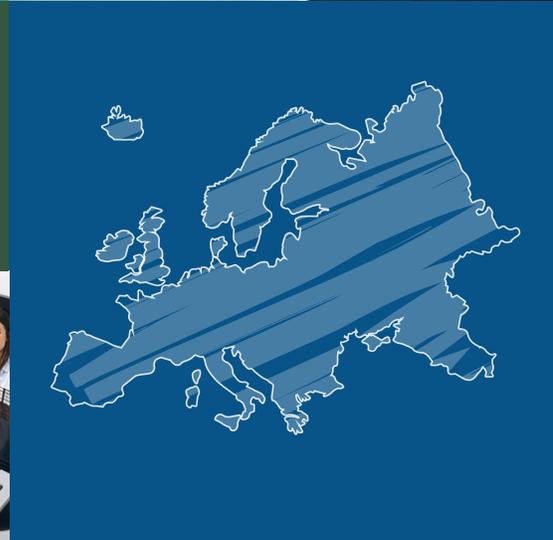# Littler 2022 European Employer Survey Report

October 2022

Littler®

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Executive Summary

Just how far can companies go in requiring in-person work?

That is one of the critical questions facing European employers today, according to **Littler's 2022 European Employer Survey Report**, which draws on insights gathered from nearly 700 human resources executives, in-house attorneys, and business leaders. The resulting portrait is one of employers pulled in different directions as they struggle to navigate a looming recession, ongoing talent shortages, and changing workforce preferences – alongside ongoing pandemic-related uncertainties.

What's clear, at least for now, is that employers *are* making a move towards more in-person work – even if they're balancing it with flexibility around how and when employees do so. When asked about current requirements for employee work schedules, 30% said employees are working fully in person and 27% said employees are on hybrid schedules, with more days in person than remote.

That more than half of the respondents in our survey group, based mainly across Western and Southern Europe, are leaning towards some degree of in-person work suggests a shift in employer sentiment at this stage of the pandemic. Only 11% of those with hybrid schedules said employees are working more days remotely than in person, and just 5% said employees are working fully remotely.

The pendulum could swing even further towards in-person work in the near future, as nearly three-quarters of those not already requiring fully in-person work are considering reducing remote work options. These deliberations are taking place even as many employers recognise it will be an uphill battle – evinced by the 79% of respondents who are looking at *increasing* flexibility or remote work options to help attract and retain employees in a competitive talent market.

The difficulties employers face in striking the right balance between remote and in-person work are reflective of the historic transformation of the workplace underway, including divergent views of managers and employees about the purpose of the workplace itself.

While work models are trending towards greater alignment between employers and employees – in our 2021 survey, just 28% of respondents said their work models match employee preferences, compared to 40% this year – 42% still believe that their employees prefer hybrid or remote work to a greater extent than they offer it. Various factors are pushing the two parties to meet more in the middle. Executives increasingly accept that some version of remote work is here to stay, employees have fewer compelling reasons to stay remote as COVID-19 enters the endemic stage, and the power dynamic is shifting more towards employers amid economic uncertainty. On the latter point, 27% of respondents said that macroeconomic concerns have made them hesitant to hire new employees, while 37% are now considering or implementing workforce reductions.

Our survey captures other longstanding concerns with remote work, which continue to centre more on issues of culture and teamwork than on productivity and hard costs. The top concerns cited were facilitating collaboration and creative thinking, maintaining company culture, and improving employee engagement. Remote work also adds new complications for employers to manage, such as "wandering workers," who work in a different country from where their employer is located. Only 11% of respondents this year weren't concerned about this practice, marking an increase from the level of concern expressed in our 2021 survey.

Regardless of where work is being done, one area on which it is important for employers to maintain their focus is employee mental health and well-being. While 9 in 10 respondents have placed more focus on such initiatives over the past year, only 28% have done so to a large extent, and more action may be required to address the needs of a weary workforce. For instance, when it comes to combatting burnout, offering more flexible work schedules was the only step taken by more than half of respondents (54%). More actionable steps – such as working individually with employees to manage workloads, conducting employee surveys, and providing well-being resources – were selected by less than a third of respondents.

In what's to come, we'll delve deeper into these and other survey results, including important questions about how employers are addressing the gender pay gap, deploying artificial intelligence (AI) in recruiting and hiring, addressing the skills gap, and more. We also break out country-specific analyses for some of Europe's top economies: Germany, France, Spain, Italy, and the United Kingdom.
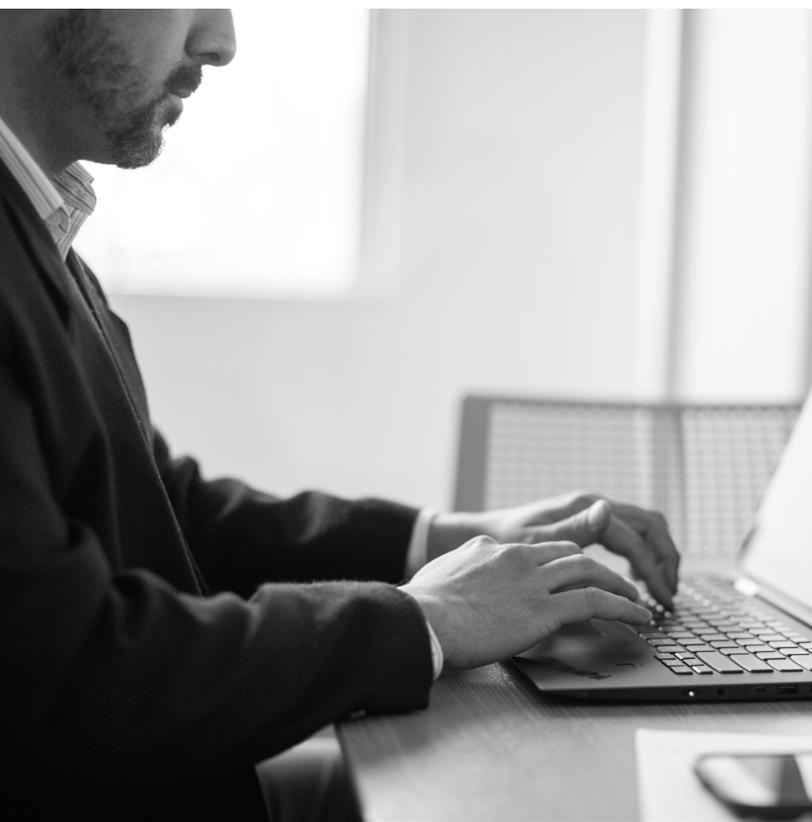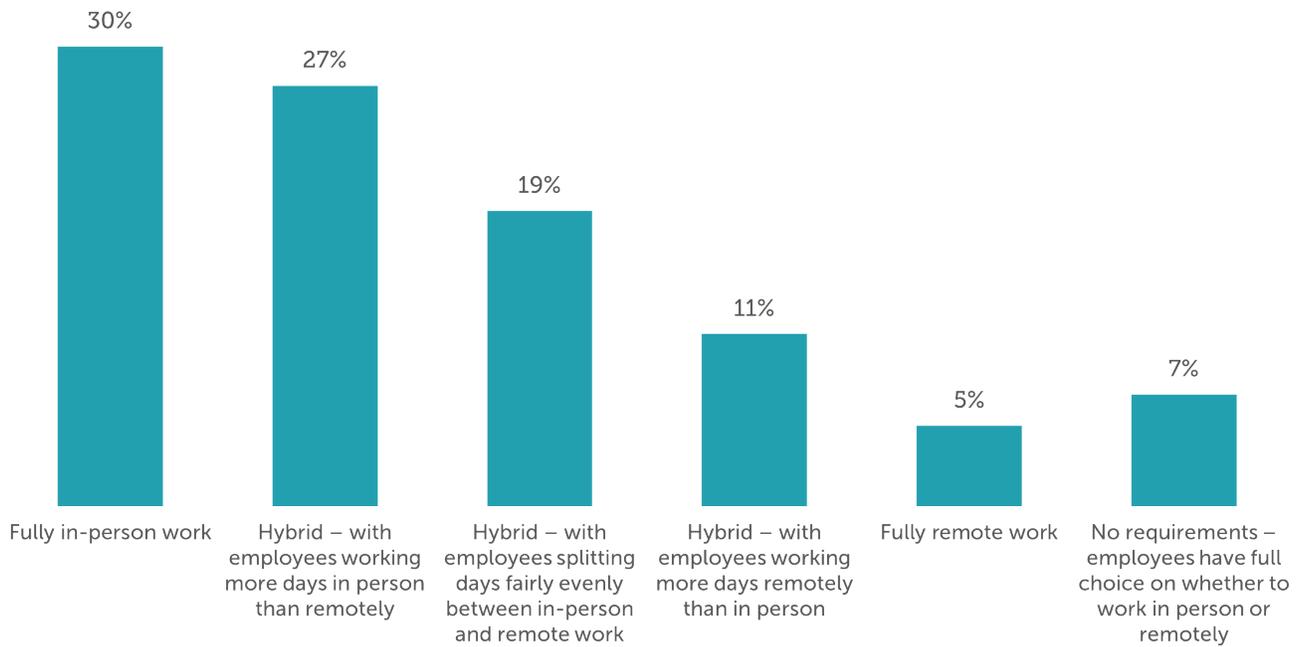
The pages that follow include the full charts and analysis of the survey data. Some aggregate percentages do not equal 100% due to rounding or because respondents were invited to select more than one answer. Refer to page 27 for more details on the survey methodology and a breakdown of respondent demographics.

Disclaimer: The survey questions and their resulting findings cover issues that are governed by differing rules from European governments, and certain actions may not be permissible depending on the country. The content does not convey or constitute legal advice, nor is it intended to be acted upon as such.

Changing Work Models and the Competition for Talent

Push Towards In-Person Work

Which of the following best describes your organisation's current requirements for employee work schedules?

30% Fully in-person work

27% Hybrid – with employees working more days in person than remotely

19% Hybrid – with employees splitting days fairly evenly between in-person and remote work

11% Hybrid – with employees working more days remotely than in person

5% Fully remote work

7% No requirements – employees have full choice on whether to work in person or remotely

Which of the following do you think best describes the alignment between your organisation's policies and your employees' preferences when it comes to your current work arrangement?

This question was only posed to those who have positions where employees can work remotely.

■ 2021 ■ 2022

- 52% / 42% — Employees prefer hybrid or remote work to a greater extent than we offer it
- 20% / 18% — Employees prefer in-person work to a greater extent than we offer it
- 28% / 40% — The work models we are offering align with employee preferences
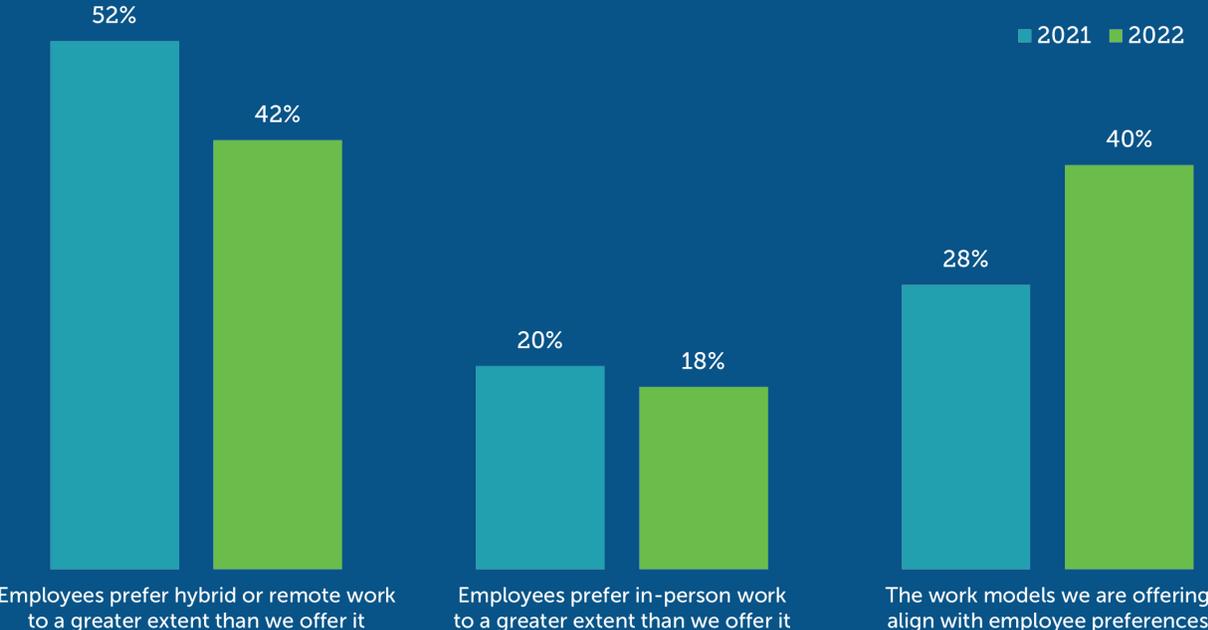
To what extent is your organisation considering <u>reducing</u> remote work options and requiring more in-person work?

This question was not posed to the 31% of respondents whose employees are already working fully in person.

- 12% — To a large extent
- 32% — To a moderate extent
- 29% — To a small extent
- 27% — Not at all
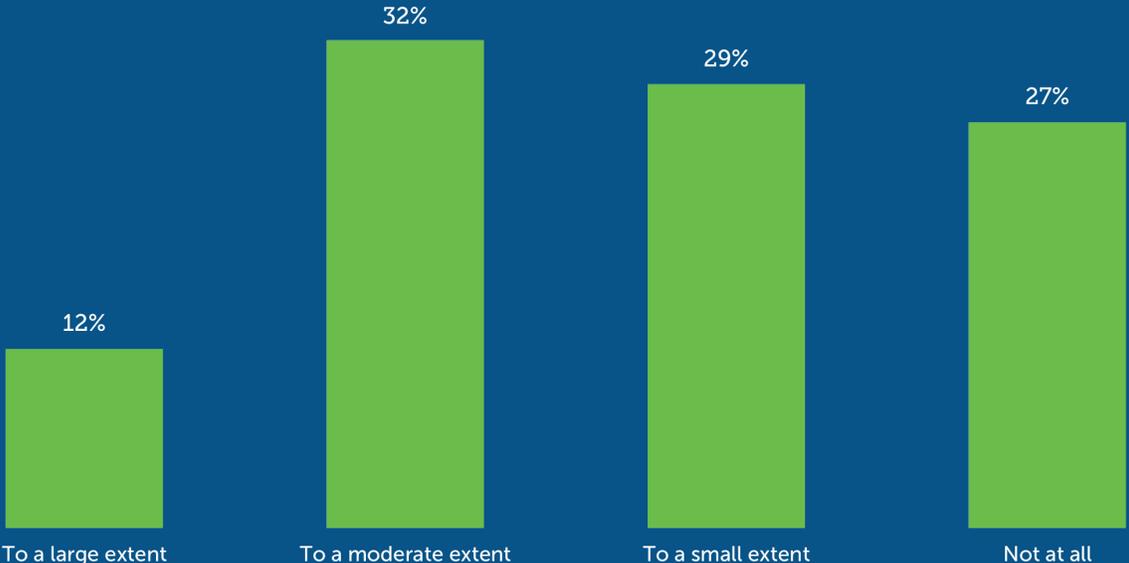
Convincing employees to return to on-site work after two and a half years of greater flexibility is no easy task – as evinced by the CEOs who have faced backlash after calling people back to the office for a set number of days.

Our findings help explain why. Even though 40% of employers said their work models match employee preferences – up from 28% in 2021 – 42% said their employees still prefer hybrid or remote work to a greater extent than they offer it, versus 18% who said the same about in-person work. Those numbers are even more pronounced for respondents from large companies (defined in this report as greater than 5,000 employees): Nearly half of large employers (49%) believe their employees prefer hybrid or remote work more than they offer it, compared to only 12% who said the same about in-person work.

Despite these preferences, our survey shows that most employers are leaning towards more in-person work. When asked what best describes their organisations' current requirements for employee work schedules, the top two answers were fully in-person work (30%) and hybrid with employees working more days in person than remotely (27%). Only 5% chose fully remote work, and just 11% said they are offering hybrid models with employees working more days remotely than in person.

The relatively high percentage of those requiring fully in-person work is driven in part by respondents from smaller organisations, who may have more desire and ability to bring their whole staff into the office – 39% of those with fewer than 100 employees are requiring fully in-person work, compared to 20% of large companies. In addition, roughly a quarter of our survey respondents come from industries where work may need to be done in person, including manufacturing, education, healthcare and construction. That said, a substantial number of respondents (30%) were from industries where being in person is, generally speaking, not critical to the job, such as professional services, financial services, and technology.

The swing to more in-person work may deepen further in the coming months. Nearly three-fourths (73%) of those who are not already requiring fully in-person work said they are considering reducing remote work options.

"It's encouraging to see that employers and employees are more aligned on work preferences than they were at this time last year. While this is driven by more employers coming to terms with the fact that remote work is here to stay in some form, it's also clear that the majority value the benefits of in-person work. That companies are still struggling to balance the pros and cons of these differing models – even two and a half years into this new world of work – is telling of the complex and delicate challenges that come with managing a workforce today."

Jan-Ove Becker, Littler
Shareholder, Germany

Country-Specific Analysis

Employers in Southern Europe are leading the trend towards more in-person work. In Spain, 41% of employers require fully in-person work (compared to 30% of all respondents). In Italy, that figure is over 50%.

Employees working fully in person:

Spain

41%

Italy
52%

The UK is roughly on par with all respondents, with 31% of UK-based employers requiring fully in-person work. Slightly fewer are doing so in France (25%) and Germany (22%) – though, notably, French employers with hybrid schedules lean more towards in-person work, with 43% requiring more in-person workdays than remote (compared to 27% of all respondents). UK employers with hybrid schedules lean more towards remote work, with a lower percentage (21%) requiring more in-person workdays than remote.

Tellingly, aside from France, the countries that offer more remote work are also more aligned with employee preferences. In Germany and the UK, for instance, 44% of employers say their work models match the extent to which employees want hybrid work. Only 32% in France and Spain said the same, with nearly half of respondents saying their employees want more remote work than they are offering. Italy was an outlier: A higher percentage of Italian employers (37% compared to 18% of all respondents) say their employees want *more* in-person work than they are currently offering.
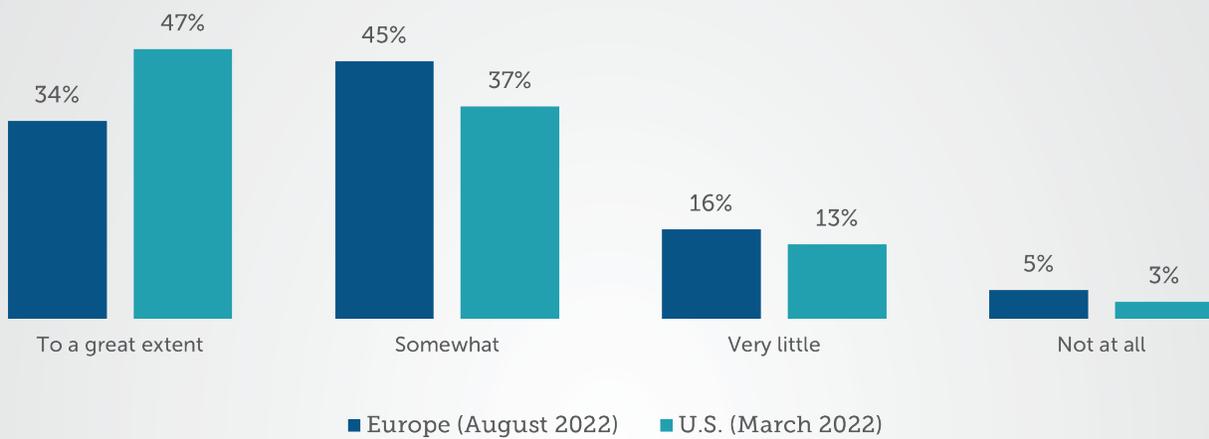
Employers who believe their work models align with employee preferences:

Country	Percentage
Germany	44%
UK	44%
France	32%
Spain	32%
Italy	29%
All respondents	40%
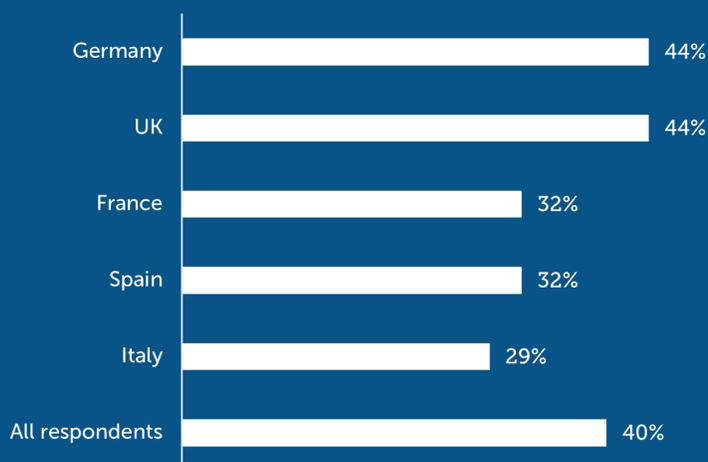
Flexibility, Talent and Concerns With Remote Work

To what extent has your organisation offered, or considered offering, <u>more</u> flexibility or remote work options to attract and retain employees in a competitive talent market?

This question was only posed to those who have positions where employees can work remotely.

	To a great extent	Somewhat	Very little	Not at all
Europe (August 2022)	34%	45%	16%	5%
U.S. (March 2022)	47%	37%	13%	3%

■ Europe (August 2022)   ■ U.S. (March 2022)

Which of the following represent reasons that your organisation is considering requiring more in-person work? (Tick all that apply)

This question was not posed to those whose employees are working fully in person or who do not plan to reduce remote work options.

Reason	Percentage
To facilitate greater collaboration and creative thinking among employees	54%
To improve employee engagement	48%
To provide more interaction for younger team members with managers	38%
To Increase employee productivity	33%
To have more employees available for in-person client/customer interactions	31%
To reduce teleworking expenses	13%
To reduce cyberattacks and/or to protect sensitive information with on-site equipment	10%

Which of the following represent concerns of your organisation with regard to managing hybrid or remote work arrangements? (Tick all that apply)

Concern	Percentage
Maintaining company culture and employee engagement	53%
Efficiency of communication/meetings that are a mix of remote and in-person staff	36%
Ensuring remote/hybrid work flexibility is applied fairly	32%
Availability for in-person interaction with clients, customers or other third parties	32%
Scheduling obstacles with employees on-site on various days	24%
Reduction in mentorship and professional growth opportunities	23%
None – we do not have any concerns	9%

Companies looking to bring employees back into the office have more leverage today than earlier in the pandemic. Most European workers are vaccinated to some degree. COVID-19-related lockdowns and restrictions are largely over. There's a widespread sense that, as *The New York Times* put it, "Europeans have clearly concluded they have to live with the virus."

In addition, the economic downturn might shift some power that employees have had in a tight labour market back to employers. With less concern about how in-person work requirements may impact recruiting and retention efforts, companies may be more empowered to institute and enforce on-site work policies.

But it's not that simple. As European gas prices rose sharply over the summer, this emerged as a new reason cited by employees for not wanting to commute. Research also continues to show that substantial numbers of workers – especially those between the ages of 18 and 24 – say they would resign rather than return to the office full time. And, even amid the downturn, many European employers continue to face hiring challenges.

This means employers have to walk a fine line between pushing for in-person work and providing flexibility. Case in point: At the same time that many are considering requiring more in-person work, nearly 80% have offered, or are considering offering, more flexibility or remote work options to attract and retain employees in a competitive talent market – either somewhat (45%) or to a great extent (34%).

Moving forward, employers will have to weigh these offerings with what they see as the benefits of in-person work. These tend to be soft factors like facilitating greater collaboration and creative thinking among employees (54%), improving employee engagement (48%) and providing more interaction for younger team members with managers (38%). Those benefits correlate with the number one drawback employers see with regard to managing hybrid or remote work arrangements: maintaining company culture and employee engagement (53%).

That employers care more about culture and connection than reducing teleworking expenses (13%) and increasing productivity (33%) – the latter of which is supported by research showing that remote work has little effect on, or even increases, productivity – is a sign that their primary aim is to support employees. It also reinforces the need to make the best use of in-person work time, which aligns with the return of corporate events and retreats designed to foster connection and collaboration.

"It's clear that those who got a taste of remote work are reluctant to give it up – not so much due to fear of contracting COVID-19, but because it's more convenient for their lifestyle. This means employers must factor flexibility into their recruitment and retention strategies, and that if they're going to push for more in-person work, they must do so with intention. It's heartening, for instance, to see that employers want to facilitate greater collaboration, yet we can't assume that just because people are in the office that will be the case. Employers need to create those opportunities."

Stephan Swinkels, **Coordinating Partner International, Littler**

Europe and US Differences

An analysis of responses in this survey and Littler's [2022 US Employer Survey Report](#), released in May, reveals some interesting points of comparison between each side of the Atlantic.

It's clear that the competitive talent market has placed pressure on both European and US employers to offer more flexibility and remote work options. More than three-quarters of respondents – 79% in Europe and 84% in the US – said they are expanding or considering expanding such options (either somewhat or to a great extent) to attract and retain employees. US respondents expressed a stronger willingness to offer more flexibility or remote work options (47% chose "to a great extent," compared to 34% of European employers), which might reflect different working cultures – or simply the fact that talent shortages were even tighter earlier in the year when US employers were surveyed.

Employers in both regions also have similar concerns about managing remote and hybrid work arrangements. The top three concerns identified by US respondents (see page 14 [here](#)) parallel European employers' trepidations. About 9 in 10 US respondents expressed concern about maintaining company culture and employee engagement (86%), while over half were concerned about fairly offering remote/hybrid work flexibility (53%) and about the efficiency of communication and meetings that are a mix of remote and in-person staff (52%).

Country-Specific Analysis

Employers considering expanding flexibility to attract and retain talent "to a great extent":

A greater portion of German-based respondents are looking to increase flexible work options "to a great extent" to attract and retain employees, while French-based respondents track below the 34% of all respondents who selected this option.

In Germany, this may be part of the overall trend of employers already offering more flexibility and their greater inclination towards remote work. In France, the lower percentage might represent executives' unwillingness to offer more remote options than they already do.

Germany
39%
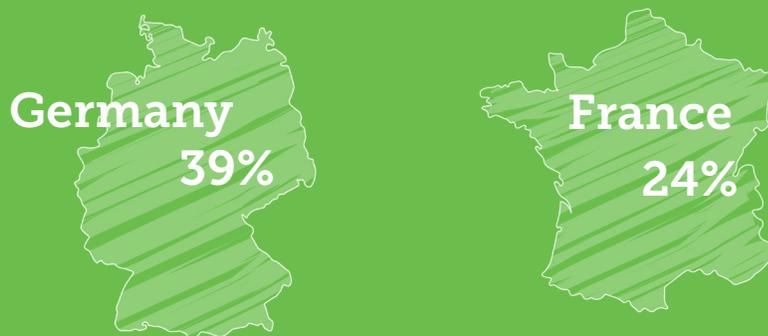
France
24%

As for concerns about managing hybrid or remote work arrangements, most countries broadly aligned with total averages. Respondents in Spain and France, however, expressed more desire to have employees available for in-person client and customer interactions (44% and 41%, respectively, versus 32% overall), while German employers were less concerned about the impact on company culture and engagement (46%, versus 53% overall).

Wandering Workers

To what extent is your organisation concerned about legal risks, tax implications and other employment issues that come with managing "wandering workers"?

The below chart excludes data from the 27% of respondents who said they do not have employees with this working arrangement.

To a large extent	To a moderate extent	To a small extent	Not at all
34%	36%	19%	11%
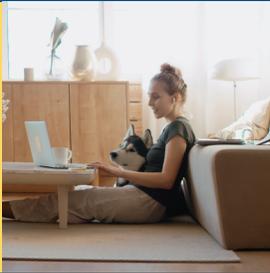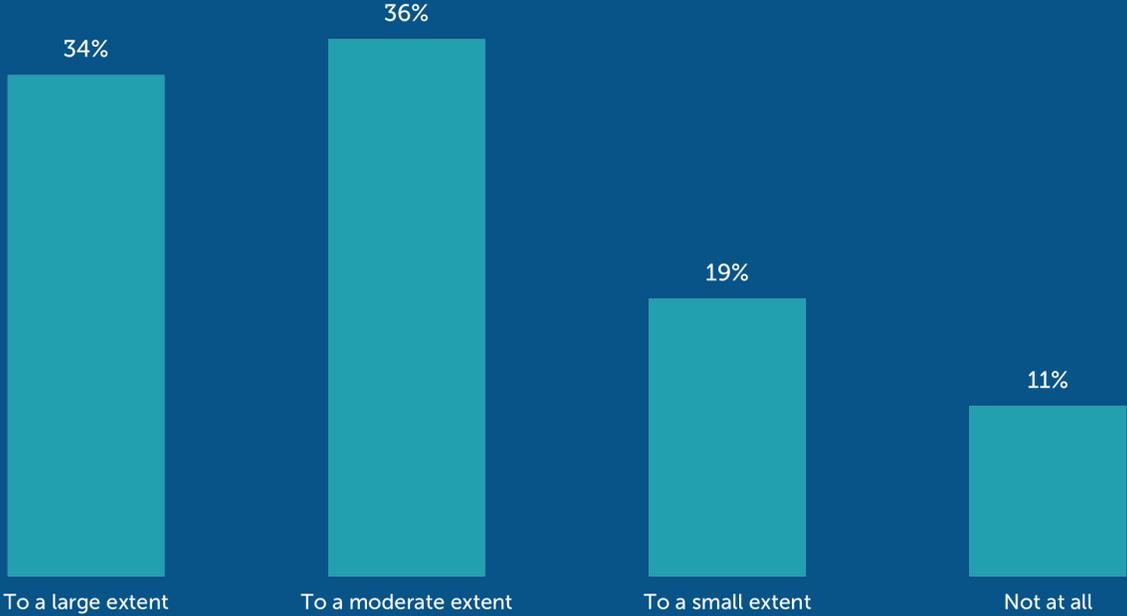
Another concern for employers that offer remote work is the growing number of "wandering workers" (*i.e.*, employees who work in a different country from where their employer is located). The more employers allow remote work, the more likely it is that employees will want to take advantage of it to work from a variety of remote locations. And the issue is growing. This year, 73% of respondents said they have wandering workers, compared to 61% in 2021.

Among those who have employees working with this arrangement, the vast majority (89%) are concerned with the legal risks, tax implications and other employment issues that come along with it – and a notable percentage (34%) are concerned to a large extent.

Understandably, large companies make up a greater proportion of those with wandering workers. They also express a higher level of concern about the issues that might arise from those arrangements (40% are concerned to a large extent, compared to 26% of small company respondents).

These issues include double taxation, data protection/security, differing welfare requirements and social security contributions, immigration and visa requirements, and varying employment rights in different legal jurisdictions.

"Employers are rightly concerned about the myriad risks that come with wandering workers. While the practice may have gone less noticed at the height of the pandemic when much of the workforce was remote, the return to in-person work and the potential liabilities for employers have renewed focus on this issue.

Unfortunately, employee expectations in this area are not aligned with the realities of the global legal system, as it is genuinely challenging for employers to make a "work from anywhere" a reality. These risks are particularly heightened for UK-based companies, as the European countries workers may have relocated to prior to Brexit now impose immigration requirements."

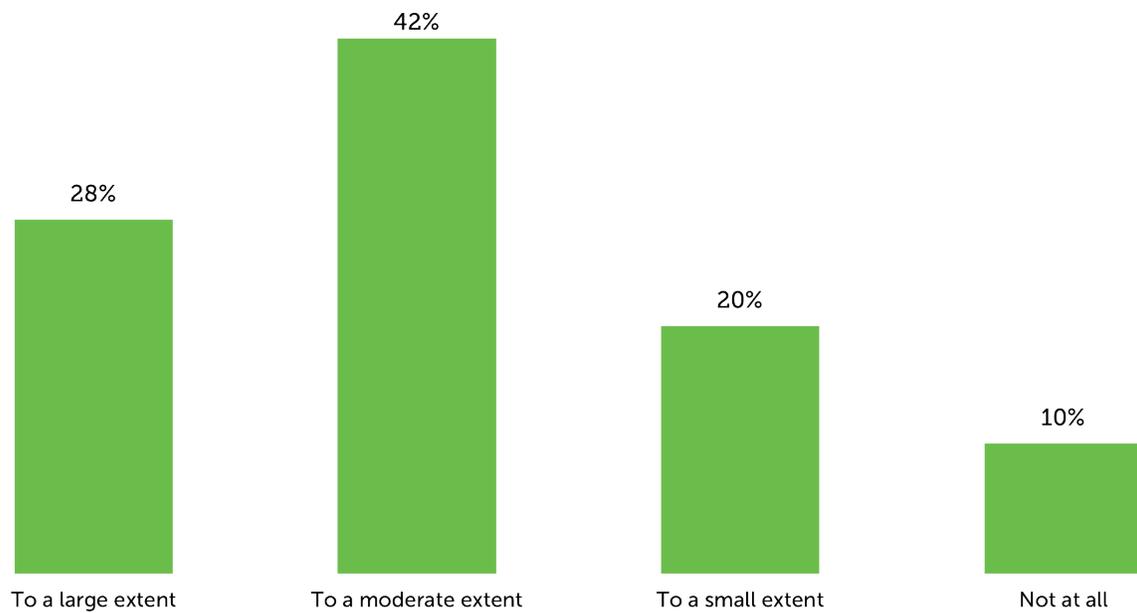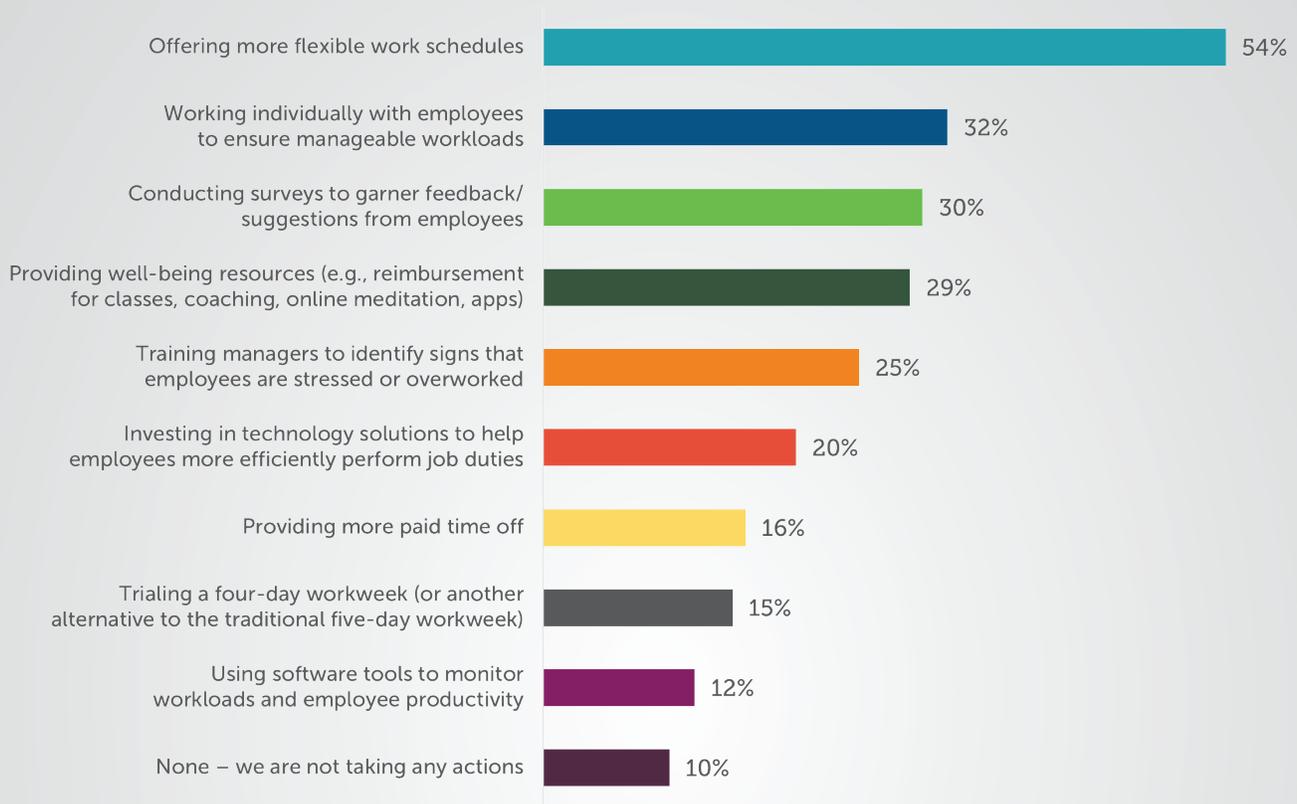**Raoul Parekh**, Littler Partner, UK
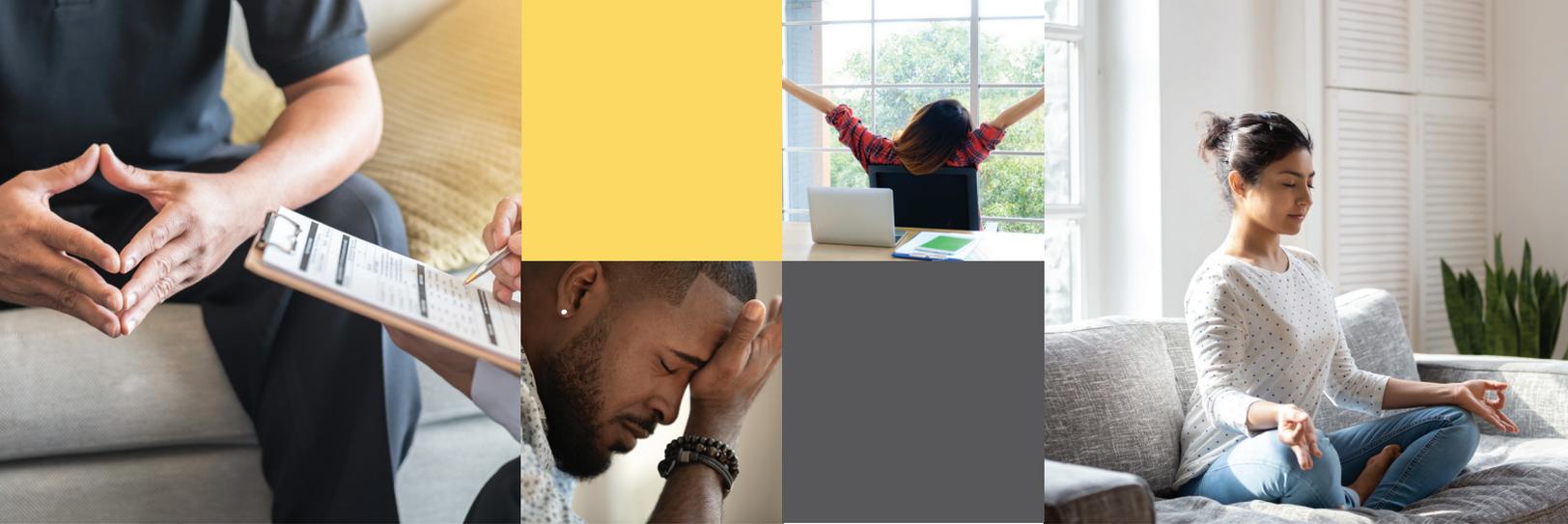
Workplace Mental Health and Well-Being

To what extent has your organisation placed more focus on employee mental health and well-being initiatives over the past year as part of your efforts to attract and retain talent?

To a large extent	To a moderate extent	To a small extent	Not at all
28%	42%	20%	10%

Which of the following steps is your organisation taking to combat employee burnout? (Tick all that apply)

Step	Percentage
Offering more flexible work schedules	54%
Working individually with employees to ensure manageable workloads	32%
Conducting surveys to garner feedback/suggestions from employees	30%
Providing well-being resources (e.g., reimbursement for classes, coaching, online meditation, apps)	29%
Training managers to identify signs that employees are stressed or overworked	25%
Investing in technology solutions to help employees more efficiently perform job duties	20%
Providing more paid time off	16%
Trialing a four-day workweek (or another alternative to the traditional five-day workweek)	15%
Using software tools to monitor workloads and employee productivity	12%
None – we are not taking any actions	10%

If employers want employees back in the office, focusing on their mental health and well-being will need to be part of the conversation. In fact, as Belgium-based psychologist Elke Van Hoof told *Bloomberg* in June, the "smoothest back-to-office transitions [have been] among companies that were prioritizing psychological health before the pandemic."

It helps that workplace regulations in the European Union (EU) have encouraged companies to carry out risk assessments that evaluate psychosocial risks and stress – and even offered guidance, only weeks into the pandemic, on making "home-based telework as healthy, safe and effective as possible."

The fact that many European employers have been focused on this area for some time may help explain why only 28% of respondents said they have placed *more* focus on employee well-being and mental health initiatives this past year to a large extent. For instance, even in our 2019 survey, more respondents said they were "extremely concerned" about workplace mental health (17% percent) than any other human resources-related issue.

This year, just 10% of respondents said they have not placed more focus on mental health and well-being initiatives as part of their broader efforts to attract and retain talent. Large company respondents placed even more focus on this issue, with 35% indicating their organisation has done so "to a large extent."

Yet there's still room for improvement. Regarding the steps employers are taking to address a related issue – employee burnout – the only answer selected by more than half of respondents was "offering more flexible work schedules" (54%).

While it's promising that roughly a third are taking actionable steps, such as working individually with employees to ensure a manageable workload (32%) and conducting surveys to garner feedback (30%), the results suggest that, broadly speaking, there's more that can be done. For instance, only a quarter are training managers to identify signs that employees are burnt out.
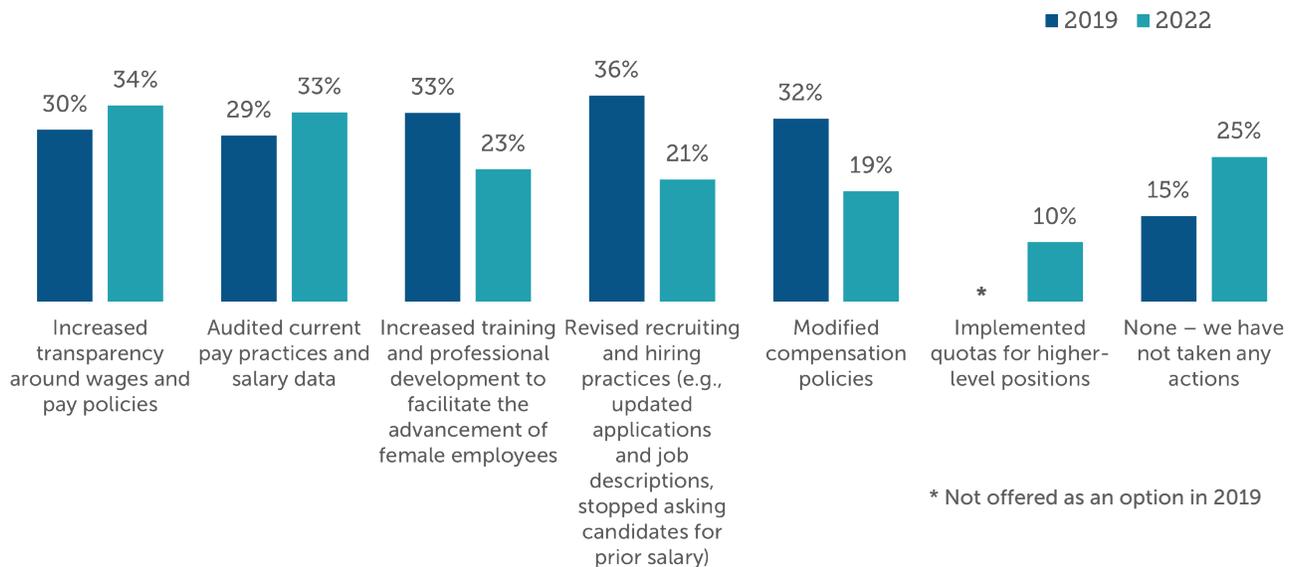
"It's evident that addressing workplace mental health and burnout in sustainable ways continues to be a challenge. Flexible work schedules, for example, are a step in the right direction, but they often don't account for the added stress and workloads that can accompany remote work. As work models continue to evolve and we enter a period of economic uncertainty, employers would benefit from a refreshed focus on well-being, particularly when it comes to working individually with employees and training managers so that they are better equipped to help employees with stress and burnout."

Anne-Valérie Michaux, **Littler Shareholder, Belgium**

Pay Equality

Which of the following actions has your organisation taken to address the gender pay gap? (Tick all that apply)

Legend: ■ 2019 ■ 2022

Category	2019	2022
Increased transparency around wages and pay policies	30%	34%
Audited current pay practices and salary data	29%	33%
Increased training and professional development to facilitate the advancement of female employees	33%	23%
Revised recruiting and hiring practices (e.g., updated applications and job descriptions, stopped asking candidates for prior salary)	36%	21%
Modified compensation policies	32%	19%
Implemented quotas for higher-level positions	*	10%
None – we have not taken any actions	15%	25%

* Not offered as an option in 2019

In the EU, women earn on average 14.1% less than men. The figure hasn't changed much in the past decade, despite initiatives across the continent aimed at moving the needle – from the EU Action Plan of 2017-2019; to pay transparency laws in Germany, France, the UK and others; to a new EU-backed proposal for "broad, binding salary transparency legislation."

Given the focus of these legislative initiatives, it follows that when asked which actions they've taken to address the gender pay gap, more than one-third of respondents (34%) said they have increased transparency around wages and pay policies. That this number is rather low – and not much higher than in 2019, when we first asked the question – indicates both that the issue has been on employers' agendas for some time *and* that little progress has been made over the past few years.

Other studies suggest that perhaps transparency itself isn't enough: In the five years since the UK required mandatory reporting on wage differences, for instance, little has changed. Other initiatives – such as increased training and professional development, revised recruiting and hiring practices, modified compensation policies, and quotas for higher-level positions – could help, but each was selected by less than a quarter of respondents. Another 25% said they have taken no action.

Respondents from large companies reported doing more, particularly when it comes to auditing current pay practices and salary data (45%, versus 33% overall) and revising recruiting and hiring practices (35%, versus 21%).

Country-Specific Analysis

Despite recent pay equity transparency laws, our survey shows the UK and Germany lag behind Europe as a whole when it comes to actions taken to address the gender pay gap. Germany, for instance, trailed behind overall averages on specific actions taken, and 35% of respondents based there said they have taken no action at all (as did 31% of UK-based employers).

By contrast, executives from France and Italy reported taking more action in a few areas. In France, for instance, 30% said they have increased training, and only 18% have not taken any action. In Italy, 51% said they have increased transparency around wages and pay policies, and only 10% have taken no action.

This might reflect the strength of France's new reporting regulation or stricter enforcement – compared to, say, the German equivalents – and the historically smaller pay differential in Italy.
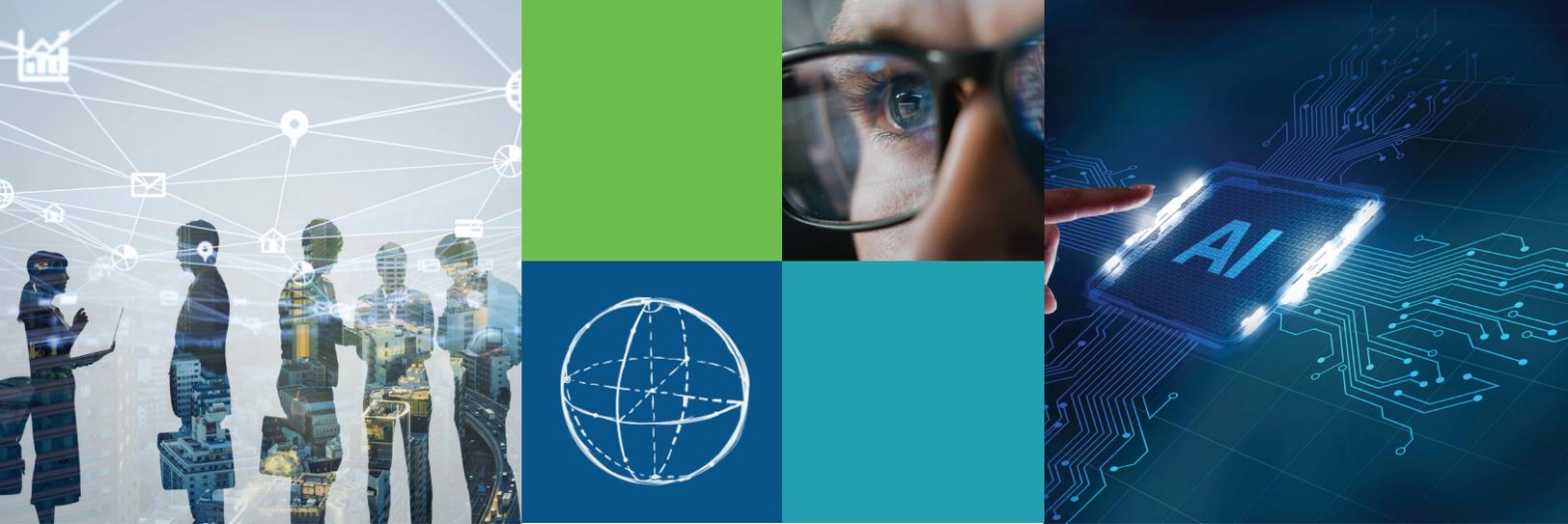
France
30%
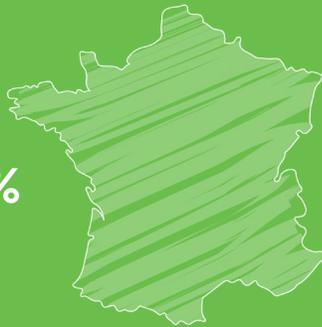
Have increased training and professional development to facilitate the advancement of female employees

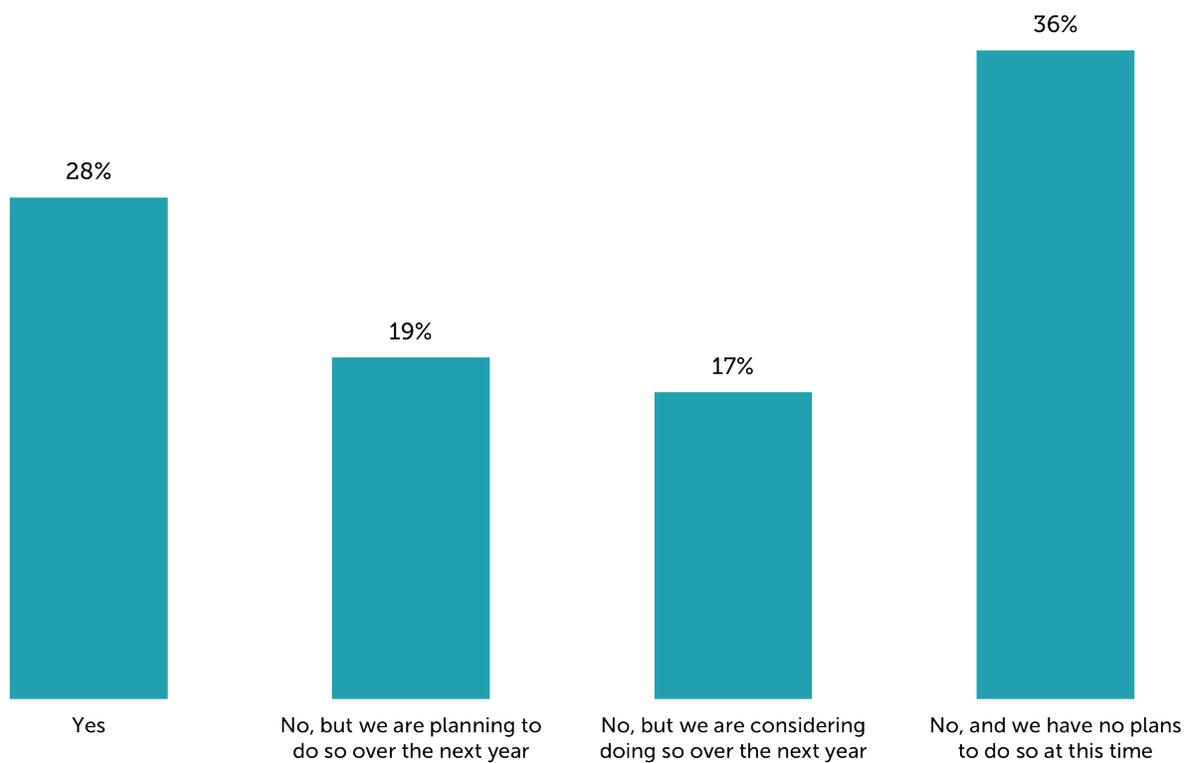Have increased transparency around wages and pay policies
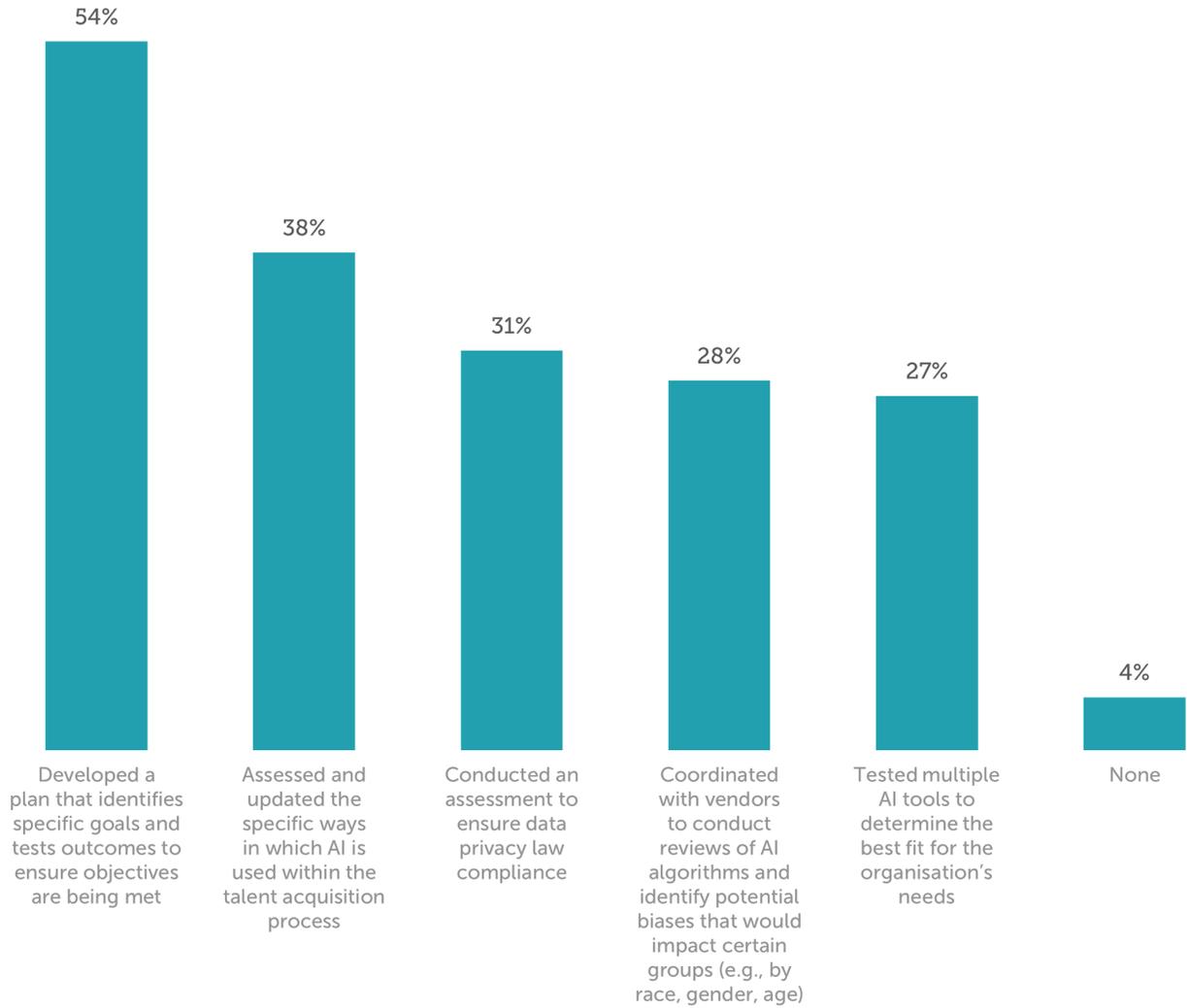
Italy
51%

AI in the Workplace

Is your organisation currently using technology solutions and/or artificial intelligence (AI) tools to support your recruiting and hiring efforts?

Category	Percentage
Yes	28%
No, but we are planning to do so over the next year	19%
No, but we are considering doing so over the next year	17%
No, and we have no plans to do so at this time	36%

Which of the following steps has your organisation taken to best ensure proper use of technology or AI tools in the recruiting and hiring process? (Tick all that apply)

This question was only posed to those who are using tech/AI solutions.

54%	**38%**	**31%**	**28%**	**27%**	**4%**
Developed a plan that identifies specific goals and tests outcomes to ensure objectives are being met	Assessed and updated the specific ways in which AI is used within the talent acquisition process	Conducted an assessment to ensure data privacy law compliance	Coordinated with vendors to conduct reviews of AI algorithms and identify potential biases that would impact certain groups (e.g., by race, gender, age)	Tested multiple AI tools to determine the best fit for the organisation's needs	None

AI solutions can be a helpful tool for employers to initially screen resumes and applications, as well as identify applications that may have been passed over in the human screening process. That's critical in a tight labour market.

Employers in our survey have taken notice. Nearly half of respondents (47%) – and 53% of respondents from large companies – are either currently using technology solutions and/or AI to support their recruiting and hiring efforts (28%) or planning to in the next year (19%). Another 17%, meanwhile, are considering doing so in the next year. That's a notable increase compared to last year, when only 19% said they were using AI or data analytics in recruiting and hiring. What's more, 61% of those who are already using such tools said they increased their use in the past year, underscoring the utility of AI and technology in today's talent landscape.

As employers expand their use of these tools, however, they must proceed strategically and be prepared to mitigate compliance risks. While more than half (54%) of those using AI/technology solutions in recruiting and hiring said they have developed a plan that identifies specific goals and tests outcomes, less than a third have conducted an assessment to ensure data privacy compliance (31%) or coordinated with vendors to conduct reviews of AI algorithms and identify potential biases (28%).

The differences between small and large company respondents are particularly telling: Whereas substantially more small company respondents have developed a plan around the use of AI in recruitment (68%, versus 42% of large employers), large companies are out ahead when it comes to data privacy compliance (50%, versus 23% of small employers) and coordinating with vendors (40%, versus 26% of small employers). This makes sense given the operational challenges a large company must navigate when it comes to deciding who will drive such an initiative, as well as the heightened compliance risks bigger corporations face (and the additional resources and expertise available to address them).

"In a tight labour market, business leaders are slowly but surely increasing their use of AI solutions in hiring and recruiting – and seeing how useful they can be. But as usage of these tools ramps up, organisations shouldn't count on their vendors to resolve legal risk. Instead, it's important for legal departments to raise awareness of the compliance steps that must be taken and ensure applications are developed under legal review."
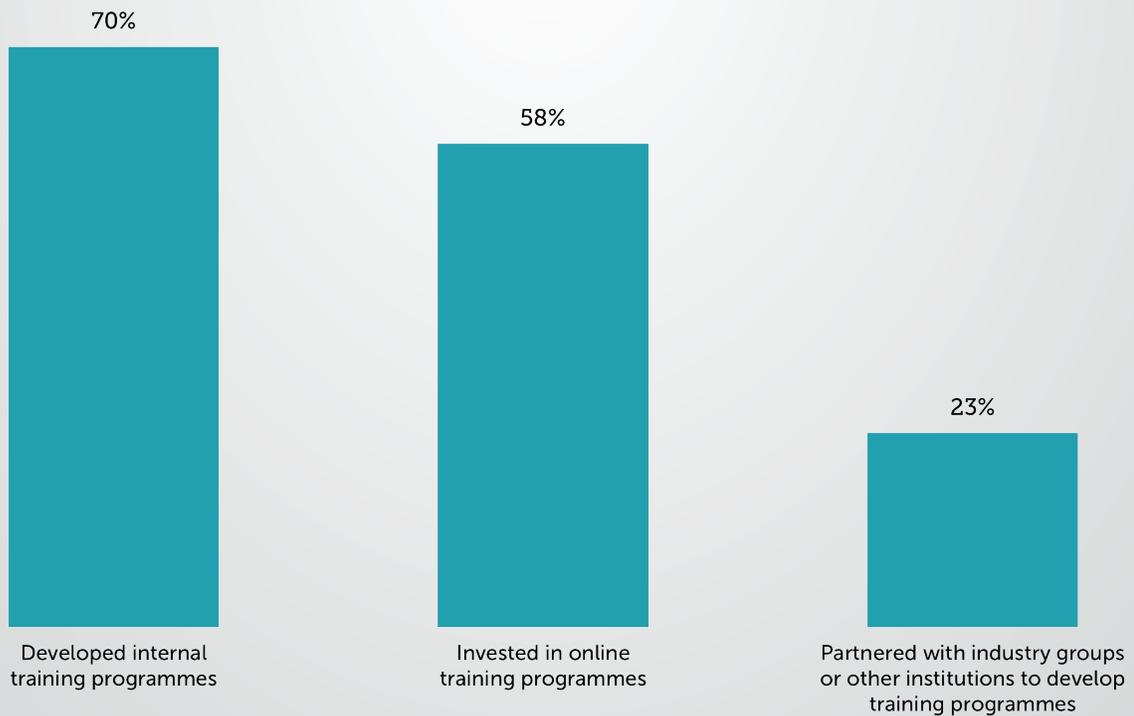
Laura Jousselin, Littler Partner, France

Skills Training

Has your organisation implemented training programmes to upskill or reskill your employees?
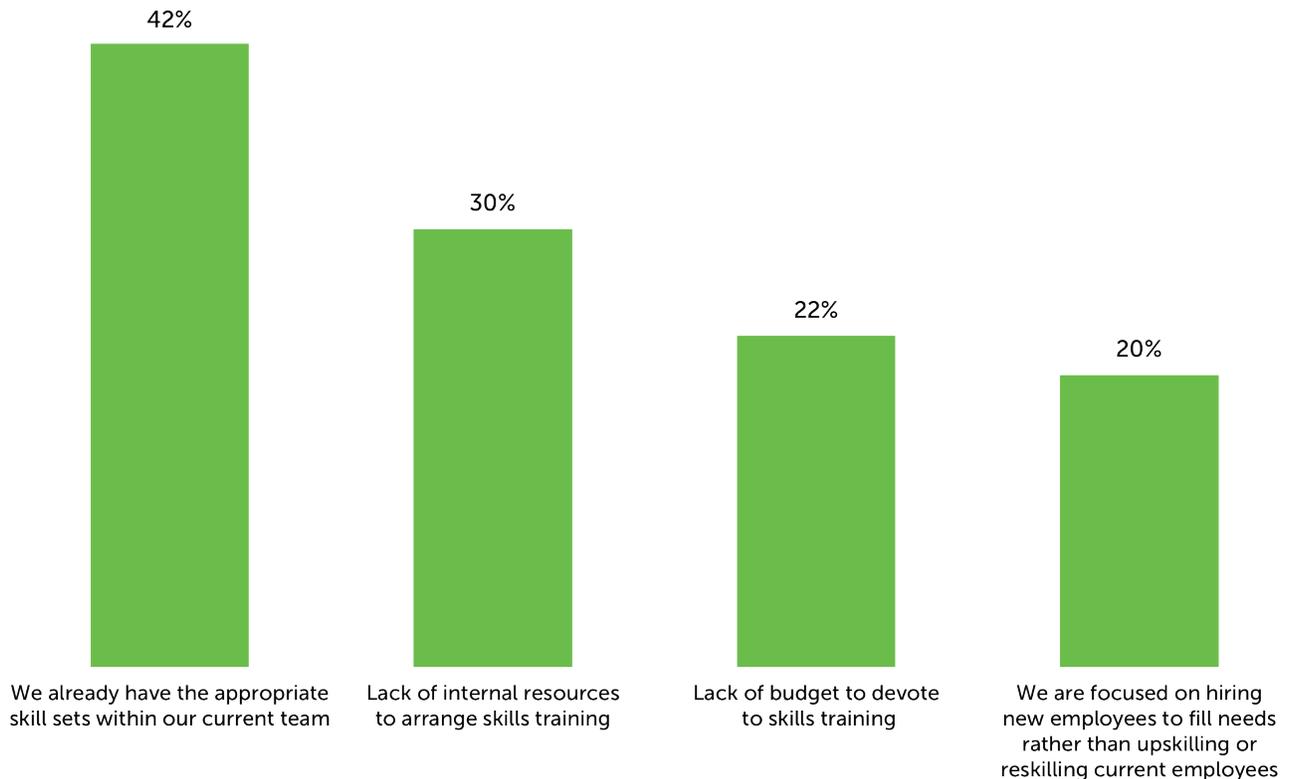
Yes
77%

No
23%
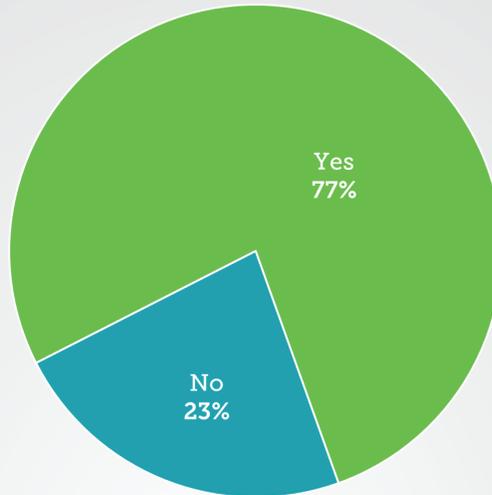
Which of the following skills training programmes has your organisation implemented? (Tick all that apply)

This question was only posed to those who have implemented training programmes.

70%	58%	23%
Developed internal training programmes	Invested in online training programmes	Partnered with industry groups or other institutions to develop training programmes

Which of the following represent reasons that your organisation has not implemented skills training programmes? (Tick all that apply)

This question was only asked to those who have not implemented training programmes.

42%	30%	22%	20%
We already have the appropriate skill sets within our current team	Lack of internal resources to arrange skills training	Lack of budget to devote to skills training	We are focused on hiring new employees to fill needs rather than upskilling or reskilling current employees

One-quarter of jobs in France, Germany, Italy, Spain and the UK are at risk from automation, according to a recent Forrester report that forecasts some 12 million jobs will be lost by 2040.

It's a good sign, then, that 77% of employers (and 87% of large employers) said they have implemented training programmes to upskill or reskill their employees. Those efforts include internal training (70%), partnerships with industry groups or other institutions (23%), and investments in online training (58%) – the latter of which is particularly important given the ongoing predominance of remote work.

Of the 23% of respondents who have not implemented training programmes, most (42%) said it was because they already have appropriate skill sets within the team. Thirty percent cited a lack of internal resources, 22% attributed it to a lack of budget, and 20% said they are more focused on hiring new workers than upskilling or reskilling current ones – a tricky proposition in today's labour market.

As the economic downturn puts pressure on spending, employers will need to decide where to focus their resources – whether that's investing in an online programme, concentrating on recruitment and retention efforts, or reskilling a certain segment of their workforce. In every case, an assessment of where employers stand at present and where they hope to go in the future will be critical in weighing these choices.

Data Privacy

To what extent is complying with the various rules governing the lawful transfer of human resources data across borders a challenge or burden for your organisation?

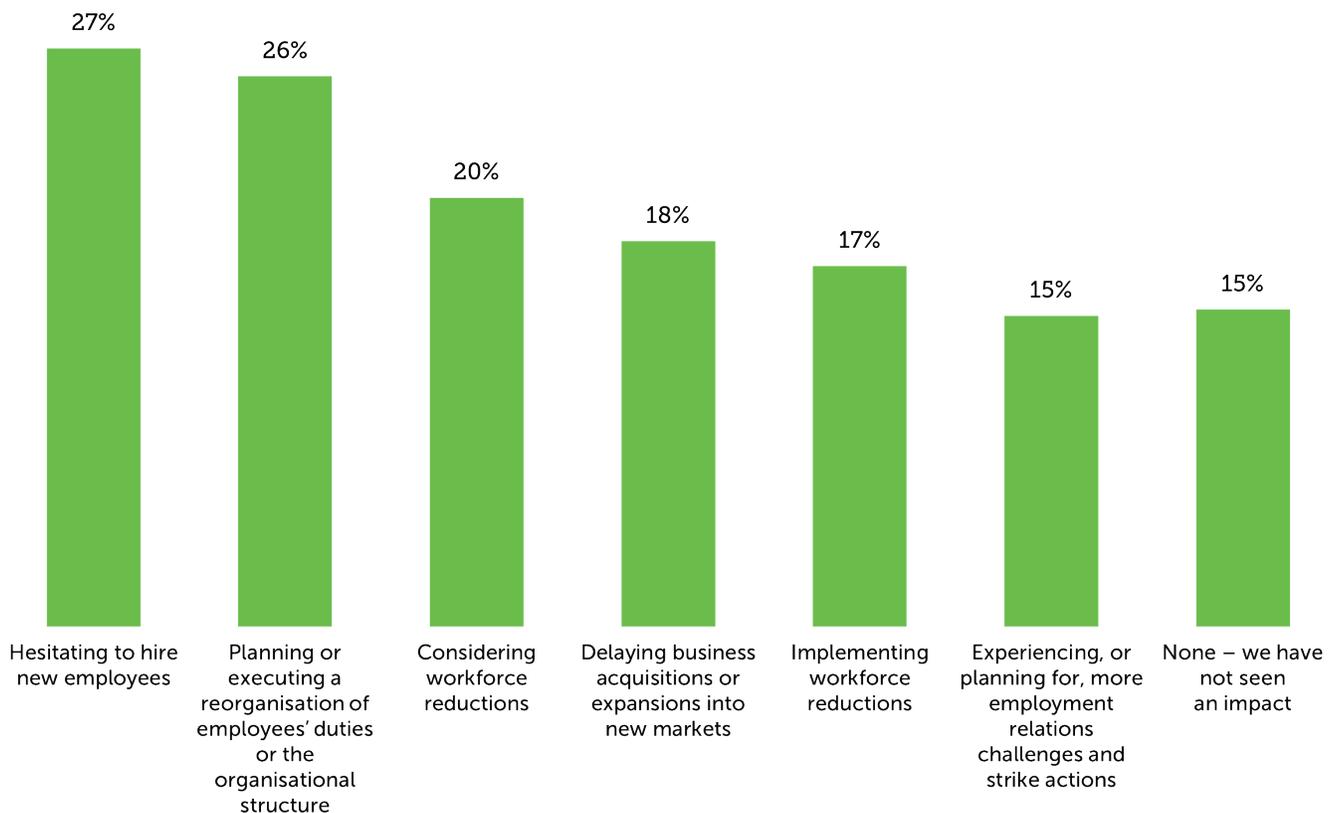| 26%	41%	18%	17%
To a large extent	To a moderate extent	To a small extent	Not at all
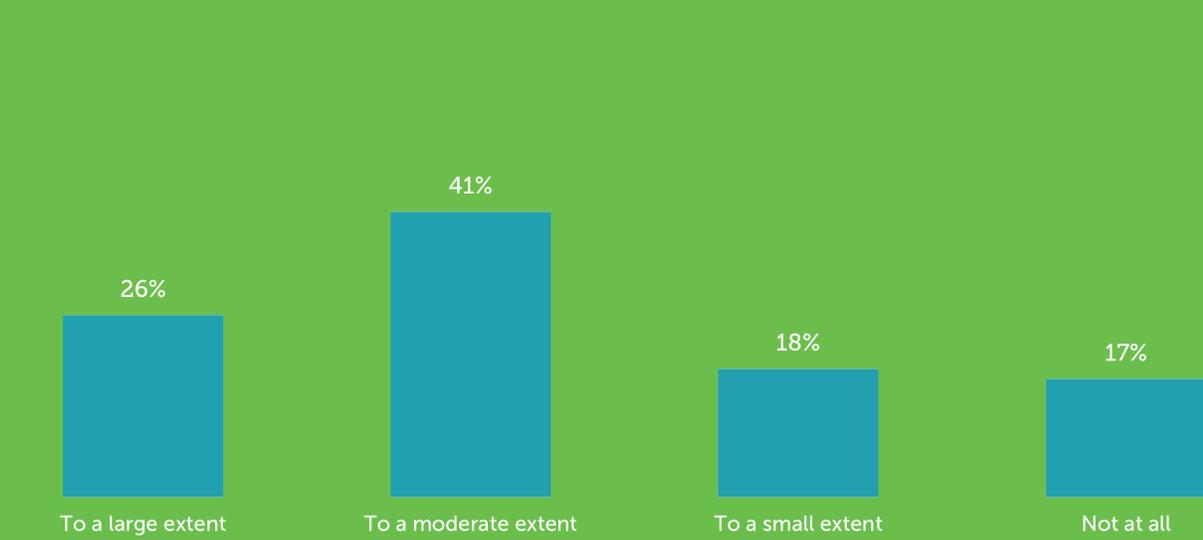
The EU's General Data Protection Regulation (GDPR), which took effect in 2018, is a complex and lengthy law that poses several compliance challenges for companies, including the cross-border transfer of personal data. An increasingly global, mobile and digital-first workforce only adds to these complications.

This explains why 67% of respondents said they are either largely or moderately concerned about complying with the various rules governing the lawful transfer of human resources data across borders, with only 17% saying this is not a concern at all. The challenges facing employers range from just tracking the varying and increasingly stringent rules for handling HR data in each jurisdiction in which they operate to developing approaches that can be applied across their locations.

The technical nature of these requirements underscores the importance of establishing and maintaining a comprehensive set of controls and policies for handling and transferring HR data.

Macroeconomic Concerns

Which of the following represent ways that macroeconomic concerns — such as inflation, the ongoing war in Ukraine or the threat of a global recession — have impacted your organisation's workforce-related business planning? (Tick all that apply)

27%	26%	20%	18%	17%	15%	15%
Hesitating to hire new employees	Planning or executing a reorganisation of employees' duties or the organisational structure	Considering workforce reductions	Delaying business acquisitions or expansions into new markets	Implementing workforce reductions	Experiencing, or planning for, more employment relations challenges and strike actions	None – we have not seen an impact

"The euro zone is almost certainly entering a recession," *Reuters* reported in early September, as inflation continued to climb and the EU worked on plans to ease what *Bloomberg* referred **to** as "the worst energy crisis in decades."

As discussed earlier in this report, this economic uncertainty could shake up European labour market dynamics. Our findings, however, do not suggest that employers are taking drastic steps en masse — at least not at the time of this survey.

More than a quarter of all respondents said they are hesitating to hire new employees (27%) or planning or executing a reorganisation of employees' duties (26%). Still, only 20% are considering workforce reductions, delaying business acquisitions or expansions into new markets (18%) or actually implementing workforce reductions (17%).

While employers seem to be taking a wait-and-see approach, that only 15% said macroeconomic concerns have not affected their workforce-related business planning suggests that this will be an area to watch closely as we assess the impact of high energy costs and broader economic forces.

Methodology and Demographic Profile of Respondents

From mid-August to early September 2022, 685 professionals from a variety of industries completed Littler's 2022 European Employer Survey via an online survey tool. Respondents included:

- Human resources professionals (49%)
- In-house lawyers (14%)
- Business owners, operations directors/managers and other professionals (37%)

Respondents were based across Europe:

- Germany (18%)
- United Kingdom (13%)
- France (12%)
- Poland (12%)
- Spain (11%)
- Italy (10%)
- Scandinavia (7%)
- Netherlands (4%)
- Belgium (4%)
- Portugal (4%)
- Austria (3%)
- Switzerland (2%)
- Ireland (2%)

Companies represented were of a variety of sizes:

- More than 10,000 employees (11%)
- 5,001 to 10,000 employees (9%)
- 1,001 to 5,000 employees (15%)
- 501 to 1,000 employees (14%)
- 101 to 500 employees (20%)
- One to 100 employees (30%)

About Littler Europe

Littler is the largest law practice in the world exclusively devoted to representing management in every aspect of labour and employment law. We serve as a single point of contact for our clients' global labour and employment needs, helping multinational employers to move their employees across borders and comply with local employee relations laws, and assisting employers with such international issues as overseas privacy laws and applying company policies worldwide.

Our European legal services include offices in the region's most robust economies, housing more than 500 local Littler attorneys who collaborate with our working partners in all European jurisdictions, as well as our attorneys in other regions of the world.
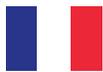
Austria

Belgium

Denmark

France

Germany

Ireland

Italy

Netherlands

Norway
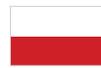
Poland

Portugal

Spain

United Kingdom