

## Introduction

Dear readers, this publication brings preliminary figures on numbers of employees, average gross monthly wages, and on payroll expenses in the national economy of the Czech Republic as at the 26<sup>th</sup> of May 2020 that means for the Q1 2020. Annexes No 1 and 2 show time series of definitive data up to 2018. Time series for 2019 and 2020 are of preliminary data.

The **number of registered employees** includes persons under employment contracts, employment contracts for duty, and members of cooperatives having also an employment contract with the employer (hereinafter only as the employment contract for all the aforementioned types).

The **average registered number of employees per quarter (headcount)** is an arithmetic mean of the average numbers for the three relevant months (which are calculated as a sum of daily headcount numbers divided by calendar days of the month concerned). The **average registered number of full-time equivalent (FTE) employees** is the average registered number of employees as headcount converted by their hours of work in relation to full-time working hours as determined by the employer.

The **average gross monthly wage** is the share of wages, excluding other personnel costs, per headcount employee per month. These **wages** (excluding other personnel costs) include basic wages and salaries, bonuses and premiums to the wage or salary, rewards, compensations of wages and salaries, remuneration for standby duty, and other components of the wage or salary. This includes amounts that were put on the pay cheque of employees in accounting. Wages and salaries do not include compensations of the wage or salary for duration of temporary incapacity for work or quarantine paid by the employer. These are gross wages i.e. before deductions of health insurance and social security premiums, advance deposits for income tax of natural persons, and other statutory deductions, or deductions agreed with the employee.

The data on the numbers of employees and on average wages do not cover persons performing public administration positions (e.g. Members of Parliaments, Senators, deputies and full-time positions of members of assemblies of all levels of public administration and self-government) judges, women on maternity leave, persons on parental leave (unless are simultaneously working under the employment contract), apprentices, persons working on the basis of agreements on work performed outside the employment contract, and employees of entities, which are not statistically measured.

**Other personnel costs** are remunerations for work provided by persons contracted under contracts of work carried out outside their employment contracts (typically the Czech DPP a DPČ type of contract) and other allowances, e.g.; remunerations according to copyright regulations, severance pay, golden handshake and similar payments, remunerations for members of the company's and cooperative's bodies paid from costs and profit, remuneration for apprentices, salaries of judges, remunerations for members of elected councils of all levels. They are given in gross amounts.

Data on the number of employees and on average wages are published for the whole population of businesses with an increased emphasis on the average wages of FTE employees, which take into account their hours of work.

In the data processing mathematical and statistical methods are applied for imputation for non-response and for the non-surveyed section of the businesses population, while administrative data sources are used simultaneously.

The data in the publication are broken down by:

- economic activities;
- size of the reporting unit;
- institutional sector; and

- territory.

The breakdown by economic activity is based on the Classification of Economic Activities (CZ-NACE), which is the national version of the Statistical classification of economic activities in the European Community (NACE Rev. 2) and has been effective since the 1<sup>st</sup> of January 2008.

Institutional sectors (ISEKTOR) are aggregates defined in the European System of National and Regional Accounts (ESA 2010). Since Q1 2014 definitions of institutional sectors were changed in accord with the ESA 2010.

The breakdown by territory is carried out at the levels of NUTS 2 (areas – cohesion regions) and NUTS 3 (regions – higher territorial self-governing units) according to the Classification of Territorial Statistical Units (CZ-NUTS), the national version of the common classification of territorial units for statistics (Nomenclature des Unités territoriales statistiques – NUTS).

### **Workplace method**

Since Q1 2011 the Czech Statistical Office has changed publishing of territorially broken down data of the labour market statistics. The formerly applied business method was replaced by the workplace method, which provides a truer view of the regional labour market. The change was enabled by improvements in employed mathematical and statistical methods (models) using either information on the distribution of the number of employees and their wages by region according to the actual workplace of the employees from annual questionnaires (measured right at businesses/organizations), either information from administrative data sources.

*The difference between the workplace method and business method is as follows:*

- *In the workplace method the territorial breakdown of employees and their wages to the respective region is carried out by the actual location of their workplaces;*
- *In the business method the territorial breakdown of the whole businesses/organisations to the respective region is carried out by the region in which there is the reporting unit's registered office.*

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### **Remark:**

Calculated figures are counted using non-rounded figures and rounded subsequently. Therefore sums and differences do not match exactly in some cases.