



**FOSWAY  
GROUP**

*in association with*



**unLeash**

# HR Realities Research 2017-18: *An Employee Value Proposition for the Future of Work*

With insights from 600+ HR Leaders

“ *As the war for talent intensifies, the workforce continues to diversify and organisations battle to stay ahead of digital transformation, a perfect storm is approaching for organisations and employees alike. Can HR's strategies hold the key to success in these turbulent times? 600+ HR leaders gave us their views on the future of work.* ”

Now in its fifth year, Fosway's ongoing partnership with UNLEASH is generating some fascinating data. This year's results show that 5 of the top 6 rated elements of the Employee Value Proposition – why people want to work for your organisation – are owned by HR. This presents a business-critical position to ensure your organisation becomes an employer of choice – attracting, developing and retaining the best talent. Here, we explore this unique opportunity in more detail.

# The Reality of the Employee Value Proposition (EVP) in 2018

## Learning seen as the top talent magnet

What attracts new talent to an organisation? In the eyes of HR professionals, it's the opportunity to always learn new skills that stands out.

This year's research explored the theme of the Employee Value Proposition (EVP) for the first time. And there is something very growth orientated in the top 6 themes: learning, variety, coaching and personal responsibility, autonomy, regular role change and experiencing a wide range of cultures. Some might even say it is a manifesto for the future of work and how organisations effectively unleash the potential of their people. But whilst the rhetoric sounds good, how many organisations, truly match these aspirations?

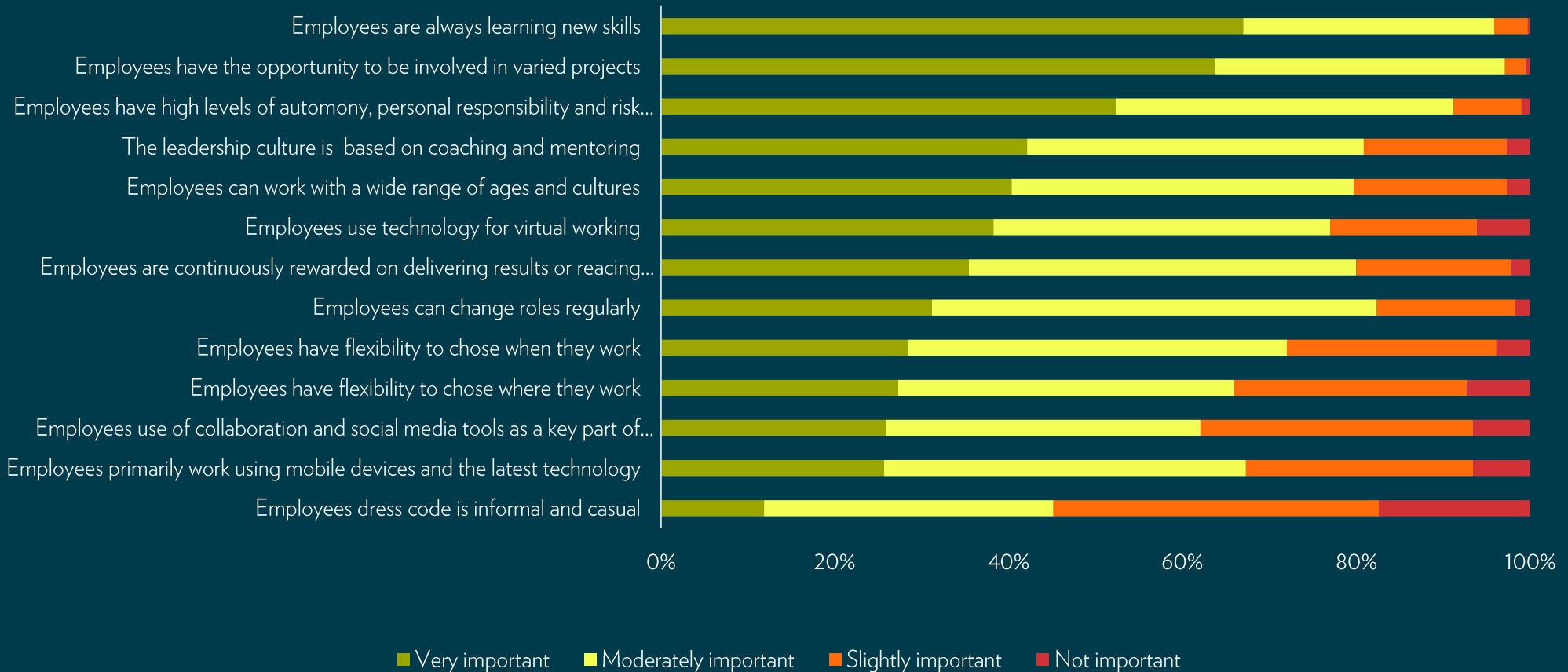
From parallel research conducted in 2017, it is clear that the reality of employees' personal growth, and the dynamic nature of work that HR aspires to, are far from a reality. Exploring the maturity of key aspects of employee development such as learning, development planning and career development, very few are ready to respond to the demands of the modern workforce. It is an area of competitive edge in attracting and retaining the best people, in the ongoing war for talent. And unfortunately, the majority of organisations are not ready for the fight.

## The top 6 reasons why people want to join your organisation



1. Always learning new skills
2. Involved in varied projects
3. High levels of autonomy
4. Change roles regularly
5. Leadership culture built around coaching and mentoring
6. Opportunity to work with a wide range of cultures

## Top factors in people's desire to work for your organisation

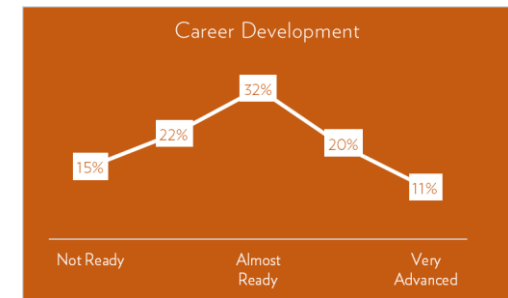
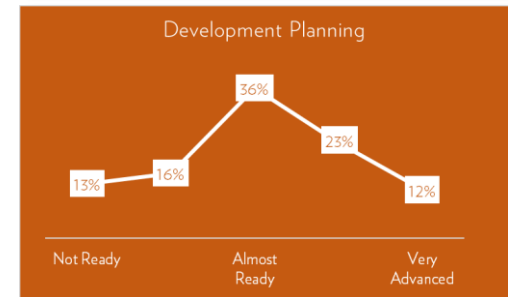
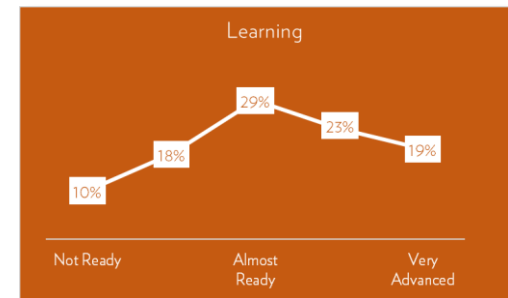


# How ready are your talent management approaches for the modern workforce?

Given the desire to promote internal employee mobility, support involvement in a variety of projects, and enable employees to change roles regularly, it is disappointing but perhaps not surprising that these are traits shown by only the most progressive companies. There seems to be a lack of innovation and lack of maturity in most organisations when trying to attract top talent. Which means there is an opportunity here to steal a march on the competition.

*Given the importance attributed to learning as a talent magnet, this lack of readiness shows it is time for HR to act and modernise people development*

There has never been a more challenging time to compete for talent. Almost 90% of organisations see skills gaps remaining significant, if not more so in the future. Not just for digital skills but for everything; from soft skills to leadership. In a world of intense competition and increasing speed of change, attracting the agile workers who can change jobs, cope with the ambiguity of roles disappearing and have the drive to learn and flex to new opportunities, becomes more and more important, especially under the wave of business automation promised by bots and Artificial Intelligence (AI).



## Investing in your people is essential for future success



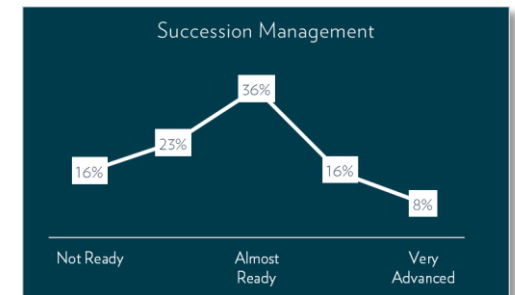
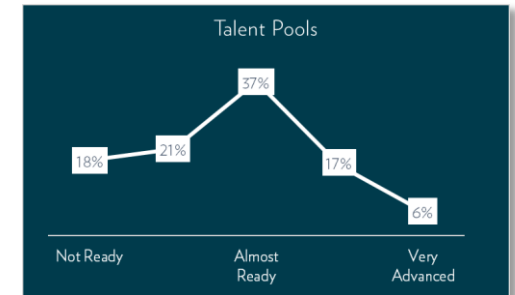
87%

see skills gaps becoming as, if not more significant in the future

Attracting and keeping those flexible, agile individuals is a business imperative. And it is clear that for most organisations, they need to transform their EVP to showcase their ability to mobilise and maintain the commitment of their most talented people. The approach of limiting succession planning to an exclusive pick of executives and senior managers needs to end. It's a process that needs to become much more accessible and emancipated if it is to engage with the needs of the modern workforce.

*Less than a quarter of organisations have the talent mobility and succession structure needed to progress their people.*

This data shows a mismatch between the reality of where HR wants to be and where it actually is. As many HR organisations wrestle to transform the technology that manages their core HR, the innovative tools and solutions that are critical to differentiating employers in people's minds are often being neglected. One of the biggest challenges for HR might be resetting its primary role from transactional processes, to truly maximising and realising the potential of its people.



# Employer brand, reputation and values lead the charge in attracting top talent

When we look at what HR rates as the most influential parts of their employee value proposition, it's the employer identity that steals the headlines – with brand, reputation and values leading the charge. These are intangibles which seem to be based on the Glassdoor-style reaction of employees, rather than the tangible investment of HR in cultural norms and the working environment.

But the detail of the data collected in this research shows that beyond the headlines, organisations struggle to deliver on the critical tangibles that translate an idealistic brand into somewhere that's really a great place to work. It is almost as though the illusion is more important than the reality...

This research shows a disconnect between what HR values versus the goals of the wider organisation. And there is perhaps a lack of priority and ownership of the things it should be focusing on the most - the realities of what it's like to work for that organisation, rather than the illusion or the halo created by the employers' marketing brand.



**57%**

Our employer brand & reputation for being a great place to work



**55%**

The reputation of our services or products



**47%**

Our organisation's vision and purpose



**47%**

Our organisation's values



**41%**

Our approach to personal and professional development



**40%**

Our proactive approach to career progression



Highest Rated

Perhaps, the entire ranking needs to be turned on its head! If HR teams want to have a truly transformational impact on their organisations, they need to do this by creating a working environment that sets the right tone for attracting employees. Not leading on their marketing brand, or product identity.

And this is critical to HR because, most organisations aren't world renowned, and don't have a consumer touch-point with which to impress and attract new talent. The authenticity of what it's really like to work for an organisation can become a real differentiator in successful talent acquisition.

It also elevates HR's role in setting the culture and DNA of the organisation, so it can effectively punch above and beyond the confines of its product or services brand.

This way, organisations are more likely to deliver against employee expectations and drive a better match to between employees and their EVP; thus positively impacting talent retention as well as acquisition.



Lowest Rated

## Are your HR processes under serving your people?

Just how misaligned HR can be is demonstrated by the relative immaturity of talent management processes mentioned earlier. At a time when employees are showing ever decreasing levels of loyalty, and a growing hunger for career mobility, most organisations have failed to respond with the sorts of people-centred initiatives that support higher levels of internal mobility.

Rather than thinking about how to increase movement internally within organisations, most have opted to take the more expensive and volatile route of external hires.

In succession and talent management, only 9% consider their approach to be very advanced. And more than a third see their approach as being not advanced or backward. And likewise, in the area of career progression only 12% see their provision as very advanced. The war for talent includes the need to retain the best people. And too many organisations are already settling for second best.

#1 rated driver for talent to join an organisation is that they are always learning new skills...

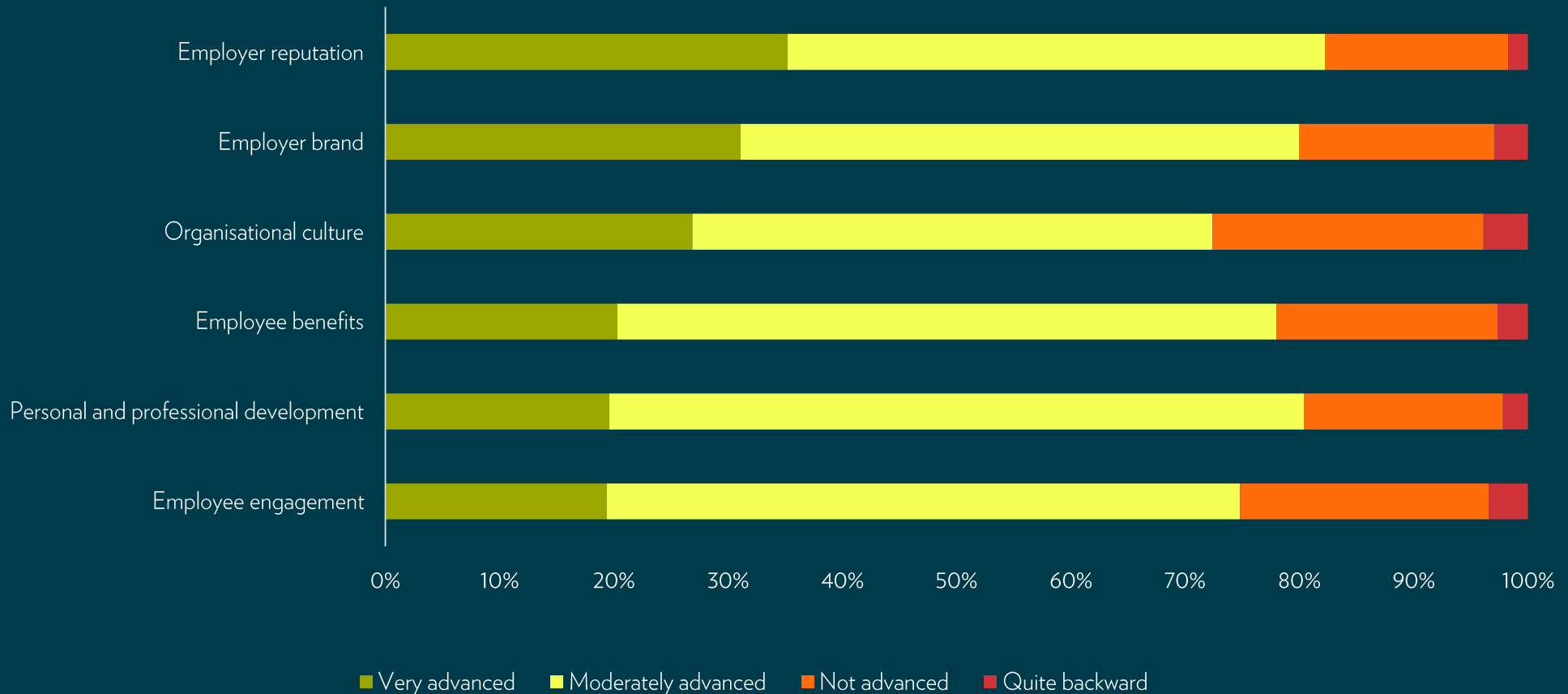


...BUT professional development is only the #5 rated attractor in organisations' EVP

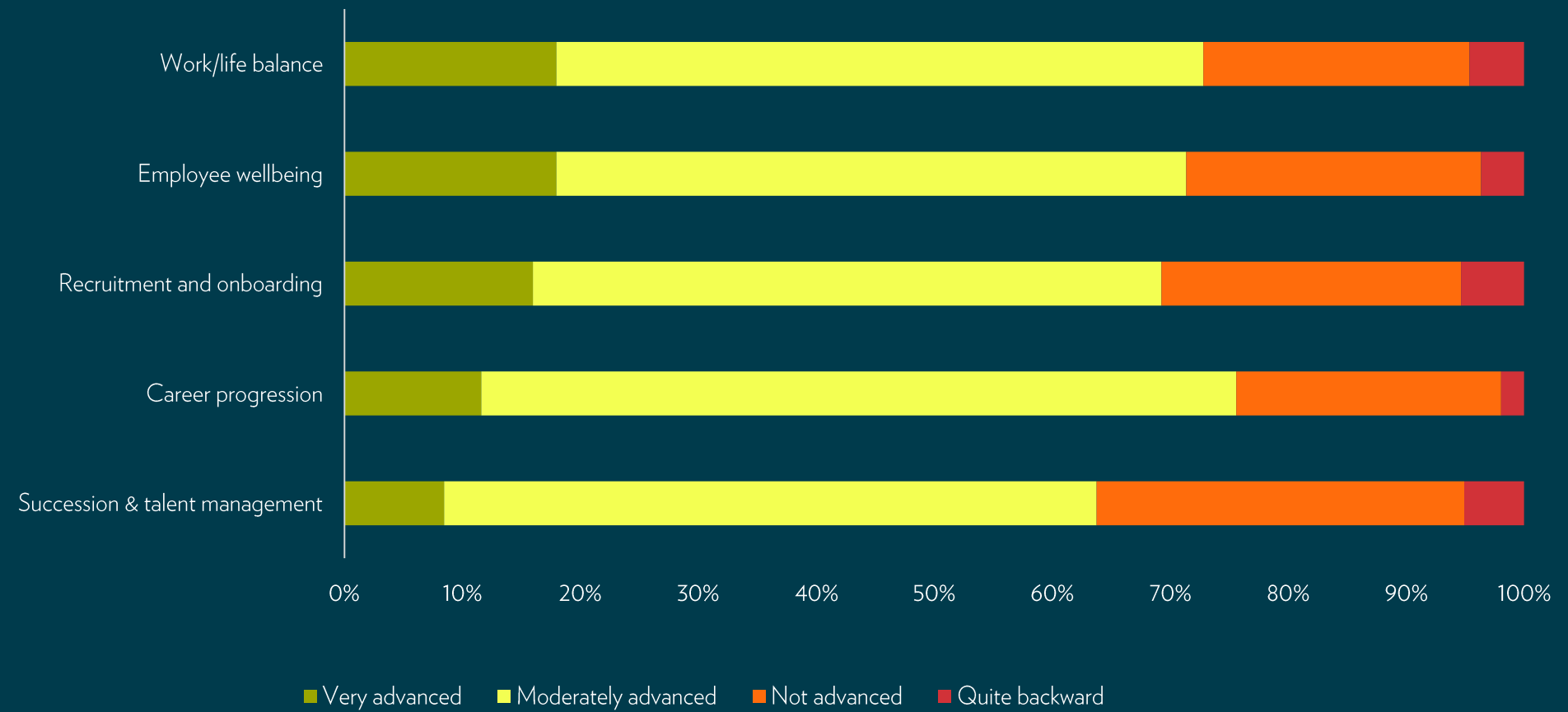
*“Learning and skills are key weapons in the war for talent. But too few organisations are differentiating around professional development and talent management. This is a huge opportunity for HR.”*

- David Perring, Director of Research, Fosway Group

## Top 6 most advanced approaches to organisations' employee value propositions



## Least advanced aspects of organisations' employee value propositions



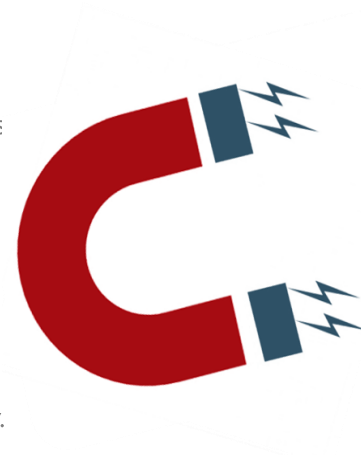
## In summary

Given the advances we are seeing in the use of chatbots and AI along with the growth of more consumer grade technologies in HR platforms, in many ways the opportunities to leap into the lead on this front has never been bigger.

The opportunities for instant, highly automated self-service HR in career development and push technology to engage talent in their latest internal opportunities is here for organisations who wish to embrace it. And based on our systems research, those opportunities can be realised in a matter of months rather than years - if the right partners are chosen.

Already, chatbots are beginning to transform the shape of HR shared services operations. Providing this type of experience as part of an organisation's EVP, with bots acting as personal career coaches and internal vacancy assistants, is closer than you might think. AI-driven career advice and chatbot driven vacancy mapping is already at work in some more pioneering companies today.

So, the future is already here, if you want to harness it and unleash your people. The question is can HR leverage its position as the critical business partner in the war for talent and exploit the elements of the all important Employee Value Proposition that it already owns?



In the war to attract & retain TOP talent, **too few organisations are differentiating around Career and Talent Management**, especially when the availability of skills is so scarce

## About the HR Realities Research

Now in its fifth year, the purpose of this independent research is to challenge our understanding of what is happening in HR in Europe today; to enable us to benchmark our own experience, and to get a picture of how the HR landscape is changing around us.

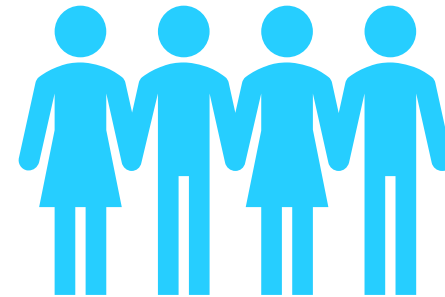
This year's insights are based on the responses of over 600 HR professionals who participated our survey during the summer of 2017, drawn from Fosway Group's corporate research network and attendees of UNLEASH events, past and present. Along with nearly 60 suppliers and consultants who responded to our vendor survey.

To date over 2,000 HR professionals have engaged in this research since its launch in 2014.

This research is 100% independent and there are no sponsoring organisations or suppliers behind it.

Every year, the headline results are exclusively revealed at the UNLEASH events with a series of reports that follow, analysing the data in more detail.

To access data from previous years and to read the accompanying reports in this series, visit [www.fosway.com](http://www.fosway.com)



European insights but global influence

59%  
Have a role with  
global  
responsibility



## Why is this research important?

**Success in international HR is about understanding and acting sensibly on regional nuances**

- When commentators and analysts talk about HR, the international subtleties are often ignored. But for Fosway Group, it's understanding these nuances that is the critical difference between being a winner and being an also ran.

**In Europe, 'one size fits all' has never and will never be a good answer**

- HR in Europe doesn't conform to a single set of challenges with a simple single set of answers, it is much more complex. However, understanding this complexity through real data hasn't been easy. Research on the priorities, needs and differences for European companies has been very thin on the ground.

**European HR decision making should be supported by European data and insights**

- The HR research that exists frequently has a very US centred perspective, and therefore limited value to European decision makers. This independent research from Fosway Group, Europe's #1 HR analyst, conducted in association with UNLEASH looks to redress the balance. It unashamedly takes an international position and focuses on European HR trends, challenges and realities. Importantly, it focuses not just on what works, but what really makes a difference.
- Based on research conducted in the second half of 2017 with 600 HR leaders, this analysis explores the challenges facing HR professionals today – including a critical assessment of HR strategy and organisation, operating models, and of HR technology (see the end of the report for further information on the research process and respondent demographics).

## Understanding the respondents

Here is what you need to know about the research respondents.

They are overwhelmingly based in Europe and are focused on European organisations:

- 87% have an organisation headquartered in Europe and 93% of respondents are personally based in Europe

They are HR professionals with real HR and HR technology insights:

- 32% have a HR technology role.
- 55% support either HR service delivery or, one or more parts, of the talent management cycle

They have an overwhelmingly international perspective about the realities of HR and HR technology:

- 59% have a global role
- 20% have a regional role – across borders
- 21% have a country-based role

*“With more disruption facing organisations than ever, it is actually an exciting time for HR to help shape the shifting modern workforce and define the future of work. This research is so important as it paints a current picture of what’s really happening in terms of technology trends and also broader changes to how organisations function. All HR professionals will benefit from better understanding these challenges and where the opportunities for impact and influence lie in the year ahead.”*

*- Peter Russell, Director, UNLEASH*

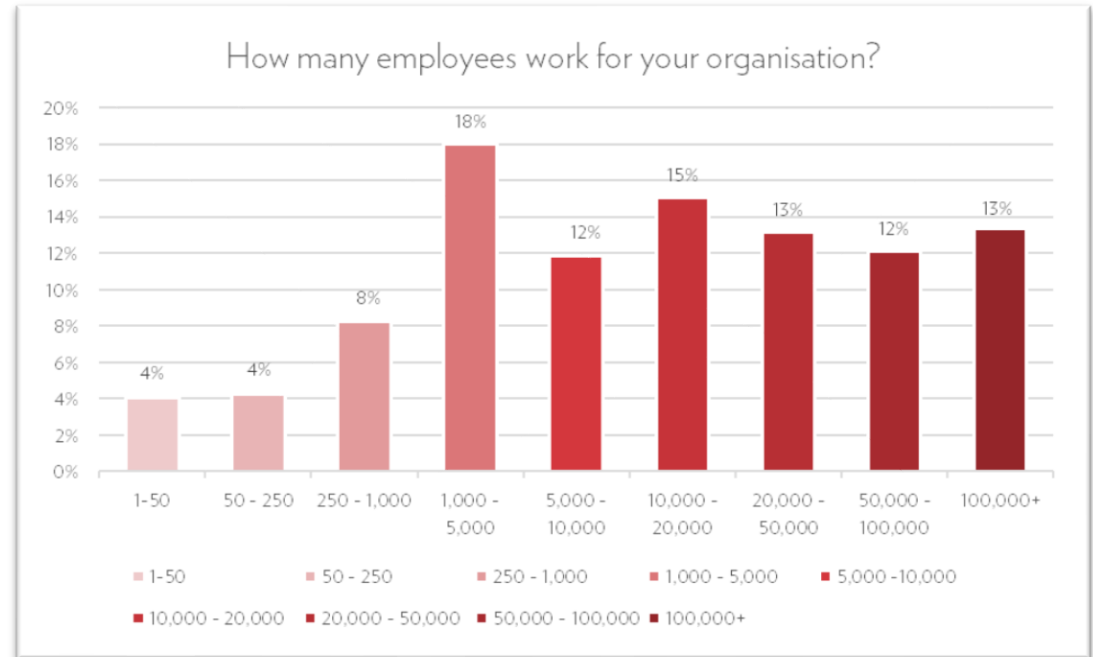
## Understanding the respondents

The respondents typically work for enterprise scale organisations, with over 5,000 employees

- 65% are from organisations with over 5,000 employees
- 54% are from organisations over 10,000 employees

The respondents come from a wide range of industry sectors, with a marginally larger representation of respondents from: Finance, Manufacturing, Energy, Software and Retail sectors

As a result, the insights represent a diverse set of enterprise cultures, organisational types and operating contexts.



## Accelerate and de-risk

To talk to us about our research on next gen HR, talent and learning, or to discuss what it might specifically mean for your organisation please contact Fosway directly.

We will use our independent expertise to provide you with the guidance you need to accelerate and de-risk your decisions. We have a wealth of experience, tools, research and profiles at our disposal. We don't have any products to sell and we have no vested interest to bias your outcomes. We concentrate on pragmatic, independent advice.

Accuracy of information and warranties

The analysis and recommendations made in this document are based on the information currently available to Fosway and from sources believed to be reliable.

Fosway disclaims all warranties as to the accuracy, completeness or adequacy of such information. Fosway will have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations hereof.

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*“This research really demonstrates the strategic role HR has to play in the future success of organisations in an increasingly competitive market for skills and talent. There is a great opportunity for HR to extend its influence right now. But, with a decrease in headcount and rise in HR technology spend, the need to innovate and be agile is vital.”*

- David Wilson, CEO, Fosway Group

## About Fosway Group

Fosway Group is Europe's #1 HR Analyst focused on Next Gen HR, Talent and Learning. Founded in 1996, we are known for our unique European research, our independence and our integrity.

For over 20 years, we have been analysing the realities of the market, and providing insights on the future of HR, Talent and Learning. Fosway analysts work extensively with our corporate clients to understand the inside story of the challenges they are facing, and their real experiences with next gen strategies, systems and suppliers. Our independent vendor analysis also provides a vital resource when making decisions on innovation and technology.

And just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your supplier or consulting choices. So, whether you're looking for independent research, specific advice or a critical friend to cut through the market hype, we can tell you what you need to know to succeed.

Talk to us today on +44 (0) 207 917 1870 or via [info@fosway.com](mailto:info@fosway.com), or visit us at [www.fosway.com](http://www.fosway.com)

## About UNLEASH

Unleash Your People! UNLEASH (previously HR Tech World) is much more than just business events; we are in the change-the-world-for-the-greater-good business. We are passionate creative people on a mission to inspire and transform the world of work & technology. Our shared vision is that by 2020, UNLEASH will be the platform of choice on the Future of Work across the globe. More than half of our community includes CEO's, CHRO/CPOs, EVPs, and SVPs from the most exciting brands and leading organizations, located in 120+ countries worldwide.

The world's fastest growing community on the Future of Work, UNLEASH is ranked as the largest Corporate Network focused on the interface between people, technology, organizations and the future. Our events attract the world's leading entrepreneurs, visionaries, disrupters and doers, including Sir Richard Branson, Arianna Huffington, Sir Ken Robinson, Rachel Botsman, Gary Vaynerchuk and many more. Past and future show locations include Amsterdam, London, San Francisco, Paris and Las Vegas and have welcomed over 9,000 attendees in 2017.

Join the community and find out more at [www.unleashgroup.io](http://www.unleashgroup.io) For more information or media inquiries, please contact Andi Lustak on [pr@unleashgroup.io](mailto:pr@unleashgroup.io)