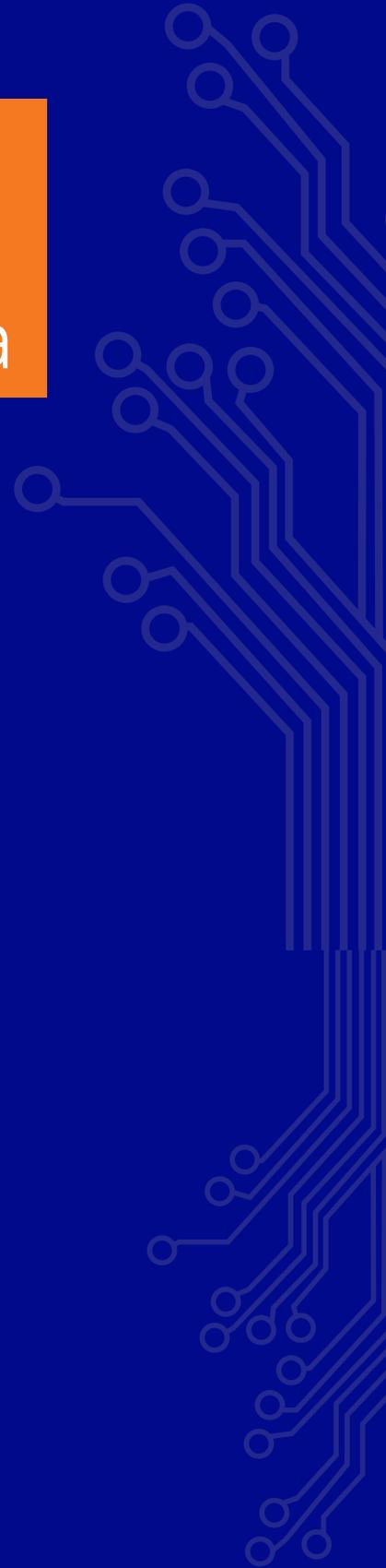




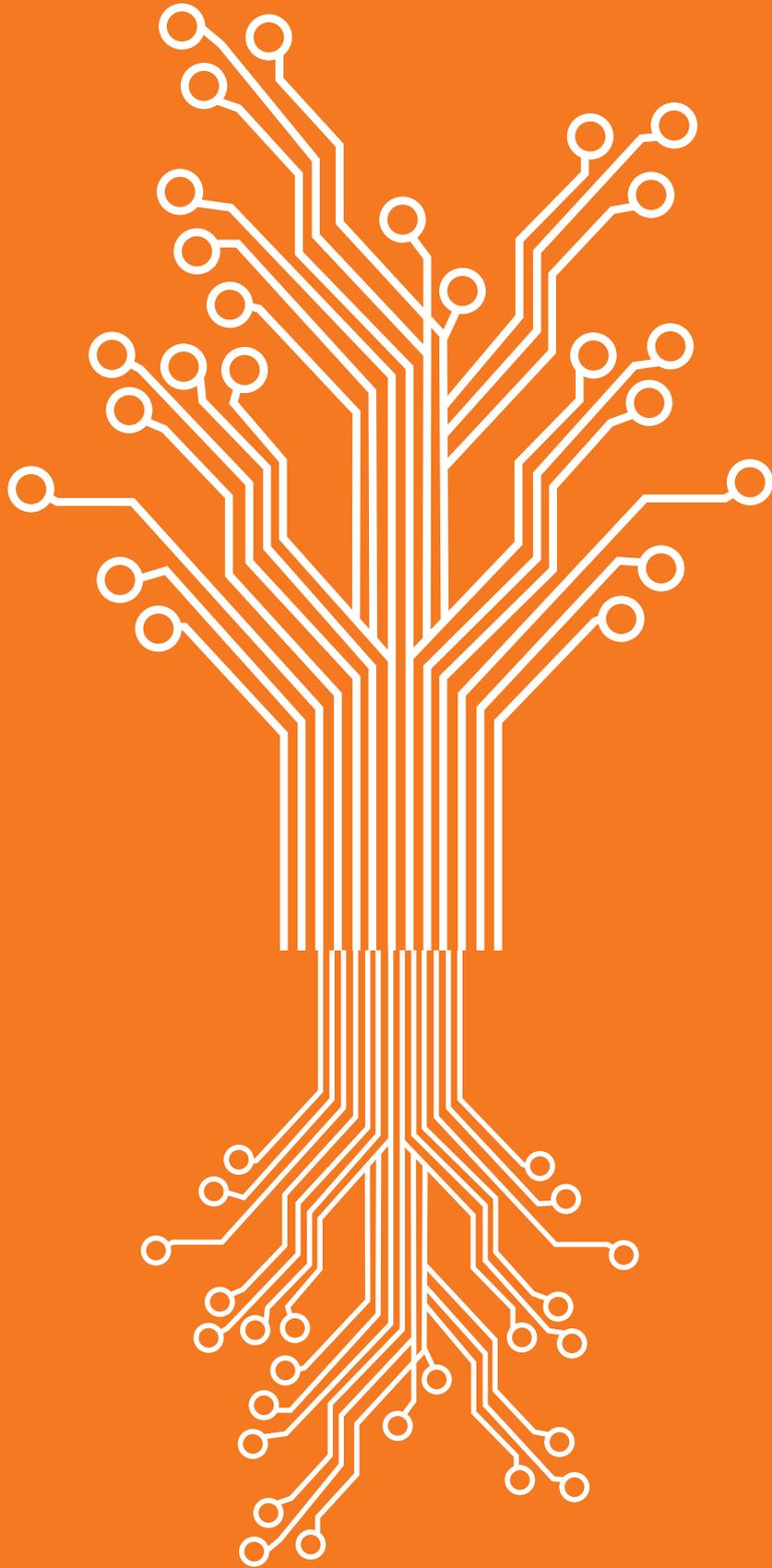
Business in Małopolska

Labour Market and Human Resources in Kraków and Małopolska





Business in Małopolska



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General description of the job market in Małopolska.

Cross-regional comparison

Poland is divided into 16 main administrative areas, called voivodeships (województwa). Małopolskie voivodeship is located in the Southern Poland and borders Slovakia. It is mostly identical to the historical province of Małopolska – thus the name – but reaches further south. The area is vital to Polish tourism due to its attractive mountains (Tatry & Podhale), as well as numerous cultural spots. Kraków, the region's main city and the previous capital of Poland, is currently the second biggest city in the country and plays a crucial role for the economy of the region and the country alike. The area is characterised by a high population density, caused mainly by a large amount of small family-run farms packed closely to one another.

The voivodeship's high investment attractiveness really stands out, as certified by PAI2_GN and RAI ratings, developed by the experts of Warsaw School of Economics. PAI2_GN is a factor indicating potential investment attractiveness, based on seven elements, known as "microclimates":

- innovation (infrastructure & funding);
- economic market (population density, salary levels);
- society & culture (organized societies, foundations, culture spending);
- social infrastructure (health care, libraries, cinemas);
- technical infrastructure (transportation, access to electricity);
- labour resources (migration, professional activity, education);
- administration (taxation, subsidies, area development plans).

RAI is a synthetic indicator of realistic investment attractiveness. It strongly relies on the imitation of other businesses as part of the decision making process, and takes into consideration the following microclimates:

- entrepreneurs' work productivity;
- entrepreneurs' fixed assets productivity;
- entrepreneurs' profitability;
- investment outlays;
- financial economy.

Both ratings use a scale of A (excellent) to F (poor). The detailed notes for different investment sectors are listed below.

Table 1.

PAI 2_GN	RAI
money-consuming: A	industry: B
labour-consuming: B	trade & repair services: C
trade: C	professional, scientific & technical: C
tourism: B	
professional, scientific & technical: B	

Source: *The investment attractiveness of voivodeships & sub-regions*, Polish Information and Foreign Investment Agency (PAIiIZ), 2013.

Kraków Special Economic Zone (SSE) – Kraków Technology Park covers 707 hectares of land in małopolskie and podkarpackie voivodeships, and comprises of 27 sub-zones. It is the only combination of a special economic zone and a technology park in the entire country, offering both green-field area, and high class office space.

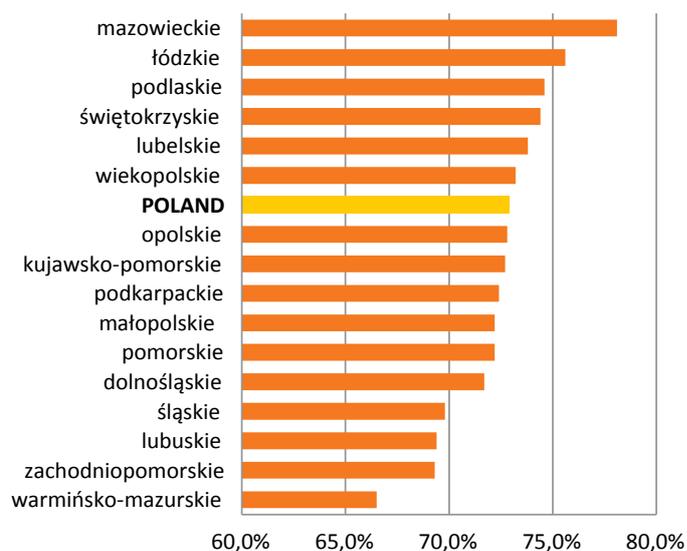
Businesses looking to locate their operations there should be aware that the investment permissions are granted in consideration to the following criteria:

- Level of technological innovation;
- Operational scope of the applicant up to date, and the type of operations planned to be run within the SSE;
- Investment value (a minimum of 100 000 euro is obligatory);
- Declaration of participation in the creation & modernization to SSE's infrastructure;
- Compatibility between the planned investment and the SSE's strategic goals;
- Risks to the natural environment and precautions undertaken;
- Possibility of cooperation with Kraków universities on research and educational projects.

The voivodeship ranks number 10 in the country in terms of professional activity among working-age population. One of the reasons for the relatively low rank might be a high percentage of youth (15-25 year olds) in the incumbent group. Małopolska has the fourth biggest youth population in the country;

at the same time it is a group of low professional activity due to still being in the education system. Only approximately 30% of 15-25 year-olds declare themselves to be professionally active.

Figure 1. Percentage of professionally active working-age population per voivodeship age population per voivodeship

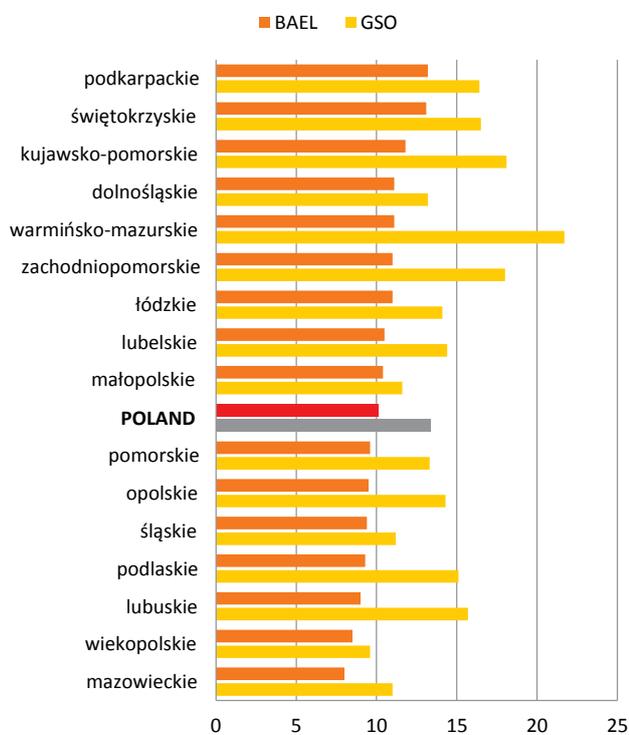


Source: The situation in the job market in Małopolska in 2013 – Voivodeship Job Office (WUP).



Regardless of the relatively low activity rate, the unemployment in Małopolska, while doubtlessly personally disturbing to a lot of people, is at a reasonable 12% according to the General Statistics Office and approximately 10,5% according to BAEL. These two measurements differ in their methodological approach. GSO reports the relation of people registered as unemployed to the total population of a given area. BAEL on the other hand takes a more restrictive approach. In this methodology an unemployed person is someone who actively seeks employment opportunities and displays willingness to start a job within the next two weeks, should they receive an offer. It therefore rules out the individuals registered for job seekers allowance, but who do not actually pursue a job.

Figure 2. Unemployment rates according to: BAEL, GSO

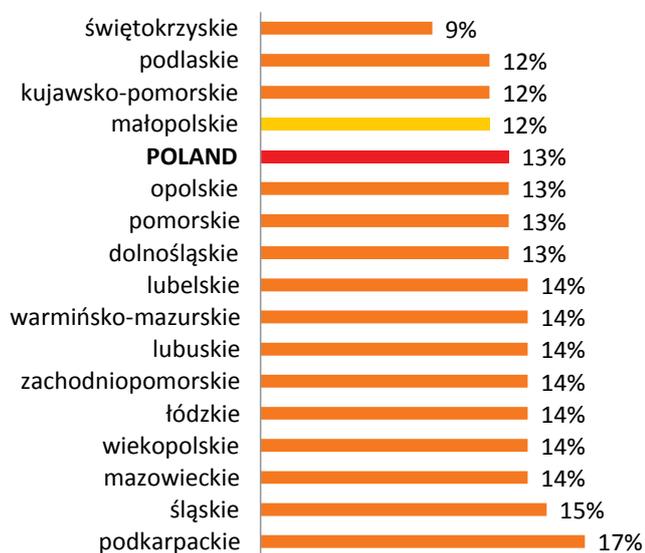


Source: *The situation in the job market in Małopolska in 2013 – Voivodeship Job Office (WUP).*

The latest Human Capital Research (Badanie Kapitału Ludzkiego – BKL) reports that, when asked about a net pay which would make them feel relatively secure, the unemployed indicated values between 1688 PLN in warmińsko-mazurskie region up to approximately 2200 PLN in mazowieckie and zachodniopomorskie. Incumbents from Małopolska quoted 2120 PLN, which was the third highest value in the survey. This relation remained stable for the past four years and provides an interesting perspective on the issue of minimal wage (currently 1680 gross per month, which boils down to 1237 net). The concept of the minimum wage, as widely spread as it is, polarises the opinions every time it is brought to public attention. However it is noteworthy that even the region with the highest registered unemployment rate quoted a value 36% higher than the current minimum wage, as the amount of money allowing them to lead a secure everyday life. In addition one must keep in mind an additional condition, that the partner/spouse of the incumbent also receives at least the minimum wage, as the relation of living cost (accommodation, bills, food etc.) to a single person's income of a similar level to those quoted above either does not cover the basic expenses or forces a very tight budget.

On the upside, multiple sources are pointing at the large number of position openings in 2014. According to BKL, 12% of employers in Małopolska are in a need for more staff members. While the percentage rate is slightly lower than the national average, due to the regions large population it translates into over 41 000 workplaces. Manpower Employment Perspectives Barometer 2014 also indicates a 9% increase in the amount of new openings planned for 2014 in Poland in comparison to 2013.

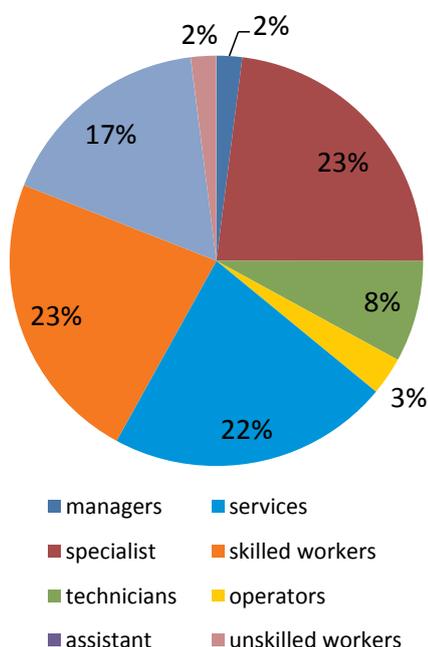
Figure 3. Percentage of companies in need of more staff



Source: Human Capital Research (BKL), 4th edition, 2014

Workers of all levels are sought after. The most offers are available for office specialists, skilled workers and personal services providers. A significant number of places are also available for production operators. Surprisingly enough, most of those openings are emerging due to the natural workforce rotation between the companies, while only a small percentage is owed to workplace creation.

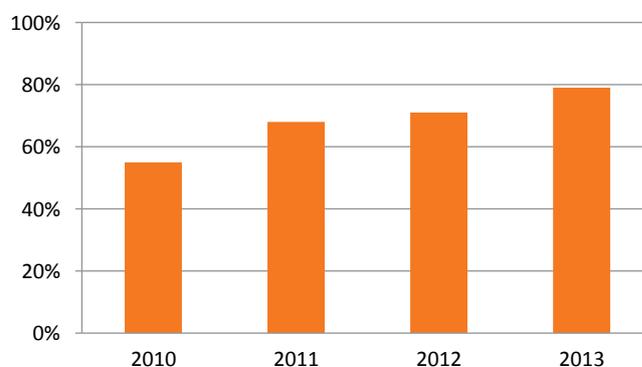
Figure 4. Types of employees searched for:



Source: Human Capital Research (BKL), 4th edition, 2014

Presumably partially in relation to the staff rotation, the employers report increasing difficulties in finding appropriate work candidates. Some of the profiles indicated as particularly hardly attainable were welders, construction workers, hair dressers, waiters, software developers, accountants, and sales representatives, with the latest three mostly coming from business services sector.

Figure 5. Difficulty of attaining appropriate employees reported by businesses in Małopolska



Source: Human Capital Research (BKL), 4th edition, 2014

The job market of Małopolska is a very vivid one. There is a large, diversified workforce population, with thousands incumbents coming into the area every year for educational purposes, and who often ultimately make it a home. On the other side there are businesses ranging from family run ice-cream factories to multinational corporations, the variety of which allows the majority of them to grow and flourish, with only a healthy level of competition in the job market. Between the agricultural and industrial past, and modern-to-the-bone new business services, Małopolska appears to offer something nice to just about everyone.

The basics of employment law in Poland

Job contract

The most common form of employment in Poland is a job contract – it is also the most beneficial one from the employee’s perspective. Such contract can be concluded for a specific period of time:

- Trial period (no longer than 3 months);
- Defined time (for example as a substitute for another, absent employee; or for the trainee period before reaching the target position);
- Duration of a specific task;
- Permanent open-ended contract.

The contract must be concluded in a written form with hard copies for all of the sides involved. It must state the names of both parties, date of signing and specify work & pay conditions:

- Job type, position name;
- Place of work;
- Start & termination dates (if applicable);
- Working hours (full vs part time, flexible etc.);
- Remuneration adequate to the job type, with all of its components listed.

Should the open-ended contract be terminated, the notice period applicable depends on the length of the employment period within the company.

Table 2.

Employment duration	Notice
less than 6 months	2 weeks
6-36 months	1 month
over 3 years	3 months

For a contract with a defined time of over 6 months, the notice period is 2 weeks. Notice periods are not applicable in case of:

- Serious violation of work duties by the employee – termination by the employer;
- Proven criminal offence committed during the employment period and interfering with further duties fulfilment – termination by the employer;
- Loss of powers entitling an employee to occupy a given position (i.e. if a specific certification is required for the position) – termination by the employer;
- Serious violation of obligations towards the employee (violation of Labour Code) – termination by the employee;
- Performance of duties has a medically certified detrimental effect of the employee’s health, yet the employer fails to move the employee to a different position, appropriate to their current condition, within the deadline stated by the health service officials.

Work time

Work time should not exceed 8 hours a day and 40 hours per an average five-days-long work week. Overtime can occur due to the company’s extraordinary conditions, but should not exceed 8 hours per week or a total of 150 hours per year. The employee is entitled to additional pay or time off as remuneration for the overtime.

Remuneration

Remuneration ought to be agreed upon by both parties and reflect the type of job, amount and quality of work and necessary qualifications. Pay conditions can be regulated by:

- Job contract;
- Salary code of practice (for companies with 20 or more employees, but no unions);
- Collective bargaining agreement (work unions operate in the company).

The employee maintains their right to remuneration while not working, if the Labour Code states it is acceptable (i.e. sick leave, maternity leave etc.). Salaries must be paid at least once a month, each month on an agreed upon date.

The minimum wage guaranteed by the law for a full-time worker is 1680 PLN gross per month (as on May 28th 2014).

Holidays & paid leave allowance

For a full time worker the annual holiday allowance is 20 days, if the employment time is less than 10 years, or 26 days for employment time longer than 10 years. Importantly, the time spend in the education system partially accounts for the total employment time:

- Elementary education and/or vocational education equivalent – the duration of study, but no more than 3 years;
- Secondary vocational education - the duration of study, but no more than 5 years;
- Secondary vocational education equivalent to a degree – 5 years;
- Comprehensive secondary education – 4 years;
- Post-secondary education (i.e. college without a degree) – 6 years;
- University (Bachelor's or Master's degree) – 8 years.

If the first job was taken during the calendar year, the right to a paid holiday is acquired gradually – 1/12 of the annual allowance every month. For part-

time workers, the allowance is a percentage of the annual one adequate to their work time. Moreover the holiday should be planned in a manner which allows an employee to have 14 consecutive days of rest at least once a year.

A maternity leave of 20 weeks is due for a female employee after giving birth.

A male employee becoming a father is entitled to 2 weeks paid leave as well. In case of multiple birth, the leave allowances are adequately longer. A parent, who has been employed for at least 6 months can also take an additional leave of up to 3 years to take care of a young child. During that period the employee is paid by the state.

Additional days off are due in case of:

- Employee's wedding; death of a parent, child or spouse – 2 days;
- Child's wedding; death of a sibling, grandparent or parent-in-law or another person being directly taken care of by the employee – 1 day.



Regional demographic data – tendencies, changes & forecasts

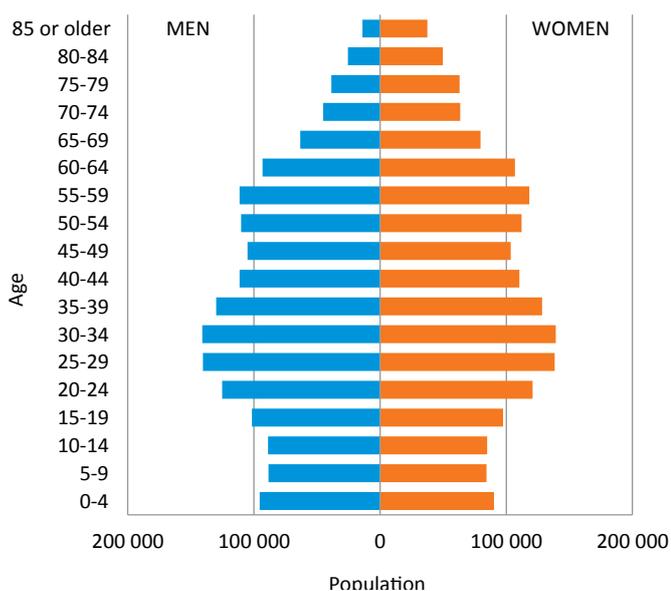
According to General Statistics Office, Małopolska voivodeship hosts a population of 3 360 581 citizens. Aside from the city of Kraków, there are slightly more inhabitants in the rural areas (approx. 1 728 000) of the region than there are in the cities (approx. 1 638 000).

The age structure all across the region is similar, with a strong dominance of people within the working age. At the same time, the numbers of pre-working age are relatively low and account for only 19% of the population. The population pyramid captures this phenomenon, as well as indicates the low birth-rate

The Voivodeship Job Office forecasts a significant decrease in the population of children and youth in Małopolska over the next decade. Most of the groups below the age of 18 will shrink, to some extent. A cross analysis of GSO and Eurostat data on the demographical trends indicated, that each new demographical high is significantly smaller compared to the parent generation. Between the deteriorating birth rate, negative migration balance, and medical efforts on extending the average life length, an overpopulation of post-working age citizens is bound to happen.

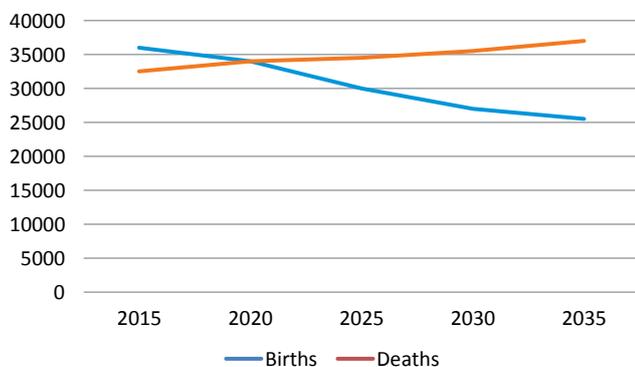
It appears that the crucial moment for the future population of Małopolska might come around year 2020, when the annual number of deaths will outgrow the number of births. Currently there is still a positive birth rate in approximately 50% of the voivodeship, mainly in its southern & central area: districts of Wieliczka, Myślenice, Bochnia, Limanowa, Nowy Sącz, Nowy Targ and Tatr. In the remaining districts the birth rates as noted by the GSO were either negative or slightly positive, but on a level insufficient for a sustainable population (the consensus is that the minimal sufficient birth rate is 2,1).

Figure 6. Population pyramid of Małopolska



Source: Population by sex, voivodeships, sub-regions & districts as on Dec 31st 2013, General Statistics Office (GUS).

Figure 7. Forecasted birth & deaths rates in Małopolska

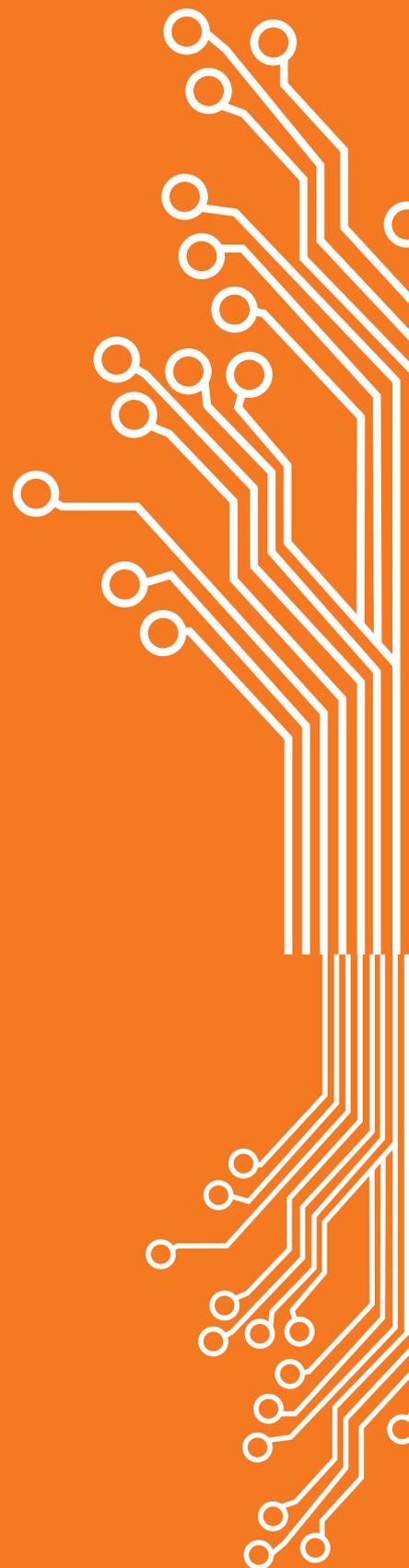


Source: Own development of GSO data.

This tendency puts not just the region of Małopolska, but most of the other voivodeships in a rather uncomfortable spot. A decreasing number of working-age people capable of contributing towards Poland's GNP will be very harmful for the economy, possibly resulting in worsening financial conditions of all of the citizens – especially seniors relying on their state pensions.

In order to partially counteract, there is an increasingly strong and urgent need for systematic approach to increasing natality. While social politics alterations are undergoing numerous discussions, some of the companies have already begun pulling their humble weight in the big scale of things.

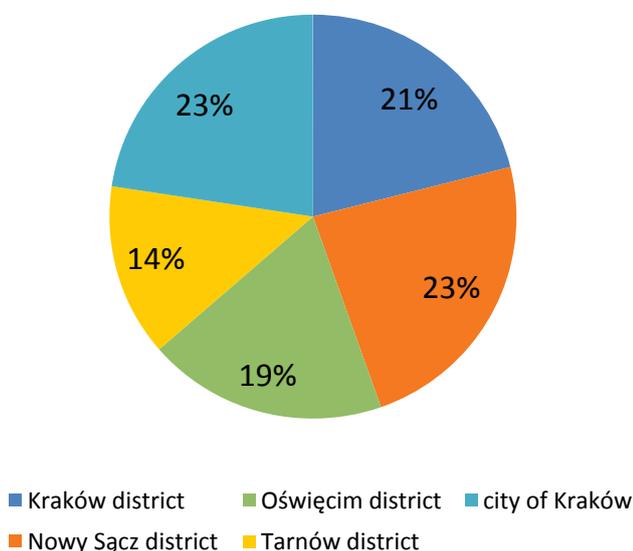
Benefits directed at young parents within the organisations structure, such as flexible work time, mother & baby rooms, on-site nurseries and others initiatives are doing a tremendous job at increasing the sense of safety and stability among their employees to the point where they decide to have babies. While the original goal behind those corporate actions is often a different one, i.e. increasing the employee's engagement with the company, in the long run it might just make enough of a difference.



Sub-regional demographic data

Małopolska is traditionally divided into four main sub-regions, while the city of Kraków is sometimes taken into analysis as a separate entity.

Figure 8. Population structure by living place



Source: Population by sex, voivodeships, sub-regions & districts as on Dec 31st 2013, General Statistics Office (GUS).

Kraków district / Northern Małopolska – comprises of six districts: Bochnia, Kraków, Miechów, Myślenice, Proszowice and Wieliczka. The total population is 707 788 people, with a strong domination of rural area inhabitants (over half a million). Due to its proximity to the city of Kraków, many of the cultural, sports, health care and other facilities are shared.

Commuting is relatively easy thanks to a combined public transportation system for the city and the metropolitan area – one of the necessary conditions to provide a sufficient supply of staff to the highly industrialized area. The further away from the city, the less public transport options are available, which may be an important factor in decision making regarding

place of work, given that the unemployment rate outside of the city reaches 10-13%.

The city itself hosts a further 758 992 inhabitants. Furthermore the area accounts for a total of 44% of the population on the entire voivodeship.

Nowy Sącz district / Southern Małopolska – with the exception of Kraków city, this district holds the most inhabitants between the four – over 790 000 denizens, once again the great strength of them populating the rural areas. It includes the following districts: Gorlice, Limanowa, Nowy Sącz (city included), Nowy Targ, and Tatry.

Southern Małopolska is still a predominantly agricultural area, with no strong industry developments. The services sector, including tourism, is also poorly developed (outside of Zakopane), being one of the main reasons behind the relatively high unemployment rate, varying between 13% and 20%, depending on the specific area.

Oświęcim district / Western Małopolska – hosts a population of approximately 640 000 people in five districts: Chrzanów, Olkusz, Oświęcim, Sucha Beskidzka and Wadowice. This area benefits strongly from the closeness to the Silesian Metropolis, with more industrial sites than in other areas of the voivodeship.

It is also reflected in the proportion of cities inhabitants, accounting for 45% of the total population in the area.

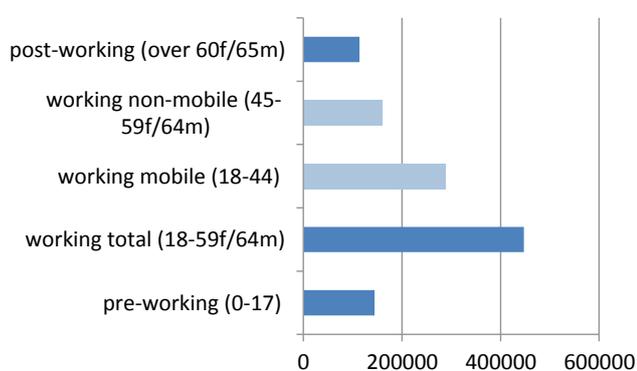
Nonetheless this region is particularly polarized, as the ones employed by the large businesses benefit from a significantly better life standard than those in less industrialized areas.

Tarnów district / Eastern Małopolska – is the smallest and least populated part of Małopolska, comprising only three districts: Brzesko, Dąbrowa Tarnowska and Tarnów. It is the home of 464 000 people, 63% of them in the rural areas.

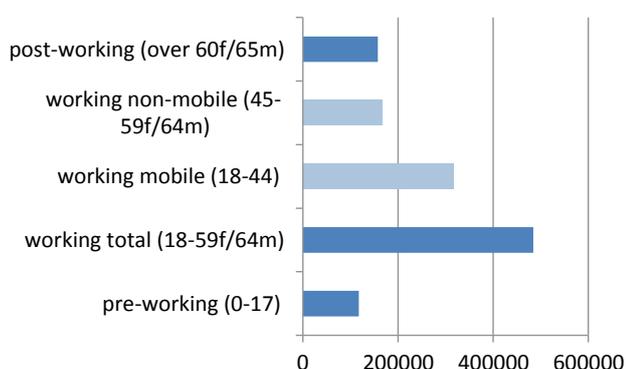
Despite the presence of one of the largest chemical industry corporations, the area shows substantial drive towards more nature-related ways of economic development. Thanks to its relative purity of natural resources, many initiatives are taken towards ecological food production and agro-tourism.

Figures 10.

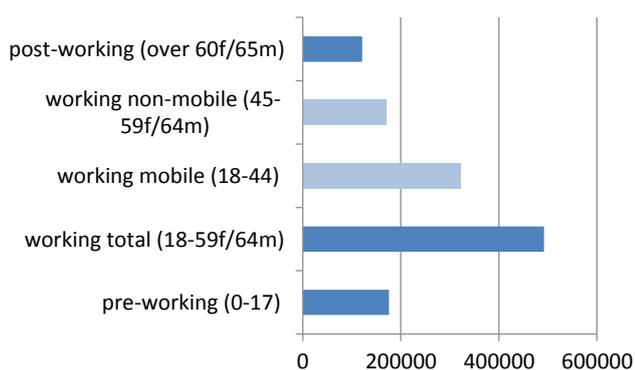
Northern Małopolska / Kraków district



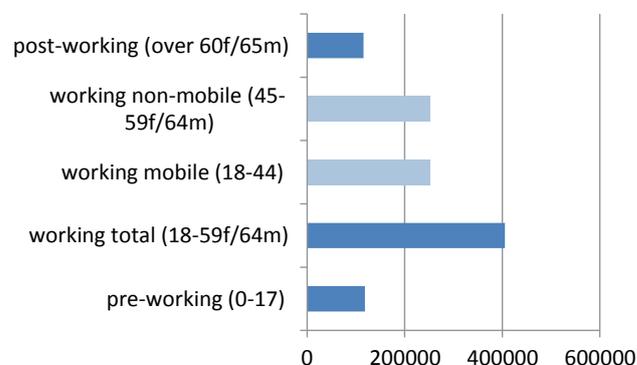
City of Kraków



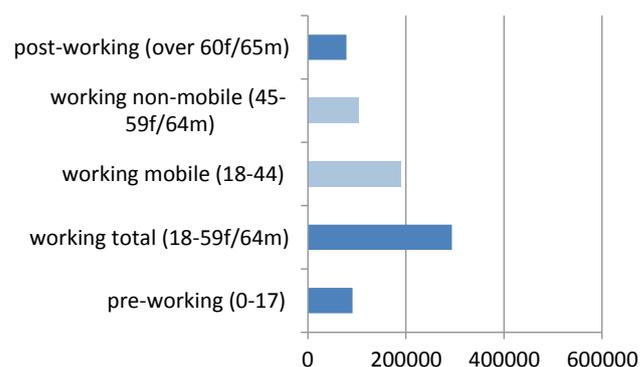
Southern Małopolska / Nowy Sącz district



Western Małopolska / Oświęcim district



Eastern Małopolska / Tarnów district



Source: Population. The state and structure for regions as on June 30th 2013 – General Statistics Office (GUS).



Job market

Unemployment

Despite the pessimistic forecasts of the previous years, it appears that Polish economy is still on a slow but steady raise. Many have feared the second wave of recession, another pitch in redundancies and salaries being held. Luckily, these did not come true. While the number of jobs available is still slowly receding, it is but an aftermath of the 2008 recession, and isn't even close to the disturbing state the country was facing about a decade ago with rampaging 20+% unemployment at the time.

The number of registered unemployed denizens of Małopolska on March 2014 was approximately 167 000 and the unemployment rate was at 11,7% which is one of the lowest indicators in the country. In fact, this region have been consecutively scoring approximately 1,5-2% lower on unemployment rate than Poland's average. City of Kraków had nearly 26 000 unemployed and a 6,1% rate – one unattainable for most other cities. Than being said, the unemployment appears to be lower on average in the counties surrounding Kraków and get gradually higher (up to 20%) in the south-eastern part of the region.

In this context it is also worth keeping in mind, that due to the partially seasonal nature of unemployment, those numbers are as a rule of thumb higher within the first half a year and tend to decrease steadily between April/May (start of many construction and farming jobs) and December (holiday season).

Figure 11. Age structure of the unemployed

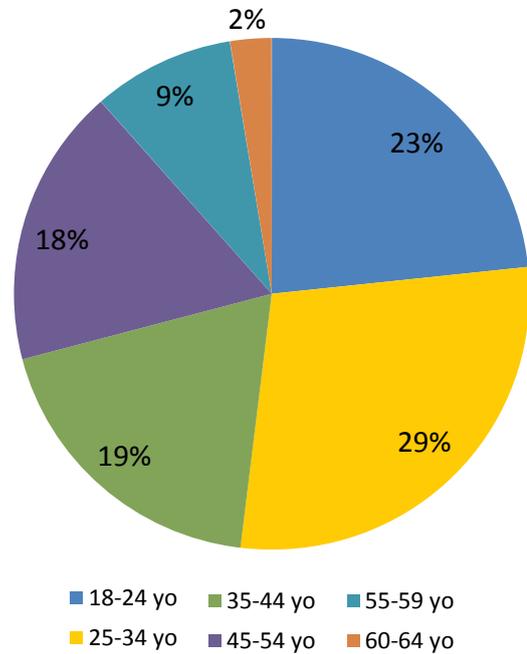


Figure 12. Educational structure of the unemployed

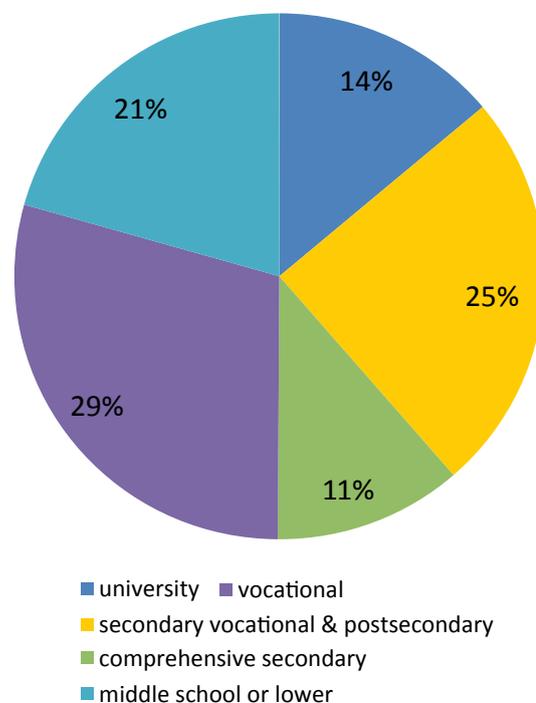
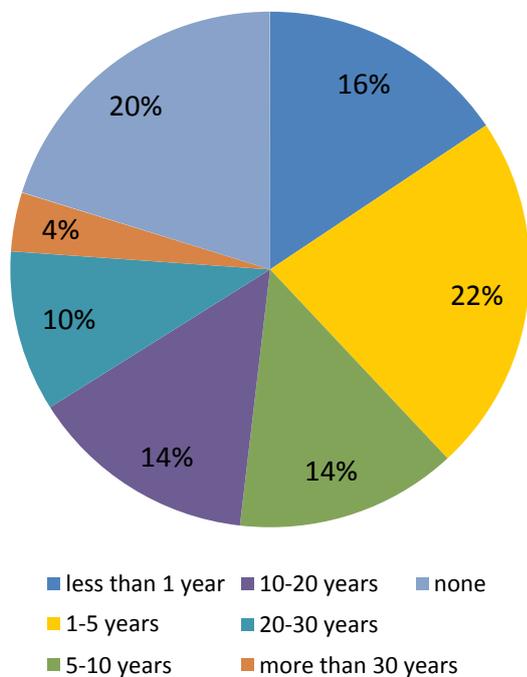


Figure 13. Total employment time of the unemployed



Source: Voivodeship Job Office (WUP) Bulletin, fourth quarter of 2013.

The majority of the registered unemployed are young people, under the age of 35 (a combined 52% total) – a group at the very peak of their professional mobility. For comparison, 29% of the unemployed are people past their mobility age. This pattern is rather compliant with one of European Union’s most pressing issues in its history – the ravaging lack of jobs for under 25s.

Numerous debates were run in order to define the key reason. Is it because the recession not only caused severe redundancies, but also blocked the creation of new positions for years to come? This would effectively hurt the generation due to enter the job market at that time. Data on the unemployment in Małopolska appears to support this statement, given that 16% of the unemployed have less than a year of professional experience – this mostly accounts for summer jobs and work placements during their course of education. A farther 22% have less than 5 years of experience, suggesting that they have either left or have been let go after a short period of time, regardless of the reasons behind it.



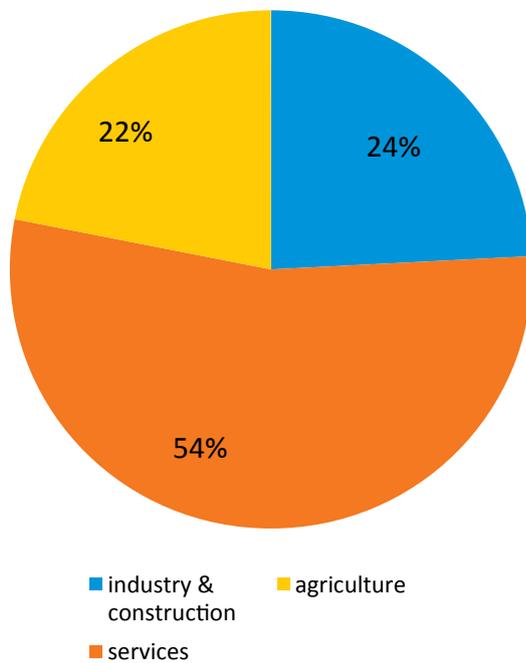
Or is it because the stagnant education system leaves their alumni inadequately prepared for what a “real job” is all about – effective communication, customer orientation & flexibility? Despite the information on the discrepancies between what fresh graduates have to offer and what the employers are looking for, university education still seems to improve the chances of getting a job, with only 14% of the unemployed having a degree.

McKinsey’s “Education to Employment” report indicates to both of those factors being significant contributors to the problem, and all across Europe. Another issue comes into play though, if often overlooked. The current job market is forced to contain both baby-boomers and the aftershock of their abundant offspring. Between that, and the retirement age being pushed forward, the labour pool total is at its highest in decades, making the competition for already scarce jobs tougher than ever.

Employment structure

Due to the economic history of the region, Małopolska boasts a very interesting variety of job types to offer. Service-related industries hold the biggest chunk of the market, hiring 54% of the local population, while agriculture and industry share near-evenly the remaining pool.

Figure 14. Employment structure in different sectors



Source: *The situation in the job market in Małopolska in 2013 – Voivodeship Job Office (WUP).*

After taking a closer look at particular industries and the percentages of males vs females employed within those, the data proves that the traditional social roles still play an important part in the professional roles of Polish people. Female employees still dominate in all levels of office jobs, but their dominance is especially vivid for the specialist level – a job that typically involves both relevant experience and qualifications. (However men still state the majority of managers & public office holders.) Women also conclude approximately 65% of the employees is personnel services & sales, which are also typically associated with femininity and care for other people.

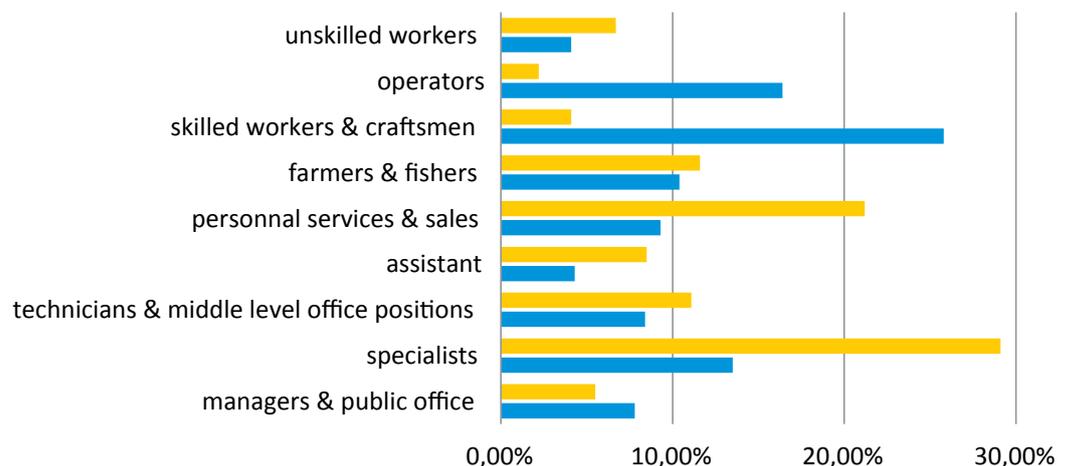
Men strongly dominate in jobs requiring physical abilities or technical knowledge – machine operators & mechanics, skilled works & craftsmen. Surprisingly, there are more women than men among the unskilled workers. As farming and fishery tend to be a direction for the entire family, men and women tend to share those duties.

Changes & trends

Due to its diversity, the job market in Małopolska reflects some of the nation-wide tendencies just as much as it follows its own ways. Forecasting economical change, unemployment rates or new investments is usually quite complex, while the reliability of its results may vary anywhere between pinpointing and fortune-telling.

Figure 15. Employment structure – sex & job type

■ Women ■ Men



Source: *The situation in the job market in Małopolska in 2013 – Voivodeship Job Office (WUP).*

One of the aspects that has been researched and documented thoroughly for the past 4 years is the “Jobs barometer” – an annual analysis of the human capital in the region versus the number of adequate candidates to consider when advertising for a job opening. As a result, lists of worker profiles are created, identifying those in abundance, sufficiently sated, and the scarce ones. Such accurate compilation provides precious cues for the educational institutions, private training companies, as well as people considering their professional options.

Among those in high demand are highly specialized IT and accounting experts, which appears in line with the expansion of SSC/BPO/ITO sector in the region. On the other hand, the supply overgrows the demand for a number of blue-collar jobs, teachers and graduates of humanities & social sciences.

Table 3.

Deficit profiles	
Automatics & robotics engineer	Financial specialist
Accountant	Laundry workers
Applied computer science specialist	Manager
Car diagnostician	Mechanical engineer
Chef	Roofer
Database developer & administrator	Systems administrator
Doctor	Systems analyst
Electrics engineer	Web developer & administrator
Finance & accounting specialist with foreign languages	

Source: *Jobs Barometer for Malopolska 2013*.

Interestingly, the profiles indicated by the employers as difficult to obtain (as described earlier on) can be found in both the deficit and the abundance list. This may suggest that while certain profiles are popular, the skills or knowledge level of the available candidates may be no longer adequate to the job requirements.

What is more, the Human Capital Research 2014 report states that in fact many of the profiles listed above as abundant are a result of group dismissals in areas such as construction.

Table 4.

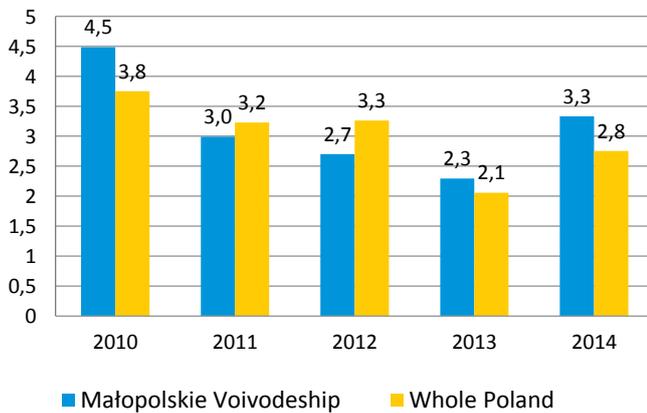
Profiles in abundance	
Accounting clerk	Journalist, editor
Administration worker	Kindergarten teacher
Agriculture & forestry engineer	Kitchen maid
Archivist / museum worker	Labourer
Beautician	Landscape architect
Biotechnologist, biologist, biochemist	Lawyer
Car wash worker	Library scientist, librarian & scientific information specialist
Cartographer, geodesist	Machinery mechanic
Chambermaid, cleaner	Mechanical technician
Chemical production machinery operators	Nutrition specialist
Chauffeur	Paramedic
Construction technician	Pedagogue
Construction worker	Photographer
Cook	Physiatrist, masseur
Culture animator	PR & marketing specialist
Delivery driver	Printer
Driving instructor	Public administration specialist
Economist	Realtor
Educational care facility counsellor	Receptionist
Elementary level teacher	Room painter
Environment engineer	Secretary
Environment protection specialist	Social worker
Fashion designer	Sociologist, socioeconomic researcher
Florist	Tailor
Foreign language teacher	Tour operator agent
Forklift operator	Translator, interpreter
Geologist, geographer, geophysicist	Unskilled production worker
Historian, philosopher, political scientist	Urban architect
HR & recruitment specialist	Visual artist
Insurance representative	Waiter, bartender
IT technician	Warehouseman
	Janitor, door-keeper

Source: *Jobs Barometer for Malopolska 2013*.

Salary levels

The dynamics of the remuneration market in Małopolska in the previous years have generally been reflecting the country-wide trends, although some differences are visible. For example, pay raises conducted in 2013 in the region (2,3%) were slightly higher than the national 2,1% rate. The plans for 2014 appear to not only follow but even strengthen this tendency.

Figure 16. Average salary raise rates in Małopolska & Poland between 2010 and 2014



Source: Salary Survey by Advisory Group TEST Human Resources

The salary level, apart from the economic situation, official regulations and the role itself, is influenced by a number of factors. The most obvious are the education level and relevant professional experience of a given employee.

For blue-collar workers other aspects can include:

- Working shifts;
- Dangerous or harmful work conditions;
- Psychosomatic stress;
- Operating heavy items;
- Operating CNC machinery.

White-collar roles have a different specific. In-depth knowledge of a particular aspect is often crucial. Other factors might be:

- Expected travel time;

- Interpersonal & negotiation skills;
- Command of foreign languages;
- Scope of responsibility (such as occasionally leading a project/team).

Finally, for managerial positions a completely different set of features play their part. There are three main aspects of responsibility, which are all present to a different extent, depending on the level within the organization:

- Team responsibility – number of direct & indirect subordinates;
- Operational responsibility – managing a specific project/process vs being the main strategist and decision maker for a given area;
- Financial responsibility.

In addition, the company size, location, industry, or even the origin of its capital fund are all significant in the wider picture.

The chart below presents exemplary salaries for a variety of positions in blue-collar, white-collar and managerial level. Average salary includes the standard monthly payment, as well as financial bonuses (sales commission, attendance bonus etc.). All of the numbers presented are monthly gross values in PLN.

Table 5.

Role type	Position	Average salary - Małopolska	Average salary - Poland
Manager	Regional Sales Manager	9 792	9 691
	Maintenance Manager	9 185	8 639
	HR Manager	11 840	10 012
White-collar	Accountant	4 266	4 274
	Logistics Specialist	4 650	5 344
	Helpdesk Specialist	5 076	5 008
Blue-collar	Foreman	4 048	4 204
	Warehouseman	2 918	2 896
	Electromechanical engineer	4 003	3 833

Source: Salary Survey Spring 2014 by Advisory Group TEST Human Resources

A significant part of the local job market is occupied by the business services industry – Shared Services, Business Process and IT Outsourcing. This sector have been growing rapidly over the past decade and currently hires over 30 000 people solely in Kraków and its closest surroundings. In fact, the city is now listed as one of the ten top locations worldwide for locating such enterprises by Tholons Ranking. Positions and jobs typical to such companies often are unheard of in other organizations. Due to their narrow fields of expertise, those companies can sometimes compete strongly in order to obtain the key talents in the market. SSC/BPO sector enjoys the opinion of a good employer, offering comfortable level of pay, multiple benefits and a chance for a career in an international environment.

The pay will in fact depend strongly of two factors: the complexity of the process served, and the command of foreign languages. Below are just a few salary examples.

Table 6.

Position	Average salary - Kraków
Junior Accountant	3 539
Accountant	5 225
Financial Process Manager	10 835

Source: Salary Survey Spring 2014 by Advisory Group TEST Human Resources

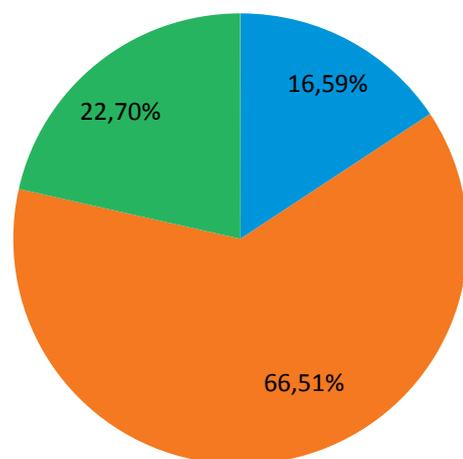


Human Resources in Małopolska job market

Education

Kraków, the capital of Małopolska, is one of the biggest academic centres in the country, with over 200 000 students a year participating in university-level courses. It is no secret however, that university education doesn't always suffice once the alumni leave the academia's walls. Importantly, all of the parties involved are fully aware of the issue; businesses have a good sense of their recruitment struggle; universities, local authorities & government officials have gathered very precise data; finally students themselves are becoming more conscious of the harsh reality.

Figure 17. Will your university degree equip you with all the knowledge & skills essential to enter the job market?



- Yes, I will quickly become an independent worker
- No, I will require a workplace mentor to become fully prepared
- Hard to tell

Source: ASPIRE & AIESEC Survey 2014

While in certain regions of Poland universities decided to stand hand in hand with businesses by forming business clusters (take for example the Silesian ICT Cluster), the local administration representatives in Małopolska have taken a more systematic approach. Across 2012 and 2013 a team of researchers from Kraków biggest universities worked in collaboration with Polish Agency for Enterprise Development and a number of large companies to pinpoint discrepancies between the alumni's skills & knowledge and the actual job market requirements. Their findings, published as a series of reports within BLK project (Badanie Kapitału Ludzkiego – Human Capital Research). Charts in the adjacent page present a selection of the abundance of differences that were documented.



Tables 7.

SSC/BPO INDUSTRY	
Key competencies	Attainability
verbal & written commun.	difficult
engagement	difficult
analytical skills	difficult
cross-cultural sensitivity	difficult
stress management	medium
goal orientation	medium
customer orientation	medium
taking initiative	medium
English language	easy
MS Office	easy

IT INDUSTRY	
Key competencies	Attainability
innovation	difficult
engagement	difficult
taking initiative	difficult
algorithms, data structure	medium
cross-cultural sensitivity	medium
customer orientation	medium
goal orientation	medium
computer networks	medium
verbal & written commun.	medium
English language	easy

CREATIVE & NEW MEDIA INDUSTRY	
Key competencies	Attainability
team work	difficult
innovation	difficult
goal orientation	difficult
integrity	difficult
customer orientation	medium
project management	medium
web development	medium
quality assurance	medium
engagement	easy
professional dev. orient.	easy

CONSTRUCTION INDUSTRY	
Key competencies	Attainability
taking initiative	difficult
energy usage optimization	difficult
general engineering know.	difficult
HVAC control	difficult
engagement	medium
quality assurance	medium
customer orientation	medium
MS Office	easy
integrity	easy
quick learning	easy

ENERGETICS INDUSTRY	
Key competencies	Attainability
verbal communication	difficult
quality assurance	difficult
energy-efficient economics	difficult
investment management	difficult
stress management	medium
legal regulations	medium
general engineering know.	medium
MS Office	easy
analytical skills	easy
English language	easy

LIFESCIENCE & PHARMACY INDUSTRY	
Key competencies	Attainability
quality assurance	difficult
taking initiative	difficult
GMP regulations	difficult
validation	difficult
stress management	medium
integrity	medium
clinical research knowledge	medium
English language	easy
Analytical skills	easy
quick learning	easy

Due to the employees' awareness of the situation, many of them are taking steps actively improve their position in the job market. According to the latest Human Capital research, in 2013 26% of employed denizens of the region declared they have participated in a voluntary training within the previous 12 months, and this rate has been increasing consecutively for three years now. Most often given reasons were, in descending order:

- Improving skills for the current job;
- Developing a personal hobby;
- Obtaining a specific certificate.

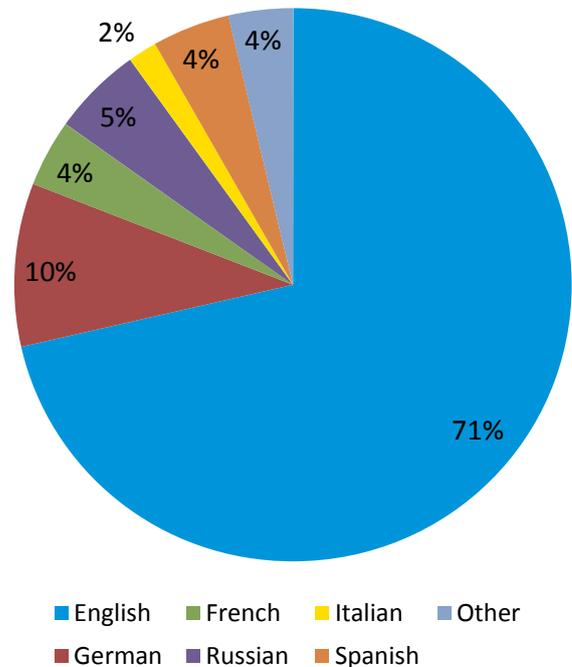
Importantly, only 26% of such actions were prompted by the employer's request, which was the fourth most popular explanation, while 94% of the course-takers rated them as somewhat to very useful in their professional life. This shows the scale of employees' initiative and drive towards excellence.

Foreign languages

Polish education system has been accounting for the need of knowing at least one foreign language for centuries. The language of choice however differed, depending on the political climate. The traditional Latin was replaced by French, the language of the elites and diplomats in the 17th century. Two hundred years later it was most beneficial to speak the language of Poland's neighbours – German and Russian. In fact, after the Second World War Russian became the default foreign language taught in all public schools. After the fall of the Berlin wall, English quickly took over and remains the most widely spoken foreign language in the country, at least for the younger generations.

Nonetheless, many young people in Poland currently aim at being able to communicate in at least two foreign languages. The most popular choices are German, Russian, Spanish, French and Italian, and their availability will differ in different regions.

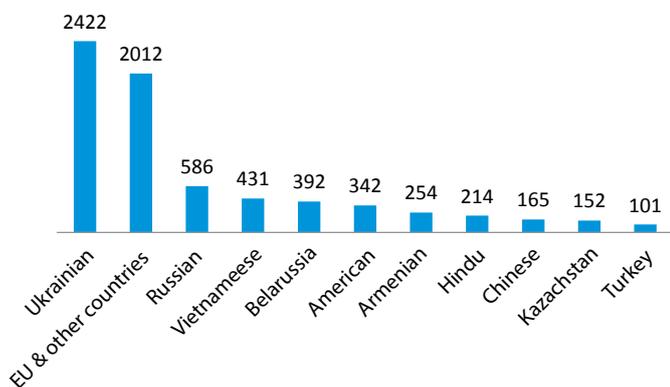
Figure 18. Communicative-level command of foreign languages among students in Kraków



Source: ASPIRE & AIESEC Student Survey 2014

Kraków's significant advantage is the fact, that it attracts youth from the entire country, bringing their talents all into one place and creating a diversified community of foreign language speakers. Moreover, it is estimated that over seven thousand foreigners live in the region, half of whom are students completing their entire university course in the country (not exchange program students). This population pool noticeably widens the options for entrepreneurs looking to establish international teams in here, as the language skills of the expatriates do not overlap excessively with those of native incumbents. In fact, they supplement the need for some of the Asian and less popular European languages.

Figure 19. Estimated number of registered foreigners living in Małopolska



Source: *Foreigners in Kraków* report by Interkulturalni.PL Foundation, 2011

Małopolska has a rather specific business environment, varying between small family-run factories and multinational corporations. The later value language skills of their employees greatly, to the point of increasing one's salary by a substantial percent solely because of those skills. Naturally, due to the discrepancies in attainability as well as the difficulty of different languages, the so called "language premium" is shaped strongly by the job market supply and demand. The latest data

indicates, that four rough groups of languages can be identified, with distinct language premium rates. The first group contains popular European languages, which are reasonably easy to obtain and therefore the salary of such an employee would only be approximately 10% higher compared to their English-only speaking colleague. German, while still a popular language, has been in high demand in the last 8 months or so, forcing a fiercer competition between the companies and a significant increase in their pay propositions. The hardest to get – and subsequently the most expensive ones – are Scandinavian languages.

Table 8.

Language groups	Comparison to English
English	100%
English + French, Spanish, Portugal, Russian, Italian	110%
English + German	114%
English + Arabic, Croatian, Czech, Estonian, Finnish, Greek, Dutch, Latvian, Romanian, Slovakian, Slovene, Swedish, Turkish, Hungarian	121%
English + Danish, Flemish, Norwegian	138%

Source: *Salary Survey Spring 2014* by Advisory Group TEST Human Resources



Age structure

The age structure of Małopolska population is slightly skewed by the large student population of nearly 203 000, accounting for 10% of the working-age population and 15% of the mobile population. The region holds the benefit of attracting young people from other areas with the largest group being in the working age – currently about 63%. This secures a large workforce for local businesses.

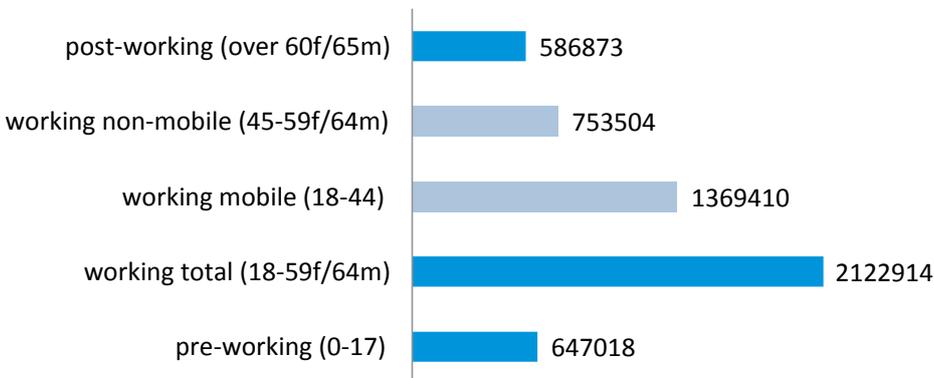
Regardless, the region is facing the same challenge as most of European countries are at the minute – a soberly low birth-rate (an average of 1,3 child per woman), which is forcing the government to reconsider the idea of opening the market more widely for immigrants from behind the eastern border.

Professional mobility

In a situation of significant discrepancies between the supply and demand of skills, such as previously described, the professional mobility of employees becomes a crucial factor. On one hand there is the average workplace seniority, which corresponds with job change frequency, assuming that for the job categories with higher rotation the average seniority is lower than for the rest.

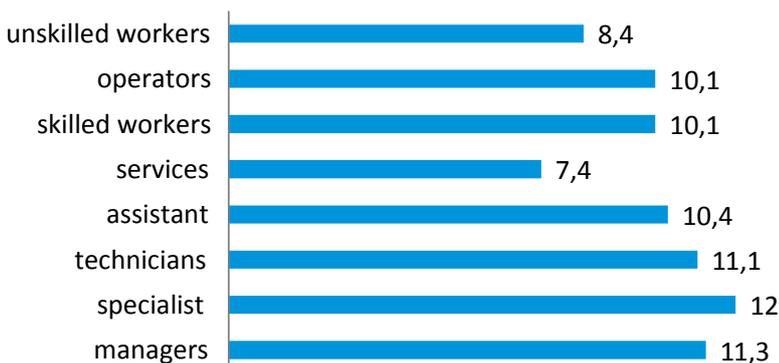
The highest rotation rates appear among people working in sales and services. The average rotation for the remaining categories exceeds 10 years, with specialists coming across as the most stable one with 12 years. This result is especially noteworthy, as it concerns a group who have undertaken an

Figure 20. Population of Małopolska at working & non-working age



Source: Population. The state and structure for regions as on June 30th 2013 – General Statistical Office (GUS).

Figure 21. Average seniority in the current workplace [years]



Source: Human Capital Research (BKL), 3rd edition, 2013.

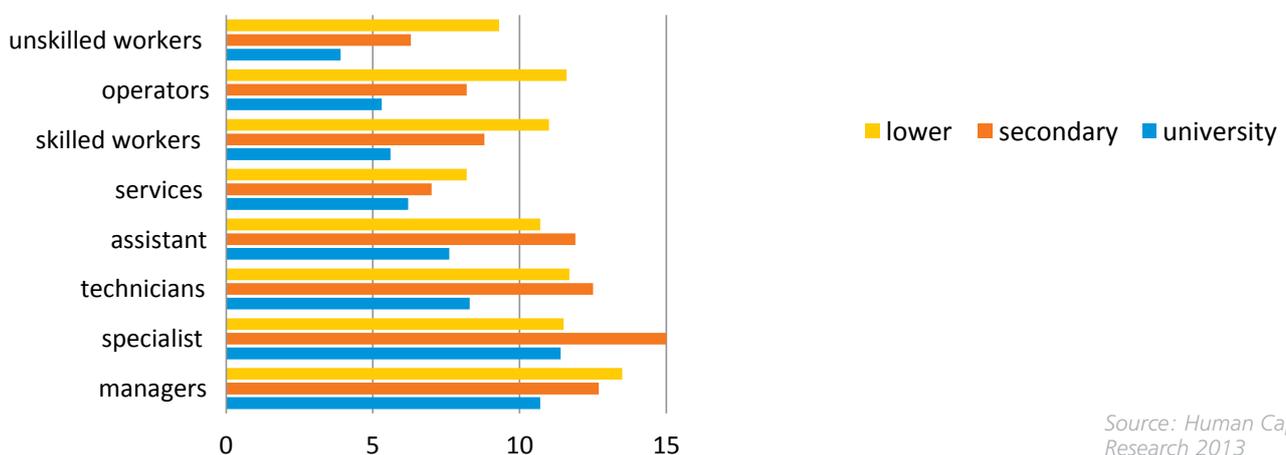


objectively lengthy education process (80% of them hold a degree), which leaves them with relatively less time in the job. Therefore the job seniority can be due to extremely low rotation, duration of professional activity, or both. Another aspect is that the seniority of women in the current workplace is usually between 1,5 and 3 years higher than men's. Another aspect, a quantitative one, is the mobility channels, understood as the proportion of people jumping into a different job category when changing a job. Market data suggest this is strongly correlated with the employee's education level. Incumbents with a university degree appear to be averaging the lowest seniority regardless of the job category, which is linked to the lengthy education process and

a delayed entry onto the market. Interestingly, within the same group a tendency emerges for the seniority to be longer in the specialist & managerial positions, suggesting that jobs from other categories might be treated as temporary, a simple method to get higher up in the hierarchy.

Incumbents with secondary education formed into two natural groups: those working in services and lower positions (seniority never exceeding 9 years), and those in office assistant positions and higher (12 years or more). This might reflect the effect observed among employees with a degree, if only partially – the clearly defined lines suggest that while there is a desire for moving up, certain group never gets to make that move.

Figure 22. Average seniority in relation to education [years]



Cooperation with universities

Students' career centres

Currently there are 24 career centres operating in Małopolska. Most of them are located within the region's biggest academic center – Kraków, however there are also some in other towns. A detailed list can be found below.

Career centres fulfil a number of goals. Their prime purpose is to liaise between businesses and their prospective employees, including facilitation of internships and organisation of so called “Career Days” – a chance for all parties involved to meet and discuss their options. They are often also responsible for both the promotion of certain businesses inside the academia walls, as well as the other way round. Companies looking to launch cooperation with a career center are advised to get in touch directly – in person or via a phone call. Contact details are usually available on a given university's website. Should the center be a medium for job advertising, the ads can be posted either by the staff or by the business representative, depending on the organisation in question.

Table 9.

	Name	City
1.	Kraków Technical University Career Center	Kraków
2.	Staszic AGH University of Science & Technology Career center	Kraków
3.	Economical University Academic Career Center	Kraków
4.	Jagiellonian University Career Center	Kraków
5.	Jagiellonian University Career & Projects Office for the Department of Physics, Astronomy & Applied Computer Science	Kraków
6.	Jagiellonian University Career & Promotion Center for the Department of Chemistry	Kraków
7.	Pedagogical University Career & Promotion Center	Kraków
8.	INDEKS Students' Career & Job Mediation Center of Pedagogical University	Kraków
9.	Physical Education University Career Center	Kraków

	Name	City
10.	Koźłataj Agricultural University Career Center	Kraków
11.	Management & Banking University Students' Career Center	Kraków
12.	University of Economics & Computer Science Career & Foreign Cooperation Center	Kraków
13.	Frycz-Modrzewski Kraków University Career Center	Kraków
14.	Insurance University Career Center	Kraków
15.	Tischner European University Career center	Kraków
16.	Jański University Career Center	Kraków
17.	John Paul II Papal University Career Center	Kraków
18.	Musical Academy Career Center	Kraków
19.	Academy of Fine Arts Career Center	Kraków
20.	Health Promotion University Career Center	Kraków
21.	Bratniak Students' Job Mediation Office	Kraków
22.	National Vocational University Career Center	Nowy Sącz
23.	National Vocational University Career & Projects Center	Tarnów
24.	Tourism & Ecology University Academic Career Center	Sucha Beskidzka

Source: WUP – Voivodeship Job Center

Enterprise incubators

There is a variety of enterprise incubators in the region – a selection of sizes, goals and support options. The most prominent ones are those partnered with the biggest local universities. Their support usually includes low-cost office space & facilities, and legal and accounting consultations. Their uniqueness is based on transferring knowledge and innovative ideas from the academia to for-profit business environment.

The first three incubators listed below operate independently, whereas the latter four are part of AIP group coordinated by Entrepreneurial Poland Foundation.

Table 10.

Academic Enterprise Incubators - AIP	Website
AIP Kraków Technical University	www.aip.pk.edu.pl
AIP Jagiellonian University	www.inkubator.krakow.pl
AIP Staszic AGH University of Science & Technology	www.aip.agh.edu.pl
AIP Tischner European University	www.inkubatory.pl
AIP Kołłątaj Agricultural University	www.inkubatory.pl
AIP Frycz-Modrzewski Kraków University	www.ka.edu.pl/studenci/akademicki-inkubator-przedsiobiorczosci/
AIP Economical University	www.aipkrakow.blogspot.com

Source: Polish Business & Innovation Centres Association

Institutional cooperation

While the general public seems to be of an opinion that academia and businesses in Poland do not work together, there are more initiatives of the sort in action now than ever before.

The thorough knowledge of the subject, gained from the research described earlier on, leads to measured actions aimed at improving the alumni's chances on the job market and satisfying investors' needs. It is no longer about mere internships, but much more elaborate cooperation:

- Engaging business professionals as lecturers, to balance theoretical knowledge with practical applications and experience;
- Sharing company documentation and knowledge to support the development of bachelors/ masters/post-graduate thesis on a particular subject – also by partially funding the research, if the company might benefit from it;
- Participation in the costs of equipping a university research facility to increase the brand recognition among students and boost their new technology skills;

- Alumni profile and curriculum consultations;
- Scholarships for students who contribute significantly to company's area of interest;
- Full scholarships & job offers upon the start of education in order to create more workforce with a specific profile;
- Patronage for chosen cultural or scientific events.

Plenty of examples can be observed among the local universities. Last year AGH University of Science & Technology have officially concluded their long-lasting cooperation with Nokia Solutions & Networks R&D centre. The company assigns their representatives to conduct programming workshops or give lectures on the newest technologies, as well as supports students' science clubs directly. Students of AGH are given priority in internship applications and granted access to additional resources while preparing their thesis. They can also be offered a place in a research team of innovative projects taking place in cooperation between the two.

The record however belongs to the Economical University – in the current academic year they have had about a dozen business partnerships active, including:

- Raiffeisen Polbank Talent Academy – with monthly workshops on different aspects of contemporary banking, from customer service standards to treasury & cash management;
- McKinsey Business Academy – monthly lectures on challenges met by the managers in various economic sectors, such as retail, mining or private equity;
- State Street Academy – 2 months module on capital market & investment funds pricing;
- Comarch Competence Academy – a series of workshops on business intelligence in building market advantage.

The brightest, highest scoring participants were then offered paid internships & jobs with the partnered companies.

Education

At the end of academic year of 2012/2013 there were nearly 203 000 students in third level education institutions across the region, with approximately 55 000 alumni each year. The most popular choices are:

- I. social studies (including foreign languages), economics & law,
- II. engineering, construction & heavy industry.

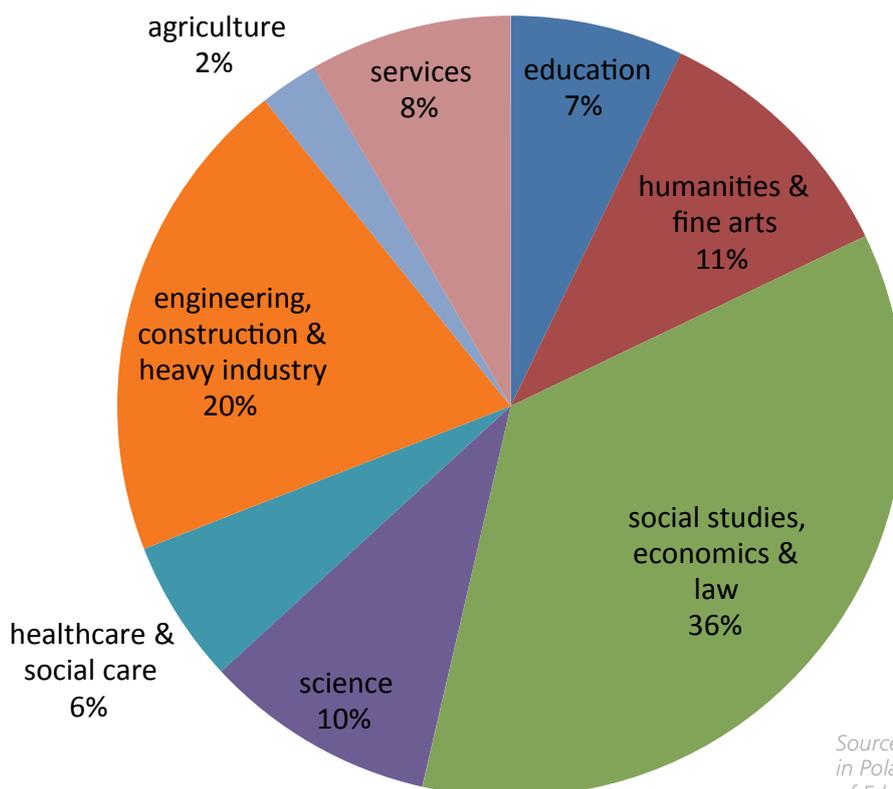
This structure is mirrored in the current job listings – Pracuj.pl, the biggest job website in Poland, held nearly 2500 postings for Małopolska on May 26th 2014. “Social” and “engineering” profile accounted for approximately 35% of the listings each, indicating the educational structure is reasonably well cut to the needs of the local job market. Nonetheless, with dozens of thousands alumni every year, a plentiful of potential staff members are still up for grabs for new investors.

For companies in need of skilled workers there is a farther 68 000 students in vocational & technical secondary education. The top four directions are:

- personal services;
- engineering trades;
- architecture & construction;
- computing.

Their graduates (approximately 18 000 per year) possess theoretical as well as practical knowledge on their specialties, and are job-ready at the age of 18-19, compared to an average 22 for a Bachelor’s and 24 for Master’s degree holders.

Figure 23. Third-level education structure



Source: “University education in Poland 2013” by the Ministry of Education

Obtaining staff via Job Centres

The local job centres in Małopolska (Powiatowy Urząd Pracy – PUP) offer a variety of cooperation possibilities, ranging from job mediation and placements, to subsidising towards the cost of job training. The cooperation is initiated by signing appropriate documentation by both sides – templates are usually available on the PUP's website. Possibilities can be discussed in person with a job agent, or via an e-mail.

Company representatives should keep in mind that the entire process must be run in Polish. It is crucial to address the PUP appropriate for the administrative area in which the company is operating. A full list with contact details is available below.

Table 11.

Name	Address	Website & e-mail
PUP Bochnia	ul. Wojska Polskiego 3 32-700 Bochnia	www.pup-bochnia.pl krbo@praca.gov.pl
PUP Brzesko	ul. Piłsudskiego 19 32-800 Brzesko	www.pup-brzesko.pl urząd@pup-brzesko.pl
PUP Chrzanów	ul. Słowackiego 8, 32-500 Chrzanów	www.pup-chrzanow.pl krch@praca.gov.pl
PUP Dąbrowa Tarnowska	ul. Marsz. Piłsudskiego 33 33-200 Dąbrowa Tarnowska	www.pupdt.pl krda@praca.gov.pl
PUP Gorlice	ul. Michałusa 18 38-300 Gorlice	www.pup.gorlice.pl krgo@praca.gov.pl
Kraków City Job Center	ul. Wąwozowa 34 31-752 Kraków	www.gupkrakow.pl grodzki@gupkrakow.pl
PUP Kraków	ul. Mazowiecka 21 30-019 Kraków	www.uppk.pl krkpow@uppk.pl
PUP Limanowa	ul. J. Marka 9 34-600 Limanowa	www.pup.limanowa.pl krli@praca.gov.pl
PUP Miechów	ul. Sienkiewicza 25 32-200 Miechów	www.pup.miechow.pl krmi@praca.gov.pl
PUP Myślenice	ul. Drogowców 2 32-400 Myślenice	www.praca.myslenice.pl pup.myslenice@praca.myslenice.pl

Name	Address	Website & e-mail
PUP Nowy Targ	ul. Szpitalna 14 34-400 Nowy Targ	www.pup.nowy targ.pl krnt@praca.gov.pl
Nowy Sącz City Job Center	ul. Węgierska 146 33-300 Nowy Sącz	www.pup.nowysacz.pl krno@praca.gov.pl
PUP Nowy Sącz	ul. Nawojowska 118 33-300 Nowy Sącz	www.pup.powiat-ns.pl ko@pup.powiat-ns.pl
PUP Olkusz	ul. Minkiewicza 2 32-300 Olkusz	www.pup-olkusz.pl krol@praca.gov.pl
PUP Oświęcim	ul. Wyspiańskiego 10 32-602 Oświęcim	www.pup.oswiecim.pl kros@praca.gov.pl
PUP Proszowice	ul. Krakowska 11 32-100 Proszowice	www.pup.proszowice.pl krpr@praca.gov.pl
PUP Sucha Beskidzka	ul. Mickiewicza 31 32-200 Sucha Beskidzka	www.pup.sucha-beskidzka.pl krsu@praca.gov.pl
PUP Tarnów	plac gen. J. Bema 3 33-100 Tarnów	www.up.tarnow.pl krta@praca.gov.pl
PUP Wadowice	ul. Adama Mickiewicza 27 34-100 Wadowice	www.up.wadowice.pl upwadowice@gmail.com
PUP Wieliczka	ul. Sienkiewicza 13a 32-020 Wieliczka	www.pupwieliczka.pl krwi@praca.gov.pl
PUP Zakopane	ul. ks. J. Stolarczyka 14 34-500 Zakopane	www.pupzakopane.pl krza@praca.gov.pl

Source: WUP – Voivodeship Job Center

Regional institutions publishing information regarding the job market

Business in Małopolska Centre – is a project conducted in cooperation of: Małopolska Regional Development Agency (Małopolska Agencja Rozwoju Regionalnego - MARR), the Marshal's Office of the Małopolska Region, Kraków Technology Park and Małopolska Industry Parks (Małopolskie Parki Przemysłowe). The organisation's goal is to provide investors with sufficient information and advice. They publish annual reports on four aspects: human resources, real estate, shared services & outsourcing sector and investor's guide.

<http://businessinmalopolska.com/>

Voivodeship Job Office in Kraków (Wojewódzki Urząd Pracy – WUP) – mostly targets their actions at citizens, rather than businesses. Adults and youth can seek personalized career advice, participate in job search workshops and browse job offers from affiliated job centres. Furthermore the office work as a regional representative for EURES, providing extensive information on working abroad and liaising between the parties involved. WUP also holds an official registry or training and recruitment agencies in the area.

<http://www.wup-krakow.pl>

Małopolska Internet Library of Observatories (Internetowa Biblioteka Małoposkich Obserwatoriów – IBMO) – is a combined initiative of the local observatories for job market and social politics. It presents one of the most comprehensive sources of information, gathering on-line publications on job market, education, social integration & equality and entrepreneurship. It currently holds nearly 1600 papers prepared by governmental & local authorities and independent research institutions. The main objective of the founding team was to secure an abundant knowledge depository, and the information gathered would facilitate more efficient socio-economical actions.

As on today, IBMO conducts their own cyclical research of the regional job market, which is later presented during conferences and seminars. Moreover they are proactively spreading the initiative, providing direct support to similar ventures as well as experiences and best practices with their colleagues from local research facilities abroad.

<http://www.obserwatorium.malopolska.pl/>

Kraków Statistics Office – is the local branch of the General Statistics Office (GUS). The office's reports are a popular source of raw data for more elaborate analyses. Four main sections are covered in their research: culture, healthcare, socioeconomics and social care, supplementing the job market information with those on living conditions and what the region has to offer to its denizens.

<http://www.krakow.stat.gov.pl>



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