

Brussels Talk

Spring 2010

What Belgian employees expect after the recession

Executive summary

The worst of the recession may be over, but its impact on the workforce and employment looks to be deep and long-lasting, according to the results of new research from Towers Watson.

The *Global Workforce Study* confirms that the recession has fundamentally altered the way employees view their work and leaders, while significantly accelerating changes to the basic social contract that underpins employment in Belgium.

In stark contrast to earlier *Global Workforce Studies*, the 2010 results demonstrate that employees have dramatically lowered career expectations. Advancement now takes a back seat to a desire for workplace security and stability.

About the study

The Towers Watson *Global Workforce Study 2010* is a survey of more than 20,000 private sector employees in 22 countries to gauge employee attitudes and engagement. With its worldwide scope and reach, the *Global Workforce Study* is the most comprehensive analysis of the post-recession employee mindset available today.

The objective of the study was to measure whether the impact of the recession (now that the worst is over) on the workforce and employment is deep and long-lasting and whether this recession changed the basic social contract that underpins employment in Belgium.

The results for Belgium are, to a great extent, in line with the average pan-European results of the study.

“...a sort of ‘new deal’, where the cost, risk and responsibility for employees’ financial security, well-being and career development has shifted even further towards the individual.”

About the methodology

Employees were surveyed between November and December 2009 for the country-specific data segment featured on page 2. The research builds upon several previous *Global Workforce Study* reports issued by Towers Watson to provide companies with actionable insights around employee behaviours, opinions and engagement levels.

About 5% of the results are comprised of Belgian employees with medium-, large- and very large-sized companies across all industries, based on an average age of 40. More than one-third of the respondents were women. Professional jobs together with mid-level management jobs represent the bulk of the survey respondents.

The study results

Based on the overall outcome of the study, we believe the following trends can be drawn.

It seems that employees today seek **stability and security** in their jobs and that they are willing to lower their expectations in order to achieve such stability. Indeed, the results show that Belgian employees have become surprisingly traditional when it comes to career planning.

- 75% of respondents are primarily interested in secure and stable positions.
- 40% of respondents plan to work for one organisation for life and 37% plan to work for only two or three organisations.
- Only 4% of respondents are actively looking for another job (see **Figure 01**).

Four percent seems very low in a dynamic labour market; at the present time it is difficult to confirm if this is due to the recession itself or whether it is more of a long-term trend.

However, there are indications in the study that the search for more stability and security might well be a longer-term trend because employees seem to have altered their expectations of employers.

In stark contrast to earlier *Global Workforce Studies*, the 2010 results demonstrate employees have dramatically **lowered career expectations**. Advancement now takes a back seat to a desire for more personal development.

Employees' definition of career advancement is no longer limited to 'moving up a well-defined career path', but rather as 'acquiring new skills that help me do my current job better' and 'acquiring new skills that make me eligible for other jobs' (more than 50% of responses). New skills increase chances for result delivery.

When it comes to measuring career advancement, **Figure 02** shows the drivers that seem to be the most important.

In addition, the survey shows that 66% of respondents are willing to put a great deal of effort beyond what is normally expected to help their organisation.

Even more, 78% of respondents are **personally motivated** to help their organisation to be successful (see **Figure 03**).

Employees are not only looking for a safe workplace, they are also motivated to make it work.

Nevertheless the study demonstrates that fewer than half of the respondents tend to think that their **senior leaders** are **trustworthy**.

Figure 01. Employee mobility

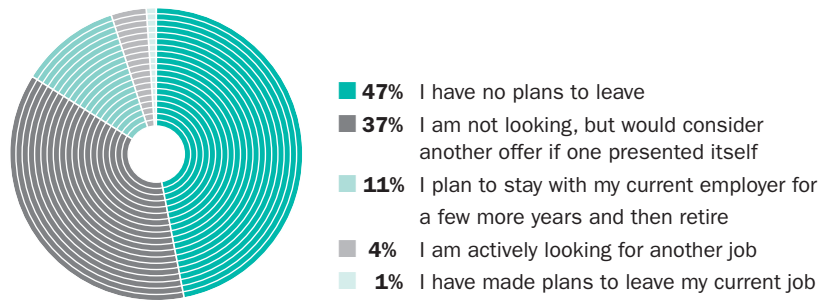


Figure 02. Employee career advancement

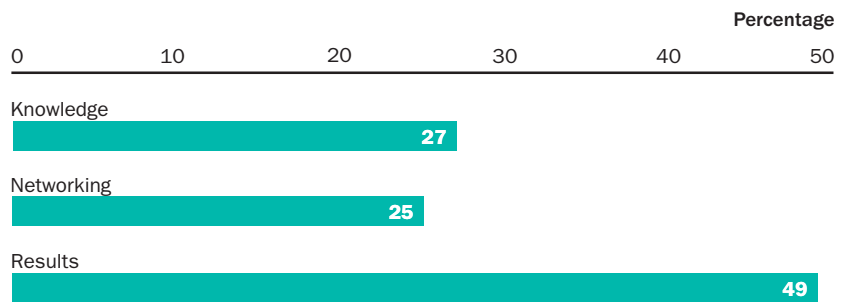


Figure 03. Employee motivation (strong believers)

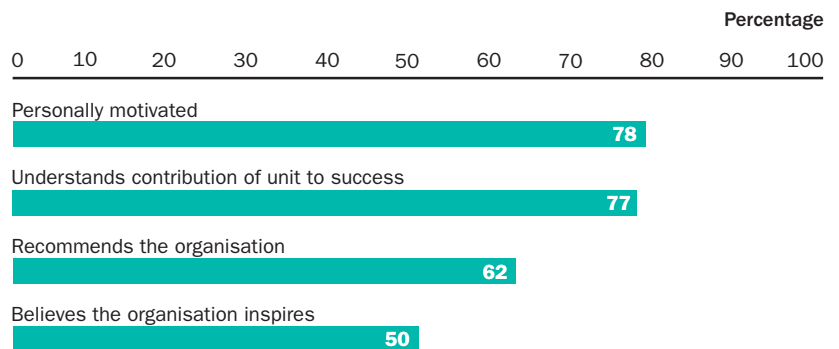


Figure 04. Employees' trust in leadership

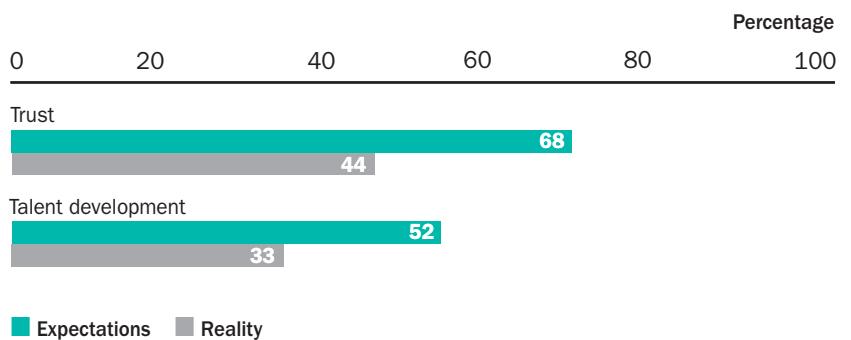
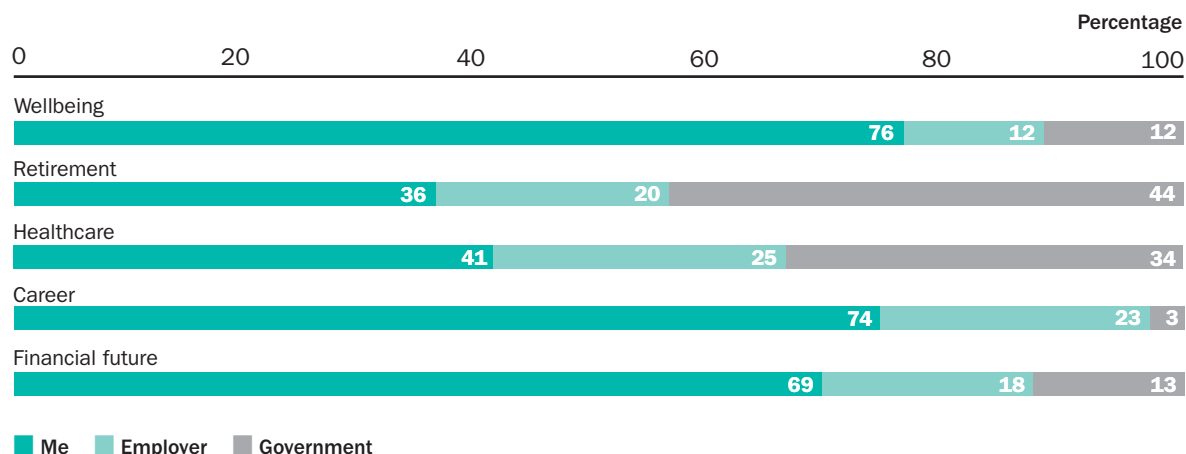


Figure 05. Employee responsibility radius



While it is unsurprising that people are motivated to ensure that they and their employers get through difficult economic times successfully, it is perhaps more surprising that they expect so much of their employers and business leaders. The survey highlights the gap or disconnection between what people expect from their employers and what employers believe they can reasonably offer.

Employees appear to want their senior leaders to be internally focused, while most business leaders consider their roles to be primarily outward facing. The role that senior leaders play in winning back the trust of their employees is to build a successful competitive organisation with a strong external brand and reputation, and to embed a culture that enables people to contribute fully to this success. This is much more than simply creating a great place to work!

Further survey investigations will clarify the reasons for this. Employers that are successful in making employees feel that communication, transparency and empowerment are improving can only enhance the sense of trustworthiness between employees and employers.

Additionally the survey indicates that employees are not only motivated, they also seem to be aware that they need to take on more responsibility for their own well-being, their own career development and their own financial future (see **Figure 05**). Moreover, they feel rather comfortable managing these, according to a 55% response rate.

Conclusion

The survey highlights lead us to conclude that a new kind of employment deal is in the making; a sort of 'new deal', where the cost, risk and responsibility for employees' financial security, well-being and career development has shifted even further towards the individual. The Towers Watson survey shows that on a rational level most employees understand this change but they do not feel fully equipped to respond.

According to Towers Watson, what worked for an organisation pre-recession is not appropriate in today's workplace. Fundamental changes in both the employee/employer contract and employees' own priorities make a 'return to normal' nearly impossible. Instead, organisations must hone their ability to educate employees in self-reliance, fostering within each person the knowledge and confidence necessary to effectively manage their careers and their financial future outside the safety net provided in the past.

The vast majority of employees understand that they are in control of this 'new deal', but it is up to employers to empower them to act by giving them the tools and training they need to be confident and successful.

Further information

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2010 Benefits and Employment Terms & Conditions reports

The new 2010 **Benefits and Employment Terms & Conditions reports** are now available for purchase. These reports provide in-depth information on mandatory as well as non-mandatory employee benefits as well as local employment terms and conditions, from recruitment to termination, for 62 countries worldwide.

Live updates

In these rapidly changing times, it is more important than ever to stay up-to-date on recent developments. New technology allows us to meet that need. The **2010 Benefits and Employment Terms & Conditions reports** will be updated online throughout the year according to current developments. As a result, subscribers will have access to the latest news and developments on employee benefits and employment terms and conditions data in 62 countries worldwide.

Tailor-made selection

In order to best meet our clients' needs we have altered our offering and pricing structure. As from 2010, a tailor-made selection can be made from any of the 62 country reports. Regional reports for Western Europe (18 countries), Central & Eastern Europe (10 countries), South Eastern Europe (7 countries) and Middle East & Africa (7 countries) are also available.

Save time and effort in searching for hard-to-get information in local languages; refer to any of the country or regional reports for in-depth and actual local market information on employee benefits and employment terms and conditions.

Please visit dataservices.towerswatson.com/emea for more information on the report contents and a detailed overview of the countries covered.

Global Investment Matters

This year's edition of *Global Investment Matters* is now available.

The global financial crisis has revealed an investment industry more prone to significant financial distress than anticipated. Institutional investors recognise the need to be better prepared for more frequent shocks in future. In this publication our Global Investment Committee discusses some of the issues that investors now face.

With increasing numbers of workers relying on defined contribution (DC) plans for their retirement income, we consider what lessons DC funds can learn from the crisis, as well as looking at how defined benefit schemes are moving towards their endgame.

While sustainable investing has not yet reached the top of the agenda for many institutional investors it is gaining ground and we explore what it actually means and how it can be implemented.

These are just a few of the topics that we cover in this issue of *Global Investment Matters*.

If you would like to receive a copy, please contact Patricia Velasco at patricia.velasco@towerswatson.com

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