



# HRM in Switzerland People & Practices

## CRANET Study Report 2015

Chair in Human Resource Management



**University of  
Zurich** <sup>UZH</sup>

In Cooperation with



Schweiz, Gesellschaft für Human Resources Management  
Société Suisse de Gestion des Ressources Humaines  
Società Svizzera per la Gestione delle Risorse Umane  
Swiss Association for Human Resources Management

## Editorial

All people have the same brain, yet there are very different personalities, behaviors, and cultures. Human Resource Management (HRM) is similar: Everywhere it's about managing human resources, but the priorities, processes, and institutions vary from country to country. That's what CRANET - the Cranfield Network on International Human Resource Management - is about: the people, the organizations, and the activities of HRM in different countries.

The Cranfield Network on International Human Resource Management (CRANET) is a network of Universities and Business Schools from over 40 countries. Since 1989, CRANET collects data in a four-year cycle using a standardized questionnaire on HR management, e.g. on recruitment, development, compensation, and employee relations. CRANET analyzes fundamental issues and trends in the structure and policy of HR Management, resourcing practices, employee development, compensation and benefits, employee relations and communication, and it also considers organization-specific, sectorial and country-specific differences in detail. CRANET is unique in its conception and in its depth of study and fills a significant gap in Human Resources Management research. While previous CRANET studies only took European countries into consideration, today countries such as Australia, Canada, Japan, South Korea, South Africa, and the USA are also participating.

In the fall of 2014 the most recent round of data collection took place. In Switzerland the research project was carried out with the cooperation of the Chair in Human Resource Management of the University of Zurich and HR Swiss, the Swiss Association for Human Resource Management. Data was collected in four languages (English, German, French and Italian) using an online tool. The current report highlights the results for Switzerland.

There were many people who enabled the project to take place and gave it their support and whom I would like to thank. These include, firstly, all the anonymous respondents who participated in the survey. Next, Urs Burgunder, the President of HR Swiss, and Max Scheidegger, the General Secretary of HR Swiss for their financial and organizational support. However, special thanks goes to Anna Sender, MSc. and project leader, and to Andreas Schmid, MA, for their tireless efforts in planning, organizing, and conducting the Swiss part of the CRANET project, in collecting, cleaning, and analyzing the data and for writing and designing the current report.

We hope you enjoy reading and exploring the results.



Prof. Dr. Bruno Staffelbach

Head of the Chair in HRM at the University of Zurich, May 2015

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## Chair in Human Resource Management

The Chair in Human Resource Management of Professor Bruno Staffelbach belongs to the Faculty of Business Administration, Economics, and Informatics of the University of Zurich. The Chair operates as an active partner in Swiss, European, and global research platforms and networks. For example, the Swiss Human-Relations-Barometer is an infrastructure project, which has been run since 2005 by ETH Zurich and, is financed by the Swiss National Foundation. It has become a brand for the Chair in Switzerland. Furthermore, the Chair represents Switzerland in CRANET, the Cranfield Network on International Human Resource Management, which operates in more than 40 countries. Finally, it functions as a co-investigator for Switzerland in the Global Leadership and Organizational Behavior Effectiveness Project (GLOBE), a research program that operates in 61 countries around the world. In line with Chair's mission, its members strive to connect science and practice, offer scientific services, and to be involved in the academic self-management of the University. Practice-oriented publications, as well as the Network of the Chair in Human Resource Management, are the platforms we use to build up, reinforce, and maintain bridges between the science and practice of Human Resource Management both worldwide and in Switzerland.

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## Key Facts

If not stated otherwise, we indicate percentages (%) of organizations participating in the study.

## Industry Insights

- Sample: 260 participating organizations with at least 100 employees
- Organizational size: 100-199 employees (19%), 200-300 employees (13%), 300-500 employees (15%), 500-1,000 employees (17%), 35% employ more than 1,000 people
- Sector: 70% private, 17% public, 5% non-profit, 8% mixed
- Industry: Public Administration (12%), Human Health Services (9%), Wholesale and Retail Trade (9%), Finance and Insurance (8%), Manufacturing of Machinery and Equipment (7%)
- Headquarters: 88.5% in Switzerland

## Organizational Characteristics

- HR Department: 99% have a separate HR department
- Family businesses: 26.7%
- Market: Local (11.2%), regional (17.4%), national (29.9%), continent-wide (9.2%) or worldwide (32.3%)
- Organizational changes: 38.1% involved in acquisitions of other organizations, 10.4% taken over, 15.8% involved in a merger in the last three years

## Employee Characteristics

- Female: On average 41% of total workforce; public organizations tend to have a higher percentage of female employees than private organizations
- Age: 26% of staff older than 50

## Performance

- Market development: Declining (16.8% of respondents), stable (49.8%), growing (33.4%)
- Profitability over the past three years: gross revenue insufficient to cover costs (6.7%), break even (14.6%), generates a small profit (34.4%), well in excess of costs (45.3%)
- Staff reduction/expansion over the past three years: Reduced the number of employees (22.8%), stable number of employees (26.4%), and increased the number of employees (51%).
- Employee turnover rate: Voluntary (9.6%), involuntary (4.3%); the larger the organization, the higher the employee turnover rate

## HRM in the Organization

- HR Head: In 64.3% of organizations on the top management board
- Outsourcing: Use of external providers for pensions, training and development, recruitment and outplacement in over 50% of participating organizations
- Outsourcing: Use of external providers for payroll and processing routine HR queries (e.g. HR call center) in less than 20% of organizations

## HR & Strategy

- Strategy: Having a written business / service strategy (88.6%), written HRM Strategy (67.5%), a written HR recruitment strategy (51.4%), a written HR training and development strategy (63.8%)
- HR Head involvement in strategy development: In 82.3% of participating organizations; organizations which involve HR management in the development of business strategy have lower voluntary turnover rates
- Evaluation of HR department activities: HR department is not evaluated at all (12%), evaluated to some extent (80%), and evaluated to a very great extent (8%)

## Development

- Appraisal system: Formal appraisal system for the management (95.9% of organizations), professionals without managerial responsibility (94.2%), for clericals and manuals (93%)
- Use of appraisal data: In order to make decisions about pay (70.4%), for training and development (95.0%), for career move decisions (90.3%), for workforce planning (53.2%)
- Career development: High potential/talent management (68.8%), mentoring (69.3%), international career assignments (46.3%)

## Recruitment

- Social media: In recruitment for managers (36.1%) and professionals (41.1%), in se-

lection for managers (23.2%) and professionals (24.5%)

## Work Arrangements & Action Programs

- Action programs for employees 50+: In recruitment (12.2%), in training (25.2%), in career progression (13%)
- Action programs for women: In recruitment (25.3%), in training (25.3%), in career progression (27.5%)
- Schemes in excess of statutory requirements: Workplace childcare (16.4%), childcare allowances (23%), career break schemes (27.1%), maternity (88.9%) and paternity schemes (65.8%)

## Compensation & Benefits

- Basic pay determination: Individual level for managers (71.7%), professionals (61.3%) and clericals (51.4%); national / industry wide basic pay for managers (18.5%), professionals (26.8%), and clericals (42.0%)
- Compensation schemes used the most: Individual performance related pay for managers (72.1%), for professionals (67.7%), for clericals (60.7%), bonus based on individual goals for managers (63.5%), for professionals (48.7%), for clericals (30.0%)
- Compensation schemes used the least: Employee share schemes for managers (18.2%), professionals (8.4%) and clericals (8.0%) and stock options for managers (22.0%), professionals (8.1%) and clericals (6.3%)

## E-HRM

- Use of the Human Resource Information System or electronic HRM systems: Used in 74.7% of participating organizations

- Employee self-service: Used in 33.5% of respondents' organizations; larger organizations are more likely to use self-service for their employees and managers than smaller organizations

## Notes on the Statistics Language

- N** Sample Size  
The number of observations (here organizations) included in the analysis.
- SD** Standard Deviation  
This statistic describes how close the data is to the average value: A large standard deviation indicates that the data is spread out over a wide range.
- r** Correlation Coefficient  
A measure of the strength and the direction of a linear relationship between two variables. It can take a value from -1 to 1 with the value of -1 indicating a totally negative relationship, a value of 1 a totally positive relationship. 0 indicates no relationship exists.
- p** P-Value  
This value indicates the significance of a statistical result. A p-value smaller than .05 indicates that the observed effect is unlikely to have arisen purely by chance.

## List of Abbreviations

CRANET	Cranfield Network on International Human Resource Management
FSO	Federal Statistical Office
HRM	Human Resource Management
ZGP	Zürcher Gesellschaft für Personal-Management

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## 1 What's the Study about?

### 1.1 Background

The Cranfield Network on International Human Resource Management (CRANET) is a network of Universities and Business Schools from over 40 countries. Since 1989, CRANET has collected data in a four-year cycle using a standardized questionnaire on HR management (e.g., recruitment, development, compensation, and employee relations). CRANET analyzes fundamental issues and trends in the structure and policy of Human Resource Management considering organization-specific, sectorial, and country-specific differences in detail. CRANET is unique in its conception and its extent and fills a significant gap in Human Resources Management research. While previous CRANET studies considered European countries only, today, countries such as Australia, Canada, Japan, South Korea, South Africa and the USA are also included (see figure 1).



Figure 1: CRANET Member Countries (2014)

In the fall of 2014, the latest round of data collection in Switzerland took place and was carried out in cooperation with the Chair in Human Resource Management of the Uni-

versity of Zurich and HR Swiss<sup>1</sup>. Standardized questionnaires were sent to private and public organizations in the three major language regions of Switzerland: French-speaking, German-speaking, and Italian-speaking. **For the sake of readability, we consistently use the term «organization».**

### 1.2 Objectives of the Study

The results of the study provide snapshot information on the role and activities of HR-departments (e.g., in strategy development), outsourcing, use of intranet-based employee self-service and social media in HRM activities, use of atypical work arrangements or the evaluation of HRM activities. Thus, the results of the study provide a valuable basis upon which to benchmark the HRM activities of different organizations with Swiss trends and competitors.

### 1.3 Note on Confidentiality

Participating HR professionals and their organizations were assured of the strict confidentiality with which their responses would be treated.

### 1.4 Structure of the Study Report

Following the introduction to the study design, the overview of the participating organizations is provided in the second chapter of this re-

<sup>1</sup> The Swiss Association for Human Resources Management is the umbrella organization of personnel and training managers from business and public authority backgrounds since 1957. • [www.hrswiss.ch](http://www.hrswiss.ch).

port. Thereafter, the results are presented in six main groups. The report is rounded off with concluding remarks.

In addition to providing descriptive statistics in order to illustrate the results, the differences between organizations, for example, in terms of size and ownership, were explored. In such cases, in addition to means and standard deviations, correlation coefficients (see page 6) are reported.

### 1.5 Practical Benefit

The questionnaire, which serves as a basis for this report, is comprehensive and covers diverse aspects of the role and activities of the HR department in organizations. In preparation for this report, current trends and challenges in HRM from a practitioners' point of view were taken into consideration (e.g., digit-

ization, diversity, evaluation of HR department activities).

## 2 What's the Study Design?

### 2.1 Research Model

The research model of the CRANET study in Switzerland is presented in figure 2.

In addition to organizational characteristics, the study covers main HRM Practices and the role of the HR Head and the HRM Department within the organization. Additionally, several measures of performance and profitability were collected.

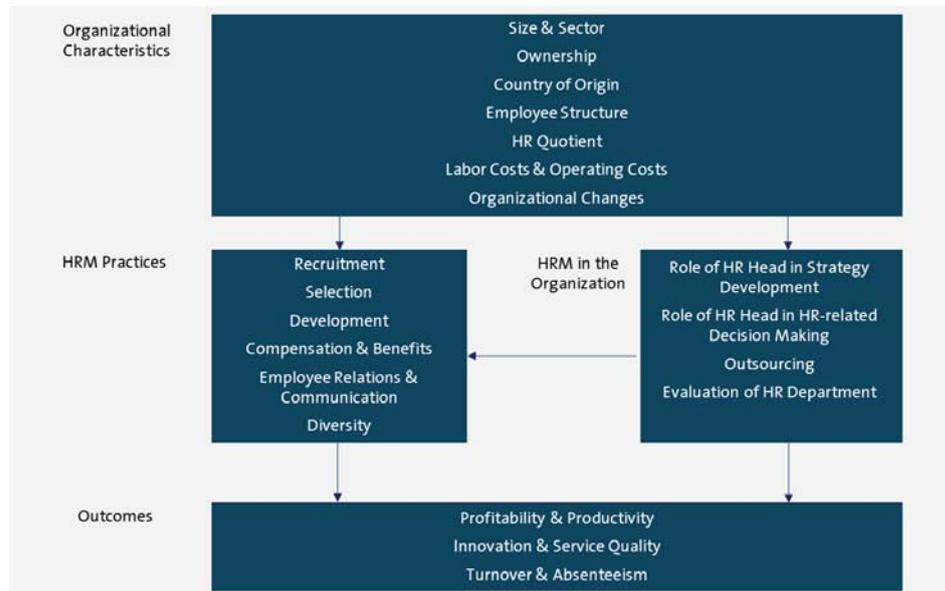


Figure 2: Research Model

### 2.2 Sample

The sample for the study was generated in co-operation with HR Swiss. Specifically, HR Swiss provided a directory of HR professionals and the respective organizations as well as email- and postal addresses. Table 1 presents the percentage of organizations in which HR professionals were invited to take part in the study in different language regions. For the analysis, only data from organizations with at least 100 employees were used (see Chap. 3.2). **1,412** organizations employing at least 100 employees received an invitation to take part in the study. Given that in some organizations we approached more than one HR professional, the number of professionals contacted for the survey amounts to 2,056. Out of these, **260** completed questionnaires were returned. This corresponds to a response rate of **18.4%** which is comparable to previous CRANET data collection rounds in Switzerland and other European countries. The analysis of the respondents indicates that 95.3% of them work in the HR department and 63.6% have the most senior position therein.

	German-speaking part of Switzerland	French-speaking Switzerland	Italian-speaking part of Switzerland
% of respondents	71.9%	25.4%	2.7%

Table 1: Percentage of Respondents per Region Invited to Take Part in the Study

### 2.3 Questionnaire

A universal questionnaire was disseminated in all participating countries. The CRANET network developed the questionnaire in English; country-specific questions were developed additionally and incorporated by the country-specific research team.

For the purpose of the Swiss study, the original survey-questions in English were translated into German, French, and Italian in line with state of the art research. In addition, we conducted a pre-test with five HR professionals from the German-speaking part of Switzerland in order to assure adequate terminology in the Swiss context.

### 2.4 Data Collection Procedure

For the data collection, on-line questionnaires via an online tool [www.unipark.de](http://www.unipark.de) were distributed.

### 2.5 Limitations

The analysis of the data is restricted to organizations employing at least 100 employees. For the analysis, data from public and private organizations were merged and this may confound the results. Additionally, given that for some open questions participants did not provide information, the sample (n) used for specific questions may be smaller. Given the non-experimental and cross-sectional nature of the study (data collected at one point in time), no causal conclusions (cause and effect relationship) can be drawn.

We compared the sample of organizations participating in the study with the general population of organizations with at least 100 employees in Switzerland. Results indicate that the following industries are overrepresented: manufacture of machinery and equipment, manufacture of transport equipment, and other manufacturing, as well as public administration. In turn, accommodation and food service activities, publishing, broadcasting activities, as well as accounting, management, architecture, and scientific research are underrepresented in our sample. In terms of size, in our sample, smaller organizations (100 to 199 employees) are clearly underrepresented. According to the Federal Statistical Office (FSO)<sup>2</sup>, organizations with 100 to 199 employees constitute 56% of all organizations with more than 100 employees. In our sample this group accounts only for 18% of the sample. In turn, larger organizations (500+) are overrepresented. Whereas according to the FSO, organizations with more than 500 employees account for 14% of all organizations with more than 100 employees, in our sample we observe a much higher proportion of 55%. Thus, the results of this study should not be treated as representative of Swiss organizations employing more than 100 employees. However, the results of the study may actually be more representative than the analysis implies, given that some

organizations indicated the number not only in Switzerland but globally.

Additionally, in this analysis we included the results of the previous CRANET survey in Switzerland (2008) in order to show developments over time. Although the two samples are similar in terms of organizational size and sector, at least to some extent, different organizations took part in both studies and we were not able to observe the same organizations over a period of time.

<sup>2</sup> Federal Statistical Office. (2012). *Marktwirtschaftliche Unternehmen nach Wirtschaftsabteilungen und Gröszenklasse*. Retrieved from <http://www.bfs.admin.ch/bfs/portal/de/index/themen/06/02/blank/data.html>

### 3 What's the Data?

#### 3.1 Industry Insights

As Figure 3 demonstrates, 35% of organizations participating in the survey employ more than 1,000 employees. In the sample, 70% of the organizations operate in the private sector, 17% in the public sector, 5% are non-profit, and 8% indicate their sectors as being mixed. Participating organizations represent a wide range of industries: Public administration (12%), Human health services (9%), wholesale and retail trade (9%), finance and insurance (8%), manufacturing of machinery and equipment (7%), just to name a few. Compared to the sector sizes stated by the FSO, organizations from the 2nd and 3rd sector were over-represented in our sample.

Moreover, 88.5% of participating organizations have their headquarters in Switzerland. Other countries include France, England, Germany and the United States, amongst others.

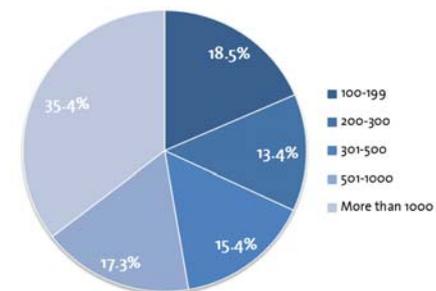


Figure 3: Participating Organizations by Size (N = 260)

#### 3.2 Organizational Characteristics

Out of 260 organizations used for the analysis, 99% have a separate HR department. This observation is certainly connected to the fact that 35% of the sample employ more than 1,000 employees. The staff of the HR department accounts, on average, for 1.6% of an organization's workforce (HR quotient). This ratio is smaller than in 2008 (2.1%). There are no significant differences between private and public organizations in terms of the size of the HR department in relation to the total workforce.

On average, labor costs account for 47% of the total operating costs ( $SD = 22.81$ ). Compared to the last survey, this figure has remained relatively stable (46% in 2008). However, 25.8% of respondents did not provide an answer to this question. This finding may be related to the high proportion of organizations from the service sector in the sample. There were no significant differences between public and private organizations regarding labor costs as percentage of operating costs.

The main market served by the organizations participating in the survey was local (11.2%) regional (17.4%), national (29.9%), continent wide (9.2%), or world-wide (32.3%). Moreover, 38% of the organizations were involved in the acquisitions of other organizations, 10.4% were taken over by another organization, 15.8% were involved in a merger, and 18.8% were involved in a relocation over the course of the last three years. Family busi-

nesses account for 26.7% of the final sample. Thus, family businesses were clearly underrepresented in our sample, as about 88% of all Swiss companies across all size classes are family owned.<sup>3</sup>

### 3.3 Employee Characteristics

On average, female employees accounted for 41% of the total workforce in the participating organizations. Public organizations tend to have a higher percentage of female employees than private organizations (37.8% in private sector, 50.0% in public sector). On average, of the staff, approximately 26% are over 50 years old and about 27% have a higher level of education (e.g. university degree).

In a typical organization in our study, 15% of the staff are managers, 31% professionals without managerial responsibility, and 54% clerical (office staff) and manual workers.

### 3.4 Performance

For the analysis of performance we included only non-public organizations (N = 209), which indicated answers to performance related questions (e.g., market development or revenues). With some questions, such as stock market performance, only certain organizations could be considered (e.g. listed organizations). Approximately 16.8% of respondents indicated that the market their organization is serving is currently declining,

49.8% indicated a stable market, whereas 33.4% indicated a growing market. Compared to the CRANET survey carried out in 2008, the evaluation of the market situation is more negative.

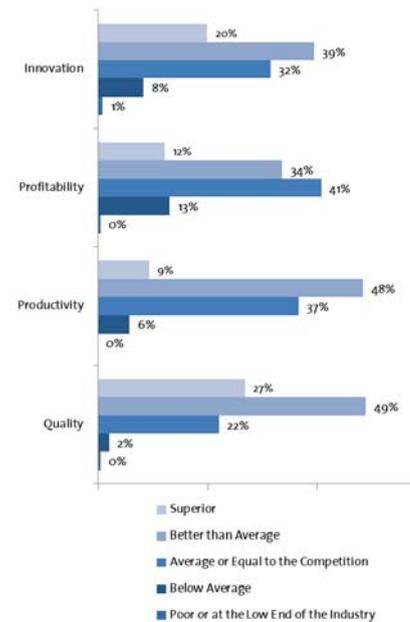
In turn, 6.7% of respondents indicated gross revenues as being insufficient to cover costs over the course of the last three years, 14.6% as sufficient to break even, 34.4% as sufficient to make small profits, and 45.3% as being well in excess of costs. Similarly, the earnings situation has been assessed more negatively compared to the previous CRANET survey (2008).

All respondents (e.g. public, private, non-profit, and mixed organizations) were also asked to evaluate their organizations' performance in direct comparison to their competitors in terms of quality, profitability, innovation, and productivity. Figure 4 shows the organizations' own evaluation of performance. In terms of innovation, productivity, and quality, more than half of all respondents evaluated their organizations as being better than their competitors. In terms of profitability, 46% of respondents rated their organization's performance as above average when compared to their competitors' performance. The overall picture shows that the majority of organizations consider their performance as being superior to that of their competitors.

Average voluntary turnover among participating organizations was 9.6% (*SD* = 14.9%); involuntary turnover was 4.3% (*SD* = 7.1%). Average voluntary turnover decreased slightly

compared to 2008 (11.9%). However, it was particularly high in the accommodation and food service industry (17.7%) and particularly low in the pharmaceutical industry (6.1%).

There were also significant differences between private and public organizations. The former showed a turnover rate of 10.8% on average and the latter a 6.95% turnover rate. Larger organizations in our sample tended to have higher voluntary turnover rates ( $r = .16$ ,  $p < .05$ ).



**Figure 4: Performance Landscape (N = 238-346):** "Compared to other organizations in your sector, how would you rate the performance of your organization in relation to the following?"

Additionally, organizations were asked to indicate turnover among top performers. We defined top performers' turnover as turnover among the best performing staff CRANET Study Report 2015

(approximately the top 20% of staff). Average top performers' turnover among participating organizations was 1.3% (*SD* = 0.2%). However, top performers' turnover was negatively related to organizational size, indicating that larger organizations have lower levels of turnover among their top performers ( $r = -.16$ ,  $p < .01$ ).

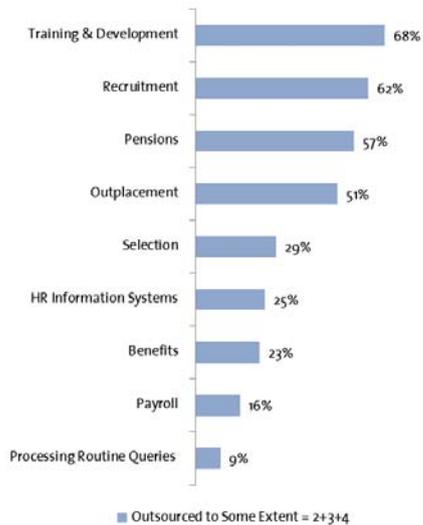
## 4 What are the Results?

### 4.1 HRM in Organization

Participating organizations were asked to indicate to what extent they use external providers for the different areas in HR. Respondents could choose from a scale of 1 to 4 (1 = not outsourced; 4 = completely outsourced).

Figure 5 shows the results: Whereas more than 50% of the respondents indicated that their organizations use external providers for pensions, training and development, and recruitment and outplacement, less than 20% of organizations seem to use external providers for payroll and for processing routine HR queries (e.g. an HR call center). 68% of the participating organizations indicated that they partly outsource activities in the fields of human resources development and training. The extent of outsourcing appears to have no significant relationship to the HR quotient. Overall, an increase in outsourcing in recruitment and administrative activities was observed compared to the previous CRANET survey (2008).

<sup>3</sup> Fueglistaller, U., & Halter, F. (2005). Familienunternehmen in der Schweiz: Empirische Fakten zur Bedeutung und Kontinuität. *Der Schweizer Treuhänder*, 79(1/2), 35-38.



**Figure 5: Outsourcing Activities (N = 257):** “To what extent do you outsource the following areas to external providers?” Scale: 1 = Not outsourced (not visible here) to 4 = Completely outsourced

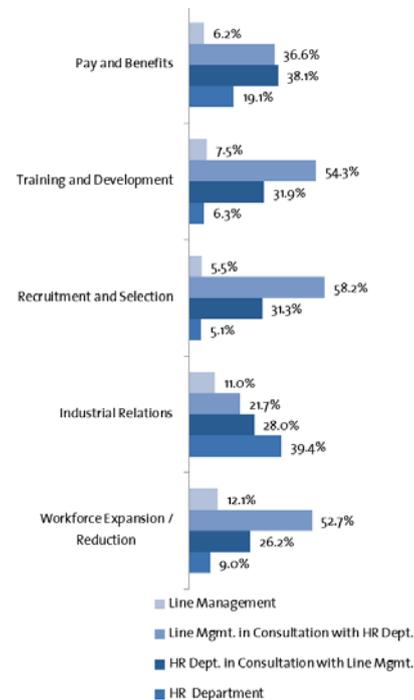
### The Role of Head HR in the Management

In order to explore the role of the Head of HR in the management of organizations, respondents were asked to indicate if the Head of HR has a place on the management board or an equivalent high-level executive team. The results show that in 64.3% of organizations, the Head of HR has a place on the top management team (or management board). This reflects only a slight increase compared to the previous survey (62.5% in 2008).

In this regard, no differences were identified between family and non-family organizations, smaller and larger organizations, or better and worse performing organizations. Moreover, the HR quotient also seemed to be unre-

lated to the inclusion of the Head of HR being on the board.

The survey also covered who had the responsibility in organizations - including HR involvement - in major policy decision-making over pay and benefits, recruitment and selection, training and development, industrial relations, and workforce expansion/reduction. Figure 6 presents the results from all participating organizations. In all areas, the majority of organizations involve their HR department in major policy decision-making. Overall, these results point to intensive cooperation taking place between the HR department and the line management in decision-making in various fields.



**Figure 6: HR Department Involvement (N = 254-257):** “Who has primary responsibility for major policy decisions on the following issues?”

### 4.2 HR & Strategy

#### Strategy Development in HR

Respondents were asked to indicate if their organization had a written strategy in HR related areas. Results show that whereas 88.6% have a written business / service strategy, 67.5% of the participating organizations have a written HRM strategy, 51.4% a written HR recruitment strategy, and 63.8% a written HR training and development strategy.

To examine the role of the Head HR in the development of organizations' strategy further, respondents in organizations with a written business strategy were asked to indicate at what stage in the development of their business strategy the person responsible for personnel / HR was involved. Participants could choose from four answers: Not consulted, on implementation, throughout subsequent consultation, from the outset. Results show that in 17.7% of respondents' organizations, the person responsible for HR was not consulted at all, 8.3 % on implementation, 20.3% throughout subsequent consultation and 53.7% from the outset. Thus, the Head of HR plays an important role in developing the business strategy of the majority of organizations.

Again, we compared whether or not organizations, which involve their Head of HR in strategy development, are distinct in terms of size,

performance, ownership, HR quotient or sector, but we did not find any statistically significant differences. Yet, organizations, which indicate that they involve HR management in the development of a business strategy, seem to have lower voluntary turnover rates ( $r = -.19, p < .01$ ).

#### Challenges in Human Resource Management

In order to explore the occurrence of downsizing practices in participating organizations, we asked respondents to indicate changes in headcount over the last three years. Results show that 22.8% of the participating organizations reduced the number of employees; in 26.4% of the organizations the number of employees remained stable and in 51% the number of employees increased over the course of the last three years. We observed that organizations operating in a declining market were more likely to have reduced the number of employees over the past three years ( $r = .38, p < .01$ ). Additionally, organizations with lower performance tended to have decreased the number of employees over the past three years ( $r = .15, p < .05$ ).

Figure 7 shows the use of different means aimed at downsizing. A significant number of the organizations in our sample were involved in different means aiming at downsizing over the past few years. The results show that internal transfers, the non-renewal of contracts, and early retirement belong to the most common methods of downsizing. Larger organizations tend to revert to recruitment

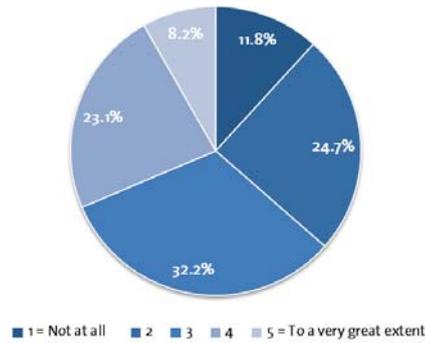
freeze ( $r = .14, p < .05$ ) and early retirement ( $r = .13, p < .05$ ) more often.



**Figure 7: Downsizing Activities (N = 260):** “Have you used any of the following methods to downsize the organization through reducing the number of people employed or other means to decrease cost?” (Multiple selection possible)

Additionally, respondents were asked to indicate to what extent the performance of the HR department was evaluated, with possible answers ranging from 1 = not at all, to 5 = to

a very great extent. Figure 8 presents the results.



**Figure 8: Evaluation of Performance of HR Department (N = 255):** “To what extent is the performance of the personnel/human resources function/department evaluated?”

In 11.8% of cases the performance of the HR department is not evaluated at all. In turn, 8.2% of respondents indicate that the performance of their HR department is evaluated to a very great extent. Organizations that involve HR managers in the development of a business strategy tend to show higher degrees of HR performance evaluation ( $r = .26, p < .01$ ). Additionally, larger organizations tend to evaluate the performance of their HR departments more often than smaller organizations do ( $r = .15, p < .05$ ).

### 4.3 Development

#### HR Development and its Evaluation

The questionnaire also explored issues related to appraisal systems. Results show that in 95.9% of respondents' organizations there is a formal appraisal system for the management. In turn, 94.2% indicated a formal appraisal system for professionals without man-

agerial responsibility and 93.0% for clericals and manuals. The majority of respondents' organizations (70.4%) use appraisal data to inform pay decisions, 95.0% for training and development decisions, 90.3% to inform decision-making regarding career moves, and 53.2% to inform workforce-planning decisions.

On average, managers spend 5.3 days annually on training ( $SD = 8.79$ ); professionals spend 6.88 days on training ( $SD = 17.34$ ) and those with clerical jobs, 4.76 days ( $SD = 11.39$ ). The large standard deviations ( $SD$ ) indicate significant differences in the number of training days between the organizations. On average, organizations in our sample spent 3.16% of the annual payroll costs on training ( $SD = 2.71$ ). Organizations with higher percentage costs for training are more likely to have a systematic evaluation of the performance of the HR department ( $r = .16, p < .05$ ). However, no significant correlation was found over the last three years for overall performance.

We also covered aspects related to the evaluation of training activities. Results show that 78.0% of organizations systematically evaluate the need for training their staff and 54.4% also have a systematical evaluation of the effectiveness of such training. We provided respondents with a list of evaluation methods and asked them to indicate whether or not a given method was used in the organization (1 = used, 0 = not used).



**Figure 9: Evaluation of Training (N = 104-162):** “If you systematically evaluate the effectiveness of training of personnel in your organization, which of the following techniques does your organization use to evaluate training effectiveness?”

Figure 9 presents the percentage of respondents who use different evaluation methods; reaction evaluation immediately after training (86%), informal feedback from line managers (81%), meeting objectives set out in the training and development plan (78%), and informal feedback from employees (77%) were most frequently used in respondents' organizations.

In addition, we asked the participating organizations to indicate to what extent they used a variety of methods specifically for career management. Respondents could indicate their answers on a scale from 0 (not at all) to 4 (to a very great extent). Results show

(see Figure 10) that training on the job, special tasks, and participation in project team-work belong to the methods most often used to support career management. Additionally, 68.8% of our respondents indicated that they use high potential programs (such as talent management), 69.3% that they use mentoring, and 46.3% international career assignments. We did not find any significant relationship between career management and the HR quotient or the involvement of the HR Head in strategy development.

#### 4.4 Recruitment

We were also able to gather information about current recruitment practices. The percentage of respondents using the following recruitment methods is presented in Figure 11 (total sample, not restricted to particular labor market segments). A large percentage (48.8%) indicated that they use social media in recruitment. Larger organizations more often tend to use career fairs ( $r = .19, p < .01$ ) and trainee programs ( $r = .16, p < .05$ ). Better performing organizations are more likely to use career fairs ( $r = .15, p < .05$ ) and the organization's own website ( $r = .23, p < .01$ ) for recruitment purposes. In organizations that use social media for recruitment, the performance of the HR department is more likely to be evaluated ( $r = .17, p < .01$ ).



Figure 11: Recruitment Methods (N = 260): "Please indicate which of the following recruitment methods are used in your organization?"

#### 4.5 Work Arrangements & Action Programs

We asked respondents if their organizations have action programs focusing on different groups in order to improve their participation in the workforce. Results show that 12.2% of the respondents indicated that their organization has programs in recruitment, 25.2% in training, and 13.0% in career progression for employees over 50 years old. Additionally, 25.3% indicated that they have programs for women in recruitment, 25.3% in training, and 27.5% in career progression. We also asked respondents to indicate whether or not their organizations offer any schemes in excess of statutory requirements, such as childcare and maternal / parental leave. Of all respondents, 16.4% indicated that their organization offered workplace childcare, 23% offered childcare allowances, 27.1% offered career break schemes, 88.9% maternity, and 65.8% paternity schemes.

Additionally, we explored the use of different work arrangements in the organizations. Results show that 49.6% of the organizations have employees in job sharing work arrangements, and 79.4% in flexi time. 22.1% have employees with home-based work, and 55.4% have employees in tele-working arrangements. Larger organizations more frequently provide action programs for women. We found that organizations with training programs for older employees tend to have a lower turnover ( $r = -.19, p < .01$ ).

#### 4.6 Compensation and Benefits

We asked participants to indicate at what level the basic pay is determined in their organizations. Figure 12 presents the results: In most organizations, basic pay is determined at the individual level for each employee. 42.0% of respondents indicate, however, that they use industry / national pay basic pay for clericals, whereas industry / national pay for managers is used only by 18.5% of the respondents' organizations.

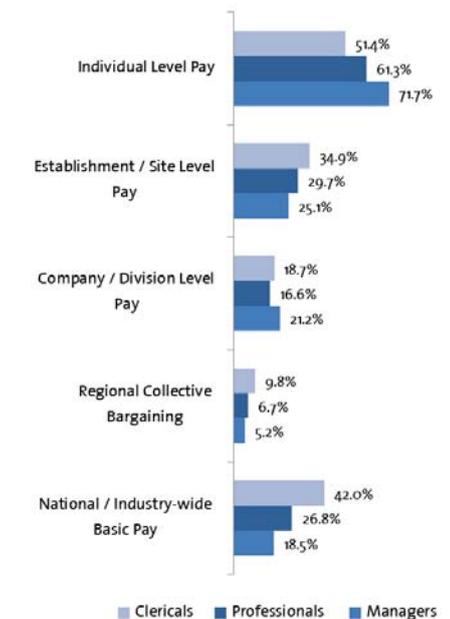


Figure 12: Pay Level Determination (N = 193-212): "At what level(s) is basic pay determined for the following staff categories?"

A further question regarding the topic of compensation related to the special schemes that organizations use in order to reward their

Figure 10: Methods in Career Management (N = 240-245): "To what extent do you use the following methods for career management?"

employees. Figure 13 presents the results: Individual performance related pay is used in 72.1% of respondents' organizations for managers, in 67.7% for professionals and 60.7% for clericals. Employee share schemes (18.2%) and stock options (22.0%) belong to the schemes used least often in participating organizations. Interestingly, bonuses based on team goals seem to be used significantly less often in organizations (31.9%, 23.1%, and 20.8% for managers, professionals and clericals respectively) and bonuses based on organizational goals (59.2%, 42.1%, and 27.6% respectively).

Organizations with a wide range of incentives for all three groups are more likely to evaluate their HR department.

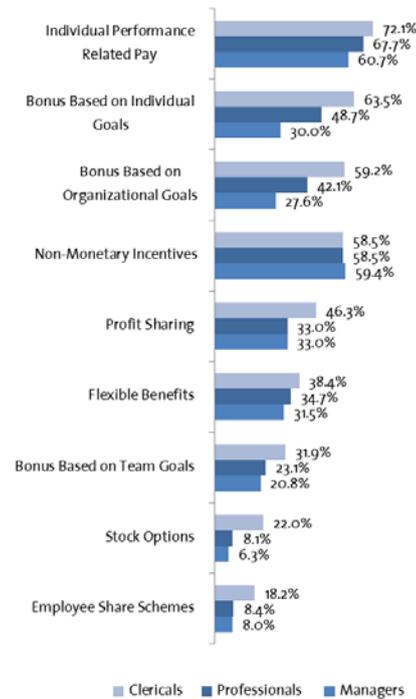


Figure 13: Compensation Schemes (N = 216-230): "Do you offer any of the following compensation schemes?"

#### 4.7 E-HRM

##### Portal instead of People: The Use of e-HR

In order to explore the use of new media and technological solutions in HR, we asked if respondents' organizations use Human Resource Information System (HRIS) or electronic HRM systems to deliver HR activities. Results show that 74.7% of the respondents use such systems. Additionally, we asked if organizations use manager self-service<sup>4</sup> and 36.9% of respondents indicated the existence of such a service in their organization.

In turn, employee self-service<sup>5</sup> is used by 33.5% of the respondents' organizations. Correlational analysis indicated that larger organizations tend to use self-service for employees ( $r = 21, p < .01$ ) and managers ( $r = 23, p < .01$ ) more often.

Social Media in:	Clericals	Professionals	Managers
Recruitment	34.9%	41.1%	36.1%
Selection	19.4%	24.5%	23.2%

Table 2: Use of Social Media

We were also interested in examining the use of social media in different areas of HR. Table 2 presents these results: Whereas 36.1% and

<sup>4</sup> An electronic HR tool that allows managers to handle many HR-related tasks for their employees themselves, rather than relying on the HR department to do that (e.g. promotions, job requisitions, employee leave and compensation changes)

<sup>5</sup> An electronic HR tool that allows employees to handle many HR-related tasks themselves (e.g. changing personal details, applying for a vacation; claiming expenses)

41.1% use social media in the recruitment of managers and professionals respectively, 23.2% and 24.5% use social media for selection of managers and professionals.

## Closing Remarks

The present study provides snapshot information on the HRM landscape in Switzerland. The comprehensive CRANET questionnaire, covering diverse aspects of HRM practices, in an in-depth manner, allows for a thorough investigation of the role of HRM in organizations and the use of HRM practices and methods in the area of, for example, recruitment, selection, compensation, and development. Additionally, the inclusion of the results of the CRANET survey from 2008 allows some trends and developments in the HRM landscape in Switzerland over the last few years to be detected. Although organizations perceive the market situation and profitability less positively than they did in 2008, the overall positive evaluation in terms of innovation and quality emerges, specifically in comparison to competitors. Results also indicate that the Head of HR plays an important role in most organizations concerning the development of business strategy and, extensive collaboration of the HR department with line management takes place in major policy decision-making. Moreover, the analysis of data on the use of social media (for example in recruitment or selection), or action programs (for example for women or older employees), indicates that worldwide trends are also present in Switzerland. In 2016 we will be able to enrich the results we have today by comparing them to key figures from other countries within the CRANET network.

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