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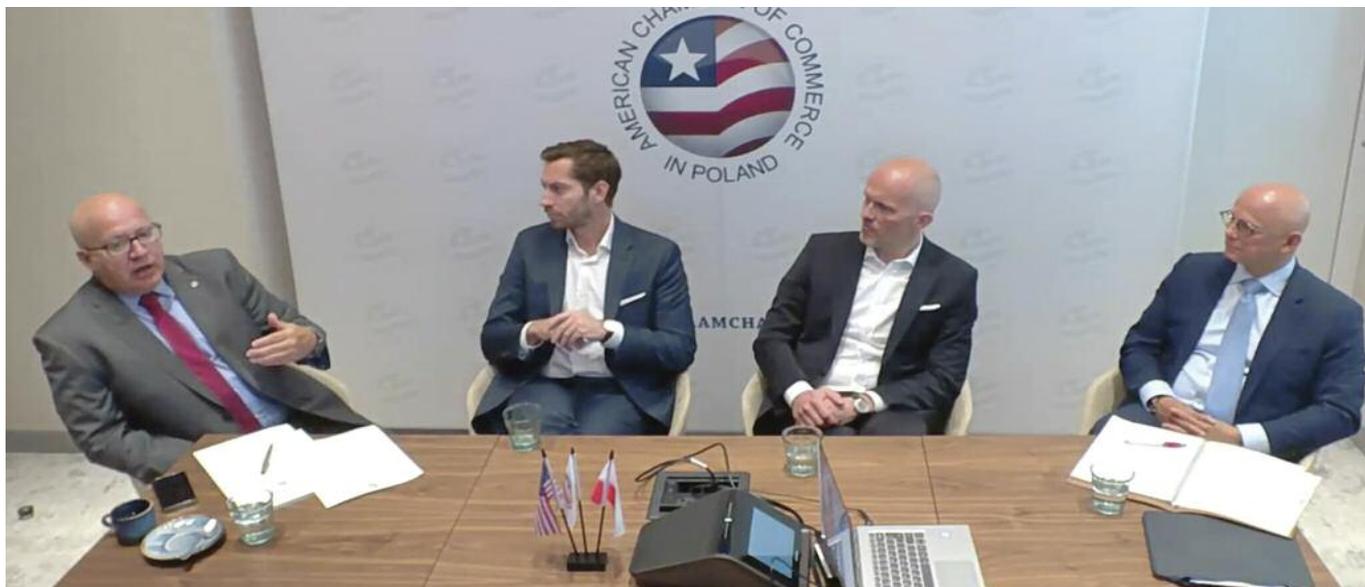
*Doing business in the times of
Covid-19*

EVER SINCE ITS INCEPTION 30 YEARS AGO, ONE OF THE MOST FUNDAMENTAL FUNCTIONS OF AMCHAM HAS BEEN TO MAINTAIN PLATFORMS FOR SHARING PROFESSIONAL KNOWLEDGE AND EXPERIENCE BETWEEN ITS MEMBERS. THERE ARE SEVERAL SUCH PLATFORMS, INCLUDING AMCHAM MONTHLY MEETINGS, THE AMCHAM COMMITTEES, AND ONLINE EXPERT DISCUSSIONS.

IN THIS DISPATCH WE PRESENT THE MAIN CONCLUSIONS OF A DISCUSSION PANEL HELD IN SEPTEMBER IN THE SERIES CALLED "DOING BUSINESS IN THE TIMES OF COVID-19." THE PANELISTS REPRESENTED HUGE AMERICAN INVESTORS IN POLAND: **BOEING, PHILIP MORRIS, PROCTER & GAMBLE, AND UBER.**

FOCUS

Business and the pandemic



At the Marriott Warsaw online conference facility: Tony Housh, Mark Andrijanic, Wojciech Niewierko, and Gabriel Ragy. Rafał Stepnowski joined the discussion online from Gdańsk.

REDISCOVERING POTENTIAL

AMERICAN COMPANIES DRAW LESSONS FROM THE PANDEMIC

In September, AmCham held another discussion panel in the series called "Doing business in the times of Covid-19." The panelists were Mark Andrijanic, Director of Public Policy, Central & Eastern Europe at Uber; Wojciech Niewierko, Member of the Board and Director at Philip Morris and responsible for External Affairs in Poland and the Baltic States; Gabriel Ragy, CEO and Chairman of the Board at P&G Central Europe; and Rafał Stepnowski, Director of Government Affairs at Boeing, who also leads Jeppersen, the Gdańsk-based Boeing subsidiary. The discussion was moderated by Tony Housh, AmCham Chairman (Northrop Grumman).

TECHNOLOGY

In his opening remarks, Tony Housh said that while the pandemic was in its initial phase in Poland in May-June, the business sector was already wondering when the situation would return to normal. As the crisis continues, however, it has become clear that the new situation, which resulted in the universal adaptation of communication technologies

across a broad spectrum of businesses, has created huge challenges for companies. However, the impact on the markets has also led to new business opportunities and possibilities.

Gabriel Ragy noted that P&G had made good use of communications technology to maximize employee and client engagement. The introduction of the home office for P&G's employees led the company to change the design of the office space to allow for more human-to-human interaction to compensate for the lack of such when working from home. "The worst thing that could happen would be for us to work from home as if we were working in a cubicle," Ragy said, adding that "Finding the right balance is the key. No extreme solutions apply."

Mark Andrijanic added that the pandemic also accelerated innovation for Uber. He said that operating a network of tens of thousands of drivers, the company had to "rethink the concept of health and safety overnight" to ensure the safety of its drivers and riders. The solution was "face-mask recognition software," which allowed the company to "disallow drivers

without face masks from delivering Uber services."

According to Boeing's Rafał Stepnowski, technology allowed the company to successfully transition its employees to work from home and maintain the quality of service delivered to its customers. No work productivity issues were noted. The company had been prepared, having learned from the example of its huge office in China, which transitioned to remote work in January-February. "We learned our lessons from our colleagues in China," Stepnowski said. "It was important that we entered the pandemic as prepared as possible."

The move was successful. While the company has been working remotely throughout the pandemic, it has also maintained fully operational offices. The office is only an attractive offer for a small portion of the staff, though. "Our challenge today is that only about 10-15 percent of our staff want to return to the office," Stepnowski said.

Wojciech Niewierko observed quite a different problem at Philip Morris. He said they had applied home office solu-

tions across the company (except for at the company's factory in Poland). However, after some time, employees started wanting to meet again, go to dinner together, and socialize. It is the company's policy not to allow any meetings in large groups, though. "Before the pandemic, we thought we were going to the office for work," Niewierko said, "but now we know that this was an oversimplification. The office was not only a place to work, but also a place to form interpersonal relationships." This is something for which technology has not yet offered alternatives.

AGILITY

With the question of technological transformation comes the issue of how agile and flexible businesses can be in their responses to the changing market situation. Although all the panelists represented large companies—and such are generally thought to be slow in moving with the market—their stories contradicted this belief. Philip Morris cut the production of tobacco products and replaced them with the production of disinfectants, and joined the race to develop an anti-Covid, nicotine-based drug.

For Uber, adapting to the changing market was an obvious move. While the company saw an 80 percent drop in its ride-hailing service business, its food delivery service soared. The company had to allocate its resources properly. "We were lucky enough to have had Uber Eats on our platform, and this business doubled during the crisis," Mark Andrijanic.

Boeing reduced its R&D department, which had been focused on developing futuristic designs, and moved its engineers to the production area. The company had to make changes in response to changes in the market and new demands across its supply chains.

Rafał Stepniewski said that for Boeing, it was a question of how the company can manage productivity and innovation, and the pandemic made this question a priority. Opportunities are everywhere, Stepniewski said, "Be it the site structure, organizational structure, or functions that have been made redundant."

Gabriel Ragy agreed with Stepniewski, saying that the pandemic has forced organizations big and small to rethink how they do business in areas such as leveraging technology for their needs and cutting unnecessary layers of management so decisions can be made quickly. "We are more agile, as we have empowered people at the frontline to make decisions," Ragy said. "Companies have to keep constantly adjusting themselves during such a crisis. Today, those organi-

zational structures are being disrupted, and this allows companies to work in a much more agile way."

In turn, Wojciech Niewierko observed that after companies moved their people to home office mode, it transpired that "junior managers can have more frequent interaction with senior managers," which contributes to the flexibility and agility of the entire organization. When it comes to how agile a business can become regarding its productivity potential during the pandemic, Wojciech Niewierko told the story of a company that had planned to install a sophisticated piece of equipment in one of its factories in Russia before the pandemic. The company conducted a technological assessment regarding whether the installation could be completed remotely by engineers stationed in Germany using remote work tools such as augmented reality. The result of the assessment was a resounding no. However, the pandemic had already begun to develop before the installation could take place. The engineers were not able to fly from Germany to Russia and were forced to complete the installation remotely after all. "This clearly shows," said Niewierko, "that companies have more productivity potential than they recognize."

RETAINING TALENT

The pandemic has also significantly impacted the labor market, which worries some employers who are looking far ahead. While some workers have been made redundant, this has not changed the country's demographic challenges that necessitate a larger labor force. Since the beginning of the pandemic, Philip Morris kept this in mind, having announced that "nobody would lose their job because of the pandemic." According to Wojciech Niewierko, this united the workforce around the shared purpose of supporting all Philip Morris operations throughout the pandemic: the office, the factory, and the shared services center. The announcement was especially welcomed by salespeople, who, Niewierko explained, "confined to their homes, could not sell."

The company conducted an employee satisfaction survey among its people three months into the pandemic. The survey revealed the highest satisfaction rates seen in many years at the company, which meant that its no-job-cuts policy appealed to its team.

Meanwhile, while technology and innovation are helping companies adjust to changing markets, some companies are still finding it impossible to maintain jobs at pre-pandemic levels. And some of them were surprised to see that their

employees—mainly software developers and engineers—left them quite willingly, perhaps hoping for better career opportunities in other sectors.

For Wojciech Niewierko, this is a question of how attractive a company can be to new talent in terms of the new technological changes and new opportunities they can offer. Niewierko noted that "With the changes in the way we work, things have changed here as well. Because of the involvement of technology in the managerial processes, there may be some changes in the way people progress in corporations."

For P&G, technology is only one part of the solution. Since working for a business does not require being present in the company's office, the company is working to attract talent from all over the world. "This helps us be more agile because we can gain access to talent with no obstacles," Ragy said.

However, all panelists agreed that the problems regarding employment and workforce availability cannot be solved by the business sector alone. With the new forms of work (home office) and high levels of worker flexibility required by the market, lawmakers must step in to help build an adequate legal framework for the modern labor market.

According to Ragy, the labor laws in Poland and many EU countries are not fit for the modern business environment, as they do not take into account the new, flexible work locations. "We have to adopt new labor laws that provide the needed flexibility to combine office and home office work models," Ragy said. Mark Andrijanic noted that self-employed individuals do not have enough legal protection in Poland, which is unfortunate because self-employment is the future of labor. Meanwhile, government aid programs aim to support employees at companies but not self-employed people, "which is a tragedy of sorts," Andrijanic said. He added that to make the best of the economic recovery, Poland needs to have flexible labor laws and a modern immigration policy. "Everyone is competing for top talent now, and we need to have immigration policies that are well-targeted," Andrijanic said. He maintained that the economic recovery will be an opportunity for Poland to close the gap in economic development with Western Europe. It would be a shame if the country failed to take advantage of this opportunity and continued to maintain outdated labor and immigration laws.