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1 INTRODUCTION

1.1 ABOUT THE STUDY

The HR Controlling 2013 study provides organisations with essential information to work with their people more effectively and apply the discipline of measurement in managing people as a business asset, through a portfolio of human capital performance measures. Our aim is to help organisations translate human capital into something tangible, measurable, and benchmarkable like any other asset.

While the PayWell study, which we publish in the autumn, addresses remuneration exclusively, the HR Controlling 2013 study will provide you with information focused on the performance and effectiveness of the HR management system in the surveyed companies, as it is connected with the performance of the whole organisation. The information contained in this report allows organisations to build a deeper understanding of their human capital profile, learning where they are doing well and where improvement is required. In addition you will receive the HR Scorecard tool for comparing the settings of your internal system for managing human resources with market results, which can serve as a comparable statement for HR management. In addition to the latest data available, the 2013 edition of the report contains analysis of the most significant human capital developments and trends that are occurring.

The results presented in this report can be used to compare key indicators of HR management within any organisation. However, the optimal level for each organisation depends on the sector in which it operates, on its strategy and policies, and on a range of other factors. If you observe a significant divergence between your level and that of the sample for a given indicator, only a more thorough examination of the reasons for this will determine whether it is in fact an area which can and should be improved. The results presented are intended to provide a clear framework upon which to base the analysis process and support discussions on the effectiveness of HR management.

PricewaterhouseCoopers has been organising this type of research on an international level for a number of years. Since 1992, similar research has been performed in America, Europe, and Asia. In the Czech Republic, we have conducted the HR Controlling Survey since 1997. Through the acquisition of Saratoga in the United States, PricewaterhouseCoopers gained one of the largest databases containing valuable information on key indicators of human capital performance, based on data collected from more than 22,000 companies. Within PricewaterhouseCoopers, Saratoga is a division focused on benchmarking HR management and measuring the return of investments into human capital. Thanks to this database, we can offer you individual comparisons and analyses of selected key HR management indicators.

The outputs of the HR Controlling 2013 project will provide you with information, for example, on how HR processes contribute to achieving business aims, what priorities companies have established in their strategies for managing human resources, what effectiveness HR departments show in meeting goals for recruiting and selecting employees, to what extent companies make use of outsourcing HR services, the reasons for staff turnover, and related topics. The information gained from the output report and your own comparison with the market by means of the HR Scorecard tools will help you set HR controlling indicators, review HR management strategies, and optimise systems in individual personnel areas as well. They will also serve as inspiration for defining new indicators for measuring performance.

HR controlling in companies is by no means a one-time process: personnel indicators should be continuously checked and interpreted, as this is the only way to identify potential deviations and, thus, constantly improve the management of human resources.

Therefore, we believe that you will take full advantage of HR Controlling as the basis for internal personnel reporting and controlling, and that it will meet your expectations.

At the same time, we wish you pleasant and effective work with our survey.
1.2 HR CONTROLLING

A human capital business model

We use the concept of a Human Capital Profile to align and link people behaviour and processes with an organisation’s strategic challenges. Our aim in producing a profile is to focus attention on human capital activities that if consolidated, changed, or improved, could significantly impact an organisation’s performance and competitive positioning. This approach also helps the HR Function become an influential strategic contributor.

The methodology begins by building a profile of current human capital performance, a profile reflecting existing human capital processes, policies and performance. The HR Scorecard forms the heart of the profiling approach. Formulated from the client’s own data, it reveals comparative performance across a series of human capital measures.

Ideally, decisions around what an organisation chooses to measure, what is declared a KPI, and the framework in which measures are formulated and reported (for example to executives, business unit heads, and line managers) should be aligned to this strategic agenda.

By completion of the human capital profile of current performance, an objective view that shows the organisations strengths, trends, and areas of possible weakness is developed. The process can then move on to explore how the organisation needs to change and improve in respect of human capital performance through relevant policies, processes, and activities. To be successful in this requires:

– detailed understanding of the ‘drivers’ of the current profile,
– clarity with respect to the strategic and people challenges being faced in future years,
– clarifying requirements for further analysis or investigation,
– investigating the reasons for differences in performance versus other organisations and seeking transferable best practices.

Building your human capital profile

From a PwC perspective, our starting point is typically the application of our quantitative Human Capital Metrics portfolio, which covers the following:

- **Human capital impact** measuring the financial profit-and-loss impact of your employees, productivity and the ROI on human capital investment
- **Aspects of human capital engagement** – bringing people into the organisation, rewarding them, developing them, and losing them
- **Measures of organisation and workforce structure**, including corporate and support functions, the HR Function, HR process measurement, and measures of the workforce structure and demographics.

Of course, a much wider range of available data sources can be taken into consideration in this profiling approach to make the analysis more robust and interpretations more insightful. One of our recommendations to client is to combine quantitative measures of the kind described above with the outputs from qualitative measurement tools, e.g., measuring the perceptions of employees, customers, and other stakeholders.

Implementing a Human Capital Profile in an organisation could, therefore, include any of the following elements, though this list is, of course, not exhaustive:

<table>
<thead>
<tr>
<th>Quantitative information sources</th>
<th>Qualitative information sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce demographics</td>
<td>HR satisfaction survey (e.g., Saratoga ‘Voice of the Customer’ modules)</td>
</tr>
<tr>
<td>Financial data</td>
<td>Employee Engagement or climate survey</td>
</tr>
<tr>
<td>Compensation and benefits data/salary surveys</td>
<td>Customer satisfaction data</td>
</tr>
<tr>
<td>Human capital metrics (e.g., Saratoga metrics)</td>
<td>Joiner interviews</td>
</tr>
<tr>
<td>Operational business measures</td>
<td>Exit interviews</td>
</tr>
<tr>
<td>Performance ratings</td>
<td>Outputs from performance/appraisal processes</td>
</tr>
<tr>
<td>Skills/competence data</td>
<td></td>
</tr>
</tbody>
</table>
Key metrics

While we encourage all organisations to derive their own key metrics (and targets), we highlight a series from the Saratoga portfolio relevant to most organisations that provide an overview of an organisation’s human capital performance.

Human Capital Impact key metrics

These are fundamental indicators of the suitability and effectiveness of all human capital activities, while reflecting the contribution of current HR policies and processes to organisation performance. They fall into two groups:

<table>
<thead>
<tr>
<th>Financial Impact</th>
<th>Productivity and ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue per FTE</td>
<td>Remuneration/Revenue</td>
</tr>
<tr>
<td>Cost per FTE</td>
<td>Remuneration/Total Costs</td>
</tr>
<tr>
<td>Profit per FTE</td>
<td>Human Capital ROI</td>
</tr>
<tr>
<td>Wealth Created per FTE</td>
<td></td>
</tr>
</tbody>
</table>

Human Capital Engagement key metrics

These metrics are used to describe levels of workforce commitment and engagement. We are primarily interested in objective measurement of how employees behave, as distinct from perceptions of how they feel. Behaviours of employees measured by these HC Engagement metrics strongly influence HC Impact metrics above.

<table>
<thead>
<tr>
<th>Human Capital Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance Rate</td>
</tr>
<tr>
<td>Average Remuneration</td>
</tr>
<tr>
<td>Performance Related Pay</td>
</tr>
<tr>
<td>Attendance Related Pay</td>
</tr>
</tbody>
</table>

Considering the above described various ‘output’ or ‘impact’ aspects of HR policy and human capital management, it is valuable for organisations to understand a series of ‘input’ measures as contextual to performance in the above areas.

Organisation and Workforce Structure key metrics

While the above two groups of key metrics describe ‘output’ or ‘impact’ aspects of HR policy and human capital management, Organisation and Workforce Structure metrics help understand a series of ‘input’ measures that influence performance in the measured areas above. Typically, these are measures of resource inputs, processes, support functions, and other structural indicators including measures of workforce structure, including:

<table>
<thead>
<tr>
<th>Organisation and Workforce Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs per Functional FTE</td>
</tr>
<tr>
<td>Functional Costs per FTE</td>
</tr>
<tr>
<td>Function Costs/Total Costs</td>
</tr>
<tr>
<td>HR Outsource Rate</td>
</tr>
</tbody>
</table>
Developing an integrated measurement framework

Identifying the metrics and measures appropriate to your organisation’s circumstances is a critical starting point for any measurement initiative. While organisations often have a reasonable idea of what they want to measure, it nonetheless remains important to consider what is relevant. The identification process should start with business challenges and corporate strategies, and, on the basis of these strategic challenges, HC management strategy and HR priorities are to be defined. These linkages, illustrated in Figure 1 below, should therefore guide measurement and benchmarking activities, helping to define relevant metrics and measures and create business buy-in.

**Fig 1: Deriving performance indicators from strategic challenges**

The process used to drive this design process can take many forms, from a simple desktop review of strategy documents, to a consultative process with key stakeholders such as senior management teams, finance, corporate development, or strategy units. To assist with the clarification of issues from a business and human capital perspective, we put forward the following questions for review and discussion:

**QUESTIONS TO ASSIST THE CLARIFICATION OF KEY BUSINESS ISSUES**

- What are the top three business challenges facing your organisation over the next two years?
- Have the business challenges changed over the last year?
- Has your organisation structure changed significantly over the last year?
- What is the most important change that has occurred in the organisation in the last year?
- What significant structural or other changes, if any, do you anticipate in the next year?
- Who are your top three competitors?
- What is your number one customer/client proposition?
- What has been the most significant change in human capital policy or behaviours in the last year?
- What single change in human capital policy or employee behaviour would significantly improve the customer relationship?
- What single change in human capital policy or employee behaviour would significantly hurt the customer relationship?

The next stage is to populate a series of metrics and measures linked to the agreed business and human capital/HR agenda. Better alignment of the metrics utilised to current business, people or HR challenges improves the relevance of the whole process and increases the value to be gained from your measurement and benchmarking activity. Below is a very simple example of linking metrics selection to an organisation’s strategic issues.

<table>
<thead>
<tr>
<th>Strategic Challenge</th>
<th>Related Human Capital or HR Issue</th>
<th>Potential Saratoga metrics</th>
</tr>
</thead>
</table>
| Knowledge & Capability | • Performance management  
• Learning and development | • Productivity and ROI  
• Compensation and benefits  
• Turnover |
|                      |  | • Learning and development  
• HR Processes  
• Talent Management |
| Cost Efficiency | • HR Function efficiency  
• Corporate functions  
• Operational/production efficiency | • Financial Impact  
• Productivity and ROI  |  
• HR Processes  
• Corporate and support function metrics |
The next stage is to consider the design of your framework at a more granular level: for example, which are your true key metrics or KPIs; which are supporting metrics or contextual measures; and which are relevant to different audiences for your measurement outputs, be they management information (MI) packs, scorecards, or web-tools. One approach is to stratify the information according to the level of management control and intervention. Such design stage should also allow you to define the most relevant formats and frequency of outputs from your framework. Figure 2 illustrates such a tiered approach.

- **Strategic measures**: Primary measures expected to improve with any strategic initiative or policy change; these reflect broad corporate/organisational strategy. Are you trying to grow revenues or market share, are you in a cost reduction phase, or focusing on shareholder value? Measures at this level typically include financial KPIs, shareholder return often combined with critical customer, and production or sales measures by business, product, or region.

- **Management measures**: Measures that will show movement after policy implementation and allow more regular monthly or quarterly monitoring. These are more often reported at business-unit level and form a core part of business unit balanced scorecards.

- **Operational measures**: Specifically designed to drive and track performance improvement at a functional or process level. They would include KPIs for line managers, function heads and even employee groups. For HR, we would often see a portfolio of process, activity, and efficiency measures, including reward focus, learning and development activity, skills profiles, resource planning and activity, performance management, and succession/talent management together with administrative and activity measures for HR contact centres and shared services.

**Fig 2: A tiered approach to measurement and reporting**
2 ANALYSES AND STUDY RESULTS

2.1 CHAPTERS CONTENT

In this chapter, you will find two main pieces of information:
- Participants profile
- Values of particular indicators which are structured as follows:

<table>
<thead>
<tr>
<th>WORKFORCE STRUCTURE</th>
<th></th>
<th>Headcount: &lt; Two Years’ Service ÷ Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rookie Ratio</td>
<td>%</td>
<td>Workforce Diversity: Women</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Headcount Women ÷ Headcount</td>
</tr>
<tr>
<td>Span of Control</td>
<td>X : 1</td>
<td>Headcount ÷ Management Headcount</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCTIVITY AND VALUE ADDED</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue per FTE</td>
<td>CZK</td>
<td>Revenue ÷ Total FTEs</td>
</tr>
<tr>
<td>Cost per FTE</td>
<td>CZK</td>
<td>Total Costs ÷ Total FTEs</td>
</tr>
<tr>
<td>Profit per FTE</td>
<td>CZK</td>
<td>Profit Before Tax ÷ Total FTEs</td>
</tr>
<tr>
<td>Wealth Created per FTE</td>
<td>CZK</td>
<td>(Profit After Tax – 10% Shareholder Equity) ÷ Total FTEs</td>
</tr>
<tr>
<td>Remuneration/Revenue</td>
<td>%</td>
<td>(Compensation + Benefits) ÷ Revenue</td>
</tr>
<tr>
<td>Remuneration/Total Costs</td>
<td>%</td>
<td>(Compensation + Benefits) ÷ Total Costs</td>
</tr>
<tr>
<td>Human Capital Return on Investment</td>
<td>CZK</td>
<td>(Revenue – (Total Costs – (Compensation + Benefits))) ÷ (Compensation + Benefits)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPENSATION AND BENEFITS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Compensation</td>
<td>CZK</td>
<td>Compensation ÷ Total FTEs</td>
</tr>
<tr>
<td>Average Remuneration</td>
<td>CZK</td>
<td>(Compensation + Benefits) ÷ Total FTEs</td>
</tr>
<tr>
<td>Average Benefits</td>
<td>CZK</td>
<td>Benefits ÷ Total FTEs</td>
</tr>
<tr>
<td>Benefits/Compensation</td>
<td>%</td>
<td>Benefits ÷ Compensation</td>
</tr>
<tr>
<td>Variable Compensation</td>
<td>%</td>
<td>(Performance-Related pay + Attendance-Related Pay) ÷ Compensation</td>
</tr>
<tr>
<td>Performance Related pay</td>
<td>%</td>
<td>Performance Related Pay ÷ Compensation</td>
</tr>
<tr>
<td>Attendance Related pay</td>
<td>%</td>
<td>Attendance Related Pay ÷ Compensation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ABSENCE AND TURNOVER</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence Rate</td>
<td>%</td>
<td>Absence Days ÷ FTE Workdays</td>
</tr>
<tr>
<td>Sickness Absence Rate</td>
<td>%</td>
<td>Sickness Absence Days ÷ FTE Workdays</td>
</tr>
<tr>
<td>Number of Absence days per FTE</td>
<td>Days</td>
<td>Number of Absence Days ÷ FTEs</td>
</tr>
<tr>
<td>Number of Sickness Absence Days per FTE</td>
<td>Days</td>
<td>Number of Sickness Absence Days ÷ FTEs</td>
</tr>
<tr>
<td>Lost Time Incidents per 1,000 Employees</td>
<td>Number</td>
<td>Lost Time Incidents x 1,000 ÷ FTEs</td>
</tr>
<tr>
<td>HR Controlling 2013</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>----</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lost Time per Incident</th>
<th>Days</th>
<th>Working Days Lost ÷ Lost Time Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination Rate</td>
<td>%</td>
<td>Terminations ÷ Headcount</td>
</tr>
<tr>
<td>Involuntary Termination Rate</td>
<td>%</td>
<td>Involuntary Terminations ÷ Headcount</td>
</tr>
<tr>
<td>Resignation Rate</td>
<td>%</td>
<td>Resignations ÷ Headcount</td>
</tr>
<tr>
<td>Resignation Rate by Tenure</td>
<td>%</td>
<td>Resignations within each Tenure range ÷ Total Resignations</td>
</tr>
<tr>
<td>Less than One Year of Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ≤ 3 years of service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 ≤ 5 years of service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 ≤ 10 years of service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10+ years of service</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**RESOURCING**

<table>
<thead>
<tr>
<th>External Recruitment Rate</th>
<th>%</th>
<th>External Recruits ÷ Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per Hire</td>
<td>CZK</td>
<td>External Recruitment Costs ÷ External Recruits</td>
</tr>
<tr>
<td>Time to Accept</td>
<td>Days</td>
<td>Days to Accept</td>
</tr>
<tr>
<td>Internal Appointment Rate (Managers/Specialists)</td>
<td>%</td>
<td>Internal Appointments ÷ Headcount (Managers/Specialists)</td>
</tr>
<tr>
<td>Internal Promotion Rate (Managers/Specialists)</td>
<td>%</td>
<td>Internal Promotions ÷ Headcount (Managers/Specialists)</td>
</tr>
<tr>
<td>Acceptance Rate</td>
<td>%</td>
<td>Job Offers Accepted ÷ Job Offers Made</td>
</tr>
<tr>
<td>Career Path Ratio</td>
<td>%</td>
<td>Internal Promotions ÷ Internal Appointments</td>
</tr>
</tbody>
</table>

**LEARNING AND DEVELOPMENT**

<table>
<thead>
<tr>
<th>FTEs per L&amp;D Function FTE</th>
<th>X : 1</th>
<th>FTEs ÷ L&amp;D Function FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>L&amp;D Investment per FTE - Total</td>
<td>CZK</td>
<td>L&amp;D Investment ÷ FTEs</td>
</tr>
<tr>
<td>External Cost per FTE</td>
<td>CZK</td>
<td>External Costs ÷ FTEs</td>
</tr>
<tr>
<td>In-house Cost per FTE</td>
<td>CZK</td>
<td>In-house Cost ÷ FTEs</td>
</tr>
<tr>
<td>L&amp;D Investment/Compensation</td>
<td>%</td>
<td>L&amp;D Investment ÷ Compensation</td>
</tr>
<tr>
<td>L&amp;D Hours per FTE</td>
<td>Hours</td>
<td>L&amp;D Hours ÷ FTEs</td>
</tr>
<tr>
<td>In-House Hours per FTE</td>
<td>Hours</td>
<td>In-house L&amp;D Hours ÷ FTEs</td>
</tr>
<tr>
<td>External Hours per FTE</td>
<td>Hours</td>
<td>External L&amp;D Hours ÷ FTEs</td>
</tr>
<tr>
<td>Percentage of In-house</td>
<td>%</td>
<td>In-House L&amp;D Hours ÷ Total L&amp;D Hours</td>
</tr>
<tr>
<td>Learning Events per Head</td>
<td>Number</td>
<td>Attendees Trained ÷ Headcount</td>
</tr>
<tr>
<td>Learning Penetration</td>
<td>%</td>
<td>Employees Receiving ≥ 1 Training Day ÷ Headcount</td>
</tr>
<tr>
<td>Average length of assignments ended</td>
<td>Months</td>
<td>Average length of international assignments ended</td>
</tr>
<tr>
<td>Workforce with international assignment experience</td>
<td>%</td>
<td>Employees with international assignment experience ÷ Headcount</td>
</tr>
</tbody>
</table>
### TALENT MANAGEMENT

<table>
<thead>
<tr>
<th>Metric</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Key Positions Covered</td>
<td>% Key Positions Covered ÷ Key Positions Identified</td>
</tr>
<tr>
<td>Succession Pipeline Depth</td>
<td>% Successors ÷ Key Positions Identified</td>
</tr>
<tr>
<td>Talent Resignation Rate</td>
<td>% Talent Resignations ÷ Talent Group Headcount</td>
</tr>
</tbody>
</table>

### HR FUNCTION

<table>
<thead>
<tr>
<th>Metric</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Department Costs/Total Costs</td>
<td>% HR Department Costs ÷ Total Costs</td>
</tr>
<tr>
<td>FTEs per HR Department FTE</td>
<td>X : 1 FTEs ÷ HR Department FTEs</td>
</tr>
<tr>
<td>HR Department Costs per FTE</td>
<td>CZK HR Department Costs ÷ FTEs</td>
</tr>
<tr>
<td>Average HR Remuneration</td>
<td>CZK HR Remuneration ÷ HR FTEs</td>
</tr>
<tr>
<td>HR Outsource Rate</td>
<td>% HR Outsource Costs ÷ HR Costs</td>
</tr>
</tbody>
</table>

### CORPORATE AND SUPPORT FUNCTIONS

Metrics are available for each of the following HR processes:

- Finance
- Sales
- Marketing
- Customer Service
- IT
- R&D
- Procurement
- Payroll
- Occupational Health and Safety
- Logistics
- Production

<table>
<thead>
<tr>
<th>Metric</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs per Function FTE</td>
<td>X : 1 FTEs ÷ Function FTEs</td>
</tr>
<tr>
<td>% Function Managers and Professionals</td>
<td>% Management and Professional Function FTEs ÷ Function FTEs</td>
</tr>
<tr>
<td>Function Costs/Total Costs</td>
<td>% Function Costs ÷ Total Costs</td>
</tr>
</tbody>
</table>

### CORPORATE RESPONSIBILITY

<table>
<thead>
<tr>
<th>Metric</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Investments per FTE</td>
<td>CZK Community Investments ÷ FTE</td>
</tr>
<tr>
<td>Community Hours per 1,000 FTE</td>
<td>number Community Working Hours Spent x 1,000 ÷ FTE</td>
</tr>
<tr>
<td>Community Investments/Profit</td>
<td>CZK Community Investments ÷ Profit Before Tax</td>
</tr>
</tbody>
</table>
## 2.3 LIST OF PARTICIPANTS

We would like to thank all participants (128) for their active participation in the survey and, at the same time, we appreciate the trust they have shown by providing us with the requested information necessary to prepare the study. Some participants did not provide us with permission to publish their company name. The numbers in brackets state the total number of companies in the sector.

**Automotive (25)**
- Faurecia Automotive Czech Republic s.r.o.
- Faurecia Components Písek, s.r.o.
- Faurecia Exhaust Systems s.r.o.
- Faurecia Interior Systems Bohemia s.r.o.
- Faurecia Interiors Pardubice s.r.o.
- Flabeg Czech s.r.o.
- FUJIKOKI CZECH s.r.o.
- GRIOS s.r.o.
- Hyundai Motor Manufacturing Czech s.r.o.
- Iveco Czech Republic, a.s.
- JC Interiors Czechia s.r.o.
- Koyo Bearings Česká republika s.r.o.
- NOVEM Car Interior Design k.s.
- Robert Bosch, spol. s r.o.
- Saar Gummi Czech s.r.o.
- ŠKODA AUTO a.s.
- Toyota Peugeot Citroën Automobile Czech, s.r.o.
- TRW Autoelektronika, s.r.o.
- TRW Automotive Czech s.r.o.
- VALEO AUTOKLIMATIZACE k.s.
- Valeo Compressor Europe s.r.o.
- VALEO VÝMĚNÍKY TEPLA k.s.
- Westfalia Metal s.r.o.

**Financial services (12)**
- PricewaterhouseCoopers Česká republika, s.r.o.
- PROFI CREDIT Czech, a.s.
- Česká spořitelna, a.s.
- Československá obchodní banka, a.s.
- GE Money Bank, a.s.
- J & T BANKA, a.s.
- Komerční banka, a.s.
- Raiffeisenbank a.s.
- Waldviertler Sparkasse Bank AG
- Česká pojišťovna a.s.
- ČSOB Pojišťovna, a.s., člen holdingu ČSOB
- Pojišťovna České spořitelny, a.s., Vienna Insurance Group

**Banking (7)**
- Česká spořitelna, a.s.
- Československá obchodní banka, a.s.
- GE Money Bank, a.s.
- J & T BANKA, a.s.
- Komerční banka, a.s.
- Raiffeisenbank a.s.
- Waldviertler Sparkasse Bank AG
- ŠKODA AUTO a.s.

**FMCG (7)**
- Coca-Cola HBC Česká republika, s.r.o.
- Drylock Technologies s.r.o.
- McDonald’s ČR spol. s r.o.
- Pivovary Staropramen s.r.o.
- Rodinný pivovar BERNARD a.s.

**Energy & Utilities (7)**
- ČEZ, a.s.
- Dalkia Česká republika, a.s.
- Přízeňská teplářská, a.s.
- Pražská energetika, a.s.

**High Tech (11)**
- Asseco Central Europe, a.s.
- DHL Information Services (Europe) s.r.o.
- FOXCONN CZ s.r.o.
- GMC Software Technology s.r.o.
- HSI, spol. s r.o.
- NetSuite Czech Republic s.r.o.
- SAP Business Services Centre Europe s.r.o.
- Telefónica Czech Republic, a.s.
- T-Mobile Czech Republic a.s.
- T-Systems Czech Republic a.s.
- Vodafone Czech Republic a.s.

**Chemical (6)**
- GUMOTEX, akciová společnost
- PRECHEZA a.s.

**Logistics (6)**
- Advanced World Transport a.s.
- Česká pošta, s.p.
- DHL Supply Chain s.r.o.
- Direct Parcel Distribution CZ s.r.o.
- Menzies Aviation (Czech), s.r.o.

**Pharmaceutical (7)**
- Baxter BioScience s.r.o.
- Gedeon Richter Marketing ČR, s.r.o.
- Chiesi CZ s.r.o.
- LONZA BIOTEC s.r.o.
- PRO.MED.CS Praha a.s.
**Trade and distribution (12)**
- Atlas Copco s.r.o.
- AUTOBENEX, spol. s r.o.
- BAŤA, akciová společnost
- BUFAB CZ s.r.o.
- CeWe Color, a.s.
- DATART INTERNATIONAL, a.s.
- DIVA Center s.r.o.
- EMOS spol. s r.o.
- REMY COINTREAU CZECH REPUBLIC s.r.o.
- Štora Enso Praha, s.r.o.
- TOYOTA TSUSHO EUROPE S.A., organizační složka v České republice
- UNCLE SAM a.s.

**Insurance (3)**
- Česká pojišťovna a.s.
- ČSOB Pojišťovna, a.s., člen holdingu ČSOB
- Pojišťovna České spořitelny, a.s., Vienna Insurance Group

**Manufacturing (27)**
- ABB s.r.o.
- Abydos s.r.o.
- AERO Vodochody AEROSPACE a.s.
- AGC Flat Glass Czech a.s., člen AGC Group
- Ammann Czech Republic a.s.
- Aperam Stainless Services & Solutions Tubes CZ s.r.o.
- ArcelorMittal Ostrava a.s.
- Ball Aerocan CZ s.r.o.
- Biocel Paskov a.s.
- Bodycote HT s.r.o.
- Bombardier Transportation Czech Republic a.s.
- Constellium Extrusions Děčín s.r.o.
- Crystalex CZ, s.r.o.
- Doosan Škoda Power s.r.o.
- Driessen Aerospace CZ s.r.o.
- Glatt - Pharma, spol. s r.o.
- HESTEGO a.s.
- Huhtamaki Česká republika, a.s.
- Isolit-Bravo, spol. s r.o.
- LAPP KABEL s.r.o.
- LINCOLN CZ, s.r.o.
- MEDIN, a.s.
- OSTROJ a.s.
- ROHDE & SCHWARZ závod Vímek, s.r.o.
- Schneider Electric, a.s.
- Siemens, s.r.o.
- THIMM Obaly, k.s.

**Construction (6)**
- Navláčil stavební firma, s.r.o.
- Skupina firem PKS

**Others (2)**
- MBtech Bohemia s.r.o.
- S U M O s.r.o.
2.4 DATA PRESENTATION

We monitored key HR management indicators from 1 January 2012 to 31 December 2012. Detailed definitions and formulae of individual indicators are listed in the Appendix “Definitions”.

We have prepared tables for each indicator summary that include the values of these statistical indicators:

<table>
<thead>
<tr>
<th>Name</th>
<th>Method of calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>The sum of all values reported, divided by the number of these values.</td>
</tr>
<tr>
<td>1st decile</td>
<td>The value dividing the sample in two parts - 10% of the values is below this data point and 90% is above it.</td>
</tr>
<tr>
<td>1st quartile</td>
<td>The value dividing the sample in two parts - 25% of the values is below this data point and 75% is above it.</td>
</tr>
<tr>
<td>Median</td>
<td>The value is in the middle of the whole data sample - 50% of the values is below this data point and 50% is above it.</td>
</tr>
<tr>
<td>3rd quartile</td>
<td>The value dividing the sample in two parts - 75% of the values is below this data point and 25% is above it.</td>
</tr>
<tr>
<td>9th decile</td>
<td>The value is dividing the sample in two parts - 90% of the values is below this data point and 10% is above it.</td>
</tr>
</tbody>
</table>

The number of responses is stated for each value, which shows the size of the available sample. The greater the number, the more reliable the results are. The number may be lower than the number of companies in the sample, as some companies were not able to provide data for all indicators.

**Graph sample**

![Graph sample](image)

**Table sample**

<table>
<thead>
<tr>
<th>Company category</th>
<th>Average</th>
<th>10. percentile</th>
<th>25. percentile</th>
<th>Median</th>
<th>75. percentile</th>
<th>90. percentile</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Including production</td>
<td>6 618 111</td>
<td>1 480 478</td>
<td>2 605 009</td>
<td>4 574 817</td>
<td>7 620 128</td>
<td>12 807 604</td>
<td>77</td>
</tr>
<tr>
<td>Excluding production</td>
<td>6 773 172</td>
<td>1 422 247</td>
<td>2 574 297</td>
<td>4 513 961</td>
<td>7 755 090</td>
<td>15 150 721</td>
<td>49</td>
</tr>
<tr>
<td>Czech owned</td>
<td>5 388 695</td>
<td>1 222 447</td>
<td>2 624 969</td>
<td>4 534 961</td>
<td>7 912 133</td>
<td>14 609 883</td>
<td>94</td>
</tr>
<tr>
<td>Foreign owned</td>
<td>7 117 466</td>
<td>1 627 347</td>
<td>2 562 969</td>
<td>4 534 961</td>
<td>7 912 133</td>
<td>14 609 883</td>
<td>94</td>
</tr>
<tr>
<td>ROE &lt; 5%</td>
<td>5 412 607</td>
<td>1 288 934</td>
<td>2 434 675</td>
<td>4 592 904</td>
<td>8 261 672</td>
<td>26 826 951</td>
<td>38</td>
</tr>
<tr>
<td>ROE &gt; 20%</td>
<td>9 146 463</td>
<td>1 606 601</td>
<td>2 434 675</td>
<td>4 112 189</td>
<td>6 892 249</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All companies</td>
<td>6 678 413</td>
<td>1 451 815</td>
<td>2 431 700</td>
<td>4 379 342</td>
<td>7 228 860</td>
<td>14 998 818</td>
<td>126</td>
</tr>
</tbody>
</table>

Missing value as a result of insufficient number of inputs into data analysis
In line with PwC’s standard disclosure practice, in order to maintain confidentiality of participants’ information, we do not provide an analysis of metrics where less than three companies responded. Averages and medians are provided where a minimum of three companies responded; 1st and 3rd quartiles (25th and 75th percentiles) are provided where data was provided by five or more companies; and 1st and 9th deciles are provided where data was provided by at least nine companies. These rules ensure that it is not possible to deduce the values of a particular company.

Please note that in several cases the percentage sum is not equal to 100%, which can be caused by the following:
a) The automatic rounding of decimal points for some percentage figures,
b) The fact that some companies were not able to provide data for all employee categories.

**HR Scorecard — Individual benchmark of a company**

In addition to the final report, there is an interactive tool called HR Scorecard. This tool is an integral part of the outputs of this study and allows you to benchmark the values of particular HR indicators in your company with the market. Instructions on how to use this tool can be found directly in the Excel file.
2.6 PRODUCTIVITY AND ADDED VALUE

By linking human capital management to commercial and financial results, these metrics guide the alignment of improved human capital policy and interventions towards those areas that have a real influence on business success or failure.

We typically divide the portfolio into two parts - Financial impact and Productivity and Value added. These metrics:

- provide an overview of an organisation's relative performance and competitive position,
- increase business and managerial decision-making focus on productivity and efficiency from a human capital resource perspective,
- allow improved prioritisation of human capital management policies.
2.6.1 Revenue per FTE

How to use it

Revenue per FTE describes in gross terms, how much money employees are bringing into the organisation, whether directly or indirectly. Ultimately, it reflects whether the organisation’s human capital policies are having a positive influence on the monies coming into the organisation.

It must be recognised that growth is achieved through dynamic interactions between the market and the workplace. HR has a clear influence over revenue performance through its resourcing focus, reward strategy, learning and development interventions etc since these directly affect employee capabilities, attitudes and engagement and consequentially work outputs, quality, sales and customer service.

- Where Revenue per FTE appears strong in comparative terms, it is not necessarily safe to assume that underlying revenues themselves are competitively high. Such a benchmark position may also be achieved by simply generating similar revenues to your competitors but with fewer FTEs employed.

- If revenue performs poorly, investigations must begin to understand the effect of the two constituent parts of the metric, revenues in absolute terms and the number of employees. It may reflect to a greater or lesser degree a higher comparative workforce establishment, or issues relating to the commercial proposition, customer/client relationship management, marketing and sales efforts.

- Where Revenue per FTE is increasing or decreasing rapidly for your organisation, it is important to understand how, if at all, human capital interventions have influenced the situation. Are positive movements begin affected by new product development, skills training, performance management etc.

- In situations where your benchmark positioning remains relatively constant, you should investigate the impact and effectiveness of recent sales and marketing initiatives, customer service initiatives, product introductions, your productivity focus, performance management and incentivisation. Explore whether these are having any measurable positive effect and consider alternative/corrective actions where appropriate.

-Restructuring, downsizing and outsourcing strategies can have a dramatic positive effect on Revenue per FTE in the short-term as the number of employees (the denominator) is reduced. However, it must be recognised that such actions usually bring a one-off gain to an organisations benchmark profile on FTE-based measures. In the longer-term, these strategies may do little to improve the fundamental performance of the organisation relative to others. Use of other metrics such as the Human Capital ROI allows organisations to track the underlying effect of such corporate interventions whether positive or negative.

Target guide – upper quartile

Metric relationships

- Cost per FTE
- Profit per FTE
- Wealth created per FTE
- Human capital ROI
- Remuneration/revenue , Remuneration/Total costs
- Absence and Resignation rates
- Learning and development metrics
3 CLOSING

3.1 ABOUT SARATOGA

Saratoga, a part of PricewaterhouseCoopers (PwC), is a global leader in human capital measurement, benchmarking and strategic application of human capital information.

Why is Saratoga different from other benchmarking tools in the market?

With a 29-year track record in people benchmarking, our tools, methodologies and analytical expertise are incomparable. We have a genuinely unrivalled data source – we hold the world’s largest, most robust database of people performance metrics. Saratoga works with 40% of the FTSE 100 and the Fortune 500.

Saratoga helps you to:
- Highlight key people issues
- Identify areas for improvement
- Provide objective and consistent analysis
- Build business cases for people investment

Saratoga has one of the largest databases containing valuable information on key indicators of human capital performance collected from over 22,000 organisations across all major sectors of commercial activity in Europe and the US. Using these databases, we can offer you further individual comparisons of your company’s results against other organisations, whether direct competitors or those seen to be facing similar business or economic challenges, along with a full interpretive commentary.

The history:

PricewaterhouseCoopers LLP (US organisation) acquired Saratoga Institute in February 2003 and PricewaterhouseCoopers LLP (UK organisation) acquired EP-First in November 2003. Combining these two market leaders with PwC’s existing human capital measurement capability has positioned PwC as a dominant human capital benchmarking provider.

3.2 USE OF THE REPORT AND DATA

This report is prepared for all participants of the HR Controlling 2013 survey. Non-participants can purchase a copy of this report from the contacts listed in this report.

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PwC undertakes to keep confidential all information received from participants of this survey, to use the information solely for internal purposes and not to distribute the information or post such information either on the Internet or Intranet or in any freely accessible information sources.

3.3 PROJECT TEAM

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3.4 OTHER HRM SERVICES

Our team of HR specialists has been successfully advising a wide range of both multinational and Czech companies on their HR issues for over 19 years. Our goal is to provide you with comprehensive HR services that combine the in-depth knowledge of our HR, corporate finance, management consulting, and personal tax professionals.

Whether your challenges are effectiveness of your human capital, competitiveness of your salaries, or retention of your key executives, our team can help.

Our services cover these areas:

- HR Process Audits and Optimisation
- Job Evaluation
- Reward and Employee Motivation Consulting
- Performance Management
- Human Resources Services for Inward Investors
- Organisational Consulting and Job Models
- Employer Brand Creation
- Employee Opinion Surveys