

IT@PL

The IT Labour Market in Poland

MAY 2013

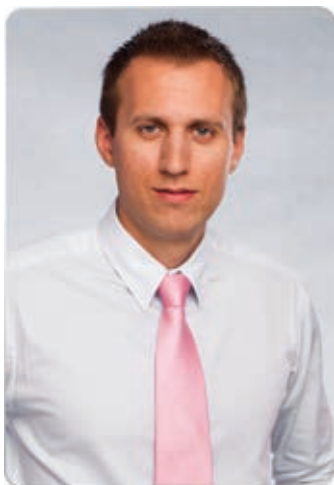
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Introduction

The IT market is expected to face a series of unprecedented challenges in the near future. The ongoing, rapid technological development, as well as growing foreign investment in Poland, make gaining access to a pool of skilled IT professionals and managers increasingly important for employers. The sector is generating new jobs at a very consistent pace. Therefore, it is important that employers should be given access to comprehensive knowledge regarding the market. Their extensive recruitment needs make careers in IT highly attractive and widely pursued. Antal International, in cooperation with the Polish Information and Foreign Investment Agency (PAIIZ), is proud to present this report – a complete overview of the Polish IT job market. It has been based upon a study, the scope of which encompassed both employers and employees. We would like the report to become a valuable source of information for company and IT department directors, key job market institutions and new investors.

We wish you a fruitful reading!



Łukasz Kośnik

Antal International Partner and Director
of Antal IT Services



Sławomir Majman

Chairman of the Polish Information and
Foreign Investment Agency

The IT Sector in Poland – an Overview

The IT sector consists of three, closely-tied segments: computer hardware, software and IT services. The sector generated a total of PLN 31.3 billion revenue in 2011. Computer hardware sales were the biggest revenue-generating segment (57% of the total income). Software sales amounted to 14% of the sector's total revenue, while sales of IT services (including implementation, integration, maintenance, consulting, training and outsourcing) constituted 29% of the sector's value. A double-digit growth of revenue during the last two years, with further growth being predicted, means that the IT sector has become stable.

The total revenue of the Polish IT Sector in 2011 amounted to PLN 31.3 billion.

Computer hardware manufactured in Poland, as well as locally developed software adhering to modern standards, are becoming increasingly popular abroad. The export of computer hardware has reached a value of 2.4 billion Euro in 2010 – a 90% growth from the two previous years. Poland has also achieved an 330 million Euro trade surplus in computer hardware, which is a sign of great progress from the previous two years' trade deficit of 1 billion Euro.

The 10 biggest companies operating on Poland's IT market include computer hardware manufacturers, distributors, software providers, as well as companies who base their revenue on providing IT services.

The 10 biggest companies operating on Poland's IT market include computer hardware manufacturers (e.g. AB, Flextronics), distributors (Action, ABC), software providers (Microsoft), as well as companies who base their revenue on providing IT services (HP). The majority of these companies are parts of multinational corporations – i.e. they are either branches of foreign companies or function as part of international capital groups active within the IT sector. It is worth noting that an increasing number of Polish companies are spreading their activity into foreign markets – Asseco, Comarch and Ericpol are examples of companies that are gaining a strong foothold in Central and Eastern European markets.

The Main Growth Factors of the IT Market in Poland

According to Pierre Audion Consultants, the Polish IT services and software market will continue to grow and, by 2015, will become the second-biggest in Central and Eastern Europe (an estimated value of 4.1 billion Euro), with Russia emerging as the region's leader. A steady, yearly growth of 7.2% is predicted for the IT services and software market throughout 2011-2015. Similar predictions have been made with regards to the remaining segment, i.e. computer hardware. CompaniesandMarkets.com estimates that the mean growth of the Polish hardware market between 2011 and 2014 will amount to a yearly figure of 7.7%.

One of the main factors which draws international IT companies to Poland is the availability of highly-skilled employees

The main factors which spur the growth of IT markets in Poland include: **a substantial growth in foreign investment, availability of public aid** as well as **new avenues of the sector's development**. According to estimates conducted by PAIIZ, around 70% of the biggest IT companies conducting business in Poland are owned by foreign capital. The largest global corporations, including Microsoft, HP, Google, Oracle, IBM and SAP are also present on the Polish market, which proves its growing potential in terms of sales, but also manufacturing, product development and provision of IT services. High availability of qualified professionals is another factor that draws in multinational companies operating in the IT field. The current employment level in Poland's IT Sector amounts to over 100 thousand employees (employees hired in the IT services segment, not including employees working within distribution networks) and, if the rapid growth of outsourcing required by non-IT companies is taken into account, a further dynamic increase in employment levels is to be expected. Foreign companies are present in every Polish region and major city, however they focus most of their activity in cities offering a wide array of educational possibilities which, in turn, ensures access to a large number of young, well-educated employees (Warsaw, Wroclaw, Krakow).

The high quality of service, coupled with relatively low employment costs, are factors which draw in foreign investment to Poland. At this point it is important to note that, each year, Polish programmers successfully take part in international competitions such as Imagine Cup, Code Jam and the Central European Programming Contest (CEPC).

Entrepreneurs who decide to undertake new investment projects in Poland have access to a variety of support schemes known as 'regional aid'. These include: non-refundable investment grants, drawn both from the state budget and the EU's structural funds, as well as tax exemptions: CIT exemptions within Special Economic Zones, and local tax exemptions.

Governmental grants are an exceptionally enticing mechanism for investment in the IT sector. Financial aid is granted to cover the costs of creating new jobs and/or as part of the "Programme of support of investments of considerable importance for Polish economy for years 2011 – 2020". The amount of aid granted to the investor is dependent on the degree in which a set of terms defined in a contract, signed by the investor and the Minister of Economy, are being fulfilled. Investment grants which were co-financed with the EU structural funds, have been mostly depleted. As of today (April 2013), more than 90% of the available funds have already been transferred to investors. Additional financial aid based on structural funds will be granted as part of the new EU Financial Perspective 2014-2020. It should also be mentioned that the National Centre for Research and Development offers a constantly updated catalogue of programmes which correspond with the market's needs. Innotech and Demonstrator + are just two of a wide variety of programmes meant to support broadly-defined research and development activity,

Funds allocated through the 2014-2020 Perspective will be used as the primary means of financing modernization processes. It should be noted that, owing to the great determination exhibited by Polish authorities during funding negotiations, implementation of effective management strategies, as well as local government initiatives, Poland is considered to be a leader in successfully conducting IT projects co-financed by the EU. The recently established Ministry of Administration and Digitization is currently implementing IT projects meant to streamline various public administration bodies with the ultimate aim of creating a functioning e-administration system. The Ministry is also in charge of devising and implementing the governmental Strategy for the Development of the Information Society in Poland. Each of these initiatives will generate substantial demand for IT products and services which, in effect, will lead to the sector's development in Poland.

Public services will form the second most important prospective target group for information technologies. IT expenditures within the Polish utilities sector have grown by PLN 247 million in 2011, an increase of 44% from the previous year. The energy sector will likely prove to generate the highest demand, as it is going to face at least two major challenges requiring a large investment in IT products and services, i.e. implementing processes which aim to transform and liberalize the energy market.

The transport sector, which requires substantial infrastructural investment, as well as the traditionally large demand for IT solutions generated by banking and telecommunications, will ensure the sector's ongoing growth.

EU programmes planned for the 2014-2020 period, while still undergoing development, will place more emphasis on innovation and modernization of information technologies than the previous perspective.

EU programmes planned for the 2014-2020 period, while still undergoing development, will place more emphasis on innovation and modernisation of information technologies than the previous Perspective. The planned programmes will focus on the following areas: innovation, scientific research tied with business activity, development of digitization, environment, transport and safe sources of energy. All of them bode well for the IT sector's future.

About the IT@PL Study

The Research Goals

The study aimed, on one hand, to gather information about the expectations and demands put forward by IT professionals as well as their current terms of employment, including preferred modes of cooperation. On the other hand, our aim was to draw out optimal career development strategies for individuals specializing in the IT field. We conducted a series of interviews with managers at the biggest IT companies operating in Poland and came up with a list of the most common opportunities and threats for the development of Poland's IT job market. This will make it possible to pinpoint the expectations of investors/employers.

Research Methodology

The IT@PL study consisted of two parts. The first was a qualitative study based on a series of 8 in-depth interviews conducted with managers at big, multinational corporations (some of them decided to remain anonymous). The second part of the study was a survey conducted among 340 job candidates – IT professionals and managers. The study was prepared and then conducted between 1.04-15.04.2013 by Antal International in cooperation with the Polish Information and Foreign Investment Agency.

A shortened version of the in-depth interview script:

Education

- How would you rate the Polish higher education system in the IT field?
- How would you rate the Polish internship system and the methods used to introduce graduates to the IT job market?
- How would you rate the training programmes and courses meant to familiarize Poles with new technologies?

Candidates

- How would you rate the average professional skills of junior IT professionals (1-3 years of experience) in Poland?
- How would you rate the average professional skills of experienced IT professionals (over 3 years of experience) in Poland?
- How would you rate the professional skills of IT managers in Poland?
- How would you rate the potential of senior IT management (CIOs) in Poland (directors, members of boards)?

Employment Costs

- How would you rate the employment costs of IT professionals and managers?

Laws and Regulations


- Which laws and regulations would you consider to be beneficial? Which ones should be modified? In what way do they influence employment?
- What kind of terms of employment do you consider the most beneficial for employers?

Miscellaneous – What Factors Should be Considered Important When Discussing the Polish IT Sector?

- In what ways does the Polish IT market differ from those of other European countries, CEE countries and developing countries?
- What were the decisive factors that made you decide to invest (for greenfield investors) / reinvest, develop (for brownfield investors)? Were factors associated with employment involved? If so, which ones?

The Candidate Survey Questionnaire:

1. Please specify your area of employment:
2. Please specify your areas of technological expertise.
3. What types of IT networks do you specialise in?
4. How would you rate your knowledge of the foreign languages listed below?
5. Please rank the below employment factors starting with the one you consider the most important.
6. Please specify the raise in salary that you would usually expect when changing jobs.
7. What mode of employment do you prefer?
8. Please specify your preferred place of employment.
9. Would you be ready to take up employment abroad?
10. How much time would you be willing to devote to work-related travel?
11. Would you agree to take up shift work?
12. How many years of work experience in the IT field do you possess?
13. What is the size of your current company?
14. What modes of employment have you had experience with in the IT field thus far?
15. Gender
16. Age
17. Place of residence
18. Your total monthly gross salary
19. Education



The Education of Polish IT Professionals and Managers

The Education of Polish IT Professionals and Managers

Education is one of the key factors which shape the Polish IT job market. It is composed of three basic areas: higher education, internships and professional training. They are imperative in educating the kind of professional who is later sought after by employers on the job market.

Higher Education

Employers are content with the amount of knowledge that the average student acquires during his/her IT studies. They often emphasized that basic skills are a must for IT professionals - a solid grasp of the basics allows for quick learning of additional technologies as the need arises. A manager at one of the big, multinational companies operating in Poland stated that he tests candidates on basic programming skills, knowing how a computer functions, knowledge of algorithms and data structures – he does not expect university graduates to possess highly specialist knowledge. However, not all graduates finish their education with even this basic level of competence - the individual's skills and knowledge are usually highly dependent on his/her attitude and motivation. Employers also stated that theoretical knowledge comprises a very small part of competence required from IT professionals.

"The university provides students with 20% of the knowledge that is required in performing their profession, the rest comes from work experience and individual efforts aimed at raising professional competence" – Cezary Domagała, Application Manager, Grupama

The graduates' level of knowledge and familiarity with various technologies is highly dependent on the particular degree courses.

"Some degree courses give students wider knowledge, and some universities are better than others. Some offer special graduate courses, for example. The majority of graduates are well versed in high-level programming languages like .Net and Java, while relatively few are familiar with low-level programming. I have noticed certain shortcomings related to the competence of academic staff, very limited knowledge of the C language, low-level C++ programming, as well as embedded systems" – manager at multinational IT company.

"When compared to their French, Irish, American and Dutch counterparts, Polish universities seem to provide students with a much broader set of skills and knowledge – Western graduates focus on a narrow piece of specialist knowledge. Universities are failing to keep up with the market's needs – this, however, should not come as a surprise when we take into account the rapid development of new technologies" – Marcin Paszkiewicz, Director of Operations, Amartus Polska.

Employers stated that students are often unable to evaluate their own competence, they tend to have a highly inflated perception of their skills and knowledge, which usually leads to irrationally high salary requirements.

"The graduates' expectations towards employers are too high. I noticed that they usually let ambition blind their judgement - they are too confident about the skills that they possess upon graduation" – a manager at a multinational IT company.

The majority of candidates who took part in the study (64%) holds a master's degree. Only 1% of respondents held a doctoral degree. A large percentage of the study's participants (26%) graduated with a bachelor's degree.

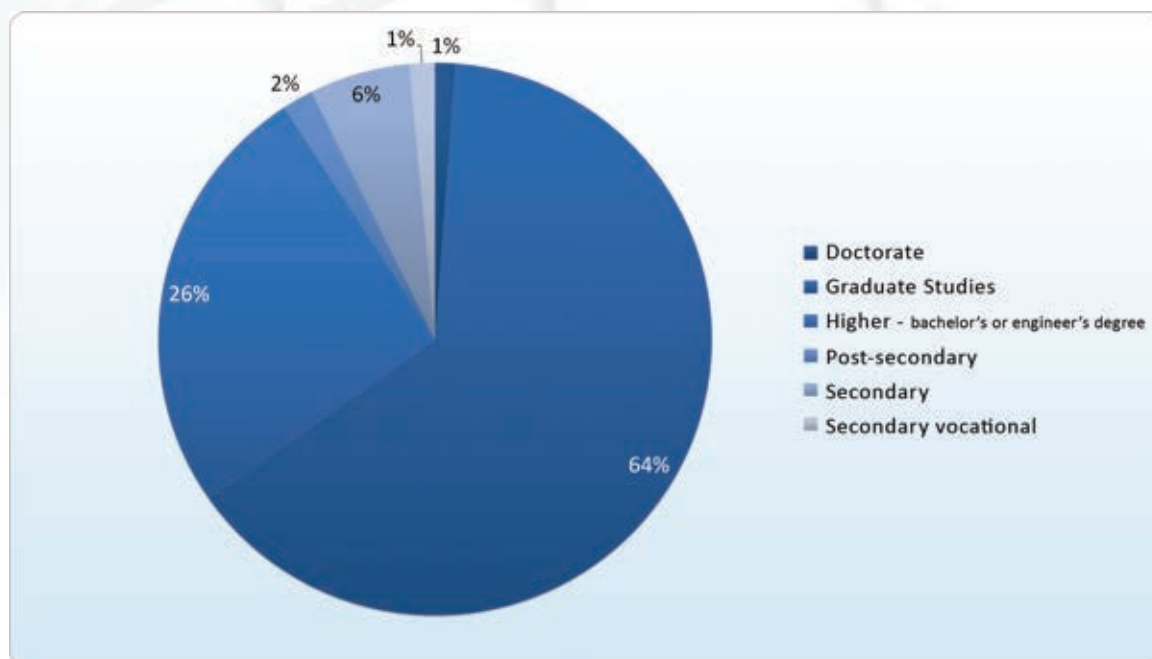


Chart 1. Education levels of IT professionals and managers
Source: the IT@PL candidates study

Foreign Language Skills

The IT professional candidates' foreign language skills are a quality that significantly influences the value that they present to prospective employers. Fluent English skills, possessed by 53% of professionals who took part in the study, are steadily becoming the market standard, while formerly they were considered to be an additional asset. Currently, fluency in German can significantly increase a candidate's chances as employers need IT specialists who will be able to cooperate with German-speaking clients on a daily basis. Only 4% of the study's participants admitted to having fluent German skills.

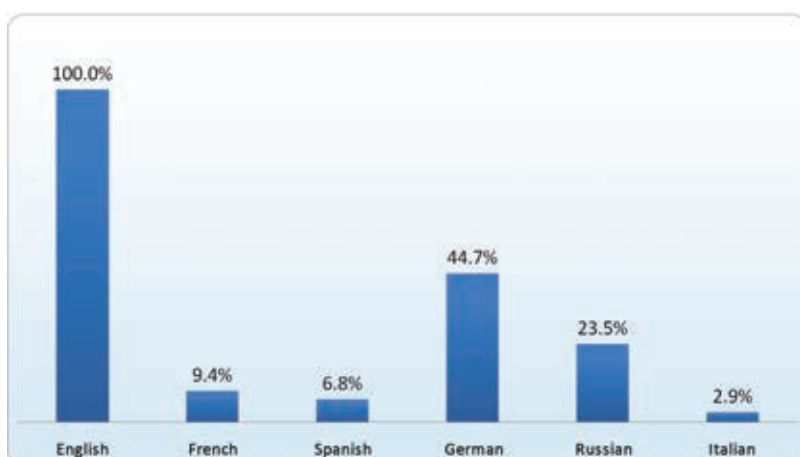


Chart 2. Foreign language skills at any level

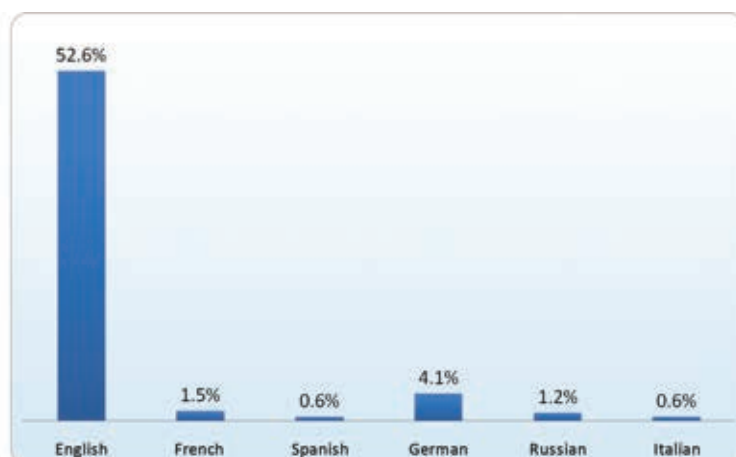


Chart 3. Fluency in a foreign language

Source: the IT@PL candidates study

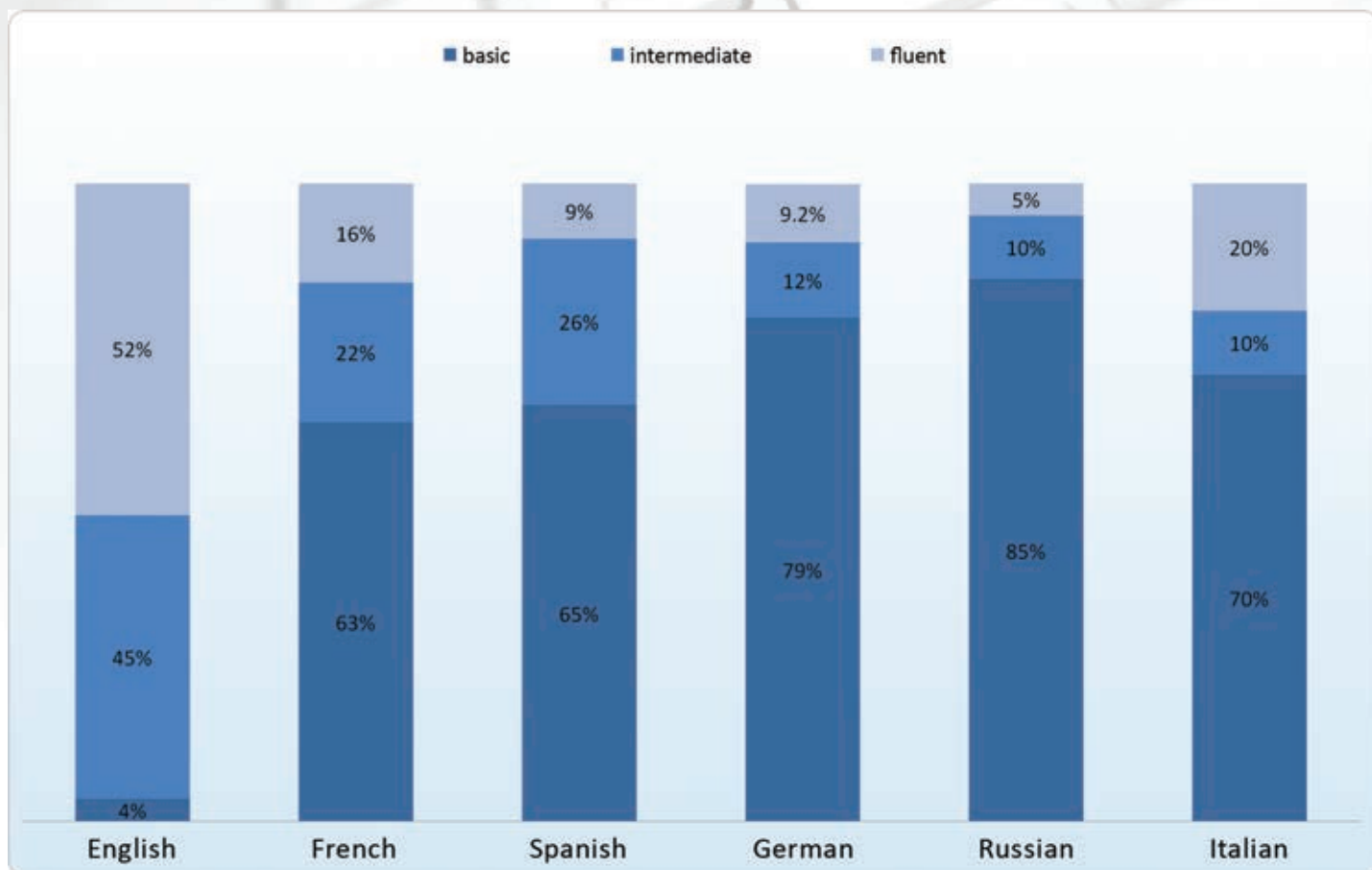


Chart 4. Foreign language skills among IT professionals and managers declaring to know a specific language. Source: the IT@PL candidates study.

Internships

The level of cooperation between universities and private companies, which includes internship and training programmes, has been highly rated. Many IT companies in Poland establish such types of cooperation, thus allowing students to acquire skills and knowledge which are highly valued by employers. Training and internship programmes offered by various institutions, which give students an opportunity to develop a set of useful skills, are growing in popularity. Many universities require students to undergo an internship programme. Therefore, employers are faced with a challenge of selecting individuals who are highly motivated and wish to further develop their skills

Polish students often undertake self-training, are more resourceful and ready to demonstrate initiative

According to the respondents, only 25% of students (with Warsaw being an exception, 40-50% of students) undertake employment while still attending university. This gives them a clear advantage on the job market, as they possess 1-2 years of work experience upon graduation.

"The internship system is becoming increasingly attractive as the companies are starting to fight for the best candidates. Many of them draw in students from universities located in other regions in Poland. Polish students do a lot of additional studying on their own, they are becoming increasingly resourceful and are not afraid to take matters into their own hands" – Izabella Dobrosielska, HR Manager, METTLER TOLEDO.

Training Courses

The majority of companies who took part in our study base the development of their workforce on internal training courses. Employees are often granted the opportunity to travel to the company's head office, usually located abroad, in order to familiarize themselves with systems utilized within the company.


Employers draw attention to the fact that participation in external training sessions is usually dependent on the individual candidate's motivation – there are opportunities to take part in internet courses, some of them free-of-charge, as well as courses held at Western universities. Employees may also undergo on-the-job training.

"Technology training courses are very expensive, which discourages employers from financing them. They are costly and carry a substantial risk, as the employer cannot be certain how long the employees will stay at the company. Therefore, on-the-job training is the preferred method of raising the workforce's competence level. Also, senior consultants are encouraged to share their knowledge and experience" – Izabella Dobrosielska, HR Manager, METTLER TOLEDO.

"Some are used to thinking that job candidates are similiar to consumer products like, let's say, a car. They forget that employee development is an ongoing, neverending process. Coaching/mentoring is the best method of teaching soft interpersonal skills (a pro-client attitude) – especially when it comes to individuals performing technical jobs. Universities are not suited to teaching such skills" – a manager at a multinational IT company.



Universities do not teach soft interpersonal skills required to successfully cooperate with business clients. There are two methods of developing the abovementioned skills. The first of which, coaching, is especially useful in the case of individuals who wish to pursue vertical development – the focus is placed on the individual's goals within the organisation, e.g. motivational skills. Daily development of an employee is best achieved by implementing mentoring methods conducted by a co-worker who has achieved expertise in a given field. So, for example, the development of pro-client skills will be made possible by attending meetings with clients in the mentor's company – Małgorzata Pukropek, HR Project Leader Antal HR Consulting.

The background of the slide is a close-up, slightly blurred image of a computer keyboard. The keys are light-colored, and the overall tone is monochromatic, with shades of gray and white. The keyboard is oriented diagonally, creating a sense of depth and perspective.

IT Professionals and Managers in Poland

IT Professionals and Managers in Poland

The Polish IT professional and managerial labour market is quite diverse. According to a manager who works at one of the multinational IT companies operating in Poland, there are numerous very highly skilled professionals on the market, but there is a fair share of candidates who are capable of performing only the most basic IT work tasks.

At the Beginning of a Career

The study's respondents agreed that an individual with a single year of work experience in IT can already be an attractive candidate for employment, especially if he/she has worked in a multinational company and was involved in projects which required teamwork. Mobility and flexibility of Polish candidates is usually considered mediocre, however respondents have an increasingly positive opinion of the graduates' soft personal skills.

"Polish professionals are communicative and have good teamwork skills. This sets them on par with their European peers" – manager at multinational IT company.



The IT labour market is undergoing rapid changes. Some companies decide to outsource a part of their processes which raises demand for employees who, apart from technical knowledge, are familiar with project management methodology and possess a high level of soft interpersonal skills. Currently, the following skills are becoming increasingly important: independent and creative thinking, teamwork, swift conflict resolution – Katarzyna Cioczek, Senior Consultant, Antal IT Services.

69%

of candidates declared readiness to devote a maximum of 1/3 of the total working time to work-related travel

41%

of candidates are ready to undertake shift work

64%

of candidates were ready to relocate to a different country

The biggest challenge faced by employers who decide to hire junior professionals is achieving appropriate motivation levels of the young workforce.

"Currently, it is rather difficult to find good, young professionals. Most of them are less motivated than their more experienced colleagues, they also have less belief in work ethics. Young candidates are easily-lured with financial gains as well as attractive training possibilities and benefits. Experienced employees associate motivation with working on interesting and challenging projects. We can also observe a group of graduates

whose skill level is unsatisfactory, but their wage expectations are, nevertheless, high." - Cezary Domagała, Application Manager, Grupama.

"When compared to individuals of different nationalities, Polish IT professionals are easier to manage, less confident, and more time must be devoted to onboarding, but we have a series of training sessions meant to achieve this" – a manager at one of the multinational IT companies operating in Poland.

"When recruiting young professionals we pay careful attention to their motivation levels and the readiness to learn. We also value independence, initiative in performing tasks and teamwork skills" – Małgorzata Podrażka, Recruitment Manager, Prudential Polska.

"Less experienced candidates have less realistic wage expectations, but they also have less insight into the true nature of the IT business" – Paweł Patroński, Site Manager, Imagination Technologies



Companies who provide IT services and solutions for business partners, in addition to good technical competence, require their employees to possess understanding of the partner's business sector. Business awareness and maturity are two of the most important qualities that we look for in a job candidate. They will surely prove valuable when seeking employment in companies which specialize in integration and development of IT systems – Konrad Mazurek, Team Leader, Antal IT Services.

Experienced Professionals – Over 3 Years of Work Experience

Polish professionals received high grades from our respondents. Employers often emphasize their high level of technical skills which is usually backed by various certificates. IT employees have adequate competence, they are also highly mobile.

"Polish IT professionals are highly skilled, they certainly are very mobile and ready to relocate, especially for relatively short amounts of time" – Cezary Domagała, Application Manager, Grupama.

"Polish SAP specialists are very mobile and used to working abroad" – Izabella Dobrosielska, HR Manager, METTLER TOLEDO.



Currently, the labour market will most often require candidates to move to a different place of residence. Mobility is of crucial importance in the IT market – individuals who are ready to travel will be given opportunities to take part in interesting, international projects. This raises their competence and, consequently, opens up new avenues in career development. – Natalia Wyrwińska, Senior Consultant, Antal IT Services.

"What makes a good programmer? Enthusiasm, diligence – he or she will be ready to undertake certain tasks without prompting, a proactive attitude. They must possess solid work ethics and guide their projects from start to finish – very many IT employees lack this highly sought after quality. When a task is 90% complete does not mean that it is, in fact, complete. Many young programmers do not understand this" - Marcin Paszkiewicz, Director of Operations, Amartus Polska

When a task is 90% complete it does not mean that it is, in fact, complete. Many young programmers do not understand this

The shortcomings of IT employees, which our respondents have pointed at, include the lack of fluent English skills, still prevalent among many candidates, as well as high wage expectations. Moreover, a manager at one of the multinational companies operating in Poland has hinted at the fact that IT employees in Poland are still less productive than their counterparts in Western European countries. However, they are much more productive than individuals employed at Indian service centres. Nevertheless, efforts should be focused on improving this aspect.

Izabella Dobrosielska, HR Manager, Mettler -Toledo views Polish experienced IT employees in the following manner: *"They are highly skilled professionals, but often have very high financial expectations. They tend to often present lack of flexibility when it comes to undertaking modes of employment other than B2B cooperation. Consultants who specialize in well-known and recognized technologies travel a lot, so they have considerable experience in working abroad on international projects. Therefore, their wage expectations are on par with European standards."*

Technology Knowledge

The IT sector in Poland continues on a path of rapid growth despite the ongoing financial crisis in the euro-zone. In 2011, expenditures on information technologies have risen by 4.8%, and analysts expect a further growth of 7.8% in 2012. The rapidly changing IT environment requires us to take a closer look at what technologies Polish professionals and managers are familiar with.

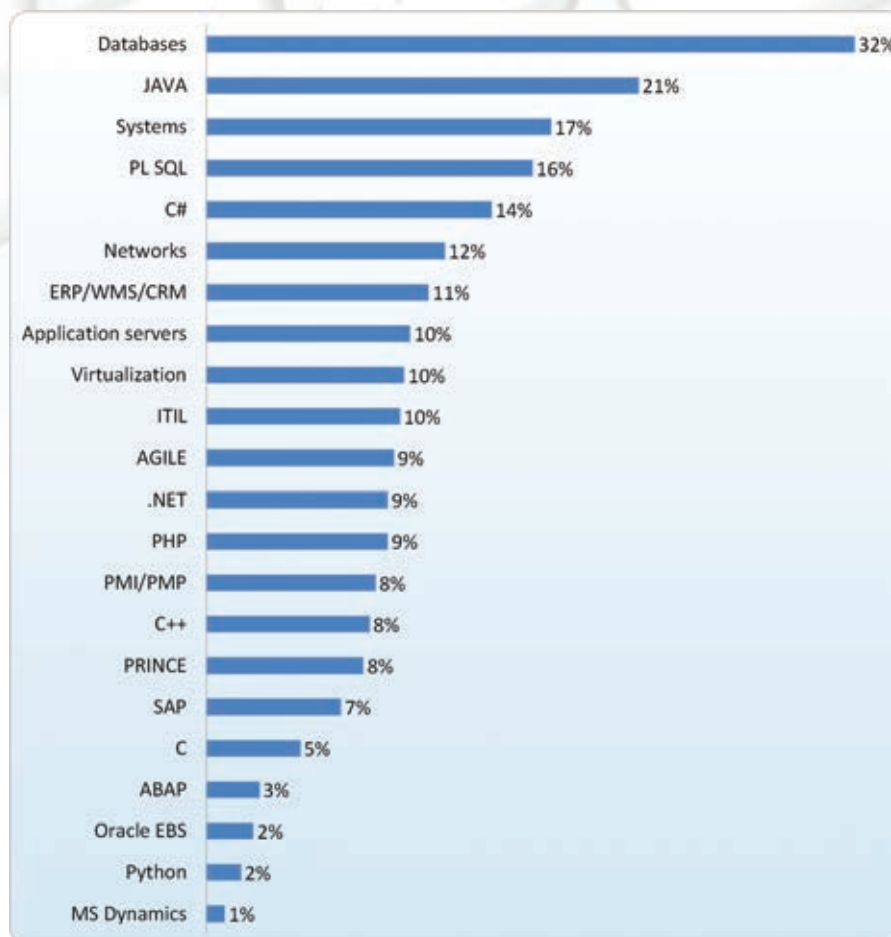


Chart 5. Technology specialisation (respondents were allowed to pick a maximum of three answers) of IT professionals and managers
Source: the IT@PL candidates study

Managers

Polish IT managers mostly come from a technical background. They have worked their way up from engineer to manager, therefore they have work experience in the IT field - their technical knowledge allows them to clearly communicate tasks to engineers and translate business needs into IT solutions. They are flexible individuals used to working in a hectic environment under non-standard conditions. Therefore, they feel at home when developing start-up enterprises. On the other hand, our interviewees pointed out that managers have an equally hectic work ethic which makes it hard to achieve maximum work results with the available resources.

"I think that managers are sometimes too full of themselves, which means that they are less likely to undertake additional training. Even the tendency to think outside the box is too widespread - they should work with the available resources to increase productivity" – a manager at one of the multinational IT companies operating in Poland.



Most individuals do not want to take managerial positions - they are afraid of the associated, European-level paperwork, and those willing to become managers are not necessarily the right person for the job. A manager should have sufficient IT knowledge, but it should not be treated as his/her most desired competence. The most skilled IT professionals like working with technologies and are not eager to take up the difficult, and usually invidious, work at a managerial position. They would rather avoid the task of solving interpersonal conflicts that accompany it. Earnings in IT are so high that a slight raise associated with being promoted to a managerial post does not make up for the additional duties. However, the managers that I have worked with were very competent and could hold their own in any European country" – Paweł Patroński, Site Manager, Imagination Technologies.



"Sometimes it is the best programmer who becomes promoted to the post of manager. In my opinion, this is not always for the best - this kind of person should be further trained to become, let's say, an architect. Soft personal skills are crucial for managers" – Marcin Paszkiewicz, Director of Operations, Amatrus Polska.

Poland's already strong position in the region is continuing to grow. We are also the biggest IT sales market in the CEE. The Polish labour market gives the employer a wide choice of job candidates. Antal International has observed that many Polish managers have distinguished themselves with exceptional achievements. Moreover, they have an infinitely better understanding of our Southern and Eastern neighbours. The experience of our business partners proves that Polish managers are really effective at performing their duties, providing solid foundations for the development of their organization. – Łukasz Kośnik, Antal International Partner and Director of Antal IT Services



Preferred Paths of Promotion

horizontal/expert (developing knowledge of new technologies, working on new projects, developing technical skills)

58%

vertical/managerial (personal development at managerial posts - team leader, manager, placing the focus on raising soft skills)

42%

Table 1. The preferred paths of promotion among IT professionals and managers
Source: the IT@PL candidates study

Senior Management

Senior management received consistently high grades from our respondents. The interviewees drew attention to the fact that Polish IT directors are on par with their colleagues from Western European countries.



"The local CIOs are truly competent, both on the technical and business levels. Many of them have a background in programming, having graduated from technical universities, but are also familiar with principles which govern the world of business. This can also be attributed to the current path of promotion which elevates technical personnel to managerial positions. Therefore, managers are deeply familiar with various technologies, the local IT market, suppliers and solutions which are available on the market" – Cezary Domagała, Application Manager, Grupama.

"The soft skills, that we were searching for, were widespread among this group – the ability to work in a diverse, dynamic environment, demonstrating initiative, devising creative solutions to problems, implementing effective team management mechanisms, exerting influence. Individuals hired at managerial positions must be flexible, due to the nature of their work." – Małgorzata Podrażka, Recruitment Manager, Prudential Polska.



Women in IT

The number of women who decide to take up IT studies, both in Poland and the rest of Europe, is still quite low. GUS (the Polish Central Statistical Office) studies show that only 1 in 10 students who study IT related fields are female. The EU is making efforts to change this and tries to encourage women to take up technical studies. Employers are pointing at an insufficient number of qualified professionals, and this can be changed by raising the number of women employed in the ICT sector.

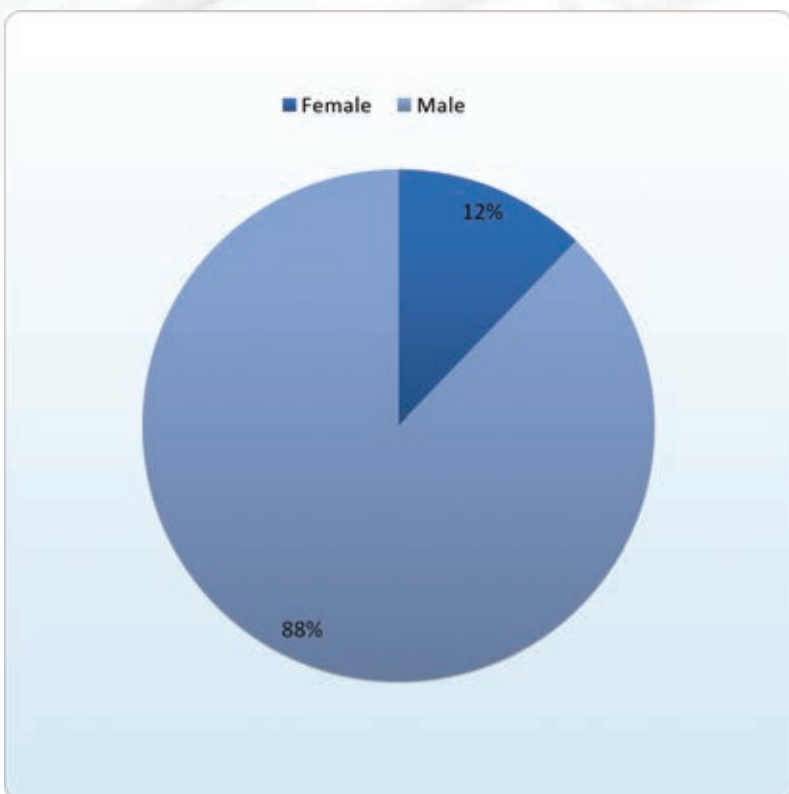


Chart 6. Respondents' gender
Source: the IT@PL candidates study



Employment Costs and Regulations

Employment Costs

An analysis conducted by PwC shows that the expenses associated with hiring employees in Poland are only half of those incurred by employers operating in Western Europe and the USA. The analysis has pointed out that wages and benefits, i.e. the costs of employment, amount to about 10-11% of company revenue. In Western Europe and the USA, expenses on employee wages and benefit packages consume a much bigger part of revenues – about 20%¹.

Respondents have pointed to an interesting phenomenon – most often it is the employees who see high employment costs (contributions and premiums) as a major flaw of the Polish IT job market. This is one of the reasons that professionals are beginning to turn away from traditional employment in favour of contractual agreements.

In the case of IT workers in Poland, wage expectations are usually slightly lower or the same as in Western Europe. However, respondents emphasised the importance of the wide availability of highly competent candidates - expenses were considered less important.

“Rare and unique skills are always highly valued. The only way to gain an upper hand over the competition is to hire the best experts that money can buy, and that usually means spending a lot of money. It is necessary to take this issue into consideration when planning company operations” – Małgorzata Podrażka, Recruitment Manager, Prudential Polska.

This does not change the fact that employment costs in Poland are, for the most part, considered too high. Respondents have pointed to an interesting phenomenon – most often it is the employees who see high employment costs (contributions and premiums) as a major flaw of the Polish IT job market. This is one of the reasons that professionals are beginning to turn away from traditional employment in favour of contractual agreements.

1/3

of IT professionals and managers is ready to undertake contract-based employment*

Contracting is an external form of employment (arranged through a recruitment agency and based on a B2B relationship; temporary employment; employee outsourcing) or direct cooperation with the employer. It is associated with a fixed time of performing an assignment which requires managerial or professional skills and knowledge.

*Source: the IT@PL candidates study

¹ “Saratoga HC Benchmarking” PwC study, October 2012

“Contracting is less of a burden for human resources, it’s cheaper, gives job candidates bigger wage prospects, the workforce is more skilled” – a manager at an international IT company.



One of the main reasons which encourages IT specialists to undertake contractual cooperation is the perspective of higher earnings. The wages are, on average, about 30% higher than with regular employment and can be negotiated to a larger degree. Depending on the type of work and company, contractors can choose to work from home, decide on convenient deadlines, and choose a mode of employment that best suits their interests – Justyna Ostropolska, Sales & Operation Manager, Antal IT Services.



Extensive work experience, often obtained in different business sectors, can bring colossal, often completely unexpected, benefits for processes and company management. Contractors are happy to share their knowledge in exchange for experience. This results in the creation of new products, while already established products are supplemented with additional functionality. In short – working with contractors can foster change and facilitate innovation – Justyna Manager, Sales Manager, Antal IT Services.

Professional and Managerial Wages

The average gross monthly salary offered to professionals and managers in Poland in 2012 amounted to PLN 9 380 . This marks a slight drop in relation to the previous year’s wages. Earnings within the IT and Telecommunications sectors remain on a fairly consistent, high level. Managerial and professional salaries are mainly influenced by the length of work experience. The below chart demonstrates how this translates into actual earnings.

² Professional and Managerial Salaries in 2013 – Antal International



Chart 7.
Source: the IT@PL candidates study

30% of salary raise is expected by professionals and managers when changing jobs

*Source: the IT@PL job

Salaries are also dependent on the area of expertise that professionals and managers specialise in:

The average gross salary by IT segment	
IT Infrastructure	PLN 8 208
Software Development	PLN 8 920
Application Management (ERP/CRM/BI Class Systems)	PLN 10 468
Source: the IT@PL candidates study	

Sample gross salaries offered at selected job positions are presented in the below table:

IT and Telecommunications		PLN 9 140
Junior Developer		PLN 5 000
Junior Software Developer		PLN 5 000
IT Specialist		PLN 6 000
Network Administrator		PLN 7 000
IT Administrator		PLN 7 500
System Administrator		PLN 7 500
Network Engineer		PLN 7 500
Developer		PLN 7 500
JAVA Developer		PLN 7 500
Programmer		PLN 7 500
C++ Programmer		PLN 7 500
Java Programmer		PLN 7 500
ORACLE Programmer		PLN 7 500
Test Engineer		PLN 7 500
DBA		PLN 8 000
Programmer Analyst		PLN 8 500
QA Analyst		PLN 9 000
System Integration Consultant		PLN 10 000
IT Infrastructure Specialist		PLN 10 000
Chief Programmer		PLN 10 000
Software Engineer		PLN 10 000
QA Manager		PLN 10 000
Senior Engineer		PLN 11 000
Senior Programmer		PLN 11 000
Senior QA		PLN 12 000
IT Expert		PLN 12 500
Project Leader		PLN 12 500
Software Architect		PLN 12 500
Project Manager		PLN 12 500
Multiple Project Leader		PLN 15 000
Senior Project Manager		PLN 30 000



The job position ranking presented in the above table clearly shows the career path that a programmer may take, i.e. a technical path. He/she has other options – taking the managerial path, for example. Within the IT sector, especially when it comes to technical jobs, wages are influenced by experience, but also by: foreign language skills (English, an absolute must-have for job candidates, German, sometimes can positively affect earnings by several percent), certificates, knowledge of rare technologies, work experience in an international environment, and soft skills – i.e. the ability to communicate clearly, leadership skills and time management – Konrad Mazurek, Team Leader, Antal IT Services.

Laws and Regulations

The interviewees agreed that the Polish labour law remains too rigid and imposes numerous formalities on employers.

"Formalities are a time consuming burden that an employer is faced with when hiring IT specialists. Contracts of mandate and specific work are overly complicated. IT requires flexibility and an efficient allocation of resources to the technology and project at hand. Sometimes it may prove the most effective to hire a freelancer for the duration of three months, a professional to work on a specific project only a few days every month and, at other times, you may need to hire the services of an outsourcing firm" – Cezary Domagała, Application Manager, Grupama.


We custom fit modes of employment to specific types of work and project requirements. In cases where expert, highly specialist competence is needed for only a relatively short amount of time, we prefer forms of cooperation which are more flexible than employment contracts.

"Ironically, the Polish labour code puts professionals at a disadvantage. It is overprotective and makes it impossible for an employee to work long stretches of overtime. He/she should be given the freedom to decide – I'm dealing with an employee's market and must ensure that they remain truly satisfied – they are intelligent, ambitious, very self-aware, and the code makes it harder for them to make decisions" – a manager at one of the multinational IT companies operating in Poland.

"We custom fit modes of employment to specific types of work and project requirements. In cases where expert, highly specialist competence is needed for only a relatively short amount of time, we prefer forms of cooperation which are more flexible than employment contracts. In such cases, contracting seems to be a good solution. Employment contracts are a natural mode of employment for individuals who are hired for indefinite periods of time, as it gives a feeling of security to both the employer and employee." – Małgorzata Podrażka, Recruitment Manager, Prudential Polska.

Another interesting fact is that the Polish legal environment often scares off job candidates from the European Union.

"Candidates from the EU are full of reservations concerning the Polish health care, tax and social insurance systems. An imprecise definition of shift work and a lack of legal compromise concerning task-based working time are additional shortcomings. A set of simpler and more flexible regulations governing contract-based cooperation should be introduced" – Izabella Dobrosielska, HR Manager, METTLER TOLEDO.

The background of the slide is a close-up, slightly blurred image of a computer keyboard. The keys are light-colored, and the overall tone is monochromatic and professional.

Poland – a Location for IT Investments

Poland Compared to Other Economies

“Low employment costs are no longer our main asset - it's time for innovation and productivity to become our key competences” – a manager at a multinational IT company.

Managers at multinational IT companies pointed out the following factors that differentiate Poland's economy from the rest of the world:

- Employment costs remain slightly lower
- IT candidates possess a high level of skills, dedication when working on projects, and hobbies associated with the job profile (many of them consider IT their passion)
- Poland's geographical location makes it easier to travel between offices located in other countries
- Poland is located in a convenient time zone
- Cultural proximity

“Poland lacks professionals specialising in certain narrow areas of skills and knowledge. However, Polish professionals usually are well versed in general technical knowledge, have a great deal of flexibility, and are able to quickly familiarise themselves with the nature of a specific product. Our IT market is less mature than Western markets which makes specialisation more difficult - our professionals must possess competence reaching into several areas of knowledge, whereas in the West narrow specialization has become the standard approach. This has both advantages and disadvantages” – Cezary Domagała, Application Manager, Grupama.

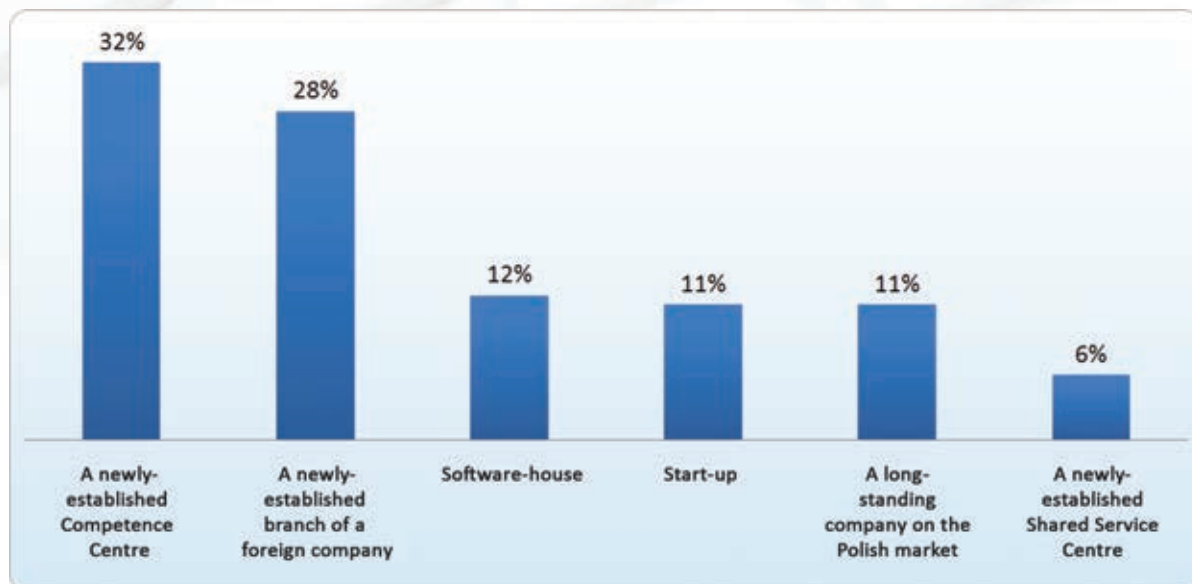
“What were the decisive factors for investing in Poland? Our decision was preceded with a series of detailed analyses conducted in a number of countries. An in-depth look at the economical, social and demographic factors in Poland led us to believe that it is the country that best fits Prudential's product, investment and service capabilities. The Polish market's potential, thanks to its rapidly developing economy, stable political situation and growing wealth among its middle class, is an ideal setting for Prudential's development strategy” – Małgorzata Podrażka, Recruitment Manager, Prudential Polska.

Poland offers exceptionally well educated job candidates. The Polish business services sector, including IT centres, flourishes due to the large number of engineers, IT professionals and managers with good foreign language skills. Investors are very fond of the competence demonstrated by Polish employees – Sławomir Majman, Chairman of the Polish Information and Foreign Investment Agency.



An increasing number of employment opportunities is being created by the IT sector. Human resource needs of IT companies operating in Poland make career paths associated with the sector very attractive. “Salaries earned by IT professionals and managers are beginning to reach Western standards. Companies are constantly implementing new technologies which means that IT specialists are faced with constantly changing, job-related challenges.” – underlined Łukasz Kośnik, Antal International Partner and Director of Antal IT Services.

The attitudes concerning undertaking work in newly-established companies demonstrated by Polish IT professionals and managers contribute to creating a good environment for investment and recruitment. IT experts claim to be interested in working for newly-established companies. This is especially true in the case of Competence Centres (32%) and Polish branches of international companies (28%).



A newly-established Competence Centre – an organisational structure which is meant to manage IT skills, develop and broaden IT competence (R&D), provide support for various business sectors, promote advanced, innovative solutions, conduct programs aimed at deepening knowledge and hold training sessions.

A newly-established Shared Service Centre – an organisational structure which is meant to focus an area of competence for a single business sector, optimise expenses and provide remote support for a large area, e.g. global or EMEA.

Chart 8. Preferred type of organization
Source: the IT@PL candidates study

Future Perspectives

Since math has been reinstated as an obligatory subject at the post-secondary school final exams (matura) in 2009, we can observe a continuing growth in the number of students undertaking technical studies. The growing number of IT job candidates can also be attributed to the initiatives put forward by the Ministry of Science and Higher Education - financial grants allocated to certain key fields of study have created new incentives for increasing attractiveness of technical university courses and enrolment of a larger amount of students.

The labour market receives a yearly boost of about 15 thousand graduates of university IT courses. In the 2010/2011 academic year, nearly 74 thousands students were studying IT courses at Polish universities. At lower levels of education, 99.5 thousand pupils were attending IT-profiled courses at secondary technical schools and post-secondary schools, and an additional 11.5 thousand pupils were attending "information management" profiled courses at secondary schools of vocational education.

If we take into account the fact that wages in IT are considerably higher than in other sectors, it should be considered a really attractive career prospect for young individuals seeking employment at existing or newly-established companies. An employer's reputation among job candidates is of increasing importance, especially in an era of social media which facilitates a rapid spread of information.

IT companies are widely-considered as caring for their workforce and some, such as Google, are an epitome of employee-friendly, favouring young and creative individuals.

It seems that the Polish IT market is becoming a growing player on the global scene. This helps in attracting further foreign investment and stopping, or even reversing, the widespread brain drain that has been plaguing the Polish economy. The above factors are a testament to the stable growth of the sector and are solid proof that a career in IT is the way to go.

About the authors

Antal International

Antal International is an international executive recruitment company, with 110 offices in 35 countries across Europe, Asia, Africa and the Americas. Founded in 1993 the company was one of the first in the recruitment industry to introduce recruiters' specialisation. Consultants focus on narrow sectors and disciplines, being true experts in their fields. More information on www.antal.com.

Antal International operates in Poland since 1996 and is a leader in the executive recruitment. Offices in Warsaw, Krakow and Wroclaw conduct projects all over Poland and abroad, for global and local companies. Antal International comprehensively addressed employers' needs by providing them with a complete portfolio of services: from permanent recruitment and contracting to HR Consulting solutions in the field of personnel assessment and development, as well as Recruitment Process Outsourcing. More information on www.antal.pl.

Antal IT Services is Antal International's division dedicated to the recruitment of professionals and managers in the IT area. Over 30 experienced consultants successfully accomplish more than 350 recruitment projects a year. The Antal IT Services includes five teams: IT Sales and Marketing, IT Contracting, Infrastructure, Software Development, Application Management.

Polish Information and Foreign Investment Agency

The Polish Information and Foreign Investment Agency has been serving investors for 19 years. Its mission is to increase Foreign Direct Investment (FDI) by encouraging international companies to invest in Poland. It guides investors through all the necessary administrative and legal procedures along the way to setting up their business in Poland. Agency offers investors: quick access to comprehensive information about the economic and legal environment, assistance in finding appropriate partners and investment locations and support at every phase of the investment process. Agency location database has over 1700 records.

The Agency promotes Polish goods and services abroad by organizing conferences, visits for foreign journalists and investment trade missions to Poland and for Polish entrepreneurs around the world.

Patronage: British Polish Chamber of Commerce



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