



ROBERT WALTERS WHITEPAPER

RECRUITING PROFESSIONALS IN A CANDIDATE SHORT MARKET

ROBERT WALTERS

INTRODUCTION

Experience tells us that companies are only as good as their people. In an ideal world, job vacancies would be filled by individuals whose skills and experience provide a perfect match for each role. Instead companies have focused on recruiting best fit candidates and the labour market has for many years provided the right people in enough numbers so as to avoid the risk of talent shortages.

Amid strong economic growth and surging business confidence, recruiting the right professionals has become increasingly complex and competitive.

Shortages of suitably qualified candidates and rising vacancy levels are also increasing the pressure on employers to ensure the company retains its existing employees.

Combining employer surveys with our unique recruitment insights, this whitepaper looks at the effects and impact of talent shortages in Belgium and how to overcome them.

METHODOLOGY

Robert Walters surveyed both local companies and multinational corporations in Belgium* to research the effect of a candidate short market on the recruitment process and the plans businesses have in place to combat that shortage.

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- 02 The prevalence of talent shortages
- 03 The key recruitment challenges affecting businesses
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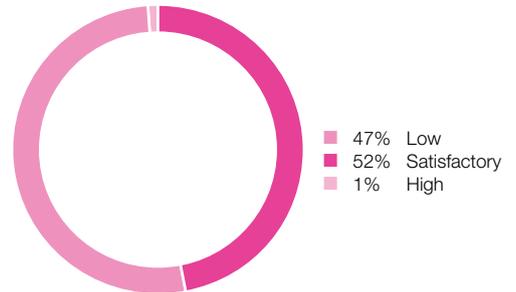
01 AN OVERVIEW OF TALENT SHORTAGES

83%
of employers have been affected by talent shortages

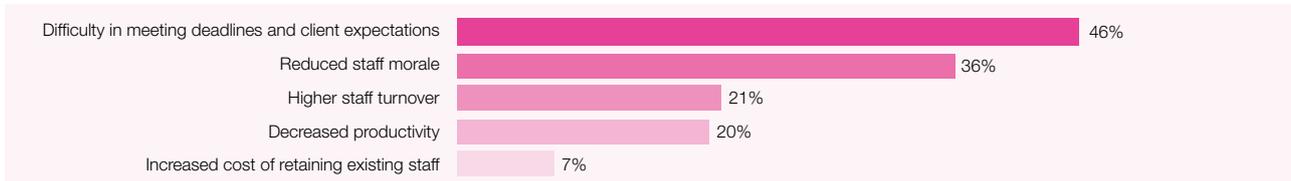
Which of the following recruitment challenges businesses faced:



Availability of suitable candidates locally:



How have skills shortages affected companies in Belgium?

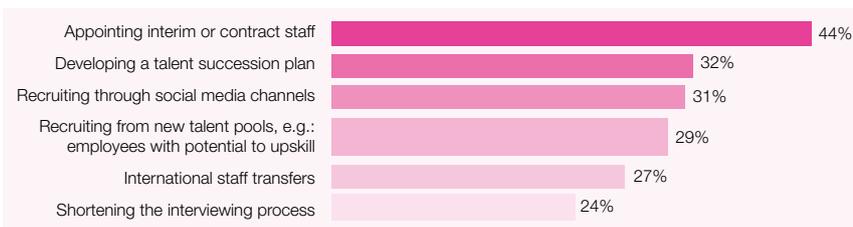


Do companies have a plan for managing talent shortages?



43%
of hiring managers have upskilled staff to manage candidate shortages

Which recruitment strategies have been adopted to manage candidate shortages?



27%
of employers use international transfers to manage talent shortages



32%
of hiring managers use the advantages of the job to recruit staff that have received a counter offer from another employer

16%

of companies use career progression opportunities to beat counter-offers

51% of employers say adding value to the business is important to professionals

31% of employers recruit through social media channels

02 THE PREVELANCE OF TALENT SHORTAGES

Our survey shows that 83% of all employers have had at least some difficulty recruiting professionals. 20% are even finding it extremely hard to find the right people for the majority of roles they are looking to fill.

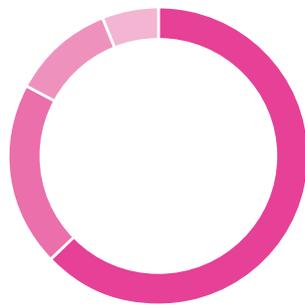
The outcome is broadly similar regardless of company size. From SMEs to international companies – all are affected by candidate shortages. With many employers facing the same challenge regardless of location, our survey shows that talent shortages are a widespread cause for concern.

How many employees does your company have in Belgium?

1-100		33%
101-500		34%
501-1.000		13%
1.001-10.000		20%
10.001+		1%

Even with the right in-house HR support, in a talent short market, these figures indicate that many companies are not always using the right strategies to attract professionals who will help their business grow. They also suggest that established tactics - offering larger pay packets, for instance - may no longer attract the best candidates. Only 6% of the employers in Belgium say they have not faced any problems recruiting the right professionals.

Difficulties recruiting suitably qualified candidates:



22%

of employers are unlikely to hire those who do not meet the exact requirements of the role

- 63% have occasionally found it hard to fill vacancies
- 20% say it has been hard to fill many of the existing vacancies
- 11% did not recruit in 2015
- 6% had no difficulties to recruit suitable candidates

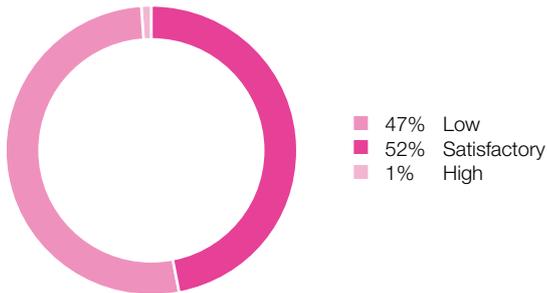
“When companies cut back on recruiting, particularly for entry or junior level professionals, skills gaps inevitably result. This also has an effect on the size of the talent pool that the business needs in order to be able to build and progress.” – *Antoine Biot, Director Belgium*



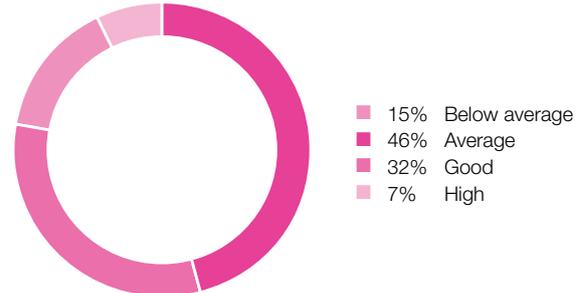
03 THE KEY RECRUITMENT CHALLENGES AFFECTING BUSINESSES

58% of hiring managers say they have struggled to attract candidates with the right hard skills or experience. For some businesses, the consequences can be potentially serious. A lack of appropriate specialist staff could hamper efforts to increase productivity, turnover and profitability, preventing the company from reaching its full potential.

How companies rate the availability of suitable candidates locally:



How companies rate the quality of candidates locally:



46% of respondents to our survey claim they have simply not been able to find enough candidates to interview, raising questions about the availability of suitably qualified and affordable professionals. However, we assume that part of the problem might be that employers are only considering 'active' job seekers, when they should be tapping into the wider candidate pool.

Having the knowledge and ability to approach 'passive' candidates (those not actively searching for a new role) increases the access to a much wider pool of professionals. Very often, those who provide a best fit for the role aren't the ones looking for a job.

6%

of hiring managers see candidates unwilling to relocate as a serious recruiting challenge

Pay remains a stumbling block

38% of hiring managers say that the salary expectations of candidates they are trying to hire are too high. Some amount of salary inflation is an inherent trait of a talent short market and most professionals will expect employers to match or improve on market rates at a very minimum.

Many individuals place a greater emphasis on benefits such as work-life balance and career progression as well. In other words, simply offering more money may not be enough to distinguish the company from the competition. It is important to look at the individuals career and to find a package that includes the right pay and benefits.

Companies should ensure they sell the most interesting elements of the job such as the opportunity to take on new responsibilities or to develop into a management role. With many candidates thinking about their long-term career progression, this can help the business stand out.

04 THE IMPACT AND EFFECTS OF TALENT SHORTAGES

36% of businesses say that talent shortages have affected employee morale and 46% say that they have increasing difficulties in meeting deadlines and clients' expectations as a result of the talent shortage. The toxic influence of low morale is frequently underestimated for its influence in creating a 'revolving door' of high staff turnover. Given the popularity of social media and the speed with which bad news can be shared, companies with a reputation for low morale will find it harder to recruit.

Decreased productivity is often seen among companies unable to fill key vacancies. 20% of hiring managers feel that talent shortages across all job functions have directly impacted productivity.

“Companies can only create growth plans around the professionals they are able to hire. While it's important that working practices and culture reflect the goals of the business, many employers stand to benefit from implementing changes that will make their organisation a more attractive place to work.” – *Katrien Lescauwat, Senior Manager*

In some cases, companies have been able to plug the gaps by reallocating staff or giving them extra work. However, an overworked or overstretched workforce is a sure-fire recipe for employee discontent. Many will also expect to be paid a higher salary, increasing the cost to the business.

To counter this, employers should take steps to increase the appeal of working for their business, for example by offering greater autonomy, flexible working or clear opportunities for career progression. Other solutions include revisiting recruitment practices, or hiring professionals with related skills who can be trained or upskilled.

How have skills shortages affected business in 2015?

Difficulty in meeting deadlines and client expectations	46%
Reduced staff morale	36%
Higher staff turnover	21%
Decreased productivity	20%
Higher cost of retaining existing staff	7%





21%

of employers say that they are very flexible when it comes to hiring less experienced candidates where the opportunity to upskill exists

05 PLANNING FOR TALENT SHORTAGES

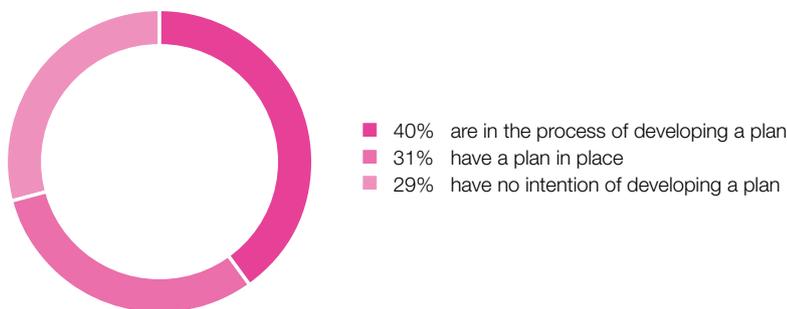
“Businesses who seek to keep hiring costs down are often restricted to recruiting from more limited talent pools. This approach is also a false economy, as making the right long-lasting hire at the first opportunity will always save your company money in the longer run. To fully explore the complete talent pool, make sure you engage with a range of hiring channels.” – *Charles-Henri Rouvroy, Senior Manager*

Our survey reveals that 31% of hiring managers in Belgium have prepared their businesses to meet the challenge of talent shortages and already have a plan in place. In comparison to this, 29% have no intention of developing any strategy for addressing this issue. However, a further 40% of hiring managers say they are in the process of creating a strategy to manage talent shortages.

This suggests that many businesses are not keeping up with the shift in candidate behaviour. The recession forced many professionals to put their career progression on hold: now, after years of limited opportunity and muted pay inflation, the market has opened up for them again. Many candidates looking for their next career move will be able to pick and choose between roles, regardless of the sector, with an increasing number attracting multiple job offers.

Consider how businesses can adapt to this shifting landscape. Our recommendations: shortening the hiring process and reducing the time from interview to offer, for instance, or introducing flexible working hours, can create significant competitive advantages.

Do companies in Belgium have a plan for managing candidate shortages in 2016?



A long-term plan for dealing with candidate shortages involves a two-pronged approach. Firstly, keeping existing staff motivated and incentivised is vital for developing a ‘talent pipeline’ and creating viable succession plans.

But equally important is mapping out the type of professionals you want to hire to combat the effects of skills shortages. Where will you find the right people with the relevant skills who can be trained to the appropriate standards? What skill sets will help you meet business objectives?

Drawing up a list of preferred criteria will focus the search, enabling you to work effectively with your partners in identifying and targeting suitable professionals from the widest possible talent pool.



06 POLICIES IMPLEMENTED TO MANAGE TALENT SHORTAGES

For many hiring managers, one way of counter-acting the effects of talent shortages has been to focus on getting more out of existing employees. 21% say they have provided staff with opportunities for training or the chance to take on new responsibilities, with a further 38% implementing flexible working arrangements.

15%

of hiring managers say that the skill set of local professionals is below the national average

On balance, this is a useful strategy for retaining staff and preventing the emergence of further skills shortages. Most employees will appreciate development opportunities and this has the added effect of increasing staff loyalty to a company or brand.

Look beyond pay

15% of companies say they are trying to take action on talent shortages by raising salaries. Even though higher pay has some influence on overall job satisfaction, it still does not prevent businesses from losing employees to competitors.

A recent Robert Walters candidate survey shows that, regardless of profession, 37% of candidates would accept a lower fixed salary in order to have a good work-life balance and 37% would leave a role when seeing a lack of career progression. Ultimately, understanding the importance of these factors will help to craft successful retention policies and adapt appropriate actions.

“A lot of companies acknowledge the importance of career progression or better work-life balance, yet to what extent do they actually deliver on this? Businesses that act on what employees want from their career are more likely to appeal to a broader cross-section of the market.” – *Katrien Lescrauwaet, Senior Manager*

Internal communication is key

It's essential that companies are able to explain clearly the long-term benefits and opportunities that their organisation offers in order to strengthen employee retention.

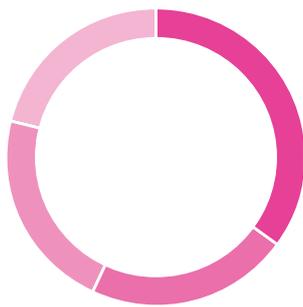
Yet while these strategies are important, it's also important to consider whether their business plans to increase headcount. Rebalancing workloads, cited by 19% of hiring managers as a solution to talent shortages, will also create long-term tension unless new staff can be hired to cover the additional strain.

07 RECRUITMENT STRATEGIES IMPLEMENTED TO MANAGE TALENT SHORTAGES

Even with talent shortages affecting their businesses, 22% of hiring managers rarely hire professionals who do not meet key job description criteria.

Holding out for best-match candidates can mean that vacancies remain open for weeks or even months. This means that existing employees are working harder to provide the necessary cover, damaging morale and increasing staff attrition rates.

When hiring new staff, how do businesses balance experience against the opportunity to upskill?



- 35% are flexible with the hiring requirements, but would prefer candidates with the right skills / experience
- 22% don't tend to adjust hiring requirements, but would sometimes recruit less experienced candidates when struggling to hire individuals
- 22% rarely recruit candidates who do not fit their hiring requirements
- 21% are very flexible in hiring less experienced candidates if the opportunity to upskill exists

35% of businesses say they have introduced flexibility into vacancy criteria, but would prefer hiring perfect-match candidates. In contrast, 22% of the employers do not tend to adjust the hiring criteria, but would hire less qualified candidates where no matching candidates are available.

This often delivers a wealth of benefits, boosting the diversity of the workforce and introducing fresh perspectives to problem solving. It also helps drive innovation as different skill sets and approaches are brought together under one roof.

Effectively, the opportunity to tap into new sources of professionals, their contacts, expertise and management skills is often an invaluable way of overcoming the threat of skills shortages.

“Diversity drives innovation, which is one of the main reasons why recruiting from a variety of talent pools makes such a difference. New people bring fresh ideas, so fostering greater diversity in the workplace will help your company keep pace with changes affecting your market.” – *Antoine Biot, Director Belgium*

Recruiting from a mix of talent pools is also a good method for managing salary inflation. In many cases, candidates looking for the chance to step up are more likely to prioritise a fresh challenge over a large pay rise.

Which of the following recruitment strategies have been adopted to manage candidate shortages in 2016?

Appointing interim or contract staff	44%
Developing a talent succession plan	32%
Recruiting through social media	31%
Recruiting from new talent pools, e.g.: professionals/employees with potential to upskill	29%
International staff transfers	27%
Shortening the process of interviewing and onboarding new staff	24%

Use of interim professionals

Hires of interim or contract staff are often used to cover skills shortages caused by a lack of available permanent candidates. With a pool of highly qualified professionals ready to start work or a project at short notice, we have seen many companies turning to an interim solution in the Belgian market.

More employers say they prefer to recruit professionals to mitigate skills shortages than turning to permanent talent pools or reducing the time to hire.

44%

of companies hire interim or contract staff to manage candidate shortages

Reduce the time to hire

A swift hiring process gives insight into the attitude and values of a company, helping to secure candidate buy-in from the very beginning. To achieve this, it's vital that all decision makers have bought into a pre-defined recruitment timetable. Greater accommodation of the candidate's needs, such as flexibility around interview times, will also help to sell the organisation.

With the economy picking up, companies that fail to reduce the time from interview to offer are already losing out to more flexible competitors. The interviewers' approach during the interview also makes a difference. They need to sell the benefits of the business and engage with the drive and ambitions of the candidate.

International transfers

Another means of dealing with talent shortages which is often overlooked, is to transfer employees either (inter) nationally or from another part of the company.

Not only does this provide easy access to a pool of candidates with a good understanding of the company and its values and processes, it also creates multiple benefits for the employees concerned. According to our recent candidate survey, a majority of professionals report that their main reasons for moving abroad would be for better career opportunities and to gain international exposure. 27% of the surveyed companies use international transfers to counter talent shortages.

“Consider how you can get the most from international employee networks - in some cases, especially for very hard to fill roles, the cost of visa sponsorship will be less than that of failing to find the right person for the job. If you don't have access to these networks, there is clear value to be gained from working with advisors that do.” – *Katrien Lescauwæet, Senior Manager*





35%

of hiring managers believe that varied and interesting work is very important to a candidate when considering a new role

08 HOW TO ATTRACT CANDIDATES

What motivates professionals at work

The idea that remuneration is a top motivation factor for employees has changed with just 26% of all hiring managers believing that this is 'very important' to career satisfaction. 35% of businesses believe that a good work-life balance is 'very important' and 29% rate it as an 'important' factor for professionals when choosing a new position. Additionally, businesses believe that adding value (51%) or taking advantage of training (49%) is important to professionals.

Asking candidates, we can see that 67% have confidence in their company which means that with the right approach, training and development, employers can motivate and retain existing employees.

According to employers, how important are the following to candidates considering a new role?

	Very important	Important	Neither unimportant nor important
Good salary and bonus	26%	68%	4%
Good work-life balance	51%	43%	4%
Being able to add value to the business	18%	57%	24%
Creative freedom/autonomy	18%	50%	28%
Opportunities for training	18%	54%	26%
Good prospects for career progression	24%	60%	12%
High level of recognition	19%	59%	21%
Varied and interesting work	35%	51%	12%

Our survey shows that a good work-life balance is seen by 51% of the businesses as 'very important' to employees. For many young professionals keen to combine their professional work with their private life during a normal day, a good work-life balance is a very attractive prospect that companies should consider. From our experience and as mentioned before, professionals won't move just for money. Besides a good work-life balance, a new challenge or the chance to work for a business with an exciting brand or culture, can be a much greater incentive.

Generational shifts

An additional concern is that many companies have not grasped the shift in attitudes between different generations of workers. So-called 'Millennials' (professionals born since the early 1980's) are disproportionately more likely to move jobs on a more frequent basis and seek greater responsibilities and feedback from management than older generations. They are also particularly likely to prioritise a healthy work-life balance over high pay.

Many changes - ensuring that senior staff are always on hand to provide encouragement and feedback to younger professionals for instance - are often surprisingly straightforward and could transform the reputation into an engaging organisation in which to forge a long-term career. Different generations of professionals can work well together, sharing their experiences and delivering new approaches to problem solving or taking a project over the line.

"There are considerable misconceptions about what drives different generations of professionals. For instance, senior professionals are often more receptive to change or the opportunity to upskill than they are given credit for, while young professionals are keen to learn from their more experienced peers. A company that balances the needs and motivations of all these groups can look forward to success." – *Katrien Lescauwaet, Senior Manager*

09 OVERCOMING COUNTER-OFFERS

Counter-offers are an increasingly common feature of a talent short market. For employers, an increase in pay and benefits is the easiest method of dissuading staff from the uncertainty of accepting a new job elsewhere.

While it may seem that the only feasible response to counter-offers is to increase salaries, there are other options at your disposal, many of them under-utilised.

32% sell the advantages of the job based on the candidate's requirements or demands and further 16% determine other benefits such as flexible working hours to manage counter-offers. Professionals consider better career opportunities (33%) and the opportunity to gain experience abroad (21%) as key motivation factors.

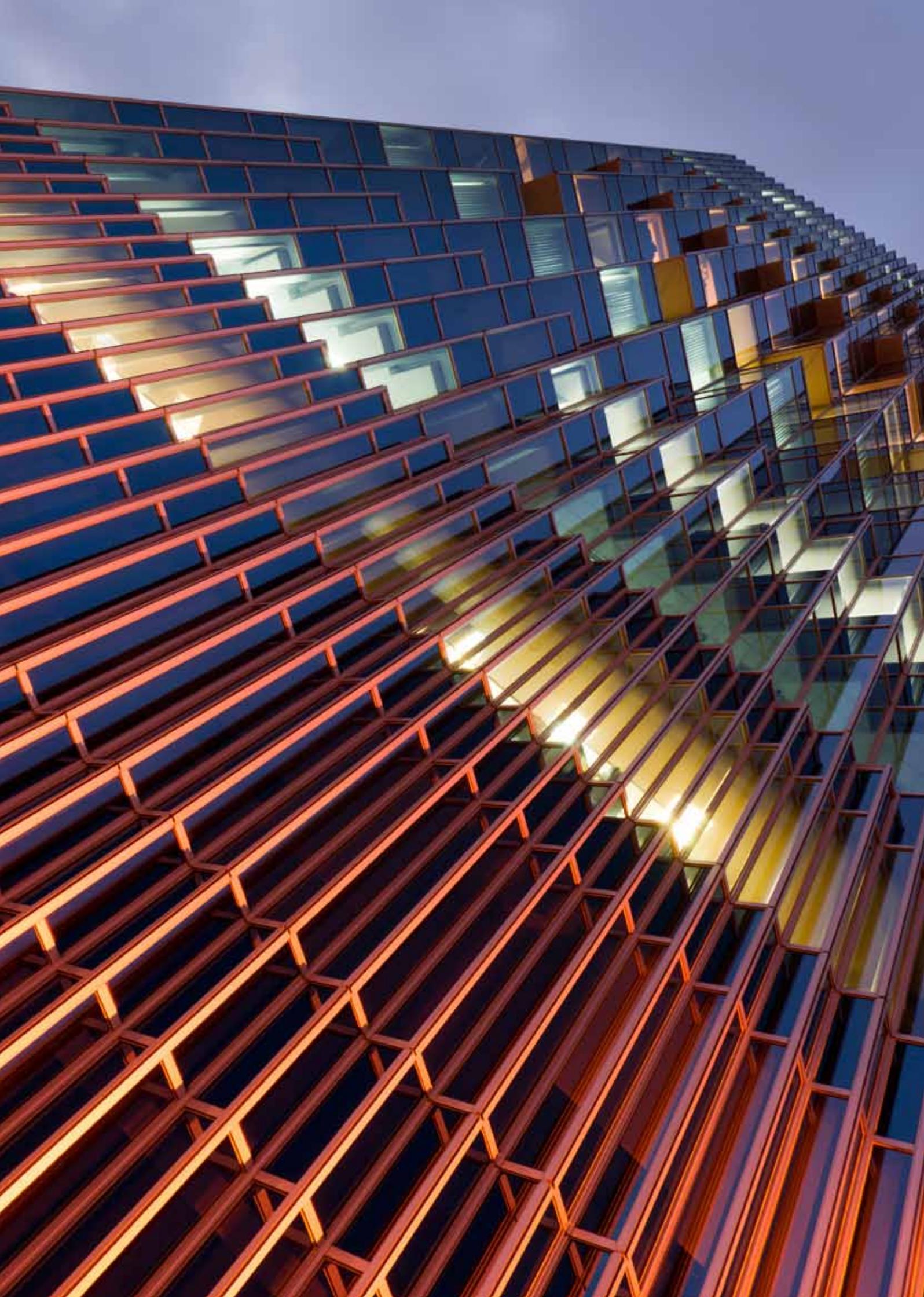
When hiring favourite candidates, what is the preferred way of managing counter-offers/offers from competitors?

Sell the advantages of the job based on the candidate's requirements or demands	32%
No action taken to manage counter-offers/offers from competitors	22%
Determine other benefits that can be offered in place of a higher salary	16%
Sell the opportunities for career progression	16%
Review budgets and, if appropriate, adjust salary offer	9%
Offer the chance to work overseas	4%

37%

of professionals would leave a role because of a lack of career progression

An individual's worth is determined by the market, reflecting the prevalence and size of many of the counter-offers we are seeing. Companies need to make sure they're clear about how to sell the business to a candidate and what additional benefits they can offer to overcome the effects of counter-offers.



10 OUR KEY RECOMMENDATIONS

1 Professionals are motivated by a wide range of factors

Employers still view salary increases as a remedy to talent shortages when other routes are available. Remember that while pay is important, factors such as flexible working hours, autonomy and the chance to develop a career, especially among 'Millennials' and other younger groups of professionals, are also key.

These 'added benefits' can be particularly useful in making you stand out from the crowd, especially if you are not in a position to increase salaries.

2 Long-term view

Despite the challenge they pose to their day-to-day operations, many businesses have so far failed to plan for the impact of talent shortages. Sensible preparation will help you identify where gaps may emerge and enable you to formulate a long-term talent management strategy. This will also give you the opportunity to phase in new working arrangements, such as flexible hours, while minimising any adverse effects on the business.

3 Expand your horizons

If you're struggling to recruit from traditional talent pools, consider widening the search. While many of these professionals won't tick all the boxes straight away, the right combination of training and motivation will help them make the step up. As an added bonus, these employees are also likely to be more loyal.

Don't overlook the benefits of transferring employees between different parts of your business. Many professionals see this as a positive way to build their career, so giving them the right opportunities is likely to increase their engagement with your business and brand.

4 Don't leave it until it's too late

By putting off new hires, employers simply increase pressure on existing staff - the two are intrinsically linked. This affects your company's ability to deliver for clients, damaging your reputation and undermining morale.

Flexibility is key in a candidate short market, so don't spend weeks or months waiting for the perfect candidate to materialise.

5 Be decisive

Short efficient hiring processes and the ability to make a prompt offer are essential to securing a candidate's interest in your company.

In a recovering market, many candidates will often receive more than one job offer at a time, so time to hire - and getting ahead of your competitors - is critical.

6 Dealing with counter-offers

Across many sectors and industries, businesses have become more determined than ever to retain existing employees, leading to greater prevalence of the use of counter-offers.

While the temptation is to simply improve your salary offer, you may have more success by highlighting opportunities for career progression or the chance to work overseas, as these are often judged to be more important by candidates than money alone.

ABOUT US

Robert Walters is one of the world's leading specialist professional recruitment consultancies and focuses on placing high calibre professionals into permanent and interim management positions at all levels of seniority. The Belgian business recruits across accounting & finance, banking & financial services, HR, engineering & supply chain and legal. The Group has grown since 1985 and so has our ambition. We now operate across 24 countries and employ over 2,900 people. It is a powerful success story built on the strength of our people.

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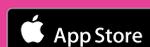


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SALARY CHECKER APP



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