

hr trends research 2019

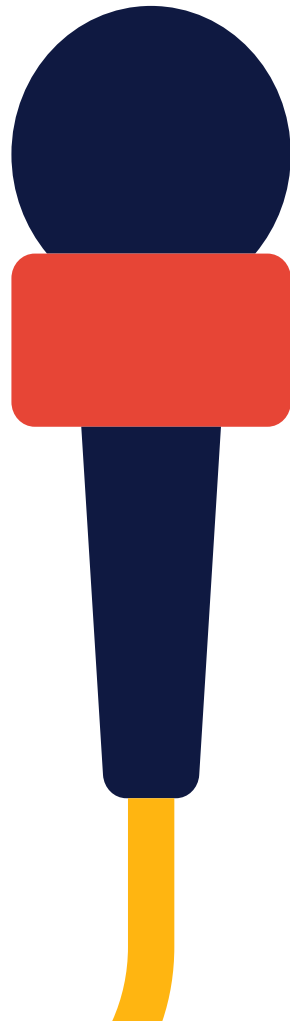
randstad czech republic



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introduction.



- The second edition of the Randstad HR trends report offers insights into various trends and developments impacting the human resources and recruitment practices in the Czech Republic.
- The key themes include attracting talent, human capital strategy, recruiting practices and talent retention.
- From January to April 2019, 208 decision makers and HR executives from a variety of industries in the Czech Republic completed the survey.

executive summary.

- Half of the surveyed companies plan to hire people for permanent positions and 34% plan to recruit people for temporary positions in 2019.
- Most of the new hiring is expected to be made within the production, sales or IT/technology departments.
- Offering a very competitive salary package is considered to be the key element for attracting talent.
- Employee referrals are considered the most efficient source to hire new personnel, while the second one is considered to be job boards.
- Previous experience in the industry and the lack of soft skills (communication, teamwork, and team management) are the most common barriers faced by companies when trying to find the right people.
- During 2018, salaries increased by 75% of the responding companies, and only 70% say the salaries they offer are in line with their competitors



attracting

talent.

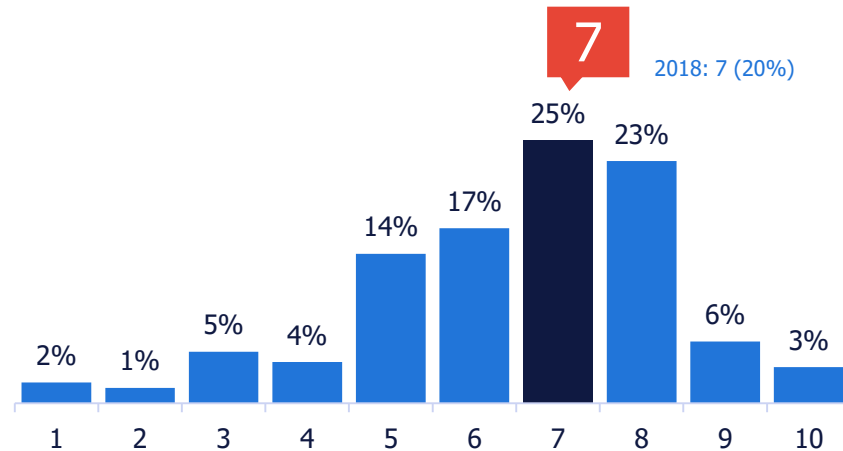


attracting top talent

companies' ability to attract top talent remained the same as in previous year.

- Similarly to the previous year, the companies consider that offering a very competitive salary package is the most important element in attracting top talent.
- A strong employer brand is also in top three key elements that companies are using in order to attract new talent this year.
- The companies are optimistic about their ability to attract talent, ranking themselves as 7 on a scale from 1 to 10.

companies' ability to attract top talent

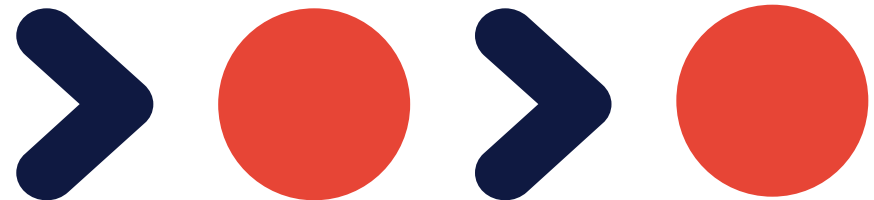


on a scale from 1 to 10, where 1 signifies "poor" and 10 signifies "excellent"

key elements to attract top talent

| | 2018 | 2019 |
|---|------|------|
| a very competitive salary package | 61% | 62% |
| flexible work policies/good work-life balance | 55% | 51% |
| strong employer brand | 49% | 50% |
| a very attractive employee value proposition | 35% | 44% |
| a clear and purposeful mission | 43% | 41% |
| high job security | 44% | 35% |
| good international opportunities | 20% | 15% |
| other | 1% | 3% |

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



reasons for failing to attract the right talent.

| | 2018 | 2019 |
|--|------|------|
| uncompetitive salary and benefits | 55% | 61% |
| weak employer brand | 33% | 32% |
| lack of internal career opportunities | 35% | 32% |
| industry is less appealing | 27% | 27% |
| unappealing work environment | 26% | 26% |
| lack of flexible work options | 26% | 26% |
| ongoing talent shortages | 35% | 23% |
| poor leadership | 27% | 17% |
| ineffective recruitment strategies | 28% | 16% |
| lack of corporate direction, vision or purpose | 15% | 15% |
| lack of opportunities for creativity | 19% | 15% |
| lack of corporate social responsibility | 8% | 7% |
| other | 2% | 3% |

- The companies are aware that uncompetitive salary or benefits and a weak employer brand are the main reasons for limiting their ability to attract talent.
- Factors such as lack of opportunities to apply creativity and lack of CSR activities are considered barriers by a relatively small share of respondents.



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human capital

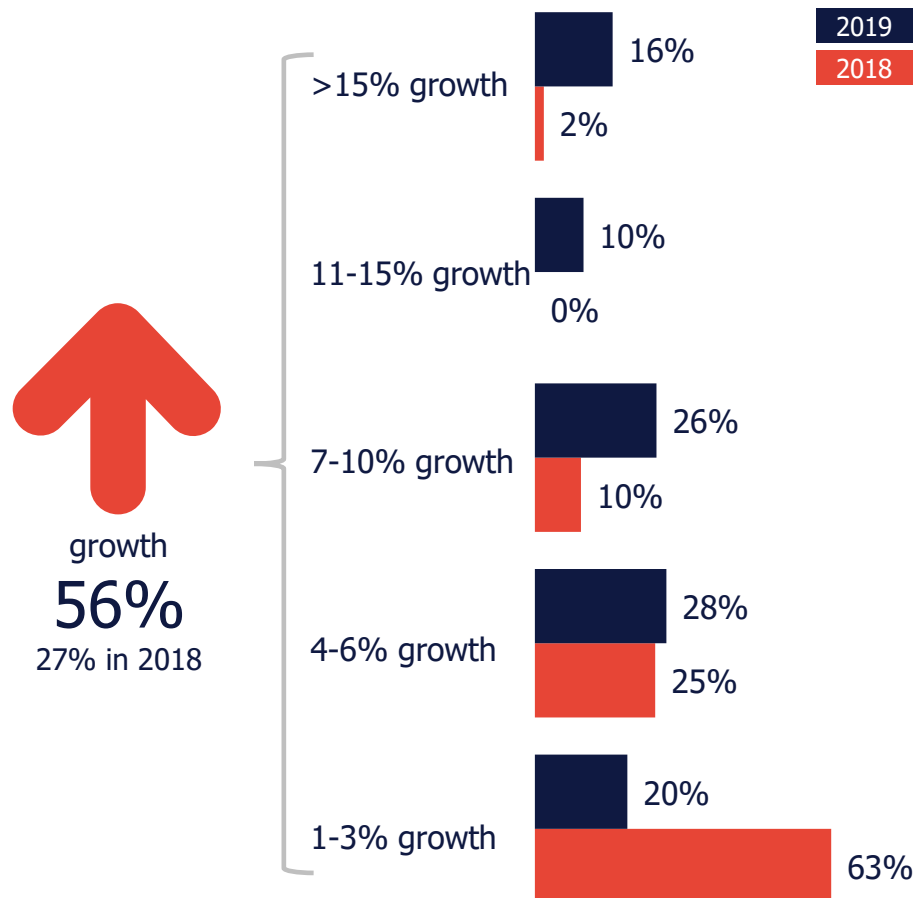
strategy.



expected business growth in 2019

one in two respondents expect their business to grow.

business growth expectations



- The number of companies that expect their business to grow almost doubled, with 56% of respondents in 2019 and 27% of respondents in 2018.
- As compared with the previous year when only 2% of the companies expected a business growth of over 10%, this year, 26% of companies are expecting the same business rate growth.
- 38% of respondents foresee stability, while 6% expect their business to decrease in 2019.

stability
38%
70% in 2018

decrease
6%
3% in 2018

main HR challenges for participating companies.



- Almost half of the surveyed companies consider that retaining top performers is their main HR challenge in 2019.
- A decrease for workplace inclusivity is noticed this year, with only 5% of respondents selecting it, as compared to last year when 40% of respondents considered it as being an important HR challenge.
- Internal/external mobility is considered as being the least important challenge for companies.

major human resources challenges

| | 2018 | 2019 |
|---|------|------|
| retaining top performers | 50% | 49% |
| increasing performance and productivity | 27% | 41% |
| managing expectations on compensations and benefits | 34% | 38% |
| attracting talent for the next phase of growth | 31% | 30% |
| developing talented leaders | 21% | 25% |
| shortage of local talent | 18% | 25% |
| avoid losing top talent to competitors | 26% | 24% |
| employer branding | 9% | 24% |
| keeping employees well informed | 26% | 21% |
| managing skill shortage | 27% | 20% |
| creating an open and flexible environment | 19% | 19% |
| internal/external mobility | 8% | 9% |
| managing internal change programs | 7% | 5% |
| workplace inclusivity | 40% | 5% |

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

addressing skill shortages

industry working experience is reported as being the main impediment during the recruitment process.

main impediments during recruitment process

| | 2018 | 2019 |
|--|------|------|
| industry working experience | 59% | 55% |
| lack of soft skills | 25% | 30% |
| lack of foreign languages skills | 34% | 25% |
| ethical issues (values, attitude, culture) | 18% | 22% |
| required years of working experience | 25% | 20% |
| specific educational skills | 25% | 19% |
| management tools experience | 15% | 7% |
| international experience | 6% | 3% |

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

actions to address skill shortages

| | 2018 | 2019 |
|--|------|------|
| improve salary/benefits package | 45% | 42% |
| education and training programs | 42% | 40% |
| increase use of externally hired contractors | 22% | 27% |
| offer more flexible work options to employees | 27% | 26% |
| hire talent from other countries | 27% | 23% |
| hire more part-time workers | 15% | 19% |
| outsource business functions | 15% | 11% |
| my organisation is not impacted by skill shortages | 12% | 8% |

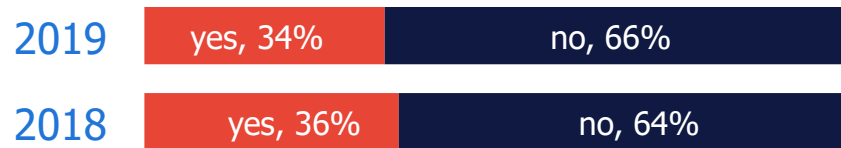
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recruitment intentions of participating companies

half of the respondents plan to hire permanent personnel during 2019.

temporary employees



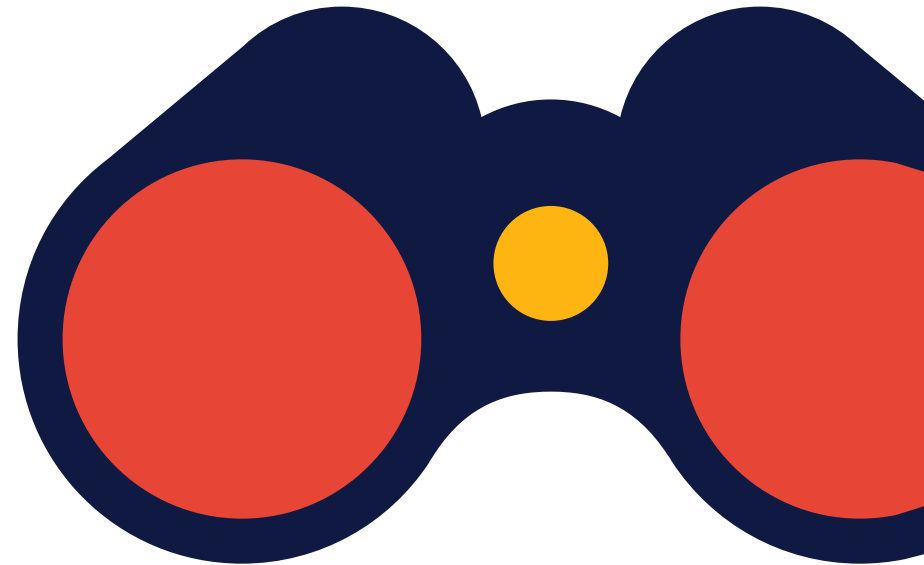
permanent employees



main reasons for new hires

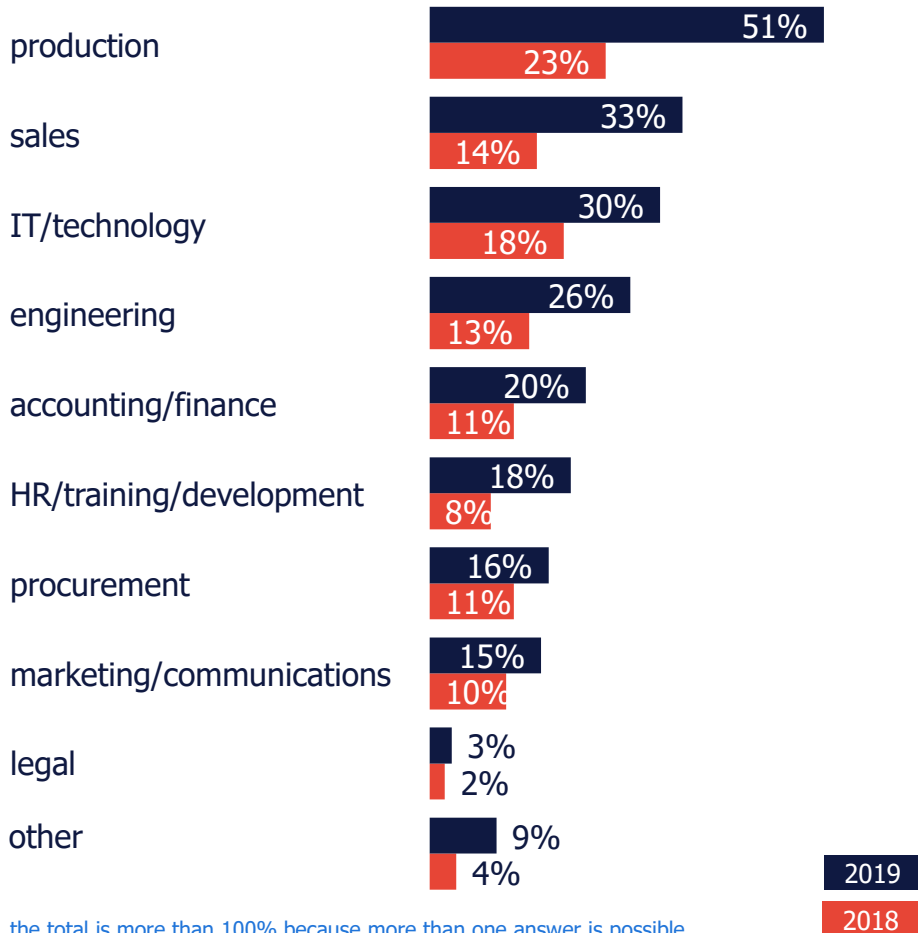
| | 2018 | 2019 |
|--|------|------|
| staff turnover | 25% | 59% |
| national/international growth of the company | 24% | 42% |
| market (economy) growth | 23% | 36% |
| launch of new department/new product | 20% | 32% |
| need for new skills in the organization | 18% | 29% |
| investment plans | 10% | 19% |
| employee retirement | 13% | 13% |
| business diversification | 3% | 3% |

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



hiring plans.

by department.



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

- The reasons for hiring new people remain similar to last year, with respondents selecting staff turnover as the main reason for recruiting personnel, followed by the growth of the company on national/international level.

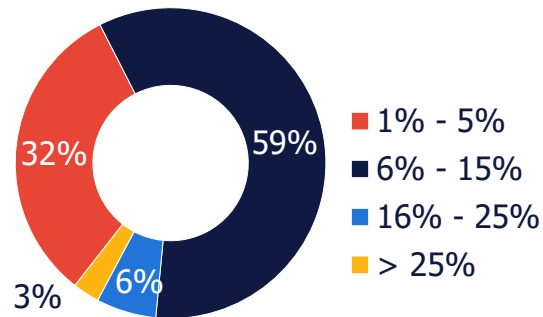
51% of companies will make future hiring within the production department. An increase in headcount is also likely to happen in the sales and IT/technology departments.

72% of the respondents are willing to pay more in order to retain or attract new talent

attraction & retention through improving salaries

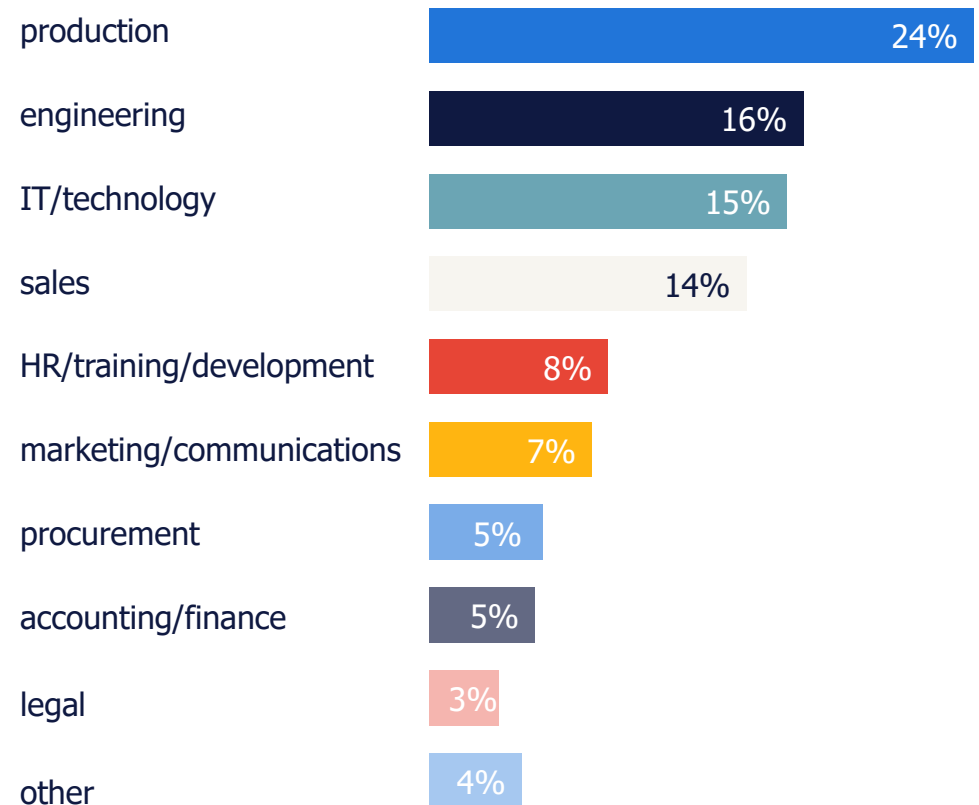
32% of respondents are willing to raise salaries by maximum 5% to attract or retain talent.

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



- Most of the companies are prepared to increase the salaries offered in their company by a maximum of 15%, in order to attract & retain talent.
- Top departments in which the respondents are willing to pay more in order to retain or attract talent are production, engineering and IT/technology.

departments in which respondents are willing to pay more in order to retain talent



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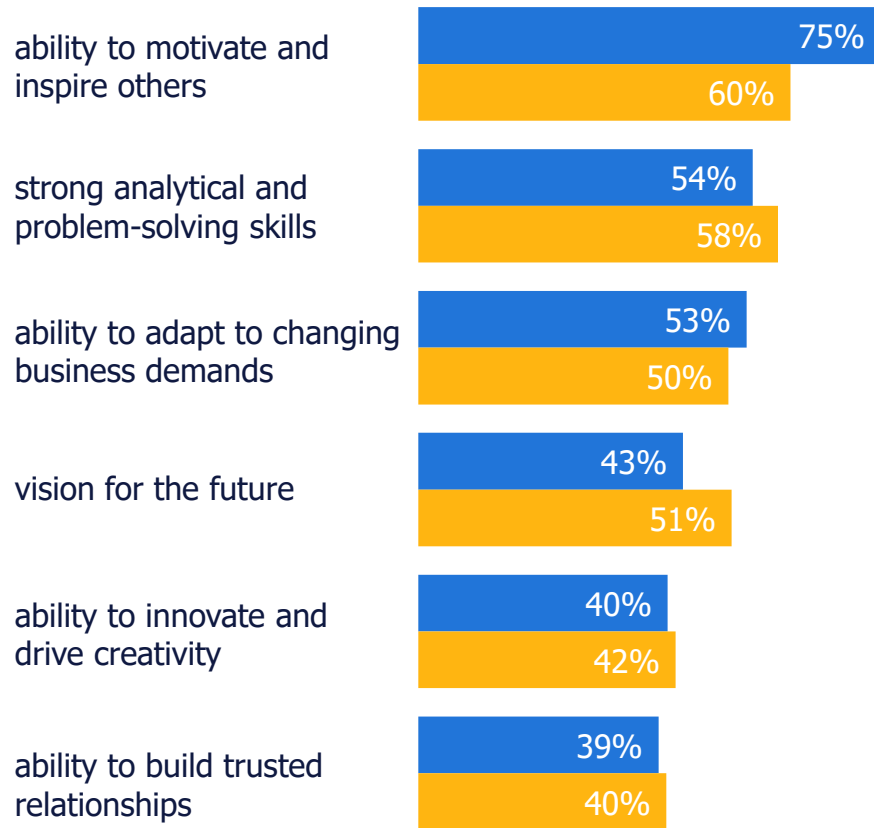
recruitment

practices.



leadership competencies for managers

being able to motivate and inspire the team is the most desired leadership skill for a manager.



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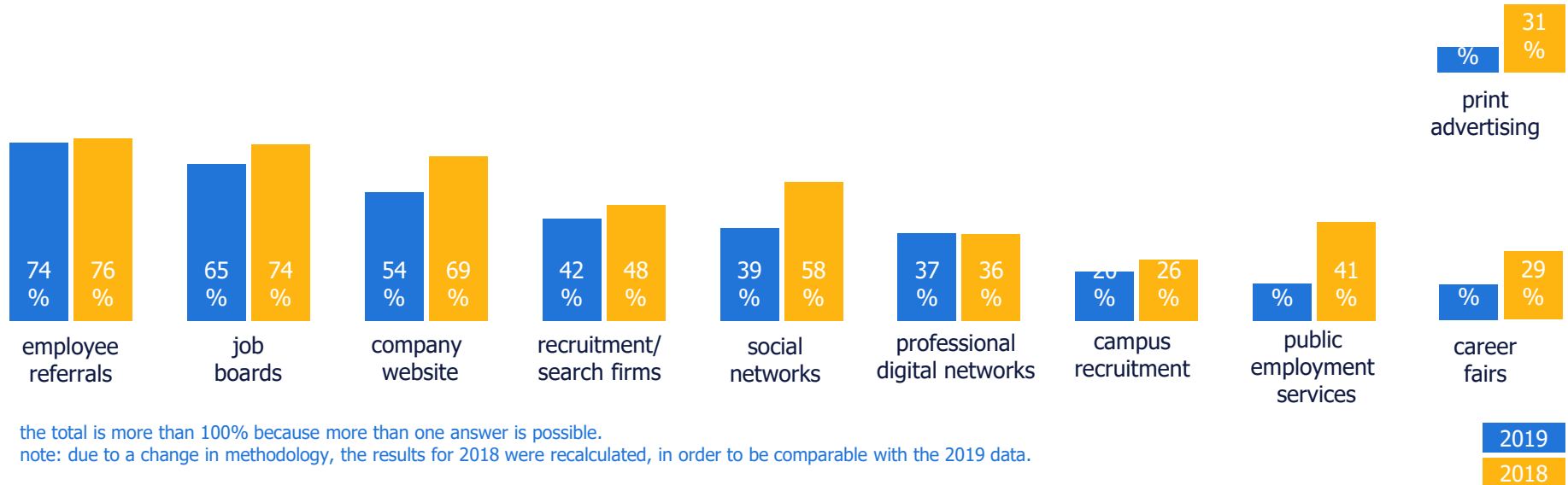
- 75% of the respondents consider that a manager has to be able to motivate the team.
- Having a vision for the future is considered to be less important this year, being selected by a smaller number of respondents. On the other hand, the need for being able to adapt to changing business demands is higher than last year.



2019
2018

sources used to recruit talent

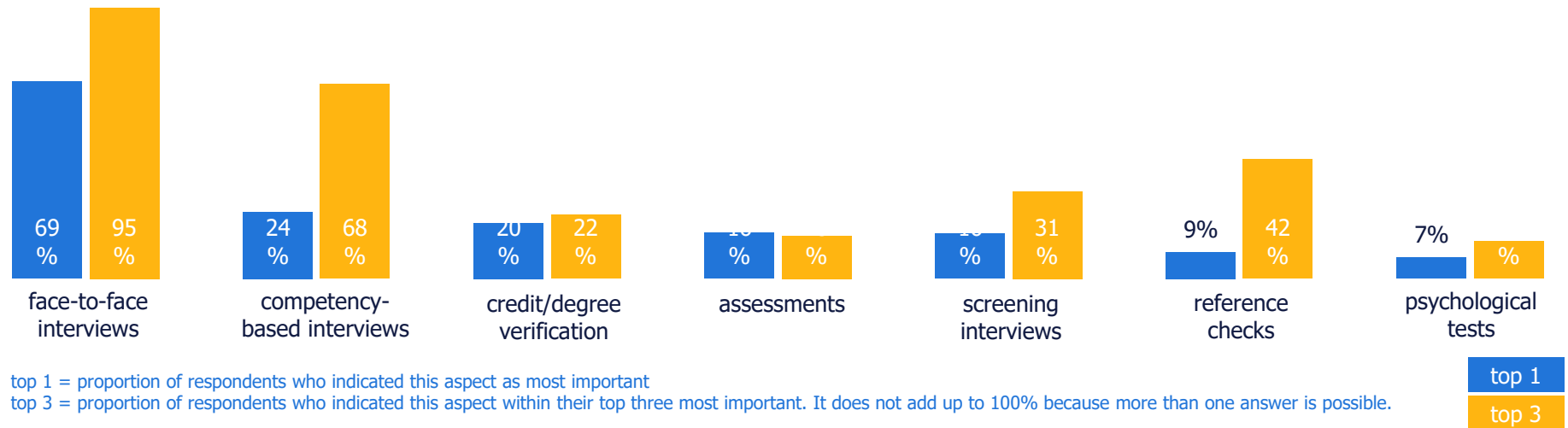
recommendations from current employees remain the leading recruitment source.



- Employee referrals, job boards and company website are the most used recruitment methods in 2019. 74% of surveyed companies continue to rely on employee referral programs as their leading recruitment strategy.
- Compared to 2018, for company website and social networks, there is registered a decrease of 15%, respectively 19% in terms of how effective respondents find them to be.
- Moreover, the preference for public employment services and print advertising decreased by 25%, respectively 19% in 2019.

practices in the hiring process

face-to-face & competency-based interviews remain as leading hiring practices.



- Over half of the surveyed companies selected face-to-face interviews as the most important hiring practice for them, while 95% of the respondents ranked it among their top three practices.
- Competency-based and credit/verification remain essential in selecting the right candidate, most of the respondents selecting these two practices as being in their top three most important hiring practices.
- Although only 9% of respondents said that reference checks are most important for them, over 42% of the respondents placed these within their top 3 hiring practices.

talent

retention.



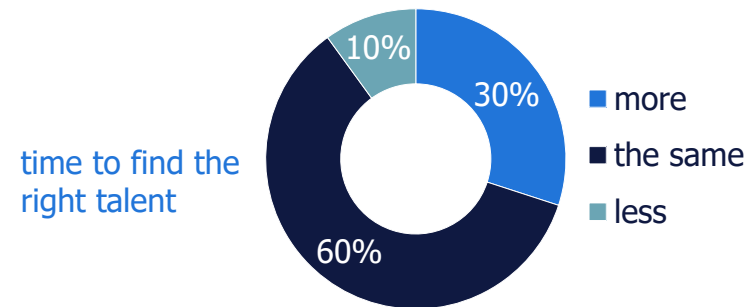
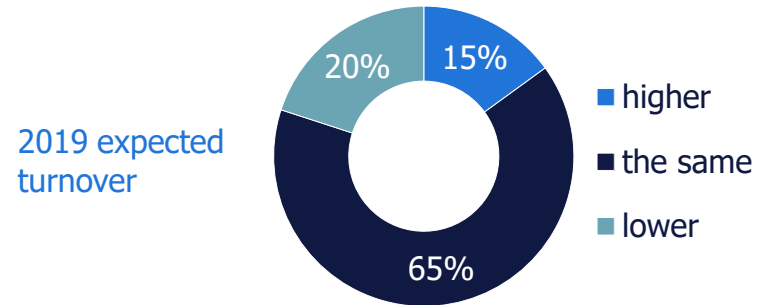
reasons why employees leave the company

receiving a better offer elsewhere is the main reason why employees leave.



the total is more than 100% because more than one answer is possible.
 *other includes I don't know and lack of corporate reputation and trust.

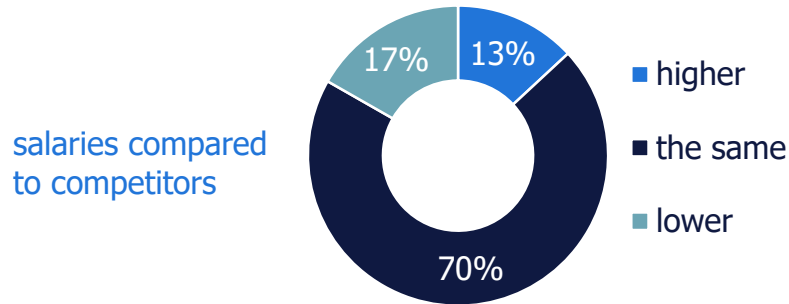
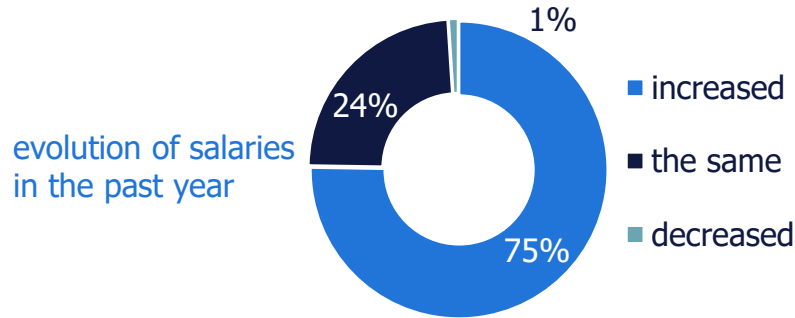
employee turnover evolution



Similar to last year, a career change - be it for financial or professional reasons - is the main reason for switching jobs.



salaries.



- Over three-quarters of the respondents reported that salaries increased in their companies in the past 12 months. A similar proportion of respondents (70%) believe that the salaries they offer are in line with their competitors.
- According to those surveyed, competitive salary and additional leave days are considered to be the most effective benefits that a company can leverage to retain talent. As for life insurance, paid parental leave and medical insurance are considered less important.

benefits.

most effective benefits to retain talent

benefits offered by participating companies

| | | |
|-----|--|-----|
| 80% | competitive salary | 72% |
| 65% | additional leave days | 69% |
| 64% | flexible working options | 61% |
| 57% | bonuses/individual performance bonuses | 63% |
| 56% | career development | 60% |
| 40% | training | 68% |
| 38% | lunch subsidies | 55% |
| 32% | profit sharing | 25% |
| 31% | non-financial rewards/recognition | 52% |
| 28% | health and wellness programs | 44% |
| 25% | pension plan | 37% |
| 18% | life insurance | 27% |
| 14% | paid parental leave/childcare benefits | 14% |
| 8% | medical insurance/disability insurance | 14% |

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



respondent

profile.

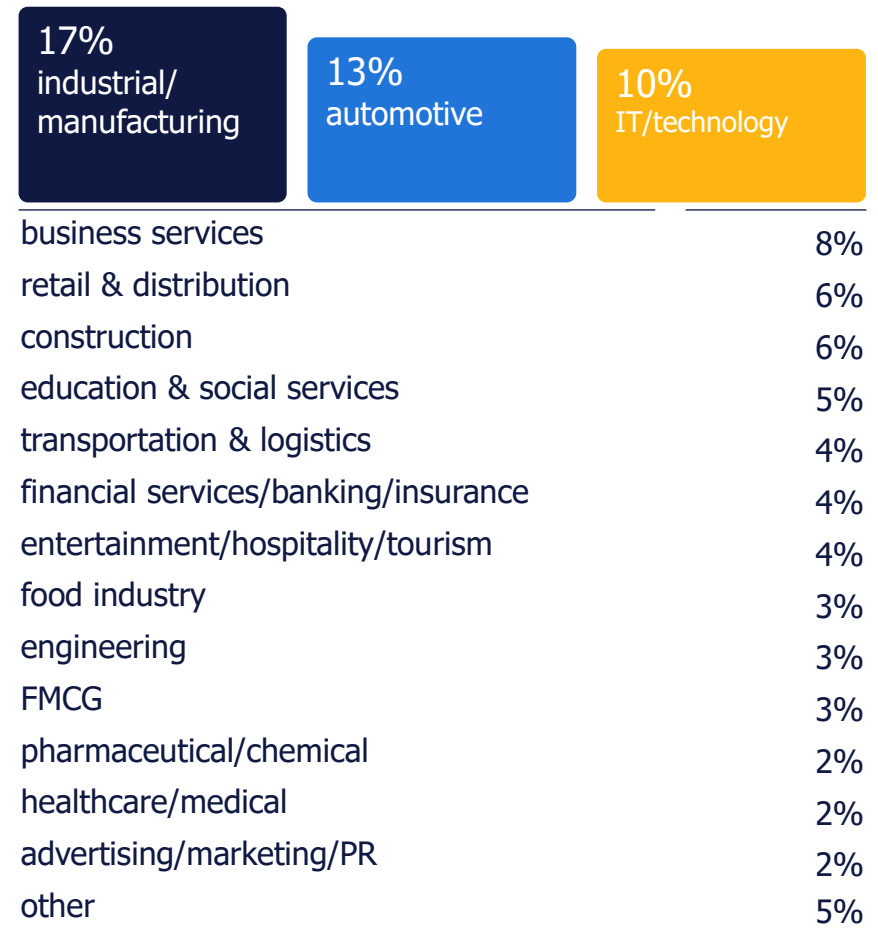
summary.

- The Randstad 2019 HR trends and salary report presents data gathered from companies located in the Czech Republic and operate in a variety of industries.
- The most represented sectors are industrial/manufacturing, automotive and IT/technology, together covering 40% of the sample.
- Organisations employing more than 1,000 people represent 17% of the sample.
- Almost half of the respondents work in the HR department. Also, 91% of the respondents have a decisional or recommending role in the recruitment process.
- For the research, analysis and design of this report, Randstad partners with Evalueserve, a global market research and analytics firm (www.evalueserve.com).



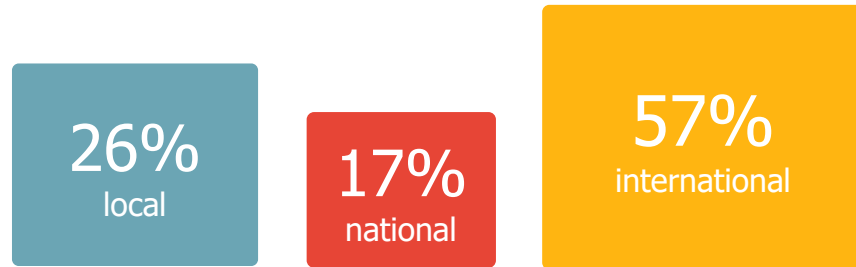
respondent profile

by sector.

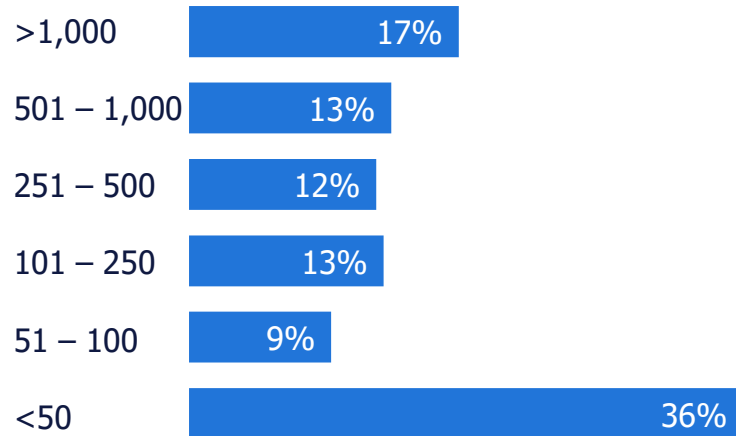


respondent profile

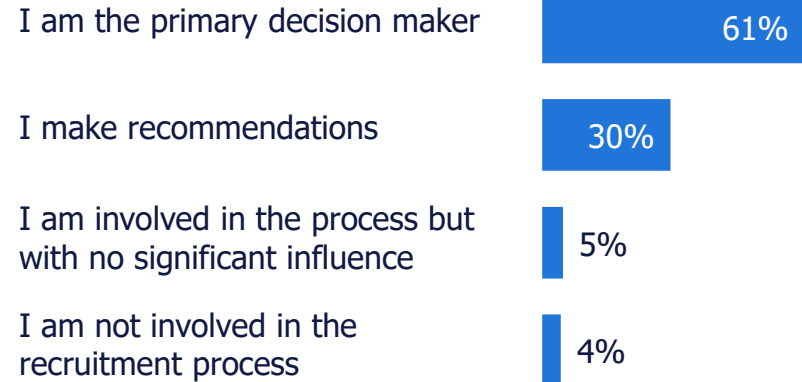
by the size of the company.



number of employees



by participant's job level.



46%

of respondents are part of the HR departments of their companies, while 40% of the respondents are either in the general management or in the finance department.



randstad

human forward.



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