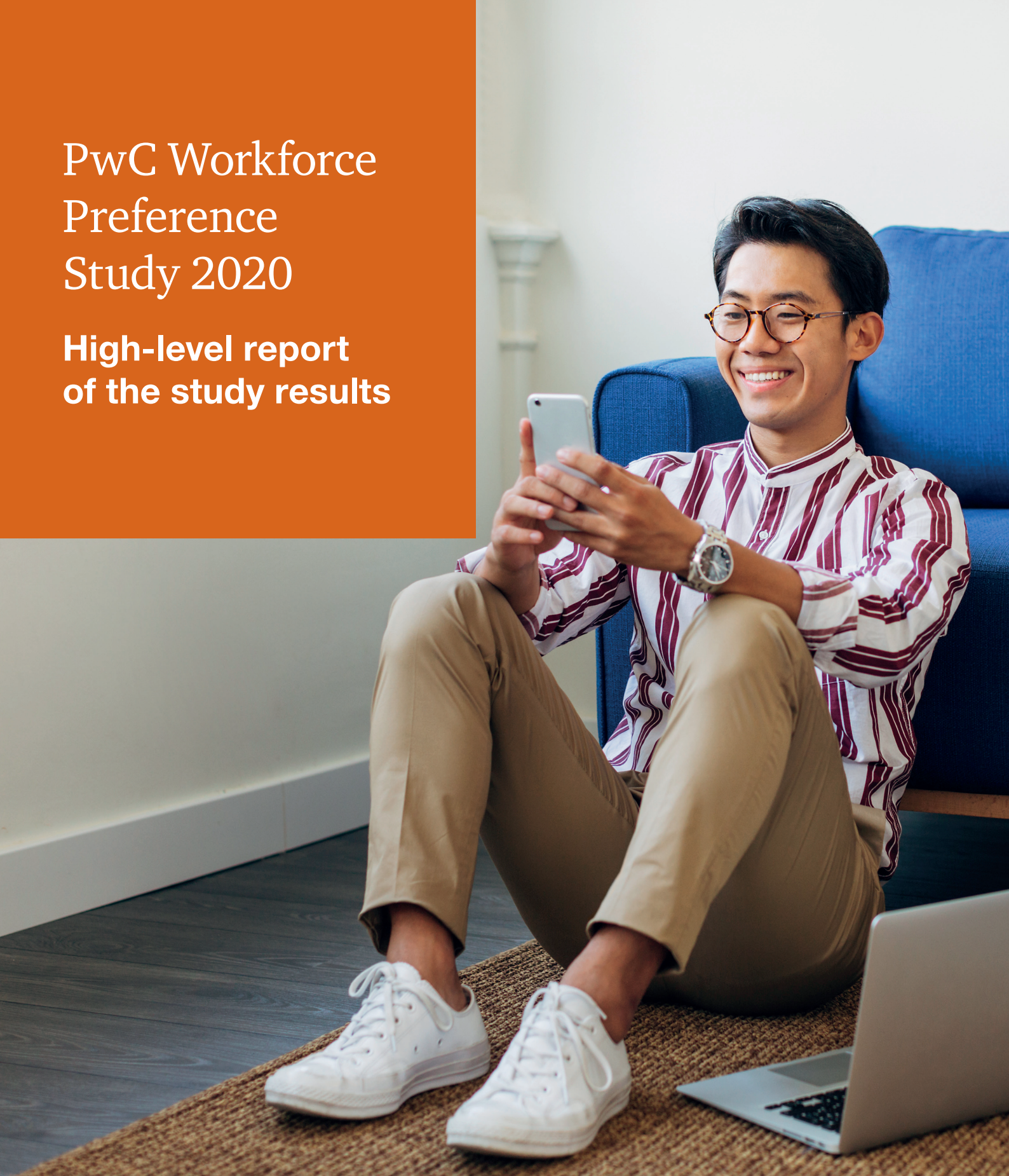


PwC Workforce Preference Study 2020

High-level report
of the study results





The message is clear: generations Y and Z want flexibility, and interesting and challenging work!

Highlights of the 2020 Survey – Relative Preferences

- #1 Interesting & challenging work
- #2 Flexible work schedule & work time
- #3 Base pay
- #7 Performance-based promotion with credible and fair performance evaluation
- #9 Transparent business operation: open & honest leadership communication
- #15 Digital skills development
- #51 Other benefits: Extra facility services
- #52 Corporate brand name
- #54 Sabbatical (career break)

Preface: What keeps the workforce of the future going?

Welcome to the 2020 PwC Workforce Preference Study. This survey aims to support companies to understand the new expectations of their target groups in the workplace. This year's study aims to gain greater insight into what Gen Y and Gen Z are looking for and expect from their (future) employers.

Why does this matter? It matters because the events of the 2020 healthcare emergency fundamentally changed the social values, the operation of companies and the way we work. As an impact of this change, a new normal has come into existence, generating new expectations on the part of (future) employees. In order to handle this situation right and adapt to the new normal, it is essential for organisations to have adequate information about the workplace preferences of the workforce of the future.

The sample of respondents used in our 2020 Workforce Preference Study has revealed a number of differences depending on for example the region or the job (content). Despite the obvious lure of money in terms of base pay, offering interesting and challenging work as an employer as well as access to a flexible work schedule & work time as an employee show that non-financial factors play an important role in terms of preferences to keep the workforce of the future going. Moreover, companies with a culture that encourages innovation to stay relevant seem to be winners of the crisis according to the study results in terms of preferences looking at responses before, during and after the lockdown. Moreover, the study suggests that companies located outside the Brussels Region may need to reconsider their value propositions, or risk no longer being competitive compared to job opportunities outside Belgium.

More valuable insights into what employees really prefer can be found in this report. However, if employers want to understand the specific preferences of their workforce, we strongly advise them to commission their own dedicated survey. We can help you. Together with you, we can zoom into what you would like to achieve in the focus areas covered by this study. From leadership support to working remotely, from pension plans to upskilling, from flex reward packages to a virtual workforce, we can design tailor-made solutions for your people and business. Our expertise will let you find the future-proof value proposition that you need to succeed.

We trust that you will find this publication an interesting and thought-provoking read, and we look forward to discussing this with you in further detail. For contact information, please see the last page of the report.

Your sincerely,

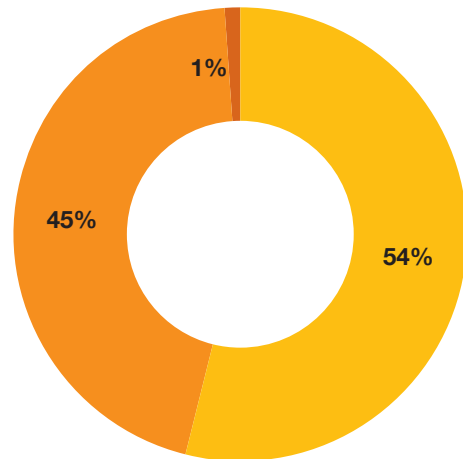
Bart Van den Bussche
Director People & Organisation
PwC Belgium

Philip Maertens
Partner People & Organisation
PwC Belgium

Facts and figures

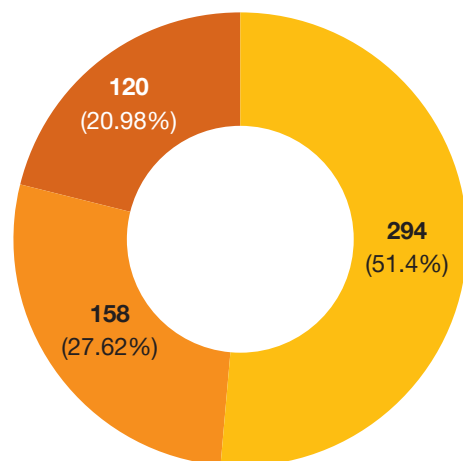


Distribution of respondents: gender



- Female
- Male
- Preferred not to disclose

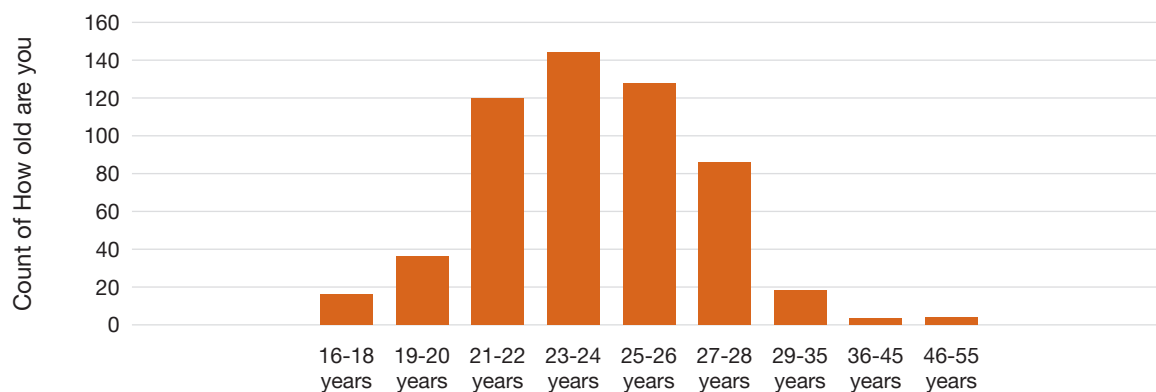
Number of participants by period



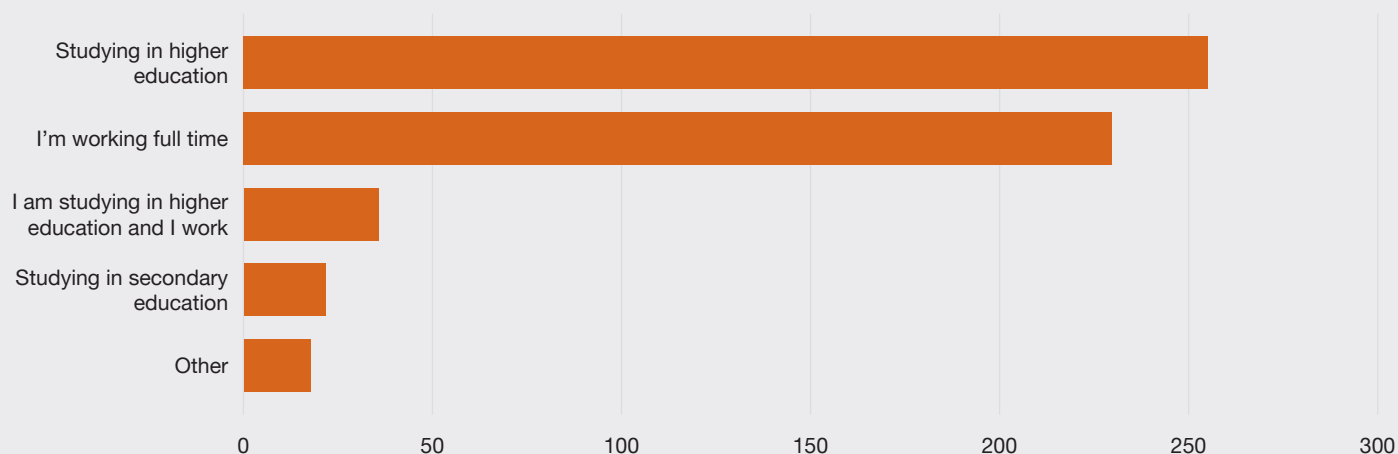
Date (groups)

- Lockdown (17/03 – 03/05)
- Post-Lockdown (04/05 – 30/06)
- Pre-Lockdown (11/03 – 16/03)

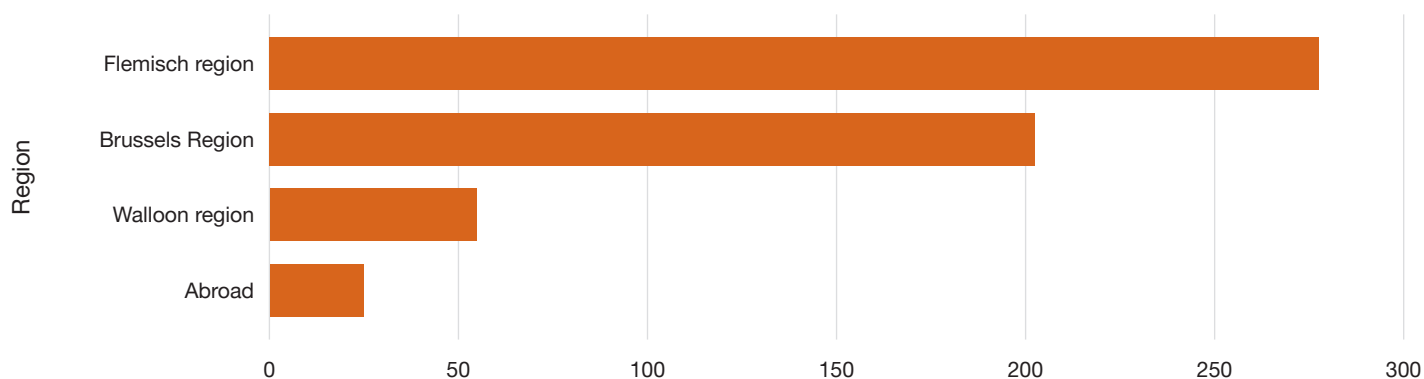
Age



What is your current occupation?

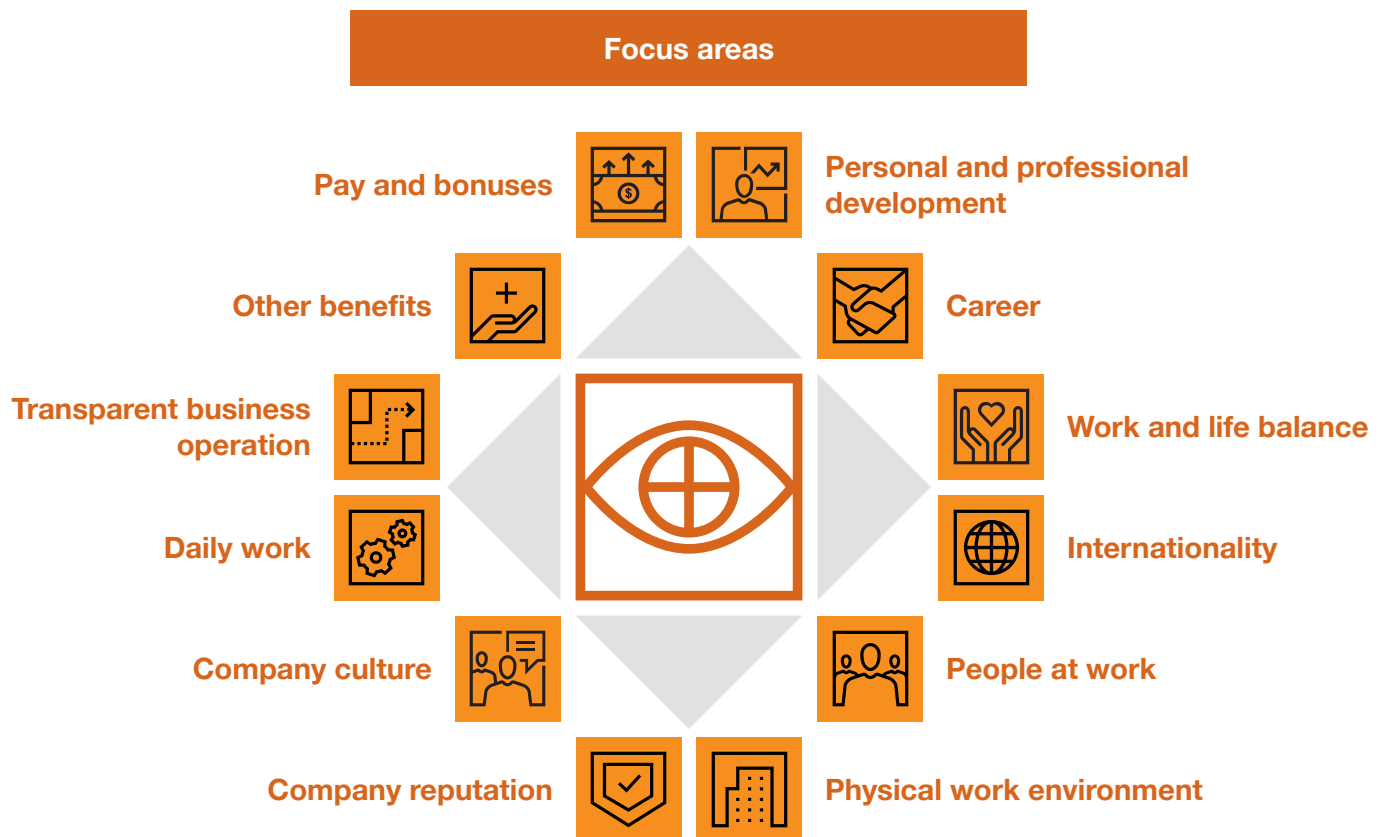


Where do you currently study or work?

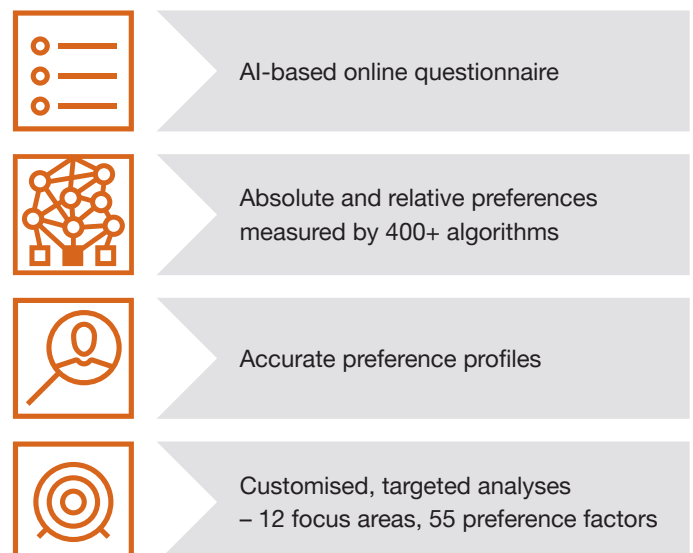


Focus areas

Through its holistic approach, our study measures employee preferences in all areas that are decisive in employees' job choices and may have an impact on brand perceptions. On the basis of experience, feedback from clients and labour market trends, we defined 12 focus areas to survey:



During the study, we measure absolute and relative preferences, which are specified with the help of artificial intelligence (AI) through generated trade-offs in the third part of the questionnaire. This method provides significantly higher quality of data compared to conventional surveys. To gain a detailed and deep understanding of the labour market, we measure preferences that may influence the employee experience and the attractiveness of the employer.





Purpose of the study

Utilisation of results



1

Gaining a detailed understanding of the expectations and perceptions of the labour market



2

Supporting the companies in decision making regarding their strategy of attracting and engaging employees



3

Analysing the effects of the pandemic situation on the preferences of the workforce of the future



1

Underpinning decisions that are aimed at improving the employee experience



2

Optimising the employer's value proposition according to specific target groups (e.g. the workforce of the future)

Results of the Workforce Preference Study

Relative preferences & local differences:
give me interesting and challenging work and not a sabbatical!

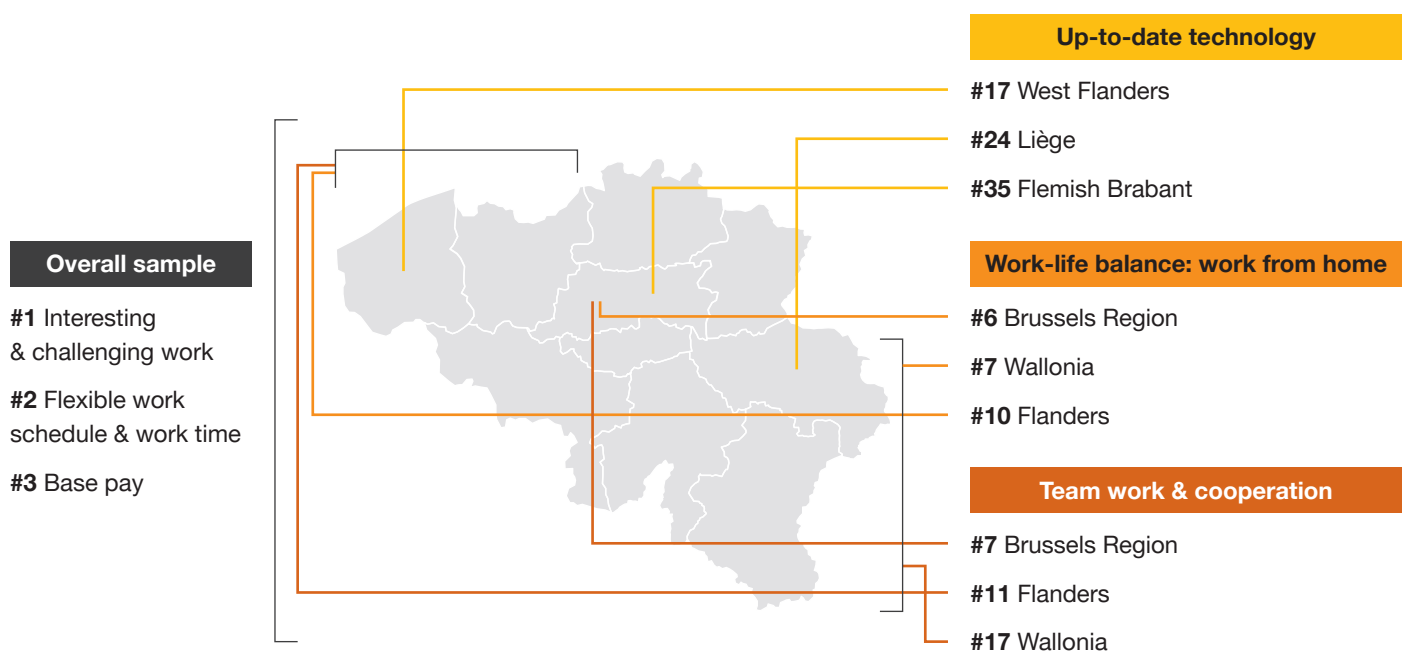
In terms of overall relative importance, being able to have work that is interesting and challenging together with work-life balance (flexible work schedule and work time) score best in terms of relative preference taking into account the entire sample. Both are higher in terms of relative preference than for example base pay, which comes in third.

However, we see regional differences. In the Walloon Region, for example, the aspect of having work that is interesting and challenging does not appear in the top 3 but the relative importance of having contact with direct colleagues is more preferred.

While, during the pandemic and lockdown, having access to up-to-date technology and tools may seem important, we found that this preference differs significantly depending on the region and even not always makes it into the top 10,

for example in West Flanders (17th position), Liège (24th) and Flemish Brabant (35th). Would this suggest that surveyed youngsters take it as a given that their future employer provides up-to-date technology and tools and not even consider not being able to communicate effectively by different electronic means?

Looking at the work-life balance aspect including the possibility for people to work from home, we observe that relatively more importance is given to being able to work from home in the Brussels Region (6th position) and Wallonia (7th) compared to Flanders, where the benefit closes the top 10 in terms of relative preference ranking. Looking at the relative importance of teamwork & cooperation, the sample shows that this is relatively more preferred in the Brussels Region than for example in Wallonia.



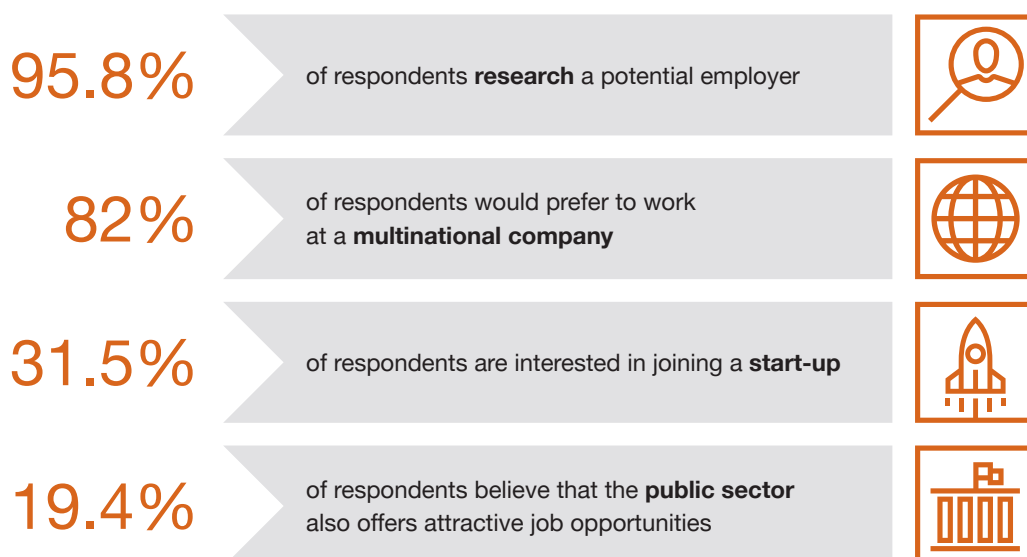
National and international mobility: is Belgium less appealing for the future workforce?

From the study results, it is apparent that the Brussels Region is still the most-preferred region in Belgium as a future work location. In this respect, 68.1% of respondents indicated to be open to working in Brussels in the future. The second most-preferred region is actually outside Belgium, as 44.2% of respondents indicated they are open to working abroad.

In terms of drivers, 67.3% of respondents indicated a willingness to move domestically in the case of a challenging job opportunity, closely followed by having the opportunity to receive a higher salary. The number one driver to move abroad

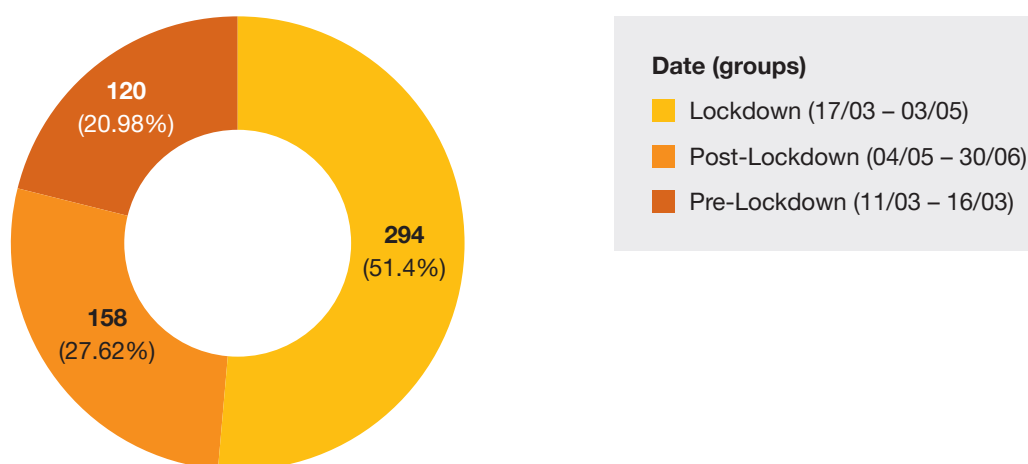
is equal to the domestic driver: having the possibility to work on a challenging job opportunity, followed by the personal development aspect. Only 5.6% of respondents indicated that nothing could make them leave Belgium.

The survey shows that the vast majority of respondents (95.8%) research a potential employer. Nearly 82% of respondents would prefer to work at a multinational company, while 31.5% are interested in joining a start-up. Just below one-fifth (19.4%) believe that the public sector also offers attractive job opportunities.



Differences during the COVID-19 crisis: Lockdown – increased preference for Business & technical skills training

Number of participants by period



As the study was launched before the start of the lockdown but continued to be open both during and after the lockdown period with a fair spread of respondents, the question can be asked whether, over a short period of time, differences in preferences can be measured given the exceptional circumstances and measures taken during the COVID-19 pandemic in Belgium.

A look at the overall ranking pre-lockdown and post-lockdown shows that the study points to the same top preferences: #1: Flexible work time and schedule, #2: Interesting & challenging work and #3: Base pay. During the lockdown, Interesting & challenging work (#1) hopped over Flexible work time and schedule (#2) while the average preference for Base pay dropped to the 5th place. The on-average 3rd most-preferred element that increased in importance during the lockdown period is the availability of business & technical skills training.

Looking at other elements, the average preference of fostering sharing ideas to encourage innovation gained importance, starting from an average score of 3.88 on a scale of 10¹ pre-lockdown, to 4.48 during the lockdown, and increasing

further to 4.58 post-lockdown. Companies with a culture of encouraging innovation to stay relevant seem to be winners of the crisis based on the study results.

Also the company profile of the employer and the actual purpose of its activities gained importance in terms of preferences comparing pre-lockdown (4.02) and during lockdown (4.58). These results may suggest that employers that were identified as being active in a critical sector become more preferred.

Having access to family and childcare services and programmes offered by the employer peaked during the lockdown with a score of 3.09 coming from 2.59 pre-lockdown and decreasing again to 2.72 post-lockdown. These results may support the view that homeworking combined with young children can be challenging and therefore employers that offer support are more preferred. The appetite in terms of preference to have regular team-building activities seems to be on average less preferred also post-lockdown (2.85) and may be a signal that employees prefer other means to be in contact with colleagues again.

¹ The relative importance value of the different items within each focus area is measured on a scale of 0 (lowest relative importance) to 10 (highest relative importance).

Job-specific differences, not when it concerns contact with direct colleagues

The survey also highlights differences if a filter is applied to the job area where the respondent currently works. When looking at different jobs, it seems that the human factor remains important. Contact with direct colleagues scores high in terms of relative preferences, regardless of whether the respondent is active in a consulting role (4th), holds a software development position (3rd) or is a sales person (7th). Also when different IT related jobs are grouped (i.e. software development, system engineering and other IT), contact with direct colleagues still takes the 3rd place.

Also teamwork & cooperation is an aspect that returns as more preferred (out of 55) in Consultancy Services (8th), Marketing (2nd), Software development (9th) and Persons active in an administration & support role (6th).

While the people aspect is a binding one in terms of preferences and seems to negate the cliché of the lonesome software developer, the study also identifies job-specific preferences. Not surprisingly, a bonus seems to be the most-preferred element for sales persons while the marketer also values access to an inspirational office environment (11th). Persons active in an administration & support role attach more value to employers that offer career opportunities within the company (10th) while people active in education seem to prefer investments made by their employer in digital skills development (8th) while also highly appreciating the pension benefits (7th) offered by their employer.

The perfect reward package: pension and health benefits do impress

How can you balance the elements in the reward package to match the preferences of the future workforce? It turns out that the targeted population of youngsters for this study with a majority of respondents between the age of 21 and 28 prefers a pension plan, followed by medical coverage, in the focus area of other benefits. This is contrary to the common assumption that younger employees rarely consider the longer term. Also in the overall ranking of relative importance, pension benefits and health benefits stand out in 12th and 13th position, out of 55 preference factors.

Differences in preferences by job: some examples

Consultancy Services

- #4 Direct colleagues
- #8 Teamwork & cooperation
- #9 Coaching / mentoring programme

Marketing

- #2 Teamwork & cooperation
- #3 Direct colleagues
- #11 Inspirational office environment

Software Development

- #3 Direct colleagues
- #6 Ability to tailor benefits
- #9 Teamwork & cooperation

Sales

- #1 Bonus
- #7 Direct colleagues
- #12 Ability to tailor benefits

Administration & Support

- #2 Direct colleagues
- #6 Teamwork & cooperation
- #10 Career opportunities within the company

Educational Services

- #4 Open & honest leadership communication
- #7 Pension benefits
- #8 Digital skills development

Personalised reward package: give them flexibility

One clear finding is that youngsters want flexibility to personalise their reward package according to their preferences. The focus area of other benefits in the study indeed indicates that the ability to tailor benefits to personal needs ranks 3rd, just behind pension and health benefits (see above). Since this preference study reveals a significant diversity in both workforce and preferences, it can be fairly stated that a flex reward package would help employers to bond better with their talents over time – not just in reaction to the current study results but also as an attempt to make reward packages more future-proof by knowing when personal preferences change, as they do over time, so as to align reward packages accordingly. Applying the insights from a tailored study at company level will allow employers to have even a better understanding of what elements need to be made flexible in order to improve their value proposition.

Looking at the other end of the scale in the focus area of other benefits, providing extra facility services and a housing allowance are viewed as less important in terms of preferences. Overall, an extra facility service is given only a 51st ranking (out of 55) and thus may be perceived as frivolous when bundled in the future reward package for youngsters.

Conclusion

In these challenging times, the future may seem more uncertain than ever. Despite the circumstances, at PwC, we're always looking ahead. Providing data-driven guidance and insights helps clearing the fog to create the best possible workplace now and in the future. Results will help employers to shed light on their reward packages and be attractive in the market. While this study focuses mainly on the workplace preferences of Gen Y and Gen Z – as these generations are entering the labour market with a new mindset and ditto expectations – our approach is also useful to gain an understanding of what different generations expect from their employers, which will enable companies to optimise their total reward offerings.

**Do you know what your talents prefer?
If not, let's work together!**





How can we help you?

PwC's People & Organisation reward services

- Strategic reward
- Reward regulation & corporate governance
- Executive pay
- Meeting employee expectations & designing flexible remuneration packages
- Reward in deals
- Pay for performance
- Reward communication and administrative support
- Equal-Salary Certification

About PwC

PwC helps organisations and individuals create the value they're looking for. We're a Network of firms in 158 countries with more than 236,000 people committed to delivering quality in assurance, tax and advisory services. Our mission is to build trust in society and solve important problems. Reward is one of the key elements of sustainable performance and good corporate governance practices. Companies need effective reward programmes that comply with the rapidly changing tax and legal landscape and with corporate governance codes. At PwC, we listen to your strategic goals and work with you to design a reward programme that supports your business and is advantageous to all stakeholders.

For further information, please visit our website:

www.pwc.be/en/services/people-organisation/reward.html

Contacts



Philip Maertens
Partner, PwC Belgium



Bart Van den Bussche
Director, PwC Belgium



Matthias Vandamme
Senior Associate, PwC Belgium



Sofie Van Cauter
Senior Associate, PwC Belgium



