

# An expat recruiting for a multinational in the Czech Republic

## A case study on cultural differences

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### **Abstract**

*Claudia Stricker, a German expat at the HR department of ARTES Group Czech Republic, needed to recruit and select many new employees for different positions throughout the subsidiary due to its ambitious expansion plans. These positions included mostly blue-collar workers for production and also a lesser number of white-collar employees for administration. Equipped with an excellent university degree and practical experience in the field of HR management, Claudia eventually accepted her first engagement abroad after initial hesitation. At the beginning, everything looked fine: She quickly learnt the ropes from the HR team of the Czech subsidiary and her family (her husband Stefan and their 4-year-old son Philip) settled well in the new environment of Jihlava, a mid-sized town in the centre of the Czech Republic. However, after some time, her husband's business was not performing as well as expected and Claudia had problems too with her rational approach to mastering the immense challenges of the ARTES Czech Republic's expansion plan and her day-to-day business in the HR team. Will she be able to recruit so many new employees in such a short time? Will she stay as an expatriate in the Czech Republic?*

### **Students deal with HR recruitment as well as cross-cultural issues**

KEY WORDS: HR recruitment – culture – cultural differences – cultural standards – leadership – expatriation

The use of case studies offers, especially in business studies, the possibility for students to deal independently with complex, economic questions and problems, so that networked thinking and problem solving are promoted.

The present case study can be assigned to the **Case Problem Method**<sup>1</sup>, which in this case has the following characteristics:

- The problems are roughly described and the necessary information is provided.
- The students identify possible causes, further partial problems and interdependencies. They independently develop solution variants and make a decision.

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<sup>1</sup> inspired by Kaiser 1983, p. 23

## TEACHING NOTE

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### 1. Intended audience

#### 1.1 Student group

The case study is for students of

- Bachelor and
- master's programme

in the field of business administration.

Intended courses of study for the use of the case study are Business Administration, HR management, International management, Cross-cultural management, etc. However, the CS is designed in such a way that it can also be easily applied in other economic fields.

#### 1.2 Required previous knowledge

Students should have a basic knowledge of business administration and be familiar with the basic concepts of HR and International management.

### 2. Case background

The case focuses on a German based, international automotive group that is significantly expanding its production plant in Jihlava (Czech Republic). The concrete situation for the HR team is characterised by major challenges in terms of cultural differences and differences in recruiting so many predominantly blue-collar workers.

The company is representative of any companies that outsource to countries with larger or smaller (the more subtle, the more dangerous) cultural differences from their home countries. These difficulties can also be transferred to other sectors.

### 3. Didactic instructions

#### 3.1 Learning goals

##### 3.1.1 General learning goal

Students learn how national culture may have an impact on people's behaviour.

##### 3.1.2 Specific learning goals

###### Content competences:

- Students indicate what shortcomings there are in the case.
- Students understand the impact of labour market shortages on recruiting and selecting new employees.
- Students identify different approaches towards recruiting new employees, partially based on cultural differences.
- Students explain the influence of national culture on the behaviour of individuals.
- Students define culture and cultural standards.
- Students identify cultural standards and their possible impact on international cooperation.
- Students differentiate between some of the most important intercultural traits of Germans and Czechs.
- Students compare different outcomes according to different cultural standards (e.g. recruiting methods, planning vs improvising)
- Students describe the leadership style of the managing director (Ömer) as well as of the head of the HR team (Claudia).
- Students understand the challenges of international assignments.
- Students judge family reasons as being often the most important reason for declining an expatriate assignment.
- Students develop a possible solution strategy for the remainder of Claudia's assignment in Jihlava.

Social competences:

Social competencies are not the special focus of learning in this case study. The learning success is therefore not explicitly identified and measured. Nevertheless, cooperation in groups implicitly enhances team competence, including conflict resolution.

Self-competences:

Self-competences are not the special focus of learning in this case study. The learning success is therefore not explicitly identified and measured. Nevertheless, it can be assumed that, for example, time management, self-learning competence or the assessment of one's own performance are also implicitly promoted.

## 4. Organisation

### 4.1 Procedure and time

The following sequence is suggested for the case study, but, of course, it can also be adapted structurally or temporally depending on your preferences.

Time schedule for the use of the case study:

<i>Time</i>	<i>Phase</i>	<i>Classroom activity</i>
<i>0,5h</i>	<b>1. Confrontation:</b> Groups receive the case study in the lecture	The group deals with the case and the accompanying materials and develops a plan for the processing of the case.
<i>1h</i>	<b>2. Information:</b> Groups survey the case material provided and identify their own sources of information	The group works on the case study and researches the necessary contents.
<i>3h</i>	<b>3. Exploration:</b> Each group discusses alternative solutions	The group develops solutions and compares the different results so that the alternatives are discussed.
<i>0,5h</i>	<b>4. Resolution:</b> Each group makes its decision	The group comes up with a solution for the case study.
<i>1h</i>	<b>5. Disputation:</b> Each group defends its decision <sup>2</sup>	The groups present their results with reasons and a final discussion takes place.

Time schedule for final presentation and discussion:

<i>Minutes</i>	<i>Classroom activity</i>
<i>0-45</i>	Each group presents a summary of its approach to the solution records this in key points on the blackboard or similar media.
<i>45-60</i>	The students get into a discussion about the collected solution.
<i>60-75</i>	If necessary, the lecturer stimulates controversy again by impulses. The following reflective questions can be used for this purpose.
<i>75-90 and in further lessons</i>	Lecturer establishes references to the specialist science and, together with the plenum, places the solutions in the theoretical context.

<sup>2</sup> inspired and translated from Kaiser 1983, p. 26

## 5. Teaching tips

### 5.1 Use in the university context

- Recommended group size: Up to 4 students.
- Resources: Lecture or seminar room, in the best case with group tables and information or research facilities such as access to the internet.
- Accompanying material: As a lecturer, you decide which material you want to give, when you want to add it or to what extent you want to differentiate internally.
- Adaptation to learning group: This case study is designed for Europe-wide use. However, you can of course adapt or modify it to your learning group and their environment or professional orientation, previous knowledge and competences.

### 5.2 Role of the lecturer

As a lecturer, you merely take on the role of a learning advisor and moderator when working with the case study. The students should work on the case independently in groups, acquire the necessary knowledge, identify problems and find solutions by themselves. You do not give tasks, instructions or directions. Only if a group of students does not progress and the learning process is prevented, you can act as a learning guide and help through impulses or clarify difficulties in understanding.

### 5.3 Questions for reflection

A case study is for students to discover problems themselves, control the learning process and develop their own solutions. Tasks or questions within the case study therefore are unnecessary. These reflective questions should only be asked if the discussion stops or remains too superficial. They only serve to give new impetus in the final discussion at the end or to open up other perspectives. Ideally, students should consider and discuss these questions and interdependencies/considerations themselves.

- What shortcomings do you see in the case? Why did Marketa quit her job? Can Ömer keep Claudia in Jihlava?
- Which channels of recruitment would you use to find new employees in the situation given in the case? What is your opinion about Marketa's approach to hiring the new HR-team member?
- How would you describe the cultural differences of Claudia and Marketa using the cultural standard method?
- How would you outline the leadership style of the managing director (Ömer) and the head of the HR team (Claudia) using the GLOBE study?

- What are typical challenges of expatriate assignments? Do you think Claudia is going to stay in Jihlava for the rest of the 3-year-assignment?

*Further case studies of this kind, a Manual for your own development of didactically high-quality case studies as well as an Online-Planning-Guide for the digital, cross-location use of case studies in cooperation with other universities and a partner-tool for contacting interested institutions can be found at: <https://www.e3cases.uni-koeln.de/en/>.*



## CASE

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Claudia sat back in her chair and thought about what she should think about Marketa after she had left the office. She felt totally confused. In her mind, she was under the impression they had always worked well together. Two days ago, when she came back from holiday, she had thought of Markéta Nováková (her deputy) as a solid performer, who was not very ambitious but who was a cornerstone of the HR team, and could - when Claudia returned to Germany - take over the team leadership. However, Marketa had just told her she intended to quit her job. When she had questioned her about the reasons for leaving, Claudia had only received evasive answers.

She thought about the stream of people who had been in to see her two days ago. Ömer was worried. He felt that the whole HR team was acting strangely. He hoped that Claudia would be able to sort out the problem and find a solution that would smooth the waters. He also hoped that Claudia would be able to smooth things over with her husband.

Ömer Demirci, the managing director of ARTES Czech Republic, was born and raised in Istanbul (Turkey). He had successfully graduated from the Koç University Graduate School of Business (the leading business school in Turkey), had the privilege of receiving extensive training within the ARTES Group, and held a number of different positions within ARTES Turkey - where he had climbed the ladder of success almost with virtual ease moving into management - he had eventually been appointed to the position of managing director of ARTES Czech Republic. He is a charismatic boss who ensures the safety and security of his team. He believes in teams, however, he also expects high performance from his staff. He appears to be self-centred and prefers a top/down approach. Claudia feels that he breathes down her neck and could easily override her decisions if he thought her performance did not meet his standards. He naturally prefers to be the one in charge. She is afraid that he would be reluctant to accept her advice anymore.

Daniela had been in to see Claudia, too. Daniela Černá is a very smart 27-year-old Czech woman who received her master's degree from a Czech university, known for its expertise in HR management, specifically personnel selection, leadership, and development. She is fairly new to the team but has quickly learnt the ropes and committed herself fully to the current challenges. She wanted a career at ARTES and could be developed over time into a manager, not only at the Vysočany subsidiary of ARTES but perhaps at the group's headquarters in Germany too. She has tried to anticipate the needs of her supervisors, and she has worked extra hard to accommodate their wishes. Daniela had told Claudia, that she felt that Marketa had not stuck to the standard procedure for hiring new employees. She had



met an acquaintance of hers and talked about her putting in an application for a position within the HR department.

ARTES Group is an international bus manufacturer, it is headquartered in Mannheim (Germany) with several foreign subsidiaries including a production plant in the Czech Republic. There are plans to expand the plant with a significant investment that will double its production capacity within one year. The workforce also is to be increased by approximately 150 new employees, 130 of them as production workers (welders, technicians, maintenance engineers, and so forth) and another 20 administrative jobs (including production managers, security guards, assistants, and interns). The labour market in the Czech Republic is experiencing shortages at present, and, in particular, there are practically no unemployed welders.

The HR department is responsible for recruiting new staff. The team currently consists of six female employees (most of them with a secondary education). Two of them are fully engaged in payroll accounting, the other four deal with recruitment, selection, induction processes, training & development, performance management, personnel administration, legal counselling, etc. The team is expected to be joined by two new employees soon.

The head of the HR team is Dr. Claudia Stricker. She graduated from the University of Mannheim where she studied business administration (major in personnel management, minors in managerial accounting and corporate management) about 10 years ago and also did her doctorate (topic: effective personnel management) there. After her studies she had worked in the HR department (deputy of personnel planning) for a major player in the German automotive industry where she gained important experience before she joined ARTES two years ago. Her job in Jihlava is her first international assignment. She has been working at ARTES for about a year and can still remember very well when her boss in Mannheim approached her and wanted to persuade her to take the job in Jihlava for three years. A foreign assignment would not have been a problem for her after graduation, but now that she has been married to her husband Stefan for five years and that they have a 4-year-old boy, she was initially sceptical about the offer. However, the posting was very interesting from a financial point of view because of various allowances. In addition, the company insists on basing promotions on international experience, the company had an unwritten rule: To get a senior leadership position, you have to have worked in at least one foreign country. Her Ph.D. degree was added as a significant bonus point. Stefan, her husband, had worked as representative of a German manufacturer of medical devices, which also distributes its products in the CEE region. In the end, it was he who shoved all doubt aside. Quite rationally, he said that it was only for a relatively short time, their little boy did not have to go to school yet (It would be even more complicated when they already went to school.), he would work as a representative for the Czech Republic and their mutual dream - a cottage in the country near Mannheim - would become reality very soon. After a short briefing, a kind of manual for Central and Eastern Europe, Claudia found herself

in her new office in Jihlava just over a year ago. Despite initial apprehension she got used to the Czech town very quickly. Her deputy, Markéta Nováková, was good at German and reasonably good at English, while most of her other colleagues in the HR team had only a limited knowledge of foreign languages. Daniela, however, was excellent at English but not really good at German. Claudia, who wanted to integrate into the new environment, saw this as another reason for her weekly Czech course. Despite English being the corporate language, the team language remained mostly German with a little English. Thanks to her long-term working experience in Germany she has been able to communicate and cooperate very well with the international management of the plant in the Czech Republic as well as with the German headquarters.

In the course of the plant expansion, Ömer, the managing director of ARTES Czech Republic, expected the HR team to recruit and hire 150 new employees, 130 of them as production workers (especially welders) and 20 people in administration including one or two new members of her own team.

Claudia knew that when it came to recruitment and selection, ARTES had a sub-optimal past. Recruitment was conducted at the last-minute and without consistent method. Before, there was not a very formal procedure regarding the recruitment of production workers and only Marketa and Andrea – an older lady who had been working for ARTES for more than two decades – knew which issues had to be considered when it came to selecting personnel. Claudia's main task was to create a new recruitment and selection tool for the whole subsidiary based on the corporate HR policies. So, very soon after her arrival in Jihlava, Claudia had installed a new system: Personnel decisions should be based on objective criteria, there were job descriptions for every position in the plant etc.

Claudia prepared for the recruitment plan due to the plant expansion: She clarified the content and legal details of the job ads and organized everything that needs to be planned in advance: When does who have to do what? How should the application rounds be coordinated? In what time frame do things need to happen? The plan was only preliminary for the time being, but already complicated, because the summer holiday season of various involved people had to be taken into account. She asked her Czech team members for support several times - especially her deputy Marketa and the new recruitment specialist Daniela, so that she did not miss anything, because she herself would go on vacation from 03.08. until 18.08. August is a kind of dead season also for the job of her husband, so she had booked her flight five months ago. Everyone was aware of the huge responsibility of the task, some in the HR team felt stressed out though, they were sceptical that so many new, qualified employees could be employed in such a short time. Marketa let Andrea know that she did not think the newly installed personnel selection system would work this time. And Andrea, just like some others in the HR team, agreed with Marketa. They would simply need something more practical if they were to achieve their goal of recruiting so many new employees in such a short time anyway.

Marketa had not been satisfied for quite some time. In general, she found her boss Claudia really nice, above all, that she had made an effort to learn Czech. (She did not manage to do that very well though, just as one can expect.) She also liked the fact that Claudia settled in quite well with her husband and son in Jihlava. Of course, she had heard that Claudia's husband's business has not been performing the way he had imagined. As a sales representative, you have to know the country and its people and above all the language. With German, almost perfect English, but only a smattering of Czech you will not get far even in the medical field. There were even rumours that Claudia's husband wanted to return to Germany. Sooner rather than later.

At the beginning Marketa heard Claudia talking on the phone with her mother in Germany and how positively she talked about the Czech Republic, the company and her colleagues. But then the plan for the production expansion from the corporate headquarters was announced and the HR team was joined by Daniela, a fresh graduate from Prague! How can the headquarters be so crazy and think that you can recruit, select and hire so many applicants in such a short time? And even with the new, fair, but also cumbersome system of selection! And of course, her new colleague Daniela was fully in line with the corporate specifications. Improvising, thinking pragmatically and not just implementing the 'neat' Western management theories, that was not Daniela's strength!

In addition, Claudia showed herself as a typical German boss over time. She kind of saw herself as a know-all and did not fully trust her Czech subordinates, apart from Daniela and Marketa. Formal and written communication had become more important, while most of her Czech colleagues prefer informal and oral channels. The problem is that Claudia seems to consider the in-formally expressed notions as not binding and does not take them seriously. Marketa had heard her local colleague Andrea once saying: "She came here to help us so that we can install the new international HR system in our plant. But she isn't really interested in us, doesn't ask how things are going. We don't want only technical and management knowhow but also, and even more so, human contacts." German managers seem to be primarily goal oriented and focus on the expected outcome.

Nevertheless, Marketa did not want to give up. Although she took a back seat when it came to questioning the new ideas in practice, she wanted to do everything in her power to help the company find its many new employees. The other colleagues in the team were already amazed that she had less time just to chat, the atmosphere in the office was tense and Marketa did not do anything to brighten it up.

During a meeting between Claudia, Daniela and Marketa, shortly before Claudia's holidays, Marketa said: "We are under pressure to hire so many people for quite diverse positions. We do not have the appropriate selection strategies. Perhaps, if we did task and job analyses, we would have objective criteria for personnel decisions, however, this is too academic, far from reality. For our purposes, we

need something more practical. I sometimes know who I should hire just by looking at somebody or if I have a good impression. I rely on the tips of colleagues from other companies, these references are often more important to me than any grades on certificates.”

“For example,” she continued, “I got a very good tip for a new colleague for our HR team. My cousin knows her personally because she used to work with her in the HR department of the local industrial bakery. Although she has not studied, she has learned a lot by herself, she knows her stuff, she’s especially familiar with hiring employees for simpler tasks. Due to the high turnover in the industrial bakery, she has to find up to 80 new workers each year. Quite the same thing that we have to do now. And she would also be willing to change jobs if certain conditions are met.”

Daniela interrupted Marketa and said, “I’m sorry, I didn’t get everything, would it be better if we switched from German to English?”

“Yes, sure,” Claudia answered and they continued in English.

“I know, Claudia is right, personnel decisions should be based on objective criteria. If we know the job requirements for every position, if we have job analyses, we should hire someone based on performance. It must be fair, transparent and objective. The same applies for any selection for our department, too” Daniela continued.

“Assessment centres, personality tests, so many tests, such a short time to do all that. We need to simplify the whole process, if only for the welders. And we need someone for our department. Someone who knows a thing or two, whose routine duty it is to recruit and select blue-collar workers”, Marketa almost desperately added.

However, Claudia had the final say: “We will stick to our plan. Personnel selection needs to make use of objective methods, we have made a great, detailed plan, which is aligned with the headquarters too.”

Claudia was aware that the upcoming months would be a big challenge for everyone in the team. Also for herself and her family. When she arrived in the Czech Republic, she had been full of hope and excitement, ready to share with her new colleagues the expertise she had acquired from her higher-level position at the headquarter in Mannheim. The Czech subsidiary needed her skills and experience as it had plans to expand significantly. The Strickers seemed to adjust well to their new surroundings. They had found a very nice ‘Tagesmutter’ (a day care professional) for Philip, their 4-year-old boy. They had plans to return to Germany after the 3-year-assignment, the boy would immediately start school then, and if they were lucky, they could come closer to realising their dream of owning a house of their own near Mannheim. At first, Stefan had seemed to get along just fine. He was able to organize his work schedule himself in order to be able to take care of the boy more often together with Claudia. In the beginning, he had a very nice and experienced Czech colleague who accompanied him on his business

trips, introduced him to the regular customers and also gave him important tips because he was to retire soon. But after these first six months, after the Czech colleague had retired, the situation worsened. His Czech just did not want to get better, which of course was due to the fact that he only spoke German at home and also communicated with most of his colleagues and clients in German or English. However, as he himself realized, this was not so good for everyone, especially outside of the larger cities. There, the mother tongue was preferred to negotiate the purchase, replacement or maintenance of expensive medical equipment. Another thing was that it did not seem to go so well when he addressed problems openly and critically, just as it was his nature. At the meetings, he usually spent little time on small talk, barely showed interest in the customer as a person and always came quickly to the point. His sales went down so did the commissions and his motivation to drive along the notoriously congested motorway D1, too. Soon he started complaining about the traffic infrastructure, about his customers who often had to struggle with financing the medical equipment, even some leasing companies made it more difficult for them to lease the equipment. In the end, that meant that the price was more important to his customers than quality and service.

After her return from vacation Claudia has realized that the HR team had made great progress in the further planning of the personnel selection.

But there was one thing she could not get over it: As Daniela told her, Marketa had met with the acquaintance from the industrial bakery, she also persuaded her to apply for a job with us and, allegedly, also gave her some inside information about the upcoming tasks in the HR team. Hadn't they agreed before the holidays that they should stick to the elaborate process based on objective criteria when applying? And if now – of all departments – the new employee of the HR team should be hired via connections, then that would cast a bad light also on her, the head of the HR department. On the other hand though, she would certainly give the acquaintance of Marketa a chance, but under fair and equal conditions which applied to everybody.

Therefore, Claudia organized a team meeting where she wanted to talk things over. Agenda item 5 was AOB [any other business]. Claudia turned to the issue with Marketa and her friend from the industrial bakery.

“Why didn't you stick to our internal agreement, Marketa?” Claudia asked. “Is it true that you met with the woman from the bakery in person? We explicitly said that we wanted to adhere to objective and fair terms for all potential candidates.”

Marketa blushed a bit, she had not expected this question and had not a conclusive answer either: “But I thought,” she stuttered “... we have to hire so many new people, we need help for that.”

Claudia then said, “That's true and you probably mean it well, but in the future we need to comply with our agreements. Unfortunately, we can barely consider your friend for our team now because it could be taken as a kind of favouritism as against to other potential candidates.”

Marketa, who could have said that she hadn't talked about any sensitive topic with the acquaintance of hers, kept quiet and did not defend herself.

On the next day though, she went to Claudia's office to hand in her notice.

Claudia sat back in her chair, she totally felt alienated. She had to think about the conversation with Ömer Demirci the managing director of ARTES Jihlava two days ago.

She is confident that her boss Ömer is able to take the lead of the HR team, he can get quite authoritarian.

On top of that there is the thing with her husband Stefan. The long-awaited family vacation was less harmonious than hoped. Stefan had been pestering that something had to change. He could not keep on going the way it has been going the past 6 months. He romanced how good his job was in Germany after all.

“Is he talking about – going back?” Ömer was asking.

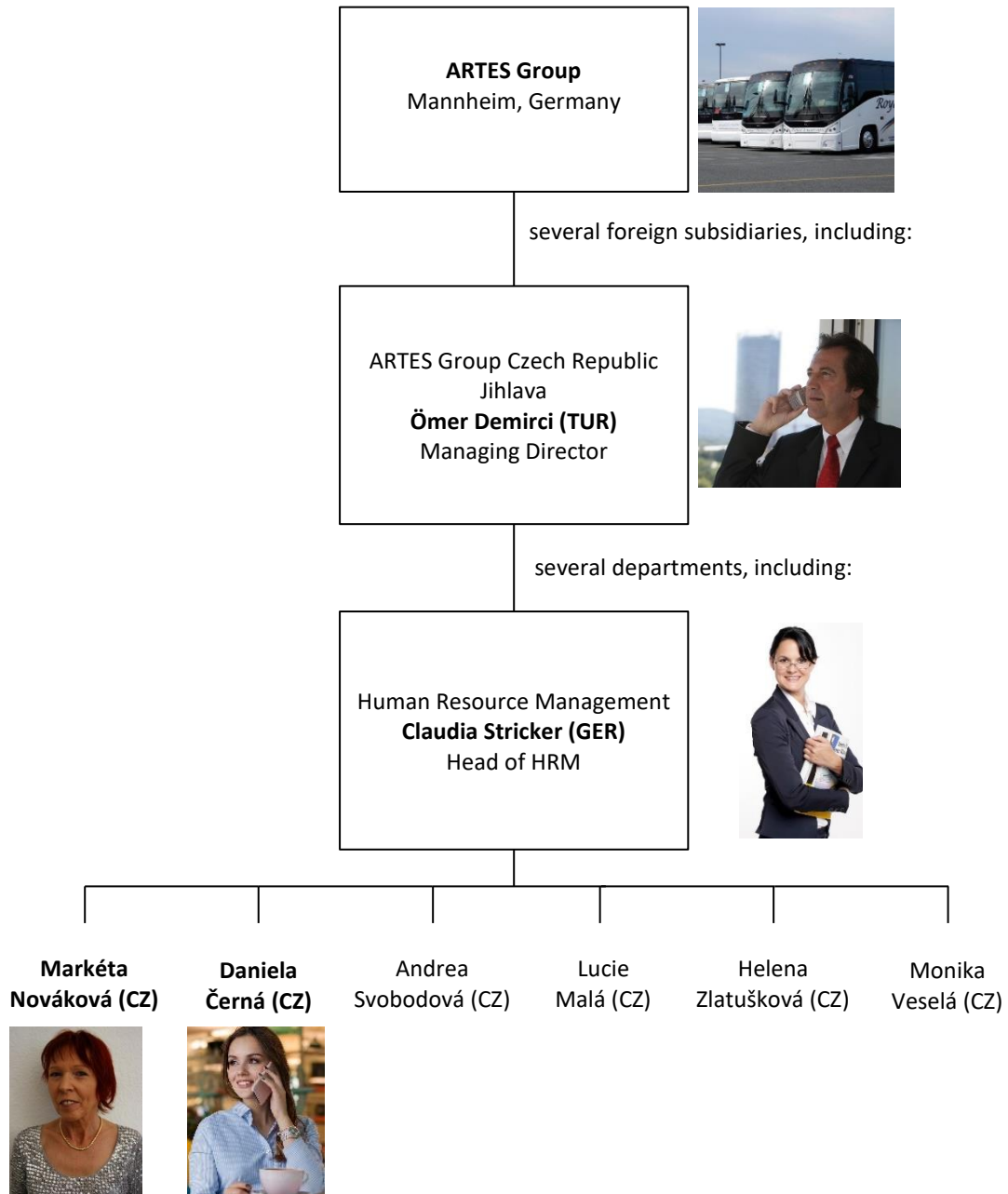
“Yes – and if need be on his own.” Claudia said. “That's what kills me. The only reason, he hasn't planned his return yet, is that the boy rebelled. He likes his Tagesmutter, he likes it here.”

“I really want you to stay.” Ömer said. “You know about our expansion plans, we need you to fix it.” Of course the real danger was that if Stefan left, Claudia might go back to Germany herself, disrupting the company's plans for its new plant. Ömer knew only too well that there were several major – and not only automotive – companies in Germany that would welcome Claudia with open arms.

Claudia looked down into her coffee. “I don't want to go either. I feel obliged to fulfil my duties here in Jihlava. It seems that the spouse's life is one of the weakest points of expatriation, isn't it?”

## MATERIAL

### Attachment 1: Organizational Chart ARTES



Source of pictures: pixabay.com

## Attachment 2: Country statistical profile - Czech Republic

### Country statistical profile: Czech Republic 2021

	Unit	2012	2013	2014	2015	2016	2017	2018	2019
<b>Production and income</b>									
GDP per capita	USD current PPPs	29 259	30 829	32 504	33 909	36 101	38 967	42 446	44 299
Gross national income (GNI) per capita	USD current PPPs	27 378	28 870	30 273	31 584	33 666	36 761	40 035	41 574
Household disposable income	Annual growth %	-0.7	-0.1	2.5	3.1	2.9	4.5	3.9	3.2
<b>Economic growth</b>									
Real GDP growth	Annual growth %	-0.8	0.0	2.3	5.4	2.5	5.2	3.2	2.3
Net saving rate in household disposable income	%	..	..	..	..	..	..	..	..
Gross fixed capital formation	Annual growth %	-3.3	-2.2	3.3	9.7	-3.0	4.9	10.0	2.3
<b>Economic structure: share of real value added</b>									
Agriculture, forestry, fishing	%	2.5	2.6	2.7	2.5	2.3	2.3	2.1	2.1
Industry including energy	%	30.7	30.7	31.8	31.9	31.7	30.9	29.6	29.2
Construction	%	5.9	5.7	5.6	5.7	5.5	5.5	5.6	5.6
Trade, repairs, transport, accomm., food services	%	18.4	18.1	18.0	18.6	18.5	19.1	18.8	18.6
Information, communication	%	5.2	5.1	5.1	5.2	5.3	5.5	5.8	5.9
Finance and insurance	%	4.5	4.6	4.3	4.3	4.2	4.1	4.3	4.2
Real estate	%	9.0	9.0	8.8	8.5	8.7	8.6	9.2	9.3
Professional, scientific, support services	%	6.9	7.0	6.9	6.9	7.1	7.3	7.4	7.5
Public admin., defence, education, health, social work	%	14.8	14.9	14.7	14.4	14.5	14.6	15.1	15.4
Other services (ISIC Rev.4 R - U)	%	2.2	2.2	2.2	2.1	2.2	2.2	2.1	2.1
<b>Government deficits and debt</b>									
Government deficit	% of GDP	-3.9	-1.3	-2.1	-0.6	0.7	1.5	0.9	0.3
General government debt	% of GDP	56.2	56.0	54.8	51.7	47.4	43.3	39.7	37.8
General government revenues	% of GDP	40.8	41.4	40.5	41.3	40.5	40.5	41.5	41.6
General government expenditures	% of GDP	44.2	42.1	42.1	41.4	39.2	38.5	40.0	..
<b>Expenditure</b>									
Government/compulsory expenditure on health	% of GDP	5.9	6.5	6.3	6.0	5.9	5.9	6.3	6.5 e
Voluntary expenditure on health	% of GDP	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3 e
Public social expenditure	% of GDP	19.8	20.7	20.1	19.3	18.9	18.5	18.8	19.2
Private social expenditure	% of GDP	1.0	0.7	0.8	0.8	0.8	0.9	..	..
Public pension expenditure	% of GDP	8.6	8.6	8.3	8.0	7.9	7.7	..	..
Private pension expenditure	% of GDP	0.6	0.3	..	..	..	..	..	..
Official Development Assistance - grant equivalent	% of GNI	..	..	..	..	..	..	0.13	0.13
Official Development Assistance - flows basis	% of GNI	0.12	0.11	0.11	0.12	0.14	0.15	..	..
<b>Taxes</b>									
Total tax revenue	% of GDP	33.4	33.7	32.9	33.1	34.0	34.4	35.0	34.9
Tax on personal income	% of GDP	3.5	3.6	3.5	3.6	3.8	4.0	4.3	4.4
Tax on corporate profits	% of GDP	3.3	3.4	3.5	3.6	3.7	3.7	3.6	3.4
Taxes on goods and services	% of GDP	11.5	11.7	11.0	11.3	11.4	11.5	11.3	11.2
Taxes on the average worker	% of labour cost	42.5	42.4	42.6	42.8	43.0	43.4	43.8	43.9
<b>Trade</b>									
Imports of goods and services	% of GDP	70.9	70.4	75.6	74.6	71.5	71.5	71.0	68.4
Exports of goods and services	% of GDP	75.6	76.1	82.0	80.6	79.1	79.0	77.0	74.4
Goods trade balance: exports minus imports of goods	Bln USD	15.5	18.1	20.7	17.7	19.3	19.3	17.5	20.0
Imports of goods	Bln USD	142.1	144.5	154.4	140.9	143.1	163.1	184.9	179.5
Exports of goods	Bln USD	157.7	162.6	175.1	158.5	162.5	182.5	202.4	199.6
Service trade balance: exports minus imports of services	Bln USD	4.0	3.6	2.7	3.5	4.4	5.3	5.5	4.6
Imports of services	Bln USD	20.3	20.4	22.4	19.8	20.0	21.9	25.1	25.8
Exports of services	Bln USD	24.3	24.0	25.1	23.3	24.4	27.2	30.6	30.4
Current account balance of payments	% of GDP	-1.5	-0.5	0.2	0.4	1.8	1.6	0.4	-0.3
<b>Foreign direct investment (FDI)</b>									
Outward FDI stocks	Mln USD	17 368	20 627	18 235	18 591	19 426	32 364	41 003	44 113
Inward FDI stocks	Mln USD	136 494	134 085	121 512	116 628	121 855	155 994	164 225	170 182
Inflows of foreign direct investment	Mln USD	8 000	3 641	5 492	4 65	9 814	9 518	11 010	7 577
Outflows of foreign direct investment	Mln USD	1 794	4 021	1 620	2 488	2 182	7 557	8 663	4 918
<b>Prices and interest rates</b>									
Inflation rate: all items	Annual growth %	3.3	1.4	0.3	0.3	0.7	2.5	2.1	2.8
Inflation rate: all items non food non energy	Annual growth %	1.0	0.6	0.7	1.3	1.6	2.0	2.4	2.5
Inflation rate: food	Annual growth %	6.9	4.9	2.0	-1.1	-0.9	5.2	1.3	2.8
Inflation rate: energy	Annual growth %	7.2	0.7	-3.7	-3.0	-2.6	1.0	3.1	5.1
Producer Price Indices (PPI): manufacturing	Annual growth %	2.3	0.2	1.0	-3.9	-3.1	2.3	1.8	1.5
Long-term interest rates	%	2.78	2.11	1.58	0.58	0.43	0.98	1.98	1.55
<b>Purchasing power and exchange rates</b>									
Purchasing power parities	CZK per USD	13.30	12.79	12.70	12.94	12.58	12.39	11.99	12.16
Exchange rates	CZK per USD	19.58	19.57	20.76	24.60	24.44	23.38	21.73	22.93
Indices of price levels	OECD=100	67	67	63	60	60	61	64	63
<b>Energy supply and prices</b>									
Total primary energy supply (TPES)	Mtoe	43.2	43.2	41.9	42.0	41.5	43.3	43.3	42.5
TPES per unit of GDP at 2000 prices and PPPs	Toe per '000 USD	0.13	0.13	0.12	0.12	0.11	0.11	0.11	0.11
Renewable energy	Ktoe	3 687.9	4 050.0	4 176.0	4 278.8	4 310.3	4 395.2	4 397.0	4 561.5
Crude oil import prices	USD per barrel	112.33	110.26	102.13	54.91	42.80	53.69	71.51	64.39
<b>Information and Communications Technology (ICT)</b>									
Households with access to computers	%	74.6	73.9	..	78.9	..	82.2	..	..
Households with access to internet	%	72.6	72.6	78.0	79.0	81.7	83.2	86.4	87.0



	Unit	2012	2013	2014	2015	2016	2017	2018	2019
<b>Environment</b>									
Water abstractions	Mln m <sup>3</sup>	1 841	1 650	1 650	1 603	1 636	1 630	1 591	..
National fish landings in domestic ports	'000 tonnes	..	..	..	..	..	..	..	..
National fish landings in foreign ports	'000 tonnes	..	..	..	..	..	..	..	..
Aquaculture	'000 tonnes	21	19	20	20	21	22	22	..
Municipal waste total	'000 tonnes	3 233	3 228	3 261	3 337	3 580	3 643	3 732	..
Municipal waste total per capita	Kg	306	305	308	315	337	342	350	..
CO <sub>2</sub> emissions from fuel combustion	Mln tonnes	106	101	98	99	101	102	101	96
<b>Education</b>									
Tertiary attainment in population aged 25-64	%	19	20	22	22	23	24	24	24
Expenditure per student: primary, 2010 prices	USD constant PPPs	4 775	4 895	5 086	5 207	..	..	..	..
Expenditure per student: secondary, 2010 prices	USD constant PPPs	7 543	7 803	8 167	8 476	..	..	..	..
Expenditure per student: tertiary, 2010 prices	USD constant PPPs	10 422	10 308	10 490	10 891	..	..	..	..
Youths 15-19 not in education nor employment	%	4.0	3.2	3.2	3.0	2.1	2.0	2.4	1.8
Youths 20-24 not in education nor employment	%	13.4	14.2	12.3	11.6	11.3	10.5	8.8	8.9
<b>Employment</b>									
Employment rate in population aged 15-24	%	25.2	25.6	27.1	28.4	28.6	29.2	28.4	28.1
Employment rate in population aged 25-54	%	83.0	83.5	83.8	84.5	85.7	86.7	87.5	87.5
Employment rate in population aged 55-64	%	49.3	51.6	54.0	55.5	58.5	62.1	65.1	66.7
Incidence of part-time employment	%	4.3	4.9	4.8	4.7	4.9	5.4	5.3	5.3
Self-employment rate: total employment	%	18.4	17.9	18.0	17.3	17.2	17.1	16.9	16.8
Self-employment rate: male employment	%	22.2	21.2	21.9	20.9	20.3	20.5	20.6	20.4
Self-employment rate: female employment	%	13.4	13.5	12.8	12.8	13.2	12.9	12.4	12.3
<b>Unemployment</b>									
Unemployment rate: total labour force	%	7.0	7.0	6.1	5.1	4.0	2.9	2.3	2.0
Unemployment rate: male labour force	%	6.0	5.9	5.1	4.3	3.4	2.4	1.8	1.7
Unemployment rate: female labour force	%	8.2	8.3	7.4	6.1	4.7	3.6	2.8	2.4
Long-term unemployment: total unemployed	%	43.4	44.9	44.5	48.3	43.2	36.0	31.7	30.3
<b>Labour compensation and hours worked</b>									
Labour compensation per unit labour input, total economy	Annual growth %	2.6	0.1	2.3	4.5	2.5	7.3	7.6	5.9
Average time worked per person in employment	Hours per year	1 776	1 763	1 777	1 756	1 779	1 784	1 792	1 788
<b>Research and Development (R&amp;D)</b>									
Gross domestic expenditure on R&D	Mln USD	5 883	6 240	6 656	6 855	6 116	6 803	7 541	..
Researchers: full-time equivalent	Per '000 employed	6.6	6.7	7.1	7.3	7.1	7.3	7.6	..
<b>Population</b>									
Total population	'000 persons	10 509	10 511	10 525	10 543	10 565	10 590	10 626	..
Population growth rates	%	0.1	0.0	0.1	0.2	0.2	0.2	0.3	..
Total fertility rates	Children	1.5	1.5	1.5	1.6	1.6	1.7	1.7	..
Youth population aged less than 15	% of population	14.8	14.9	15.1	15.3	15.5	15.7	15.8	..
Elderly population aged 65 and over	% of population	16.5	17.1	17.6	18.1	18.6	19.0	19.4	..
<b>International migration</b>									
Foreign-born population	% of population	..	..	..	..	..	..	..	..
Foreign population	% of population	..	..	..	..	..	..	..	..
Unemployment rate in population of native-born men	% of labour force	6.0	5.9	5.2	4.3	3.4	2.4	1.8	1.8
Unemployment rate in population of foreign-born men	% of labour force	7.3	7.3	5.7	5.3	4.5	2.3	1.8	1.3
Unemployment rate in population of native-born women	% of labour force	8.2	8.4	7.4	6.1	4.7	3.6	2.8	2.3
Unemployment rate in population of foreign-born women	% of labour force	11.2	9.7	8.8	8.8	7.6	3.9	3.4	4.9
<b>Health</b>									
Life expectancy at birth	Years	78.2	78.3	78.9	78.7	79.1	79.1	79.1	..
Life expectancy at birth: men	Years	75.1	75.2	75.8	75.7	76.1	76.1	76.2	..
Life expectancy at birth: women	Years	81.2	81.3	82.0	81.6	82.1	82.0	82.0	..
Infant mortality	Per '000	2.6	2.5	2.4	2.5	2.8	2.7	2.6	..
Overweight or obese, % of population aged 15 and over	Measured	..	..	..	..	..	..	..	..
Suicide Rates	Per 100 000 persons	14.7	14.2	13.3	12.3	11.7	12.4	..	..
<b>Transport</b>									
Goods transport	Mln tonne-km	68 070	71 484	71 385	76 582	68 141	62 904	60 298	57 859
Passenger transport	Mln passenger-km	80 540	81 277	84 067	87 999	91 355	95 002	99 207	102 657
Road Fatalities	Per mln inhabitants	71	62	65	70	58	54	62	58

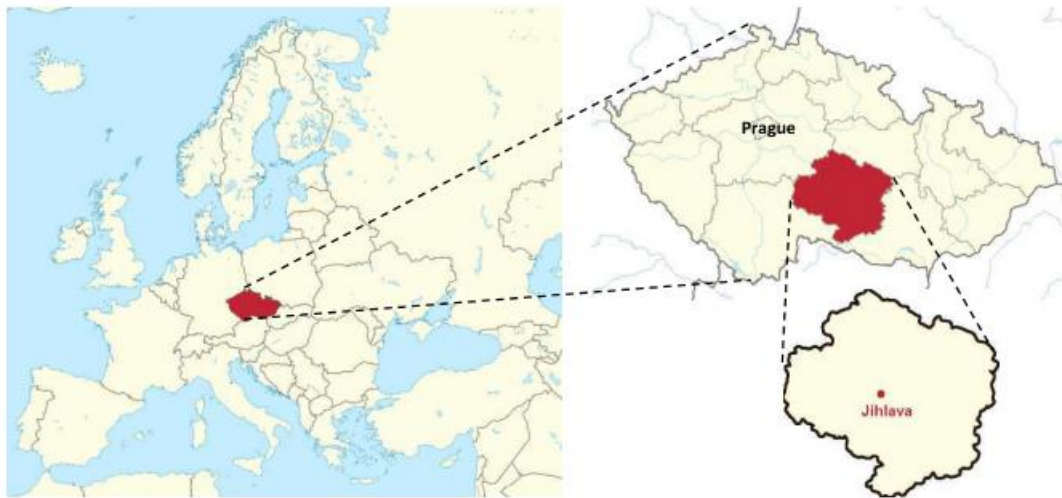
Last updated: 26 January 2021; disclaimer: <http://oe.cd/disclaimer>

.. Not available; | Break in series; e Estimated value

Source: OECD Data ([data.oecd.org](http://data.oecd.org)).

Source: OECD

### Attachment 3: Map of the Czech Republic: Region Vysočina, Basic Information about the Vysočina Region, Unemployment Rate (average, average for the region Vysočina)



FOREIGN DIRECT INVESTMENT 2016	
Region	EUR mil.
Vysočina	2,341.9
<b>Czech Republic Total</b>	<b>115,626.6</b>

Source: Czech National Bank, 2018; as of 31 December 2016

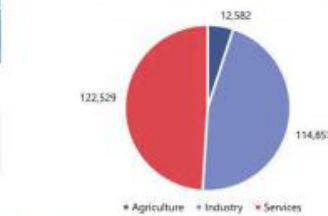
GDP IN REGION 2016		
	Total (mil.EUR)	Per capita (EUR)
Vysočina	7,471	14,672
<b>Share of GDP of CR</b>	<b>4 %</b>	
<b>Regional GDP per capita, EU 28 = 100</b>	<b>72 %</b>	

Source: Czech Statistical Office, 2018

EMPLOYMENT BY SELECTED SECTORS Q4 2017	
CZ-NACE code	Empl.
<b>Manufacturing</b>	<b>88,324</b>
<b>Construction</b>	<b>18,281</b>
<b>Information and communication</b>	<b>2,136</b>
<b>Financial and insurance activities</b>	<b>2,237</b>
<b>Professional, scientific and technical activities</b>	<b>9,423</b>
<b>Administrative and support service activities</b>	<b>3,862</b>
<b>Total</b>	<b>249,968</b>

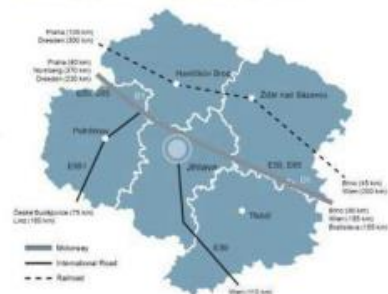
Source: Czech Statistical Office, 2018

EMPLOYMENT BY OCCUPATION IN Q4 2017



Source: Czech Statistical Office, 2018

TRANSPORT INFRASTRUCTURE



Source: Czechinvest, 2018

AVERAGE UNEMPLOYMENT RATE		
Region	2017	April 2018
Vysočina	3.9 %	2.9%
<b>Czech Republic</b>	<b>4.2 %</b>	<b>3.2%</b>

Source: Ministry of Labour and Social Affairs, 2018

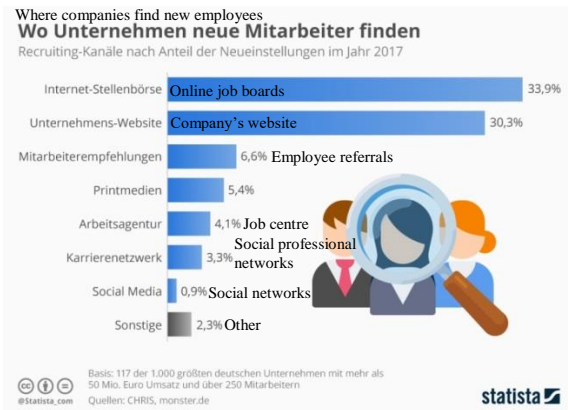
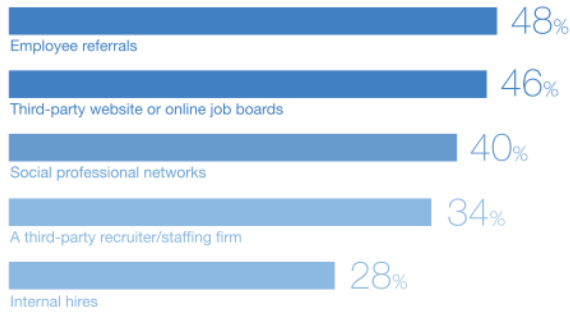
LANGUAGE SKILLS IN THE POPULATION (in %)	
Vysočina Region	Language skill – all levels
<b>English</b>	<b>37.7</b>
<b>German</b>	<b>37.7</b>
<b>Russian</b>	<b>38.7</b>

Note: All levels – fluent, active, passive

Source: STEM, June 2014; Czechinvest, 2018

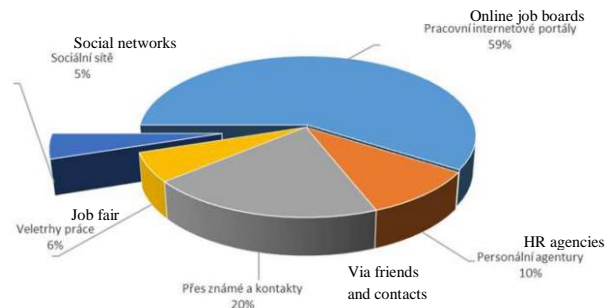
### Attachment 4: Personnel Recruitment Channels (e.g. Germany, Czech Republic)

What are your top channels for quality hires?



Source: Global Recruiting Trends 2017 (LinkedIn)

Source: CHRIS, monster.de, statista\_com



Source: Novinky.cz, 12.4.2017