

# The PwC CFO Survey Series

## Survey 4: Workforce 2.0

October 2020





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## INTRODUCTION

### The PwC CFO Survey Series

The current economic crisis due to the COVID-19 pandemic is rippling throughout businesses across the globe. To gauge its impact on Belgian companies, PwC Belgium has launched the CFO Survey Series, consisting of periodic surveys on the effects of the crisis on finance, operations, workforce, supply chains and much more.

### Survey 4: Workforce 2.0

PwC asked 28 CFOs of large corporates in Belgium across a variety of sectors to weigh in on the effects of the crisis on their workforce and their plans and predictions for a post-COVID-19 world.

**54%** of CFOs in Belgium cite management's **inability to oversee teams working remotely** as the main teleworking-related challenge

**11%** point to **restructuring or reorganisation** to prepare their companies for future challenges

## Highlights

**57%** claim the current crisis has had **little or no impact** on company operations or the workforce

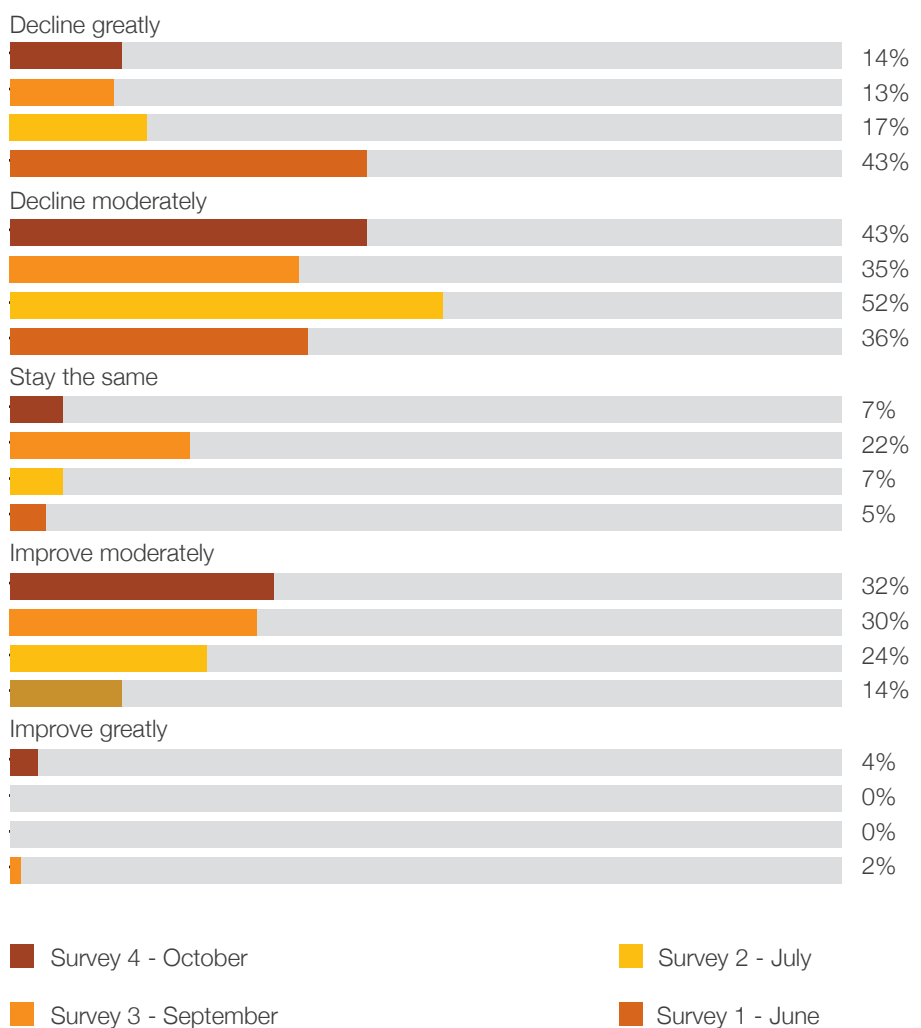
**32%** indicate that most employees will **continue to work virtually** in the short-term, but will return onsite when it's deemed safe

## CONFIDENCE BAROMETER 1: THE BELGIAN ECONOMY

Among respondents to PwC's CFO Survey 4: Workforce 2.0, the majority (57%) expect Belgian economic growth to decline over the next 12 months, with 14% believing that the economy will contract greatly. This is a somewhat more pessimistic outlook compared to the previous CFO surveys conducted in September 2020.

### 01

Do you believe Belgian economic growth will improve, stay the same, or decline over the next 12 months?

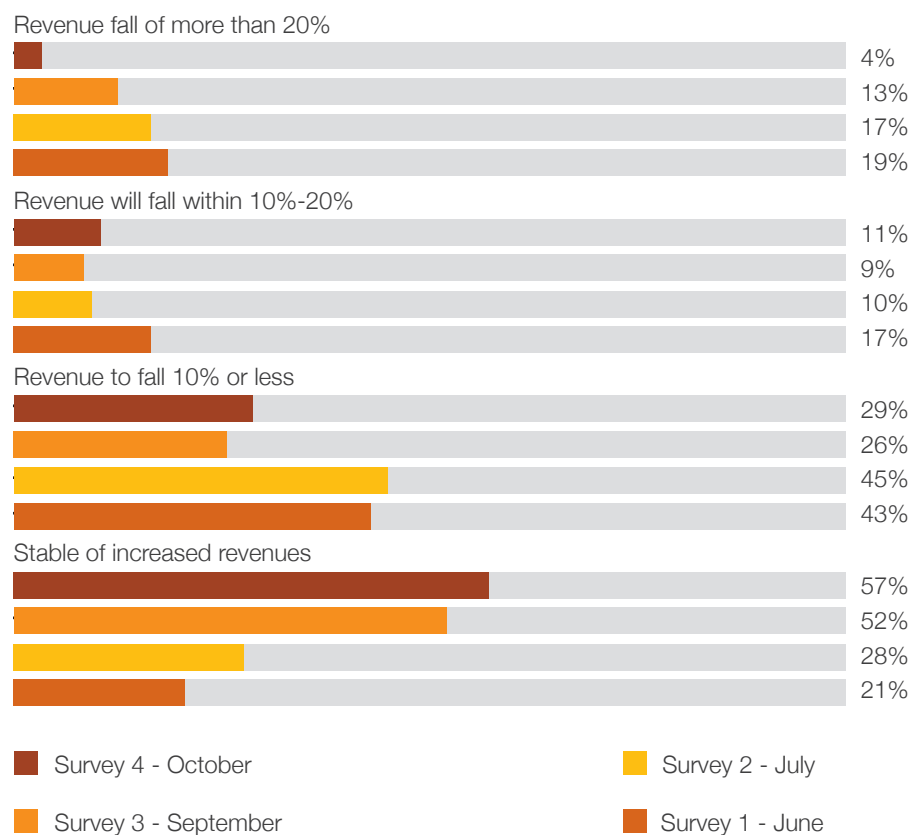


## CONFIDENCE BAROMETER 2: REVENUES

When asked about the short-term outlook on company revenues, over half of CFOs surveyed (57%) indicate they expect stable or increased revenues in the coming six months. Nearly one third (29%) predict revenues to fall by 10% or less, while just 4% predict a fall of more than 20%. The latest survey results on revenues, from the week of 28 September 2020, are slightly more optimistic than CFOs' predictions in the previous surveys.

### 02

What are your organisation's predictions in terms of revenue in the coming 6 months?



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## MIND THE GAP

It's no secret that the financial and operational impact of the COVID-19 crisis has deeply and permanently affected businesses across the globe. While companies recover from the initial shock and adjust to the so-called "new normal," gaps in operational and procedural efficiencies are being exposed. What were small cracks pre-COVID have widened into rifts that can no longer be ignored, and organisations are shifting their priorities to fill those gaps. This survey dives into these challenges, with a focus on the immediate and long-term impact on the workforce.

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## REMOTE WORKING REMAINS KEY

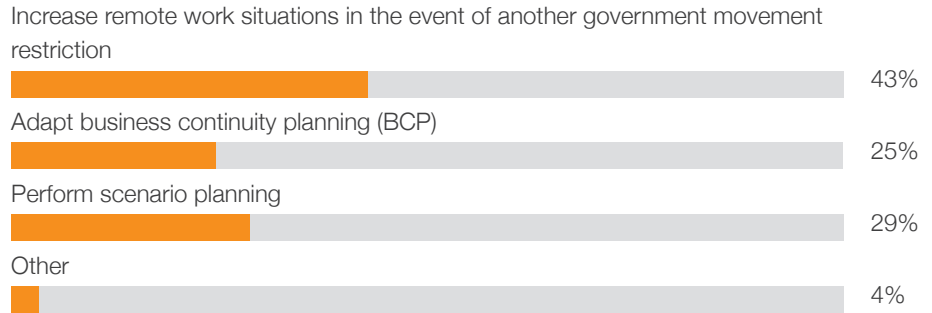
The CFOs in Belgium who participated in the survey were asked how they're preparing for challenges in the future such as subsequent waves of COVID-19, a recession or the effects of Brexit or the US elections. An increase in remote work emerged as the top priority for 43% of respondents, followed by 29% indicating scenario planning as the main focus of preparation for future challenges.

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Michael Van Impe, Expert of PwC's HR Transformation & Strategy - Management Consulting team, offers insights: "Companies have experienced a series of shocks brought on by the COVID-19 crisis. Those that didn't already have a remote working policy in place were forced to adapt in a hurry. With the initial shock now behind us, most businesses have fallen into the rhythm of remote working and plan to continue to do so. Mature organisations are taking crisis preparation to the next level by putting plans in place for specific scenarios."

### 03

How is your organisation planning to prepare for future threats such as another COVID-19 wave, a recession, or the effects of Brexit or the US elections?



## RECOVERY: CURVE WITH A 'K'

According to a majority of CFOs in Belgium, 57%, the current crisis has had little or no impact on company operations and the workforce so far this year. Perhaps surprisingly, 7% indicate that the pandemic has actually had a positive impact and productivity is higher than normal.

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Michael Van Impe explains: “Overall, some businesses emerged relatively unscathed and are even experiencing growth due to COVID-19, while at the same time, others are suffering heavy losses. This is in line with the recent literature that describes this two-speed economic recovery pattern as a K curve, rather than the V (quick decline, quick recovery), U (slow and gradual recovery) and W (quick recovery followed by a second decline) curves cited earlier in the crisis.

“Many companies were negatively impacted during the early stages of the pandemic,” says Van Impe, elaborating on the fact that some companies are currently experiencing growth despite the crisis. “Disruption was rampant and the consequences far-reaching, as demand and production slowed dramatically or even ground to halt. Suddenly, companies are finding themselves back in full swing, some to the point where they’re unable to keep up with demand. It’s created a state of flux and the workforce is heavily impacted.”

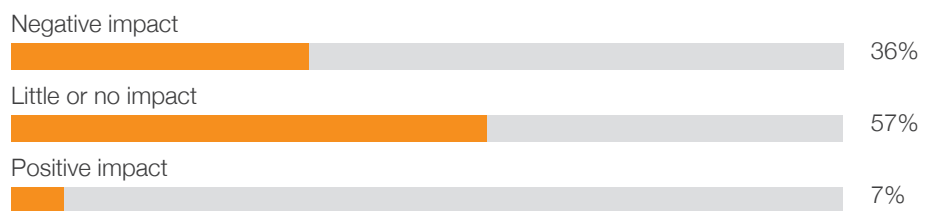




Sandrine Schaumont, PwC People and Organisation Partner and workforce expert, elaborates on the effect the phenomenon described by Van Impe is having on the workforce. “Some companies that are back to full production capacity of goods and services are overwhelmed by the sudden surge in demand. They’re trying to compensate for losses incurred during the lockdown period, which puts enormous pressure on the workforce,” says Schaumont. “The high demand from both employers and consumers is causing excessive stress levels across the board. As a result, people are falling out of the workforce due to burnout and other issues related to workplace stress.”

#### 04

What is the impact of COVID-19 on your company’s operations and workforce so far this year?



## TELEWORKING: ROOM FOR IMPROVEMENT

The sudden shift to remote working brought a whole new set of challenges to companies forced to adapt at a moment’s notice. When asked to rank teleworking-related issues, CFOs in Belgium cite management’s inability to oversee teams working remotely as the main challenge exposed by the crisis. The difficulty teams are having in communicating and collaborating virtually was the next most significant challenge (46%), followed closely by employee mental health issues due to social isolation and/or economic anxiety, according to 43% of respondents.



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“Managers are now forced to oversee teams remotely, often for the first time,” explains Van Impe. “They’re in a new situation where they may be lacking the skills they need to motivate remote teams to work together in a productive and effective way. Then things start to come apart at the seams, resulting in a poorly led team that suffers from low morale due to lack of support and follow-up. Ultimately, objectives are missed, potentially putting the company’s reputation and bottom line at risk.”

Sandrine Schaumont agrees that contrary to popular belief, not all organisations are adequately set up for remote work. “A lot of companies still don’t have the technology in place to optimise remote working,” explains Schaumont. “Most now have the basics covered, but many people are still required to physically go to the office for procedures like signing documents or running reports because they’re working with legacy systems and have prioritised other issues instead. From a technology standpoint, many companies fall in the middle of the spectrum, making them relatively late adopters. Belgium does not rank highly overall on the list of countries with the most tech-enabled companies.”

## 05

Which of the following remote working challenges has your company encountered?



## FORMALISING REMOTE WORKING

In PwC's last CFO Survey, [Survey 3: A Catalyst for Change](#), respondents cited their people as the main aspect of their current situation that will help ensure their organisations' success over time. To maintain an effective and motivated workforce, most CFOs in Belgium (68%) will prioritise flexible working arrangements in the next three to six months, followed closely by remote working (64%).

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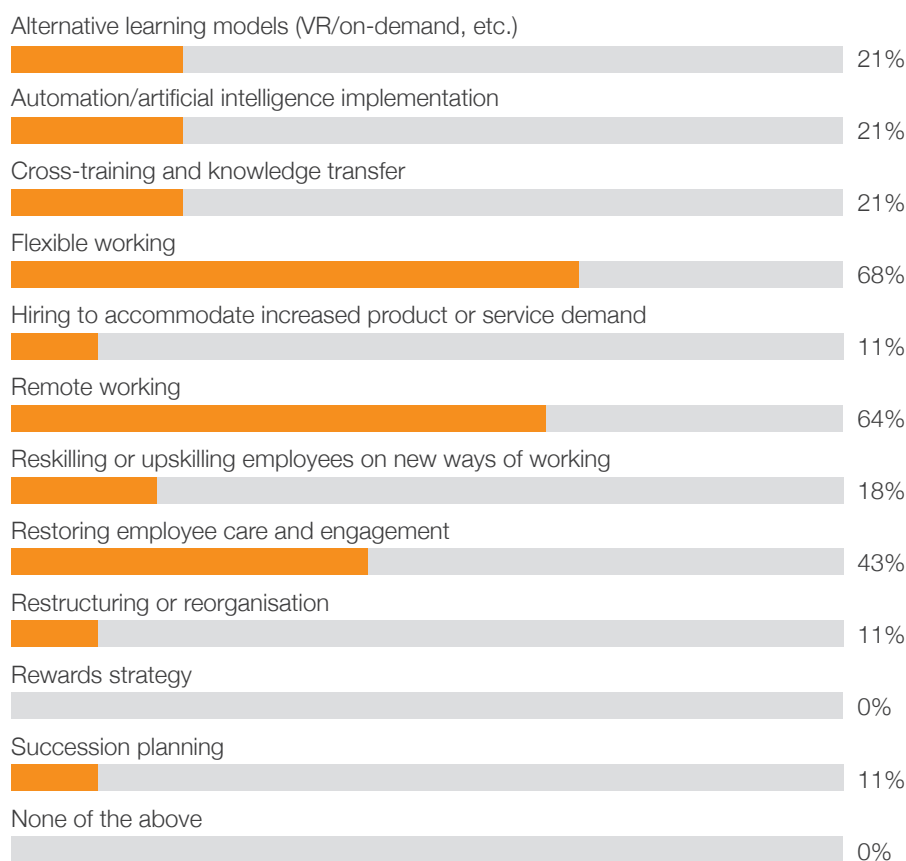
Sandrine Schaumont elaborates: “While most companies have adapted to a certain extent to working remotely, they may not have a formal policy in place. There's currently a push to formalise procedures to dispel uncertainty. Will people be required to return to the office once it's deemed safe to do so? If so, at what frequency? Will there be compensation for the purchase of equipment required to work remotely over the long term? To what extent? These are some of the main questions companies are in the process of formally addressing.”

According to PwC's global [The Future of Remote Work survey 2020](#), over half of the 300+ companies surveyed (53%) currently have remote work arrangement policies in place, and more than 50% of respondents anticipate that they will refine/implement a remote work arrangement policy by the end of 2020. The survey revealed that globally, companies' top remote working-related priorities are the health and safety of their people (70%), enhancing the employee experience (65%) and attracting and retaining key talent (60%).



## 06

Which of the following workforce priorities will your company review during the next three to six months?



## THE END OF COVID-RELATED TEMPORARY UNEMPLOYMENT

That 11% of CFOs in Belgium pointed to restructuring or reorganisation as a priority comes as no surprise to Schaumont. While companies generally consider their people to be their most valuable asset, some may be unable to retain their current numbers.



“The Belgian government restricted the rules for putting people on temporary unemployment due to Covid 19 as from September 2020,” says Sandrine Schaumont. “Only a specific category of companies can apply temporary unemployment and they need to follow a certain procedure for this.”

## AFTER SOCIAL DISTANCING: WILL WE REMAIN DISTANT?

When asked how their organisations plan to conduct business in the event that social distancing guidelines are removed, 32% of CFOs in Belgium say that most employees will continue to work virtually in the short-term, but will return to onsite working when it's deemed safe. Of those surveyed, one quarter indicate that, barring valid reasons to the contrary, most employees will return to working onsite. Just 7% state their people will continue to work remotely as much as possible.

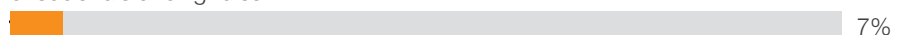
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Michael Van Impe pinpoints two main schools of thought among organisations: those that will largely continue to work remotely, and those that will get back to the office as soon as possible. “In the first case,” says Van Impe, “we see organisations with a high maturity level. They were already geographically dispersed before the pandemic hit, so they will continue to work remotely with colleagues around the globe. The second category consists mainly of smaller companies that have a strong culture of working together in person and spending time together. For the most part, their people are already back in the office.”

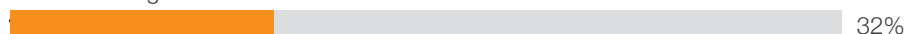
### 07

How does your company plan to conduct business once social distancing guidelines are removed?

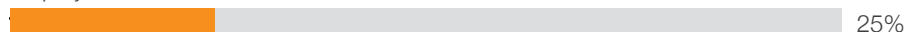
Most employees will continue to work virtually as much as possible, regardless of social distancing rules



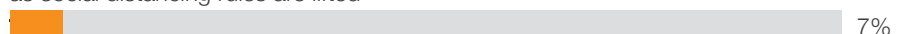
Most employees will continue to work virtually in the short-term but will return to onsite working when deemed safe



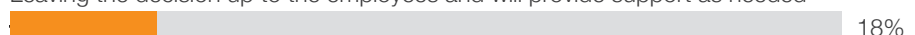
Most employees will return to working onsite, unless there is a valid reason for employees not to return



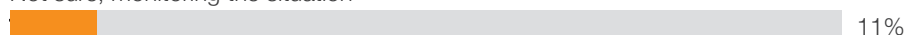
All employees will be required to return to standard work arrangements, as soon as social distancing rules are lifted



Leaving the decision up to the employees and will provide support as needed



Not sure, monitoring the situation



## PERMANENT CHANGES IN THE WORKPLACE

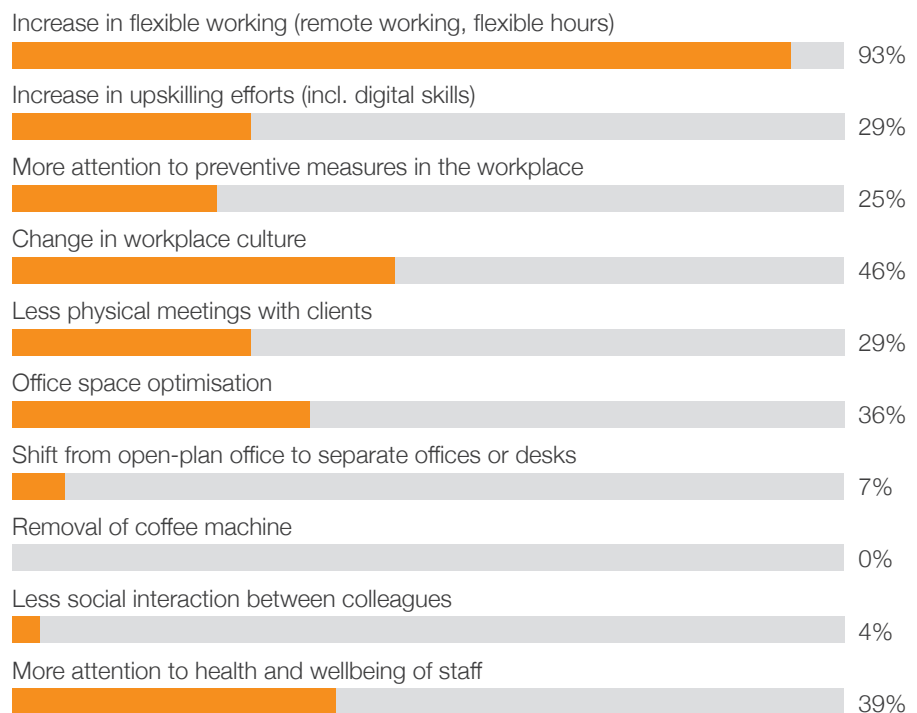
CFOs in Belgium overwhelmingly agree (93%) that the most significant permanent change in the workplace will be an increase in remote working. Not only will people spend more time working from home, but the COVID-19 crisis has brought to light the fact that in-person meetings, both with colleagues and clients, are no longer deemed necessary.

Over one third of survey respondents (36%) also point to office space optimisation, whether it's a new seating plan, a shift to separate desks, or reducing - or even eliminating - office real estate. But it won't necessarily lead to a reduction in office space, according to Michael Van Impe: "The consensus is that ultimately, due to the increase in remote working, companies will require less space," says Van Impe. "It may be counter-intuitive, but some organisations will actually require more space: those that are bringing their entire workforce back to the office full-time while maintaining social distancing."

Globally, 29% of organisations indicate they will reduce real estate costs, according to PwC's "The Future of Remote Work Survey 2020."

### 08

Which permanent shifts in the workplace do you expect to happen?



## THE BLURRED LINE BETWEEN WORK AND LIFE

Of survey participants, 43% claim that working remotely is having a positive effect on work-life balance. Only 21% feel that it has a negative effect, and over a third (36%) indicate it has no effect on the workforce whatsoever.

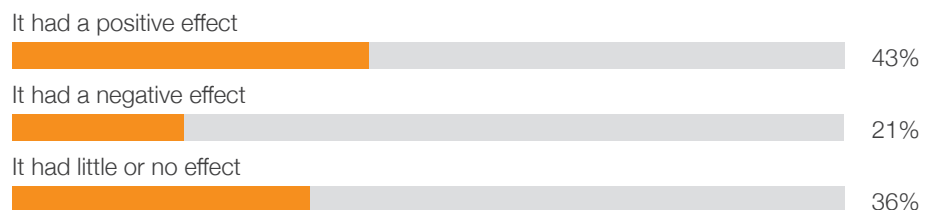
According to PwC People and Organisation Partner Sandrine Schaumont, “Overall, people see working remotely as good for work-life balance. They can make time during business hours to run errands, pick up the kids... things that were nearly impossible to do while working onsite. But it’s a double-edged sword. Those same people often struggle with the delineation of work life and home life, and many end up compensating for the errands they run during the day by working longer hours.”

Sandrine Schaumont adds that remote working has blurred the line between work and life, and people struggle with establishing boundaries. “Those who work from home need to discipline themselves. Not necessarily to stick to the job at hand, but rather to draw a hard line when the work day is done.”

Sandrine Schaumont’s view that remote working doesn’t necessarily improve work-life balance is echoed by Van Impe: “Means are also a factor when it comes to remote work satisfaction. A well-established, senior worker with a spacious home and a garden is much happier with the arrangement than, for example, a recent graduate living with their parents or in a cramped flat with roommates. Often, the junior is having difficulties working remotely and can’t get back to the office soon enough.”

### 09

How did the COVID-19 crisis affect the work-life balance of your employees?

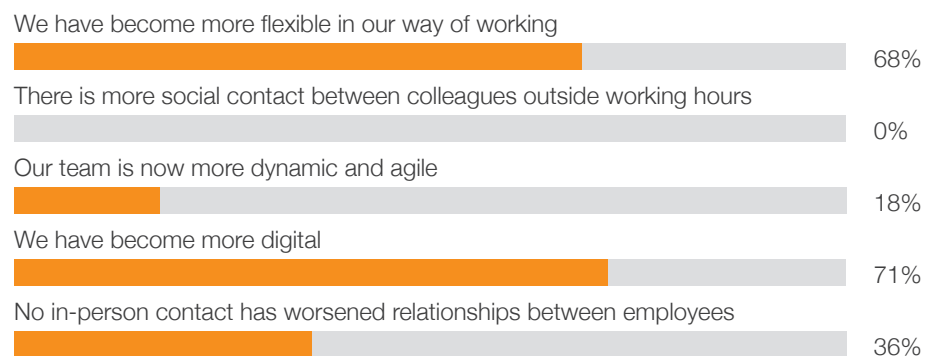


## FOR BETTER OR FOR WORSE, COVID-19 HAS CHANGED COMPANY CULTURE

When asked how the crisis has impacted company culture, most CFOs in Belgium responded positively: 71% indicate an increase in digitalisation, followed by 68% who point to increased flexibility in their way of working. Over one third of respondents (36%), however, view the lack of in-person contact as being detrimental to relationships between employees.

### 10

How did the COVID-19 crisis affect your work-place culture?



For questions about the PwC's CFO Survey 4: Workforce 2.0, or additional information on the effects of the COVID-19 crisis on the workforce, don't hesitate to get in touch.

**Contact**

Sandrine Schaumont  
[sandrine.schaumont@pwc.com](mailto:sandrine.schaumont@pwc.com)

Michael Van Impe  
[michael.van.impe@pwc.com](mailto:michael.van.impe@pwc.com)









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