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COVER STORY

LESSONS FROM THE LOCKDOWN

Part 3

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. **ZBIGNIEW PŁAZA, MANAGING PARTNER AT BOYDEN IN POLAND,** SHARES HIS THOUGHTS ABOUT HOW THE CURRENT CHANGES IN THE WAY BUSINESSES FUNCTION CREATES A DEMAND FOR A NEW GENERATION OF MANAGERS WITH DIGITAL COMPETENCIES AND SKILLS.

COVER STORY

LESSONS FROM THE LOCKDOWN

— **Boyden** —

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



Market progress: Digital competencies will be a must-have for the new generation of managers.

THE GREAT REALITY CHECK

AS BUSINESSES EMERGE FROM THE LOCKDOWN ENRICHED WITH NEW EXPERIENCES, THEY USE NEW SOLUTIONS TO FIGHT THEIR WAY THROUGH THE CRISIS IN 2020 AND BEYOND.

For Zbigniew Płaza, Managing Partner at Boyden in Poland, a part of New York-headquartered Boyden Worldwide Corporation which specializes in staffing senior management positions, the current situation is a mix of an economic crisis challenging businesses in areas such as cash flow, liquidity, pay cuts, and job cuts, as well as a pandemic that sets new challenges for managing workflow processes and human relations. It is because of this that he sees the crisis as a strong catalyst for change and market progress.

THE HOME OFFICE IS BACK

Płaza notes that many companies experimented with remote work solutions in the not-so-distant past and were successful in many cases. Yet, they were generally discouraged from implementing remote work as a permanent full-time work method by HR experts who argued that if people worked from home for too long, they would lose their cultural ties and integration with the company. Because of this warning, companies that saw benefits in remote work would offer it to their staff on a rotating basis and usually only for one day a week. With this, the home office was viewed as an employee benefit, a pleasant diversion from work at the office. When the pandemic hit the EU and its

member states began closing their borders and initiating lockdowns, companies reacted by sending their workers home. Large organizations hired companies that specialize in relocation to move and set up entire workstations in employee homes. In time, it transpired that work efficiency was at similar levels compared to before the pandemic. In most cases, firms successfully finalized all projects they processed through the home office model. "The work-from-home model has become so universal that even firms with strong traits of hierarchy in their corporate culture, in Switzerland and southern Germany, are resorting to it now," Płaza said.

MORE FLEXIBILITY

It is now clear that the work-from-home model will have a long-term impact on companies. They will use it to a varying degree as the pandemic continues, and in many cases, well beyond that time. Płaza says that remote work solutions give organizations incredible flexibility and speed up business processes, cutting the time organizations need to react to market changes. Remote work can be implemented in many areas of business, but the most dramatic effect the "home office" has had is on corporate meetings, which have migrated online en masse. Online meetings not only

cut costs for companies, but also make it relatively easy logistically to hold any type of meeting. This trend has already had a huge impact on corporate travel. However, Płaza noted that not all types of corporate travel will be gone. "The demand will be there, but at a much lower level. There are some types of business meetings that make more sense when people meet face to face," Płaza said.

GOING DEEPER...

Online solutions that support remote work and corporate communication continue to evolve. "We ran a recruitment process for a senior management position for a client abroad," Płaza said. "The candidates were in the city in Poland where the position was available. I was in Warsaw, and the client was abroad. I never met the candidates in person but talked to them online. The whole process was executed online, including the interviews the client held with the candidates." Płaza is not surprised that new consulting services are popping up, as online meetings become a corporate standard. Consultants offer advice on making the most of the new communication channels regarding aspects such as personal presentation, creative use of light and background, and specific language and

gestures to use in online meetings. “Indeed, the art of having effective conversations online is different than talking face-to-face in real life,” Płaza said. While the universal adaptation of online communication tools during the lockdown was viewed as an emergency measure, it is now clear that companies will use work-from-home solutions into the rest of 2020 and beyond. This will have an impact on the office market, with Płaza stating, “Depending on the type of business and company structure, companies estimate that 50-70 percent of their people will be working from home.” In his opinion, this will translate into a long-term drop in the demand for office space by 10-20 percent. “It won’t be a crisis, but a huge correction of the market,” Płaza said. “We will see it in 2-3 years when tenants’ agreements with landlords expire and tenants have to renegotiate prices.”

... AND DEEPER

As online work solutions conquer the office, companies are developing new applications to cover business areas beyond the office. While it is clear that production lines will continue to be operated, it is not yet clear to what extent Industry 4.0 solutions, robotization, and automation will reduce the number of workers. This will lead to the emergence of mixed, digital, and face-to-face management methods as digital solutions address these problems. The same trends will appear in other areas outside of industry as well. “Nearly all business between clients and banks can be conducted online already,” said Płaza, and this trend will deepen as people tend to use online tools rather than go to the bank.”

Płaza said that banks are ready to reduce their brick-and-mortar infrastructure and accompany this with jobs cuts across the sector. With the further digitization of client-management processes, government institutions at the central, regional and local levels will also follow suit. The lockdown deprived most retailers of their ability to sell on High Street. As a result, there was a major rush to e-commerce channels and B2B online platforms. Companies used e-commerce to move their products to consumers, hoping to last long enough to see better days. Many of them saw better days earlier than they expected as their e-sales surged during the lockdown. With this, e-commerce channels have now become an indispensable part of nearly any business.

THE LABOR MARKET

The most immediate impact of the crisis on the labor market was salary cuts across

nearly all industry fields, with wages being decreased by 15-20 percent. Salaries will likely not return to pre-Covid levels if companies do not recover their business to those levels first.

The cuts in salaries and low prospects of recovery mean that employee benefits, save for medical coverage, will not play an important part in making a job attractive for job seekers. “The market has changed,” Płaza said, “and it has moved backwards a few years. It the employer’s market now, not the employee’s.”

This, in turn, will make more people look at job offers abroad. “Emigration for work always goes up during crisis, so this is a normal trend,” Płaza said. “The inclination to look for jobs abroad is especially strong among people aged 30 and below. The older you get, the less inclined you are to relocate to a foreign country,” he explained.

The widespread application of IT solutions



Cultural factor: Online meetings and digital communication tools call for a less formal atmosphere and a more easy-going, personal attitude.

will also have an impact on worker mobility. “With digital management solutions, managers do not need to live where they work,” Płaza said. Since they do not need to relocate to small towns where their factories and teams are located, “this helps move quality management to those small places,” Płaza explains. Managers do not need to relocate from where they live to the city where the company has its office, either. “This may have a huge impact on the labor market in general,” Płaza noted, “because people in Poland were rather uninclined to migrate domestically. With digital work solutions, they will no longer have to face such problems.”

As the pandemic aspect of the crisis is paramount, safety in the workplace will be one of the top priorities for employers and job seekers.

This is where American companies have a huge competitive edge over domestic firms and firms from other EU countries, according to Płaza. “An efficient management of safety in the workplace is a strong point of all American companies,” Płaza said. “One can say that most of them have it embedded in their corporate DNA.”

Płaza said that managing Covid safety will be a huge challenge for mid-level managers across many companies because of cultural differences, national personalities, and regional and individual experience in fighting the pandemic.

NEW SKILLS AND COMPETENCIES

As the new normal emerges in tandem with growing corporate IT infrastructure, digital sales channels, and online communication tools, an understanding of e-commerce, B2B channels, online marketing, and other areas related to the digital will become critical for company managers. “Understanding the digital world was not so much expected before the pandemic at the level of senior management,” Płaza said, “but now it is a must.”

These new skills are necessary to effectively manage relations on all levels, from boards of directors to ground-floor workers. According to Płaza, this includes the technical aspects of using digital tools as well as also social and cultural aspects. “Using online tools, we emerge into a less formal atmosphere. We are more at ease there,” Płaza said.

Płaza said that such a rapid overhaul in business functions will create demand for a new generation of managers. Desired competencies will include the ability to think independently, make decisions quickly and under stress, access the right resources, use adequate information, and motivate team members without the need for face-to-face meetings. “The knowledge regarding digital communication tools will be taken for granted, so nobody will even ask questions about it during job interviews,” Płaza said.

Yet, digital change does not mean that new workers will automatically jump into home office mode. “New hires will have to undergo an integration process at the company offices,” Płaza said. “It is where they will go through training programs designed to merge the hires’ digital skills and expertise with those required by the company. It will take some time—a few months perhaps—before new hires will be sent home to work.” Thus, the digital wave that has swept across all companies is not likely to wash their brick-and-mortar headquarters away anytime soon.