

## P R E F A C E

This publication gives preliminary figures on the numbers of employees, average gross month wages and salaries, and on payroll expenses in the national economy of the Czech Republic as at 21<sup>th</sup> February 2019 that means for Q1, Q2, Q3, Q4 and Q1-Q4 2018.

Annexes No. 1 and 2 show time series of finalised data up to 2016 while time series for 2017 and 2018 are of preliminary data.

The **number of registered employees** includes all persons having the employment contract (full-time and part-time contracts, members of producer cooperatives, etc.) with the reporting unit (hereinafter as “the employment contract”).

The **average gross monthly wages and salaries** are the shares of wages, excluding other personnel costs, per employee of the headcount per month. The wages and salaries 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 in accounting with no regard to they had been actually paid to employees or not. 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 and salaries i.e. before deductions of health insurance and social security premiums, advance deposits for income tax, other statutory deductions, or deductions agreed with the employee.

The data on the numbers of employees and average monthly wages do not cover persons performing public administration positions (e.g. Members of Parliaments, Senators, deputies and full-time positions 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.

Data on the number of employees and 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 businesses and non-profit organizations while administrative data sources are used simultaneously.

The data in the publication are broken down by:

- economic activities (NACE Rev. 2);
- size of the reporting unit;
- institutional sector; and
- territory (NUTS).

The breakdown by economic activity is based on the Classification of Economic Activities (CZ-NACE), which was developed according to the Statistical classification of economic activities in the European Community - NACE Rev. 2 and has been effective since 1 January 2008.

Institutional sectors (subsectors) are aggregates defined in the European System of Accounts (ESA 2010). The main result is economic entities are segmented into the business sphere and the non-business one. Data for main subsectors are available as well.

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).

Note: Indicators are calculated using non-rounded figures and rounded subsequently. Therefore sums and differences do not always match exactly.

## **Methodology changes**

### **Workplaces method**

**Since Q1 2011** the Czech Statistical Office has changed publishing of territorially broken down data of 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 by the actual workplace of the employees from annual questionnaires (measured right at businesses/organizations) or information from administrative data sources.

### **The difference between the workplace method and business method**

Workplace method: the territorial breakdown of employees and their wages to the respective region is carried out by the actual location of their workplaces.

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.

In Annexes 1 and 2 you can find tables showing quarterly time series of the numbers of employees and average gross wages for business sphere as well as non-business one.

### **Institutional sectors**

Since Q1 2014 according to ESA 2010 (European System of National and Regional Accounts) the definition of institutional sectors has changed, see CISS 2010.