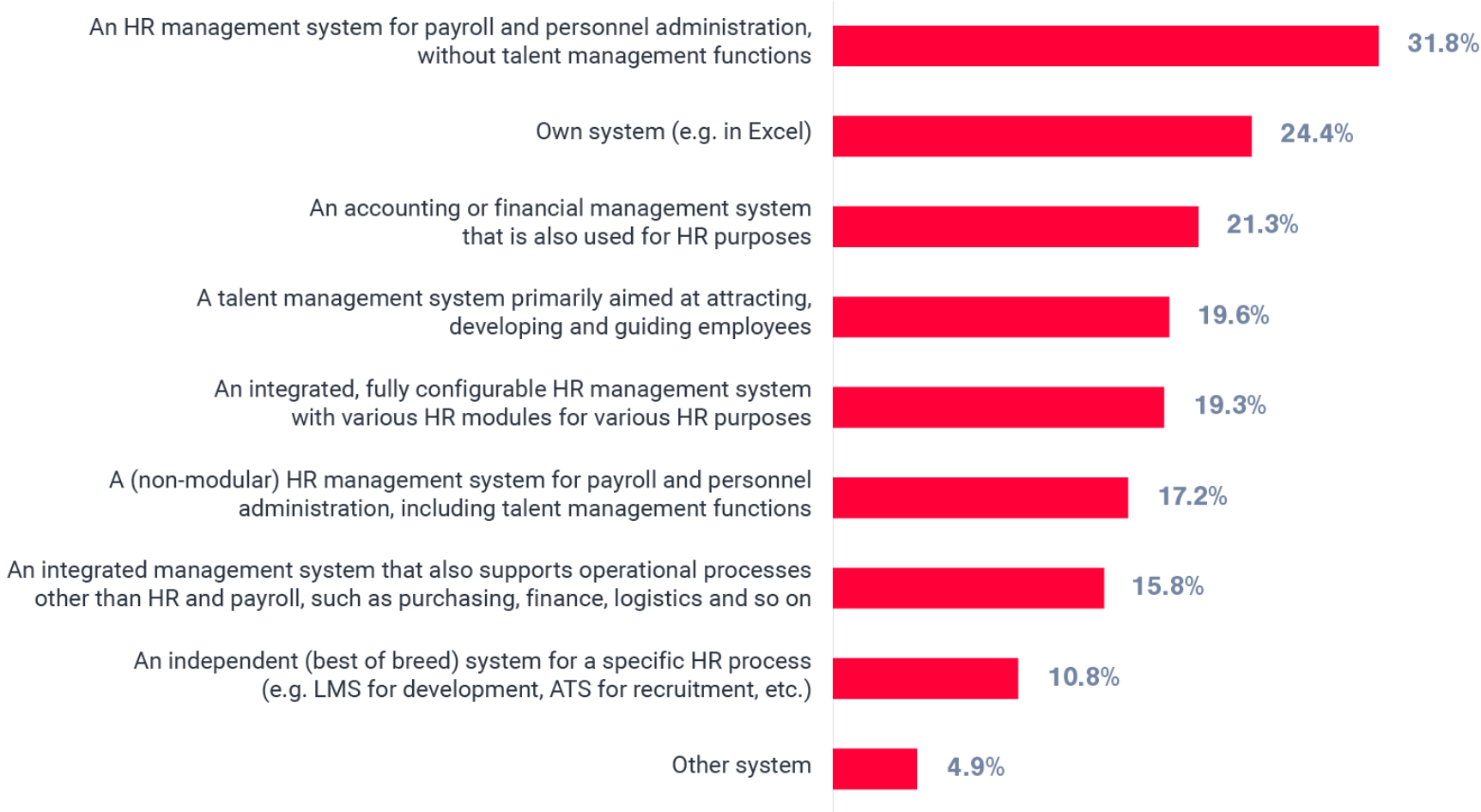
“Because of budgetary constraints, the automation and digitisation of HR isn't a priority for most companies during COVID-19. But from an HR perspective, it is. Advanced digital maturity allows you to focus on strategic tasks that would otherwise be put on hold. For example, we're working on extending our HR services with mobile applications using technology like chatbots and centralised knowledge bases. In doing so, we can raise the value of our HR team as a business partner even further.”

Ferdi Claes,
MD HR Europe at CTG

Personnel data systems

Every HR department has to deal with loads of personnel data, but just how digitally advanced are the systems they use to do so? See for yourself:

Which systems do you use to manage the most important personnel data?





3 main impressions

1/3

#1 Almost 1 out of 3 European companies rely on an HR management system for payroll and personnel administration. In some cases, this type of system is also used for recruitment and selection, attendance registration, budgeting, HR reporting or HR analytics.

< 100

#2 A large number of employers – especially those with fewer than 100 employees – manage personnel data with their own systems. This often means the use of automated MS Excel templates with predefined or tailored formulas. This approach, however, still requires a lot of manual input.

1,000+

#3 In most large organisations (1,000+ employees), HR operates an integrated, fully configurable management system with various modules for payroll, attendance, budgeting, learning and development, performance management, etc.



Hula hoop 5: Employee experience

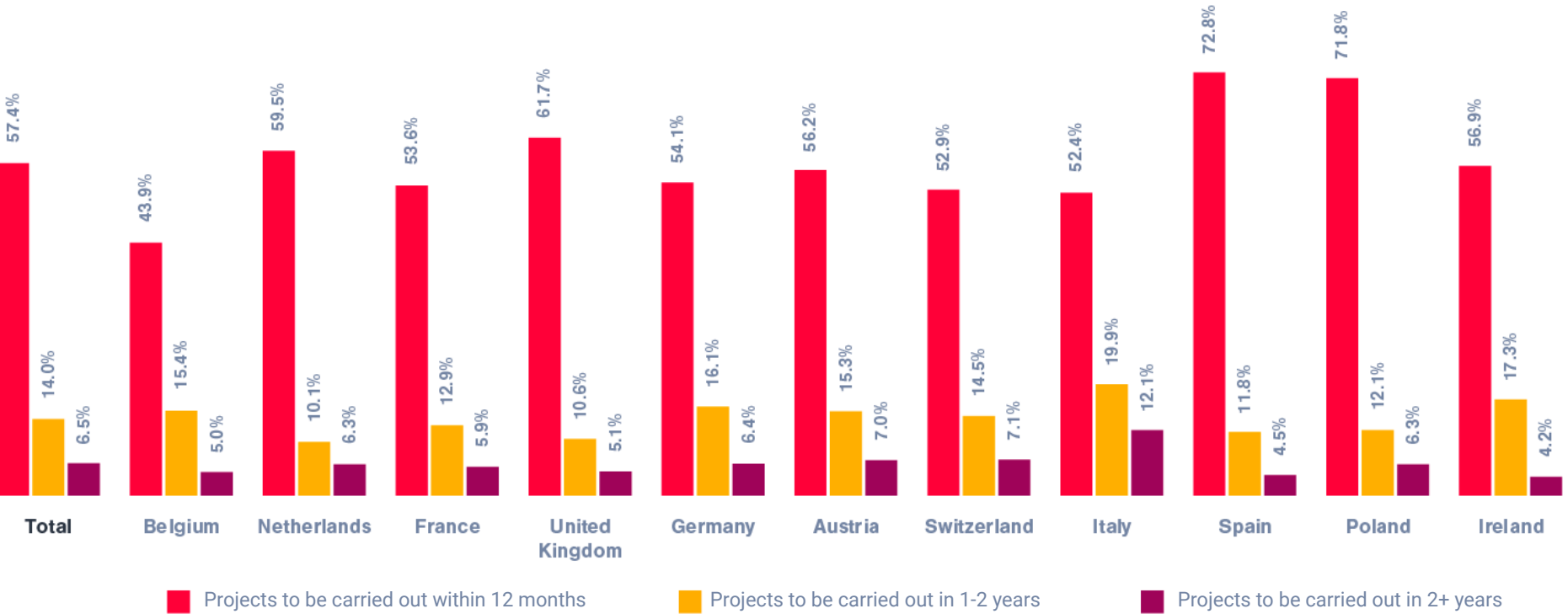
Fluidly connecting with employees: one of HR's biggest challenges in a nutshell. To thrive beyond the crisis, companies need to find a viable balance between peace of mind for all in times of uncertainty and the need for individualised experiences. Because it is that personal touch that will ultimately make you stand out. Have you already found the ideal formula?

COVID-19 inspires action

We know. ‘Fluidly connecting with employees’ sounds rather fluffy. But fluffy as it may be, it means the difference between unattached, drifting employees and motivated ambassadors – now more than ever. COVID-19 calls for **unity and a positive vibe on the work floor**, not turmoil.

The global pandemic has directly impacted employees and their working environments, introducing mass remote working, a renewed work-life balance, new management methods and more. Fortunately, most companies understand the seriousness of the situation and are acting accordingly.

Do you have or plan projects to facilitate and guarantee an optimal employee experience?



57%

of European companies are actively trying to improve the employee experience, either with running projects or with projects to be carried out within the next 12 months. Another 20% have mid- or long-term plans to tackle this issue.

Interestingly, large enterprises (>1,000 employees) show even greater decisiveness on this front. About 65% of them have running or soon-to-launch projects, whereas the figure for SMEs is 55%.

The countries that are most employee experience minded are Spain and Poland, with only 10% of Spanish and Polish companies lacking plans to address this topic in the future. Spain is also the only European country that considers employee experience to be a top 3 priority for HR. In some other countries, like Belgium and France, it doesn't even make the top 10. Belgium scores particularly well below average on this topic: a minority of Belgian companies have projects in place or will have them in place in the near future, while a stunning 35.6% – over 1 in 3! – have no intention of changing their current approach.

In Spain and Poland, 9 out of 10 companies are revising or will revise their strategy regarding employee experience.

In general, we observe a deep concern for workers and the employee experience. Related topics like HR service to employees, wellbeing, motivation and work-life balance are also high on the agenda. **Let's break down the results of our survey.**



HR services for employees

Goal: easily answering and processing HR questions from employees

Share of companies with projects in place or planned in the short term: 64.8%



Performance management

Goal: motivating employees to shine individually and in teams

Share of companies with projects in place or planned in the short term: 62.7%



Work-life balance

Goal: improving the balance through flexibility concerning working times and places

Share of companies with projects in place or planned in the short term: 58.1%



Wellbeing

Goal: fostering the mental, physical and emotional wellbeing of employees

Share of companies with projects in place or planned in the short term: 58.8%



Learning

Goal: developing and guaranteeing key competencies, knowledge and attitudes

Share of companies with projects in place or planned in the short term: 58.8%

Diversity calls for flexibility

In short, about 6 in 10 European companies are taking steps to make sure their staff get the attention they deserve. The difficulty is that today's work floor is extremely diverse. Never have so many generations worked together at once. Moreover, every employee has different needs and wishes, according to the life stage they're in. Even more, don't forget that you might be working with flex workers, such as freelancers, moonlighters or temps, that are not on your standard payroll and might not even be under HR's supervision. **How do you cater to all of their needs?**

"We want everybody to feel at home, including permanent and temporary, young and old, experienced and novice employees. But this means hard work, as there's no time for complacency. Success requires a personalised approach, innovative projects, inspiring leadership, continuous feedback and – most importantly – the will to deliver the best possible experience to every talent."

Filip Peeters,
HR director at Nike European Logistics
Campus

The ability to effectively improve the employee experience is the key to boosting talent attraction and retention. One thing is clear, **employers mainly look to themselves to come up with the solutions**. HR services for employees, work-life balance, learning, wellbeing and performance management are the HR tasks that companies are most reluctant to largely or entirely outsource:

Topics companies wish to (fully) outsource the least to external specialists



“Who knows your team best? You do, obviously! So, it makes sense that you prefer to manage employee experience in-house. The truth, however, is that some companies still struggle with making their efforts emotion-generating, scalable and business-aligned. Reaching out to experienced HR consultants might just be the missing link in fully living up to your employees’ renewed expectations.”

Peter s’Jongers,
Chief Executive Officer at Protime



Hula hoop 6: Workforce management

If agility is critical for organisations during these challenging times, then talent flexibility will be the key to achieving it. The value that a worker can provide to the business will become more important than their employment status. Here, the balancing act consists of being legally compliant, but still having adequate flexible forces at hand to strengthen your permanent workforce when necessary.

The right talent at the right time

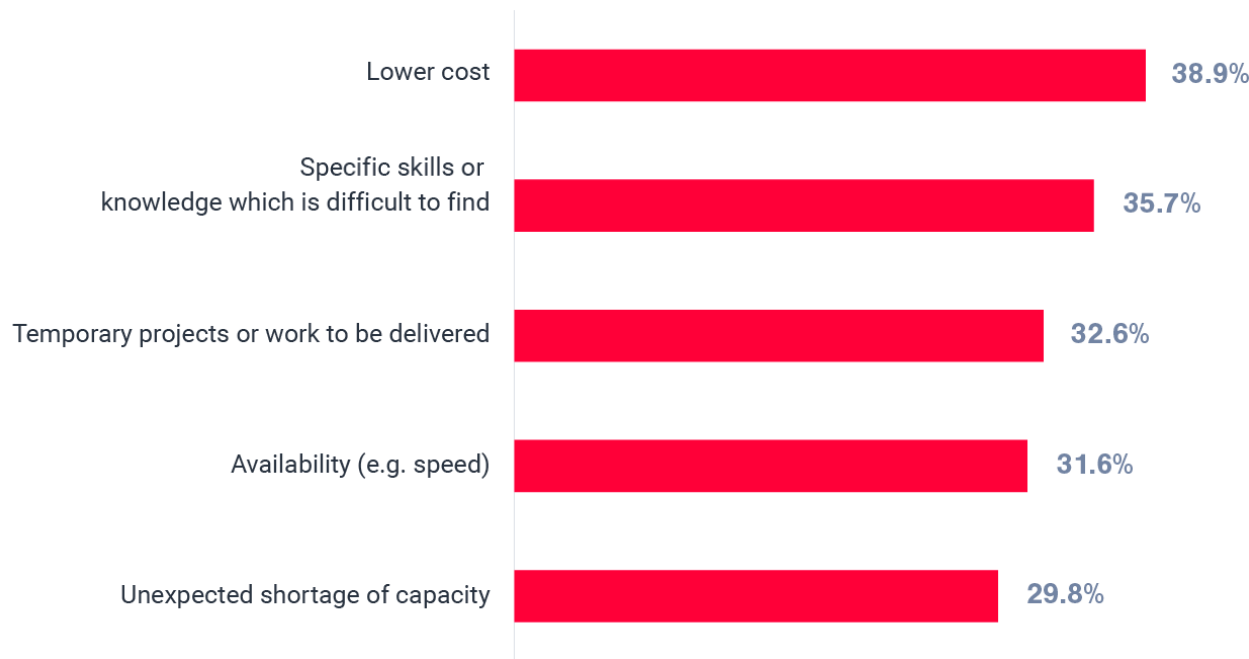
The COVID-19 pandemic has put a strain on Europe's workforce. From an employer's point of view, the landscape has also changed dramatically: to position themselves for success, businesses must make meaningful investments in human capital to build agile, flexible workforces.

On the one hand, this implies providing the right working conditions for your payrolled staff, such as by rolling out remote working policies and creating future-proof learning and development plans. On the other hand, it means **being creative with non-payrolled workers**, your so-called 'flexible shell'. Freelancers, temp workers, seconded staff and other flex workers can all add value to your business. In short, they offer you the possibility to acquire the right talent at the right time (at the right price).



To make the current situation more concrete, we've asked those companies that already employ flex workers what's in it for them. These answers came out on top:

Which of these priorities and projects do you wish to manage internally or wish to outsource to external specialists (software suppliers, training courses, paid consultants, etc.)
- Mostly or fully by a third party -



In Belgium, the UK and Italy, a lack of specific skills or knowledge is the main reason for flex work.

“For every new hire, you should ask yourself some questions. What type of expertise do I need? How long do I need it for? Which objectives do I have in the long term? And how much would it cost to onboard and train the employee? The answers will define the most adequate type of employment. By applying this method, you’ll be able to organise your flexible shell in the best possible way, both in terms of costs and return on investment.”

Christophe Petit,
Managing Director at SD Worx Staffing
Solutions

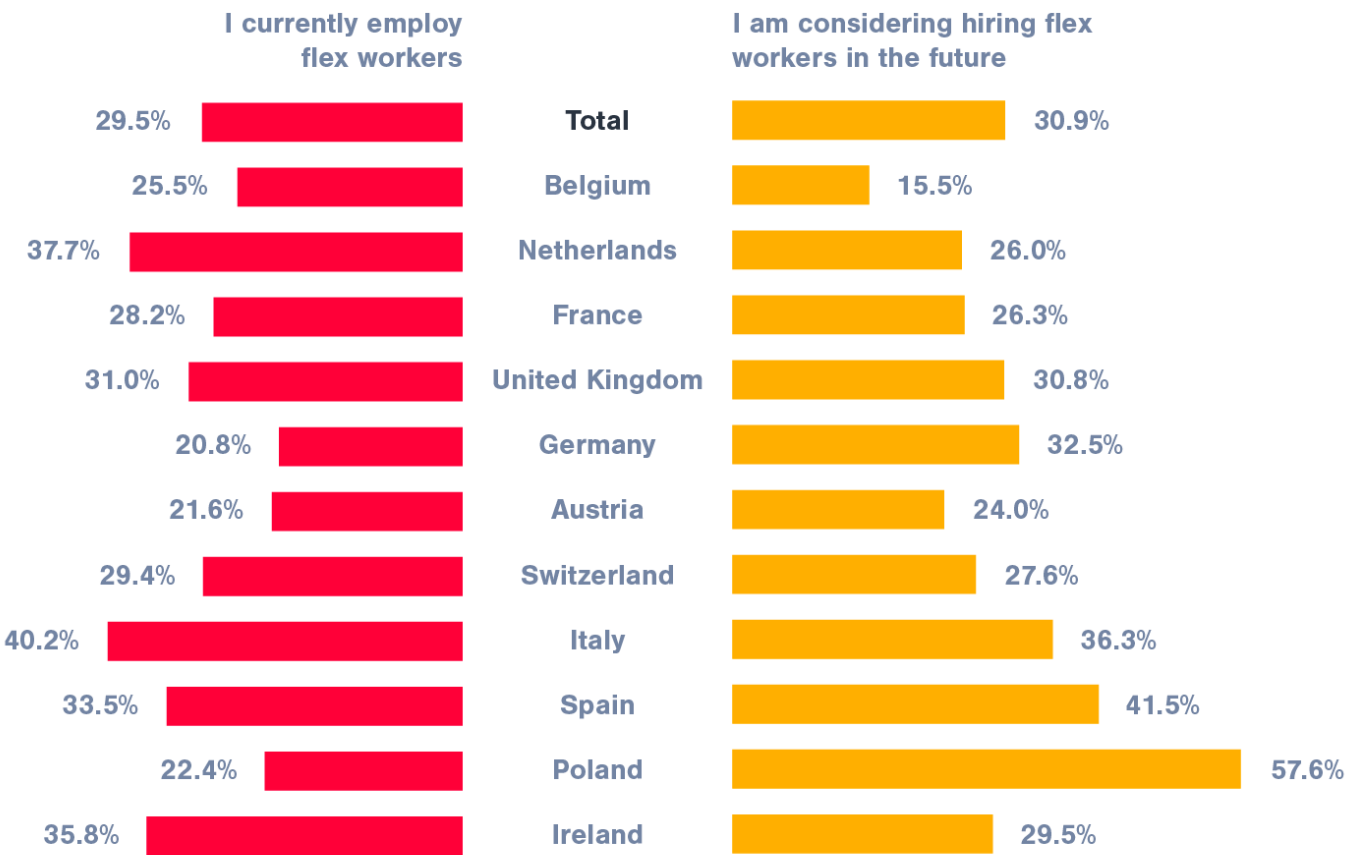
Workforce flexibility at an early stage

The top reasons for flex work reveal a lot of possible benefits, but how many employers already add this element of fluidity to their workforce management? This graph shows the number of companies that are currently employing flex workers, and those who consider it a fruitful option for the future:

60%

of European companies employ flex workers or consider doing so in the future.

Are you considering or do you currently have flex workers in your organisation?



The use of a 'flexible shell' in workforce management is most common in Italy, the Netherlands, Ireland, Spain and the UK. In these countries, about 1 out of 3 companies pursue their business targets with the help of flex workers. Part of the reason for this is that the business culture in Ireland and the UK – and in the Netherlands as well – is heavily influenced by the American labour market, where flex work is already normal. Spain and Italy also have relatively high numbers of temporary and self-employed workers.

Other factors that influence the stats:

- Large companies are more inclined to hire flex workers than SMEs.
- More manufacturing companies (36.4%) consider employing flex workers than service providers (30.7%) and organisations in the public and non-profit sectors (28%).

German, Austrian, Polish and Belgian employers still have a lot of ground to cover. Only 20%-25% employ flex workers, but Germany and – especially – Poland are looking to change their ways.

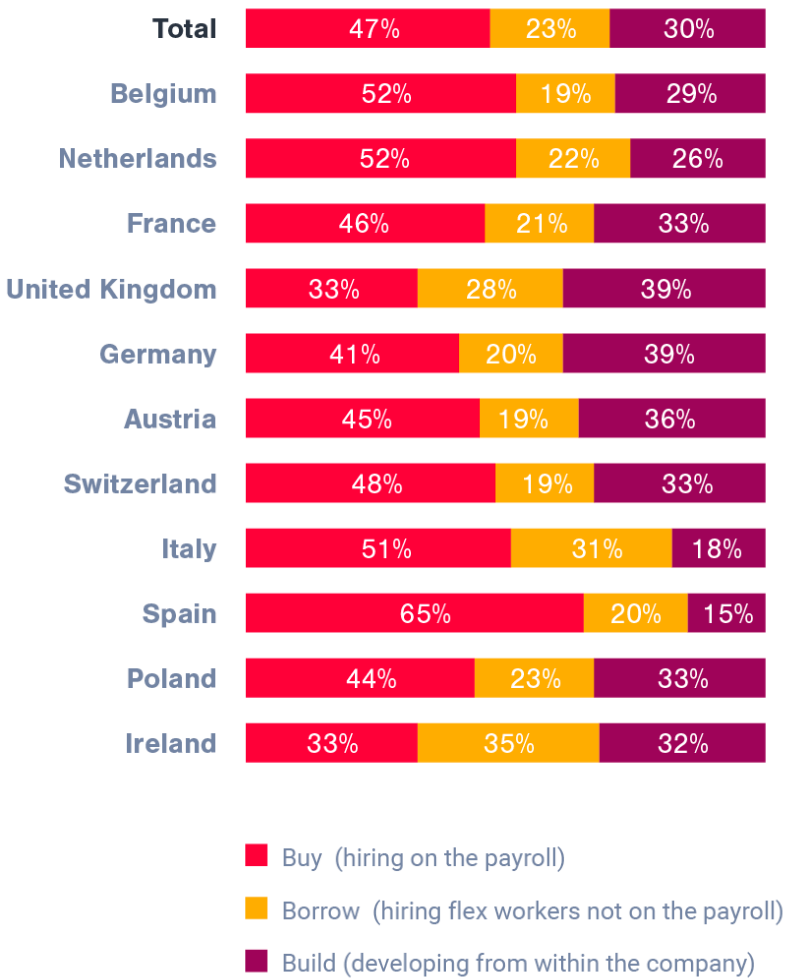
Although a fair number of European companies already employ or consider hiring flex workers, flexibility in workforce management remains rather limited. Moreover, establishing a flexible shell is all the way at the bottom of the priority list. Out of 19 HR tasks, it is considered to be the least important today. In other words: **the potential benefits of flex workers have yet to be valued by many companies.**

Building talent

Next to hiring permanent staff ('buying talent') and non-permanent staff ('borrowing talent'), there's another way of meeting your workforce needs: by building talent. This involves the **upskilling and reskilling** of current employees through formal, informal and on-the-job training.

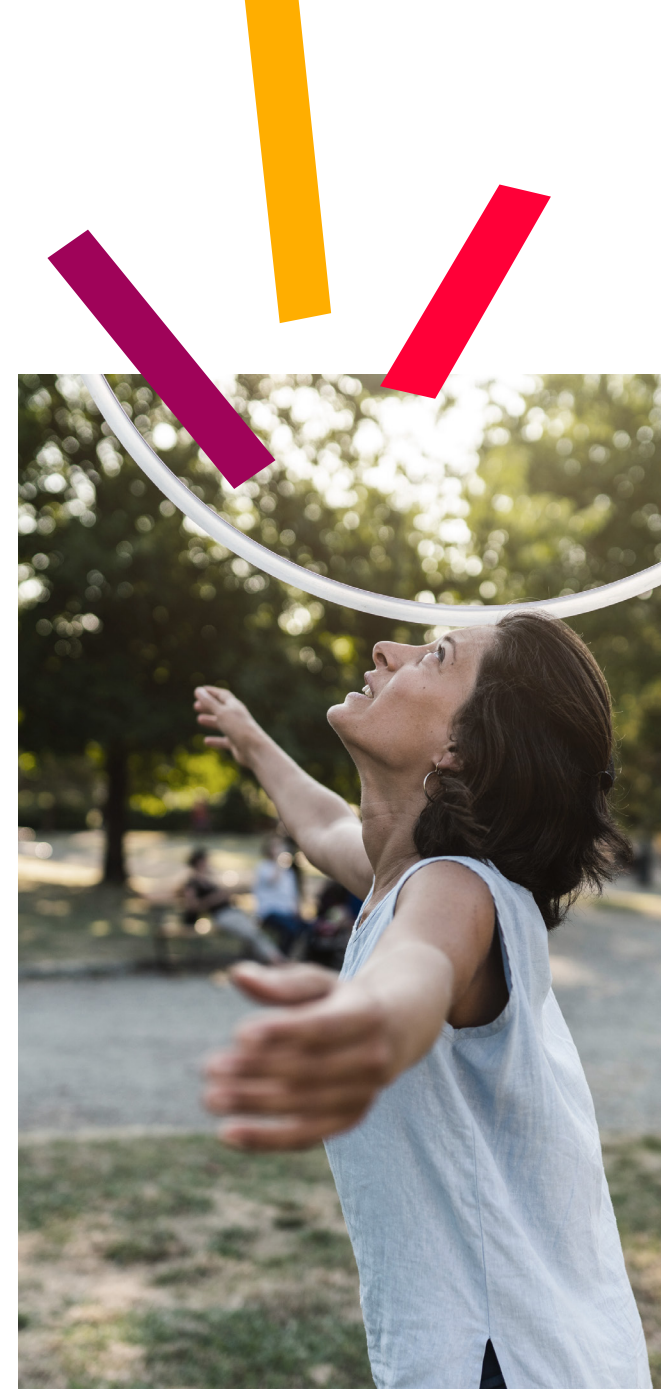
The goal: to give them the necessary skills, knowledge and attitudes to successfully cope with today's challenges in your business.

To staff your organisation correctly, how often do you buy, borrow or build your workforce?



It turns out that building talent is more popular than borrowing talent in all countries except for Italy, Spain and Ireland. German and British employers put particular emphasis on moulding their employees into the best versions of themselves.

Whether it is through buying, borrowing or building talent, every HR department will have to find ways to deal with highs and lows and changing business needs. The common denominator is that **the workforce challenges, as well as the management solutions that address them, must become more fluid.**





Conclusion



It's no secret: HR used to be far more straightforward. Most of the parameters that determined a company's approach were out in the open and, to some extent, even predictable. Today, you have to deal with a lot of unknowns. And if nothing else, COVID-19 marks the point of no return. Either you **embrace the constant change**, or you'll find yourself chasing your tail.

The good news is that entrepreneurs and HR professionals now have **more options** when it comes to successfully managing the employee lifecycle and – ultimately – their business. For example, flawless payroll processes inspire trust, personalised reward packages boost engagement, digital tools can increase efficiency, innovative solutions improve the employee experience, and flexible workers allow you to quickly shift gears. Lacking the time or expertise to fully exploit the renewed potential in-house? Outsourcing partners are just a call or e-mail away.

As promising as this all may sound, our 'The Future of Work and People in Europe' survey proves that **there's still a lot of room for improvement**. Although companies realise that they will have to radically change the way they work, flexible, customised and agile approaches have yet to gain momentum. **Fluidity is still the exception**.

While fluidity is necessary to keep the hula hoops spinning, it's not the holy grail. **HR must find a balance between fluidity and stability**. After all, it's very difficult to spin hula hoops around your hips if you're standing on a tightrope. HR's ability to find harmony will define its success.



About the survey

[Go to the Table of contents](#)



What?

Online survey by iVox on behalf of SD Worx

When?

June 2020

Who?

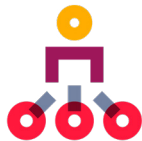
3,000 companies from 11 countries



Topics:



Payroll



Outsourcing



Reward policy



Digital HR

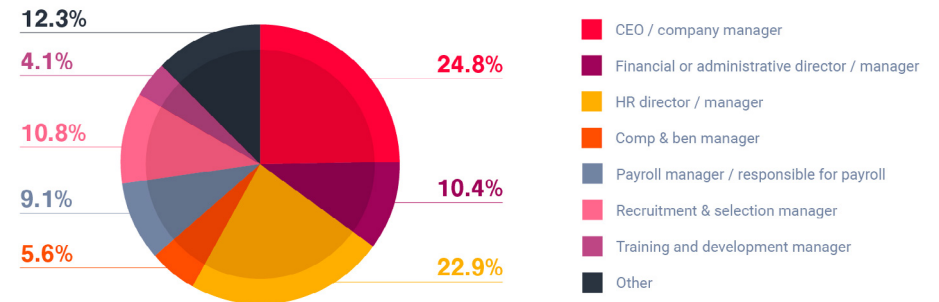


Employee experience

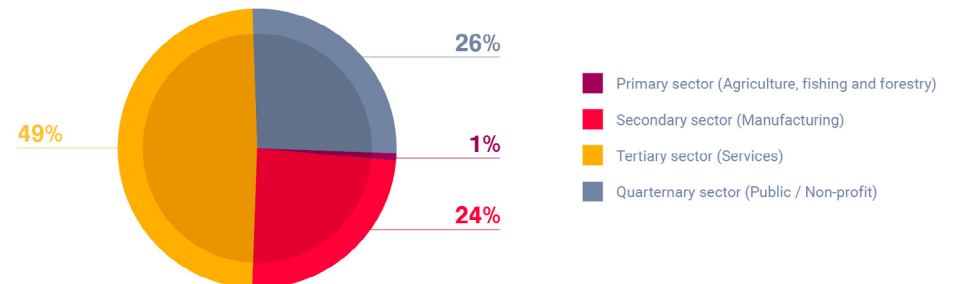


Workforce management

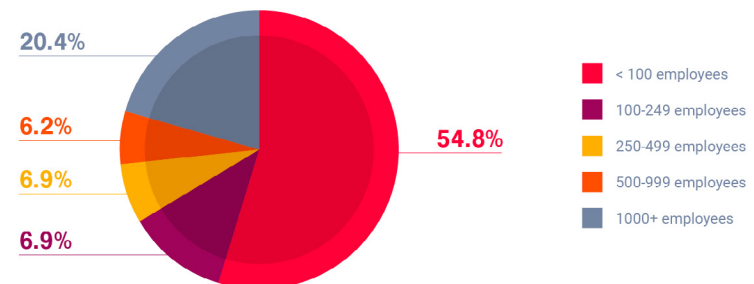
What is your position?




What sector does your company primarily operate in?



Approximately how many active workers are there currently in your company working both in your country and abroad?





If you want to know how SD Worx can help
your HR, visit us at www.sdworx.com or
www.sdworx.co.uk/en if you are based
in the UK.

