

PwC Workforce Preference Study 2020



Introduction

PwC's mission is to build trust in society and solve important problems. Our recent Workforce Preference Study is one contribution to fulfilling that purpose. The study reveals the desires and priorities of tomorrow's workforce, providing you with valuable insights to help improve your desirability as a potential employer and to increase your employee retention rates.

Why does this matter? It matters because the recent period was an extraordinary time full of additional challenges for employers and employees due to the COVID-19 pandemic. As a result, the labour market and working conditions have changed, and will continue to do so at an ever-increasing speed. On top of that, an increasing number of employees prefer benefits that correspond to their own preferences. Organisations need to reimagine their personnel approach to keep up with this evolution.

In order to gain more insight into the workplace preferences of the workforce of the future, PwC assessed the expectations of students and career starters from all educational levels (age 16-28) in 11 countries. The sample of respondents used in our 2020 Workforce Preference Study has revealed a number of shared values across Europe and South Africa, as well as regional differences. This report builds further on the insights gained from the Belgian Workforce Preference Study that was published last year. It is clear that for young job seekers it is not just about an attractive financial reward package. In all the countries surveyed, transparency and fairness, a good reputation and flexibility were found to be key to successfully recruiting and retaining talented employees. Moreover, the study shows that interesting and challenging work, together with work-life balance are the top priorities in Western and Southwest Europe. In many respects, the study results might be a wake-up call for employers who don't believe that non-financial factors play an important role in keeping the workforce of the future motivated.

You'll find out more about this and other valuable insights into employees true preferences by reading the report. However, if you as an employer want to understand the specific preferences of your workforce, we strongly advise you to commission your own dedicated survey. That's where we can help you. Together we can zoom in on what you would like to achieve in the focus areas we covered in this study and also measure the perceived value of each component. 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 help 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

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Partner People & Organisation

¹ <http://www.pwc.be/en/news-publications/2020/workforce-preference-study.html>

1. Facts and figures (1/2)

Number of respondents

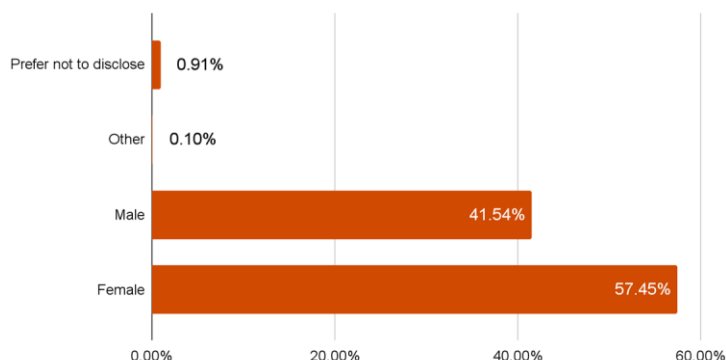
+50,000

Participating countries

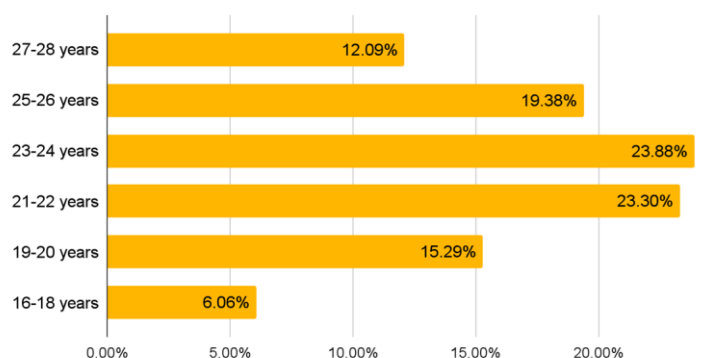


1. Facts and figures (2/2)

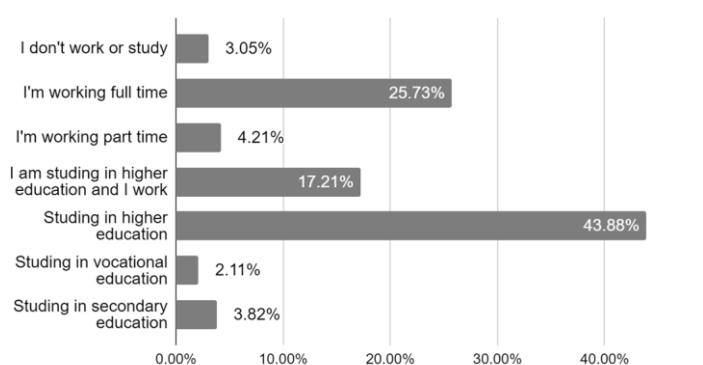
Gender – Western and Southwest Europe



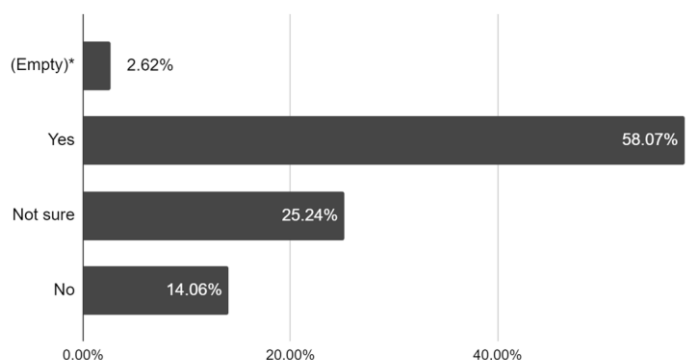
Age – Western and Southwest Europe



Current occupation – Western and Southwest Europe



Interest in moving abroad – Western and Southwest Europe

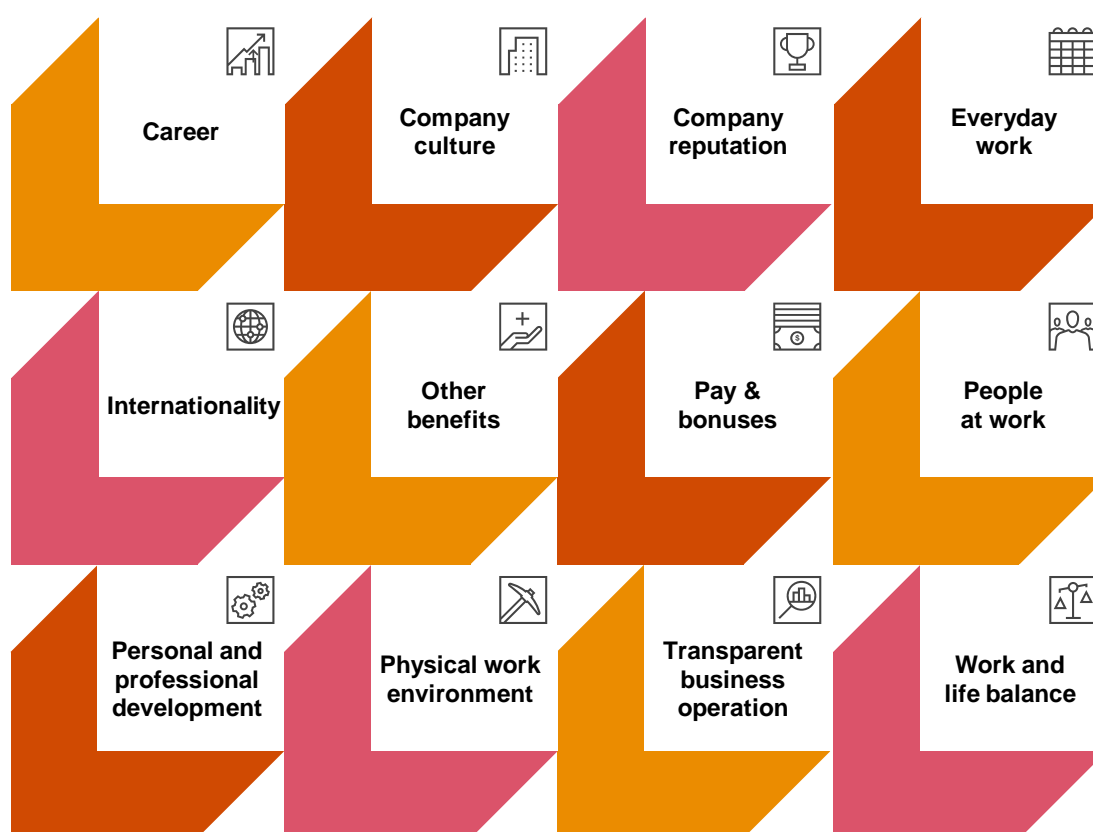


2. Focus areas

Content

Our study measures all areas of employee preferences that are decisive in their choice of a workplace and may have an impact on brand perceptions. We defined these areas based on current trends, motivation theories, components of employee experience and client feedback. The survey covers 12 main focus areas, which are divided into 55 work-related preference factors.

Focus areas



Method

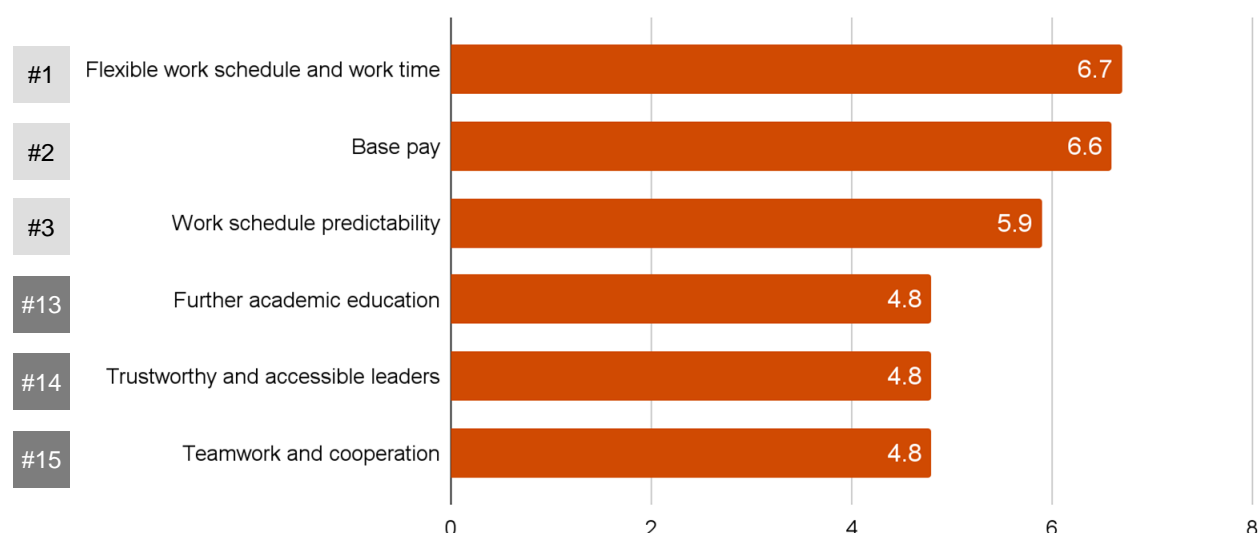
Our unique, interactive and customised web-based survey is powered by TrueChoice Solutions Inc. With the help of Artificial Intelligence (AI), the survey measures preferences in a smart and complex way, i.e. by measuring absolute and relative workforce preferences and by generating trade-offs. This method provides a significantly higher quality of data compared to conventional surveys.

3. Results of the Workforce Preference Study (1/7)

3.1 Borderless youth – young people's shared values

Today's young people are different from previous generations as their preferences and habits are majorly influenced not by location, but by a borderless, global community supported by disruptive technologies and social media. This virtual space leads to global patterns rather than local ones. This is reflected in the study results for all 11 countries in which the Workforce Preference Study was conducted. We clearly see that young job seekers around the world share a set of common values and workforce preferences.

Survey highlights: selection out of the top 15 relative preferences



Transparency and fairness

As technologies offer constant access to immediate and internal insights, and information is being shared real-time, people are monitoring what is going on in the world. Young adults prefer companies to be transparent, to favour authentic leadership and to promote their employees fairly. This does not come as a surprise; ESG (environmental, social and governance) has been a trending topic. And during the Covid-19 pandemic the 'social' aspect became even more important. A company's purpose should go beyond value creation for its own sake as young employees consider the company values when looking for a potential employer.

Reputation

Young job seekers want to gain a deeper understanding of a workplace before applying. Our survey reveals that 95% of job seekers research a potential employer before applying. They can easily find internal insights through informal channels and social media platforms. Young people are conscious and possess all the right tools to look behind the scene and behind the brand.

3. Results of the Workforce Preference Study (2/7)

International working opportunities

Over the past two decades, borders have lost their relevance as free movement around the world has become very easy. In this respect, the study results show that 58% of the respondents are willing to move abroad for their work or career. However, in terms of overall relative importance, young people are still more interested in career opportunities in companies in their home country rather than career opportunities abroad. In Turkey, the opposite is true. It is apparent that young people in Turkey are more interested in international career opportunities rather than career opportunities in their home country.

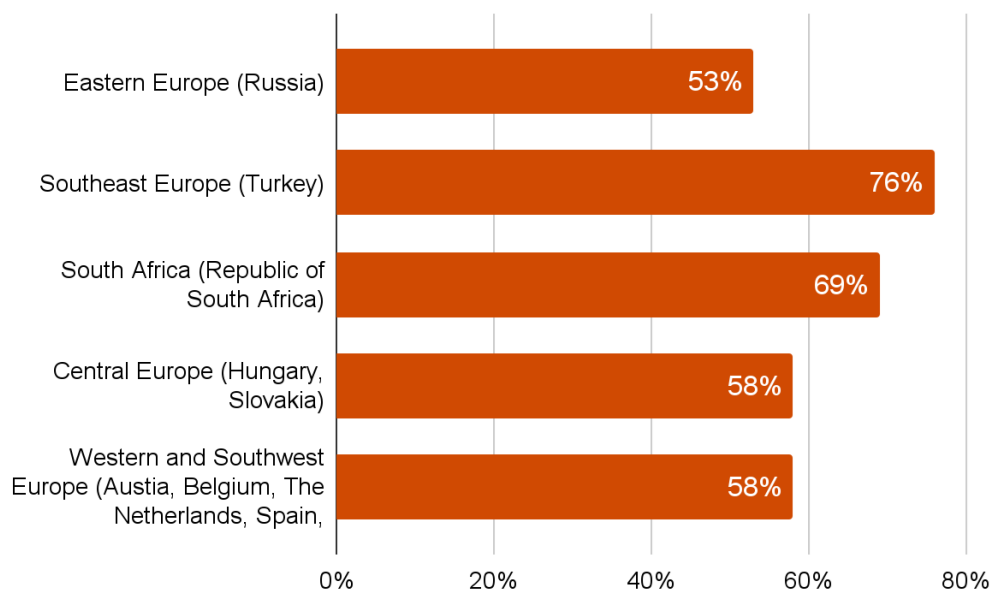
Due to the Covid-19 pandemic, governments around the world closed their borders, restricted travel within their countries and made quarantining mandatory for visitors and anyone else who might have been exposed to the virus. As a result, our international travel significantly decreased. The question remains, what will the future bring?



Is Belgium still attractive to the workforce of the future?

In Belgium, 59.2% of the respondents are interested in moving abroad which is slightly more than the overall average of 58%. In terms of drivers, 72.1% of young Belgians indicated a willingness to move abroad for a challenging job opportunity, closely followed by the opportunity to advance their personal development and by the opportunity to receive a higher salary. On the other hand, 42.6% of the respondents are planning to stay and work in Belgium in the longer term. On top of that, 5.6% of the respondents are convinced that nothing could make them leave Belgium.

Are you interested in moving abroad for your work/career?



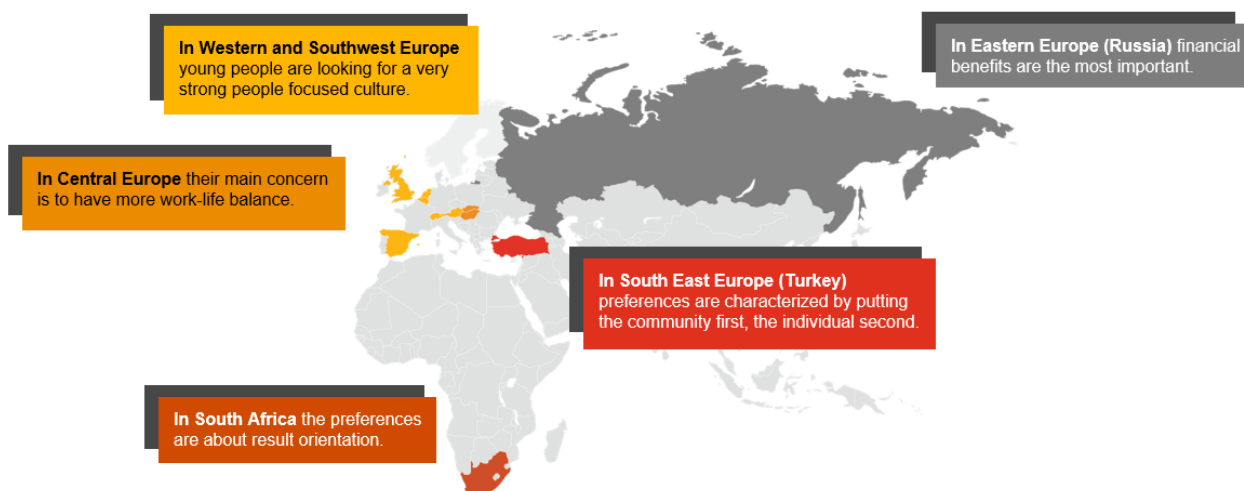
3. Results of the Workforce Preference Study (3/7)

Flexibility

Flexibility consistently scores highly in all of the countries surveyed. Digital technologies give young employees a high level of flexibility in their private lives, therefore young employees expect their employers to offer the same flexibility in the workplace.

3.2 Regional characteristics

Local culture, history, social norms and the main attributes of the labour market also seem to be affecting young people's preferences. There are clearly some unique preferences - besides the globally prevailing ones - in each of the regions surveyed.



a) Workforce preferences within Western and Southwest Europe

A highly people-oriented work environment

Looking at the study results in Western and Southwest Europe, if we take into account the entire sample, we can see that the aspects which scored best in terms of relative importance were having work that is interesting and challenging as well as having a good work-life balance (flexible work schedule and working hours). However, we can see some regional differences. The aspect of having a flexible work schedule and working hours does not appear in the top 5 in Spain and even not in the top 10 in the Netherlands.

While a flexible work schedule and working hours are less important in the Netherlands, contact with direct colleagues is highly valued. Similarly, in Austria, Belgium and Switzerland, contact with direct colleagues scores highly in terms of relative preferences. On the other hand, this aspect is not ranked in the top 10 in the United Kingdom and in Spain. The sample also shows that teamwork and cooperation are important and highly valued aspects for young job seekers not only in the West but also in the Southwest European region.

3. Results of the Workforce Preference Study (4/7)

Reward package – additional wages alone do not motivate employees

Besides a highly people-oriented work environment, the survey also highlights the importance of an attractive financial package. If we take into account the overall ranking of relative importance in the study's targeted population of young people, we can see that they value their base pay, their pension benefits and their preventative health services and health benefits very highly. Not only do these factors suggest that stability and security are top priorities for young job seekers but also that they are thinking about the longer term.

Despite the fact that young job seekers are looking for financial stability, we observe that base pay is not the number one priority in any of the participating countries in Western and Southwest Europe. Only in Austria, Belgium and Switzerland, does base pay appear in the top 3 when considering the overall ranking of relative importance. In the Netherlands, base pay comes 7th in the overall ranking of relative importance, it seems that young people living there attach the least importance to this aspect of all the countries surveyed in Western and Southwest Europe. The survey results clearly demonstrate that an attractive reward package is highly valued by young employees, but it is definitely not the deal breaker when it comes to choosing a future employer. Please refer you back to the paragraph on people-oriented work environment.



What could this mean for those negotiating wages in Belgium?

Every two years, Belgian employees and employer representatives negotiate an interprofessional agreement establishing factors such as a maximum margin for wage cost development. Besides wage indexation and baremic increases, the wage cost report stipulates a maximum margin of 0.4% for wage increases in 2021-2022. As the budget for wage increases will be limited, employers will need to look for other instruments in order to remain attractive.

Since our study results show that young employees value interesting and challenging work together with work-life balance more than base pay, focussing on trying to increase base pay further is not likely to be helpful. By focussing on non-financial aspects, you are more likely to remain an attractive employer and are more likely to meet the preferences of young people while keeping costs under control.

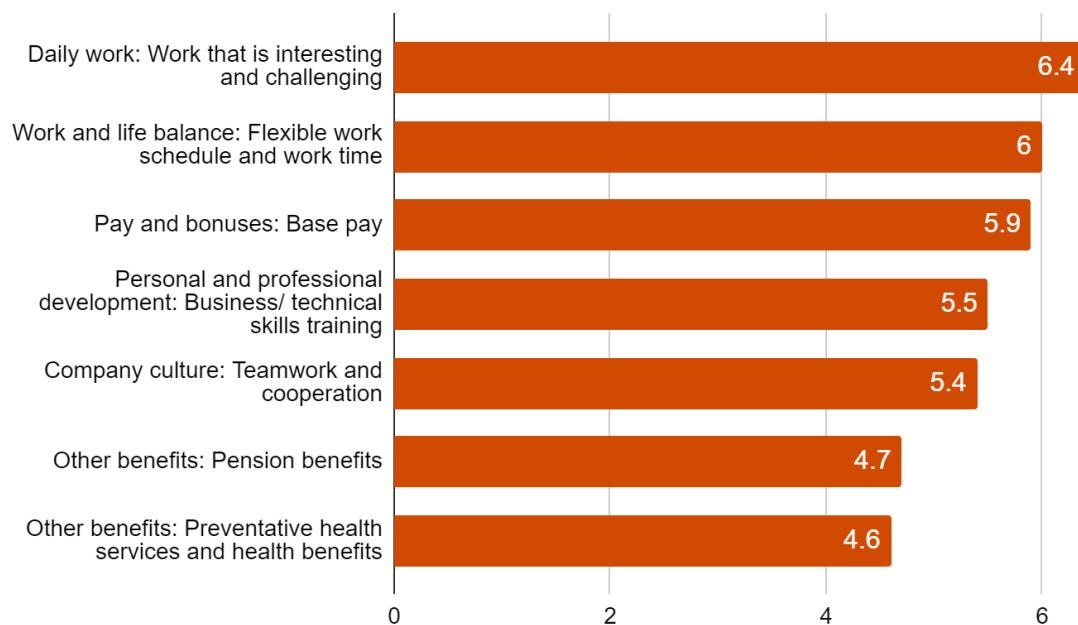


3. Results of the Workforce Preference Study (5/7)

Upskilling

Access to business and technical skills training courses organised by employers is key for young employees across Western and Southwest Europe. In terms of relative importance, the possibility to follow business and technical skills training courses scores most highly in the United Kingdom. However, we have identified some regional differences. The survey shows that respondents in Spain and Switzerland are not interested in upskilling programs organised by their employer (not ranked in the top 15) instead they prefer further academic education.

Selection out of the top 15 relative preferences in Western & Southwest Europe



3. Results of the Workforce Preference Study (6/7)

Conclusion – Western and Southwest Europe

We can conclude that young people in Western and Southwest Europe are looking for a very strong people-focused work environment. They favour high standards of living and long-standing traditions of conscious corporate culture development and are driven by their desire for self-fulfilment. As a result, corporate cultures that focus on people and employers whose work is people-oriented rank highly. At the same time, individual autonomy and responsibility are of lower priority than teamwork (i.e. responsibility sharing), which is highly valued. In addition, an organisation becomes more attractive to (potential) employees the more attractive the reward package and the greater the opportunities for lifelong learning. However, we would like to emphasize that an attractive reward package alone will not be enough to satisfy an employee in Western and Southwest Europe.

b) Comparison with other regions



Having work that is interesting and challenging is highly valued both in Western and Southwest Europe (see above) and South Africa. In Eastern and Southeast Europe on the other hand, the nature of daily work is only of secondary importance.



Work-life balance seems to be a common important factor in Central Europe as predictable workload and flexibility are valued above the average. It seems that young people seek to have more control over their time and where they perform their work.



In Eastern Europe, base pay, bonus factors (i.e. variable pay and overtime pay) and career opportunities are valued significantly more than elsewhere. These factors suggest that stability and security are top priorities together with moving up in the hierarchy. In South Africa as well, young people value cash and other non-cash benefits highly as they are striving for financial security.



In South East Europe, 76.12% of respondents are interested in moving abroad, this means that the number of young employees who are considering leaving the country for job purposes or to gain experience is high. This brain drain has been affecting local economies in the South East of Europe for some time now, however, it does not seem to be as prevalent in Western and Southwest Europe - only 58.07% of the respondents are interested in moving abroad.

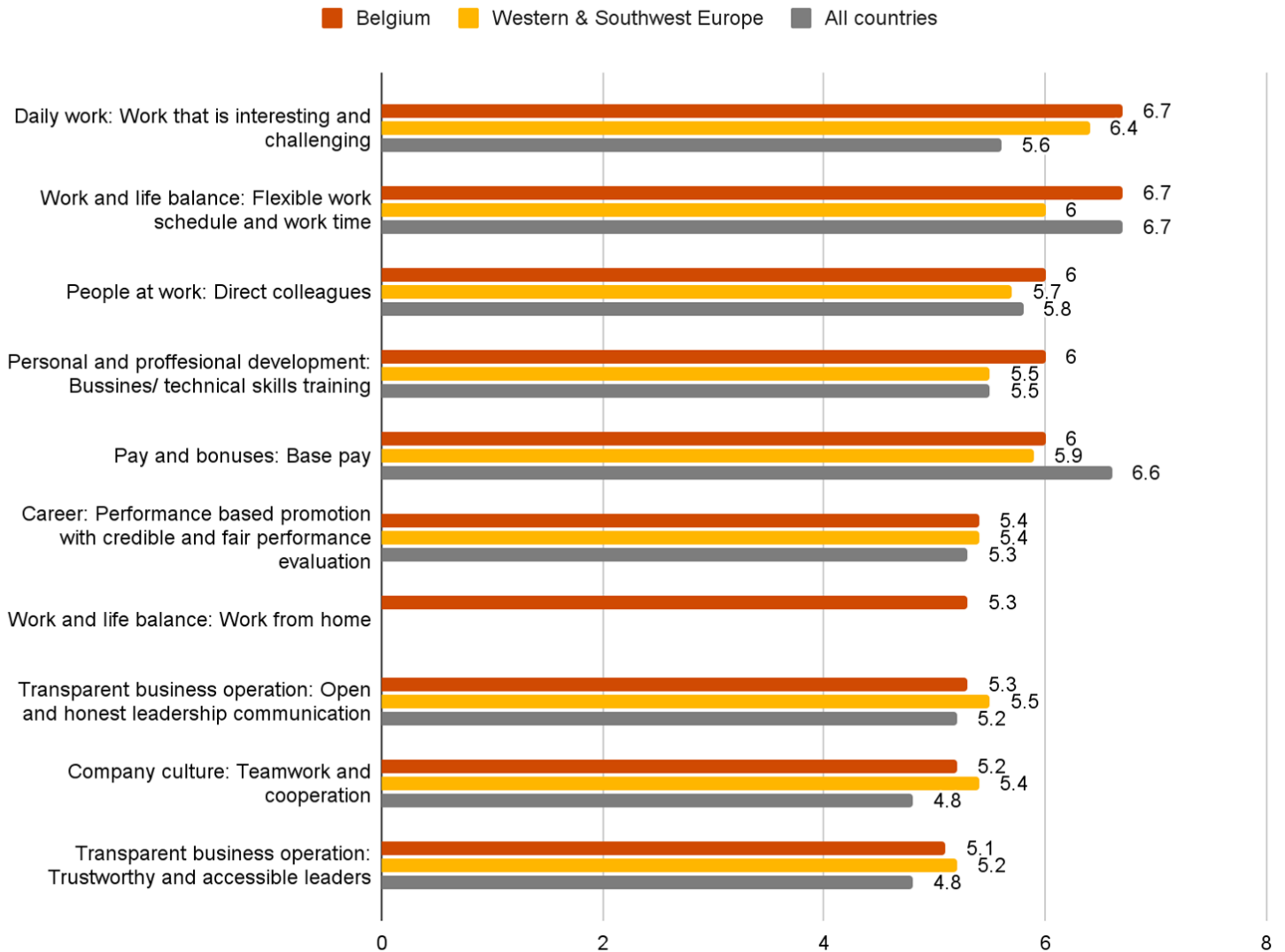


While contact with direct colleagues is perceived to be important in all European regions, it is not at all important in South Africa. Young South African employees do not consider their workplace to be part of their social life.



In Southeast Europe the 'big picture' (i.e. company profile) is seen as much more important than in the other regions.

3. Results of the Workforce Preference Study (7/7)



4. Key actions for businesses

We live in a fast-changing world and in these challenging times, the future seems more uncertain than ever. On top of that, disruptive technologies and globalisation both offer endless information and opportunities to young job seekers. Hence, it is crucial for organisations to build on reliable data when creating an attractive workplace today and in the future.

While the PwC Workforce Preference Study provides us with fresh and reliable data about the labour market expectations and the driving forces of young people when choosing a future employer, the survey also reveals a difference in employee preferences. It is clear that a 'one-size-fits-all' approach is not the best way for an organisation to build their external and internal employer brand. Data-based decision making is key to stay ahead of the competition and successfully recruit and retain talented employees.



5. How can we help you?

Thanks to our customized web-based questionnaire, we can provide you with reliable preference data at company level. By measuring and analysing employee preferences, we can help you identify those benefit elements that hold real value in the eyes of your employees. A data-driven alteration of a total rewards scheme can simultaneously serve to reduce costs, to improve employer branding and retention.



As you may know, employer branding, recruitment messages and the determination of employee value proposition are a multi-component puzzle. We can work with you to assemble this puzzle piece by piece with the help of our in-depth analyses and consulting support.



6. Contact details

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Thank you

