

Human Resources

We want to offer a high-performance culture for highly motivated people, and I regard the development of leadership talent at all levels as a particularly important element in that.

Daniel Villiger, head of Corporate Services

Headcount by division at the end of the year

	1999	1998	change	% change
Pharmaceuticals	40,299	40,048	+251	+1
Diagnostics	14,456	13,950	+506	+4
Vitamins and Fine Chemicals	7,551	7,432	+119	+2
Fragrances and Flavours	4,907	4,819	+88	+2
Others	482	458	+24	+5
Roche Group	67,695	66,707	+988	+1

Headcount by region at the end of the year

	1999	1998	change	% change
Europe	33,861	33,721	+140	0
– Switzerland	9,725	9,565	+160	+2
North America	18,449	17,465	+984	+6
Latin America	6,398	6,485	-87	-1
Asia	7,124	6,849	+275	+4
Africa, Australia, Oceania	1,863	2,187	-324	-15
Total	67,695	66,707	+988	+1

At the end of 1999 the Roche Group employed 67,695 people worldwide, an increase of 988 over the year-earlier figure. The cost of wages, salaries and employee benefits rose 2% to 6,931 million Swiss francs. The slightly increased headcount was a consequence of the good results posted by the Pharmaceuticals, Diagnostics and Fragrances and Flavours Divisions. Europe remains the region with the largest number of employees.

Creating an environment that encourages employees' personal and professional development has high priority at Roche. All divisions introduced or continued major training and development programmes for managerial staff in cooperation with leading international universities and business

schools. In the Pharmaceuticals Division, for example, over 300 senior managers and other personnel with key skills attended a project-based change programme. This programme, which was a first at Roche, relied on a solution-centred action learning model and led to a significant improvement of current activities by helping staff do a faster, better job of implementing various projects such as new product launches, electronic business strategy or supply chain management.

1999 also saw further progress in the area of performance-based pay systems at Roche. All divisions have implemented specially tailored, performance-based remuneration systems either for their management teams or, as in the Fragrances and Flavours Division, for a broad range of employees. These plans focus heavily on achieving alignment between individual job objectives and overall business goals of the division, country and global functions.

In autumn 1999 a major effort was launched across all divisions to revitalise commitment to and awareness of Roche's corporate principles and values. Between September and December throughout the Group around 7,500 employees with authority to sign attended a half-day seminar led by their senior line managers. Part I was devoted to discussing the significance of the corporate principles in relation to daily business activities.

The second part of the seminar was dedicated to the fundamentals of competition law with case studies. A feedback session at the end of the meeting resulted in hundreds of messages to the CEO or divisional management teams.