

IT@PL THE IT LABOUR MARKET IN POLAND 2. EDITION

AN ANTAL STUDY
NOVEMBER 2015

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| FOREWORD

For the last several months, the IT market has continued to be a candidate's market, which means that the number of available job offers exceeded the supply of suitable candidates. Companies are finding it difficult to attract the best candidates - they often have to offer extensive perk packages in addition to high salaries.

This report is meant to shed some light on the attitudes that Polish IT professionals and managers have towards working in the domestic market - the conditions, future prospects, as well as their views on working abroad.

We hope that you will find the contents of this report interesting.
I wish you a fruitful reading.



ARTUR SKIBA

ANTAL CHAIRMAN OF THE BOARD OF MANAGEMENT

| METHODOLOGY

The IT@PL study was carried out using the CAWI method between 24.09 and 28.10 of 2015. 744 Polish IT professionals and managers took part in the study. The survey was anonymous.



FACTORS DETERMINING THE GROWTH OF THE IT MARKET IN POLAND

The IT outsourcing market is undergoing dynamic changes and long-term strategies are currently being verified. India continues to have the highest number of IT centres in the world. It is estimated that one in ten Indians has, at some point in their life, worked in the IT sector. China and Mexico are also becoming global IT players and so is Poland whose international renown is growing. Mexico and China are drawing in mainly American investors who, for many years now, have been taking advantage of the candidates' language skills, IT competence and their sheer quantity. Australia, due to its location, focuses mainly on the Malaysian, Indonesian, Thai and Philippine markets, whereas European companies increasingly often branch out into Poland, Bulgaria and Egypt, which continues to stabilise.

IT investors choose Poland because many of the available candidates are able to communicate in various European languages. Knowledge of English is the most prevalent, followed by German, Russian, French and Spanish, which means that Polish employees may provide services to both European and American companies. Other factors that encourage foreign companies to invest in Poland include the high cultural adaptation skills of candidates and the relatively low salaries. The largest Polish IT centres include Kraków, called the Polish Silicon Valley, Wrocław, Warsaw, Trójmiasto and Poznań.

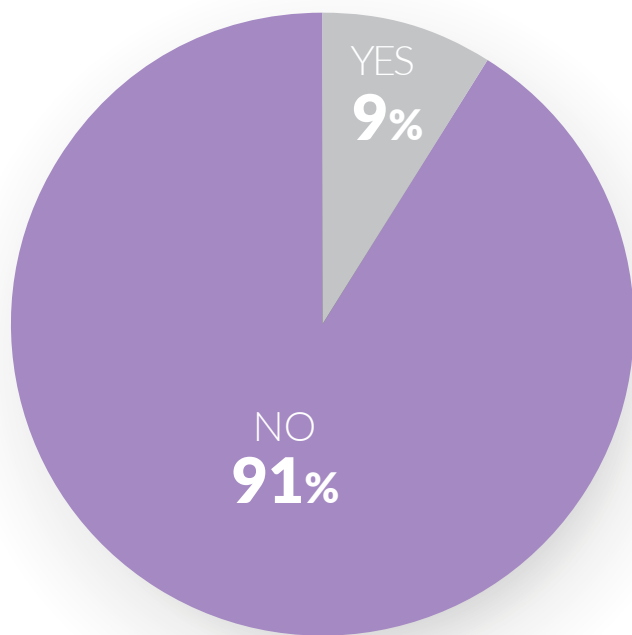
Relocating within Poland increasingly often becomes a way of life for many candidates. Candidates migrate mainly to cities, such as Warsaw, Trójmiasto and Poznań, which is caused by the urgent need access the potential that is absent in some regions of the country. Most candidates are likely to be granted relocation packages that include assistance in renting an apartment or a one-time financial bonus to cover the costs of moving. The number of new investors in a given region affects the salaries offered within it. The average salaries might be low, however the developing trend of establishing regional IT centres has led to Polish professionals being among the highest earners in the country. This is especially true if there is a shortage of candidates with the necessary competence set in

a given region and, therefore, candidates have to be sourced from across Poland. On the other hand, companies are looking to optimise their expenses and, therefore, diversify by sourcing qualified IT candidates from India, China, Belarus and Ukraine. Some of the employees from these countries do remote work, which eliminates all the formalities associated with immigration. For the last few years, the highest supply in the Polish market concentrates in the software development and implementation area, but in the near future we will also see the rise of the infrastructure area. Obsolete networks will need to be modernised with many companies predicting that this process will bring in millions in profits.



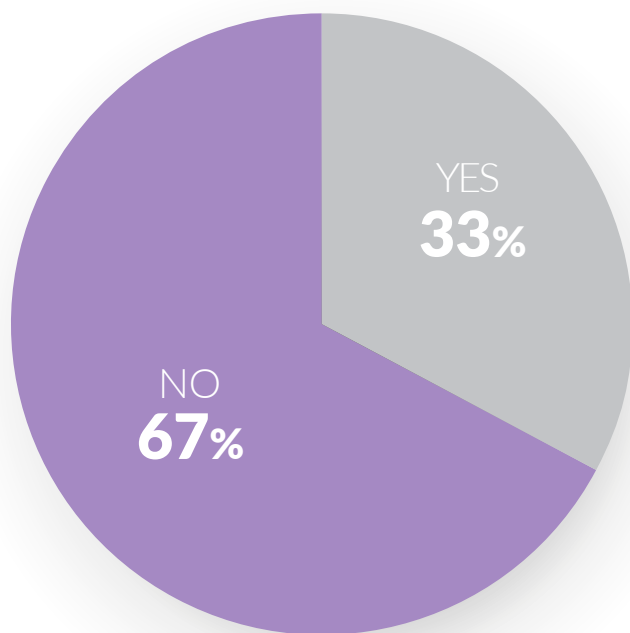
ALEKSANDRA KUJAŁA
BUSINESS UNIT MANAGER
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| ARE YOU CURRENTLY WORKING ABROAD?



91% of the respondents declared to be currently working in Poland and 9% claimed to be working abroad. The rapid pace, direction, trends and development possibilities in the Polish IT market lead to fewer candidates willing to work abroad. Working in Poland may bring equal satisfaction and, as outlined in the **2015 Antal Salary Report**, salaries that are equal to those offered abroad, which makes IT professionals less willing to consider relocating to foreign countries.

HAVE YOU EVER WORKED ABROAD?

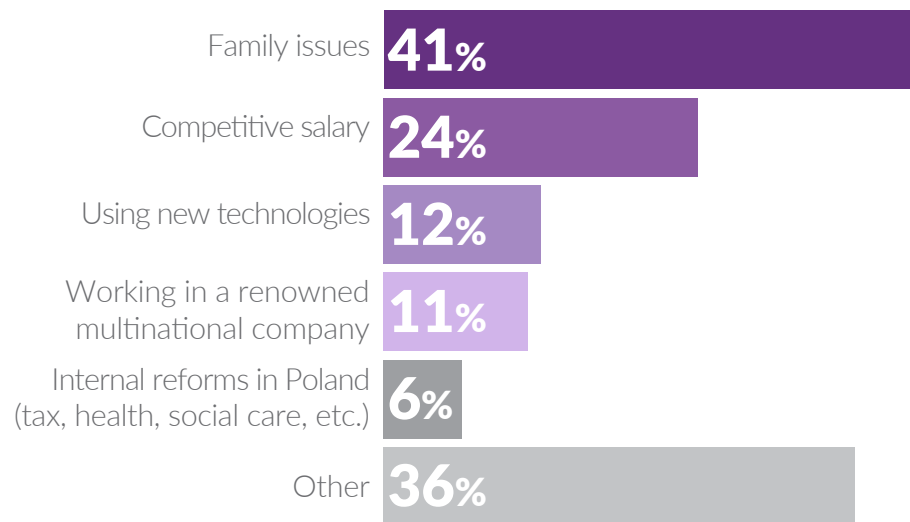


According to the answers given by the respondents, $\frac{1}{3}$ of them have worked abroad in the past (33%). 67% of the respondents declared to not have worked outside of Poland.

It is worth noting that the common opinion that Poles do not wish to return to Poland does not apply to the IT market. The answers given to the two first questions demonstrate that the majority of IT employees (91%) have never worked and are currently not working abroad. This may allow us to conclude that these individuals perceive the development and salary prospects in Poland as equal to those in foreign countries.

HAVE YOU EVER WORKED ABROAD? IF SO, WHAT WAS THE MOST IMPORTANT REASON THAT MADE YOU DECIDE TO RETURN TO POLAND?

More than one answer could be given



What are the main factors that motivate IT employees to return to Poland? The answers most frequently given by the respondents included: family issues (41%) and competitive salaries (24%). Other important reasons frequently chosen by the respondents included: working with the newest technologies (12% of the respondents chose this answer) and working for a renowned multinational company (11%), which means that candidates attach great importance to the brand of prospective employers. It is worth noting that the answers given to the open question, which was answered by 36% of the respondents, emphasized two issues - returning to Poland to complete studies or because the work contract has drawn to a close. The least frequently chosen answer referred to internal reforms in the home country - only 6% of the respondents stated that it might motivate them to return to Poland.

By analysing the answers given to the open question we were able to conclude that the vast majority of individuals who are working abroad are students and participants of Work&Travel programmes, whose main intent is to familiarise themselves with different cultures and languages and see the world. The interviews that Antal employees conducted with candidates confirm that many individuals who decided to work abroad were contract workers and thus did not plan on staying there permanently.

„IT professionals and managers do not consider salaries, which are approaching Western levels, as important as they did a few years ago – only ¼ of the respondents (24%) consider salaries a priority. The biggest problem associated with working abroad is the limited contact with one's family and friends, which often leads to returning home. Employees in Poland are increasingly often given access to new technologies that help them develop their skills – 12% of the respondents consider technology their priority. On the other hand, many employees in Poland value employer brand and prestige, which is especially important because a growing number of multinational corporations are deciding to establish their branches in Poland – mainly in Warsaw, Kraków, Poznań, Gdańsk, Wrocław, Rzeszów and Lublin, which is becoming more popular among investors.”

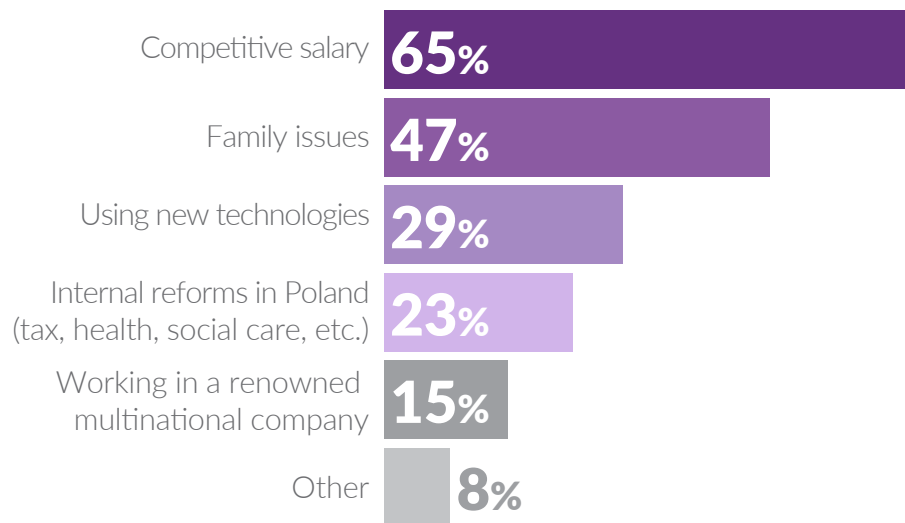
MIKOŁAJ ZBUDNIEWEK
CONSULTANT
ANTAL IT SERVICES

„According to the latest edition of the „Most Desired Employers in the Opinion of Polish Professionals and Managers” Antal report, professionals and managers increasingly often attach weight to the size and prestige of companies - 45% of the respondents considered this characteristic to be the most important when choosing their preferred employers. What is curious, remunerations are not as important as they were last year (34%) – they were surpassed by the management style and organisational culture of companies (41%). Despite this trend, salaries in the software development and implementation area of the IT segment are increasing by 10% annually. Java specialists are still the most sought after by employers. This is mainly due to Java being used in practically all network applications and having broad open source capabilities. Corporate software, mobile apps, games and web content are all based on Java. Its popularity will surely not diminish in the coming years. A slower increase of salaries applies to testers, analysts and administrators and amounts to 5% annually.”

ALEKSANDRA KUJAWA
BUSINESS UNIT MANAGER
ANTAL IT SERVICES

SUPPOSE YOU ARE WORKING ABROAD. WHAT REASONS WOULD MAKE YOU DECIDE TO RETURN TO POLAND?

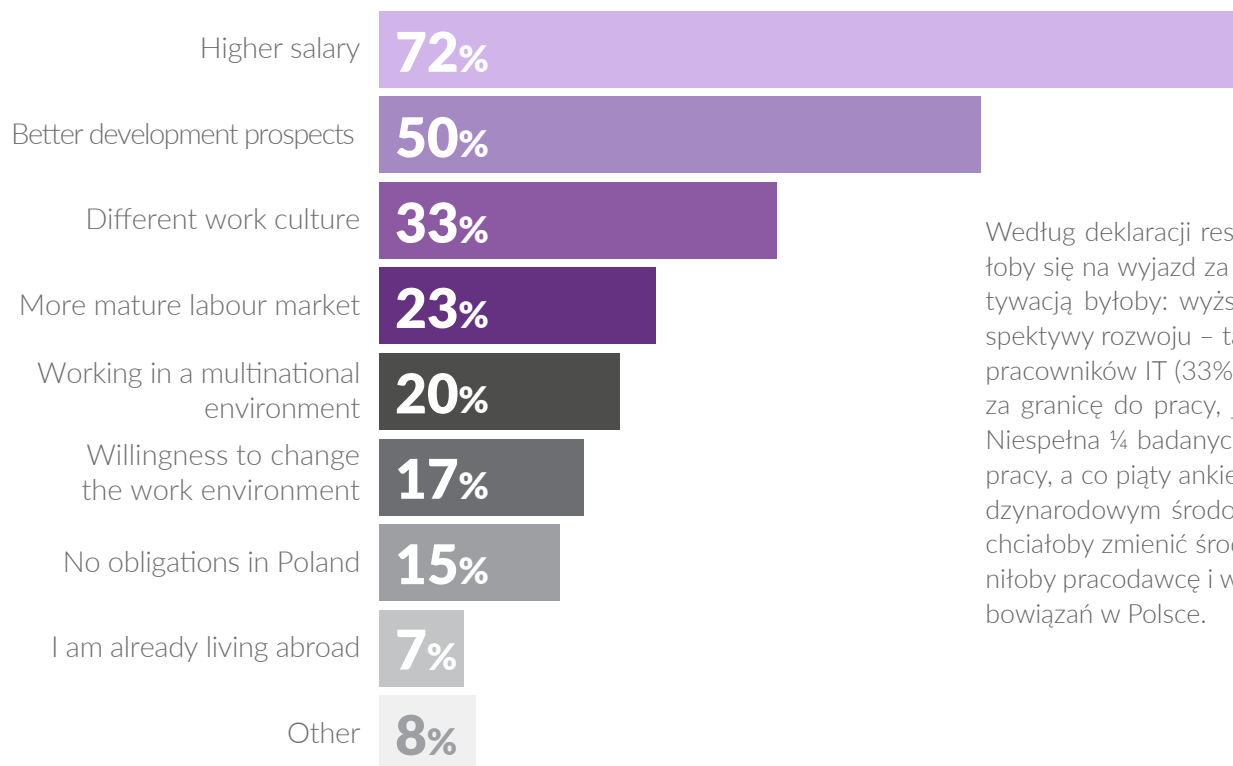
More than one answer could be given



The answers given by the respondents prove that the hypothetical decision to work abroad would mostly be made for financial reasons - 65% of the respondents claimed that they would be willing to return to Poland if they were offered a competitive salary. Almost a half of the respondents (47%) pointed to family issues and nearly $\frac{1}{3}$ of them (29%) stated that the main reason for returning to Poland would be associated with being given access to the newest technologies. One in four respondents would be ready to consider returning to Poland if internal reforms were introduced. When answering the open question, IT employees most often mentioned being rooted in their home country - this answer constituted 6% of all answers. The answers given by the respondents clearly demonstrate that, apart from competitive salaries and family issues, individuals who are considering working abroad and returning to Poland consider internal reforms important as they may provide a safety net when one becomes unemployed or experiences health problems. During interviews with candidates that were conducted by Antal consultants, many of the interviewees drew attention to the fact that the current social benefits system is inadequate and public health care is unsatisfactory. We may observe an increased number of answers pointing to internal reforms (by 17%) compared to the previous question. This may also mean that individuals who are currently living in Poland, but are considering working abroad, may consider internal reforms aimed at improving the situation in the country as a reason that would make them more motivated to return to Poland.

WOULD YOU BE WILLING TO CHANGE EMPLOYERS IF IT INVOLVED MOVING ABROAD?

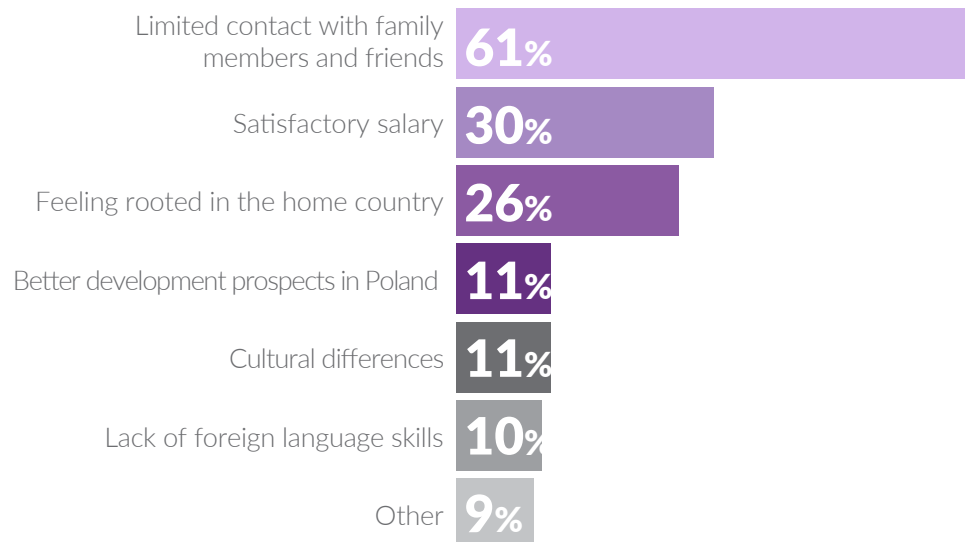
More than one answer could be given



Według deklaracji respondentów, 21% w ogóle nie zdecydowałoby się na wyjazd za granicę. Dla pozostałych 79% główną motywacją byłoby: wyższe wynagrodzenie (72%) oraz lepsze perspektywy rozwoju – tak deklaruje 50% ankietowanych. Prawie 1/3 pracowników IT (33%) twierdzi, że zdecydowałaby się na wyjazd za granicę do pracy, jeśli wiązałoby się to z inną kulturą pracy. Niespełna 1/4 badanych (23%) zwraca uwagę na dojrzały rynek pracy, a co piąty ankietowany (20%) deklaruje chęć pracy w międzynarodowym środowisku. 17% specjalistów i menedżerów IT chciałoby zmienić środowisko pracy, a 15% respondentów zmieniłoby pracodawcę i wyjechało za granicę w przypadku braku zobowiązań w Polsce.

WHAT REASONS WOULD DISCOURAGE YOU FROM WORKING ABROAD?

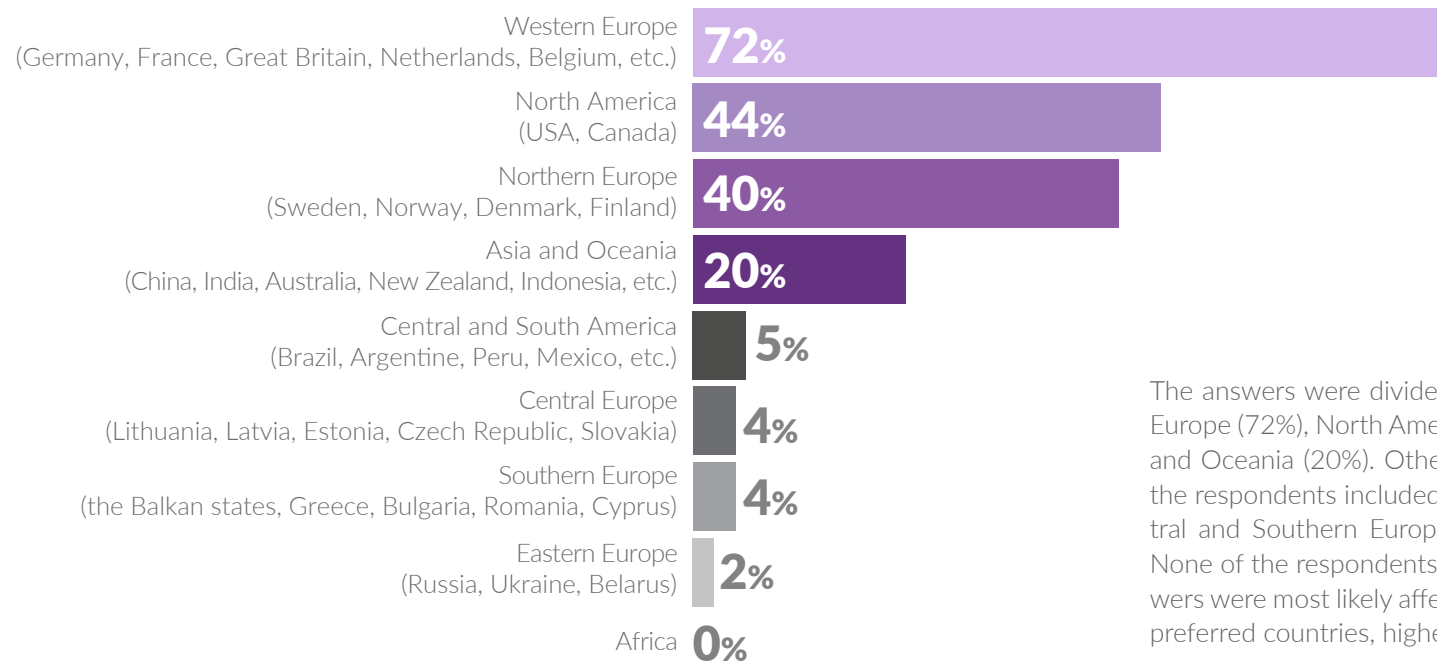
More than one answer could be given



61% of the respondents do not wish to move abroad as it would limit the time they spend with their families. One in three (30%) respondents claimed that their current earnings are satisfactory and, therefore, moving abroad is not something that they would consider. Slightly over a quarter of IT professionals and managers (26%) feel rooted in their home country and are not willing to work abroad, and 11% prefer to stay because of the cultural differences that they would encounter abroad and the better development prospects that they have in Poland. One in ten respondents do not wish to move abroad because they lack the necessary foreign language skills. The fact that 37% of all answers given by the respondents regarded the current situation in Poland as favourable (feeling rooted in the country and better development prospects compared to those abroad) should be regarded as a positive trend. 41% of the respondents stated that the salaries in Poland are satisfactory and the available development opportunities surpass those of foreign countries.

IF YOU WERE CONSIDERING WORKING ABROAD, WHICH REGION WOULD YOU LIKE TO RELOCATE TO THE MOST?

More than one answer could be given



The answers were divided between four destinations - Western Europe (72%), North America (44%), Northern Europe (40%), Asia and Oceania (20%). Other destinations for relocation chosen by the respondents included: Central and South America (5%), Central and Southern Europe (4% each) and Eastern Europe (2%). None of the respondents were willing to work in Africa. The answers were most likely affected by the geographical location of the preferred countries, higher salaries and a high standard of living.

„The respondents' preferred destinations are not particularly surprising. The huge popularity of Western Europe among IT professionals and managers is due to a number of factors – it is close to Poland, companies operating in the region use cutting-edge technology, offer higher salaries and the countries in the region belong to the European Union. North America is the second most frequent choice which is probably due to the fact that most IT innovations and new products are developed there. Northern Europe is not particularly famous for its innovations and technologies, but remains a desirable destination because of the high salaries offered and extensive social benefits that greatly surpass the rest of the world. Despite the relatively high costs of living in Northern Europe, the high salaries more than make up for it and, therefore, many candidates wish to work there.”

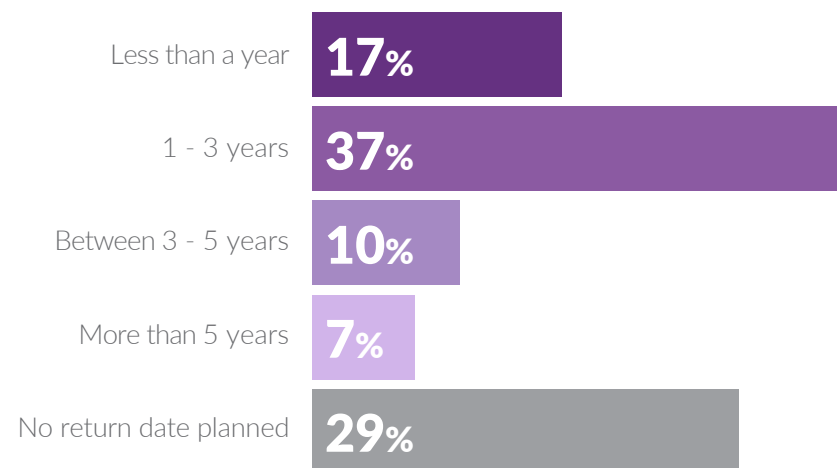
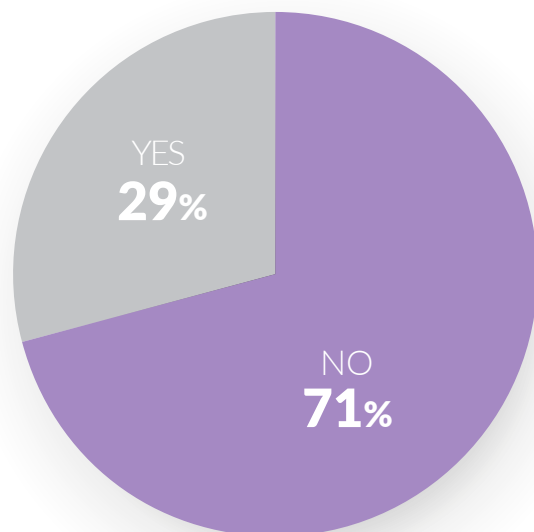
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COULD YOU SPECIFY THE TIME THAT YOU WOULD MOST LIKELY SPEND WORKING ABROAD?



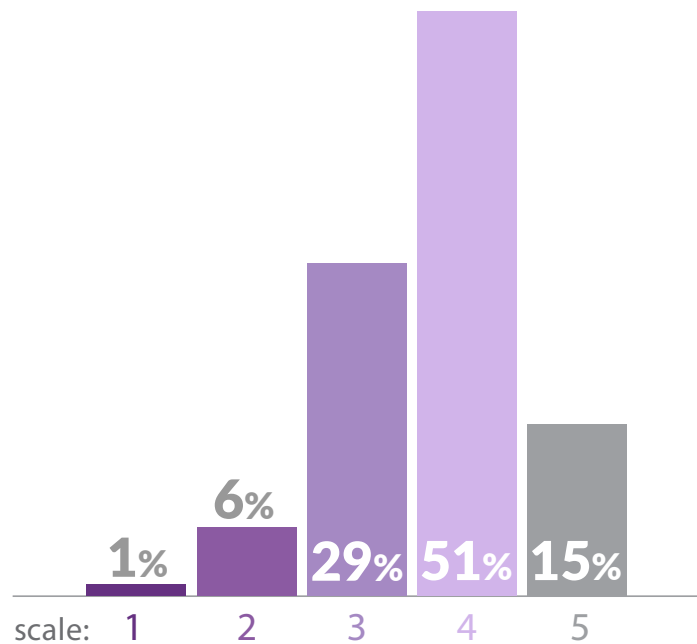
29% of the respondents do not have a return date planned which may mean that they are planning to move abroad permanently. The remaining 71% are planning to stay abroad for varying periods of time: the majority of the respondents plan to return no earlier than after a year, but no later than 3 years from the date of relocation. 17% of professionals and managers are planning to stay abroad for no longer than a year. One in ten respondents are planning to return no earlier than 3 years, but no later than 5 years from the date of relocation. 7% of the respondents are planning to stay abroad for more than 5 years.

Most of the respondents do not wish to stay abroad permanently. What is more, 37% of them would like to stay abroad for a period of one to three years. Antal consultants have observed that the most frequent reason for moving abroad is due to signing a contract with a foreign company, which also entails a higher sa-

lary. A high percentage of IT professionals and managers view working abroad as an opportunity to broaden their competence and improve their foreign language, usually English, skills. Moreover, the respondents remarked that gaining experience through working abroad for a multinational company will improve their image in the eyes of Polish employers. A large percentage of the respondents stated to be planning to stay abroad for no longer than a year (17%) - these are most often contract workers who leave for several months at a time to work on a specific project and return to Poland once the project is completed.

The individuals who declared to be planning to leave permanently are usually young employees who are dissatisfied with the situation in Poland, usually due to their negative experiences associated with working for private companies or public institutions. Their mind is often made up and they are determined to leave.

ON A SCALE OF 1 TO 5, PLEASE RATE THE DEVELOPMENT PROSPECTS OF IT EMPLOYEES IN POLAND.



1 – very poor, 5 – very good

The majority of the respondents (51%) rated the development of Polish IT employees with a 4 (good prospects) on a 5 point scale. A large percentage of the respondents (29%) stated the prospects to be moderate (3/5) and a slightly smaller percentage (15%) considered them to be very good (5/5). According to 6% of the respondents the development prospects are poor (2/5) and 1% of IT professionals and managers considered them to be very poor.

The respondents' declarations allow us to conclude that the majority of them (66%) considers the development prospects within the Polish sector as good or very good. This surely is good news, however we must remember that 29% of IT employees still think that the Polish market needs many improvements (moderate prospects).

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