



Hudson

**CORONAVIRUS IMPACT ON
BUSINESS ACTIVITIES, EMPLOYMENT & RECRUITMENT**

CORONAVIRUS CRISIS

Week 8 of the corona outbreak, the government is slowly loosening the measurements but the organisations are still working out how to deal with these extraordinary circumstances .

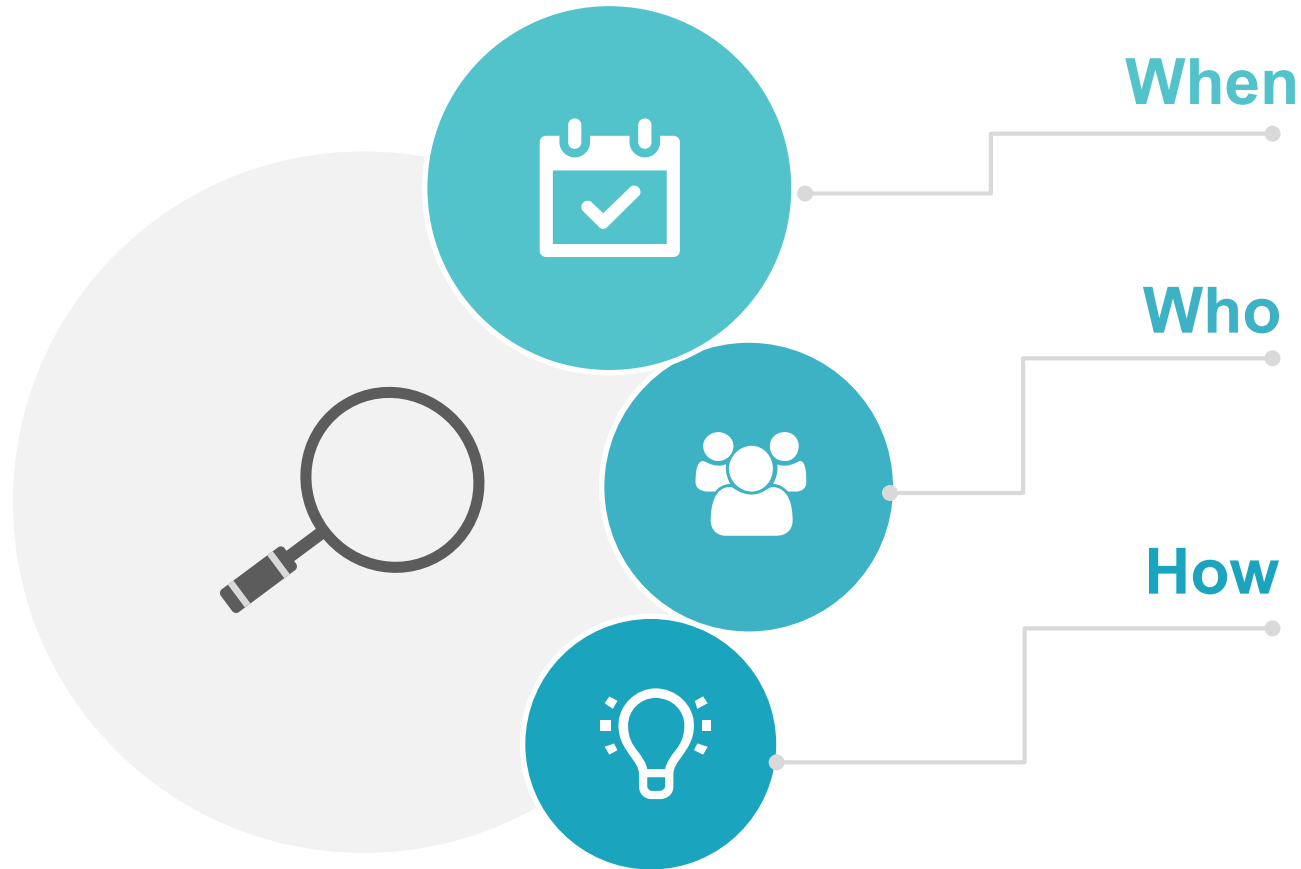
Hudson therefore conducts regular surveys on how our Belgian organisations are coping. 158 organisations took part in our first survey, 144 in our second and **149 in our third survey** on how the coronavirus crisis is impacting organisations.

Restructuring

1 out of 5 companies indicate that they have restructured or downsized their staff or will have to do so in the future because of the corona outbreak.



Restructuring



When



Most prevailing answers either **May-June** or **September**.

Who



The companies indicate that on average the restructuring will affect **11% of the total workforce**

How



In most organisations restructuring will be an **evolution** ranging from 4-5 to even 12 months.

More than 50% of the companies indicate that **trade unions** will be/are involved in the reorganisation.

80% consider **outplacement**, even if not mandatory



Business activities & employment

Companies are being faced with a declining employment rate and have found different ways to deal with this issue.

**6/10 organisations use temporary unemployment.
Expanding this measure is still being considered by 40% of the surveyed organisations, but other solutions are being implemented as well**

Business activities & employment



Operations & Productions is the department that is **most impacted** by temporary unemployment. **22%** of the surveyed companies indicate that they can only put half of their employees or less to work.



IT is the department that is **barely impacted** by the corona outbreak. **67%** of the companies indicate all their IT-employees still work fulltime.





“

“How do YOU deal
with the
employment
rate?”

Example #1

*“We only focus on our priorities. ‘Nice to have’ activities are **not allowed**. We had no production during 5 weeks and had to fall back on temporary unemployment for cash reasons.”*

Example #2

*“The majority of the activities are being pursued as normal. Only the **physical client meetings in our offices are cancelled.**”*

Example #3

*“We pursue **new activities** as much as possible in these difficult circumstances.”*

Example #4

*“We focus on **learning & development** to fill up the gaps of time.”*

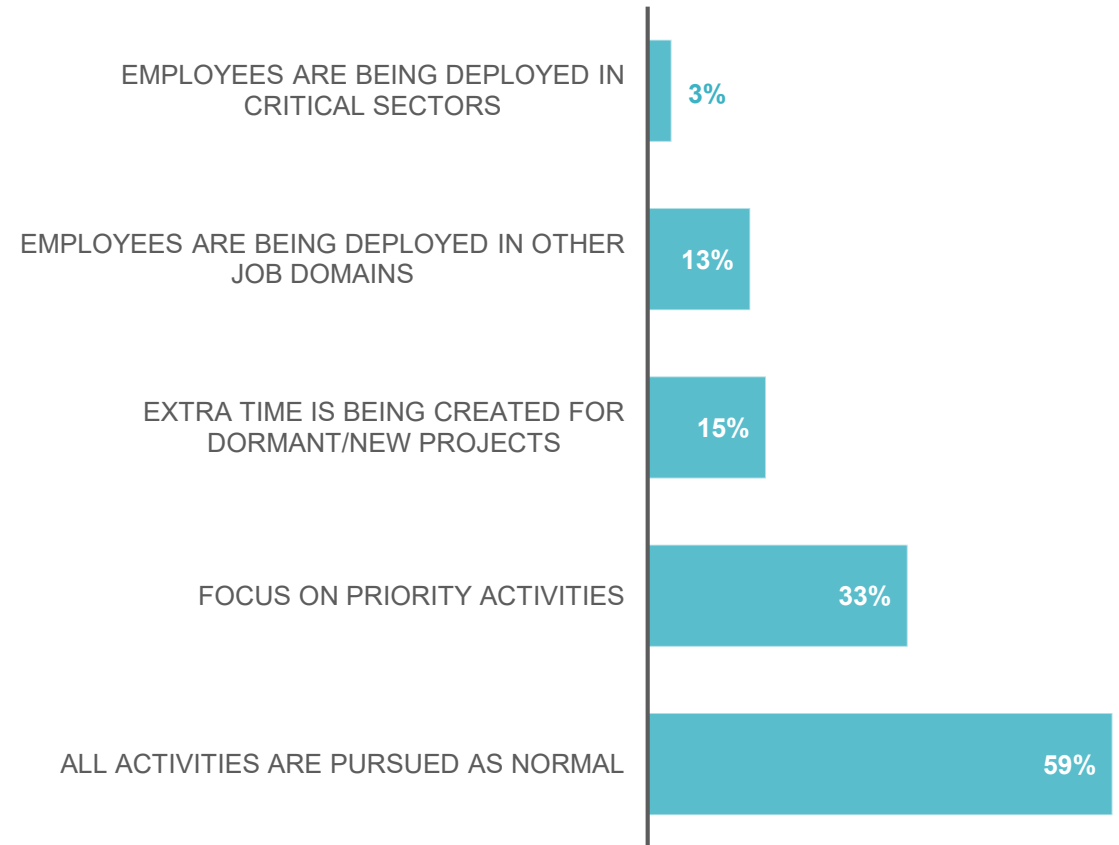
Business activities & employment

Organisations have found a way to creatively handle the declining employment rate.

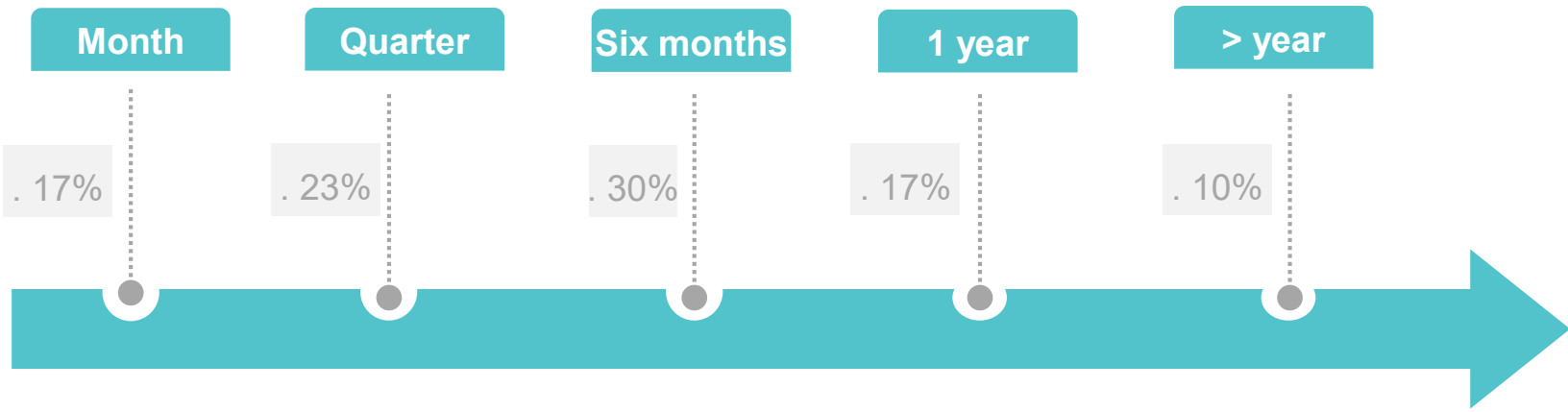
Some have chosen to deploy their employees in a different job domain or even in a different company. Other companies have dusted off some dormant projects to keep their employees at work.

While 33% of the organisations are forced to only focus on the priority activities, 59% of the companies don't have any difficulties with performing all activities as usual.

Employment rate solutions



Future business activities



80% of the surveyed organisations are already taking measures to be prepared when employees are allowed back at the office.

When looking at the future, most companies expect to operate at the same level as before the corona outbreak within less than one year.

Mostly companies in the 'Industry' sector are optimistic and expect to be performing full force within half a year. Companies in the 'Logistics' sector are less optimistic about the timing in which they will be able to run the business as usual.

Reward Checklist

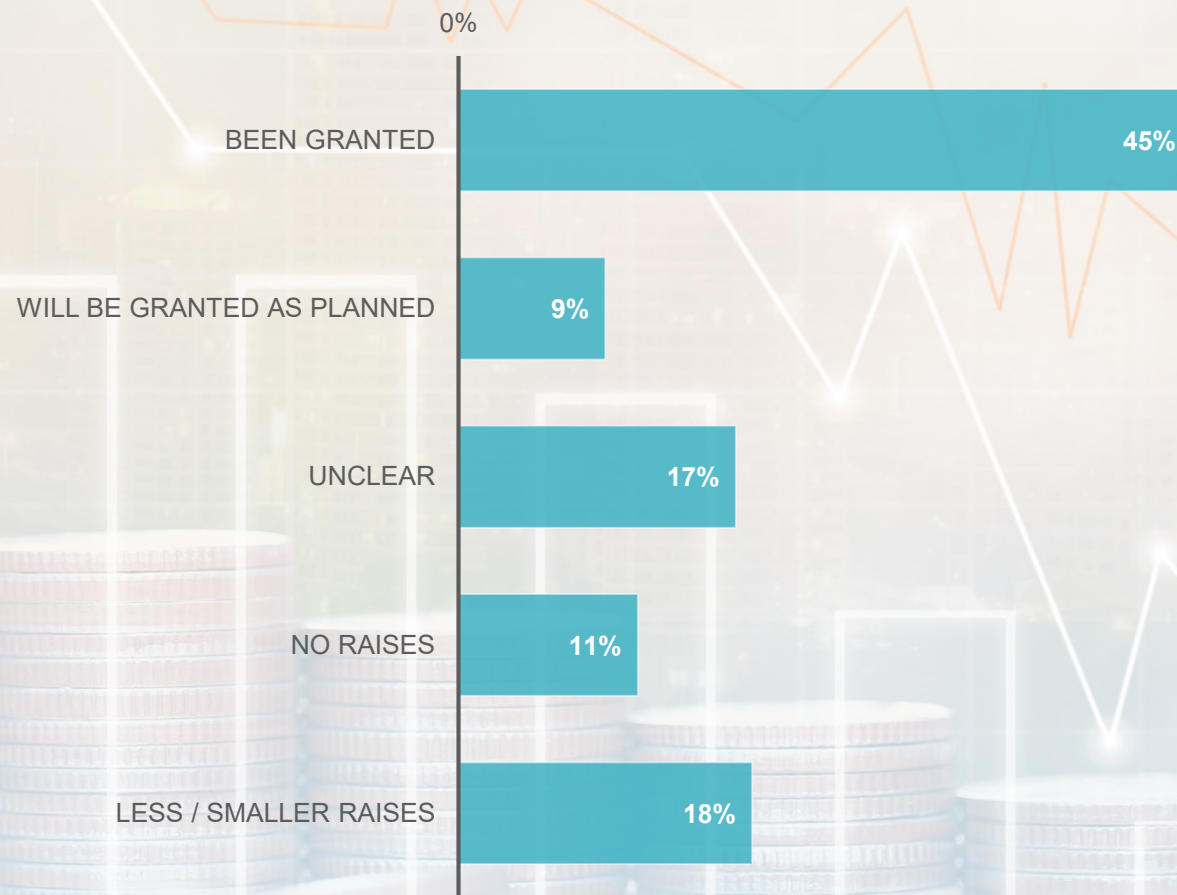
Comp & Ben in times of Corona : a checklist developed
by Vlerick Business School & Hudson

<https://bit.ly/3eEbEMo>

Impact on Base Pay

17% of the organisations are still not sure about the impact on salary raises. Almost half of the companies have already granted the salary raises which is 8% more than last survey.

Impact on salary raises



Impact on variable Pay

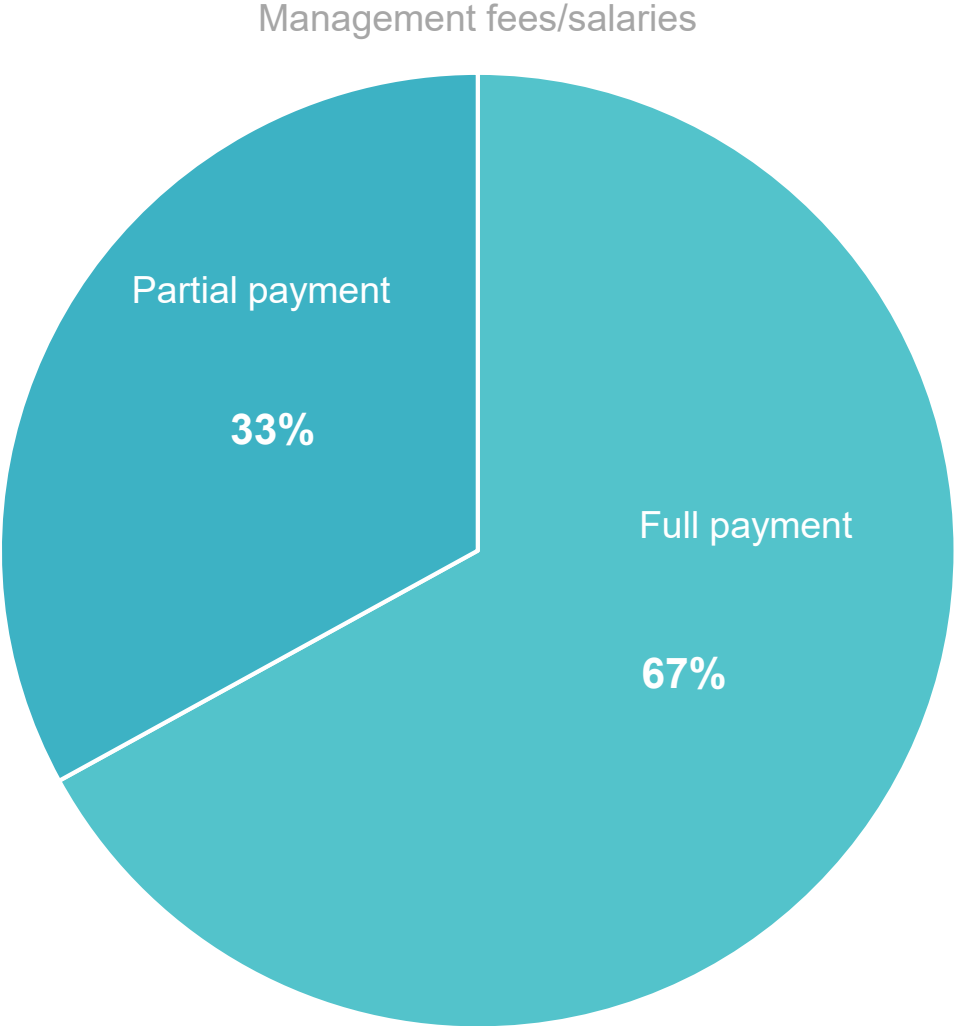
VARIABLE PAY 2020

- ❖ 20% effect on bonuses not yet clear
- ❖ 60% expects bonus pay-out to be lower
- ❖ 7% does not expect an impact on variable pay
- ❖ 7% will apply different targets due to crisis
- ❖ 7% cancellation of individual variable pay

Impact on Pay

It seems that management fees/salaries have also been impacted. 33% of the organisations said that these would be paid only partially, whereas this was only the case for 30% during our previous survey.

The median percentage of these fee/salary reductions is - **20%**.

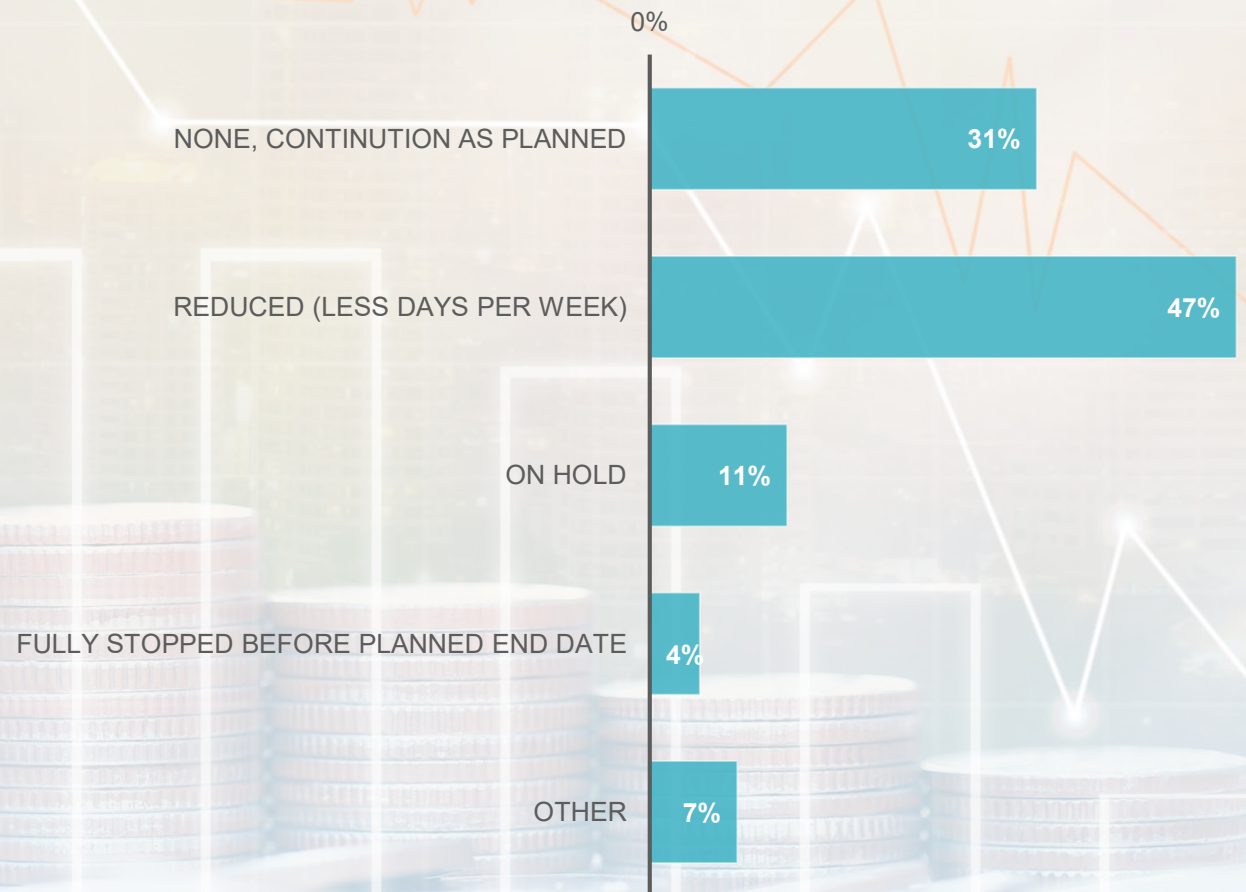


Impact on Flexible solutions

The coronavirus crisis is certain to leave its mark in terms of the business activities and extra workforces they relied on. Most organisations have taken actions with regard to the current assignments of the flexible workforce.

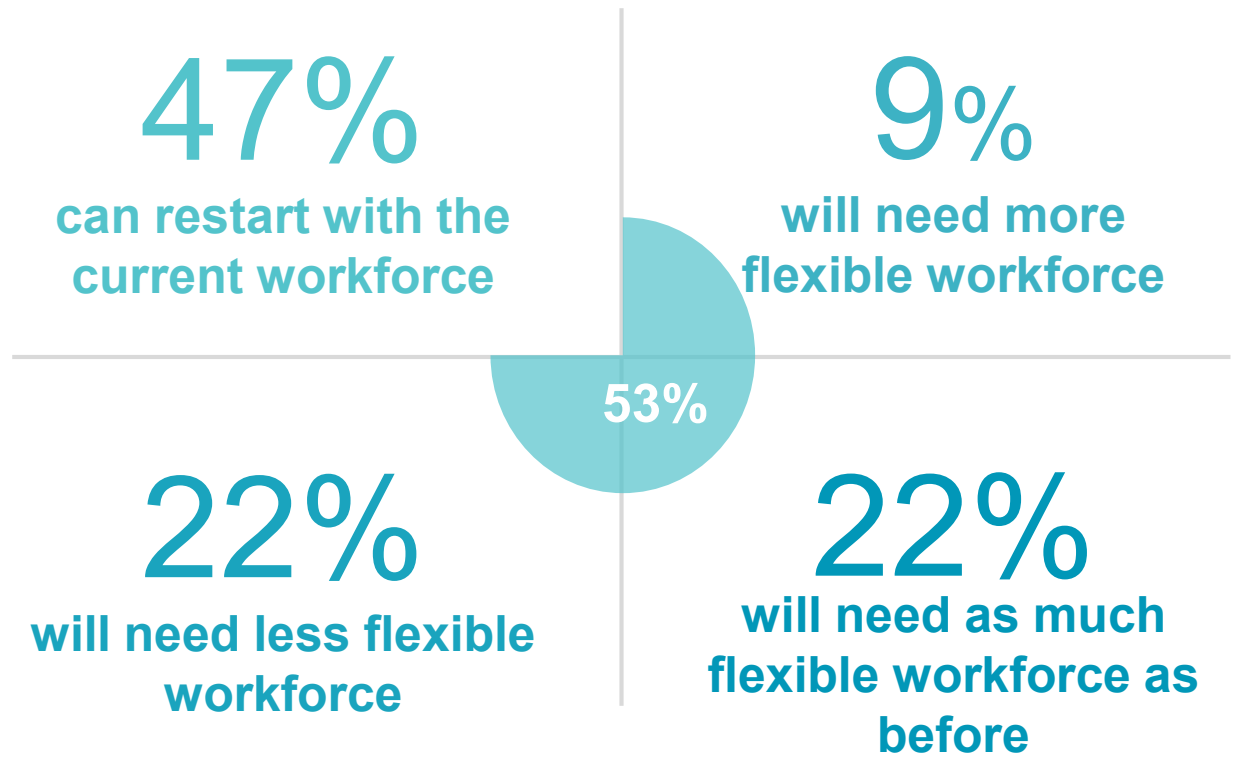
Prior to the corona outbreak 77% of the organisations relied upon flexible solutions

Impact on flexible solutions within the organisation





Flexible solutions post corona





Recruitment

1 out of 5 of the organizations surveyed indicate a hiring freeze on their recruitment budget during the COVID 19 crisis.

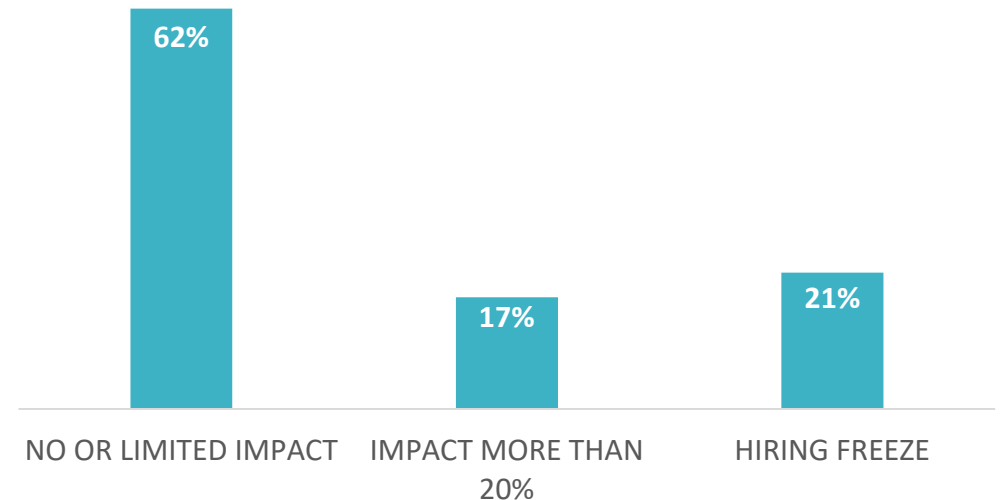
All current or new vacancies for those companies are put on hold or are cancelled.

Recruitment budget

Also 62% of the organisations notice no or little impact on the budget. They mostly indicated no impact on the current vacancies. Although also 26% said only the necessary vacancies are carried out and 18% said all vacancies are put on hold.

A smaller percentage of the organisations indicate a noticeable impact on their recruitment budget (17%). For most of those companies only the necessary vacancies are still carried out.

Impact on Recruitment budget

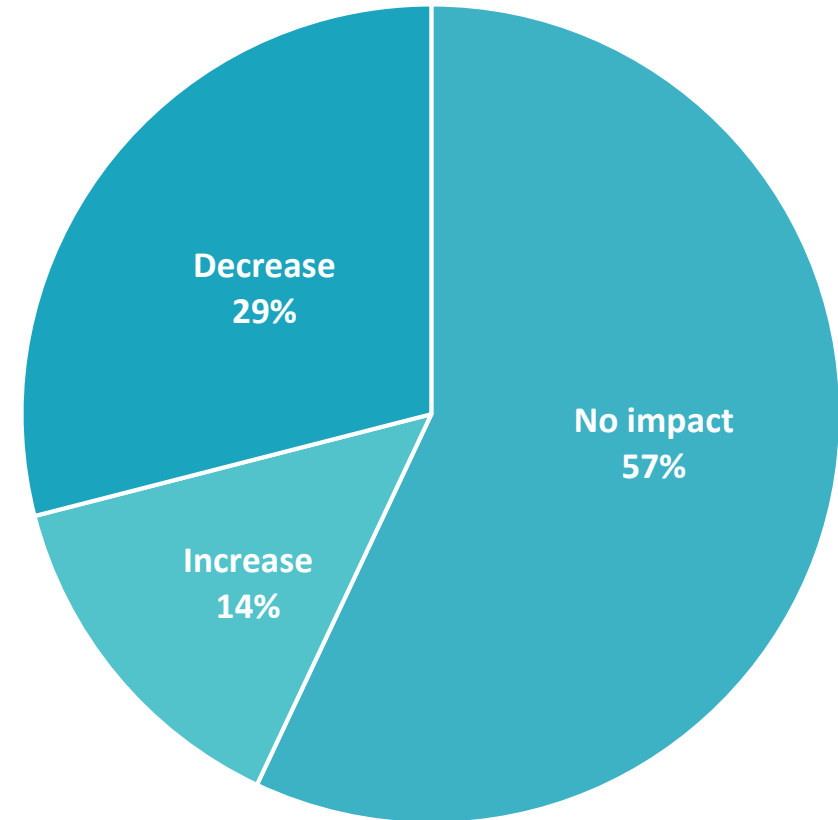


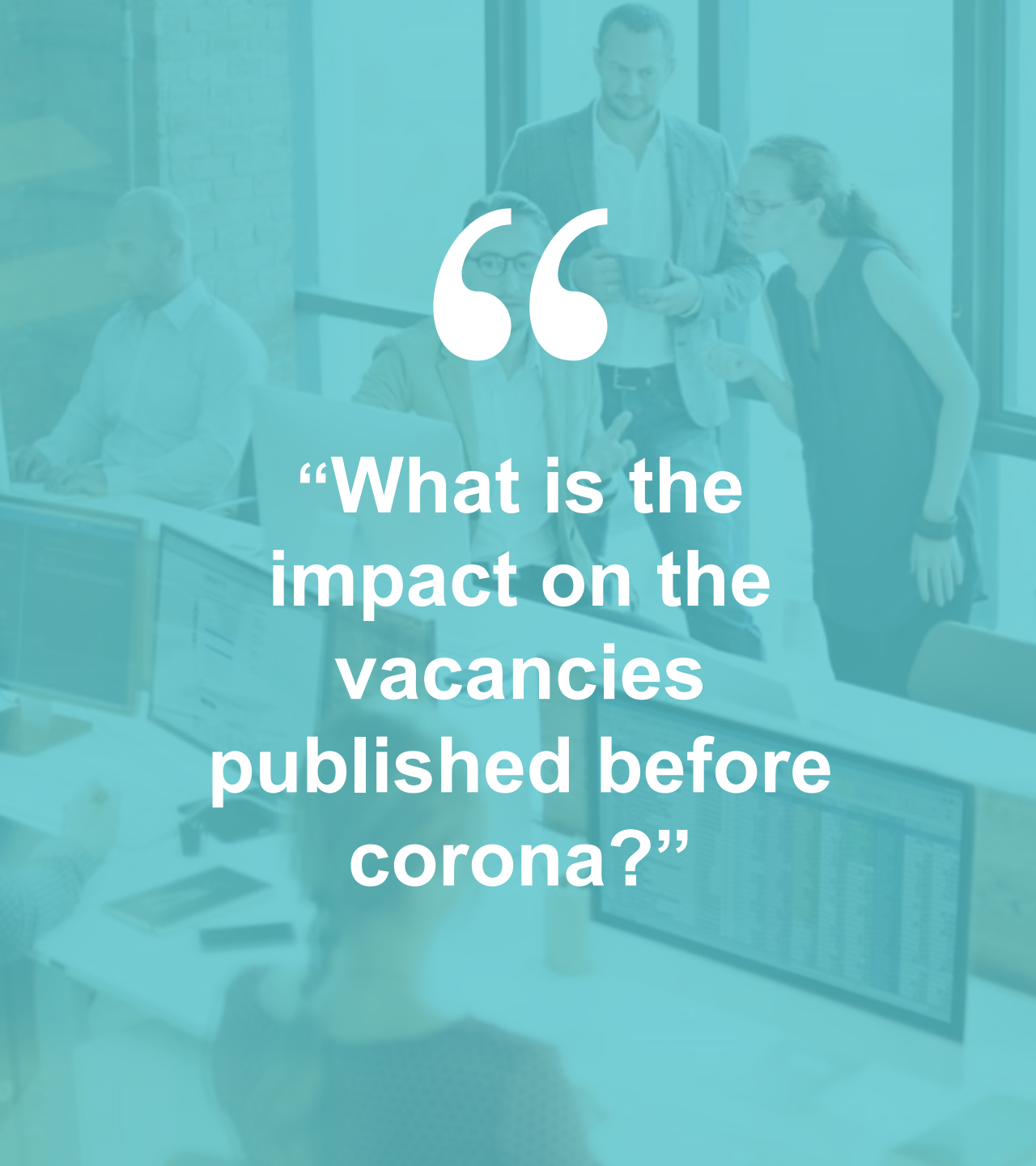
Recruitment

57% indicate that the corona crisis has no impact on spontaneous applications, while 14% of companies just reported receiving more spontaneous applications.

Spontaneous applications appear to have increased, especially in the IT sector.

Impact of spontaneous applications





“What is the impact on the vacancies published before corona?”

Example #1

“Critical supporting positions (such as logistics) are being recruited. Other project related recruitments or less critical recruitments (such as administrative support) are put on hold.”

Example #2

*“It depends on the position that needs to be filled in and **the critical need** we have for it in the organization.”*

Example #3

*“Some vacancies have been cancelled, while others are ongoing with **adapted measures**”*

Example #4

*“These will continue with **adapted measures** such as remote interviews. The **signing of the contract will be put on hold**, however, we do make exceptions for specific difficult profiles”*

The Future of Talent Acquisition

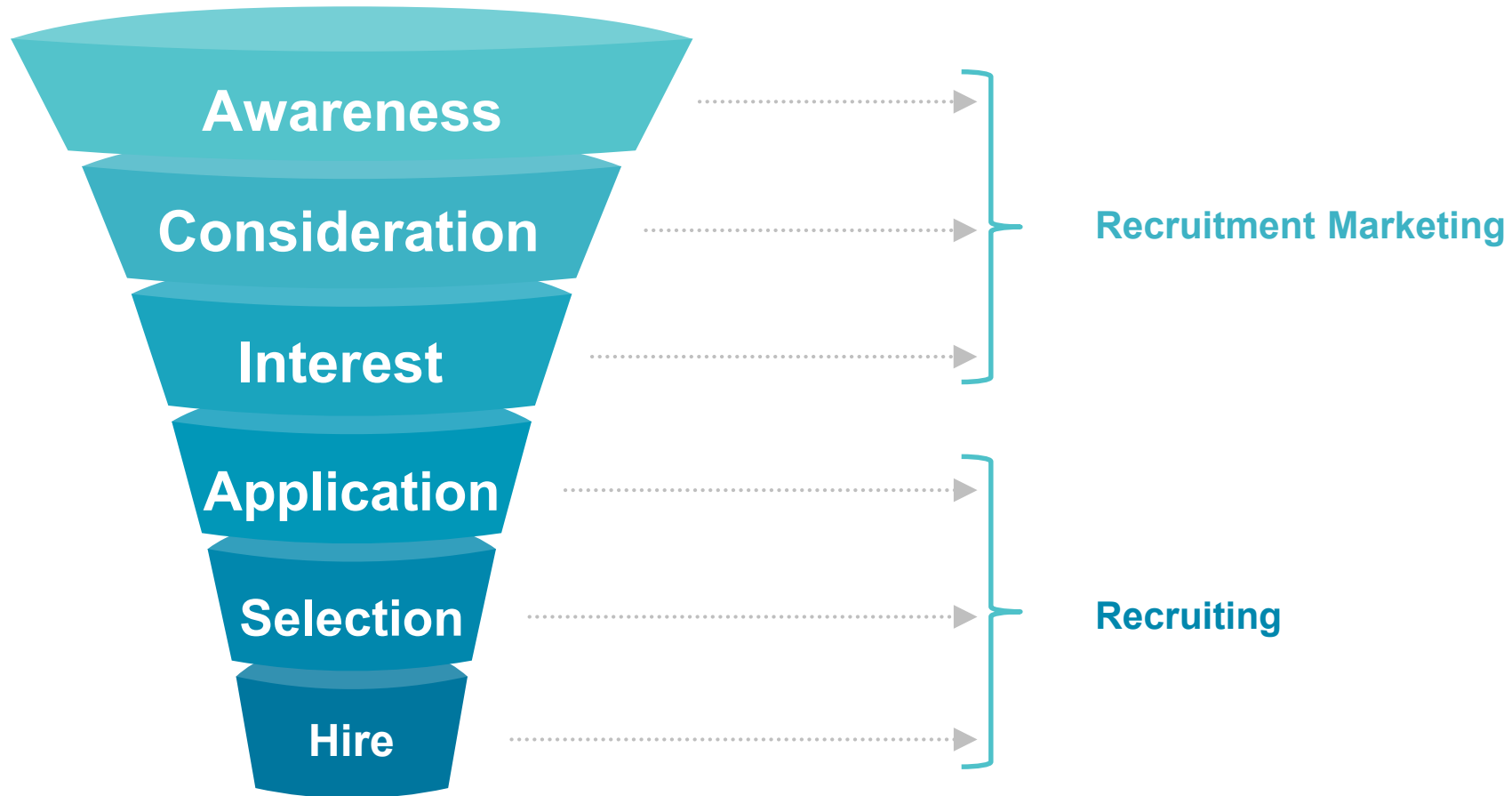


**The coronavirus pandemic as the engine
for a global digital transformation?**

And what is the impact on Talent Acquisition?



Talent Acquisition Funnel





CURIOSITY

A combination of professional curiosity and new product developments introduces new technology in Talent Acquisition



BIAS

The validity of traditional recruitment instruments is being questioned by candidates, scholars and the industry



NECESSITY

From efficiency and high volumes to an unforeseen pandemic

Necessity



High Volumes

A fast and efficient way of processing high volumes of data, eg. a large number of applicants.



Efficiency

Speeding up the process, eliminating physical barriers, getting data quicker, ...



Contact Restrictions

As the current pandemic learns us that we should no longer take physical contact in recruitment for granted.





All hail to “NEW” technology

Should we let new technology i.e. artificial intelligence, machine learning, facial recognition, ... take over the process of recruitment and get rid of all human interference and the consequences of human contact?

Challenges



» Technology is not yet on point, who decides what's good and bad, where's the reference group, ...



» GDPR and other legislation limits the processing of personal data.




» Even algorithms suffer from bias. Remember the Amazon case?



HUMAN TOUCH

Isn't HR called Human Resources because it's about and done by humans? Are we as HR, hiring managers and colleagues ready to outsource this process to technology? And doesn't a majority of the candidates expect some counseling during the recruitment process?

17% of the surveyed organisations will postpone the signing of a contract until physical contact is again permitted.



**More than 50% of
the respondents
foresee an impact
on the 'war for
talent' due to the
corona crisis**

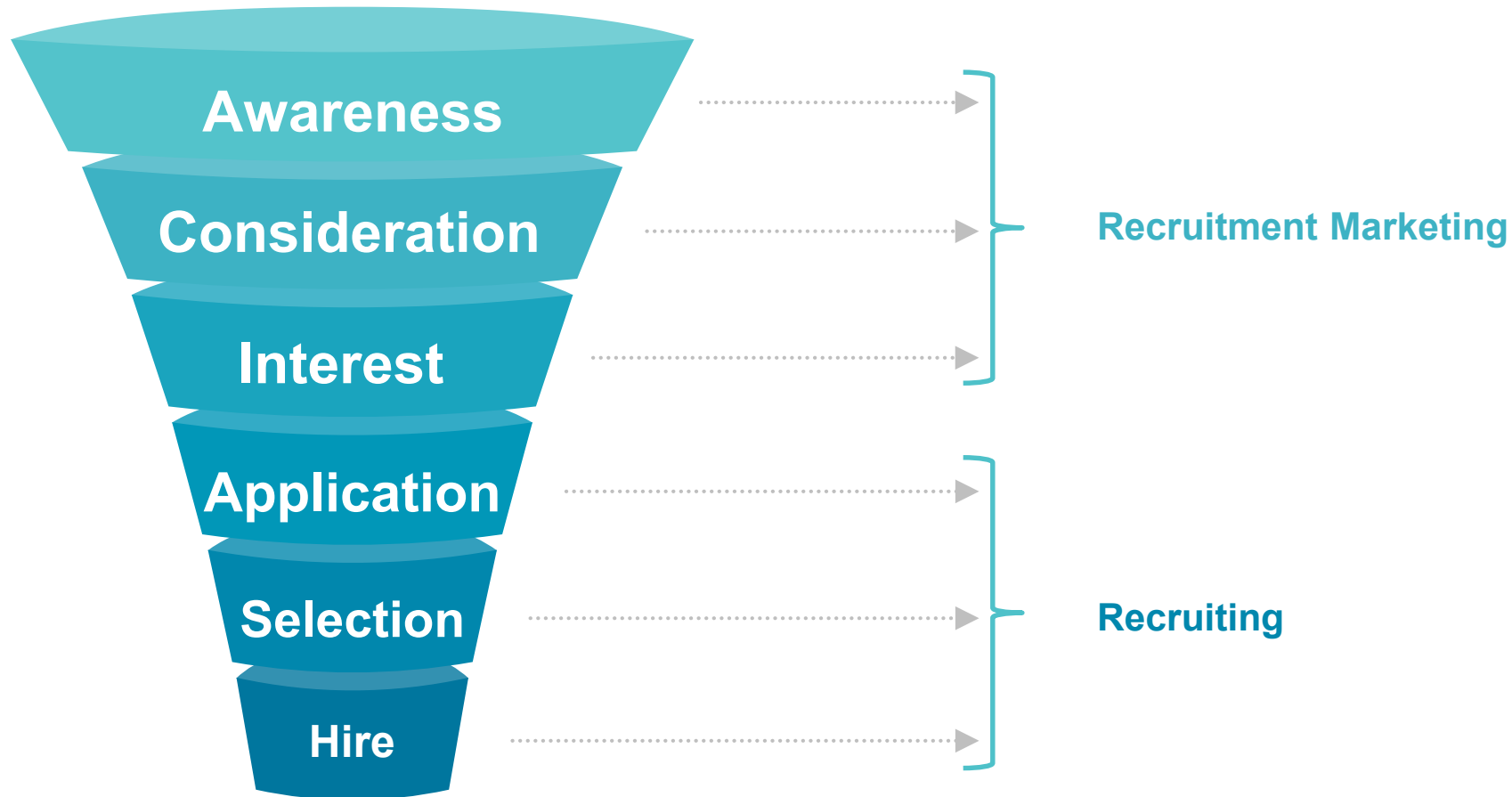
Jobs that will be more in demand

- IT
- Digital
- Engineering
- Operational/ technical jobs

Jobs that will be less in demand

- Human Resources
- Marketing
- Sales

Talent Acquisition Funnel



Sample Composition of the Survey

Companies by Region

REGION	%
Antwerp	16%
Brussels Capital Region	27%
East-Flanders	16%
Flemish Brabant	10%
Hainaut	4%
Liège	4%
Limburg	4%
Walloon-Brabant	4%
West-Flanders	15%

Companies by Size

NUMBER OF EMPLOYEES	%
< 50 employees	23%
50 - 99 employees	10%
100 - 249 employees	25%
250 - 499 employees	14%
500 - 999 employees	10%
> 1000 employees	18%

Companies by Sector

SECTOR	%
Industry	33%
Telecom & Media	2%
IT	6%
Energy & Utilities	3%
Financials	10%
Consumer Goods	7%
Transport/Logistics	7%
Pharmaceutical & Healthcare	12%
Professional Services	12%
Public Sector	8%

CORONAPOLL #4

We plan a 4th coronapoll soon, because we are curious about the reward strategies, policies and systems in the post-corona area, more in particular:

- Is your reward policy crisis – proof and sustainable?
- Do you plan to change your reward strategy, given the current crisis and the slow down of the economy?
- Do you plan to change the base pay system
- Do you plan to change the variable pay system for the bonus pay out for performance 2020?
- How will your LTI plans be affected?
- Have you identified your key potentials? Which criteria do you use to identify them?
- ...

What do you want to learn from the market? Please share your suggestions this week.

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