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Saratoga Human Capital Benchmarking Survey



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What is Saratoga?



Saratoga Human Capital Benchmarking Survey
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Saratoga human capital benchmarking survey is based on the **global methodology** developed by PwC's Saratoga Institute.

The study represents an useful tool that may be used for assessing **human capital effectiveness** within own organisation through:

- **internal measurement** - the report includes definitions & guidelines for metrics computation & correlations
- **benchmark against relevant comparators** (e.g. your sector, overall Romanian market, customised samples)



Saratoga report presents (1/2):

Statistics for analysed metrics

- By sector
- For overall Romanian market
- For customised samples of comparators (depending on your needs and / or type of report acquired)

Metrics definitions

- Formula used to calculate the metric & definitions of the data elements included in its computation
- Purpose of measuring & benchmarking the metric
- Suggested positioning target (as per Saratoga methodology)
- Additional metrics to be considered in understanding and in-depth analysis

*Customised benchmarking tool**

- Presents metrics computed for your organisation, based on the data submitted for the survey
- Benchmarks your data against sector & overall Romanian market data

**available only for participants*



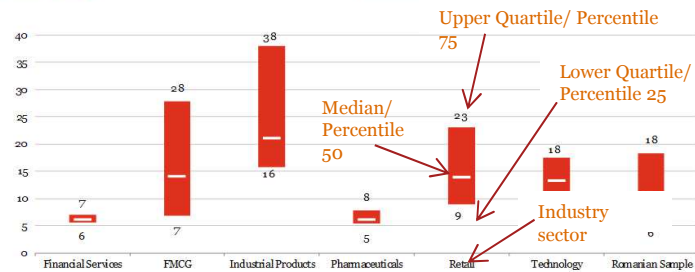
Saratoga report presents (2/2):

Metric definition

Statistics

Span of Control

Sector	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	Number of companies
Financial Services	5	6	6	7	7	12
FMCG	7	7	14	28	57	9
Industrial Products	7	16	21	38	54	12
Pharmaceuticals	5	5	6	8	10	6
Retail	4	9	14	23	36	7
Technology	8	10	13	18	19	6
Romanian Sample	5	6	10	18	39	52



Span of Control

Headcount Management Headcount

Definition

Management Headcount is defined as the number of employees who have some form of people responsibility e.g. managing the work output, performance and discipline of others.

The headcount of the organisation comprises employees on the permanent or regular workforce, plus all employees on fixed-term contracts of six months or longer whether working on a part-time or full-time basis.

Purpose

This ratio provides an indication of the span of control in the organisation. It therefore provides some suggestion both of the controls which are applied and the style of management prevalent.

It is stressed that although the trend over recent years has been towards wider spans of control, there are large differences between sectors, and it would be simplistic to suggest a target.

Target guide – organisation specific

Saratoga makes no specific target suggestion for this metric.

Metric linkages

We recommend analysis of the Rookie Ratio in conjunction with the following metrics:

- Average Remuneration
- Resignation Rate

Customised benchmarking tool

Metric category / Sub-category	Metric name	Unit	Suggested positioning target	Your value	Sector statistics					Your value against Sector	
					Percentile 10	Percentile 25	Median	Percentile 75	Percentile 90		
IMPACT	Financial impact	Revenue / FTE	RON / year	Upper Quartile	638,259	143,410	248,155	448,323	1,371,136	3,204,092	🟡
		Cost / FTE	RON / year	Lower Quartile	686,879	220,406	306,628	450,770	1,154,889	3,052,954	🔴
		Profit / FTE	RON / year	Upper Quartile	-41,941	-144,441	-124,918	-31,676	78,488	170,351	🔴
	Productivity	Remuneration/Revenue	%	Lower Quartile	20.63%	3.6%	10.4%	20.9%	36.3%	58.0%	🟢
		Remuneration/Total Costs	%	Lower Quartile	19.17%	3.6%	13.1%	19.2%	28.8%	37.3%	🟢
		HC ROI	RON / year	Upper Quartile	0.6	-0.7	0.0	0.9	1.9	2.8	🔴
Recruitment	External Recruitment Rate	%	Organisation specific	0.33%	1.6%	4.9%	6.1%	10.5%	15.5%	n/a	
	External Addition Rate	%	Organisation specific	0.11%	0.1%	0.3%	1.2%	3.4%	4.8%	n/a	
	External Replacement Rate	%	Organisation specific	0.22%	0.3%	2.8%	4.7%	9.7%	12.2%	n/a	
	Internal Appointment Rate	%	Organisation specific	3.30%	2.6%	3.7%	7.7%	12.9%	21.3%	n/a	
	Promotion Rate	%	Organisation specific	4.73%	1.2%	2.9%	4.6%	9.9%	13.7%	n/a	
	Capital Benchmarking Survey										

Legend

- 🔴 Your value is below suggested target
- 🟡 Your value is within suggested target
- 🟢 Your value is above suggested target

Metrics analysed in Saratoga survey

Financial impact & productivity

Financial impact

- Revenue per FTE
- Cost per FTE
- Profit per FTE

Productivity and value added

- Remuneration per Revenue
- Remuneration per Total Costs
- Human Capital Return on Investment

Engagement

Absenteeism

- Absence Rate
- Sickness Absence Rate
- Absence Cost per FTE
- Sickness Absence Days per FTE

Turnover

- Termination Rate
- Involuntary Termination Rate
- Resignation Rate

Organisational Structures

Workforce structure

- Span of Control
- Managers %
- Rookie Ratio
- Gender Diversity

Operational and support functions (Sales, Marketing, Client Service, Operations, Finance, Administrative, IT, Purchasing and Legal)

- FTEs per Function FTEs
- Function Costs per Total Costs
- Function Average Remuneration

HR function & processes

HR Function

- FTEs per HR Department FTE
- HR Department Cost per FTE
- HR Department Cost per Total Cost
- Average HR Annual Remuneration
- HR Outsourcing Rate

Resourcing

- External Recruitment Rate
- External Replacement Rate
- External Addition Rate
- Internal Appointment Rate
- Internal Promotion Rate
- Cost per Hire

Learning and development

- L&D Hours per FTE
- L&D Cost per FTE

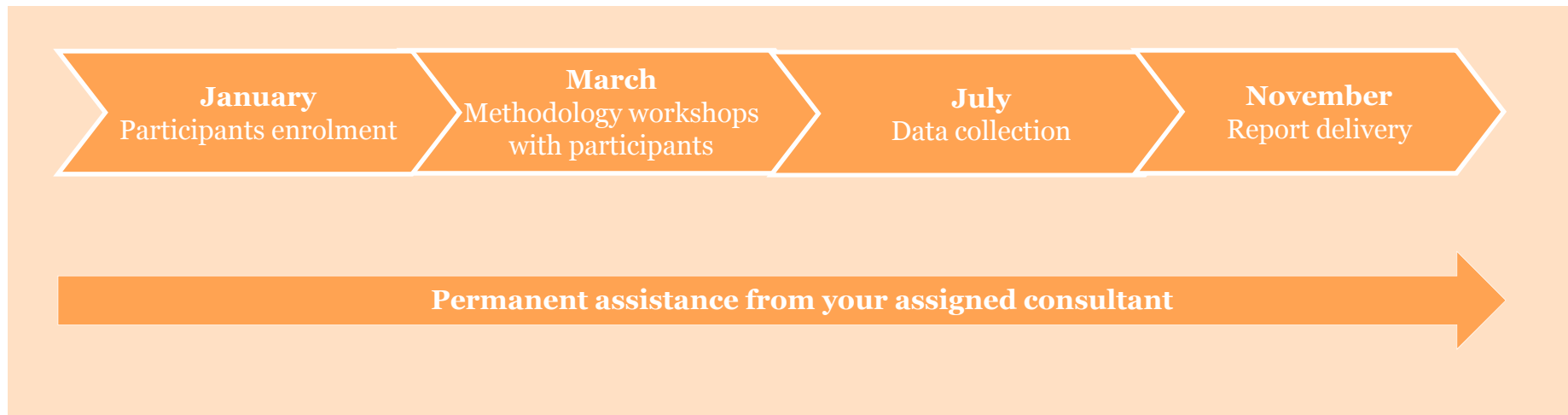
Participation in Saratoga survey involves provision of specific Human Capital related data

Category	Information to be provided by participants
Headcount & Number of FTEs	Average number of employees (full time and part time)
Financials	Revenue/ Total costs/ Profit
Compensation & benefits	Costs associated to employees remuneration (compensation & benefits)
Absenteeism	Total number of absences (including medical leaves)
Staff turnover	Total number of voluntary and involuntary terminations
HR Function	Headcount & costs by sub-function
Recruitment	Total number of external recruits & costs associated to recruitment process
Learning & development	Learning & development hours & associated costs
Workforce structure	Headcount & associated costs per function

Saratoga Questionnaire		Example – for illustration purposes only
I. Workforce		
		TOTAL
1	Headcount - Full Time Equivalent (FTE)	<input type="text"/>
9	Headcount with Part time (annual average) - 2012	<input type="text"/>
II. Financial Information		
1.	Revenue (RON)	<input type="text"/>
2.	Total Costs (RON)	<input type="text"/>
3.	Profit before tax, RON	<input type="text"/>
III. Compensation and benefits		
		TOTAL
1.	Total compensation (total annual value, RON)	<input type="text"/>
2.	Benefits (total annual value, RON)	<input type="text"/>
IV. Absence		
		TOTAL
1.	Absence days (total annual value)	<input type="text"/>
	<i>of which</i>	<input type="text"/>
a.	Sickness absence days (total annual value)	<input type="text"/>
b.	Short term absence (total annual value)	<input type="text"/>
2.	Annual leave entitlement - annual average per FTE	<input type="text"/>
V. Turnover		
		TOTAL
1.	Terminations (total annual value)	<input type="text"/>
		=
a.	Involuntary terminations, of which:	<input type="text"/>
	<i>i. Individual dismissal (total annual value)</i>	<input type="text"/>
	<i>ii. Collective dismissal (total annual value)</i>	<input type="text"/>
b.	Resignations (Voluntary terminations)	<input type="text"/>

Information provided for one financial year

Saratoga timeline



*Companies that do not participate in the survey can purchase the report starting with November.

Let's talk!

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