

NEWSLETTER

INTERNATIONAL

 ENGLISH VERSION

POLAND



POLAND:
ECONOMIC TRENDS, INVESTMENT OPPORTUNITIES
AND JOB MARKET INSIGHTS



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"POLAND IS AN INNOVATION PARTNER"

Could you comment on the current political climate in Poland, especially as it pertains to doing business for German companies?

Since Donald Tusk took office, we have witnessed a rapid improvement in relations between Poland and Germany, as well as between Poland and the EU. This has led to a boost in the economy. The anti-German and anti-European rhetoric of the previous government had caused some uncertainty among German investors. That is now in the past. However, political tensions have never truly affected German-Polish economic relations. Both countries are far too economically interdependent for that. Over a million jobs in Poland depend on German demand.

The new government is clearly committed to Europe and plays a constructive role in Brussels. This brings the disbursement of EU funding amounting to 137 billion euros closer. These funds will provide new growth impulses to the Polish economy. The new "Polish boom" among entrepreneurs may continue for some time. The economic outlook is positive.

What are some of the current trends in German-Polish economic relations?

Poland is becoming increasingly important to Germany, particularly, when it comes to trade, procurement and sales. On May 1st, Poland will be celebrating the 20th anniversary of its accession to the EU this year. In the past 20 years, German-Polish trade has increased fivefold to 170 billion euros. The Polish economy has grown significantly, yet there is still room for improvement. Poland still has considerable catching up to do.

Poland is no longer just a low-cost manufacturing hub, but also an innovation partner. Numerous German subsidiary companies are developing innovative products in Poland, especially in the field of digitization. This presents significant opportunities, particularly, in the area of Industry 4.0.

Polish products are also enjoying increasing demand in Germany. Over 1,000 Polish companies are now active in Germany. Thus, trade relations are not a one-way street but a highway leading both to Frankfurt an der Oder and Zgorzelec.

What do you think that the Polish government can do to improve the country's investment potential?

Poland is already a very attractive location for international investors. A central challenge today and for the future is Poland's energy transition. The energy mix is still dominated by fossil fuels, especially coal. Green transformation and the creation of reliable framework conditions for investors are among the greatest challenges for both politics and the economy. Information about these developments was shared with the members of the German Eastern Business Association during their business mission to Poland.



Adrian Stadnicki

Regional Director for
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How attractive do you consider Poland in terms of the availability of labor?

When it comes to the availability of skilled workers in particular, Poland stands out positively in this region. Many countries in Central Eastern Europe are struggling with a severe shortage of skilled workers. Skilled workers are generally more available in Poland. This is mainly due to the fact that Poland has transitioned from being a country of emigration to one of immigration. Over the past years, hundreds of thousands of work permits have been issued to skilled workers from non-EU countries, such as Azerbaijan, Georgia, India, Uzbekistan, Nepal, as well as to the refugees from Ukraine.

What advice would you give to German companies looking towards the Polish market?

We don't always have to look to Asia to tap into interesting markets. Look for suppliers from Poland as well. "Made in Poland" has become a quality seal.

"BUILDING WIN-WIN SITUATIONS IS FUNDAMENTAL TO OUR APPROACH"

What is your talent acquisition strategy in Poland?

Finding the right talent begins with understanding our clients' needs. In this respect, communication is extremely important. It's crucial to involve all decision-makers from the onset to prevent any future misunderstandings, be it at the country or regional level within the CEE.

Job descriptions (JDs) and target company lists undergo thorough scrutiny and approval by all parties involved. We also emphasize the importance of aligning with the client ideal profile and cultural fit.

Networking and professional sites such as LinkedIn are among our primary sources when it comes to identifying potential candidates. This is in addition to the already extensive pool of highly skilled personnel in our database. Many of these people come already highly recommended by those in their professional network.

Recruiting candidates to executive positions involves reaching out to them to arrange a call or a meeting, where all terms and conditions are discussed in detail. An offer is made only when both our client company's and the candidate's expectations are met.



Marek Ambroziak

Assignment Manager Poland,
CT Executive Search

What are some of the recent executive search trends in Poland and how has this affected recruitment?

We've noticed a shift from a transactional approach, where the client was predominantly seen as the "king", to a more multi-party dynamic. All parties - the client, recruitment company, and candidates - are now viewed as equally important. This recognition of candidates' individual needs, preferences and work-life balance has influenced our approach to executive search, fostering a more inclusive and human-centred process.

What role do you play in creating a smooth onboarding experience for those recruited to executive positions?

Employee experience is extremely important to many potential clients. During the selection process we make sure that potential candidates are aware of the corporate culture and benefits that our client company has to offer. This may include perks pertaining to work-life balance, remote work opportunities, social and health benefits, remuneration, among others. Understanding the balance between quick results and long-term goals, especially in industries like private equity, is crucial.

Could you share a particularly challenging executive search project you've worked on in Poland and how you have successfully navigated it?

Certainly. I once undertook an executive search project for a German client seeking a Sales/Country Manager within a limited budget. Despite the initial scepticism, meticulous market identification and comprehensive insights into competitors' structures and compensation packages enabled us to exceed expectations. By providing detailed information and persistently advocating for our findings, we ultimately facilitated a successful placement.

What strategies do you use to build and maintain relationships with both clients and candidates in Poland?

Building win-win situations and a people centric approach are at the core of our strategy. We prioritize responsiveness, ensuring timely communication across all channels, and actively engage with our network to keep them informed. By fostering transparency and demonstrating genuine care, we nurture enduring partnerships based on trust and mutual respect.

REMOTE WORK IN POLAND: DE JURE AND DE FACTO

The landscape of work has undergone a profound transformation in the wake of the COVID-19 pandemic. Once considered rare, remote work has now become a mainstay in our professional lives. Prior to the pandemic, the concept of working remotely was largely confined to isolated instances. However, the outbreak compelled us to retreat to our homes, relying on digital tools to sustain productivity.

While the pandemic may have waned, remote work remains entrenched in our professional culture. According to the Polish Central Statistical Office (GUS), as of the first quarter of 2023, 7.1% of Poland's workforce was engaged in remote work, whether on a regular or occasional basis. However, this figure likely underrepresents the true extent of the phenomenon. A survey conducted by ARC Rynek i Opinia, commissioned by Pracuj.pl, revealed that in October 2022, a staggering 28% of individuals were either working remotely or adopting a hybrid work model, albeit showing a downward trend over time.

Regardless of the precise numbers, remote work undeniably stands as one of the fastest-growing modes of employment, offering employees unparalleled flexibility and autonomy in managing their schedules. The ability to work remotely, even partially, has become a coveted asset in today's job market.

However, this shift poses numerous challenges for employers and managers, ranging from issues of employee integration to ensuring confidentiality and effective supervision of tasks and working hours. Historically, Polish legislation struggled to keep pace with these evolving needs. Outdated regulations on telework were in force throughout much of the pandemic, prompting widespread avoidance.

Thankfully, since April 2023, Poland has seen the introduction of a new chapter in its Labour Code specifically addressing remote work. The essence of remote work, as defined by these regulations, encompasses work performed entirely or partially outside the employer's premises, including hybrid arrangements. Importantly, these provisions extend to various forms of employment, including contracts for specific work or commission, which are prevalent in Poland.

An encouraging aspect of the legislation is the recognition of the employer's right to oversee the location from which remote work is conducted. While employees have the freedom to choose their workspace, it must be agreed upon with the employer. This requirement ensures that employers maintain visibility over remote operations and can effectively manage their business activities.

Furthermore, determining the location of remote work holds significance for tax compliance purposes. Extended periods of remote work abroad may trigger tax obligations outside Poland, impacting both the employer's fiscal responsibilities and social security contributions. Additionally, considerations such as health and safety obligations at the remote workplace come into play.



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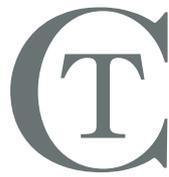
To facilitate the transition to remote work, the legislation allows for flexible and informal agreements between employers and employees, eliminating the need for formal contract amendments. While this flexibility is welcomed, detailed regulations governing the content of these agreements may limit their adaptability to diverse work arrangements.

Despite these regulatory advancements, challenges persist, particularly regarding data protection and confidentiality. The current regulations offer scant guidance in this regard, leaving room for potential breaches and substantial penalties. Ensuring compliance is not only essential for avoiding financial penalties but also safeguarding the organization's reputation.

Moreover, managing employee working hours remains a common hurdle, with existing tools often failing to align with individual contractual arrangements. While technological solutions exist, they do not always cater to the nuanced needs of diverse work structures.

In addition, new regulations addressing parental leave, health and safety, and the reimbursement of work-related expenses present further complexities for businesses. Inspections conducted by the State Labour Inspectorate have revealed significant compliance issues among employers, emphasizing the need for diligent adherence to regulatory requirements.

Despite these challenges, remote work has become an indispensable facet of the modern labor market. As such, companies must adapt and innovate to navigate this evolving landscape successfully.



EXECUTIVE SEARCH



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