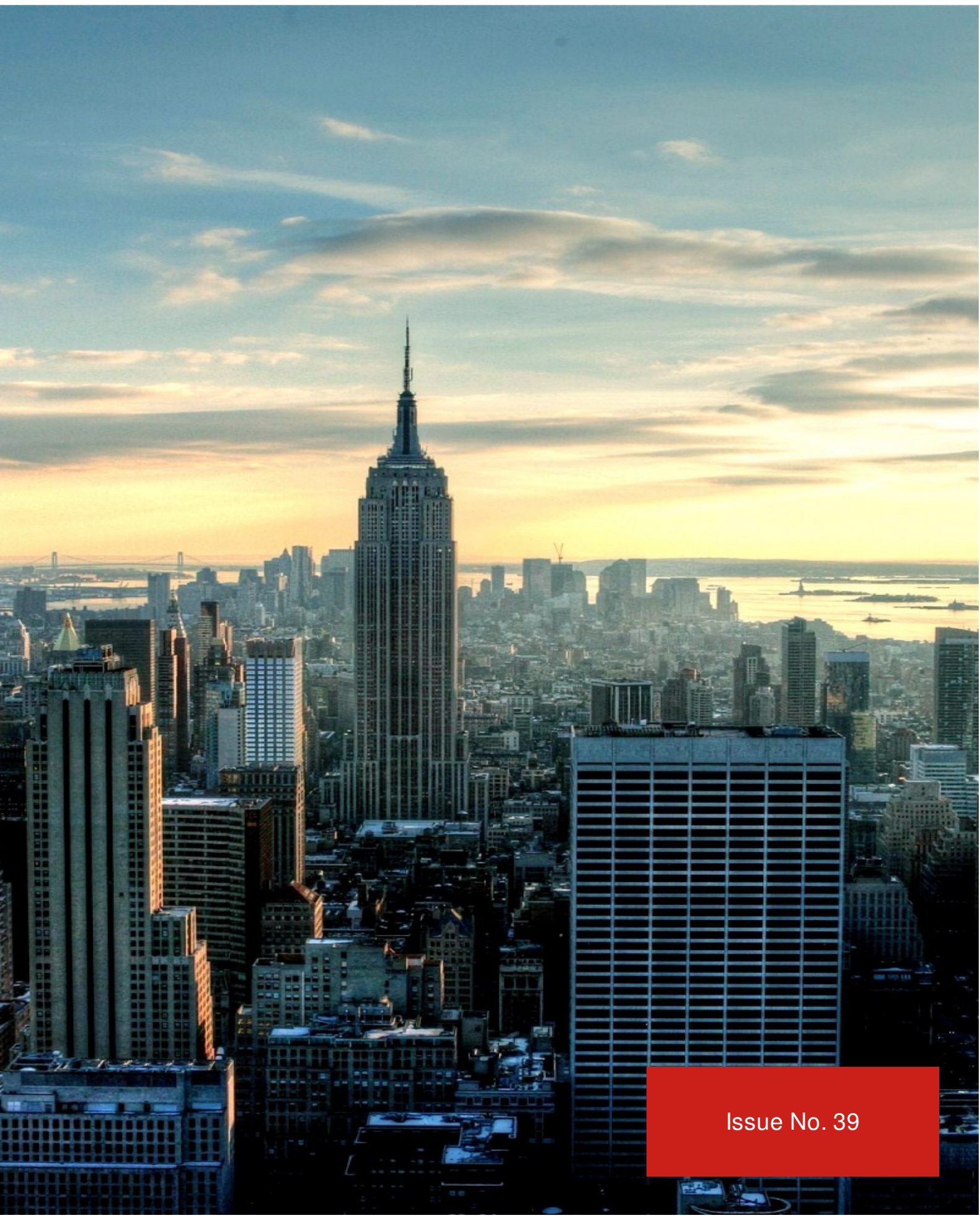


Contact Online

International business voice

british
polish
chamber
of commerce



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Editorial Note

By Michael Dembinski and Dorota Kierbiedź

This is the most significant, and most useful, issue of Contact Magazine Online for a long, long time.



We
present
to you a

summing-up of the big changes that have happened on the Polish labour market over the past years – and their implications for recruitment and retention. How are BPCC members coping in today's labour market conditions? What tips and insights can they offer you? The articles in this issue of Contact will look at the market and its different sectors from different angles. Many of the buzzwords such as wellness, social climate or agility circulating around today's world of HR are demystified by some of Poland's top experts working in this field.

A newcomer to the Polish shared-services market, Standard Chartered Bank is raising the level of services offered from Poland to a new high. How hard was it to recruit the quality and quantity of employees required to make the hub as success? [Rowena Everson](#), CEO of the bank's Poland operation, talks to Michael Dembinski about the challenges faced and overcome.

Organisations are entering an era of monumental change: digital disruption, globalisation, redefined business models, changing demographics, multigenerational teams, regulatory compliance, big data, artificial intelligence,

cloud computing and machine learning. [Jan Karasek, and Magda Stawska, from KPMG consider the implications of this change for future of HR.](#)

If there's one buzzword that's on the lips of all HR managers, it's wellbeing. Is this just another management-guru fad? "If you can't measure it, you can't manage it" is a useful saying – it turns out that there are key wellness metrics that you can deploy to see how your employees' health is reflected in your company's performance, says [Ewa Stelmasiak from the Wellness Institute.](#)

Sales and marketing functions have been building consumer brands for well over a century. And in the same way, in an employee's job market, HR needs to focus on employer branding. How well do your potential employees – the talent you need to recruit today to have a thriving business tomorrow – know you as an employer? [Hubert Kifner from MSL considers the building-blocks of employer branding.](#)

If one Polish tech firm really stands out when it comes to employer branding, it's software giant Future Processing. [Magdalena Markowska-Barańska](#) explains how FP has come to be such a high-profile employer. You may not have heard of Future Processing – but your top IT people certainly have!

How will automation affect the workplace and the labour market? One sector that will be significantly affected is accountancy – as more and more functions become automated, how will the profession look in future? The answer lies in those human characteristics that artificial intelligence cannot mimic, says [Lesley Meall for ACCA.](#)

Human resources – workers – employees – do not work in a vacuum; their wellbeing at work depends on their surroundings. The work environment is rapidly evolving to reflect the changing nature of work. Three articles look at the workplace of tomorrow; Spaces (a Regus brand) offers co-working facilities that can offer organisations

[agility – a characteristic that's quite different to flexibility](#); while [Beata Osiecka from Kinnarps](#), the office-furniture giant, considers how workplace acoustics affect focus and productivity.

Poland is an economy of many large cities and there are disparities in their growth rates and access to employees. With registered unemployment in Warsaw, Poznań and Katowice well below 2%, where are the places that new investors should consider when it comes to finding skilled employees? [Jan Banasikowski, HR & location advisory expert from CBRE](#) pulls out the big map of Poland and points at those locations which have the greatest potential for business development.

But does location matter so much today? Working remotely is an increasing phenomenon. How can this be managed effectively? What tools are available for ensuring that the remote worker is an effective part of a geographically distributed team? [Dorota Mielnik from Eversoft](#) looks at how the latest tech trends are making remote working a good solution for many businesses.

Working time, managing shift-workers, is an important HR issue in today's 24/7 economy. How can firms optimise shift work? The answer lies in self-rostering, in which smart algorithms match employees' preferred shift times with production plans. [Łukasz Chodkowski from Dehora](#) explains the benefits. Changing workers' shifts is one of the factors that can adversely affect the social climate of the workplace for the worse. What 'social climate' is, and why it's so important to staff retention, is described by [Dorota Grudzień-Molenda of Arthur Hunt Consulting Polska](#).

With demographics working against the employer, many companies have been coming to rely in Ukrainians and other foreign nationals to fill gaps in their ranks. Although it's now easier to recruit Ukrainian citizens than before, it can still be a red-tape obstacle course. How to make the process of employing non-EU nationals easier is explained by [Dariusz Ronka from KS Service](#).

A key employee tells you that they want to leave. What do you do? Is proposing a counter-offer a good idea or a bad idea? [Malwina Bugajak from Hays Poland](#) considers the pros and cons of using the counter-offer in a bid to keep your top people from leaving. Good advice!

Retaining the best employees often involves incentives – bonuses and awards. How can you optimise the use of these tools without falling foul of the law? [Monika Krzyszkowska-Dąbrowska from Linklaters](#) considers the more commonly used incentive schemes and explains how they differ from one another, and how effective they can be – if properly implemented.

Unpaid staff leave can be a problem when tight deadlines and labour shortages trouble HR managers. It is a double-edged sword that can be useful for both employee and employer. What the Polish labour code has to say about this is worth knowing. [Agnieszka Morawska, Mazars](#) explains how this works in practice.

Did you know you have to keep employee records for 50 years? Although there have been major changes in the law relating to employee records as of 1 January 2019, liberalising regulations to a great extent, if anyone joined your organisation before 1999 – you still need to keep their records for 50 years. You can do this digitally if you wish – but there are a lot of 'buts', say [Adam Nierzwicki and Paweł Lasota, from Wierzbowski Eversheds Sutherland](#).

All of the above issues show just how complex HR has become. From the days when it was simply kadry or personnel, to today's highly demanding HR environment, the change has been dramatic. For CEOs, the key question is how much of your HR can you outsource, and how much need you keep in-house? [Justyna Trochimiuk, from ASB Poland considers the factors that decide](#).

The way leaders are perceived by key employees – who typically join a firm but leave a boss – put a new urgency on self-examination.

Leadership coaching focused on raising the leader's self-awareness has measurable benefits when it comes to running a business, says [Lucyna Baca-Lonn of Graphology Business Solutions](#).

Today's business environment carries more risk than ever before. New risks – mainly related to the widespread use of tech, such as cyber security, data breaches and business-model disruption, are rated alongside old risks which have been exacerbated by tech, such as reputation damage. [Aon's global risk survey](#) considers the key risks facing your business, and whether you should seek to manage – or to transfer – that risk.

Whatever the future holds, one thing is certain – the skills needed in tomorrow's workforce will be different to those that are in demand today. Preparing today's schoolchildren to be sufficiently flexible to adapt to new technologies and working practices is an essential part of the education process. Resilience, teamwork and cross-cultural awareness will be even more important tomorrow, says [Tom McGrath from the British Primary School of Wilanów](#).

Notice anything special about the authors of these articles – yes, the majority are female!

Chairman's Note

by Antoni F. Reczek, chairman of the board, British Polish Chamber of Commerce

At the chamber's Annual General Meeting, held on 29 May 2019, members voted unanimously to restructure the BPCC from an English Company Limited by Guarantee to a Polish employer's organisation, and to accept the accounts for the last financial year.

I would like to thank Her Majesty's Ambassador Jonathan Knott for his address to the members. I would also like to extend a warm invitation to everyone to continue to engage

in, and support the work of, the BPCC.

At the board meeting following the AGM, I was re-elected as BPCC's chairman, while Nicholas Richardson continues in his dual capacity of honorary secretary and vice-chairman. David Buckle was promoted to vice-chairman in recognition of the great work he is doing for the chamber in the UK. [Click [here](#) for the composition of the board.]

Here is my report for the year since April 2018; please read!

Chairman Report

For any business, the AGM is a time to take stock, report to stakeholders and look forward to the challenges ahead. It's time to make mid-course adjustments, taking into account the wider ever-changing economic climate that the business must contend with, amid continued Brexit uncertainty and global trade concerns. The BPCC, as a non-governmental organisation reporting to its membership who are in effect its shareholders, has at its core its work on behalf of UK investors in Poland.

Business development and business environment

We help our members engage with the Polish regulatory environment through our policy work which often involves the authorities at national and regional level. We actively promote trade and investment between our two nations, initiating member-to-member cooperation and facilitating high-quality B2B networking at events and online, and finally and we work with Polish entrepreneurs in the UK. This year, we have extended our offer along job-function lines, with specific events for CEOs, CFOs/FDs, HR directors, sales & marketing directors etc.

People

BPCC's staff has remained constant in number for

the past year, with eight people working for the Chamber. The only personnel change is our new policy groups manager Hanna Pieńczykowska who joined us last September, taking the helm of policy groups, government and stakeholder engagements. I expect that almost everyone has experienced the excellent work that Hanna does. Her knowledge of the Polish (and indeed EU) legislative system is outstanding. The BPCC remains one of the few foreign chambers in Poland to have its own office network outside of Warsaw. Our direct presence in Kraków and Wrocław extends beyond those two cities, including Rzeszów and the Aviation Valley, and the industrial heartlands of Upper Silesia, Opole and Poznań. Ilona Chodorowska and Urszula Kwaśniewska are the regional directors. David Buckle, our UK-based board member supports and assists UK companies and the Polish Embassy in London.

Strategy review

- Strategy review – the BPCC team spent three days outside of the office last May, challenging every area of our operations, to select and focus on areas of excellence and value-added services. Every aspect was analysed, from our membership services, to our regional operations and policy groups work, from media to admin. We compared the BPCC and what we offer to members with that of the other major foreign chambers of commerce present in Poland. In particular, the strength of our Chamber stems from the practical business insights that come from peer-to-peer contacts across our 12 policy group areas and across job functions.
- Operational improvements – new ideas have been shared with the board members for review and the August board meeting has fully committed to the suggested improvements.
- Having in mind Brexit uncertainty, the dual structure of the BPCC, the weakening pound, double taxation and all other related costs, the board was unanimous in its decision to drive

- the fundamental change of the Chamber's legal structure. The arrangements, set up over 25 years ago, no longer meet the Chamber's and members' current needs. The new structure we are proposing will simplify our operations and significantly reduce our costs.
- An Extraordinary General Meeting took place on 30 October 2018 with members voting in favour of liquidation of the English Company Limited by Guarantee and its replacement with a Polish employers' organisation (*'organizacja pracodawców'*).

Membership activities

This area is directly managed by Dorota Kierbiedź, our membership director with 22 years of experience at the BPCC. In terms of various events, policy group meetings and training activities, we have delivered 147 events in the following locations:

- 65 events in Warsaw (47 Policy Groups, 9 BPCC Academies, 9 networking events)
- 23 events in Kraków, Rzeszów & Katowice region
- 55 events in Wrocław & Poznań region
- 4 events BPCC events in the UK

We were also involved in four events for Polish entrepreneurs in the UK, with business-owners' association PBLink.co.uk, including the Fifth Congress of Polish Entrepreneurs in the UK, and the third Polish-British Construction Forum.

On average this equates to more than one event every second working day, right across the year!

In terms of our most important policy engagements, the BPCC has been active in the following areas:

- Improving taxation in Poland (with HMRC and British Embassy)

- GDPR (General Data Protection Regulations, or RODO in Polish)
- Automation and manufacturing efficiency
- Occupational health and safety
- Labour market in Poland
- Real estate investment and market trends
- Employees' Capital Plans (or PPK in Polish)
- Exporting Polish IT services to the UK (with Polish Embassy and PAIH)
- Upcoming technology regulations – blockchain, Internet of Things and artificial intelligence

The BPCC is continuously involved in the policy-making area. In a joint IGCC format, we take part in tax consultations throughout the year. The consultations involved several legislative projects focused on withholding tax, the new tax ordinance and the simplified advanced pricing agreement, where finance and tax specialists from our member companies could get involved in a discussion with the Ministry of Finance officials representing the Tax System Department and the Transfer Pricing Department. The BPCC represented the interests of our member companies in other consultative processes such as the new anti-usury law and excise on tobacco products. A broad consultation of the legislative proposal on the liability of the collective entities (in Polish) was organised and involved a dozen of the largest British investors in Poland. In February, the BPCC held a conference on the tax administration and its approach to the taxpayers, in cooperation with the British Embassy and the HM Revenues & Customs, where our members and invited IGCC guests could discuss the topic with key people from the National Revenue Administration (KAS). The project produced a report with recommendations for the Polish tax system that we shall build upon in the upcoming year.

Hanna Pieńczykowska regularly tracks upcoming legislation, especially in the areas of tax policy, business environment and Brexit preparedness of the Polish government. The BPCC staff remains in contact with members to identify the legislative projects that are of importance for our membership.

Highlights for social engagements:

- Robert Burns Night with Ivan McKee, Scotland's Trade Minister and HMA Jonathan Knott
- International Oktoberfest in Wrocław
- International Christmas Evenings in Wrocław, Poznań and London and Christmas Carols in Warsaw
- Regular networking events in Warsaw, Poznań, Wrocław, Kraków and London

Brexit

The BPCC is actively engaged in communicating with members and other stakeholders on the Brexit process by explaining the potential impact of various scenarios on Polish and international businesses. Our chief advisor, Michael Dembinski has spoken at five industry summits (airports, automotive manufacturers, road transport, automotive supply chain and maritime logistics) and at many smaller events aimed at Polish exporters across the country, to share practical understanding of how each sector or industry could be affected by Brexit. BPCC staff have attended each consultative meeting organised by the Ministry of Enterprise and Technology where the impact of a possible no-deal Brexit on Polish exporters has been discussed, as well as briefings on Brexit organised by the British Embassy. Michael Dembinski continues to be the BPCC's media star with more than 50 engagements on TV, radio and in print each year. We are definitely seen and heard as an expert advisor. Michael regularly visits our members across the UK and Polish regions to advise and respond to challenges.

Membership is currently standing at 300 companies, with 176 member firms in the corporate class and 124 from the SME sector. While the overall number of members remains stable, there is a clear shift towards larger firms in membership. HSBC, PwC, Tesco, and Sage continue their commitment as BPCC patrons, joined by Aviva which replaced BSI Group in January 2019. Paweł Siwecki, our CEO, is leading the Excellence in Patronage initiative in addition to his managerial responsibilities.

Media

Kuba Piegat, our Media Manager is ensuring day-to-day media and database efficiency.

We have launched two new sections on the BPCC portal – Get Connected with Poland for British and international investors, and Brexit section for Polish firms to access specialist information in Polish, a unique resource of great relevance to exporters, as the UK remains Poland's second largest foreign market.

The BPCC became an institutional partner for a new report dedicated to the impact of British investors on Polish economy. The partnership was initiated by the British Embassy, participating investors and Deloitte's Sustainable Development Goals practice. The report will be promoted at this year's Krynica Economic Forum.

Administration and premises

Monika Sierańska is providing maternity cover for her sister, being head of administration until September when Paulina Sierańska will be back.

The Kraków office has changed address to the Business Link office at ul. Pawia 9 in Kraków. The BPCC's HQ on ul. Zielna 37 will continue to serve us until at least April 2021

City Week - Key note speeches and remarks, John Glen, City Minister; CEO London Stock Exchange; Chairmen: Lloyds and The City UK

Marzena Richter, partner, Staniszewski & Richter, board member, BPCC

Having attended City Week last month at the Guildhall in London, I was struck by the absence of Brexit in some of the presentations made by a mixture of City CEOs and EU ministers.

The City is after all, one of the biggest capital markets in the World! What will the EU look like after the UK leaves and how is the government working with the City on a post Brexit scenario ?

A later presentation by the Spanish Minister for the Economy revealed that certainly prior to the vote on Brexit, over twenty years or so, UK capital markets mostly outperformed the US and were two-to-three times the size of the rest of the EU. That said, the Spanish Minister stated that capital markets development in the EU is limited and admittedly since the vote, the Financial Times has reported that investors have somewhat devalued UK assets since the vote.

Business in the EU27 (excluding the UK) is traditionally financed by banks whereas the US and the UK have highly developed capital markets. The EU will be loosening ties with one of the world's biggest capital markets from the top financial centres of: London, New York, Hong Kong, Shanghai and Singapore as the City will no longer be within its regulatory sphere post Brexit.

"Unemployment is down, wages are increasing, inflation is steady, 9 years of consecutive growth since the financial crisis and the largest trade surplus in financial services of 60 billion pounds in

the world.” This was the upbeat warm up to John Glen’s speech. Indeed, the Minister’s statements regarding the state of the British economy are supported by analysis and reporting in the Financial Times and data on the Bank of England website.

As the government has ever increasingly struggled to obtain consensus on an agreement which would be democratically acceptable in Parliament Minister Glen reflectively quoted Churchill in that democracy is “the worst form of Governmentexcept for all the others” (well actually we are going back to Plato !)

Four new areas of growth

Irrespective of the establishment of a new regulatory relationship with the EU, either before or after depending on the type of Brexit, the Minister for the City continued in establishing four new areas of growth;

- The first being a green finance initiative capitalising on the 26 billion dollars raised by 16 countries in already issued green bonds. The newly created Green Finance Institute is to lead in developing the UKs strengths in the Green Finance agenda.
- Secondly, Fintech strategy an ever growing sector has resulted in five fintech bridges linking the most promising start ups with the world as well as new concepts such as open banking as well as the regulatory sandbox. Underlining the UK’s global dominance in Fintech the FCA has created a global sandbox to test products and services in multiple jurisdictions.
- As the world’s fastest growing economy the first ever “masala” bond has been issued. India invests more in the UK than in the rest of the EU. A UK India fund has been established to invest in sustainable energy on the Indian sub-continent.
- Finally the relationship with China via Hong Kong continues to deepen with

- cooperation with the continuing internationalisation of RMB, the Great Bay area (the equivalent of 5-6 large EU members) and the Belton Road. Regulation of investment and project management in China is still maturing. The UK possesses the legal and technical expertise to service major infrastructure projects as well as the capacity in financial markets to finance these projects. London is already the leading financial centre for RMB trading.

The minister concluded in a typical British pragmatic style in that success does not rest on regulatory alignment or political agreements but on confidence and ambition.

What about the evolving role of the City of London in the global economy?

These questions were addressed by the discussion panel commencing with David Schwimmer, CEO of the London Stock Exchange Group. Key macro trends effecting the City of London are innovation and partnership. An example of how the City of London is addressing climate change and sustainability through technology and innovation is the FTSE requirement to report the carbon footprint. London is the only market that requires such environmental impact information. In addition, FTSE Russell has developed ESG (environmental, social and governance) standards and capabilities in green finance opportunities. A 300% increase in multi asset class listed ETFs has been recorded recently. ETFs are exchange traded funds which are units of multi asset classes where one of the assets is listed. This is a significant trend for future years.

As regards partnership, historically London is a leader either through public authorities’ global financial partnerships or the Financial Services Trade and Investment Board. LSE group is licenced in 13 jurisdictions around the world thanks to a highly constructive relationship with the London Clearing House as the global regulator. Mr Schwimmer concluded that London regulators

have a very international outlook and are globally disposed to partnership.

Moving on to insurance, what about Lloyds a successful innovator – how will competitiveness be maintained?

The Chairman of Lloyds, Bruce Carnegie-Brown underlined that the UK market represents 90 billion USD of premium income whether in wholesale, reinsurance, or speciality markets. The London market is 3 times the size of the next market which is Bermuda. To give an example of opportunities of underinsurance in both developed and developing economies is to consider recent economic damage due to hurricanes in the USA. Only 25% of the economic losses which hit the USA in 2017 were insured.

The nature of risk continues to change. Historically insurance was good at protecting tangible assets. Corporations are increasing intangibles on their balance sheets which drives an associated insurance market. Cyber risk is the biggest growing risk to companies around the world and also a constantly growing source of insurance premiums. Other insurance markets are reputation risk, data loss, artificial intelligence and climate change.

Lloyds is a massively international institution with 86% of revenue premiums coming externally to the UK.

According to the Chairman of Lloyds, protectionism is a huge threat to the economic model of insurance and Brexit is a manifestation of this protectionism. Challenges between the US and China pose risks for the insurance industry. If capital is trapped geographically then the economic model in insurance breaks down.

Innovation for which talent is required is also a challenge for the industry. Harmonisation of global regulation can only help the insurance industry. Fundamentally, the contract in insurance is underpinned in the confidence of the rule of law.

Macro trends in the City over 40 years

John McFarlane, Chairman of the City UK, whose long career spans huge changes in the City reflected on European dominance in 70's, the Big Bang in 80's, the global financial crisis and the explosive growth of China and India and the emerging markets. The city has thrived on freedom and innovation thanks to the entrepreneurship of firms operating in London and exists because of the competitive advantage which makes it successful.

McFarlane expressed some concern on Brexit as significant international firms moved to UK to access European markets from the UK and they may leave the UK. Mr McFarlane underlined that European capital markets must stay open and this is a massive priority.

“The EU cannot see its capital markets as a closed circuit. If the EU wants to create capital markets successfully and a securitised industry it must remain open to the rest of the world and to London because the capability exists in the City. “

The Chairman of CityUK continued in that “Money goes where activity is”. The opportunity is not only in the EU but as the City Minister described earlier in places further away. Of course, opportunity exists in Europe but greater opportunity exists elsewhere. McFarlane mentioned remembering when European banks were dominant in the City, E.g. Lloyds was one of the biggest banks in the world by market capitalisation whereas now Lloyds is only 15% of largest bank in the world.

Massive changes have taken place since the 1970s when European and UK banks were dominant and the 1980s Japanese were dominant with European banks and the 1990s when only one American bank was in the top 20.

Today only one British bank and one continental European Bank are in the top twenty and there is no Japanese bank. The world has changed so opportunity is outside the European

economy. The government have provided support by the creation of low corporate tax rates and effective regulation as a foundation for safety.

McFarlane concluded that it is important to separate activities from the domestic economy (which is 80% services) and the international aspect which must be supported by different economic policies.

Closing impressions

Whether Government, the Stock Exchange, Banking or Insurance all were focussed on developing world wide international markets as has always been the case. The UK financial equity model contrasts starkly with the rest of the EU particularly as western continental banks have found it difficult to bounce back post financial crisis unlike the UK which has itself appeared to be more resilient.

The advantages of modern HR and payroll outsourcing

By Justyna Trochimiuk, payroll manager at ASB Poland Sp. z o.o.

HR and payroll outsourcing is a strategic tool used by companies to improve the functioning of the personnel department, as well as the entire enterprise.

The increasing use of outsourcing by Polish and foreign companies and the development of technologies have had an impact on the upward trend of this services market. Other favourable factors to this trend are the fact that well-planned and implemented outsourcing significantly reduces employment costs and allows customers to access specialists' knowledge and modern technological solutions.

A characteristic feature of the outsourcing services market is its diversification

among the companies it serves and in the range of services offered to contractors. Most often, newly created companies that don't have specialised internal structures decide to use outsourcing, as well as small businesses that can't afford to hire specialists. Other typical clients of outsourcing include companies with a multi-faculty structures and restructured companies. This does not mean, however, that outsourcing is not possible to implement in other organisations.

One of the main factors affecting the dynamic development of HR and payroll outsourcing is the development of technologies that allow for optimisation and the automation of work. Thanks to this, the internal resources of the company are released, so they can be focused on other, core, activities.

Online outsourcing enabling the entire HR and payroll process with the use of modern IT systems is already the standard in cooperation between the client and the service provider. Everything is computed from the beginning of the employee's employment, through the entire term of the employment contract, up to parting with the employer. Self-service portals offered by service providers are now increasingly available in the mobile-application version. These improve the work of the personnel department as well as allowing employees direct access to their data. There are all kinds of e-services now available, such as an electronic system of planning and registering work time, electronic registration of absences or settlement of travel expenses.

Through such a portal, the employee also has the option of applying for holiday leave online, printing a pay slip, information about employee's social contributions (IMiR) and PIT (tax forms), as well as an overview of the working time schedule and its current implementation. On the other hand, the employer has a preview of information related to the employee's employment history, conditions of the currently signed employment contract or the validity of medical examinations and health-and-safety training. An additional

convenience is the system of email notifications informing users about the necessary actions to be taken and the possibility of using various types of reports. Self-service portals facilitate internal communication between departments and employees, improve daily and routine tasks, allow quick access to data and reduce the number of inquiries addressed by employees to the HR department.

An important reason why HR and payroll outsourcing is gaining popularity is also the widening of the range of services offered by contractors and the greater potential of employees hired in them. Other, increasingly more frequently outsourced functions are, for example, outsourcing the administration of the Social Benefits Fund or ZUS amendments. In other words, the outsourcing of the so-called knowledge processes indirectly related to payroll calculation and staff administration. Employers from outsourcing companies can expect professional advice in the scope of their duties and authorisations, perform staff- and payroll reviews, conduct procedures for firing employees or monitor and analyse remuneration.

The shaping of new trends is also visible on customer's relationship with the service provider. The traditional model of performing only specific tasks, commissioned by the client in favour of individual cooperation models changes in the specific nature of the company, as well as carrying out the whole process of outsourcing implementation, including the management of employees' career path. Customers who already have experience with outsourcing HR and payroll generally report positively about their impression, which certainly increases the interest in this service sector. Effective HR and payroll outsourcing today is a partnership between the parties, in which the service provider not only fulfils but also exceeds the requirements, set by the client.

Culture and business strategy – the Future Processing way

Magdalena Markowska-Barańska, branding & communication team, Future Processing

Browsing through a few flagship HR portals or some HR magazines gives you the feeling that some topics will never be fully exhausted. And rightly so.

Employee engagement and satisfaction, people enablement and empowerment, communication and culture – their impact on the company's business results are both hot cakes and... hot potatoes. Future Processing does not claim that we know how to make the best of it all. If we did know, we'd have expanded from being software development experts and evolved into one of the top-notch HR consulting companies a long, long time ago. Still, we do have our own practical ways of marrying organisational culture and business strategy so that they may live happily ever after.

And we would like to share with you how we do it.

What is our guiding principle?

Our top relationship advice concerning culture and business strategy is simple: consistency and cohesion. In the context of current sceptical workforce and more and more sceptical customers, this is the only way to go. In effect, both marketing and employer branding are appropriately styled and served narratives, yet their core message remains nothing more than a description of reality. At FP we are convinced that you cannot overdo walking the talk. Ever. Even when you strut towards the altar, where a potential customer or candidate awaits you.

So what are we so consistent and cohesive about? Although there's a current trend that preaches "employees first, customers second", FP's answer is simple: we put people first, both

our employees and our customers. “Since FP’s very beginnings, respect toward others is the basis for everything we do: talking with our clients, chatting with our colleagues while having coffee in the kitchen, solving everyday problems. In each and every situation that requires us to take action, we are mindful of others, their needs and opinions,” says Ewa Ebelewicz-Plaza, head of people at FP, “We put people first – all people, in all circumstances.”

Asking questions and paying attention

The foundation stone each organisation needs to dig into the ground is to constantly ask its employees: “And what do you think? What do you want? What do you need?” We always wanted to know what all our colleagues understand behind such concepts as motivation, well-being, satisfaction, trust, quality, good salary and more. And one has to admit: it really is a strenuous task to comb through a cornucopia of qualitative and quantitative data from all possible sources. Their list is almost as long as Kate Middleton’s wedding train and covers input from quarterly feedback meetings taking place between team leaders and members, direct face-to-face feedback, short polls after meetings with company leadership, input we get via our MyFuture intranet and more. But it does pay off. Our crown source of information is an annual Happy Team survey, a regularly updated, extensive questionnaire, which allows us to delve into a multitude of cultural and organisational work-related areas such as support, co-operation, results, trust, appreciation, development, remuneration, benefits.

Listening and answering

Yet, it is never enough to hear. When you are at the altar, you either have to answer or you have to run! At FP we chose the former option and what really makes a difference is the cause-and-effect process: ask – answer – react. Let me give you a very recent and very concrete example. One of the aspects which our colleagues disputed in 2018 were remuneration rates. It was not a surprise,

especially taking into account the latest sharp salary peaks we have been witnessing on the Polish IT market. Therefore, with Brexit and slight macroeconomic turmoil waiting outside the church, FP embarked on a journey with the destination: updating salary brackets and generating a solid salary increase budget. When recently, after careful analyses, the good news was finally announced, you could literally hear the loads taking off from managerial shoulders and flapping their wings towards the blue sky. It was a challenge, it was worth it... and we hope that it is still not our last word in this department.

Treating adults like adults

At FP we put faith in our colleagues and we chose to believe that they are trustworthy and competent professionals. Therefore, their inviolable right is the right to be briefed about the company’s situation and thus to be enabled to take well-informed personal and professional decisions.

All our employees, at all times, can find out and discuss the current key financial and HR performance indicators such as profit, earnings performance and employee voluntary partings/rotation, as they are easily accessible via the front page of our intranet. The values shared with employees come from a set of metrics that FP’s managerial team regularly uses to take decisions on the operational and strategic level.

Yet, we chose not to stop mid-way and far as is currently possible, we handed over the management of integration and development budget to our IT professionals. How does it work? A proportionate amount of money is allocated per team, monthly for integration and quarterly for employee development, and afterwards the team, guided by the leader, has the right of choice how to spend it. It is our employees then who share a joint responsibility for driving their professional growth and team-building. True to the philosophy of agility, we want people to feel empowered, enabled and accountable and we want them to do things together – share, discuss, and negotiate in order

to arrive at the optimal solution.

Creating welcoming spaces

Everyone knows that a wedding party without comfortable, inviting facilities, nice design, and relaxing surroundings is quite unlikely to be a huge social success. Space influences moods, behaviours and thinking processes, and professional context is not an exception. Therefore, we try to make our office environment both functional and comfortable, but what is most important we play up the unique value of human touch. At FP it is quite common for teams to have their own rooms instead of endless open spaces. Team members are welcome to furnish their rooms and desks with objects they like, add a personal flare and decorations to make them truly theirs.

And the architectural design of FPark, the area where the company is situated, though modern and highly-functional, is of human scale, with its three-storey buildings spreading across a green spacious area. You can sit on a bench and relax in the sun, go for a walk, play some football or simply have a friendly chat with a colleague and reset your mind. The FPark space is not only about work. And the way we understand it is that couches, pouffes, egg chairs, fun rooms or well-stocked kitchens are not enough. Working in IT the way our people do it, with determination, focus and passion, is usually demanding and a huge effort for the mind. Therefore, we have here our own restaurant, fitness studio, a spa space, and a kindergarten on the premises – we treat adults like adults, but children are also invited to this reception!

Communicating and sharing openly

Is it trivial to say that communication is key? It probably would be, were it not for the fact that in so many contexts, it turns out to be just an empty catchphrase. At FP we opened almost all our internal communication channels to all our employees. They are not restricted

to being receivers but enabled to be creators. Our common online space, MyFuture intranet, and many other tools like blogs, mentoring market, screens in hallways, photostories, etc. are very much used and alive. The communication we promote is uncensored, so each member of FP team is encouraged to share their opinion. Here at FP, it's like the wedding scene we all know from the movies at which someone stands up and protests after hearing the phrase: Speak now or forever hold your peace.

All rainbows and unicorns?

To some extent yes... we have a special programme for mums who come back to work after maternity leave, we have an onboarding programme, we are open and share important personal milestones with each other, we have company parties, meet-ups, even our own conference. But nope, it is not perfect. There are regular bumps and potholes along the road. But that's fine, because learning and evolving requires mistakes and challenging the status quo is what pushes us all forward. Some solutions do not work fully as expected from square one and require some tweaking or garnishing to end up fully functional on the table again. Examples? We have recently redesigned our feedback process and currently we are thinking about introducing some improvements in our training department.

Now let me address those two elephants in the room. Firstly, listening to your employees inflates expectations. The closer you listen, the higher they are. Is this wrong? No. It is just challenging and requires maturity from both sides to deal with it, the organisation and employees. Secondly, this all costs. Organisational culture costs, listening to employees costs, building all the mechanisms supporting team spirit, integration, knowledge exchange programmes – they all cost.

So why is it worth it?

In our Happy Team 2018 questionnaire, the things our colleagues at FP valued

and appreciated the most were: atmosphere and team-spirit. And this is one of the pillars on which this company rests. It is so vital to FP's core that we even treat it as one of our key competitive advantages and weave many of our strategic initiatives around it. And we are simply happy that we are in a company that can make the ones around us happy as well. The second pillar is more palpable and concrete and can be summarised in three bullet points:

- 70% of our customers are with us longer than three years
- One of the most effective methods of gaining new business at FP are referrals
- None of the customers who took part in our annual customer satisfaction surveys in 2018 have evaluated us worse than 'above' or 'meeting expectations' and this is not an unusual result for FP.

Our working hypothesis here is that there is a strong two-way feedback loop between customer and employee satisfaction. FP's history shows that it is not only good to work here, it is also good to work with us. And this is exactly the happy ending we all wish for. Say yes!

From distraction to concentration

By Beata Osiecka, managing director, Kinnarps Poland

Do you find your flow at work?

In recent years, creative and extrovert people who get on well in open plan offices have had the chance to flourish. This has many positive effects, but, in our thought society, it is also important to meet the needs of the introverts. To create spaces where today's multifaceted workforce can find a balance between interaction and concentration. This to achieve maximum productivity

and creativity.



Pros and cons with open plans offices

Something was lost when office cubicles gave way to open-plan offices. Designing working environments where employees are not continually being interrupted is a major challenge for the future. From the outset it all seemed like an ingenious idea. Everyone would benefit from the open-plan office: creative employees who could freely exchange ideas and thoughts with each other, managers who could keep a close eye on staff and not least financial controllers, who could house more workers in the same space.

There was only one problem – or rather two:

- Certain people find it hard to totally concentrate on their work assignments when they hear their colleagues in conversation.
- Certain work assignments require total concentration.

In the new thought economy, knowledge is no longer the most important factor; rather it's about understanding it and combining seemingly different ideas with new concepts and solutions which really make a difference. Dialogue, sharing experience and meetings will continue to play a significant part, but concentration and undisturbed working environments will become more important. It is becoming more and more difficult to find the time and space for this, with the coffee machine bubbling, the printer rattling, toilet doors banging shut, a mobile phone signal that rings

too loud while someone is talking about the dinner party they had at the weekend.

People want to either concentrate on a task or meet others to communicate. Acoustics will remain an important issue in distinguishing these two ways of working. It is also important to create a 'do not disturb' culture so that everybody's need for privacy and concentration can be better respected.

Reaching a state of flow

According to the Hungarian psychology professor Mihaly Csikszentmihalyi, every employer should strive to help their employees reach a state of flow. This is when they become totally immersed in their activities and wholeheartedly devote themselves to them so that problems can be solved and innovative ideas created. But this requires for most people a certain amount of peace and quiet at work, a structure and clear objectives.

It's about creating a balance between concentration and creativity.

Productivity, motivation and the feeling of doing the job well drop if there are too many disturbances. Most people go to work in the morning with the intention of doing their best. Studies now show that a large part of our being happy comes from that feeling of having done a good job. A job that feels meaningful and where one can see that the effort made leads to a positive outcome. If the feeling at the end of the working day is increasingly one where we do not meet our own expectations and of those around us, there is a drop in wanting to work and in motivational levels.



It can be hard for an individual employee to have influence over the physical office environment. Some have attempted to create their own space by listening to music in headphones or just even by using ear protectors. This also indicates to those around them that they want to be left alone. But employers who don't want their staff to work solely outside of the office or that they should look around for other employment ought to have a think about how the offices of the future must be designed.

By this we see that offices promoting productivity and well-being must meet the needs of the many. It is crucial to create workspaces where employees can concentrate to achieve a sense of flow but also be a part of the creative community. One must see to the needs of both the introverts and extroverts. This is achieved by creating a variety of spaces that offers room for different types of focus and distraction.

A tailored solution

Henrik Axell, our Next Office concept manager from Sweden, says: "We often hear our customers say that because of their office design, they cannot be productive. Not uncommonly, this is due to there being a lack of quiet areas for focus work. When we design or refurbish offices, we see it is a main priority to ensure and protect such quiet spaces"

In our Kinnarps Next Office concept, we develop tailored, holistic solutions to assist our customers in their office design and refurbishing efforts.

The customer and their operations are our starting point. We look at their current work methods and how they want their future to look. Then, the journey to creating a new, uniquely tailored office begins. We are involved throughout the process, from vision and inspiration to implementation and follow up.

It is important for us to practice what we preach, which is why we chose to implement our Next Office concept in the joint workplace and showroom space at our headquarters in Kinnarp. Henrik Axell played a big part of the creation of this activity-based office space. Management and employees were involved early in the process and their input and viewpoints were collected. "Unless management is on board, it is very difficult to roll out new thoughts and ideas in the organisation. And once you have management on board, you also have to get employees involved – all viewpoints are of value," says Mr Axell.

To best utilise the openness of the office while providing spaces for employees to do focus work, the office was divided into three focus zones: High Focus, Semi Focus and Low Focus.

High focus



High Focus spaces are for undisturbed focus work. This can entail large and small soundproof meeting rooms that ensure that conversations are not heard from outside. The library and individual high-focus workstations are important additions to the quiet meeting rooms. These areas are ideal for focus work such as reading and writing.

Semi focus



Semi focus areas are for those who would like to work somewhat focused, but not in a silent or isolated environment. For this level of focus, rooms within rooms are a good solution. You can easily design these using sound-absorbing or silencing screens. Semi focus work can ideally be done in collaborative or creative spaces. These are zones well suited to spontaneous meetings, briefings and workshops. It is important that the interior design encourages productivity and creativity.

Low focus



There are also a number of spaces dedicated to low focus work. Examples of these are the lounge and the 'landing space' – two areas in which conversations and other sounds are to be expected. Here, you can go through your email or have spontaneous meetings with passing colleagues. In addition to these zones,

there is an open space containing individual workstations. These stations are equipped with everything you need to work for an extended period of time. The office canteen can also be used for low focus work.

Zoning and rules

In order for the focus zones to truly work, it is important that they are screened off from each other so, for example, the noise from the lounge does not disturb those working in high focus areas. Sound-absorbing screens hung from the ceiling or standing on the floor separate zones from one another. Desktop screens can also be used to provide additional sound absorption in high focus areas.

However, sound absorption is only one aspect of the focus zones. It is also vital to set up rules regarding office noise. There needs to be a common view on what is permitted in each zone. The clearer the rules, the easier it is to create a highly productive, pleasant office.

"Rules are an important piece of the puzzle. They assist employees in knowing how to approach and act in the office and in creating new habits. An established set of rules contributes to a functioning office and satisfied employees," says Henrik Axell.

Realising the Future of Work

By Jan Karasek, partner, and Magda Stawska, senior manager, both from the Advisory Department at KPMG in Poland

Organisations worldwide are entering an era of monumental change: digital disruption, globalisation, redefined business models, changing demographics, growing talents in multigenerational teams, regulatory compliance, big data, artificial intelligence (AI), cloud computing and machine learning (ML).

Global business leaders forecast the next era as being that of human-machine partnership. Though divided in their views of the future, business leaders share common ground on the need to transform. Speed is omnipresent in the business world these days. Moving at the speed of the business isn't just about going faster; it's about dealing with the complexity of a fast-moving environment. Dealing with frequent changes reflects a larger challenge that HR faces: moving at the speed of the business.

Big challenges are ahead...



But not everyone's prepared. Technology is taking over and accelerating the pace of change exponentially. Consumers have come to expect goods and services right away. Organisations have scrambled to keep up and everything else starts to move faster and faster. HR departments are expected to speed up by adjusting processes to match rapidly evolving priorities.

HR faces main challenges to move at the speed of the business: getting the right information and ensuring processes are able to move quickly. This doesn't mean redesigning processes every time something changes; it means having processes that are fundamentally designed to adapt to change.

KPMG's latest survey, *The Future of HR 2019: In the Know or in the No* reveals apparent 'disconnects' between HR teams and their

senior leaders. The disparity among leaders regarding AI and its impact on the workforce is striking: more than half of HR executives surveyed believe AI will eliminate more jobs than it creates.

The 2019 KPMG Future of HR Survey represents the views of 1,201 senior HR executives from 64 countries and 31 industries. The survey results identified four key areas in which HR has the opportunity to double down on transformation, to help shape their organisation in the rapidly changing digital world:

- **Emphasise a culture for change:** Organisational culture was viewed as 'task-oriented', with 'low risk-tolerance' and 'hierarchical'. Alternative terms such as 'agile', 'collaborative', 'innovative' and 'managed by metrics' are more promising signifiers of companies ready to face disruption, but were identified in less instances; 42% of respondents stated 'culture' was a top barrier to moving from initial phases of digital business transformation, and HR functions may be restricted by cultures that makes it difficult to instil change. Where does your current client fit on this scale?
- **Embrace data and analytics capabilities:** Beyond the challenges involving redefined workforces and the application of new skills and modern employee experience, today's HR leaders need to meet the arrival and proliferation of AI, robotics and machine learning head-on. While 70% think HR can provide value to organisations through analytics, and 41% agree their organisation is effective in bringing data from various sources to make workforce decisions, less than 20% are looking to HR to address analytics as a top issue. HR is in a prime position to take advantage of people and performance analysis to understand the culture, performance and workforce of their organisation in detail. Data and analytics capabilities are critical to shaping and intelligently managing the workforce of the future. Does your client leverage HR, and involve them?
-

- **Focus on the employee experience:** HR's inevitable need to deliver critical new skills and redefine workforce and moving employee experience to the top of C-Suite agendas. Only 12% of management boards are looking to HR to address employee experience, and 24% to address employee engagement. The retention of vital skills and capabilities is critical in 'managing' the gig economy, and Employee Value Propositions (EVPs) are a key component in the war for talent, competitiveness and future success. Creating modern employee experience (EX) and defining the right employee value proposition (EVP) to match the needs of five generations in the workforce seems to be undervalued by senior management. What is the EVP of your client?
- **Enable cohesion across functions:** As automation and AI find their place in organisations, governance for digital labour has not been cleanly established. Cohesion around governance, strategy and integration across functions, with established 'owners', 'implementers' and 'enablers' will support wider IT strategy and planning. Who would currently own, implement and enable automation in your current client? How do you think this would change for them in five years' time?

Unique new skills are becoming critical to success, even survival, in the digital era – along with a new employee experience designed to attract and retain the best and the brightest, and meet the need of multicultural and multigenerational workforce. According to the World Economic Forum, more than a third of the skills considered important today will change within a few short years amid the proliferation of digital processes and the integration of digital and human labour. Future-focused workforce shaping is a key component of tomorrow's successful workplace.

Dramatically realigning workforces to facilitate collaboration between employees and advanced robotics, automation and AI is also imperative — and this coincides with a demographic trend bringing five generations together within a workforce that's more diverse than ever.

Beyond that, exploiting the full capabilities of data and analytics tools for informed decision-making and predictive insights will be indispensable.

Uncertainty continues to prevail

Many businesses are exhibiting uncertainty and inertia. They apparently don't recognize what today's transformation trailblazers know and are clearly acting on: uncertainty in this era is today's new normal. The trailblazers are exploiting uncertainty and doubt as a critical opportunity to drive new competitive advantage and leap ahead of the pack.

Many HR executives surveyed were confident about HR's strategic value and performance; 40% agreeing the HR function is considered a core value driver by their senior leadership, and 34% at least slightly agreeing. Time is of the essence. Today's HR leaders need to be initiating and sustaining the proper and right dialogue with business leaders.

The Future of HR is NOW!

Remote working – a future-oriented work model

By Dorota Mielnik, business development manager, Eversoft

During my discussions with potential customers about working together in a remote working model I often hear the following objection: "I understand your point of view, but I like to have my team in the office with me."

Yes, there are many advantages of having the developers in your office. However, the remote working model is equally beneficial and it's worth investigating the benefits and value that remote working can bring to you. Today, organisations and tools used for everyday working have developed and evolved to such an extent that the justification

for daily contact and direct supervision of your team is no longer fully valid.

This trend is particularly visible in IT. Indeed, developers and testers can successfully perform their duties from anywhere in the world without the need to be in the office.

It's worth verifying the benefits and value that the remote working model offers while considering its implementation.

Employee efficiency and flexibility

There are many studies and surveys confirming that remote employees who are not exposed to coffee-machine gossip, impromptu meetings and loud colleagues are more efficient than their colleagues working in the office every day. According to SurePayroll [1], 85% of employees admit that they need a quiet place to focus and achieve maximum efficiency. This is also acknowledged by two-thirds of managers. The survey also showed that as the number of people working remotely increases, the number of sick days and days off decreases, more so as employees can flexibly adjust their working hours.

With modern tools supporting remote working it is hardly surprising that, according to Harvard Business Review, employees who perform their duties outside the office are more involved and 87% of remote workers feel more connected through the use of video conferencing.

The possibility to select employees in the global, not only local market

Of huge value to companies is the possibility to change their workforce from local to global. Today, with a shortage of software developers, testers and other IT specialists in highly developed economies such as the UK, Germany or Scandinavia, the possibility of tapping into the global labour market is invaluable.

Real savings

Savings resulting from not having to provide employees with workspace in the office; desks and internet are obvious.

Last year I saw companies from among others, legal, financial and telecoms sectors, who encouraged their employees to work in a mixed model, deliberately reducing the number of desks available. Presently in Poland, one of the largest public institutions responsible for social security has introduced a project that allows IT departments to work remotely.

Employee wellbeing

A happy employee is invaluable to an organisation – everyone will agree on this. Especially in the case of long-term foreign projects, the possibility to work from home without having to go away for long periods of time is very important. Various statistics show that on average 80% of employees say that they are less stressed and have higher morale due to remote working.

Recently, a new term – nomad workers, has been coined. This term describes people who choose to work remotely, which definitely increases their job satisfaction. There are even special nomad support services, such as Working Nomads and Nomadlist, which include a list of the best cities for nomads.

At the Eversoft Software Development Centre, we use remote working tools for both project management and simple communication:

- For our everyday conversations with customers we use tools like, ZOOM – an awesome piece of software, which gives us many benefits, also there is a free version.
- For our internal discussions among teams we use Slack – an intuitive and super functional tool.
- The exchange of applications and progress measuring is supported by JIRA.

This combination works well for us in communications between our team members and in everyday conversations with subcontractors and customers. However, if customers have their own set of tools, we will adjust the communication channels accordingly.

Another possibility, which works perfectly well for us: if a project manager of a customer in the UK believes that at some stage of the project a direct partnership is necessary, we invite them to our office. We arrange for a desk, any equipment, and hotel accommodation and in this way the need to bear the costs of travel for the whole team is replaced with the expense of travel of just one person.

Remote working model – nothing to be afraid of

“We can’t afford to work remotely because we use agile methodology.” I don’t agree with this statement and I have a good example of my own. We are currently implementing an international programming project engaging several teams, linking dozens of countries into a network for the exchange of data. In this project, several teams cooperate at the same time in agile methodology, in different locations, with scrum-masters in other countries – and everything is done effectively and online.

Remote partnerships can work very well even in the most complex of projects. Recently I enrolled in a conference showing how far the concept of remote working and connecting employees online has reached. It is a conference on remote working carried out, of course, in a remote working model! What are your experiences in remote working? Would you like to share your opinion with us?

Please email me at dorota.mielnik@eversoft.company or [contact](#) me via [LinkedIn](#) and let me know your thoughts.

Social climate – what it is and how does it impact employees' behaviour?

*By Dorota Grudzień Molenda, managing partner,
Arthur Hunt Consulting Polska*

Nowadays most organisations have started focusing on workplace surrounding and the welfare of the employees.

They invest in smart workspaces, with flexible and colourful design, launch various well-being programmes to make workers more motivated and interested in staying within the organisation for a longer time. Essentially, organisations today are trying to make their staff more loyal and connected with the company on various levels: material, mental and social. Companies are chasing each other with creative ideas how to become more agile and successful in attracting new generations of workers. They look for sophisticated tools, while the thing people really care about is a workplace atmosphere – or rather social climate – that makes them feeling good at work.

The perception of success or failure among employees depends not on creative surrounding or the job position but mainly on a role the individuals play in the workgroups and how they – as a group, feel being treated by the organisation. People are motivated by social needs – they seek meaning in social relations on the job, and this is even more important to them. This is much more than the atmosphere at work. This is social climate that is a set of group emotions, attitudes, perceptions, ways of reacting and presenting the group views or behaviours. The organisation is perceived by them as a 'social system' that in some aspects follows the official paths or rules and, in some others, doesn't, creating its own ways of behaviours (like trade unions).

Social climate is nothing new. Today, however, it

becomes more relevant to management as it has an impact on motivation, engagement and productivity as well as loyalty to the organisation.

To better understand the topic let's first look at the factors that create 'social climate'. Money – compensation and benefits are the key ones. The lower the job position individuals have, the more important is this aspect for employees. Working conditions and occupational health & safety are crucial to keep the good climate. Satisfaction with the job done and social relations with peers and managers make people feel important and noticeable to the organisation. Work-life balance, independence and self-development raise motivation and engagement. And one more factor – crucial in my view – is the management style that creates the behaviours and attitudes in the organisations.

According the great expert management Peter Drucker, there are four important aspects of management: planning and making decisions, organising work for others, managing others and controlling/monitoring them. Yet people expect much more – a good leader, who will not only inspire them but also be truly interested in them. What does it mean? That the leader knows its people not only by name – but also their family situation, their challenges and passions, their aspirations and competencies. The leader becomes mentor and advisor. One of most influential leaders and leadership teachers, John Maxwell, says "leaders touch the hearts before they ask for hands. People don't care how much you know, until they know how much you care". And it can be done by knowing, understanding and communicating with the team. Vincent and Mayers – industrial sociologists say that industry managers and employees have the same motivation. The manager controls the means of satisfying needs, while the employee seeks self-development to go on their own to improve the financial status of their family. Remember this while implementing any changes to your teams; they will have the impact on both – subordinates' work and private life.

For some time, I have been delivering workshops on social climate to managers in production plants. One of the modules is about the change management. The managers are given a case study and are asked to identify hot topics that may influence the social climate and suggest some solution. It is very interesting when they reveal how good they are in identifying business challenges (such as squeezed machines on the production hall, changes in the shift plans, broken windows) and giving the solution using different methodologies such as continuous improvement, Kaizen or others. At the same time, they almost forget about the social aspects of those changes. Changes in shift work do not only mean that some people are asked to appear on different shifts – but it may also mean those people may be in trouble as they have a colleague who drives them to work and back home on this shift, or the whole system of taking care of the kinds is based on that plan. If the machines are too squeezed it may not only influence the safety but also financial rewards or bonuses – as the productivity of those people decreases in such circumstances. If such aspects are not taken into consideration – the social climate may dramatically worsen as any change implemented or any decrease of current conditions in the organisation requires social-aspect analysis. Individuals bring to perceptual situation their attitudes, needs, motives and expectations and those interact with organisation and its social climate.

As the social climate is a wide topic and there is no space for more in this article, I would like to give some tips at the end:

- Social climate is a group perception – how does your organisation treat group thinking?
- Group thinking focuses on unified opinions, group strengths and perception of power. It is difficult to change it. Therefore, good prevention is crucial.
- In the organisation there should be an 'actor map' – identifying people who play key roles in building

- social climate such as opinion leaders, out-of-control people, turned ones, those who are for and against change. It is important to know this map and have a good plan to manage them.
- Social climate is a dynamic phenomenon, it changes like the weather. Some aspects are to be predicted; some are not. Vigilance is advised.
- It may be good or bad. There is nothing between. If it is bad – all the changes planned are subjected to failure.
- Finally – never ignore the small annoying things that are being mentioned to you three times or by three different people, or just they seem irrelevant to you. They may make a huge fire.

Awareness building in leadership coaching processes

by Lucyna Baca-Lönn, Graphology Solutions Group

Leadership coaching is currently regarded as an effective and an efficient method of the leaders' growth and development.

As the leaders constitute a key asset of any business organisation, substantial investments are made in leadership development processes. Awareness building is a competence to be enhanced and developed in the leadership coaching processes.

A goal of leadership coaching is to change attitudes and behavior among leaders through self-awareness, to enhance their success – and that of their organisations – in the long term. The outcomes of leadership coaching include increased levels of self-awareness, career satisfaction and emotional commitment. Organisations apply leadership coaching as a worthy method of leaders' and organisations development.

- There are three main competencies developed by the leadership coaching process:
- Self-awareness (emotional awareness, self-confidence, and accurate self-image), Self-regulation (self-control, trustworthiness, adaptability and personal responsibility) Self-motivation (commitment, initiative, and optimism).

When properly developed, these competencies make an authentic and efficient leader who can carry out the organisations' goals. Let's take a closer look at each of them.

Self-awareness is the extent to which individuals are conscious of different aspects of their identities, and the extent to which their self-perceptions are congruent with the way others see them. Self-awareness is substantial component of emotional intelligence and ; it is the skill to recognise and understand your moods, emotions, and drives and their effects on everything and everyone around you. It is important for the leaders to evaluate themselves, so that they can recognise the impact on their thinking and decisions as well as on other individuals,

Self-regulation is based on a fundamental sequence where individuals (a) regulate their attention and effort around self-set goals or assigned goals, (b) take action to achieve those goals, (c) maintain or enhance their progress toward their goals, (d) obtain their goals or their performance strategy, (e) recommence the cycle

Self-motivation refers to the ability to raise one's own levels of drive, identifying those deeper underlying motivations that to go beyond immediate business challenges in both personal development and performance.

Raising the combined capabilities of self-awareness, self-regulation and self-motivation enhances individual knowledge, trust, and personal power, which are fundamental in creating in an effective and efficient leader.

Leadership coaching is dedicated for organisations that emphasise constant retraining of their leaders to support them in becoming more versatile and pragmatic. Both practice and scientific findings show that leadership coaching has positive impact on the leaders' skills and knowledge, social capital, transformational-leadership behaviour, and self-awareness.

Leadership development can be perceived as an awareness-based process, which can shift the focus of work from individual will-power to learning and growing in awareness about the experience of being leader. Fostering leader self-awareness constitutes the core work of leadership coaching processes as the increased self-awareness is strongly correlated to executive effectiveness.

Awareness and consciousness encompass responsibility, achievement orientation and deliberation. Leaders scoring high on consciousness work harder have a sense of direction and self-discipline. And they are highly structured in their way of working, which optimises the time they spend on a specific issue. Leaders continue to evolve throughout their lifetime, and there is a beauty in their constant growth.

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Graphology Solutions

New rules on employee documentation: A huge stride or just a small step forward?

By Adam Nierzwicki, counsel, and Paweł Lasota, senior associate, both on the employment team at Wierzbowski Eversheds Sutherland

Digitisation, a shorter retention period, more clarity – but also additional formalities and new obligations for employers wanting to fully benefit from the new regulations on employee documentation.

These are the main issues arising from this year's long-awaited amendment of the rules on employee personnel files.

The beginning of 2019 welcomed employers with many new features of employment law. One of the biggest changes concerned the rules for maintaining employee documentation. The new provisions introduced some revolutionary amendments, such as shortening of the retention period and the long-awaited electronic form of maintaining files. Not everything is as simple as it seems, when we consider the additional requirements and pitfalls awaiting eager employers.

Electronic files are the future

The main change under the amendment is the possibility for employers to cease keeping employee documentation in physical, paper form and to convert it into electronic data. The choice lies solely within the employer's discretion: nobody is forced to move with the times and digitise their files. The advantages of this solution are numerous, including less paperwork, lower maintenance costs, better accessibility and security of files, and a positive, environment-friendly approach.

Digitisation of employee files requires scanning the originals into electronic form and affixing them with a qualified electronic signature or qualified employer's stamp. 'Qualified' is the key word here, as parliament decided to introduce stricter formalities, obliging employers to obtain a qualified (more secure) electronic signature and a device required for its use. Many employers in Poland already use such e-signatures, but for other, smaller entities, this will result in additional expenses.

Are e-files not enough?

If e-files are not impressive enough, think about cutting any given cost by four-fifths. That is the kind of saving made possible with regard to the retention period for employees' personnel files. It is not easy to know how long personnel files of employees will come in handy, as former employees, tax authorities or social insurance authorities may require production of certain historic data or documents which have been kept in storage for a long time. However, the retention period of 50 years required by law seemed a bit excessive, especially considering that it was calculated from the end of employment. It is easy to imagine that in some instances, all that remains of the business of some employers is the personnel files of their former employees. Thankfully, this has changed now, and hopefully employers can save on costs of retention of files of former personnel.

From 1 January 2019, the overly long 50-year period of retention was cut to just 10 years—although, in all fairness, this only applies for all new hires who started from 1 January 2019 on. The retention period for other staff now depends on when they started work. Savings are still possible with regard to files belonging to employees who started between 1 January 1999 and 31 December 2018. The 10-year retention period will be applicable for this group of employees if the employer files an information report with the social insurance authorities with respect to each individual employee. Otherwise, the 50-year

retention period remains applicable. Lastly, there is the group of employees who started before 1 January 1999, and for them no changes are possible. Their files need to be kept for 50 years.

The 10-year period is calculated from the end of the calendar year in which the given employee departed the company. This makes it easy, because the same retention end-date applies for all individuals who left the company in the same year. Once the retention period expires, former employees have just one month to collect their personnel files. Otherwise, the documentation must be destroyed. For employers there is an additional obligation – to inform every departing employee of the applicable retention period and the possibility of collecting the files after the retention period.

What if a former employee—a prodigal son—decides to return and is rehired before the 10-year retention period runs its course? In such a case, the retention period is extended and recalculated from the end of the subsequent employment. A similar rule applies if there is litigation or other proceedings pending in which the personnel files of an employee are needed. Then the retention period is extended beyond 10 years, for the duration of the proceedings.

Change in the right direction?

The changes are not as revolutionary as they may seem, but are definitely a step towards simplifying life for employers, requiring greater or lesser effort to introduce. Employee documentation maintained in an ideal, orderly state, kept in a secure, easily accessible electronic form, is definitely the target for many, if not all, employers.

The growing potential of Polish cities

By Jan Banasikowski, HR & location advisory expert, CBRE

The ever-improving situation on the labour market and growing demand for modern office space prove that the Polish real estate sector is gaining momentum.

We can still observe the high absorption of the largest cities, such as Warsaw, Kraków and Wrocław, which provide companies with the possibility of expansion, and guarantee investors new places of business. Yet awareness of other Polish cities' potential is growing; attractive alternatives for companies looking for locations that enable cost-reductions for a business activity.

Business services continue to be a driving force in Krakow and Warsaw

The best example of high attractiveness of Polish cities is the modern business services market in Kraków and Warsaw, the largest locations for this sector in Poland and with a significant role in the whole Europe, which is steadily growing for over 10 years. According to data from ASPIRE, the association which brings together representatives of the modern business services sector, there has been an increase in employment up to 20% annually in Kraków. The potential for development in Kraków and Warsaw remains high, despite the fear of market saturation, which has been present for several years now, and which is reflected in a noticeable increase in wages in the local labour market as well as possible recruitment and retention problems. These doubts have not yet been confirmed by foreign investors who are still considering Kraków and Warsaw as a potential place for business activities – especially in terms of centralisation of processes from other foreign locations.

An important role is played by the needs of the local employers who plan to increase employment and extend the scope of their current activity. The best confirmation of this trend is the continuous increase in demand for office space in Krakow (211,400m² in Q4 2018) and in Warsaw (858,400m² in Q4 2018), including demand for offices of the highest standard, located in A-class buildings, which in Krakow constitute 57% of all resources, and in Warsaw 53%.

The standard of the office attracts employees

The aspect of the standard of office space is important for understanding the dynamics of the development of the Polish office market. On the one hand, it is part of the competition for employees, because the location and arrangement of the office is an important non-wage benefit. On the other hand, in parallel, there is an increase in the quality of services provided by companies operating in the largest service sectors in Poland – apart from Krakow and Warsaw, this is also an important factor for companies from Wrocław, Gdańsk, Poznań and Łódź. The level of supported processes, and an increase of experience and skills of employees cause that the popularity of the largest cities as places to work to grow. Surveys by recruitment companies on the readiness of employees to relocate between cities have begun to appear on the market.

High revenues generated by cities thanks to investment from companies from the modern business services industry, such as the 13 billion zlotys contribution to Kraków's GDP, translate into more urban investments in infrastructure raising the quality and standard of living of employees and residents. All these factors help attract further investments, a virtuous circle.

High position of Polish cities in the European rankings

Thanks to the dynamics of the city's business development, Krakow – next to Dublin – has gained the status of one of the

best European locations for business activity in the outsourcing services sector. According to criteria for assessing the city's potential as defined by the Tholons Services Globalisation Index (where the access to experienced employees, operating costs, quality of life are assessed) Warsaw, Kraków and Wrocław should be distinguished. These cities face similar challenges (competition for labour), experiences (increase in the level of advancement of supported processes) and opportunities for further development (improving the quality of life in the city, meeting the needs of employees and residents in terms of quality of education and career opportunities). An important factor, which foreign investors particularly pay attention to, is the growing interest in the migration of employees from abroad, for whom costs and quality of life in the Polish cities are attractive, as well as the opportunity to gain work experience in global companies, which often would not be possible at home. Therefore, in Poland, we are observing the growing interest and influx of employees from South-west Europe, Eastern Europe and Asia.

Competition on the labour market in favour of employee

The labour market in Poland is becoming increasingly diverse. This is particularly evident in the production sector as well as in business services. The value of Ukrainian production and logistic workers and specialists for the Polish economy is widely appreciated, and without them many companies would have a problem with achieving their goals. However, in the face of decreasing unemployment, demographic challenges and the opening of Germany's borders to employees from Ukraine, we can see that the trend of the multicultural labour market is constantly gaining importance.

Interestingly, competition on the labour market in the production sector makes it necessary to raise the standards of the quality of space. Increasingly, companies present their activities in terms of improving the comfort of work, as

an argument for choosing a specific employer in the region. The examples of solutions applied in the production sector include locating well-connected plants, arranging comfortable and employee-friendly areas (employee canteens, company kindergartens) and additional activities of employers). For example, one benefit that is gaining popularity is the Wellness offering, enabling regeneration after a day at work. The employer's implementation of employees' expectations is particularly important from the perspective of new generations entering the labour market, who appreciate the standard of the workplace and the opportunity to combine employment conditions with a rapidly growing standard of living.

Investors target medium-sized cities

The largest cities in Poland usually acquire the most important investments and become the regional offices of global companies. Meanwhile, smaller centres try to attract new investments by offering lower costs of business activity, increasing standards of living (with much lower daily maintenance costs) and access to human resources and adequate infrastructure. Such arguments strongly appeal to companies that analyse variants of carrying out the expansion and transferring some of the processes to cheaper locations in other regional cities.

Academic centres where specialists (especially in fields such as languages, finance and IT) are trained, as well as places providing access to infrastructure and office space resources of a suitable standard are most frequently considered by investors. Locations with particular potential for business development are: Łódź, Lublin, Bydgoszcz, Białystok, Opole and Rzeszów. Thanks to the rapidly improving road and railway connections resulting from EU infrastructure funding, they can effectively compete for future investments with Poland's main agglomerations. Each successive investment creating attractive workplaces gives the opportunity for students and specialists to work in the place of their residence without the need to migrate to the larger centres in

search for a job.

The potential of the medium-sized regional cities is beginning to be noticed by investors, developers and employers alike. After a thorough analysis, more and more companies from the modern Business Services Sector and the production sector are deciding to concern these selected centres in their further development.

The human factor

by Lesley Meall, journalist

Accountants will need to reassess their relationship with technology as the areas where automation meets emotional intelligence increase.

What does it mean to be human? What makes you who you are? Is it your body? Your emotions? Your soul? Your brain? All your experiences? Your body's biology, sensations and actions? As a human, you are all of this and more. You think and feel. You are capable of complex cognitive and intellectual feats and high levels of motivation and self-awareness. You are astonishing. But in a world where artificial intelligence (AI) is taking over tasks that require memorisation and logic, how will your human intelligence retain its advantage? What's your superpower going to be?

The answer could be your emotional intelligence (see box 1). "This is an area that ACCA has been exploring," says Narayanan Vaidyanathan, head of business insight at ACCA. "We know, that to thrive now and into the future, professional accountants need an optimal and evolving combination of professional competencies or quotients." These quotients are each a collection of technical knowledge, skills and abilities, combined with interpersonal behaviours and qualities (see box 3). ACCA has identified seven such quotients, including one for emotional intelligence (EQ).

“When we talk about EQ we do not mean something amorphous, we mean something very specific,” explains Mr Vaidyanathan. For professional accountants, ACCA characterises EQ as: “the ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them”. New ACCA research considers what the current state of EQ looks like around the profession and what the EQ implications of technology developments may be. It focuses on areas where EQ and technology overlap now and in the future.

ACCA has researched six areas of impact: change readiness, cognition and learning, ethics and beliefs, human-machine interaction, increased diversity and shifting power. The implications were then considered for five emotional competencies that are key to the EQ of professional accountants: growth mindset, self-knowledge, perspective taking, empathy and influence. “The purpose of this work is not to dive into the psychology of EQ but to contextualise it for the accounting profession,” says Mr Vaidyanathan – to prepare accountants for a very different future.

“It is vital that the profession embraces technology so that we, and the next generation of accountants, are agents of change, helping to shape the technology agenda, not simply following it,” says Rachel Grimes, CFO of technology with Westpac and president of the International Federation of Accountants. “Cloud-based computing, hosted applications, big data, and the rise of machine learning are already transforming the way we work. As the quantity and sources of data increase, the need for human accountants to understand context, interpret nuance and apply professional judgment also grows.”

A brief history of emotional intelligence

Among psychologists, historical definitions of intelligence have tended to emphasise cognitive aspects, such as memory and problem-solving. However, during the 20th century psychologists such as Professor Edward

Lee Thorndike and Professor Howard Gardner helped to expand accepted notions of intelligence by distinguishing between multiple types of intelligence, and in 1990, Professors Peter Salovey and John Mayer coined the term ‘emotional intelligence’ (EQ).

Salovey and Mayer described it as “a form of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, discriminate among them and use this information to guide one’s thinking and action”. In 1995, based on their work, Daniel Goleman, a psychologist and journalist, wrote his book Emotional Intelligence, which sold in its millions, promoting the concept that EQ is more important to success in our personal and professional lives than IQ.

Managing change

Accountants are increasingly expected to have the soft skills and emotional competencies to manage the accelerating speed of change and adapt to its transformational nature. “In the high-performing organisations we work with, accountants are expected to incorporate innovation and change into their day-to-day roles and responsibilities, by working on the business not just in the business,” says Brendan Sheehan, ACCA council member and CEO of finance transformation consultancy White Squires.

Joseph Owolabi, director, corporate advisory, Deloitte Australia, and ACCA Council member, notes how EQ is also thrown into sharp focus by the diversity that technology can facilitate: “More remote working and collaboration means less face-to-face contact in meetings.” Ways of developing and exerting leadership, influencing, motivating, mentoring team members, and developing and demonstrating empathy are all affected. “The world is a global village – often you need to get on a conference call. But you are expected to be able to decipher moods, predisposition and motivation by verbal clues, hesitation, rhythm and other emotional pulse indicators. Ethics and

integrity – fundamental to our role as accountants – are largely driven by application of judgment, which in turn is strengthened by high levels of emotional quotient,” he says.

As the areas where technology meets EQ increase, so does their significance for professional accountants and the need for them to reassess their relationship with technology itself. Lynn Morrison, ACCA panel member, is expecting a paradigm shift: “Relationships between humans and technology are changing fundamentally. We will need to challenge the way we think of work and understand the pros and cons of this changing relationship. We will have to learn how to build and manage our relationship with technology and manage the impact both personally and professionally.”

Quotients for success

ACCA introduced its professional quotients for success in 2016, based on the extensive global research undertaken for its ground-breaking report Professional accountants – the future: Drivers of change and future skills. Looking ahead to 2025, it recognised that the accountant of the future will need an optimal and changing combination of professional competencies; a blend of technical knowledge, skills and abilities combined with interpersonal behaviours and qualities.

These are grouped into seven constituent areas: technical and ethical; experience; intelligence; digital awareness; creativity; vision; and emotional intelligence (EQ). ACCA has deepened its research into these areas and their interdependencies. Its latest global research, which involved 4,500 accountants, focuses on the key area of EQ for the professional accountant, which ACCA defines as: ‘the ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them’.

In Emotional quotient in a digital age, ACCA’s research looks at the growing significance for the professional accountant of EQ in the digital age.

It considers various technology developments and trends that may impact on a number of areas (cognition and learning, change readiness, ethics and beliefs, human-machine interaction, increased diversity and shifting power) and their implications for a number of emotional competencies (adaptability, empathy, identity, influence and self-knowledge).

Understanding these interactions is vital for professional accountants in the fast-changing digital work environment, because the benefits of developing your EQ include:

- *the ability to adapt to change*
- *improved leadership skills*
- *being more effective in your professional role.*

ACCA has developed a number of interactive online tests, with diagnostic tools, that help accountants to assess their own EQ and the other professional competencies and quotients the professional accountant will need. These can be found, along with ACCA’s research on the future of accountancy on the [ACCA website](#).

A new symbiosis

There will still be a symbiotic relationship between accountants and technology but it will not follow the pattern established in the past. Scribes used clay tablets to record commercial transactions in the ancient Near East; early printing presses enabled Luca Pacioli to promote his 16th century treatise on double-entry bookkeeping; accountants powered the microcomputer revolution in the 1980s with their enthusiastic uptake of electronic spreadsheets. The future promises a stronger and more intimate symbiosis between the profession and technology.

Accountants have seen technology as a tool to help us work more efficiently, to perform better and to automate boring tasks in the past. With further technological advancements in areas of robotic process automation (RPA), AI and blockchain, we can predict some tasks will be completely replaced by technology in the future.

Accountants need to be more resilient in this transition process, have an open growth mindset to continuously reskilling ourselves, in particular those humanity skills, and focus on more important judgmental and strategic areas. This is part of the process of building a different kind of relationship with technology,' says Morrison. She sees a future where human processing units and computer processing units will be working together, learning from each other and achieving more through their close collaboration than either could achieve alone. The skillsets of collaboration and technology are already overlapping increasingly, as highlighted in a recent CA ANZ report *The Future of Talent: Opportunities Unlimited*.

Futurist and researcher Mark Pesce suggests one approach could be to open up finance teams and accountancy firms to collaborate better among themselves and with colleagues – and with technology itself: 'Every time we have a basic question we reach into our pocket, take out a smartphone and get the answer from Google, Wikipedia or Siri. So we are already creatures who are a combination of human intelligence and machine learning.'

Learning from the past

Looking back can help us to see into the future. In the 19th century the arrival of the telephone meant less reliance on face-to-face communication and because people no longer had that full package of information what was heard over the phone became much more important to decision-making. Now technology is taking this to the next level, this is affecting how we communicate and make decisions and the emotional competencies we need to do this successfully.

Rapid evolution of the mobile phone and other devices, in combination with anywhere anytime access to cloud resources and social media (and its echo chambers), can make us feel more closely connected to each other. However, it also means that many people talk less to family, friends and colleagues, and we will need to find ways

to develop the new emotional competencies that will be needed if we want to sustain the sort of human interactions that glue people together.

In the future, what accountants and software tools can learn from each other will increase and members of the profession will no longer be limited by their personal knowledge or the length of their career. The pyramid structure that has traditionally characterised accountancy firms and finance departments will no longer be necessary. However, as Matthew Campbell, technology audit director, KPMG, says: "Knowing how to interact with and leverage the knowledge of hundreds if not thousands of individuals through cognitive technology will drive a different skillset in finance professionals."

The profession's use of artificial intelligence (AI) technologies and techniques is not yet widespread, but it is already informing and enhancing decision-making by professional accountants in companies and practices across numerous specialist areas. Developments around financial statement audit may exemplify the future direction of travel for the profession by showing: how existing technologies are changing established practices; how emerging technology trends may undermine business models and institutional power structures; and how factors such as these increase the importance of EQ.

The Canadian fintech MindBridge has created an advanced analytics tool powered by AI that offers a complete solution for audit planning, testing and reporting needs. The MindBridge Ai Auditor can analyse 100% of a general ledger, do completeness tests on the data and rank transactions on the basis of risk. Use of machine-learning techniques enable it to acquire knowledge based on experience and education: utilising the risk weightings that its human users have applied, for example, helps it to get better at identifying the riskiest transactions and to enhance processes such as sampling.

EQ will influence accountants'

attitudes on the notion of working collaboratively with technology. Narayanan Vaidyanathan says: “To interact effectively with another entity, whether it’s a human or a machine, self-knowledge is crucial, because your interactions with others cannot succeed if you don’t understand your own behaviours.” Auditors and other professional accountants will also need emotional competencies that allow them to adapt to technology-enabled transformations much faster than they have ever needed to in the past.

After much talk about how blockchain and distributed ledger technology might transform audit, one developer, Auditchain, is well on the way to creating a public blockchain-based “decentralised continuous audit reporting protocol ecosystem for enterprise assurance, reporting and disclosure”. It could be a mistake to underestimate its potential, because the ‘decentralised consensus-based attestation for reward’ approach it uses has already been successfully exploited by one of the great disruptors – Airbnb.

There is a sizeable overlap between emotion and technology in the age of ‘distributed trust’, where people are comfortable opening their homes to strangers (Airbnb), lending small amounts of money to businesses in the developing world (VisionFund) and sourcing local help with household jobs (TaskRabbit), after being reassured by the online codification of their reputation. These business models have profound business and social implications and challenge the long-established power structures of governments, nations, institutions and organisations, with consequences for EQ in terms of influence.

Some professional accountants may need to develop new social competencies and technology skills if they are to inspire, encourage and direct compellingly in peer-to-peer environments. The wider implications of this shift are eloquently explained by Rachel Botsman, lecturer at Oxford University’s Saïd Business School and expert on trust and the collaborative economy, in her books and talks.

In *Who Can You Trust? How Technology Brought Us Together – and Why It Could Drive Us Apart*, Ms Botsman places the world on the cusp of massive social change, driven by technologies that are rewriting the rules of human relationships: “We might have lost faith in institutions and leaders, but a new world order is emerging,” she says. If accountants are to adapt to this shift they will need to understand how trust is built, managed, lost and repaired in the age of distributed trust and increasingly smart machines, and carefully assess the implications for EQ – or develop another superpower.

[Find out more](#)

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Employing foreigners without tears or red tape

by Dariusz Ronka, communication specialist, KS Service

The Polish labour market has undergone a radical transformation in recent years. Just seven years ago, the unemployment rate was still in double digits.

At that time finding a job was not an easy task, each job offer attracted many candidates. As the supply of jobs was insufficient for Polish people, the inflow of foreigners was not necessary at that time.

There was however, a notable change over the past three to five years. As the economy became stronger and the GDP growth more stable, the unemployment rate dropped. As domestic labour resources were insufficient, exacerbated by a falling demographic trend, foreigners searching for jobs suddenly found Poland attractive.

Currently, we are experiencing

an employee's market. Unemployment rates in some parts of Poland are so low that it would be hardly possible to go below that point; many Polish cities have official unemployment rates below 3%, but without those registered jobless but working in the informal sector of the economy, that falls to around 1.5%. Many foreigners have been able to find job in Poland, and the number of immigrants is still growing. The number foreigners working in Poland legally is estimated to be about 1.2 - 1.3 million. Among these, the majority are from Ukraine.

Changes taking place in the market have also influenced the role of employers and as a consequence other members of the market, such as employment agencies. All the above factors coincided with a new generation, the Millennials, entering the labour market.

New kinds of workers made employers change their human resources policies. No longer can they recruit new employees and hope for their long-term commitment. Not only do the economic conditions have to be met; much more has to be done to keep a person at work.

Also the role of entities operating on the labour market has evolved. Initially, temporary employment agencies helped employers to find people during periods of intensive demand for workers. Later, they became a very good basis for foreigners who, with such help, found living in a new country easier. Currently, the temporary employment agencies are transforming into labour counselling agencies, benefiting not only the labour market and employers but also employees, especially the foreign ones.

Employing foreigners in Poland, however, means fulfilling a lot of requirements. The existing formal simplifications concern only season work and pertain to people who search for short-term employment in Poland. Looking for a well-paid job, they do not necessarily want to be attached to one place or make long-term commitments. Temporary workers however, can still

be attractive for companies hiring for the short term and not willing to sign long-term employment contracts.

Concentrating on the need for long-term employment, especially of people from eastern parts of Europe, one needs to be aware of significantly different requirements that need to be fulfilled. Among those, there's the work permit, permit for temporary residence, visa with the purpose of employment, permanent- or temporary-residence card, and plenty of other requirements relating to tax and social security. All the legal and administrative procedures, such as list of documents necessary for every single work situation, documenting many elements of work are just the tip of iceberg. It is especially onerous for a foreigner who came to Poland to search for a job and does not speak adequate Polish.

The situation of employers willing to hire foreigners is not much easier. There are many administrative and procedural obstacles; overcoming them may take months. Self-involvement in the process of searching for a foreign employee may not be effective, especially that such worker might have to leave Poland soon, attracted by higher salaries further west. Entrepreneurs and HR managers face such a problem frequently, as turnover of foreigner labour force is high.

Having said that, cooperation with an employment agency is a very good solution both for the foreigners, especially from the east, and for employers searching for workers willing to make long-term commitment. It saves time, and helps gain loyal employees.

Employment agencies serve a significant role, acting as a middleman that manages the complex task of introducing workers into the Polish market. A foreigner coming to Poland and wishing to stay with their family for a longer period – or indeed permanently – should head to an employment agency. Agencies offer full support from the very beginning, such as finding a satisfactory job, through supporting and assisting with residential

documentation as well as in gaining the required permissions and documents.

Cooperation between an agency and a foreigner is clear and transparent, supporting the process of signing an employment contract and other legal forms of employment. Having such a backup, no inspections or deportations pose a danger. Agencies may also provide an immense support in other issues related to the long- or permanent stay of a foreigner. Having the employee already working at a designated employer, administrative procedures aiming at receiving permanent residence card can be dealt with smoothly. Not only do agencies help in finding an appropriate accommodation, but also in bringing families to Poland. All that make foreigners stay in Poland for good and, at the same time, bonds them with an employer for longer.

These solutions influence all the parties in a very positive way, limiting foreign employees' turnover at the same time. More attention is paid to immigrants from eastern parts of Europe as they belong to the same cultural group, and find it much easier to adopt to living in Poland.

Managing Wellbeing@Work: introducing business metrics to the C-suite table

By Ewa Stelmasiak, The Wellness Institute

The Wellness Institute partners with individuals and organisations to enhance their levels of wellbeing and employee self-care, for better health and performance.

As a rising HR trend, wellbeing serves to remind top executives of the biological and psychological needs of people in organisations. Both leaders and HR functions find wellbeing important but face solid barriers to introducing well-designed and long-term wellbeing programs. Considering

business metrics such as the return-on-investment/value on investment (ROI/VOI) mix can help companies prioritise wellbeing and allocate resources to manage this field in a strategic and measurable way.

When I was studying in the US we had long discussions about the supremacy of communications over marketing and why public relations needed to have a seat at the C-suite table. The PR function – as incredible as it may sound – had been claimed to be the conscience of the organisation, existing to remind goal-driven executives of their impact on society, the environment and employees.

Which function today serves as the conscience of the organisation in its relations with employees?

The function which is traditionally responsible for employee relations is HR. There are nevertheless limitations to allowing exclusive ownership of wellbeing to the HR function. The first reason is that often it does not have a say in corporate decision-making, nor an ability to take company-wide transformative initiatives. Secondly, the HR profile requires skills in administrative work which radically differ from the competences needed to create visionary programmes. As it becomes obvious that there is a growing need to address wellbeing as a rising trend, the HR function faces work overload which makes it reluctant to take on any additional tasks. In one company, HR employees would lock the doors to their office to perform conceptual work and would not allow internal clients to be served on the spot. In another company, employees of the HR department fear that they would soon have to be “taken away in wheelbarrows” if they decided to undertake any one single action in addition to their basic work. Of course what they had to cut off was a wellbeing programme. In that very same company there had been two heart incidents due to pressure and overwork in the previous two weeks prior to my conversation.

Work overload and lack of C-suite leadership

engagement in driving employee wellbeing may in turn create a temptation for HR departments to take shortcuts by selecting easy solutions like wellbeing applications or platforms. Even though this choice may be a first step in a noble direction, it cannot be considered sustainable in the long term as a stand-alone offering. Wellbeing 4.0 does not mean removing humans from the process of creating wellbeing, but supporting humans in performing it. Automated solutions cannot replace human interventions with the same end result. Instead, they're perfect in supporting change sustainability.

Needs analysis and employee engagement in the co-creation of wellbeing programmes is crucial to their success. Without proper diagnosis, we do not know what problems or challenges we need to address with a wellbeing intervention, what results to expect, nor how to prove that we have achieved them with wellbeing. Consequently, employees may not be able to appreciate a given wellbeing initiative, as it simply would not respond to their deepest needs. And without understanding the business case behind wellbeing, company leaders may consider it as a unimportant perk and be reluctant to allocate budgets for addressing sustainable lifestyle and workstyle change.

The question about the business case behind wellbeing is really one about finding an answer to the 'why' we wish to engage in wellbeing and what outcomes we expect to get out of it. Among the multiple business metrics like cost-effectiveness or break-even analysis, there are two key points of entry in considering the implementation of an employee wellbeing programme from a business perspective. In one of them the end result is creating value measured with VOI, in the second – cost prevention measured with ROI. Value on Investment addresses the intangible value which contributes to overall corporate performance such as knowledge, skills, habits, engagement, retention or organisational culture. Return on Investment refers to the ratio of money invested compared to the money saved – on stress- or spine-related medical leave prevention based

on pre/post intervention measurement and trend analysis. The first is value-driven, the second is based on financials. A comprehensive approach combines both metrics in defining the success of a wellbeing programme and ought to be addressed at its design stage. I highly encourage this C-suite level strategic thinking about wellbeing programmes and strategies. Measurement requires reflection and effort, while measuring intangibles has natural limitations, but adopting a business mindset seems to be necessary if we want to create well-designed and effective wellbeing programmes which bring sustainable and measurable change in people's quality of life.

The rise of the wellbeing concept serves as organisational conscience in employee relations. It highlights the biological and psychological needs of people in organisations. In times of a vivid redefinition of what the modern workplace stands for, wellbeing becomes a boardroom topic for those companies which want to stand out and stay ahead of their competitors. For some – like in IT or where there is a predominance of Y and Z generations, addressing wellbeing may be crucial not only for the business to thrive, but also to survive. There is therefore a growing need for wellbeing to be owned by company leaders, not the HR function alone. Moving from one-off initiatives to wellbeing strategy is necessary to achieve extraordinary results and ignite cultural change which will benefit employees and the employer. To achieve this, it's necessary to deploy a mix of tools which will help create the desired result, without limiting the actions to equipping employees with a stand-alone wellbeing platform or application. Developing excellent talent attraction and retention rates, as well as outstanding work effectiveness through wellbeing provides savings and creates value which leads to improved overall corporate performance. Managing wellbeing means additionally being able to prove the effectiveness of wellbeing interventions through business metrics.

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Five steps for building a stronger employer brand

Hubert Kifner, employee practice leader, MSL

Brilliant businesses are built from the inside out. Employees unlock commercial success, make or break reputations and generate powerful advocacy, from the bottom of an organisation to the top.

Yet attracting talent has never been more difficult. Digital, diversity, the rise of the gig economy, an increased shift to contract work and a need to attract multigenerational audiences all make for a highly challenging talent-attraction environment. The landscape has changed significantly in recent years. Soft skills have become the new hard skills and lifelong learning is crucial for careers in a world dominated by rapid, constant technological disruption. Workers who have stepped up to the challenge of doing 'more with less' over the last few years are craving greater flexibility from their careers, while demanding an inclusive and authentic culture in which to flourish. They are also seeking reassurance that the purpose and values of the organisations they work for fit with their own.

It's no wonder employers are struggling to find the right formula with which to address their talent challenges, internal and external. Building and evolving a strong employer brand, rooted in a strong culture, is essential for building a strong organisation. Every employer is unique, but the issues most are facing right now share some common threads.

Five key steps for building a stronger employer brand

DEFINE YOUR AUDIENCE

Do you really know who you are trying to reach? Do you know how they consume information, or what excites them? Do you understand

their motivations and their values? All of these things are critical for success in employer branding, whether you are looking at current or future employees. The work we do at MSL is based around detailed, scientific insight. We aim to define the personae of your employees and your future hires. It isn't enough to simply say "we want to hire more contractors/females/ethnically diverse candidates" – you need to have a clear view of who they really are and how to build trust with them. For that, you need to know how to get a message to them, and although traditional advertising can support a wider campaign, success in today's world requires laser-targeting the right people, building a conversation with them and convincing them that your organisation shares their values.

CONCENTRATE ON CULTURE

All organisations have their own distinct culture, and understanding your own culture is the vital first step in building a great employer brand. This process demands honesty and openness. In an age of questionable consumer review sites and fake news, authenticity is key. Let's face it, not everyone will want to work for you – and that's fine. You don't have to be all things to all people. Try instead to celebrate the positive elements of your culture, while taking on board feedback about how you can improve it, so that you can become a more attractive employer and a better performing business. Take a considered approach to defining your company's culture. Traditional face-to-face meetings and surveys should be backed up with innovative and engaging digital forums and workshops, to build a clear, quantitative and qualitative picture of what your employees and external audiences think of your organisation's culture – and where they think it could be improved. From this, you can start to build an employer brand roadmap, which starts with today, builds in your aspirations about where you want to get to and focuses the messages on the defined audiences.

SHIFT FROM DIVERSITY TO INCLUSION

Diversity is an initiative; inclusion is cultural. Taking an audience-led approach enables employers not just to attract people from diverse backgrounds, but crucially helps them build the instinctively inclusive cultures that breed success in our diverse world. Sometimes, the audiences you need to target have limited recognition of your brand, or even mistrust it. Nevertheless, if you want to be truly diverse, you need to begin with an understanding of the mindset and the culture of the people you want to attract and engage. Let's not forget that culture informs the way people think and behave, as a result of their values. It's the same with organisations, and for new joiners a sense of culture, and its alignment or misalignment with their values, is apparent from day one, or even earlier. Effective employer branding enables organisations who have understood their audiences and their individual cultures to identify what needs to change in order to achieve true inclusion, where people of every class, colour, race, religion, sexual preference, gender and ability are valued equally and have an equal voice.

BUILD YOUR BRAND FROM THE INSIDE-OUT

How do you bring all this together in a coherent way to inspire, engage and attract talent? It's all about using the most authentic voices to speak on your behalf. That's to say, your employees.

Influencers are often used to help with communicating with a particular audience, but however useful an influencer might be, they seldom come close to the impact your employees can have on your audiences. These are the people who live your culture day-to-day, who know the good – and the not-so-good – things about working for you, and can share real stories about their experiences. It's all about giving your employees an authentic, honest and at times quite a raw voice, to convince people that they are actually hearing about the reality of an organisation. Values and behaviours – the building blocks of culture – are crucial here, and the best way for your employees to demonstrate these is through storytelling. Essential to this is the sourcing of insightful,

genuinely interesting and culturally representative stories, told through the mouths of the employees who experienced them. No scripts, no prompts, no marketing spiel. Just the plain and simple truth.

GET THE MESSAGE OUT THERE

You know your audiences, you've defined your culture today and looked at where it needs to be tomorrow, you're committed to inclusion and your employees are happy to tell their stories. All you need now is to get the message seen and heard, both externally for job seekers and internally for those all-important employees. The last of the five core components of building a strong employee brand is defining a channel strategy that touches all of your audiences, serving them with content that stimulates and engages them in a medium which they trust and with which they regularly interact. Cultural insights help to determine which channels will work best while a deep analytics capability will enable you to flex your campaigns, your messaging and your content in real-time to ensure that your approach sparks a real conversation between your audience and your brand.

YOUR EMPLOYER BRAND DOESN'T STOP HERE

OK, so we said five steps but the reality is that employer branding is a continuous process that will evolve with your organisation. The need for authenticity will only increase in the coming years. As is so often the case with human endeavour, while social media was intended as a force for connection and positivity, it has also become a source of division and mistrust. Utterly ubiquitous, 24/7 advertising is also proving to be a turn-off for many people. Frankly, we only have so much capacity for being sold to, and employer branding must become a welcome and powerful alternative in the short to medium term. We are already evolving the conversation between job-seekers, employees and employers, and delivering a new narrative of reality, openness, humility and vulnerability. In the not too distant future we predict that people will crave safe digital

spaces in which they can investigate and ask questions of an employer, testing the values and behaviours of each organisation in a more personal, interactive way. We see the battle to engage the best talent being fought principally on culture – organisations that refuse to shift from their traditional approaches will rapidly become irrelevant. It is a fascinating and thrilling time to be involved in the employer branding space, and we will continue to be at the forefront of what is possible, challenging our clients to be better, to look inwards to find the extraordinary stories that represent their culture and to celebrate the values and behaviours of their unique people. If you'd like to know more, please get in touch. You'll see we practice what we preach.

International Education in Poland

By Tom McGrath, principal, British Primary School of Wilanów

The international school market in Poland is a growing one, but in many ways it remains under-developed in comparison to countries of its size in Europe or in Asia.



On a global scale the International Schools Research Consultancy calculates that there are 10,282 schools that can be categorised as 'international', educating over five million pupils, employing over 500,000 teachers and generating close to \$50 billion in income. All indications are that this market and the demand for international

schools will continue to grow. For example over the past five years, the number of international private schools in China—those offering an international curriculum and some instruction in English—has risen from 629 to 857 (ISRC).

One of the current impediments to the development of this education sector in Poland is the regulatory environment. Under Polish education law, there is no distinct category called 'international schools'. All Polish primary and secondary schools fall into one of two categories, 'public' or 'non-public schools'. All schools that are registered in Poland have obligations under Polish educational law to fulfil; it is only after such compliance that the additional international curriculum can be offered. Some international schools may fall under the umbrella of an embassy and have an extra-territorial status and others may have negotiated some exemptions from some obligations under Polish educational law.

However what is needed in most cases is a negotiation and an understanding of very prescriptive educational legislation to ensure compliance coupled with a creativity to fulfil its international vision. It is also clear that there is a growing demand for international schools in Poland in all its major metropolitan centres. What drives this growth?



There are a number of factors at play. International families arriving in Warsaw seek high-quality international education options for their children; the provision of such options is a key reason for foreign direct investment. Wrocław for

example has benefited greatly from extensive Korean investment and Korean pupils are a significant population in the international schools in operation there. There are many international families who are settled in Warsaw and this is their home. These families are looking for an international education for their children. There is a growing number of Polish families who have worked internationally and where their children have been educated in a non-Polish environment. On their return to Poland these families want to continue the style of education already experienced and international schools meet this need. Then there is a growing Polish professional class who sees the advantage of sending its children to an international school. This may be for some instrumental factors such as facilitating the plan to study later at a university in the UK, US or in an English-language university abroad. It may also be for the values and educational philosophy that such international schools offer. This is the fundamental advantage of attending a quality international school for both the affective and instrumental factors.

The modern learner is focused on a range of intelligences and competencies that differs quite fundamentally from the previous focus of education. Here is a list of some of these competencies, though it is not exhaustive:

- Inter-cultural awareness: when pupils interact and engage with pupils from various cultures and backgrounds and when they engage with a curriculum that actively promotes a global perspective they begin to develop a greater appreciation of the world around them and to understand that there can be equally valid though distinct views on many issues.

- Bilingualism & Multilingualism: one clear outcome



for many international pupils is that they are given the opportunity and resources to become fluent and competent in a second language and many pupils gain high mastery in more than two languages. As well as the obvious advantages, bilingualism is shown to develop abstract thought in young children at a much earlier age; exposure to more than one language in a supportive environment is linked to higher academic performance.

- Empathy, team work, flexibility: while very distinct skills, the values and realisation of a high quality international education supports the development of these key traits that will ensure that pupils will integrate well with others, will understand how to cooperate in a team and will be more open to take initiatives and to take risks. These are key attributes in the modern market-place.
- Resilience: for a pupil whose home language is not English, moving to an international school presents a number of challenges and when a pupil is supported successfully here then they develop a resilience that translates into an openness to face challenging situations in the future
- Modern Curriculum: the innovative curricula of many quality international schools focus on the key skills that are needed for future success in higher education and/or in work. The focus is on skills rather than knowledge, reflection and analysis rather than memorisation, engagement and production rather than observation, understanding

- the holistic nature of knowledge rather than compartmentalisation.



I am a strong advocate of international education and in a word the focus on international education is to build character. I advocate that Poland and its educational authorities should embrace this educational choice and Poland will only flourish from this openness.

– Tom McGrath has been involved in international education for over 20 years and has led international schools in Poland, Portugal and the Cayman Islands.

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Why flexibility alone isn't enough

By IWG, the world's largest provider of workspaces like Regus and Spaces on the Polish market

Modern businesses are aspiring to not only be flexible, but agile also. But what's the difference, and why does it matter?

"The measure of intelligence is the ability to change," Einstein once said, and it's a concept widely recognised by businesses

today in conversations about flexibility and agility. But while these terms are often used interchangeably, they refer to two very different business capabilities. What's the difference?



Agility is described as 'the ability to move quickly and easily' while flexibility points at 'the ability to change.' For long-term success, businesses should be prepared for both.

Recent political events in the UK, US and other key global markets have shown that the socio-political environment is becoming ever more unpredictable. Such events have ripple effects on businesses around the world, and it has led to many firms developing contingency plans that involve significant changes, such as migrating their head offices or key manufacturing plants.

Others are taking a longer-term view, reviewing their entire business model to make sure it is prepared to withstand the current challenges on the table and any changes that may follow. In other words, they are aspiring to not only be a flexible business, but an agile one.

So what's the benefit of taking a more *agile* approach? The answer: *accuracy*. As entrepreneurs and business leaders have learnt, knowing when and how to act can be the difference between success and failure. A businessman's ability to read the market, read the room, and calculate the optimum moment to launch a brand, a product or a proposal is essential to success.



Flexibility is just as important, as it's inevitable that businesses will pivot and modify their processes as they go along, and this shouldn't be avoided. But by having an agile business, business can future-proof themselves because they are establishing a model that is built to change. Businesses that are modelled on rigid structures, processes and a fixed understanding of the world will take twice as long to react and adapt, losing time and putting them squarely behind the competition.

In the years to come, businesses will have to adapt to unpredictable and challenging changes affecting our society. The International Monetary Fund's April report referred to slowing economic activity in that month alone, due to a range of factors affecting major economies. To name but a few: China faces increasing regulation and trade tensions with the US; Europe is dealing with weak consumer and business demand; and Japan has had to manage natural disasters. With an increasingly unpredictable environment, it seems obvious that if a business does not embrace agility it will fail. But how does a static business become an agile business?

One step to agility is giving employees choice on how and where they work. According to research from IWG (International Workplace Group – Regus's holding company), this can not only reduce the CapEx and OpEx associated with a fixed office space, but also increase speed to market and help businesses consolidate portfolios.



Flexible working also helps businesses to attract and retain talent, which according to Deloitte, can cost businesses from between tens of thousands of dollars up to two times the employee's annual salary. This research also shows that agile businesses are more productive – 85% globally think that a more flexible approach has increased productivity in their business.

It will come as no surprise that agile leaders also make agile businesses. Steve Jobs once said: "Sometimes when you innovate, you make mistakes. It is best to admit them quickly and get on with improving your other innovations." The story of Steve Jobs' own success is evidence that this statement is true. Thanks to the recent film title that bears his name, Jobs' grit and determination to continually adapt his business model until Apple achieved success is now world famous.

Photos from: Regus Park Avenue, ul. Wspólna 70 Warszawa

Dealing with unpaid leave

by Agnieszka Morawska, specialist, Mazars – HR Administration & Payroll Services Department

The most common type of the unpaid leave in Poland is a leave granted on general terms (urlop bezpłatny udzielany na zasadach ogólnych).

It is often requested by the employee for personal

reasons. Unpaid leave on general terms can be granted by the employer only upon a written request from the employee, which does not have to contain justification. Granting an employee with unpaid leave on the employer's initiative and without the employee's prior written request is ineffective in the eyes of the law. The parties should agree on the start date of the unpaid leave and the period it is granted for. The employee is entitled to apply for the leave in length they consider appropriate. However, the employer is not bound by the employee's request and is entitled to ask for a shorter leave period, should that be the case. If the parties to the employment relationship agree that the employee will perform a part of their tasks during the unpaid leave, it means the unpaid leave has not been granted.

The period of the unpaid leave is treated as a period of time during which the employment relationship is suspended. The employee is exempted from their duties and does not have to be at the employer's disposal. From the employer's side, there is no obligation to pay remuneration to the employee. During the period of unpaid leave, the employee benefits from special legal protection – the employer cannot terminate the employment contract. The unilateral amendment of work or pay conditions to the detriment of the employee by the employer is not admitted either.

In case of an unpaid leave granted for more than three months, the parties can agree on the possibility to recall the employee from leave for important reasons. The clause under which the employer is entitled to recall the employee from the unpaid leave should be included in the agreement between the parties to the employment contract. In fact, the decision on introducing such a clause is taken by the employer, as their decision to grant the leave of over three months can be made dependent on having told to the employee that he/she may be recalled.

The period of the unpaid leave is not included in the working period which forms the basis

for any workers' and social rights, nor is it included in the job-seniority period which is the basis for determining the period of the employment contract termination or the amount of holiday leave due. Each month of the unpaid leave translates into a reduction by 1/12 of the holiday leave the employee is entitled to in a given calendar year. During the unpaid leave, the employee is not concerned by the system of social and health security, is not entitled to sickness benefit, and durations of the incapacity for work are not included in the working period.

The second most common type of the unpaid leave is the leave granted for carrying out work for another employer. It requires a written consent of the employee, and must stipulate a period in the agreement between the employers, concluded for this purpose.

The unpaid leave granted for carrying out work for another employer is optional. It is in general initiated by the employer and differs from classical unpaid leave by its procurement method and by the employee's entitlements.

This type of the unpaid leave is used by the employers who encounter difficulties for different reasons (economic, organisational, technical) and who are temporarily unable to ensure the conditions for performing the work to the employees. Granting such an unpaid leave protects them from the necessity to terminate an employment relationship.

The unpaid leave granted for carrying out work for another employer is composed of three separate bilateral legal actions: an agreement concluded between the employers – the one transferring and the other receiving the employee – an individual agreement concluded between the employee and the transferring employer, finally an employment contract between the employee and the receiving employer.

The content of the first of these agreements consists of the employers' mutual

obligations, the one receiving the employee for employment, the other transferring the employee and granting them the unpaid leave. While this agreement should define a period of the employee's 'transfer', provisions do not require the employer to specify terms and conditions of the employment. It means that the employee cannot be guaranteed employment in similar conditions that were offered by the transferring employer.

The individual agreement between the employee and the employer granting the unpaid leave should mention the start date and duration of this leave, as well as the employer on whose account the work will be carried out. The employment contract is the basis for establishing an employment relationship between the transferred employee and the receiving employer. The notion of unpaid leave cannot be applicable in case of a civil law agreement as the legal basis of work assignment. Regarding the type of work to be carried out – the remuneration, working hours, period of employment – these are defined in the employment agreement between the employer-receiver and the employee.

The period of the unpaid leave is taken into account in the calculation of the unemployment period which, in turn, determines the workers' rights to be granted by the current employer. This solution is applicable while calculating the employee benefits resulting from the workers' rights that depend on job seniority from one workplace. The employment period in the employer-receiver's workplace is taken into account in the general job seniority only, on which depend the general worker's rights.

Reinvention of retention schemes to keep employees loyal

By Monika Krzyszkowska-Dąbrowska, attorney-at-law, head of employment practice, Linklaters

In the current HR market situation, employers must implement various measures to attract and retain employees.

It has become a challenge to assure the loyalty of the most valuable workers. To strengthen the employee's relation with the company, various motivation structures are designed which incentivise the employee to remain in the employ of the company for a certain time to receive additional reward.

Retention bonus schemes that fall outside statutory regulations

Bonus structures are not specifically regulated under the Polish Labour Code. Yet they are subject to applicable employment law regulations, in particular those governing remuneration and equal treatment of employees. Employers are free to implement various internal incentive plans, but these should be reviewed for their compliance.

From a legal perspective retention bonuses are recognised as admissible practice within the employer's remuneration rules. Such was the ruling of the Supreme Court of 29 June 2005 (I PK 272/04). In the past, they were occasionally offered by employers to top key employees, to assure that they would not want to terminate employment on their own initiative or on specific occasions where the cooperation with the employee was perceived as indispensable for the employer. This included as work on specific projects, interim periods during restructuring or mergers or given specific competencies of the employee. Currently, retention bonuses have been reinvented and enhanced as an additional motivation factor to bind an individual to the company for longer. The application

of retention bonuses today is more common, and not restricted solely to top key employees. Respective provisions may be included in specific regulations, usually applicable to a broader number of on-target employees or as individual agreements or contractual clauses in case of more tailored solutions.

Bonuses or discretionary awards

Proper configuration of any bonus scheme is crucial to minimize the risk of unsolicited employee claims. Bonuses constitute an element of remuneration that the employee may claim if defined conditions are met – this was ruled by the Polish Supreme Court of 20 January 2005 (I PK 146/04). Awards, on the other hand, are voluntary payments awarded solely upon the discretion of the employer for recognition of the employee's contribution, without any conditions set in advance (ruling of Polish Supreme Court of 21 September 2006, II PK 13/2006, ruling of the Appeal Court in Poznań, III Ap 7/18, dated 8 August 2018). Usually, the retention benefits are characterised as bonuses granted upon the applicable publicised rules. The employee may claim payment if they are met. Thus, such bonuses are not voluntary and may not be assumed to be a discretionary award, although it cannot be excluded that while granting an award, the fact that an employee remains in the employ of the employer may also be a decisive factor. This, however, requires the application of an entirely different legal approach.

How to construct retention bonus schemes securely

The retention bonus may be constructed in particular (most frequently) as a one-off benefit, paid after the employee remains in the employment for a certain period of time. Alternatively, it can be paid as a continuous payment with differentiated amounts, depending on the length of employment or as a bonus related to completion of a certain project by a defined date (as explained in the ruling of Polish Supreme Court of 15 March 2016, II PK 20/15). It may also be

paid as an award in recognition of the employee's length of employment (as in the Supreme Court's ruling of 23 May 2014, II PK 273/13).

An important element of the conditions is the obligation on the employee that they do not terminate employment upon their initiative for a certain period of time. The referred condition may be a part of a broader bonus structure as a negative condition for the acquisition of right to the bonus. If the condition would occur, the employee would be excluded from the bonus payment. It has been confirmed that remuneration regulations may validly provide the bonuses are due only to the employees who do not terminate employment (resolution of the Supreme Court of 10 June 1983, III PZP 25/83).

Nevertheless, the condition cannot deprive the employee of the right to a bonus that is based on the employee's work, thus it could not be found applicable in all situations. Under the general rules, the employee cannot waive remuneration for work. Consequently, in a situation where all bonus conditions are met and the only one missing would be that the employee's employment terminated prior to certain agreed date, the employee could potentially claim the payment. For these reasons, clauses which state that bonuses are due upon the fulfilment of predefined conditions and payable only in case of the employees remaining in the employ of the company on a certain date may be deemed invalid. The employees could claim payment of either the entire bonus or its pro-rated amount, depending on the circumstances and the exact wording of the bonus clauses.

Another important issue is the selection of the employees for retention bonus purposes, which should be done by applying the general equal treatment rule. In practice, this means that there should be a business rationale behind offering the retention bonus to only certain individuals to avoid related claims.

Other specific retention schemes

There are other various possible schemes through which the employer may finance the employee's training or other services in exchange for remaining in the employ of the employer (as explained in the ruling of Supreme Court of 28 July 1999, I PKN 180/99, as well as of 21 November 2011, II PK 48/11), which includes covering the costs of education, training or the costs of an apartment.

Summary

In view of the applicable case law, various retention schemes can be introduced by the employers in favour of the employees. However, if inappropriately designed from a legal perspective, there is a risk that they may not attain the desired goals and bring about certain complications for the employers.

Counteroffer - a solution to employment struggles?

by Malwina Bugajak, consultant, Hays Poland

Sooner or later all employees are open to new job opportunities, even when they are quite satisfied with their current employer.

They start looking for new employment on their own or else are contacted by companies and recruiters. It's a difficult situation from the employers' perspective; the loss of valuable and experienced staff means impending recruitment challenges. There are various incentives aimed at reduction of staff turnover, such as remuneration increases, additional benefits, promotion or opportunity to change career path within company structures. Employers intensify efforts to convince their employees to stay also by putting in counteroffers to those who declared their wish to leave the company.

On the competitive Polish market, employers have started to be more aware of the consequences of

increasing demand for qualified employees. The majority of recruitment challenges result from the shortage of suitable candidates on the market. According to the latest Hays Poland salary guide, 82% of companies from various industries admit that they will consider giving a counteroffer to the selected – meaning the most valuable and difficult to replace – members of their staff. And employers are aware how difficult it is to find a suitable replacement in the current situation on the labour market. The steady increase in counteroffers has an impact on recruitment strategies; in many cases brings expected results. A survey conducted by Hays shows that in 62% of cases, employees do accept the counteroffer and decide to stay in the company.

Risky vacancies

Recruitment of a new employee has many disadvantages for organisations. It is a time-consuming process which generates additional costs. A prolonged vacancy for a position of key importance is a disadvantage that may influence the dynamics of organisational development, and threaten business objectives. The risk of such a situation is high also from the HR perspective. Even if there is someone in the organisation that is able to temporarily cover the vacancy, the excess of duties piled up upon that someone might cause them to leave.

Finding a person with similar competences, skills and experience might be a serious challenge. Taking this into consideration, employers perceive making a counteroffer as an easier solution. Sometimes a higher salary, new benefit or a promotion is enough to convince an employee to stay. In two-thirds of cases, employees who accept the counteroffer remain in the company for more than one year. Therefore, it can be assumed that it is a solution that is satisfactory to both parties involved.

Nevertheless, sometimes the issue of trust is affected. The company might try to keep such an employee for some period of time and meanwhile

start searching for somebody with matching competences. Such a person will be perceived as disloyal and this fact might also be taken into consideration while deciding about future pay increases, promotion or involvement in interesting projects. On the other hand, employees who accepted counteroffers often decide that after all, the higher salary did not make them more content with their job, and after some time they leave anyway.

Counteroffer – accept or decline?

Surprisingly, it turns out that many candidates are not aware of the possibility of receiving a counteroffer from their current employer. They are often surprised and do not know how to proceed. Therefore, my advice to all professionals who plan to hand in their notice is to consider what would be their reaction if such a proposition was made. So decide what objectives would have to be met for the employee to accept the counteroffer.

The most important thing is to make a conscious and informed decision about the next career step. Counteroffers may be perceived by employees who intend to leave as a company's sign of recognition and appreciation of their commitment and hard work. For many professionals a counteroffer is a reason to celebrate – after all their employer proves their value to the company, that they are worth fighting for. In many cases such employees decide that if they are so appreciated by the company and receive better employment package, changing jobs is not the best decision. However, as I have already mentioned, there may be also other reasons why the competitive offer is given. It is good to consider why the employer did not recognise our hard work and commitment earlier.

Nevertheless, counteroffers are now common practice on the Polish labour market. Recruiters and internal HR departments looking for top talent should therefore adapt their recruitment strategies to the new circumstances. It is nearly impossible to predict the final result of recruitment process

when a candidate receives a counteroffer. The role of an employment agency and internal recruiters is to inform [who?] about possible consequences and help applicants to make an informed and reasonable decision.

Our experience shows that accepting the counteroffer is rarely the best solution. A successful recruitment process, bearing in mind the engagement and preparation needed to take part in job interviews, and the decision to hand in notice and leave the current employer, is time-consuming, stressful and emotionally draining. Therefore, it can be assumed that the whole undertaking had to have a considerable justification. Accepting the counteroffer may seem like taking a step backwards.

According to the Hays Poland salary guide, there is a visible tendency that once the decision about leaving current company is made, it is finalised sooner or later. Should the counteroffer be accepted by candidates? This is a difficult question without one good answer. Considering different professional opportunities, it is worth following the most important aspect – overall satisfaction with the job.

Why it's worth changing your approach to planning work time

By Łukasz Chodkowski, managing director, Déhora

We are currently facing challenges that no one has ever had to deal with in the labour market in Poland before.

HR portals are full of pessimism. There's no arguing with demographics. The same goes for unemployment data. For many months, employers have been testing new recruitment solutions as well as, what is a relatively new phenomenon, in regard to employee retention. Aside from the lack of a qualified labour force and an ageing

working population in Poland, there's also the phenomenon of individualisation. The increasingly diverse and younger generations are entering the market force the search for unconventional solutions. We can discuss the issue of whether the demanding attitude of young employees entering the labour market is justified or the issue of their sense of attachment or responsibility. Instead, we can also think about how to quickly adapt to the changing reality of the labour market.

Current data indicates that today, millennials constitute approximately 35% of the working population. It is estimated (by Juniper Networks) that in 2020, they will constitute 46% of the working population. We also have generation X, Y, and the difficult to classify youngest Generation C – connected, whose career is just starting. Therefore, we can safely assume that there are still many challenges ahead of use related to the rapid adaptation of our businesses to the individualised generational diversity.

Aren't we lucky?

Companies are increasingly able to deal with managing diversity. Let's take a look at working time. Let's think about any solutions that allow us to better deal with so many new issues and whether they are ultimately reconcilable.

The classic approach to work-time planning assumes that starting with workloads and requirements regarding personnel, we can define shift work in a way that allows us to develop a schedule with a certain permanent cycle of repeatability. Many businesses with which we begin to cooperate operate in accordance with schemes such as three- or four-shift working that were created as far back as the 1960s! This type of an approach does not provide sufficient flexibility, which translates into disruptions as a result of which only a small part of the schedule is realised according to plan. This type of classic work time planning concept assumes that employees have little or no influence on their work schedules; this also seldom takes

into account current knowledge regarding work time ergonomics.

The answer to the changing reality, also when it comes to work time planning, is self-rostering. This is the possibility of implementing innovations at the human and social level resulting in permanent benefits for organisations and employees. In regard to working time, the responsibility for creating schedules ceases to be passed off to the employer, and planning is carried out by employees around a framework of 'game rules' and personal preferences that are agreed upon in the given organisation. This methodology reconciles the interests of the employer and employees by allowing for personal plans to be prepared, while answering HR and business needs.

The modern work time planning concept assumes that employees will be able to actively influence the schedule while it is being prepared. A change in the approach to working time planning takes courage. Companies that decided to take such a step have experienced a significant change in culture. Everything that until now was obvious and repeatable is no longer so. There are no inflexible work shifts. The basis for the preparation of a schedule is the need for personnel, created on the basis of predictable workloads. It is in regard to this need that each employee, on the basis of previously determined rules, 'signs up' to the schedule. Commitment and a feeling of responsibility are key here. As a result, it turns out that more than 90% of employees prefer solutions of this type.

The latest studies indicate that companies that decided to implement a modern work-time planning concept experienced a 3% to 8% increase in productivity coupled with a 10% to 25% decrease in absences and a 10% to 25% decrease in overtime. It is also easier for them to attract and retain employees.

Today's world significantly differs from that of a few years ago and requires solutions that are much

better tailored to work time and private lives. Companies wish to remain attractive employers, and the standard inflexible system does not square with this goal. Therefore, why not implement such solutions in which those that want, can independently prepare their own schedules and thus become a pioneer?

According to studies carried out by the Poznań University of Economics, for Generation C, the most important things in life are – in order of importance – **family, friends and the home, interests**, and only then **money, work, and careers**. Employers are chosen by them in a precise manner, so that their work conditions correspond to their life needs. The verdict in relation to the classical approach vs. modern work time planning therefore seems to be obvious.

Risk readiness drops to lowest level in 12 years

Aon's 2019 Global Risk Management Survey identifies the challenges faced when assessing and responding to risks. As well as traditional risks that have always faced business, new ones are emerging and becoming graver.

Economic and global-trade concerns are challenging businesses' ability to protect the continuity of their operations, according to [Aon's 2019 Global Risk Management Survey](#). A rising number of uninsurable risks that threaten firms mean that a new approach to risk is needed.

"Companies of all sizes are struggling to prioritise their risk management efforts amid so much change and uncertainty," said Rory Moloney, chief executive officer of Aon's Global Risk Consulting business. "What was once a tried-and-true strategy for risk mitigation – using the past to predict the future – is now a challenge. Coupled with a more competitive global economy, it is causing an all-time low level of risk readiness. As a result, risk management plans need to take a different approach than they have in the past."

Thousands of risk managers across 60 countries and 33 industries are surveyed every two years by [Aon plc](#), a leading global professional services firm providing a broad range of risk, retirement and health solutions, to identify key risks and challenges faced by organisations.

In the 2019 Global Risk Management Survey, respondents ranked *economic slowdown* as their no. 1 risk. *Damage to reputation/brand* was cited as the no. 2 concern, reflecting the potential for significant consequences when corporate mishaps occur in a 24/7 news cycle on social media platforms. Accelerated rates of change in market factors stemming from an increase in *protectionist international trade policies*, which include rising regulatory activity and geopolitical tension, jumped from number 38 in the previous survey to number three on the 2019 list.

Aon obtained responses for their 2019 Global Risk Management Survey last autumn, during a time of enormous uncertainty around the globe, fuelled by sharp stock market declines, trade policy disputes, aggressive regulatory actions, massive recalls, devastating natural disasters, far-reaching cyber-attacks and corporate scandals. These broader macroeconomic risks, combined with the speed of technology change, are contributing to a growing prominence of new threats that can disrupt supply chains and overall business operations. As a result, one-third of the top 15 risks are new entrants to the top 15 list. These include accelerated rates of change in market factors and disruptive technologies.

Risk managers are reporting their lowest level of risk readiness in 12 years, as many of the top risks, such as economic slowdown and increasing competition are uninsurable. As a result, risk managers need to embrace *risk management* as opposed to *risk transfer* to mitigate these threats and protect their organisations from potential volatility.

"The changes in this year's survey results indicate that the risk management function must evolve to

reach the enterprise level,” said Mr Moloney. “This, combined with the use of data and predictive analytics that can generate actionable insights, will help businesses protect their bottom lines while adapting to accelerated change and economic fluctuations.”

Additional findings:

- *Ageing workforce* as a risk has risen from 37th in the 2017 ranking to 20th in the current one. It is predicted to rise a further seven places by 2022. Overall, ageing populations coupled with workforce shortages change the social and economic trajectory of a country, and create volatility within organisations.
- *Climate change* moved from a 45th in 2017 to 31st in 2019, as the frequency and severity of natural catastrophes contributed to rising concerns about their impact on the global economy.
- *Cyber-attacks/data breaches* rank globally as the no. 6 risk and are expected to jump to become the third-highest overall risk in 2022. Cyber continues to hold the top spot among those responding from North America. For the first time, cyber risk is predicted to make it into the Top-10 list for Latin America. It is also predicted to rise in Europe from 8th to 4th, and in the Middle East and Africa from 8th to 2nd.
- *Disruptive technologies* are a growing concern for survey respondents, rising from a ranking of 20 in 2017 to 14 in 2019 globally. This trend is cited as a Top 10 risk for 50% of all industry sectors.

Participant profiles in Aon's 2019 Global Risk Management Survey encompassed small (below \$1 billion turnover), medium (\$1 billion - \$15 billion) and large (above \$15 billion) organisations, including respondents from privately-owned companies, public organisations, government and not-for-profit entities. The full report can be accessed at www.aon.com/2019GlobalRisk.

This September, Aon will publish a local report,

based on respondents' answers from Poland, the BPCC looks forward to publishing the key results.

About Aon

[Aon plc](#) Aon is a leading global professional services firm providing a broad range of risk, retirement and health solutions. 50,000 employees in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

Polish government sets out plans for blockchain to BPCC members

Dr Maciej Kawecki, director of the data-management department of the Ministry of Digital Affairs, was the keynote speaker at a meeting of the BPCC's Technology, Media and Telecoms policy group on 3 April 2019, which focused on blockchain (distributed ledger technology, or DLT).

He set out the Polish government's current agenda on innovation, based on three areas: artificial intelligence, blockchain and the internet of things, and announced work on a project that will go live this autumn, Inteligentna Kancelaria Ogólna (Intelligent General Office). This project, aimed at streamlining the public administration, uses machine learning to scan inbound letters and emails from citizens to offer faster response times and greater accuracy in official responses. Dr Kawecki mentioned interesting IoT projects, such as intelligent bins for household rubbish that send signals to municipal waste collection departments when they are full, or urban maps showing free parking spaces in real time, chatbots to offer advice to disabled people.

Piotr Rutkowski, the Ministry's DLT/blockchain advisor, set out its approach to the subject. He pointed out that aspects of blockchain's first and best-known applications – cryptocurrency – was the remit of the Ministry of Finance, National Bank

of Poland, and financial regulator KNF, which were also concerned with anti-money laundering.

The Ministry of Digital Affairs is looking at DLT applications in four specific areas – finance and insurance (in particular the use of smart contracts); real estate (land and mortgage registers – księgi wieczyste), healthcare and energy (smart grids/smart meters). Other blockchain projects include the dematerialization of bills of exchange (dematerializacja weksli) and registration of a simplified form of the joint stock company (uproszczona Spółka Akcyjna or prosta S.A.). The Ministry runs sectoral policy groups on blockchain applications to discuss it with business stakeholders as well.

A spirited discussion followed regarding the public procurement of blockchain technologies, given the inefficiencies of the current public tendering system. There was consensus that without technical dialogue preceding the tender, it makes little sense for private-sector IT vendors to submit bids.

A further obstacle identified by the BPCC policy group members was the unreadiness of Polish universities to teach DLT (with two exceptions noted – Warsaw University of Technology and Warsaw School of Economics SGW); in most universities, IT students know more about how blockchain works than do their professors.

Fears that DLT uses huge amounts of energy are unfounded, said Mr Rutkowski, who said that early blockchain ‘mines’ (vast server farms used to crunch encrypted data) were indeed inefficient, but that as the technology spreads, so it will become more energy efficient.

The role of blockchain in trade finance was mentioned by three representatives of banks, where two already use DLT to trace and verify shipments of goods, and the conditions required to release payment to the vendor. Payment can be speeded up from three weeks to 24 hours, with the potential to cut the cost of trade finance

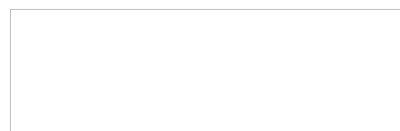
by 60% or more.

High cost of entry to DLT makes it a technology that will give larger players with global reach an advantage over small, local firms.

The BPCC announced a willingness to support work in the insurance and real estate, and further meetings about the implementation of blockchain in these sectors.

Polish builders, British problems

The Third British-Polish Construction Forum took place on 24 May 2019 at the NatWest Conference Centre in the City of London. Organised by PBLINK, the event has become a regular fixture in the business calendar.



Over 100 business owners from the sector – architects, interior designers, developers, contractors, sub-contractors and consultants – came from as far afield as Kraków, Rzeszów, Manchester, Leeds, Wigan and Scotland to network and to learn. Interestingly, what was once an event frequented almost exclusively by Polish entrepreneurs has now broadened out to include participants reflecting the diversity of the British business community.

The event, supported by Carter Lemon Camerons, OneMoneyMail (trading as Sami Swoi) and the hosts NatWest, was opened by the Polish Ambassador to Britain, Arkady Rzegocki, who stressed the important contribution that Poles have played in the British construction sector over the decades.

“Why can’t we build better buildings?” was the theme of the first panel that opened the event, providing an overview of challenges facing the sector in the UK. The panel consisted of David Stapleton, co-founder

of Copronet, Patrick Nicholson of Newable, Piotr Szykuła of Danwood House, Carl Boorer from Solid Management, Guy Pearson of Pearson Business Solutions and Piotr Świeboda from the Association of Polish Engineers in Great Britain, and was moderated by the British Polish Chamber of Commerce's chief advisor, Michael Dembinski.

Three main threads emerged – technology – the sector is 30-50 years behind manufacturing or services in terms of adopting IT-based solutions; building contracts and the very nature of client-contractor relations which is confrontational; and finally access to a skilled and committed workforce.

The number of local house builders in the UK has contracted by 80% over the past decade, said Patrick Nicholson, blaming the concentration of scarce land in landbanks by the big-six housebuilding firms. Their scale makes them more competitive when it comes to attracting and training labour, something small firms can't afford. Piotr Szykuła pointed out that while the self-build market for houses in Poland, Germany and Ireland is around 60%, in the UK, it is around 10%, with the big players dominating the market.

A big part of the discussion surrounded tenders and contracts. The adversarial nature of the construction sector was ascribed to a blame culture rather than operating on good will; the standard contracts (in particular the JCT suite) anticipate conflict and do not encourage win-win. The idea of sharing the gain (when a project is ahead of schedule and under budget) and the pain (when things go wrong) is an ideal to strive toward. Risk-averse developers and contractors are unwilling to adopt novel solutions, so with each passing decade, the entire sector falls further and further behind the rest of the economy.

Total cost of ownership, rather than lowest price should be the aim of tenders, considering the entire life-span of the building including its operation and maintenance. And while solutions such as BIM can improve the efficiency

at the design stage, eliminating clashes and lowering actual building costs, the extra costs incurred before construction starts tends to put off many builders, especially the smaller ones. "We are 20 years from BIM," said David Stapleton of Copronet.

The industry does not invest enough in the future. "The aerospace industry spends 6% of turnover on R&D and automotive 4%, whilst in construction it's around 1%, said Guy Pearson. Profit margins are thin, so there's little left for investment. Piotr Świeboda emphasised the role of sharing information across the project's lifetime, and using the relevant tools available to do so. Technological change, such as 3D printing with concrete, translucent solar panels (a Polish invention) and increasing use of pre-fabricated units, made in factories rather than on-site, to higher tolerances, will all revolutionise construction – but not in the immediate future.

The situation is little better in people, although things are changing. The skills shortage means a greater emphasis on training, something mentioned in the Farmer Report on the construction sector, published two years ago. Entry-level pay is improving; a young person starting work in construction can earn up to three times more than in retail, said Carl Boorer, who emphasised the need to attract school-leavers to the industry by inspiring them with role models and emphasising the lasting legacy that builders leave.

Client management is an important and often-overlooked skill; honesty with clients pays dividends. Mr Boorer said that he tells clients that "he will screw up" - making clear that problems will occur. But such frankness is a part of expectation management.

The panel session was concluded with a questions from the floor, and followed by a roundtable session, where participants met on nine tables to discuss among themselves in greater detail with the aim of providing answers to the challenges raised by the panellists.

The session, moderated by Nick Howe, NatWest Business's enterprise manager, summarised the findings, which looked at productivity and profitability, attracting talent and improving project performance.

Lunch was followed by four workshops

In the first, Kate Boguslawska, partner at Carter Lemon Camerons, looked at the crucial question for any business in the construction business – getting paid. Kate set out the alternatives for what to do when a project goes 'pear shape', outlining the most common reasons for construction disputes, and how to avoid them. Legal proceedings and alternative dispute resolution were discussed.

The second workshop, run by David Stapleton, co-founder of Copronet, focused on delivering projects on time and within budget, offering practical tips based on his 30-years' experience in the UK construction industry. With 80% of projects ending up over budget or missing deadlines, David set out the best ways of getting it right.

This was followed by a workshop focused on fit-out and design. Linda Rosen, director of Edge Design Studio, looked at the factors that are all too-often overlooked in construction, namely maximising profit via raised standards – quality craftsmanship, smart design and sustainability – rather than cost-cutting. In an interactive seminar, Ms Rosen showed examples of projects the exemplified 'better building'.

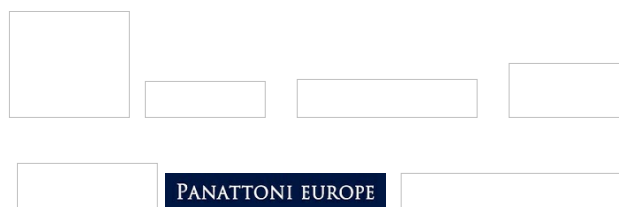
The final workshop of the afternoon moved on from quality to quantity – how the UK can scale up its construction sector to meet the challenge of delivering the 340,000 new homes each year needed to satisfy the market. The population is growing, and housing is becoming less affordable. Building on such a scale will be a huge challenge to the UK construction sector. Guy Pearson of Pearson Business Solutions tackled the question of how this can be achieved – and how developers, architects, contractors or manufacturers

can all benefit – if they are prepared to think to scale.

After the formal part of the event, the networking began, facilitated by a 'pitch draw', in which five business cards were drawn and their lucky owners had the chance to present their businesses to the rest of the participants. The networking continued in full force until late into the evening, with the party moving across the road to a local pub until last orders!

Real Estate Forum in Wrocław

The amount of data collected by companies around the world is growing exponentially. Will artificial intelligence come to the rescue?



In the era of falling demographics, when employers have difficulty recruiting and retaining employees, artificial intelligence and robotics are a potential response to labor shortages. But will future jobs match the skills of people entering the labor market? How will modern information and communication technologies transform the construction industry and commercial real estate market?

These and other questions were answered by experts during this year's edition of the Wrocław Agglomeration Real Estate Forum in Wrocław.

The meeting was started by Paweł Boczar, Associate Director at CBRE who outlined the main trends that will cause, among others, in 2040 more than half of the employees to work remotely, and the demand for office space will be halved. In turn, Aleksandra Kalina, Negotiator for Lease and Marek Stasieńko, Regional Lease Director at Skanska Property Poland presented the latest and ultra-modern investment of Centrum Południe, and

Kamila Sieniuta - Junior Leasing Manager, Echo Investment presented how the revitalization of so far neglected post-industrial areas increased the attraction of the area and restored these areas to residents. In turn, Karina Kreja, International Concept Manager and Workplace Expert, Kinnarps Polska talked about the latest trends in the way of work and how offices, and thus furniture, must adapt to the changing reality and expectations of users. Dominik Łoś, Associate Director at CBRE, described the changes that are taking place and will take place in the logistics real estate market under the influence of such phenomena as big data, internet of things, artificial intelligence and industry 4.0. The meeting ended with a discussion of the participants, joined by Bartosz Plewa, Cushman & Wakefield, and Damian Kowalczyk, Development Director, Panattoni Europe on mega trends and how to prepare for the changing conditions.

Spring Business Mixer in Kraków hosted by Sticky Fingers @ Stalowe Magnolie

On the 21st of May Spring Business Mixer was held in Kraków to provide opportunity to mix together for the members of the two strong chambers having activities in the south of Poland. It is already a tradition that British-Polish Chamber of Commerce and Scandinavian-Polish Chamber of Commerce meet at least once a year in Kraków.



This year a special event was organised in Sticky Fingers @ Stalowe Magnolie by its owner, Mr. Max Dudhia.

Stalowe Magnolie is a legend. Some people say „If you've not been to Stalowe Magnolie, you've not been to Krakow!” This famous Krakow institution, cradle of many musicians' international careers,

has relocated to a new address, creating a semi-casual food concept called Sticky Fingers. It embodies the harmony of good food, great music, a unique ambience, friendly service and authentic cocktails. It's a place to relax and to enjoy at any time from lunch to dinner or drinks with friends, colleagues, team-building, get-togethers, business entertainment or just for fun.

The evening gathered a good number of business representatives from both chambers as well as many public institutions and consulates. BPCC was represented by its Regional Director, Urszula Kwaśniewska and SPCC by Sandra Tetzlaff, Marketing & Sales Director. During the evening we enjoyed a live music and a superb buffet provided by Sticky Fingers master chefs. A nice surprise of the evening were a meter long pizzas served by the waiters, specialty of the place. Some of the guests were lucky to win prizes funded by the host.

Urszula Kwaśniewska has announced the new location of the BPCC Kraków office that has moved its operations to High5ive at Pawia 9. All guests agreed that it would be lovely to hold next networking event in the new location. The date for the house warming event will be given shortly.

Business Ferryboat Cruise & Party

On May 30th, yet another BPCC & EY joint cruise took place aboard the NEREIDA cruiser.



Great music under the stars, grilling on the water, cold beer from champion Browar Pivovsky, world class Meli Melum cider and drinks served by professionals from Sofitel, provided happy and relaxed atmosphere fostering conversations and making new contacts. During the whole event

an illusionist entertained and amazed guests with inexplicable and wonderful magic tricks. However, the greatest surprise awaited the quiz winners. Among the awards such as the weekend stay in Exclusive World Marina and Sofitel Old town Wrocław, and the prestigious training at EY Academy, there was also an immediate super modern motorboat ride on the Oder river and Wrocław sewers with the SailArt company. Four winners went straight from the boat in the middle of the river to the waiting motor boat and sailed off with full speed only to return 30 minutes later. At 11p.m. the guests left the deck in good spirits, thereby closing yet another year of joint cruises on the Odra River.



[Bahamas 2018 SailArt Exclusive Cruises](#) from [SailArt Exclusive Cruises](#) on [Vimeo](#).

Construction & Real Estate Breakfast

On the 7th of June we hosted the BPCC's second quarterly breakfast this year bringing together people connected with the built environment to swap insights into how the Polish market is developing. This event had a logistics and distribution focus, but discussion broadened further to cover the office, retail and residential sectors.

By bringing together investors, engineers, architects, estate agents and lawyers, this format has proved very popular as a forum for seeing into the future, with the round-table discussion about the state of trade shedding light on new trends.

It seems that the market has accepted the new, higher prices of building material and labour, factoring these into costings, as well as a general difficulty of recruiting and retaining workers. "The wave of difficulties is behind us," said one participant. Automation in logistics and manufacturing looks to be one answer to the labour shortage. The question of Ukrainian labour in the construction sector was also raised. One the one hand, the opening of the German labour market has not led to an exodus of Ukrainians heading west in search of higher pay – it is more likely that this process will happen more gradually than feared. On the other hand, Ukrainians are still moving to Poland in significant numbers.

The current construction boom, driven by EU funded infrastructure projects, seems to be benefiting the whole of Poland, with logistics hotspots such as Warsaw and its suburbs (in particular to the south of the capital), upper Silesia and central Poland (Stryków in particular at the junction of the A1 and A2 motorways) doing particularly well. The Szczecin metropolitan area, including towns such as Stargard, is another ecommerce logistics hotspot serving Germany and Scandinavia as well as CEE.

Last-mile logistics, driven by ecommerce, will be a growth trend, as urban consumers demand ever-faster delivery of goods bought online. At the same time, retail is also shifting away from large edge of town retail parks towards smaller units in city centres.

Labour shortages are reshaping Polish geography. Participants talked of factories and distribution centres busing their employees from a radius of up to 80km (each way, each day) whereas this radius was originally 'only' 25km.

The Warsaw office market was subject to scrutiny; within the next two years several very large projects will come onto the market – these are already to a pre-leased to a far greater extent than the previous wave of new offices that was completed around the beginning of this

decade. The 'Mordor' office district of southern Warsaw is not facing mass depopulation as corporates move into newer buildings to the west of the capital's centre. Rather, some buildings are being repurposed; others are finding new public-sector tenants. But the worst ones are struggling.

Poland's smaller towns are attractive to retailers, with towns with populations as small as 20,000 being of interest. But a new threat is ecommerce; one participant spoke of the delight in her village some 50km outside of Warsaw when new InPost parcel lockers were installed. The rapid growth of ecommerce will change Poles' shopping habits – whether in big cities or small villages.

The next Construction and Real Estate Breakfast will happen towards the end of September 2019. If you want to be informed about the events in the Real Estate Policy Group please get in touch with Hanna Pieńczykowska (hanna.pienczykowska@bpcc.org.pl).

An attractive package for an attractive market

Rowena Everson, CEO Standard Chartered Poland, talks to Michael Dembinski, the BPCC's chief advisor about the challenges of finding and keeping top people for the bank's global business services centre in Warsaw.

Warsaw is an attractive place to locate shared services, many global corporations are doing so; in particular in higher-value added services. Standard Chartered is recruiting quantitative analysts ('quants'), typically with PhDs in maths. How difficult are you finding it to recruit the right talent in the right numbers?

We're actually recruiting quite a number of different types of highly skilled and specialized roles from cyber security and financial-crime compliance experts to HR project managers and legal contract negotiators and also, yes, treasury quants. The hub we have established here is focused around

these high-end roles. In terms of difficulty, so far we've been very successful in finding people with the right skills and who fit with the culture of the organisation. We are quite different to the other global banks – we operate a much flatter management operating style and we're a network-based bank so our employees will be dealing on a daily basis with many colleagues from around our footprint. We have a very diverse culture, but one thing binds all of our employees together and that's being a people-based culture. I think that differentiation has helped in our early success.

FinTech is shaking up the financial services sector. For many tech graduates, starting up their own FinTech business is often seen as a more attractive prospect than joining a corporate employer...

The Fintech financial revolution has really started to shake up the world of financial product provision – from cards like Revolut to online FX transfer. Standard Chartered Group has been the only global bank so far that has received a virtual bank license from the Hong Kong Monetary Authority. Hong Kong is our biggest market so we've effectively opened a challenger bank to ourselves, but this is just one area where Standard Chartered is innovating within the Fintech space. Another area is the ventures that we're operating with SC Ventures and our cooperation with fintech start-ups through a global platform called SC Ventures Fintech Bridge that we launched earlier this year. So the opportunity to have a career in Fintech exists inside larger corporations too – and I'm excited to say that Standard Chartered is one of them.

What are the 'unique selling propositions' that Standard Chartered can offer as an employer to prospective candidates in our highly competitive market?

We did a piece of research to help establish which features were most important to our prospective candidates in choosing an employer. This helped us shape our employee value proposition,

which includes financial and non-financial elements (like flexible and remote working or comfortable office in an excellent location in Warsaw). We don't publish the line-by-line details of our salary or benefits package; however, I can say that when we presented the elements of the package to a group of third-party recruitment agencies (including some of the largest recruiters in Warsaw) the response was that this was a very competitive one. It includes such standard elements as private medical care, life insurance, sports card and meal card but also a PPE scheme, which I'm very proud that we were successful in achieving the local financial regulator's endorsement for.

In terms of development opportunities, what attracts candidates to Standard Chartered is the fact that it's a new brand on the market that offers them the opportunity to contribute to setting up something from scratch. In Warsaw we are building whole ecosystems within particular specialities – not just isolated functions. We have a couple of highly-specialised senior roles with international or global responsibility performed out of Warsaw, which have attracted some top talent for whom the local or CEE market has become too small. We gave them the opportunity to realise their ambitions without having to relocate and reorganise their lives outside the office.

How does Standard Chartered balance the pay and non-pay elements of its package for its employees in Poland? Does this vary from other countries in which the bank is present?

Each market we operate in varies in terms of the benefits offered to be in line with market standards, but we do aim to offer a consistently competitive, attractive and supportive package in all markets. We also have to take account of any local rules and regulations when it comes to things like provision of medical leave or annual leave, for which we offer a 26-day annual holiday entitlement irrespective of to-date employment history. There are aspects of our health cover that we aim to offer in all markets. These include the employee assistance programme which provides

counselling. We also have a unified approach towards supporting our employees in their efforts to support various causes through volunteering. Every employee is entitled to three additional days of paid leave that they can use to do the volunteering work of their choice.

Looking into the future, what steps should Poland be taking now as a country to ensure that in the medium- and long-term future, the labour market will be adequately catered for by young people with the qualifications needed by tomorrow's employers?

Some of the universities are already looking at the commerciality of their academic offerings and aligning these to business opportunities for graduates through a range of actions like specially delivered modules sponsored by corporates, to lecture series and open days or internships. We hope to see more of this.

Apart from making sure that the next generation of employees is well-prepared to enter the labour market, the existing workforce needs to be taken care of in terms of reskilling or upskilling. We live in an age of ever faster change. It's very likely that in 10-15 years some professions will no longer exist but there will be demand for employees with other or new skills. It's important to support people in going through this transition.

The benefit that Poland enjoys also from a geographical perspective in terms of being able to open roles to all EU nationals should help in ensuring that these roles – and therefore the wealth created by them remains onshore in Poland, even if that particular area may have lower levels of domestic talent.