Methodology

The Czech Statistical Office is hereby publishing an overview of retrospective data from the area of labour market statistics.

The data originate from surveys taken in businesses or from administrative sources. Depending on the number of employees, the survey taken in businesses is either of an exhaustive or sample type. In case of the latter, grossing up to universe covers all active units included in the Business Register.

This data set shows trends in the most significant indicators broken down by economic activity and territory (region). Classification of Economic Activities, CZ-NACE corresponds to the **NACE Rev. 2**. Classification of Territorial Statistical Units, CZ-NUTS, complies with Regulation of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS).

The registered number of employees includes persons under employment contracts and members of cooperatives having employment contracts, too; it excludes females on maternity leave, persons on parental leave, apprentices, persons engaged by companies under contracts for work outside employment, persons in public office (deputies, senators, full-time councillors at all levels), judges, etc. The numbers of workers and employees include, in compliance with the methodology in force, foreigners legally working in the Czech Republic.

The average registered number of employees (headcount) is calculated as arithmetical mean of the monthly average numbers (calculated as the sum of daily values divided by the number of calendar days in a month).

The average registered number of employees (full-time equivalent) is the average registered number of employees (headcount) by their hours of workload in relation to working hours as determined by the employer (full-time hours).

The average gross monthly wage is the ratio of wages, excluding other personnel expenses, per employee per month. Included in the wages are basic wages and salaries, payments additional to wage or salary, direct remuneration and bonuses, remuneration for being on call to work, and other wage or salary components charged to be paid to employees in a given period. The wage does not include wage or salary compensations for the days of temporary incapacity for work or quarantine paid by the employer. This applies to gross wages, i.e. before reduction by comprehensive health insurance and social insurance premiums, advance income tax of actual persons, and other statutory deductions or deductions agreed with the employee.

Job vacancy rate is determined as a share of job vacancies in the total number of filled jobs and job vacancies. The methodology recommended by Eurostat does not include jobs open in companies or private entrepreneurs (until then without employees) into the total number of job vacancies. The number of job vacancies is taken over from statistics of the Ministry of Labour and Social Affairs, the number of filled jobs in the CR is defined as the total of employees and members of producers´ co-operatives with only first and second jobs (data source: Labour Force Sample Survey).

Data in Tables **1a, 2a, 3a, 8a, 9a, 10a** are taken from the results of CZSO annual statistical reports.

Data in Tables **7a, 7b, 14a, 14b** are gathered from quarterly reports and in addition, results also cover estimates for non-surveyed part of the population (grossing up) based on the administrative data.

The transition to the new International Classification NACE Rev. 2 (CZ-NACE in the CR) represented in some branches such significant changes, that it was impossible to use the previously published data only with renumerated activities. The CZSO developed a method of retroactive conversion of time series at the micro level taking into account the newly discovered misclassification of some businesses in recent years. Available administrative sources were used to gross up the whole time series. Data in mentioned tables according to CZ-NACE (NACE Rev. 2) are not comparable with previously published data according to NACE (NACE Rev.1.1).

The data in Tables 15 to 18 result from **structural statistics on wages** of employees. The data on wages have been calculated by different methodology and this is why these results cannot be compared to those from a regular statistical survey on wages. The data cover the sample of

employees with 1 700 paid hours or more in 1996-2000 and 1 592 hours or more in 2001, which roughly corresponds to full-time employees who worked with the reporting unit for a large part of the year and were not on the sick list for a long time. (The different number of paid hours results from an amendment to the Code of Labour concerning the counting of lunch break into hours worked; therefore, the comparability of the time series is not disturbed for this reason.) Until 2001, no grossing up to universe was made. Since 2002, the wages have been calculated in relation to the employee's paid hours and grossed up to the national economy. For that reason, the time series of the data in Tables 15 and 17 was terminated by the year 2001 and the new one (Tables 16 and 18) starting from 2002 was begun.

The data for 2008 have been recalculated according to an updated weighting scheme based on the new classification of economic activities CZ-NACE.

Since 2011 the results cover the entire employees' population, enterprises with less than ten employees and also employees from non-profits organizations and tradesman not surveyed before have been included. The time series suffer a break because of this change.

The classification of occupations was governed by CZ-ISCO-88 and since 2011 has been used CZ-ISCO-08.

For that reason, the time series of the data in Tables 16 and 18 were terminated by the year 2010 and the new ones (Tables 16a and 18a) started. The 2010 results have been recalculated according to new methodology and CZ-ISCO-08.

Median, i.e. the wage of employee in the middle of the group, is used for comparison instead of average wage. More detailed information from the sample surveys on wages of employees, incl. the methodology and sample size, can be found in the CZSO publications "Structure of Earnings Survey for [the given year]".

The data in Tables 19, 20 and 20a cover the employer's **costs** of recruiting and training employees, paying wages, and providing social needs of employees. The survey is carried out in businesses of all industries irrespective of the number of employees.Data on the structure of labor costs in mentioned tables are newly given in absolute terms (in CZK) instead of the previously stated relative terms (in %).

The data in Tables 21 and 22, resp. 23 and 23a are based on sources of the Ministry of Labour and Social Affairs of the Czech Republic. Since January 2013 the Ministry of Labour and Social Affairs of the Czech Republic has been using a new indicator of registered unemployment in the Czech Republic named "share of unemployed persons", which expresses the share of available job applicants aged 15 – 64 years of all population of the same age. This indicator has replaced the so far released rate of registered unemployment, which measures all available job applicants merely to economically active persons. The new indicator of the "share of unemployed persons" attains different values due to its different definition and therefore cannot be compared to the previous indicator.

Calculated data are counted from unrounded numbers and only then rounded, that´s why in some cases the totals differ.

Dalibor H o l ý

Director of Labour Market and Equal Opportunities

Statistics Department

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