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COVER STORY

LESSONS FROM THE LOCKDOWN

Part 2

AS THE SPREAD OF THE PANDEMIC LED TO THE SHUTDOWN OF THE ECONOMY IN POLAND *AMCHAM.PL QUARTERLY* CONTACTED MANAGERS OF SEVERAL MEMBER COMPANIES TO LEARN WHAT LESSONS THEY HAVE DRAWN FROM THE LOCKDOWN AND THE SUBSEQUENT CHANGE OF THE MARKET CONDITIONS. **ANNA WICHA, PUBLIC AFFAIRS DIRECTOR, POLAND, EASTERN EUROPE & MIDDLE EAST & NORTH AFRICA AT ADECCO GROUP**, DISCUSSES HOW THE LABOR MARKET HAS EVOLVED AND IS CREATING NEW CHALLENGES FOR EMPLOYEES AND EMPLOYERS.

COVER STORY

LESSONS FROM THE LOCKDOWN

Adecco Group

AMERICAN COMPANIES TRANSITIONED SMOOTHLY INTO WORKING FROM HOME, CONTINUE TO ADAPT TO THE CHANGING SITUATION, AND HAVE IDENTIFIED TRENDS OF STRATEGIC IMPORTANCE TO BUSINESSES.



Working from home: The universal application of the “home office” across nearly all industries made companies reconsider the competencies they seek in their workers and benefits packages they can offer them.

A GAME OF CHANGE

AS LABOR MARKETS TRANSFORM DUE TO THE PANDEMIC, COMPANIES AND EMPLOYERS USE DIFFERENT METHODS TO ADAPT TO THE NEW CONDITIONS.

Looking at the labor market in Poland from the vantage point of the world’s second-largest Human Resources provider and temporary staffing firm, Adecco Group, some trends that have emerged after the lockdown are new, while others had started emerging long before the economy came to a standstill in March. The aggregated effect of these trends on the market brings some long-reaching and perhaps even revolutionary changes, says Anna Wicha, Public Affairs Director, Poland, Eastern Europe & Middle East & North Africa at Adecco Group. The universal application of remote work solutions at the beginning of the lockdown led to as much as 1/3 of the Polish working population to work from home for a few consecutive days in April and early May. This speaks volumes about the worker competencies desired now, such as literacy in IT, independent thinking, work flexibility, and the ability to plan and execute one’s work.

SUDDEN IMPACTS

One of the most immediate results of the lockdown imposed in mid-March was the outflow of foreign workers. As many as 34 percent of companies in Poland hired Ukrainians before the pandemic. Quite logically, it transpired in a poll by Personnel Service that 36 percent of companies in Poland are afraid that workers from Ukraine will not come back. They should not worry though, because polling of Ukrainian workers who had returned from Poland home revealed that 61 percent plan to go back to Poland as soon as conditions allow. “The outflow of Ukrainian workers does not seem to be a long-term issue,” says Anna Wicha. “The salaries they make

in Poland are much higher than in Ukraine and, because of cultural synergies, Ukrainians prefer to work in Poland and the Czech Republic than in other EU markets.” However, something that may be a problem with long-term consequences for companies is the outflow of Polish workers from the market in search of higher salaries in other EU labor markets.

Following international practices to prevent the spread of the virus, the Polish government imposed an economic lockdown and soon followed this with an aid plan for companies similar to many such programs in the EU. The “Anti-Crisis Shield” offered financial assistance to companies to cover their workers’ salaries. The government offered to pay 40 percent of the salary, under the condition that workers agree to have their salaries cut by 20 percent, and that the company will cover the remaining 40 percent.

What the government did not take into account was the fact that the Polish economy’s competitiveness is based on its low labor costs. Cutting a worker’s salary by 20 percent is perhaps not as significant for employees in the UK (where the government introduced a similar program), because even those reduced salaries are high enough for earners to maintain the same standard of living. Making the same reduction to salaries in Poland has led to a situation in which many workers cannot earn enough to maintain their former lifestyle.

While the government is now trying to make up for its apparent mistake and plans to raise the minimum wage, it seems that the damage has already been done. As many as 26 percent of working-age Poles now have lower salaries than before the pandemic. A poll conducted by OTTO revealed that a re-

markable 67 percent of male workers say they intend to leave Poland in search of higher salaries abroad. In this group, 67 percent said that the reason for their wanting to move was the fact that higher salaries are available abroad, and 33 percent said that they were unhappy with wage cuts or that they had been fired. Moreover, 72 percent of those who said they wanted to leave Poland have a high school diploma, while only 11 percent have just a primary-level education. Therefore, they are quite a valuable workforce, speaking communicative English and with professional experience. “Those numbers should make us consider in what way Polish companies may compete for workers with companies abroad,” says Anna Wicha. On the other hand, however, some do not want to go abroad. In this group, 64 percent of the polled workers said they were willing to boost their qualifications to remain employed. This also shows the impact of the economic shutdown, and employees’ growing willingness to cooperate with their employers and adjust their competencies to the market demand. “People are afraid of changes,” says Anna Wicha. “They know that they need to learn how to use digital communication tools, protect data, work within the new, pandemic safety standards... Some of them are even willing to change their industry.”

DISPERSED WORKFORCE DILEMMAS

A number of companies had used distance work well before the pandemic, and this was universally applied by the majority of companies in Poland during the economic lockdown. Multiple polls suggest that most companies transitioned successfully to dis-

tance work. Having seen operating costs decrease, many companies continued to keep their workers at home long after the lockdown. This was in sync with workers' preferences, as polling conducted by Pracuj.pl indicated that 80 percent of workers in Poland would like to have their work combine the "home office" with "real office." Only 10 percent said they would be happy to work from home all the time and 10 percent said they do not want to work from home at all. The polling shows that remote work is here to stay," says Anna Wicha, "yet the question is to what extent."

If remote work is to become a standard work-type feature, there are some issues to solve. First of all, there is no legal framework for remote work in Polish labor law at present, and the companies who use remote work now do it based on emergency management principles. There are a number of issues that must be regulated. For instance, the Labour Code states that employers are responsible for providing a workplace for their workers, and this responsibility covers safety issues in the workplace. This, of course, is fully achievable with workers working from home. An employer cannot inspect employees' "home offices" because there is no legal framework for this yet. However, there is no regulation prohibiting this, especially if done by mutual agreement. If, today, labor inspectors were to ask a company with a remote workforce for documents describing the potential hazards their workers could encounter at home (required by law), all companies with workers at home would have to pay fines. Of course, the National Labor Inspectorate is holding off on this issue for now, but the situation must not continue as "normal" for too long.

Other questions arise regarding the responsibility for accidents at work. According to labor law, employers are required to cover medical and other associated costs for employees. This rule also applies to the "home office" workforce, but it is very difficult for employers to comply with this when their employees work at home.

Yet another important issue is the cost-sharing aspect. People working from home pay for their private computer infrastructure, power, and furniture and other items indispensable for work. Some labor law experts say that home office workers need to be reimbursed for the costs they personally cover while delivering work to their employers, but there is no regulatory framework for this either.

The regulatory framework for remote work has been used as an emergency tool and is based on anti-crisis regulations with expiration dates. "That is why employers' organizations call for permanent regulations in the

Labour Code which permits the use of remote work as one of the modes of work organization," Anna Wicha said. "We have prepared recommendations and now are working on a draft of the legislation," she added.

REDEFINING EMPLOYEE BENEFITS

While lawmakers face challenges regarding the universal application of the work-from-home model, employers face their own challenges as well. One of the most pressing questions has become that of employee benefits. While benefits such as medical coverage are still important, others, such as "personal parking space," are no longer attractive, given that the company parking lot is nearly empty at all times. It has become difficult to advertise new job openings as offering "work in a nice atmosphere with a young and ambitious team" when employees are predominantly expected to work at home, alone. Unlimited coffee at the company's expense is no longer a thrill, nor are



Flexibility: The economic crisis spurred the 64 percent of workers in Poland not seeking employment abroad to boost their qualifications to remain employed.

free smoothies. Employees can also forget about "integration trips" and company get-togethers this year.

"This is a challenge," says Anna Wicha, "because companies will have to find new ways of gratifying their workers. It is hard to reduce it to the financial aspect, such as financial bonuses. Companies need to show their appreciation for the work their people deliver, for their achievements, successes, dedication, and commitment. Salary alone does not provide that feeling of being properly recognized." This type of gratification is important to all age groups. While older workers want to be recognized by the company in the "old-fashioned way," younger generations who adapt more easily to working alone at home than their older colleagues look for company events and get-togethers. They want to identify with

the company and seek out social interaction within the crowd. For many young workers without families and family-related responsibilities, the company is the only world they know.

RETURNING TO THE OFFICE

As the pandemic continues past the summer vacation, companies are now using the lessons they learned during the lockdown and the subsequent months when working from home prevailed. One of these lessons is that most workers prefer a hybrid mode of work that combines the home office with the real office. This means that companies need to make the real office Covid-resistant.

When polled in August by the Polish Forum of HR, 85 percent of companies in Poland referred to the changes they had introduced in the office as excellent or good. For most companies, these changes were significant expenditures—over 50 percent of the companies which declared "good" or "excellent" levels of anti-Covid preparations spent between 3 to 5 percent of their annual budget on this.

Three areas of preparation were deemed most critical: redesigning common spaces such as kitchens, locker rooms, and toilets; redesigning workplaces for individual workers; and implementing efficient health checks at the company's entry points.

"These are issues that all companies will have to deal with," says Anna Wicha. While some solutions are simple and do not require any technical sophistication (wearing face masks, using personal hygiene, keeping social distancing), the problem lies in how companies can guarantee worker compliance in specific situations. For instance, workers are under no legal obligation to agree to have their body temperature checked before entering the workplace. According to current regulations, employees with a temperature higher than normal may not be denied access to their workplace. They can be persuaded to go home but must be reimbursed by the company as if they had worked like any other day.

The measures that employers can use to curb "unsafe" behavior among their workers are very limited. In practice, no "penal" measures can be taken, and the only "real" punishment for their noncompliance with the company's safety regulations would be to deny them financial bonuses. Anna Wicha notes that Covid safety is of paramount importance for companies. Having introduced safety measures, they rely on their people's sense of responsibility in following them. Yet, only time will tell to what degree this approach is effective.