

randstad HR trends research

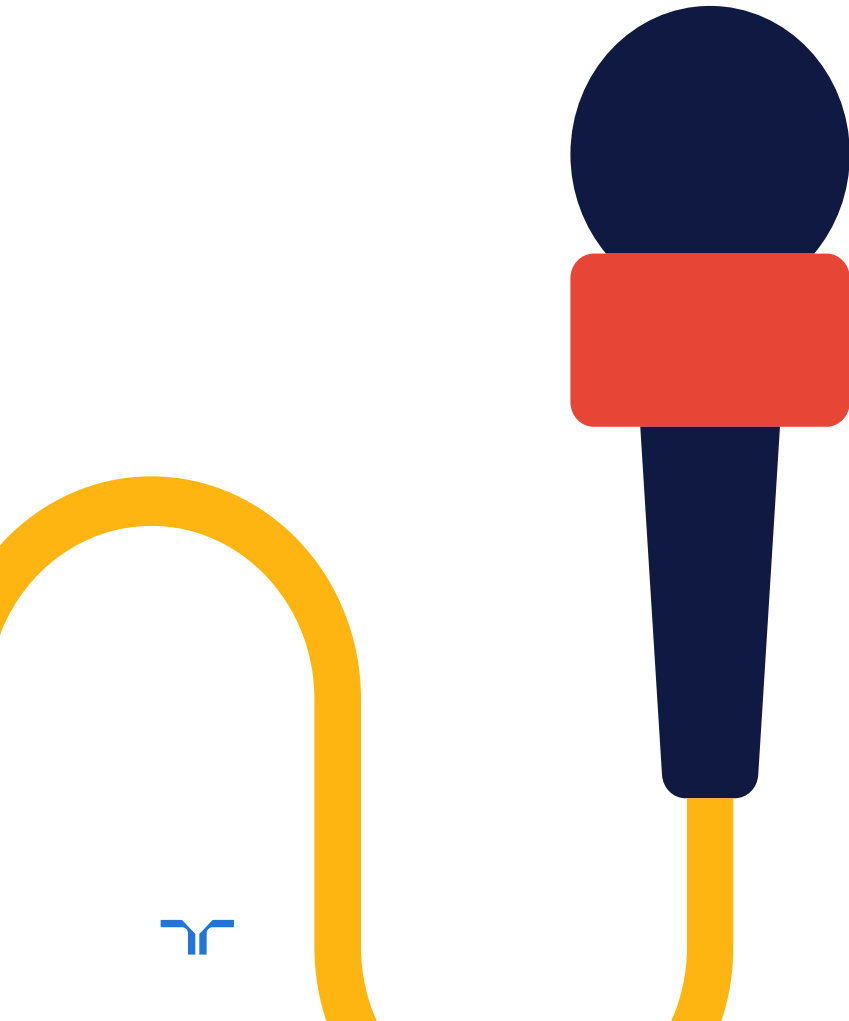
czech republic 2018



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introduction



- This report offers insights into various trends and developments impacting the human resources and recruitment practices in the Czech Republic.
- Key topics covered in the report include human capital strategy, recruitment practices and talent retention.
- 200 decision-makers and HR executives from a variety of industries in the Czech Republic completed the survey between February 2018 and April 2018.

executive

summary.



executive summary.

- Over half of the surveyed companies (61%) plan to hire people for permanent positions and 36% plan to recruit people for temporary positions in 2018.
- Most of the new hiring is expected in the production, sales and IT / technology departments.
- Employee referrals are considered the most efficient source to find the right people.
- The majority of the respondents (88%) are impacted by skill shortage. A lack of industry experience and soft skills (communication, team work, and team management) are the most common barriers faced by companies while finding the right people.
- Compared with the previous year, employee turnover remained unchanged. It usually takes one to three months to fill a permanent position, according to the majority of the surveyed companies.



attracting

talent.



attracting talent

main findings.

- A competitive salary package is considered the most important factor for attracting top talent. It is closely followed by a good work-life balance and strong branding of employer.
- “Soft” elements, such as high job security, a clear and purposeful mission, and an attractive value proposition, are also ranked high and considered important by over 35% respondents.
- On the other hand, an uncompetitive salary package is considered the main reason for failing to attract the right talent. It is followed by talent shortage and a lack of career opportunities within a company.

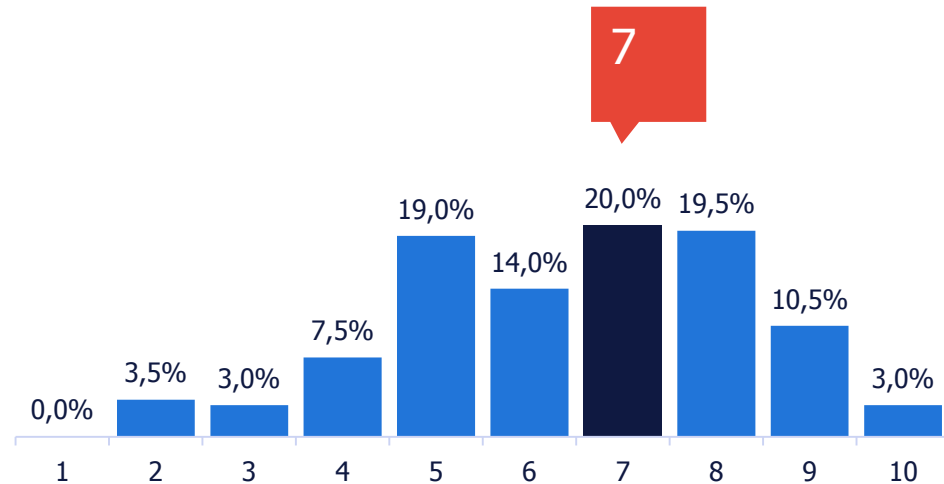


attracting top talent

key factors for attracting top talent.

- A majority of the surveyed companies believe they can attract top talent, ranking themselves "7", "8" and "5" respectively, on a scale of 1 to 10.

companies' ability to attract top talent



on a scale of 1 to 10, where 1 signifies "poor" and 10 signifies "excellent"



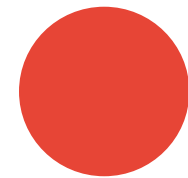
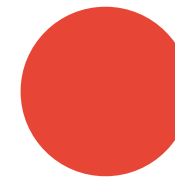
61%

employers said that offering a competitive salary package is important to attract top talent. Over half of the respondents consider that offering an uncompetitive salary package is the main reason for failing to attract the right talent.



35%

employers said that talent scarcity and lack of career opportunities within a company are two main reasons for failing to attract top talent.



human capital

strategy.



human capital strategy


main findings.

- Almost all surveyed companies (88%) are impacted by skill shortage.
- The top barriers faced by companies while finding the right people are lack of industry experience, soft skills, language, and specific educational skills.
- International work experience and leadership style are considered the least impactful factors.
- About 45% respondents address skill shortage by offering better salary / benefits packages, to retain and attract talent. More than 40% of the surveyed companies deal with skill shortage by providing educational and training programs to their employees.
- The production and IT / technology departments expect to hire the maximum number of people in 2018.




addressing skill shortage

about 88% companies are impacted by skill shortage.

 **59%** respondents said that lack of experience is the main barrier faced while recruiting people.

88% said that their organisations are impacted by skill shortage.

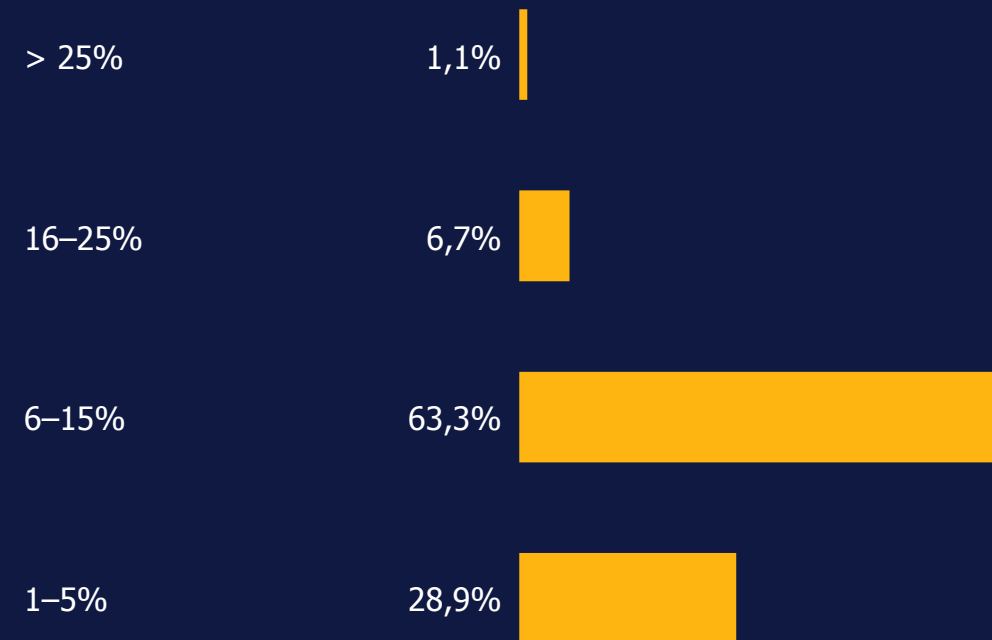


 **45%** respondents address skill shortage by offering better salary packages.

addressing skill shortage deep dive.

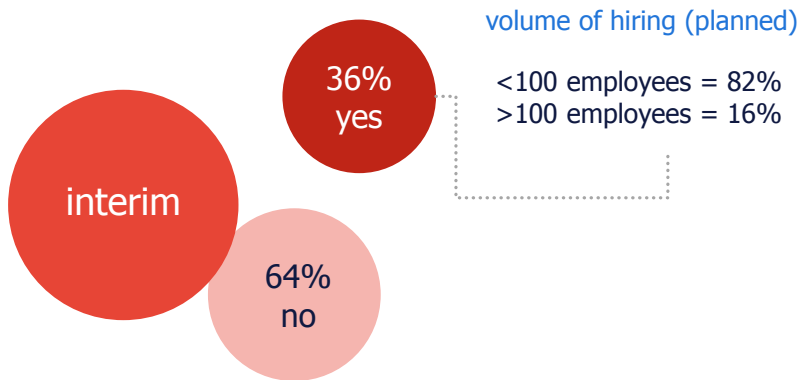
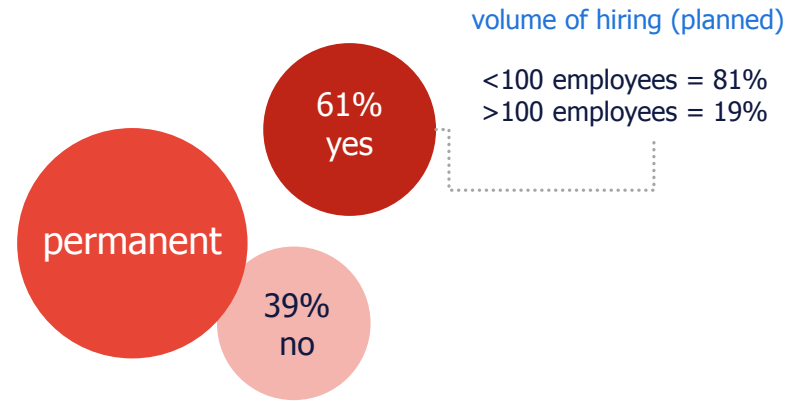
- Nearly two-thirds of the respondents take into consideration offering a very competitive salary package in order to tackle skills shortage.
- Most of the responding companies (over 90%), are ready to offer up to 15% higher salary, to attract and retain talent.
- The companies that are most opened to improving the salary pack are those in the manufacturing/industry sector.

how much more will you be willing to pay to retain or attract talent?



recruitment plans of respondents

61% respondents plan to hire permanent employees in 2018.



40%

respondents plan to recruit foreign workers. They prefer to hire people from Slovakia and Ukraine, followed by Poland and Germany.

16%

respondents consider hiring foreign workers from countries such as Slovakia, Ukraine, and Poland.

50%

respondents recruit people aged more than 50, while over 60% are considering this idea.

measures taken by companies to recruit more people aged over 50

- "flexible work hours"
- "shortening the work load"
- "salary raise"
- "shortened working hours"
- "internal retraining"
- "quality of work, rewards"
- "job offer"
- "training employees for PC work"
- "we generally have a higher age average in the group"

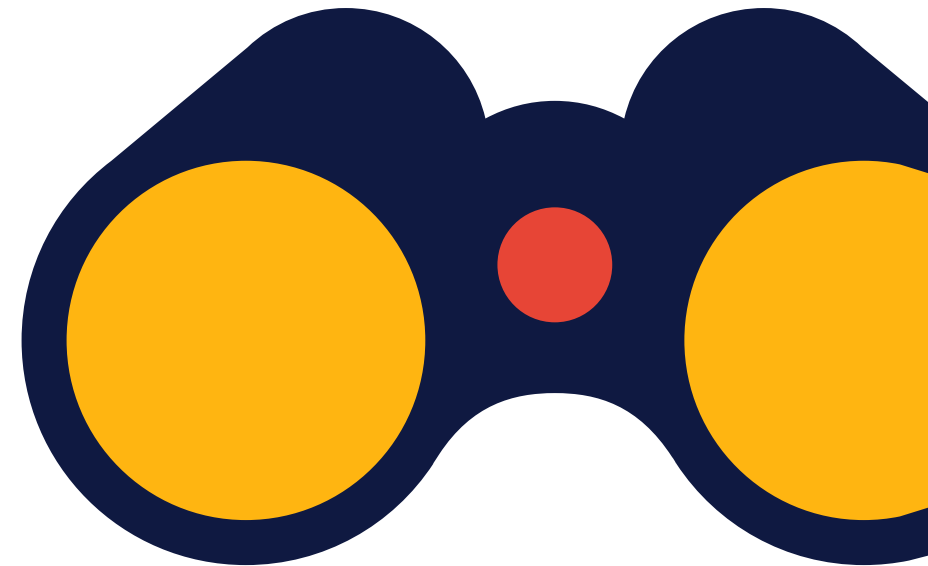
hiring plans by department.



the total is more than 100% because more than one answer is possible.



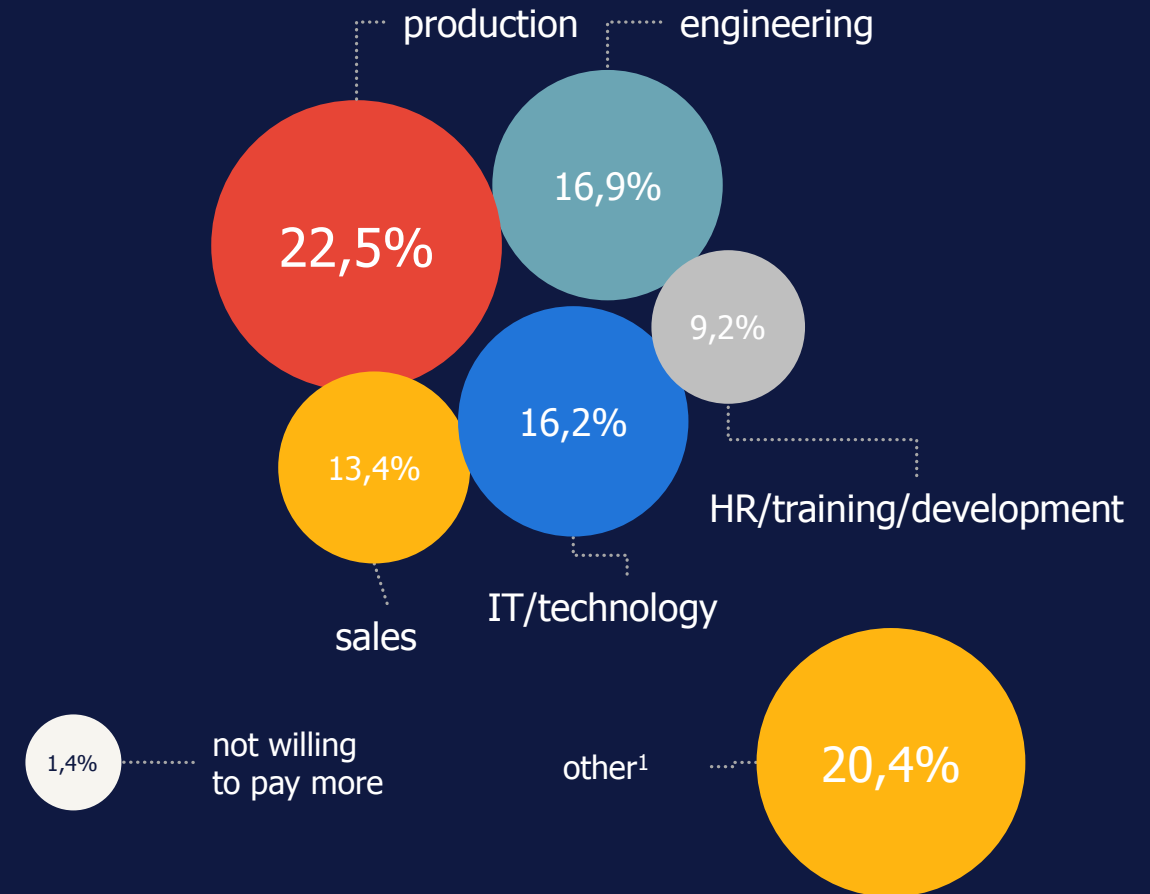
- During 2018, an increase in headcount is expected in the production, IT / technology, and sales departments.
- The main reason for hiring new employees is staff turnover, selected by 24.5% respondents, followed closely by national/international growth of the company and market growth.



human capital strategy deep dive.

- More than 30% on respondents say that managing expectations on compensations and benefits package is one of their company's main HR challenge during 2018.
- The departments in which respondents are willing to pay more to retain or attract talent are production, engineering, IT/technology, sales, and HR/training/development.
- Employers are less likely to pay more to recruit people in the procurement and legal department.

top five departments in which respondents are willing to pay more, to retain talent



¹others include marketing/communications, accounting/finance, procurement and legal.



main HR challenges faced by respondents



39%

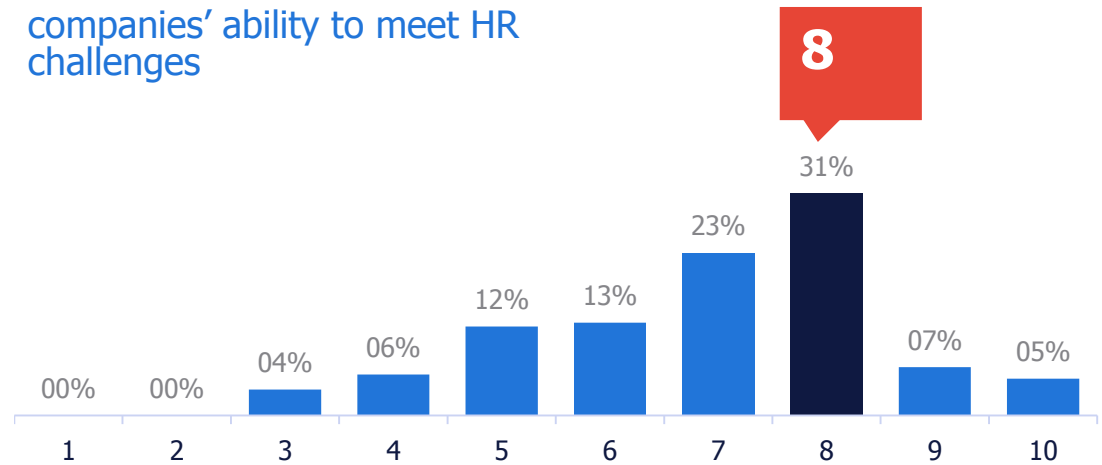
respondents said that economic situation in a country will have the highest impact on companies' performance in 2018, followed by process improvement (38%).



50%

respondents said that retaining top performers is the main HR challenge in 2018, followed by workplace inclusivity (40%).

companies' ability to meet HR challenges



on a scale of 1 to 10, where 1 signifies "poor" and 10 signifies "excellent"



recruitment

practices.



recruitment practices

main findings.

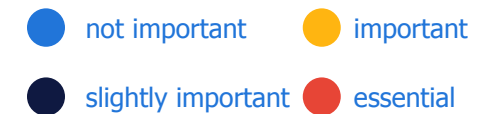
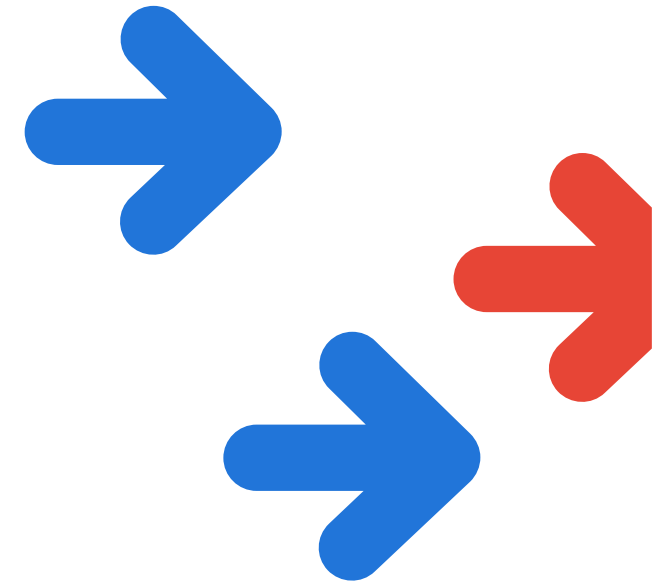
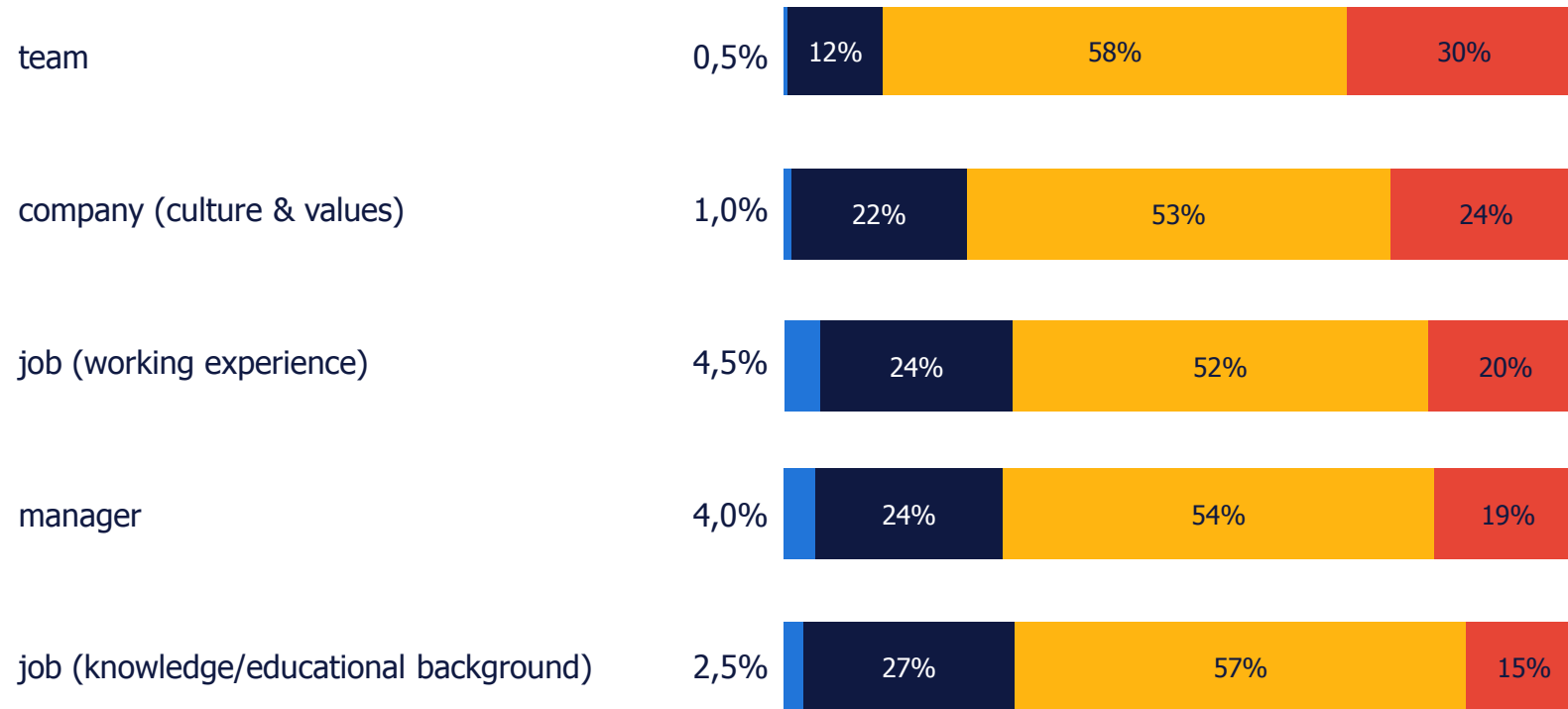
- Employers look for candidates who are a right fit for the team.
- About 54% respondents consider that a candidate / manager match is important.
- The ability to motivate and inspire the team, and strong analytical and problem solving skills are considered the most important skills for a manager.
- Employee referrals and face-to-face interviews are the most common practices used to recruit people.



importance of finding candidates that match with...

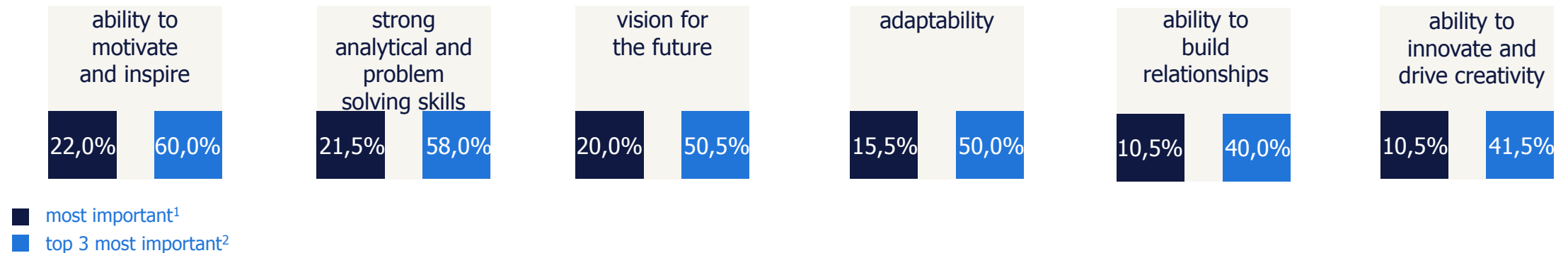
nearly 30% respondents consider that matching a candidate with the team culture is essential.

what importance do you attach to the match between a candidate and...



most important leadership competencies for managers

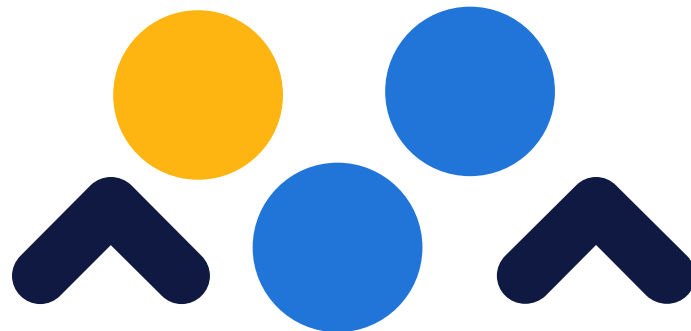
ability to motivate and inspire the team is the most desired leadership skill in a manager.



1. % = proportion of respondents who indicated this aspect as most important

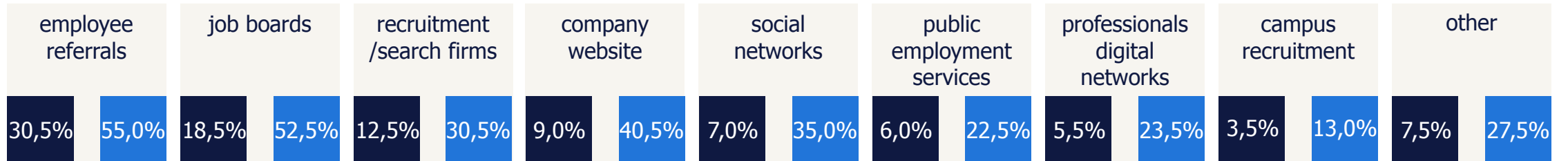
2. % = proportion of respondents who indicated this aspect within their top 3 most important aspects. The numbers do not add to 100% as respondents have the option to give more than one answer.

- In 2018, the ability to motivate and inspire the team is considered the most important leadership skill, followed by strong analytical and problem solving skills.



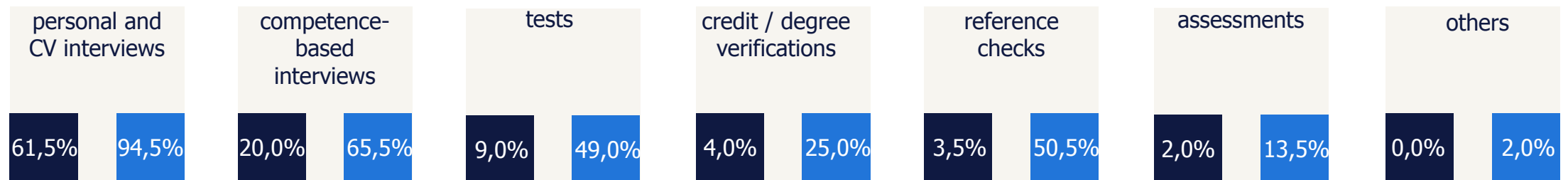
most effective sources and practices used to recruit people

most effective sources



- most important¹
- top 3 most important²

most effective practices



- most important¹
- top 3 most important²

1. % = proportion of respondents who indicated this aspect as most important
 2. % = proportion of respondents who indicated this aspect within their top 3 most important aspects. The numbers do not add to 100% as respondents have the option to give more than one answer.



talent

retention.

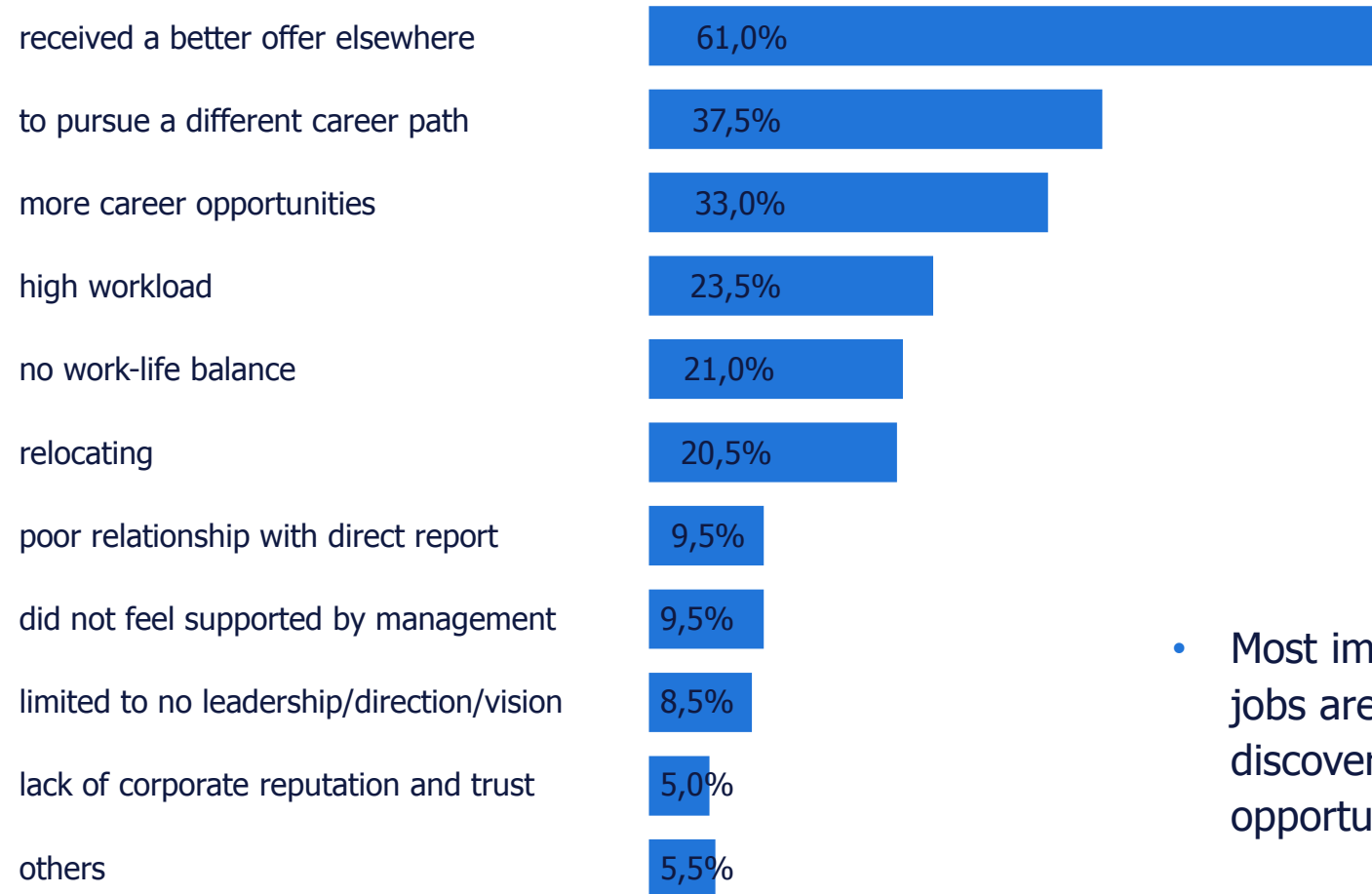


talent retention main findings.

- Over half of the respondents said that turnover rate in their companies remained unchanged, compared with the previous year. About 30% respondents reported an increase in the rate.
- Nearly 54% respondents believe that it takes longer to find people for permanent positions, while 43% think that it takes almost same time, compared with the previous year.
- Nearly two-thirds of the respondents find the right candidate for a permanent position in one to three months. Only 18% respondents find the right candidate in less than one month.



reasons why employees leave



the total is more than 100% because more than one answer is possible.

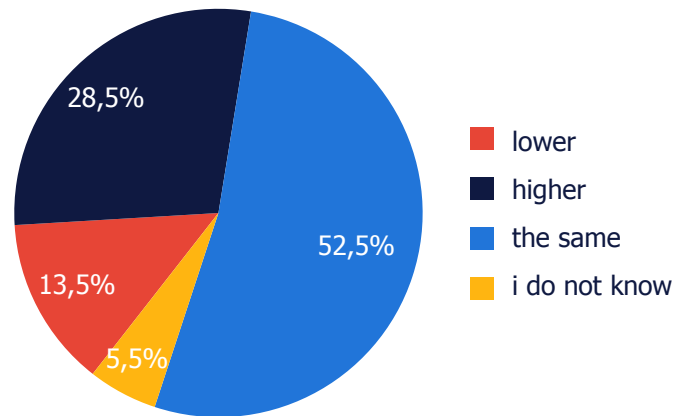


- Most important reasons for switching / leaving jobs are better offers, a change in career path, or discovering more career advancement opportunities elsewhere.

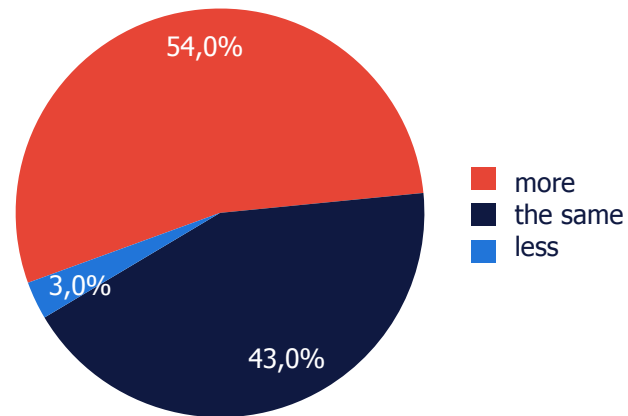
employee turnover

it usually takes one to three months for a company to fill a permanent position.

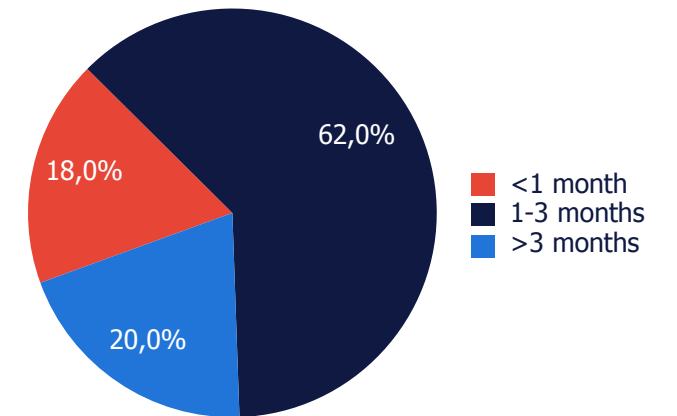
current turnover
(compared with the previous year)



time to find right people for
permanent positions
(compared with the previous year)



time to fill a permanent position



talent retention benefits.

most effective benefits to retain talent

2018

71,5%

45,5%

45,5%

42,0%

37,5%

25,0%

23,0%

20,0%

20,0%

16,5%

13,5%

8,5%

6,5%

4,0%

3,0%

benefits offered by surveyed companies

2018

59,0%

51,5%

47,5%

53,0%

44,5%

44,0%

66,0%

31,5%

14,0%

24,0%

28,0%

26,5%

10,0%

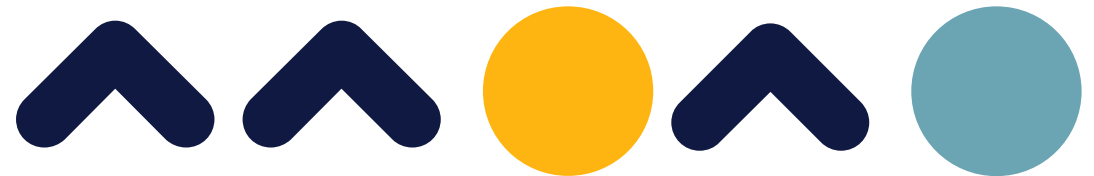
12,0%

3,5%

competitive salary
career development
bonuses/individual performance bonuses
additional leave days
flexible working hours
subsidised lunch
training
non-financial rewards/recognition
profit sharing
pension plan
health and wellness programmes
life insurance
paid parental leave/childcare benefits
medical insurance/disability insurance
none of the above

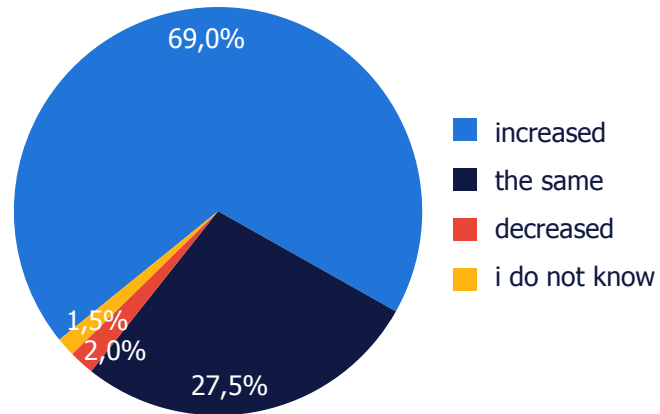
the total is more than 100% because more than one answer is possible.

- Retaining right people is essential for businesses. According to those surveyed, a competitive salary package and career development opportunities are the most effective benefits a company can offer to retain talent.
- Long-term benefits, such as medical insurance and life insurance, are considered less important.
- Most companies provide benefits in the form of training and competitive salaries. Additional leave days and career development opportunities ranked third and fourth, respectively.

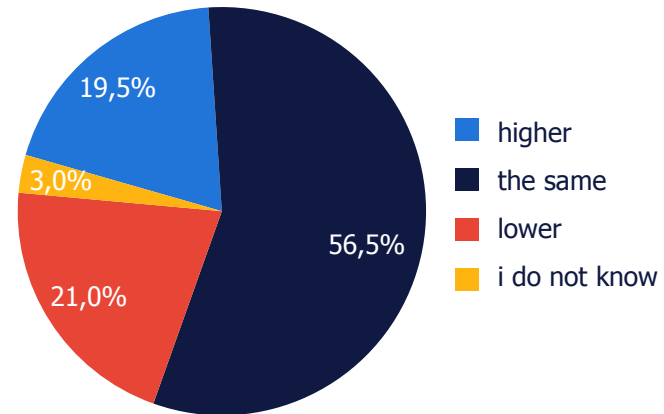


talent retention salaries.

Salary comparison with the previous year



salary comparison – competitors



- **Over half** of the respondents said that their salaries are at par with those offered by their competitors. About 20% respondents believe that they offer higher salaries than their competitors.
- **69%** of companies have increased salaries compared to the previous year

about



the research.

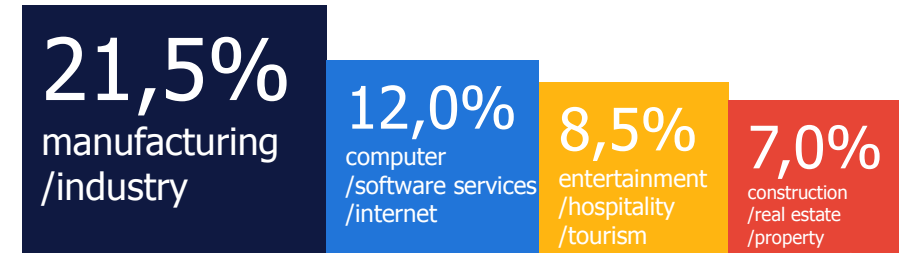
participant profile summary.

- The Randstad 2018 HR trends report presents data gathered from 200 companies in the Czech Republic.
- The manufacturing/industry, computer/software services/internet, entertainment/hospitality/tourism, and construction/real estate/property management sectors, together make up more than 47% of the sample.
- About 38% of the surveyed companies have fewer than 50 employees. Organisations with more than 1.000 employees represent about 18% of the sample.
- About 34% respondents work in the HR department; most of them are managers/supervisors with a decisive or important role in the recruitment process.



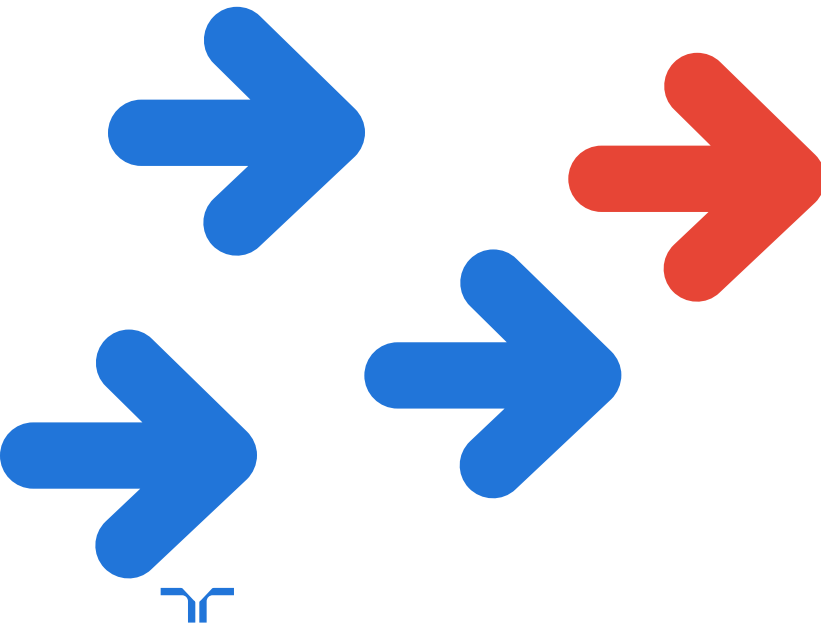
respondent profile by sector.

- The most represented sectors in the sample are manufacturing/industry and computer/software services/internet. These are followed by the entertainment/hospitality/tourism and construction/real estate/property management sectors.

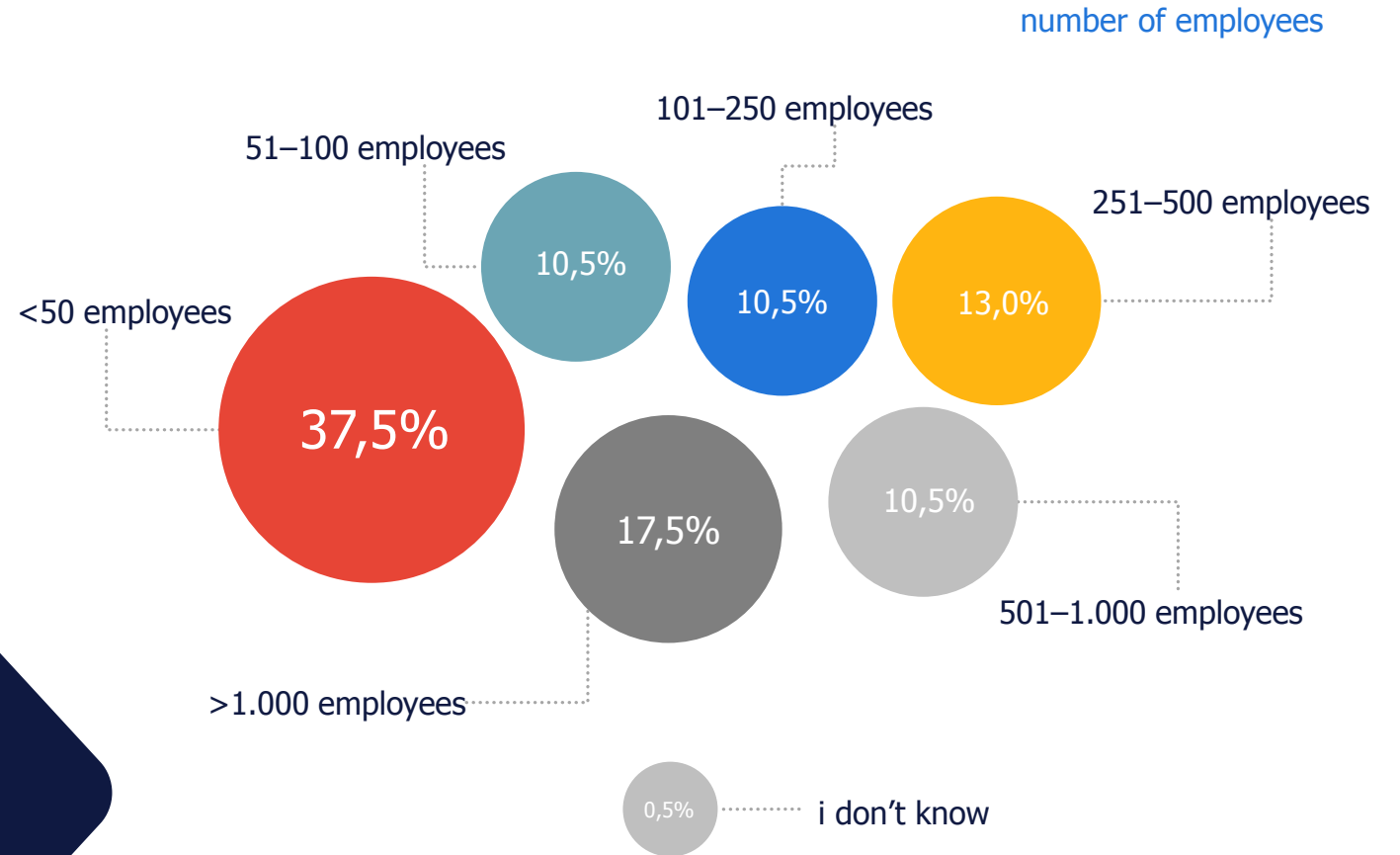
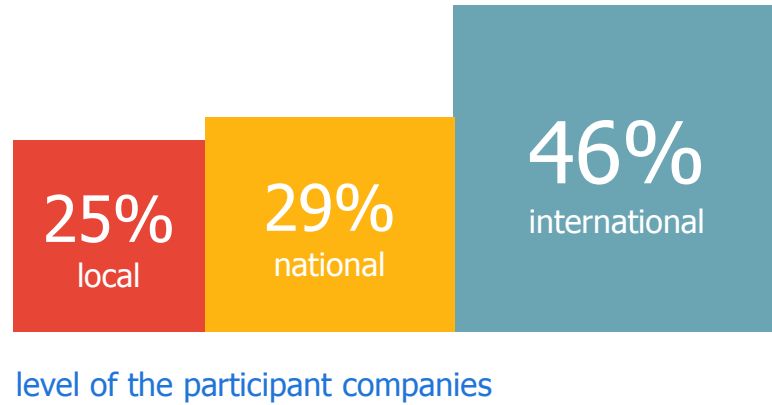


respondents distribution by sector

	2018
government/public/nonprofit	6.5%
services b2b	6.0%
financial services/banking & insurance	5.5%
transportation/logistics	5.0%
advertising, marketing, PR	4.5%
engineering	4.0%
telecommunications	3.0%
food services/food industry	2.5%
retail & distribution	2.5%
FMCG	2.0%
energy	2.0%
pharmaceutical/chemicals	1.5%
healthcare/medical	1.0%
other	5.0%



respondent profiles by company size.

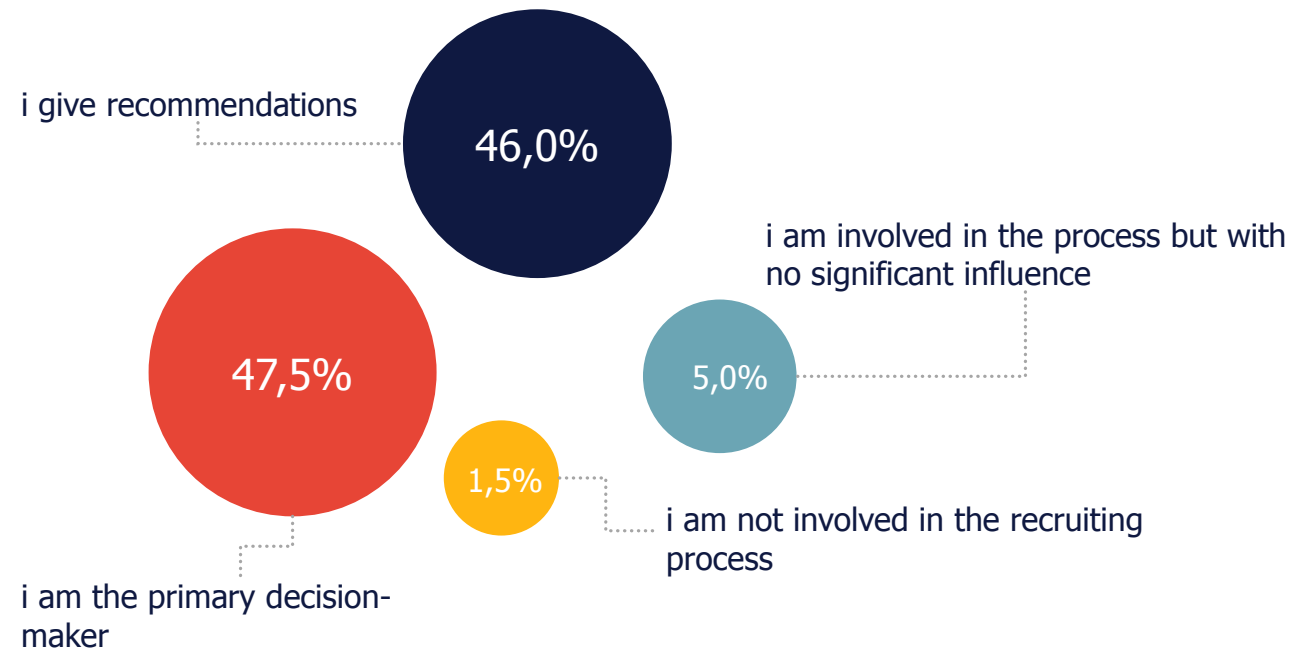


respondent profiles by job level.

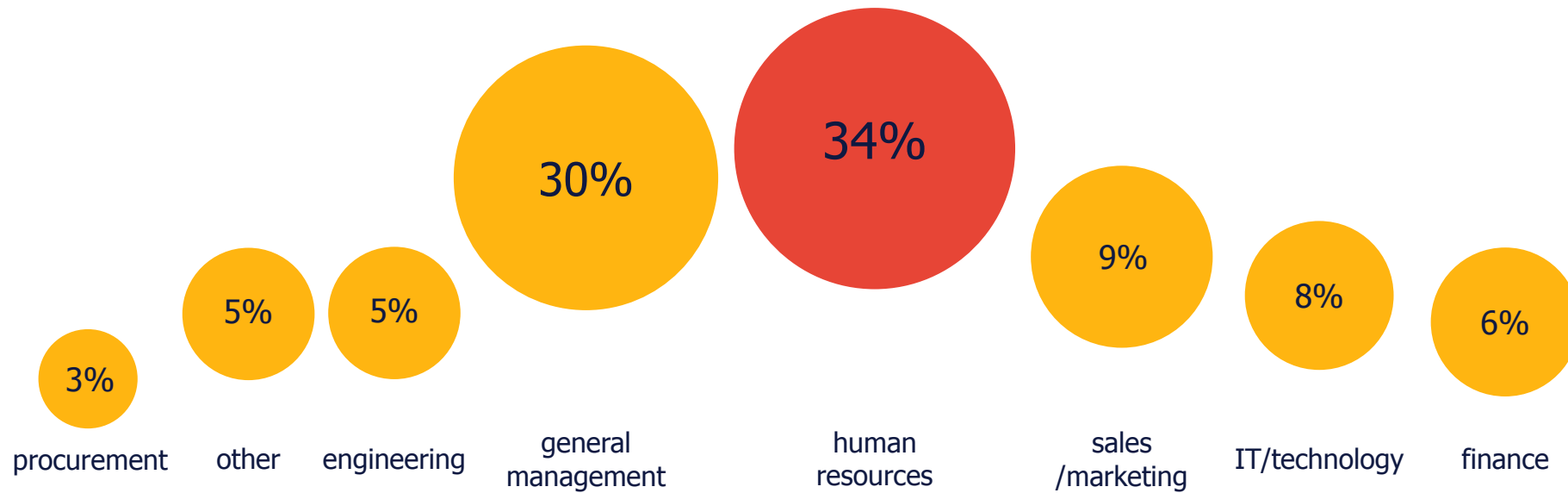
	2018
c-level executive	29,0%
director level	14,0%
supervisor/manager level	39,5%
technical level	9,5%
others	8,0%

- About 40% respondents work as department managers or supervisors.
- The majority of the respondents have a decisive or important role in the recruitment process. More than 93% respondents are directly involved in creating the company's employment strategy.

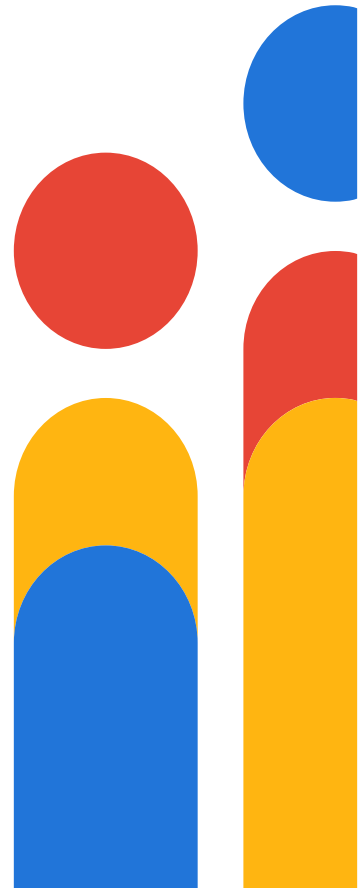
participants' role in the hiring process



respondent profile by department.

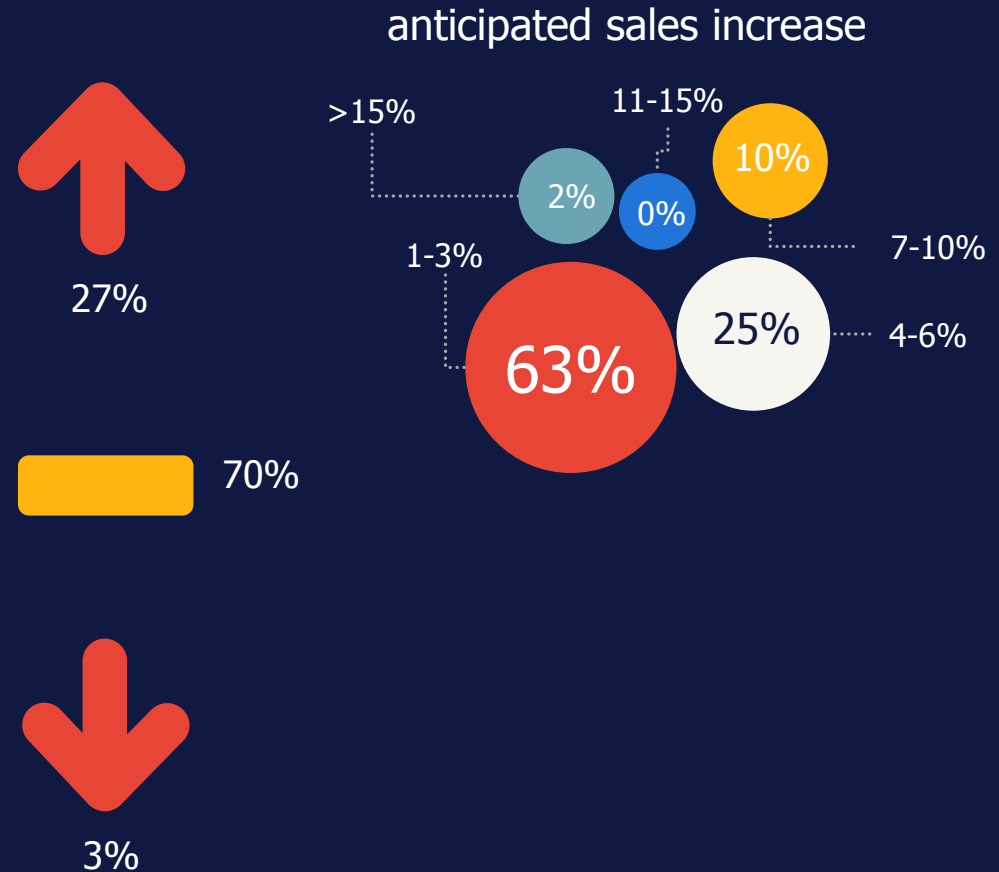


- Nearly 34% respondents work in their companies' human resources department.
- The general management department ranked second, with one in three respondents working in this department.



expected sales volume in 2018 deep dive.

- About 27% companies anticipate an increase in sales; 63% of them expect their sales to increase by 1–3%.
- Most companies that expect their sales volumes to increase are in the manufacturing sector.
- Nearly 70% respondents foresee stability in their sales volumes, while 3% respondents expect their sales to decrease.



randstad

human forward.

