

Labor Market and Human Resources in Krakow and Małopolska



Małopolska Agencja Rozwoju Regionalnego S.A., Krakowski Park Technologiczny sp. z o.o. and Kraków Nowa Huta Przyszłości S.A. jointly implement a project titled: **“POWER UP YOUR BUSINESS IN MAŁOPOLSKA”**, co-financed by the Regional Operational Programme for the Małopolska Region for 2014–2020 (RPO WM) under Priority Axis 3: “Entrepreneurial Małopolska”, measure: “The Internationalisation of Małopolska Economy”, sub-measure “The Economic Promotion of Małopolska”.

The objective of the project is to directly promote the economic potential of Małopolska on the international scene, improve the competitiveness of regional companies on foreign markets and support foreign investments in Małopolska.

The measures of the “Power up...” project include participating in foreign fairs, organising trade missions and regional workshops, issuing publications and creating a modern information system for the entrepreneurs of Małopolska.

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Krakowski Park Technologiczny sp. z o.o., managing the Special Economic Zone in Małopolska, creating modern aid systems (incubator, seed capital, clustering, etc.), primarily for ICT companies. www.kpt.krakow.pl



Kraków Nowa Huta Przyszłości S.A., managing the largest investment area in Krakow, acting in the area of logistics projects, new technologies, recreation and leisure, urban planning and development of post-industrial areas. www.knhp.com.pl

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Introduction

Małopolska is one of the fastest growing regions not only in Poland but also throughout the European Union. This is evidenced by, among others, prestigious awards and prizes, such as: the title of “European Entrepreneurial Region 2016” awarded only to one Polish province by the Committee of the Regions and the prestigious prize of the European Commission “RegioStars 2016”, as well as another nomination for this award in 2017¹. In addition, Eurostat ranked Małopolska among the 28 most dynamically developing EU regions.

Factors that prove the attractiveness of the Małopolska Region²³:

- 1) “One of the most attractive tourist destinations in Europe and on a global scale (Krakow, Wieliczka, Tatry, Wadowice, Oświęcim) attracting about 12 million tourists a year;
- 2) High quality and availability of qualified employees;
- 3) Convenient geographical location along the transit routes in the eastern (Ukraine), western (Germany), southern (Slovakia, Czech) and northern (Northern Poland, Baltic Sea) directions, main transit corridor from Western Europe to Ukraine (A4 motorway), favorable rail connections (there is also a European Transport Corridor through the region);
- 4) Investment infrastructure (special economic zones, business activity zones, business environment institutions and investor services);
- 5) High economic culture, entrepreneurship and openness to international contacts”.
- 6) High level of economic development: 5th place in Poland due to the size of GDP;
- 7) International Krakow Airport (the second largest in Poland);
- 8) Investment incentives for investors”.



¹ Regiostars Awards 2017 Presentation of the Finalists, European Commission Directorate-General for Regional and Urban Policy: Luxembourg 2017.

² www.businessinmalopolska.pl/strona/dlaczego_malopolska

³ www.businesspl.com/index.php/inwestycje/malopolskie

Krakow, the capital of the region, is a center where local and international institutions and organizations supporting business are based: Małopolska Regional Development Agency, British Polish Chamber of Commerce, American Chamber of Commerce, Nordichouse, Austrian Bureau of Economic Cooperation, Hungarian House, Krakow Merchant Congregation and Chamber of Industry and Commerce⁴.

In the report, we use the words “region” and “province” interchangeably to describe all the 16 polish administrative units.

⁴ www.businessinmalopolska.pl/strona/dlaczego-krakow



This present Report has been developed under the project “Power up your Business in Małopolska”, co-financed by the European Union, out of the European Regional Development Fund – Regional Operational Program of the Małopolska Region 2014-2020, sub-measure 3.3.1 “Economic Promotion of Małopolska”.



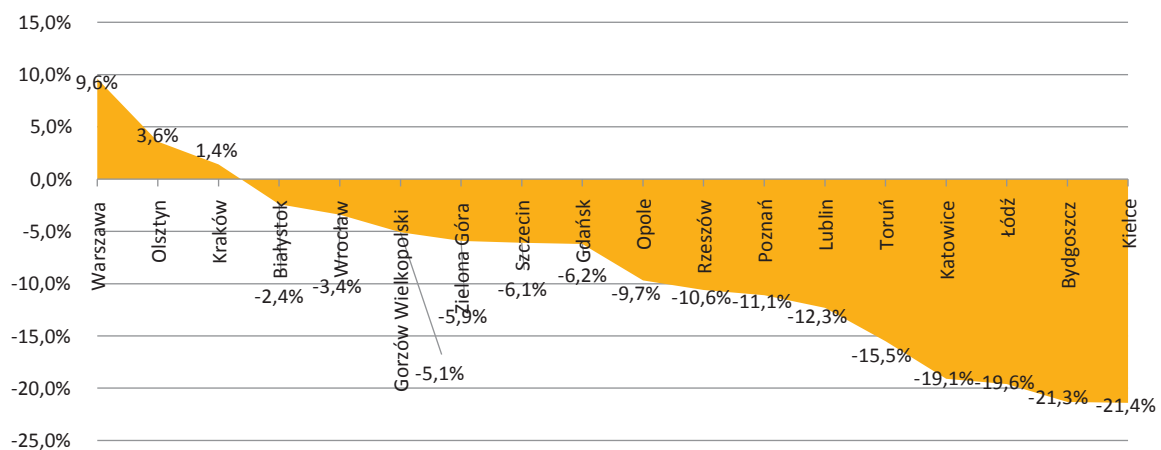


1. Demographic characteristics of Krakow and Małopolska and the main demographic trends.

1.1. Population of Krakow and Małopolska

Krakow - a city with over a thousand years of history, is the second largest city in Poland in terms of population. With the number of over 766,700 only the capital of Poland - Warszawa is larger (1, 758 million inhabitants)⁵. Krakow is also one of the three regional cities in Poland, in which the number of inhabitants is forecast to increase by 2035⁶.

Graph 1. Forecast of the number of inhabitants in the most important cities in Poland by 2035



Source: Prognoza dla powiatów i miast na prawie powiatu oraz podregionów na lata 2014-2050 GUS (2014).

This is also confirmed by the trend over the last 4 years. Only in 2015 there was a decrease in the number of inhabitants, in the remaining years there was an increase. In 2013-2016, the number of Krakow's residents increased by 20.6 thousand people.

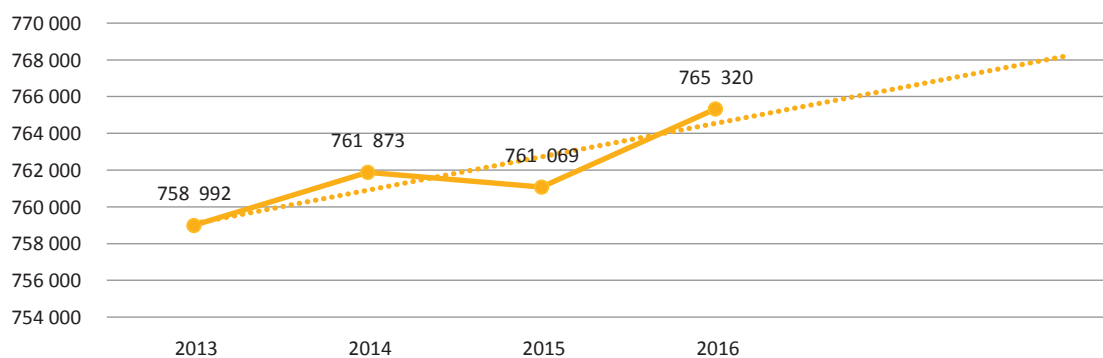
⁵ CSO – 1st half of 2017: www.krakow.stat.gov.pl, www.warszawa.stat.gov.pl

⁶ Forecast for poviats, cities and subregions for 2014-2050, CSO (2014): www.stat.gov.pl/obszary-tematyczne/ludnosc/prognoza-ludnosci/prognoza-dla-powiatow-i-miast-na-prawie-powiatu-oraz-podregionow-na-lata-2014-2050-opracowana-w-2014-r





Graph 2. The trend of changing the population of Krakow



Source: BDL (Local Data Bank) GUS (Central Statistical Office): www.bdl.stat.gov.pl.

Małopolska Region has a population of 3,382 million people. The majority are women (1.741 million), and men are 1.641 million⁷.



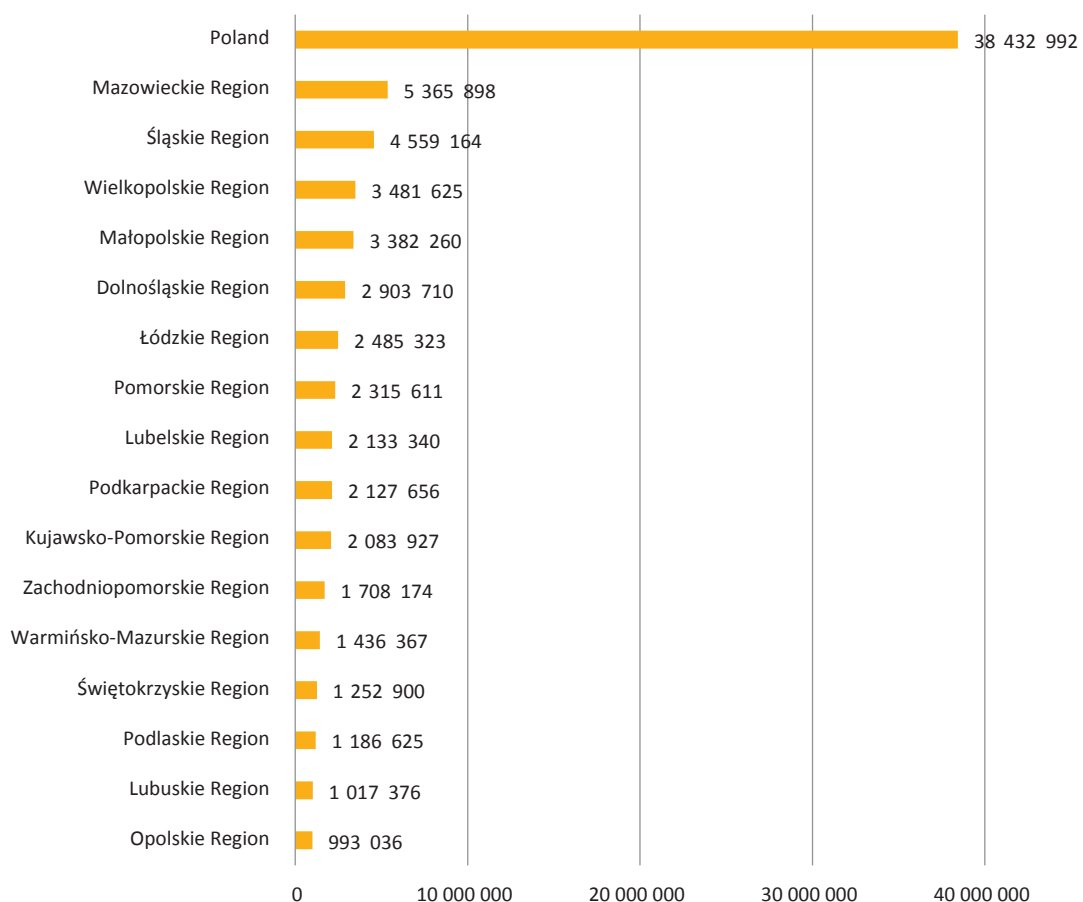
⁷ www.krakow.stat.gov.pl

Table 1. Population in Małopolska Region (thousand)

Years	2014	2015	2016	2017
Region (total)	3,354.10	3,368.30	3,372.60	3,382,260
Men	1,627.00	1,634.30	1,636.70	1,641,317
Women	1,727.10	1,734.10	1,735.9	1,740,943

Source: BDL (Local Data Bank) GUS (Central Statistical Office): www.bdl.stat.gov.pl.

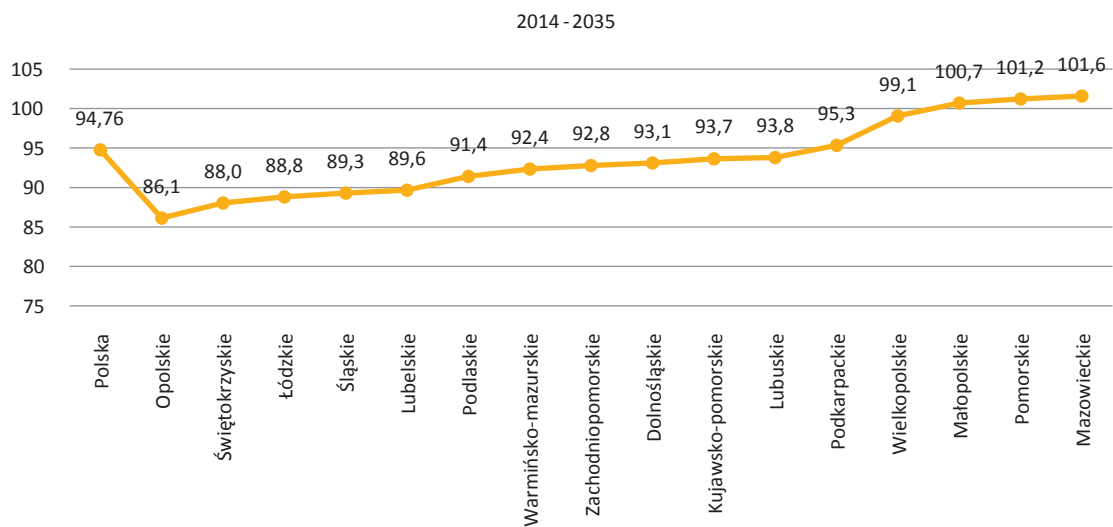
In terms of numbers, Małopolska is fourth in Poland. Only the regions: Mazowieckie, Śląskie and Wielkopolskie have more population. 9% of the total population of Poland lives in Małopolska.

Graph 3. Population in Poland in 2016


Source: BDL (Local Data Bank) CSO (Central Statistical Office): www.bdl.stat.gov.pl.

Małopolska is one of the three regions in Poland, in which, according to forecasts, in 2035 the number of inhabitants will increase (in comparison with 2014). The forecast of the Central Statistical Office assumes that the largest increase will take place in the Mazowieckie Province (1.6%). The Pomorskie Province will be in the second position (1.2%), followed by Małopolskie (0.7%). This forecast includes the birth rate, as well as migrations.

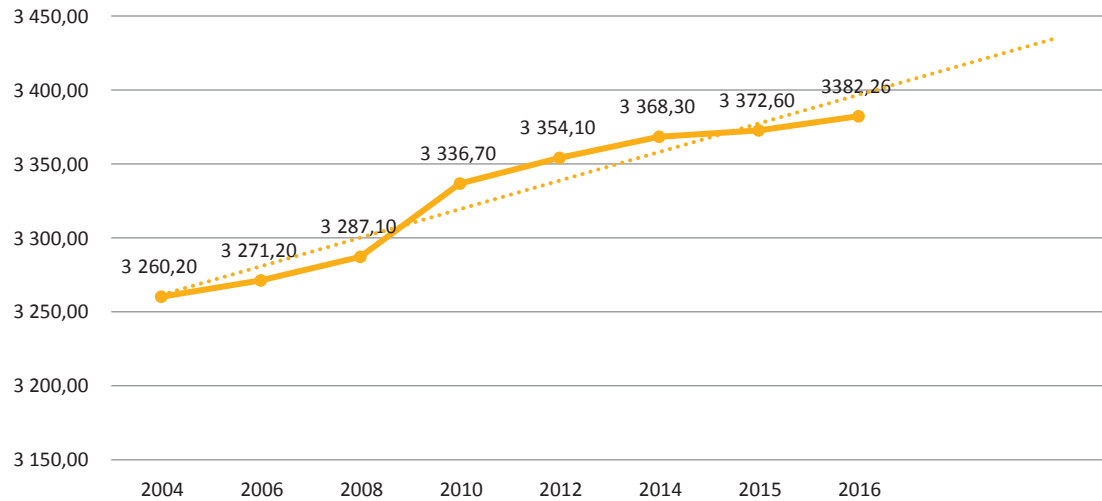
Graph 4. Population projection 2014-2035 (2014=100)



Source: GUS: Population projection 2014-2035.

Since 2004, an increase in the number of inhabitants has been observed in the Małopolska Region (this number increased in this period by 178 thousand people).

Graph 5. Małopolska Region population growth trend (thousand)



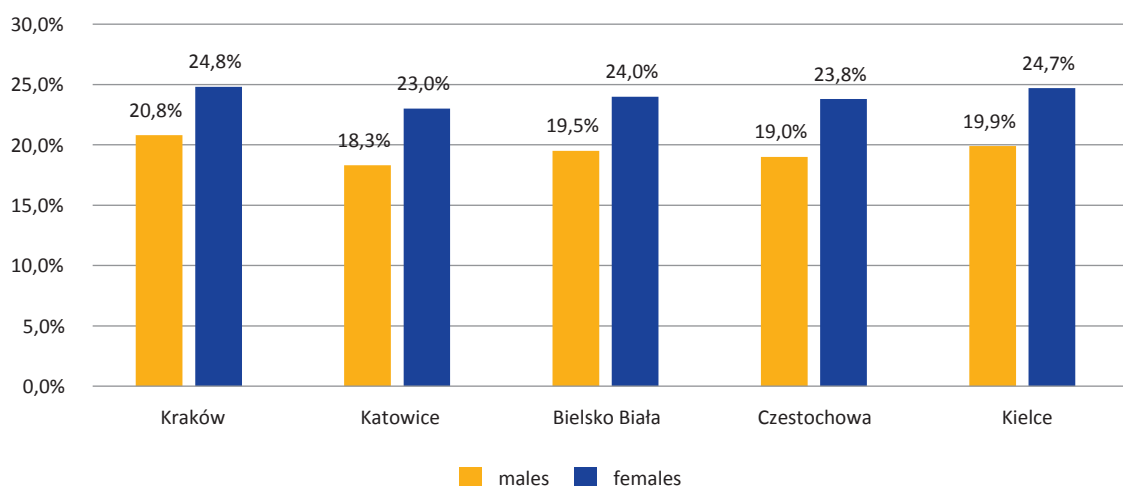
Source: BDL (Local Data Bank) GUS (Central Statistical Office): www.bdl.stat.gov.pl.



1.2. Life expectancy

Małopolska, in terms of life expectancy, is classified on 242nd position among 321 European territorial units (NUTS⁸). Life expectancy in Małopolska is 79.1 years, while the European average is 80.9 years⁹. Women in Poland live on average 7 years longer than men¹⁰. Less this difference applies to Krakow, where it is 5.8 years, and the age of 60 years exceeds 20.8% of men. For comparison, in large cities located within a 100 km radius of Krakow, the percentage of men over 60 years old is in Katowice (18.3%), Bielsko Biała (19.5%), Częstochowa (19%) and in Kielce (19.9%).

Graph 6. Percentage of people who live 60 or more years



Source: Life expectancy tables of Poland 2014.

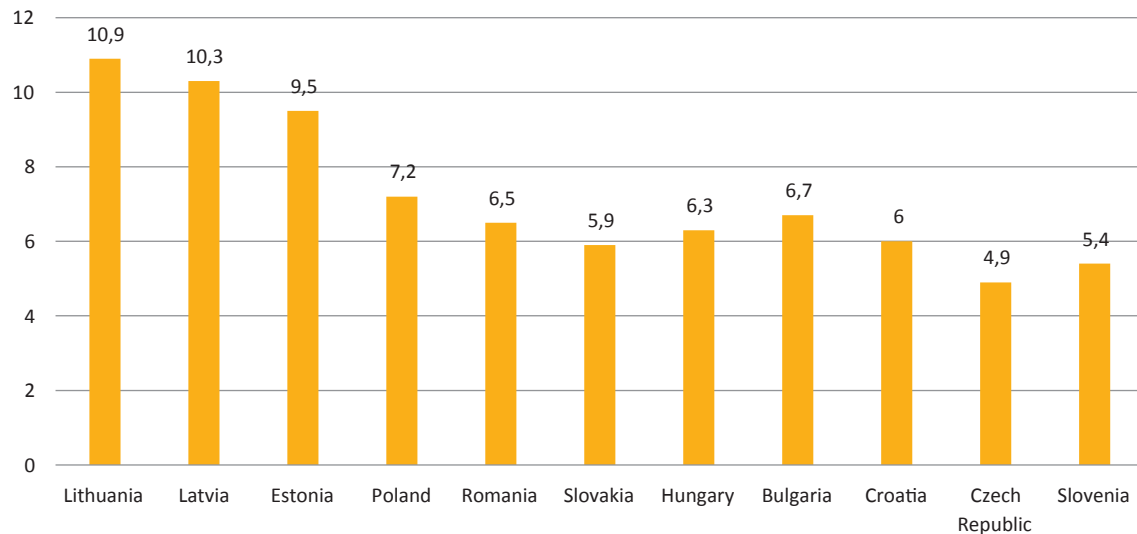
In Central Europe, the lowest difference between the average age of women and men is in the Czech Republic (4.9 years) and Slovenia (5.4 years). And the biggest difference concerns: Lithuania (10.9 years), Latvia (10.3 years) and Estonia (9.5 years).

⁸ „Classification of territorial units for statistical purposes, abbr. NUTS (fr. *Nomenclature des Unités territoriales statistiques*) is a geographical nomenclature dividing the territory of the European Union (EU) into regions with three different levels (NUTS 1, 2 and 3, respectively - the transition from larger to smaller territorial units). Above the NUTS 1 level is the “national” level of the Member State”, *Eurostat – Glossary: Classification of territorial units for statistical purposes (NUTS)*.

⁹ The longest (over 84 years) statistically live representatives of the regions: Comunidad de Madrid, La Rioja i Castilla i León (Spain), Ticino (Switzerland), Trento (Italy), Mauritius (France). The shortest (below 74 years) live in the three regions of Bulgaria (Severen Tsentralen, Yugoiztochen and Severozapaden). *Eurostat: Population statistics at regional level*.

¹⁰ www.ec.europa.eu/eurostat/statistics-explained/index.php/Population_statistics_at_regional_level

Graph 7. Medium Differences in Gender for Life Expectancy in The Regions of Central Europe



Source: Own calculations based on Eurostat: Statistics on population at regional level: www.ec.europa.eu/eurostat/statistics-explained/index.php/Population_statistics_at_regional_level.

1.3 Age structure in Krakow and Małopolska

In Krakow in the pre-working age (under 18 years of age) there are currently 124 thousand inhabitants of Krakow. In the productive age (18-64 years for men, and 18-59 years for women) there are 468 thousand people, and post-working age (over 59 for women and 64 for men) 173.5 thousand people.

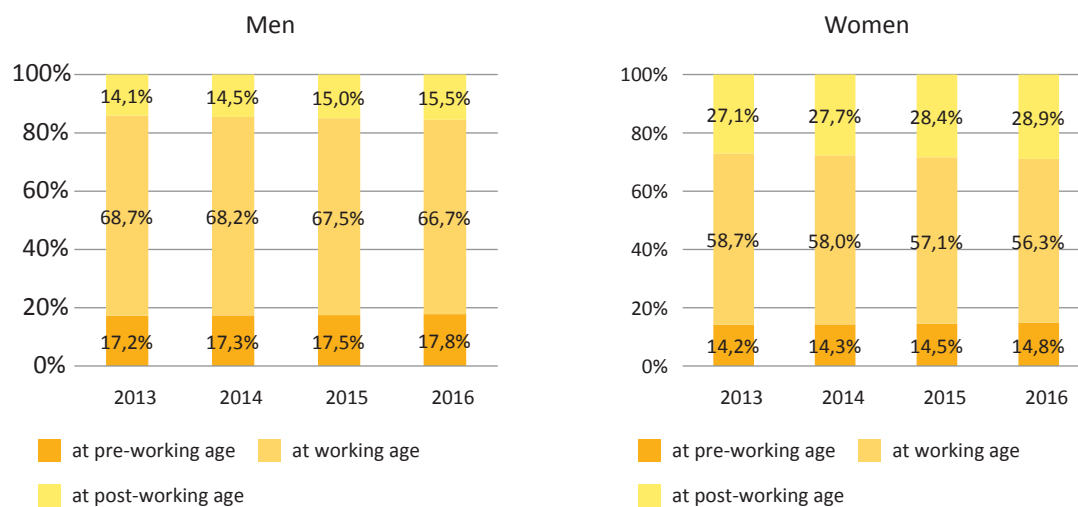
Table 2. Population at pre-working (below the age of 18), working and post-working age by sex in Krakow (2013-2016)

Years	2013	2014	2015	2016
At pre-working age	118,177	119,398	120,953	123,884
At working age	480,990	478,243	471,743	468,011
At post-working age	159,825	164,232	168,373	173,425
Total	758,992	761,873	761,069	765,320

Source: BDL (Local Data Bank) GUS (Central Statistical Office): www.bdl.stat.gov.pl (2016).

In percentage terms in 2016, there were 17.8% of men and 14.8% of women in the pre-working age (under 18 years of age). In the working age there were 66.7% of men and 56.3% of women, and in post-working age (over 59 years for women and over 64 years for men) there were 15.5% of men and 28.9% of women. Whereas the percentage has changed slightly since 2013, in absolute numbers there was an increase in the number of people at pre-working and post-working age, as well as a slight decline in people of working age.

Graph 8. Age structure of inhabitants of Krakow



Source: BDL (Local Data Bank) CSO: www.bdl.stat.gov.pl.



In 2016, there were 3.382 million people living in **Małopolska**. In the pre-productive age there were 639 thousand of them, in productive – 2.097 million, and in the post-working age – 646 thousand

Table 3. Population at pre-working (up to the age of 18), working and post-working age

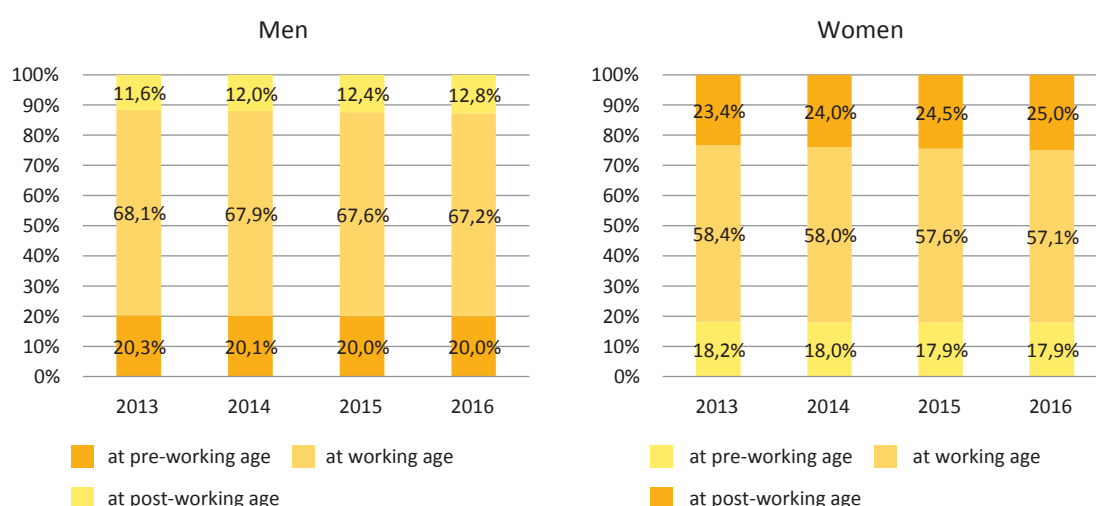
Years	2013	2014	2015	2016
At pre-working age	644.7	640.8	638.6	639.2
At working age	2120.4	2115.9	2106.1	2097.2
At post-working age	595.4	611.6	628	645.9
Total	3360.6	3368.3	3372.6	3382.3

Source: BDL (Local Data Bank) GUS (Central Statistical Office): www.bdl.stat.gov.pl (2017).

Among men, the percentage of people at a pre-working age in 2016 was 20% (by 0.3 percentage point less than in 2013). The percentage of people of working age in 2016 was 67.2% (by 1 percentage point less compared to 2013). On the other hand, in the post-productive age, it was 12.8% (by 1.2 percentage points more than in 2013).

Among women in 2016, there were 17.9% in the pre-working age (by 0.3 percentage point less than in 2013). In the working age there were 57.1% (less by 1.3 percentage points than in 2013), and in post-working age – 25% (more by 1.6 percentage point than in 2013). All this proves the inevitable aging process of the Małopolska inhabitants. This trend is characteristic for the whole of Poland. In 2017, the average age of a Polish resident is 38.6 years, and in 2050 it will be 52 years, respectively¹¹.

Graph 9. Age structure of inhabitants of Małopolska



Source: BDL CSO: www.bdl.stat.gov.pl.

¹¹ Statistical Yearbook of the Małopolska Region (2016), p. 152.





1.4 Demographic data of large urban centers within 100 km from Krakow

Within 100 km from Krakow live 10.4 million people. 7.9 million of them in Poland and other people abroad¹². The largest urban centers in this area are: Katowice, Częstochowa and Bielsko-Biała (in the Śląskie Province) and Kielce in the Świętokrzyskie Province.

Krakow is by far the largest city in the analyzed geographical area. Katowice with a population of 298 thousand makes 39% of the residents of Krakow, Bielsko-Biała (172,000 inhabitants are 22% in relation to Krakow, respectively), Częstochowa (226,000 inhabitants, 30%), and Kielce (197,000 inhabitants are 26%).

Table 4. Number of inhabitants in large centers in the area 100 km from Krakow (2016)

Cities	Total	Men	Women
Krakow	765,320	357,097	408,223
Bielsko-Biała	172,030	81,177	90,853
Częstochowa	226,225	106,245	119,980
Katowice	298,111	141,742	156,369
Kielce	197,704	92,781	104,923

Sources: Statistical yearbook of the Małopolskie Province (2016), Statistical yearbook of the Świętokrzyskie Province (2016), Statistical yearbook of the Śląskie Province (2016).

There are 42 thousand people (35% in relation to Krakow) in the pre-working age in Katowice. There are 29,000 such people in Bielsko-Biała (24%), 34 thousand (28%) in Częstochowa, and 31 thousand (25%) in Kielce.

Table 5. Population at pre-working age in large centers in the area of 100 km from Krakow (2016)

Cities	Total	Men	Women
Krakow	123,884	63,577	60,307
Bielsko-Biała	29,195	14,958	14,237
Częstochowa	34,212	17,414	16,798
Katowice	43,256	22,090	21,166
Kielce	31,010	15,889	15,121

Sources: Statistical yearbook of the Małopolskie Province (2016), Statistical yearbook of the Świętokrzyskie Province (2016), Statistical yearbook of the Śląskie Province (2016).

There are 181.5 thousand people (39% in relation to Krakow) in the working age in Katowice. There are 102 thousand (22%) such people in Bielsko-Biała, 136.5 thousand (29%) in Częstochowa, 119 thousand (25%) and in Kielce.

¹² <http://www.krakowairport.pl/en/>



Table 6. Population at working age in large centers in the area of 100 km from Krakow (2016)

Cities	Total	Men	Women
Krakow	468,011	238,258	229,753
Bielsko-Biała	102,086	53,263	48,823
Częstochowa	136,587	72,013	64,574
Katowice	181,513	95,810	85,703
Kielce	118,993	61,744	57,249

Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Province (2016), Statistical Yearbook of the Śląskie Province (2016).

There are 73 thousand (men over 64 years of age and women over 59) in Katowice in the group of the oldest people (42% compared to the Krakow population). There are 41 thousand (23%) such people in Bielsko-Biała, 55.5 thousand (232%) in Częstochowa, and 47 thousand (28%) in Kielce.

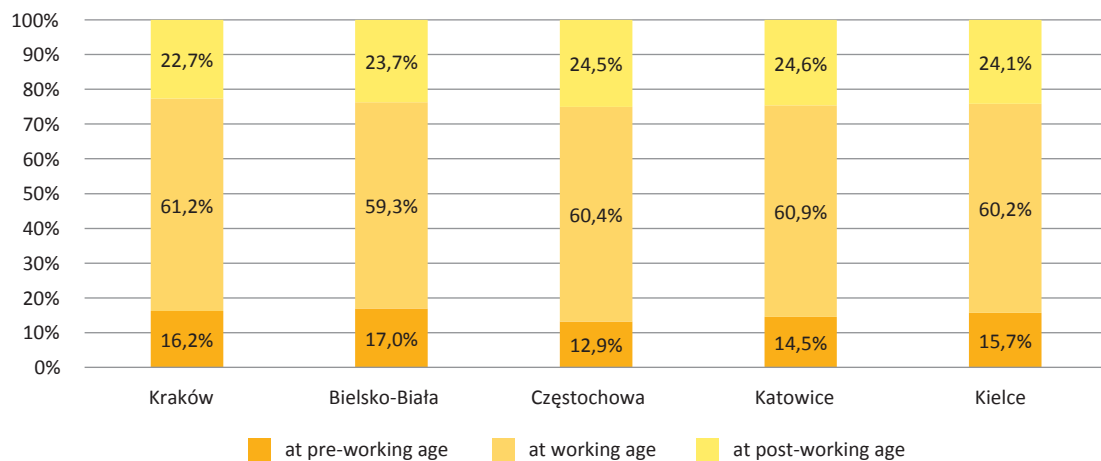
Table 7. Population at post-working age in large centers in the area of 100 km from Krakow (2016)

Cities	Total	Men	Women
Krakow	173,425	55,262	118,163
Bielsko-Biała	40,749	12,956	27,793
Częstochowa	55,426	16,818	38,608
Katowice	73,342	23,842	49,500
Kielce	47,701	15,148	32,553

Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Region (2016), Statistical Yearbook of the Śląskie Province (2016).

In terms of the age structure of the inhabitants of the compared cities, Krakow has the lowest percentage of people in post-working age (22.7%) and the highest percentage of people in working age. Bielsko-Biała has the highest percentage of people of pre-working age (17%).

Graph 10. Age structure of the population in cities within 100 km from Krakow

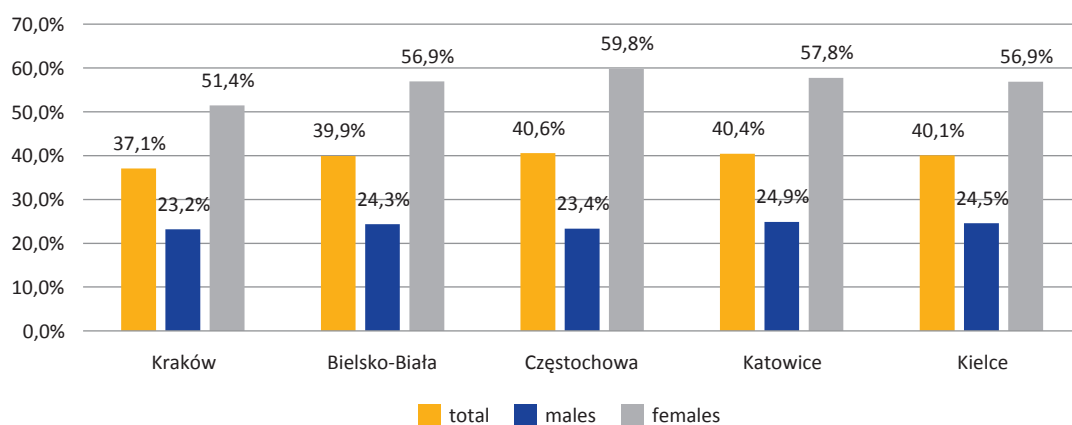


Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Province (2016), Statistical yearbook of the Śląskie Province (2016).

The age dependency ratio¹³ is also the lowest in Krakow. In 2016, it was 37.1%, and in other cities was:

- 39.9% in Bielsko-Biała,
- 40.6% in Częstochowa,
- 40.4% in Katowice,
- 40.1% in Kielce.

Graph 11. The age dependency ratio in Krakow and other cities



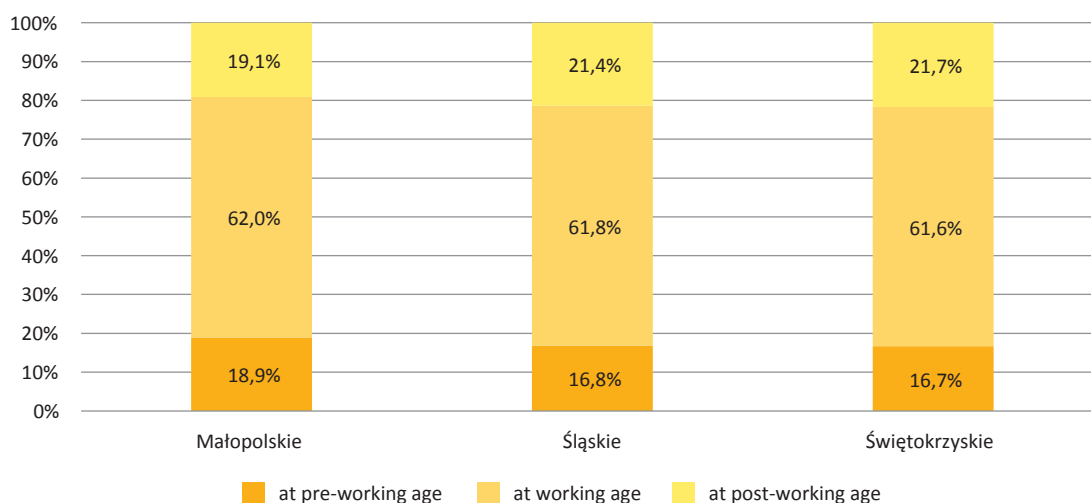
Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Province (2016), Statistical Yearbook of the Śląskie Province (2016).

¹³ The age dependency ratio is the ratio of dependents (people at pre-working and post-working age) to the working-age population. This indicator is measured as a percentage of the population.

1.5 Demography of regions located within 100 km from Krakow

We take into consideration two regions within a range of 100 km from Krakow: Śląskie and Świętokrzyskie. Małopolska with a population of 3.38 million inhabitants is a smaller region than Śląskie (4.56 million inhabitants), but larger than Świętokrzyskie (1.26 million).

Graph 12. Age structure of the population in regions 100 km away from Krakow (2016)

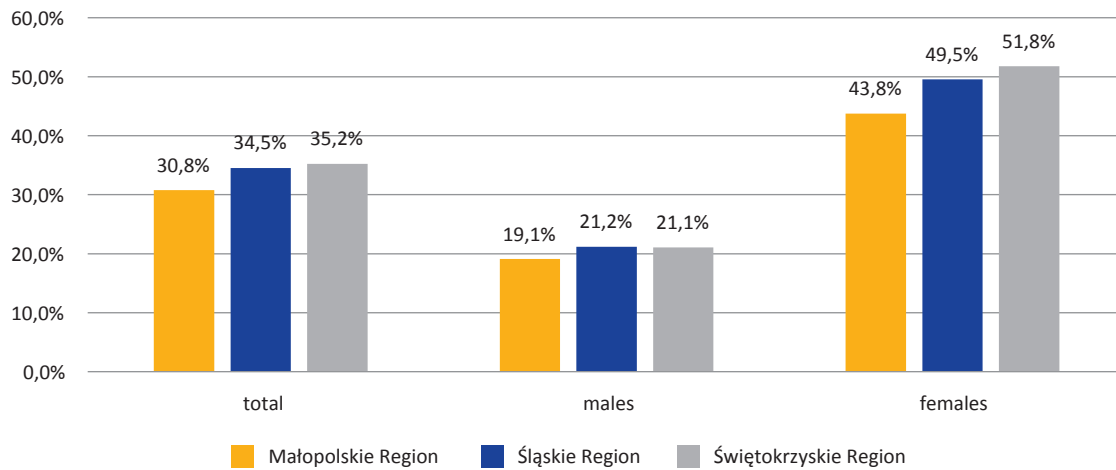


Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Province (2016), Statistical yearbook of the Śląskie Province (2016).



The age dependency ratio¹⁴ in 2016 amounted to 30.8% in Małopolska, 34.5% in the Śląskie Province and 35.2% in Świętokrzyskie Province.

Graph 13. The age dependency ratio in Małopolska and other regions (2016)



Sources: Statistical Yearbook of the Małopolskie Province (2016), Statistical Yearbook of the Świętokrzyskie Province (2016), Statistical yearbook of the Śląskie Province (2016).

¹⁴ Vide, Niezbędnik Statystyczny GUS, p. 27.





II Basics of labor law in Poland

The basis of labor law in Poland is regulated by the Labor Code Act dated June 26, 1974 (along with subsequent changes). Protection of labor law is included, among others in the Constitution of the Republic of Poland of April 2, 1997 and numerous rulings of the Supreme Court of the Republic of Poland¹⁵.



2.1 The rules of labor law

Everyone has the right to work, not the obligation, and everyone has the right to freely choose a job. The arrangement of an employment and fixing of working and pay conditions, regardless of the legal basis of this relationship, requires a declaration of will by the employer and employee. It should be emphasized that freedom of work also means the freedom to terminate the employment relationship.

¹⁵ R. Terlecki, N. Szok, Prawo pracy w praktyce (Labor law practice), Warszawa 2015



All employees and job applicants are protected against discrimination (direct or indirect) based on gender, age, disability, race, religion, nationality, political convictions, trade union membership, ethnicity, sexual orientation and due to employment for a definite or indefinite period or full-time or part-time employment. The employer is obliged to respect the dignity and other personal rights of the employee. Employees have equal rights for the same fulfillment of the same obligations, this applies particularly to equal treatment of men and women.

An employee has the right to fair remuneration for work also labor law ensures the minimum remuneration for work. The fair remuneration depends on, among others, such factors as:

- the salary grid in force at the workplace;
- average level of remuneration for the same or similar nature of the work performed in a given industry;
- education;
- responsibilities;
- material responsibility;
- availability.

The employee has the right to rest, which provides provisions on working time, days off work and on vacation. The employer is obliged to provide employees with safe and healthy working conditions. Employees and employers, to represent and defend their rights and interests, have the right to set up organizations and join these organizations. The principles of setting up and operation of



those organizations are set out in the Act on Trade Unions, the Employers Organizations Act and other legal provisions.

2.2 Types of contracts binding employer and employee

Contracts of employment

In Poland, there are two types of contracts between employers and employees. The first type is a job contract, understood as a joint declaration of will of two parties (employees and employers). In the contract, the employee commits to the designated type of work at a specific place and time. In turn, the employer will pay remuneration to the employee. The contract should be in written form. The employer must issue a written confirmation of its provisions on the day the employee starts to work. An employment contract should contain information as:

- 1) type of work,
- 2) place of work,
- 3) remuneration corresponding to the type of work,
- 4) date of start of work (if it is not specified in the contract, it is assumed that it is the day of signing the contract),
- 5) working time.



Features of employment contracts are listed in the table below.

No.	Types of contracts	Features
1	Contract for an indefinite period	<ul style="list-style-type: none"> • lack of a fixed duration of the employment relationship; • there is a subordination of the employee to the employer; • the employer bears the risk related to possible damage caused by the employee to third parties; • the most beneficial from the employees' point of view, therefore it carries the greatest load on the employer
2	Fixed-term contract	<ul style="list-style-type: none"> • concluded for a predetermined period of employment; • if an employer has concluded two subsequent contracts for a definite period with an employee, the third contract will be treated as an indefinite contract if the break between the second and third contracts does not exceed one month; • while the contract is in force, the employee is subordinated to the employer; • the employer bears the risk related to possible damage caused by the employee to third parties during the term of the contract; • it can be terminated by giving notice; • a seasonal contract is one of the types of such contract – its duration is limited to one season.
3	Contract for a trial period	<ul style="list-style-type: none"> • this contract precedes the conclusion of a contract of employment; • the total trial period for one employer may not exceed 3 months; • this contract allows the employer to check the skills and qualifications of the employee in a given position; in turn, the employee gives the opportunity to assess whether the work meets expectations; • it is possible to terminate the contract for a trial period by giving notice.
4	Replacement contract	<ul style="list-style-type: none"> • during the absence of an employee at work, a specific date may be designated or until he returns;
5	Contract for the duration of a specific job	<ul style="list-style-type: none"> • the deadline for the termination of the contract is not precisely defined; this applies to seasonal or cyclical employment contracts; • the contract is concluded in order to perform a specific task (work); • the employee is subordinated to the employer during the term of the contract • does not provide for termination of employment with notice.
6	Contract for professional preparation	<ul style="list-style-type: none"> • the aim of the contract is to prepare a young person (under 18 years of age) to perform a specific profession; • in general, the provisions regulating contracts of indefinite duration apply to this type of contract; • the employer is obliged to allow the student to participate in school activities; • it's possible to terminate the contract by giving notice in a situation when a young person fails to fulfill his/her job or school duties; when it turns out that a juvenile cannot perform a specific profession; at a disadvantage of the enterprise (e.g. bankruptcy, liquidation, restructuring), which prevents the preparation of a young person to a given profession.

Source: M. Olesiak, D. Natkaniec, W pierwszej pracy, Warszawa 2017.

According to the Labor Code, the termination of an employment contract can be carried out:

- 1) under the parties' agreement;
- 2) by a statement of one of the parties with a notice period (contract termination by notice),
- 3) by a statement of one of the parties without notice (contract termination without notice),
- 4) with elapsed time for which it was concluded,
- 5) on the day of completion, the job for which the contract was concluded¹⁶.

Periods of notice are respectively:

¹⁶ <https://poradnikprzedsiębiorcy.pl/-rozwiązanie-umowy-o-prace>

No.	Type of contract	Period of notice:
1	Trial contract	<ul style="list-style-type: none"> • contract for 2 weeks - 3 days, • contract from 2 weeks to 3 months - 1 week, • contract for 3 months - 2 weeks.
2	Contracts for a definite period and for an indefinite period (include replacement contracts).	<ul style="list-style-type: none"> • 2 weeks – employment not longer than 6 months, • 1 month – employment for minimum 6 months, • 3 months – employment for minimum 3 years.

Civil law contracts

Civil law contracts are not regulated by the Labor Code but the Civil Code. These include:

- 1) Contract of mandate,
- 2) Contract for specific work,
- 3) Agency agreement,
- 4) Contract for home work.

The characteristics of civil law contracts are included in the table below.

No.	Type of contract	Characteristics
1	Contract of mandate	<p>It is based on the fact that the employer commissions the performance of a specific job within a specified period of time for a fixed remuneration:</p> <ul style="list-style-type: none"> • no subordination to the employer; • no minimum remuneration; • no limit to the number of contracts concluded with one employer; • the contractor may be a business entity (enterprise), • the client is not obliged to grant leave, severance pay or payment for sickness time. <p>If the contract of mandate is the only source of income from work, it is obligatory to pay all social security contributions and advance tax.</p>
2	Contract for specific work	<p>A person employed on the basis of such a contract undertakes to perform a specific work, i.e. to achieve a given result.</p> <ul style="list-style-type: none"> • the contract may specify the date of completion of the work; • the employer undertakes to pay the remuneration if the work specified in the contract is fulfilled.
3	Agency agreement	<p>On the basis of such a contract, the employee is obliged to act as an intermediary in concluding contracts for or on behalf of the ordering party:</p> <ul style="list-style-type: none"> • the remuneration is determined in the contract (usually set in the form of commissions); agency agreement is concluded for a definite or indefinite period. • when it comes to calculating social security contributions - in principle, the contract of mandate regulations apply.
4	Contract for home work	<p>Concerning the provision of homework services:</p> <ul style="list-style-type: none"> • it must specify the remuneration that must be met by minimum wage regulations; • compulsory contributions to retirement insurance are obligatory from the employer's point of view - the remaining contributions are voluntary.



III Science and business

In the academic year 2016/2017, in Małopolska were 29 higher education schools where 169.2 thousand students (including foreigners), which made 12.6% of all students studying in Poland¹⁷. In higher education institutions from the Małopolska Region, in the academic year 2016/2017, there were 12.8 thousand academic teachers.

Table 8. Statistics of the academy in Małopolska Region

Academies	Numbers	Professors	Students	Graduates
	31	12,610	175,596	.
Universities	1	3,933	41,818	9,633
Technical universities	2	3,395	45,949	13,933
Agricultural academies	1	761	10,260	3,226
Academies of economics	7	852	26,420	8,231
Teacher education schools	2	1,175	17,064	4,881
Physical academies	1	255	4,258	934
Fine arts academies	3	663	2,303	579
Theological academies	1	248	2,193	574
Others	11	1,328	25,331	7,995

Source: Own calculations based on High schools in the Małopolska Region in academic year 2016/2017, p.1.GUS: Opracowanie sygnalne Sierpień 2017 r.

3.1 Cooperation between universities and employers

In the study carried out in 2015¹⁸ it was noted that the cooperation between universities and employers in the field of practical training of students takes various forms. In the area of creating and implementing curriculum, it includes:

- consultation of curriculum with entrepreneurs,
- agreeing on the creation of new and liquidation of current fields of study,
- creation of new fields of study ordered by the employer,
- consultations on the methods of assessing the results achieved by students.

Entrepreneurs may also be involved directly in the teaching process by conducting lectures and courses, including courses within the patronage classes. Some of the forms of cooperation are related to the involvement of students in research and science directed to the needs of employers.

¹⁷ High schools in the Małopolska Region in academic year 2016/2017, p.1.GUS: Opracowanie sygnalne Sierpień 2017 r., p.1

¹⁸ An on-going evaluation study identifying good practices in the implementation of practical elements of education in projects co-financed under the HC OP Priority IV and in other activities in the field of higher education, Idea Rozwoju Foundation (2015).

These include:

- scholarships and competitions (e.g. for the best diploma thesis in a given area of interest of the company),
- ordering diploma thesis subjects and providing data for diploma theses,
- joint organization of the conference,
- cooperation with science clubs,
- cooperation in research and development projects involving students.

The cooperation of employers with universities can directly relate to the recruitment process. In this case, it mainly includes:

- cooperation with academic career offices in the field of exchanging information on the needs of employers, including providing information on vacancies by universities,
- job fairs.

Among the forms of cooperation carried out directly at the employer, you can distinguish:

- practical courses,
- internships and traineeship.

The examined students indicated that the following elements of the internship/traineeship are very important or important:

- the internship/traineeship program has an educational value and allows you to acquire knowledge or skills (94%),
- proper implementation of the trainee in duties and organization (93%),
- reliable recruitment (90%),
- receipt of written confirmation at the end of the internship/traineeship (88%),
- a properly prepared place for a trainee (87%),
- a written internship/traineeship program available to students (85%)¹⁹.

3.2 Education of Krakow and Małopolska inhabitants

In **Krakow**, the largest group are people with higher education (21%) and secondary education (21.6%). 17% of residents have a general secondary education and 16% have basic vocational and completed basic²⁰. In the school year 2015/2016, there were 534 schools in the city. Most students attend elementary schools (41.3 thousand) and medium schools (36 thousand)

Table 9. Education structure in Krakow (2016)

Krakow	Number of Schools	Branches	Students	Graduates
Primary	167	2,082	41,374	6,206
Lower secondary	121	852	18,153	5,892
Basic professional	36	166	2,507	780
General secondary schools	89	691	18,800	5,834

¹⁹ Ibid., p. 15.

²⁰ BDL CSO: www.bdl.stat.gov.pl

Krakow	Number of Schools	Branches	Students	Graduates
Technical secondary	121	852	18,153	5,892
Total	534	4,643	98,987	24,604

Source: BDL CSO: www.bdl.stat.gov.pl.

In the Małopolska Region the largest group of inhabitants has a basic vocational education (656,000). Primary education is 570.6 thousand, secondary vocational school 482.6 thousand, general average 342.6 thousand, and higher 494 thousand²¹.

Table 10. Education in the Małopolska Region (2016)

Education	Total	Men	Women
Higher academic	494,005	205,010	288,995
Postgraduate	70,599	18,524	52,075
Intermediate vocational	482,460	249,638	232,822
General secondary education	342,675	124,071	218,603
Basic professional	656,014	405,957	250,057
Basic finished and junior high school	570,643	257,538	313,105
Basic incomplete and without education	24,054	8,559	15,496
Transients	161,011	75,924	85,087

Source: BDL CSO: www.bdl.stat.gov.pl.

In Małopolska, in the school year 2015/2016, there were 2,705 schools.

Table 11. Education structure in Małopolska Region (2016)

Małopolska	Number of Schools	Branches	Students	Graduates
Primary	1,461	12,190	220,561	32,400
Lower secondary	766	4,485	100,382	33,851
Basic professional	156	743	19,398	6,084
General secondary schools	169	1,585	44,843	15,833
Technical secondary	153	1,961	50,633	11,038
Total	2,705	20,964	435,817	99,206

Source: Statistical yearbook of the Małopolska Region 2016- Chapter 10.

²¹ BDL (Local Data Bank) CSO: www.bdl.stat.gov.pl



IV Labor market and salaries

The Małopolska labor market is one of the largest in Poland in terms of the number of employees. With the number of employees amounting to 1.374 million, it occupies the fourth place in the country, which gives 9.2% of all employees in Poland.

Table 12. Employees in the Regions of Poland (2016)

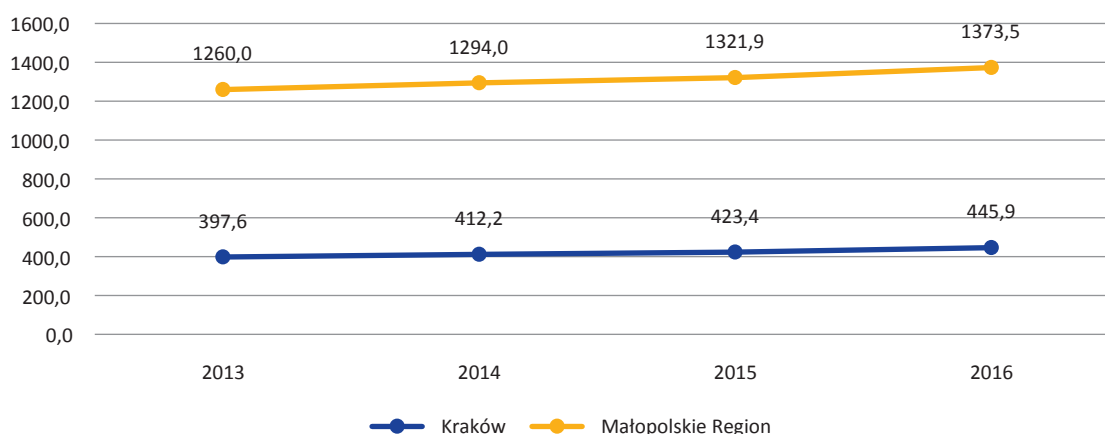
Years	2013	2014	2015	2016	2016 (%)
Poland	13,919,826	14,237,452	14,504,269	14,964,411	100.0%
Mazowieckie Province	2,274,610	2,342,985	2,406,734	2,527,039	16.9%
Śląskie Province	1,638,657	1,654,506	1,671,978	1,706,343	11.4%
Wielkopolskie Province	1,367,192	1,412,670	1,448,408	1,500,101	10.0%
Małopolskie Province	1,259,992	1,293,971	1,321,890	1,373,505	9.2%
Dolnośląskie Province	1,018,172	1,047,702	1,073,014	1,105,595	7.4%
Łódzkie Province	925,303	944,104	956,856	980,445	6.6%
Pomorskie Province	753,429	774,807	798,217	835,789	5.6%
Podkarpackie Province	792,771	804,330	809,734	831,425	5.6%
Lubelskie Province	799,820	809,318	817,161	829,185	5.5%
Kujawsko-pomorskie Province	676,971	694,901	707,068	723,036	4.8%
Zachodniopomorskie Province	507,477	515,576	525,662	540,423	3.6%
Świętokrzyskie Province	453,970	460,010	465,034	473,772	3.2%
Warmińsko-mazurskie Province	419,637	426,348	433,237	443,287	3.0%
Podlaskie Province	400,090	408,841	413,077	421,839	2.8%
Lubuskie Province	320,293	330,493	334,597	343,848	2.3%
Opolskie Province	311,442	316,890	321,602	328,779	2.2%

Source: BDL CSO www.bdl.stat.gov.pl.

4.1 The working people in Krakow and Małopolska

In Krakow, in 2016 there were 495.9 thousand people employed. This means an increase of 12% compared to 2013. In the entire Province there were 1.374 million people working at the time (an increase of 9%). In terms of dynamics of employment growth, Małopolska in the discussed period took the third position in Poland (giving way to the following provinces: Mazowieckie and Wielkopolskie).

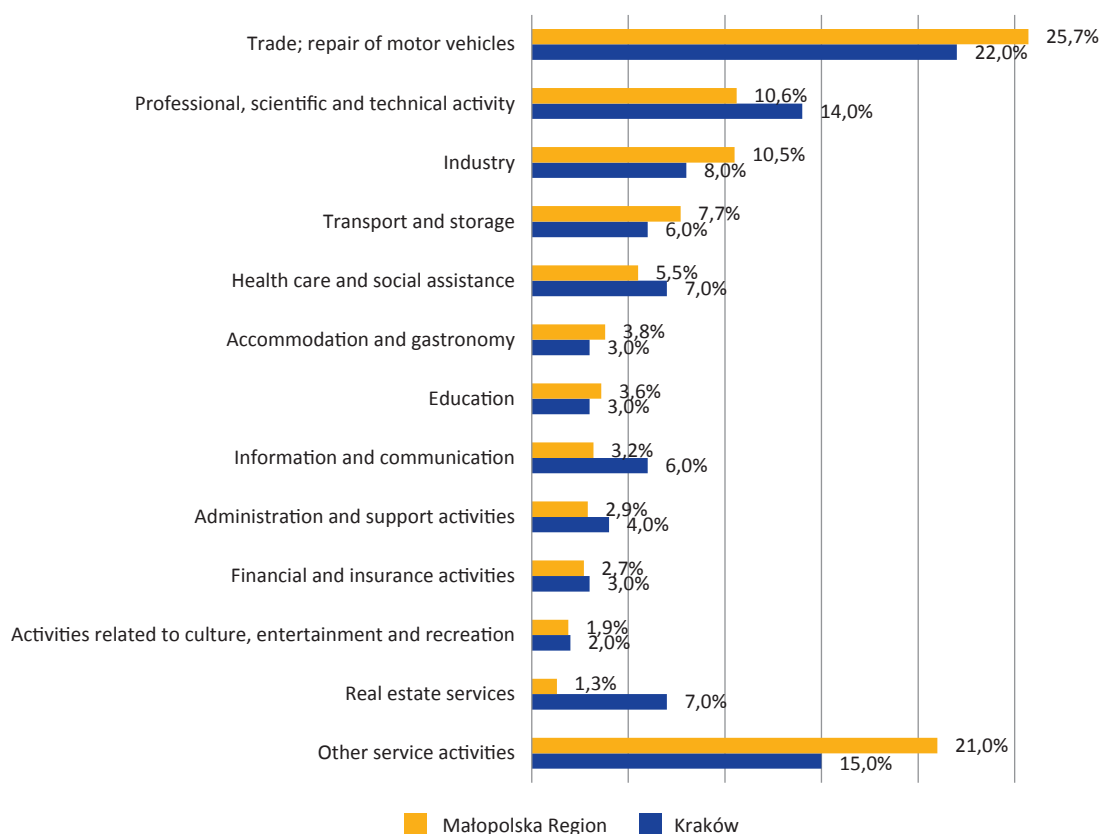
Graph 14. Employees in Krakow and Małopolska Region



Source: BDL CSO www.bdl.stat.gov.pl.

The highest percentage of Krakow and the Małopolska Region residents work in the industry: trade, repair of motor vehicles (22% and 25.7% respectively). In addition, in Krakow a significant group of people work in the industry: professional, scientific and technical (14%), industry (8%), health care and social assistance (7%) as well as transport and storage (6%). However, in the province a large number of people work in the following industries: professional, scientific and technical (10.6%), industry (10.5%), transport and storage (7.7%), health care and social services (5, 5%).

Graph 15. Employees structure in Krakow and Małopolska Region



Source: BDL CSO.

In absolute terms, 195 thousand people worked in the trade industry and repair of motor vehicles, 224 thousand in the industry, 195 thousand in industrial processing, 107 thousand in education, 76 thousand in health care and social assistance and 62 thousand in scientific, professional and technical activities.

4.2 Registered unemployment

The registered unemployment rate in Małopolska as well as in other Provinces of Poland in 2013-2016 has clearly decreased. As recently as in 2013, in Poland it amounted to 13.4% and in 2016 to 8.3%. The situation is similar in the Małopolskie Province, where in 2013 there were 11.4% of the unemployed, and in 2016, respectively 6.7%.

In Krakow, the unemployment rate currently reaches 3.5%, which means that it has a fictional character (i.e. the unemployed are almost exclusively people who change jobs). In June 2017 there were 13.9 thousand people without work (including 7.3 thousand women). What is important, in 2016 the number of job offers amounted to over 3.5 thousand and it significantly exceeded the number of people who lost their jobs (1.9 thousand)²².

4.3 Labor market indicators in Małopolska

The lowest unemployment in the region concerns people with higher education (3.9% in 2016). Among people with vocational secondary education it was 7.2%, the general secondary 8.9%, the basic vocational school 8.4%, and basic 7.1%. People with higher education are also the most professionally active (88%). The least active is the category of people with primary or incomplete primary education (15.6%)²³.

In the age groups, the highest unemployment rate applies to the youngest (up to 24 years old). There were 21.2% of people of this category without employment in 2016 (24 thousand). In turn, the lowest unemployment is in the group of middle-aged people (34-54 years old). The highest rate of professional activity (over 85%) is characterized by the category of people aged 25-44.

4.4 Labor market in Krakow and Małopolska against leading urban centers and provinces within 100 km

The following cities within range of 100 km were taken for comparison with Krakow: Bielsko-Biała, Częstochowa and Katowice (in the Śląskie Province) and Kielce (in the Świętokrzyskie Province).

In terms of the registered unemployment rate, the most favorable situation was at the end of December 2016 in Bielsko-Biała (2.5%), in Katowice was 2.8%, in Krakow 3.5%, in Częstochowa 6.2% and in Kielce 7.6%. Most new jobs were offered in Krakow (1,875), and the least in Częstochowa (181)²⁴.

²² Rynek pracy w liczbach, Wojewódzki Urząd Pracy w Krakowie: wup-krakow.pl/malopolski-rynek-pracy/rynek-pracy-w-liczbach

²³ CSO: Aktywność ekonomiczna ludności Polski I kwartał 2017, p. 120.

²⁴ www.krakow.stat.gov.pl/vademecum/vademecum_malopolskie/portrety_miast/miasto_krakow.pdf;
www.katowice.stat.gov.pl/vademecum/vademecum_slaskie/portrety_miast/miasto_bielsko-biala.pdf;
www.katowice.stat.gov.pl/vademecum/vademecum_slaskie/portrety_miast/miasto_katowice.pdf;
www.katowice.stat.gov.pl/vademecum/vademecum_slaskie/portrety_miast/miasto_czestochowa.pdf;
www.kielce.stat.gov.pl/vademecum/vademecum_swietokrzyskie/portrety_miast/miasto_kielce.pdf

Table 13. Indicators of the labor market in Krakow and other large urban centers within 100 km (December 2016)

Indicators	Krakow	Bielsko-Biała	Częstochowa	Katowice	Kielce
Population*	761,069	172,030	226,225	298,111	197,704
Employed	326,180	773,521	73,887	162,890	74,061
Registered unemployed	16,213	3,230	6,766	5,970	8,326
Unemployment rate	3.5 %	2.5%	6.2%	2.8%	7.6%
Job offers from the employment office	1,875	286	181	1,042	186

Source: Vademecum Samorządowca 2017, GUS: Krakow, Katowice, Kielce.

*Data from the 1st quarter of 2017

In the interregional comparison with Małopolska labor market, Śląskie and Świętokrzyskie Provinces were taken into consideration.

The highest number of employees is in the Śląskie Province (1.290 million), and the least in Świętokrzyskie (381 thousand). It results directly from the number of people living in either province. The highest unemployment rate occurred in Świętokrzyskie, and in Małopolskie and Śląskie it is almost identical.

Table 14. Indicators of the labor market in Małopolska and Regions centers within 100 km of Krakow (2016-2017; thousand)

Indicators	Małopolska Region	Śląskie Region	Świętokrzyskie Region
Population thousand *	3,386.2	4,552.6	1,249.7
Employed	748.5	1,289.8	381.1
Registered unemployed	119.6	148.5	66.1
Unemployment rate %*	5.3%	5.1%	8.6%
Job offers from the employment office *	3,013	10,749	756

Sources: Statystyczne Vademecum Samorządowca 2017, Portrety miast i województw.

*Data from the 1st quarter of 2017

4.5 The employment agencies

Employment services in Poland are performed by local government institutions (labor offices), state institutions (Voluntary Labor Corps) and private employment agencies. These institutions are addressed to the unemployed or those who change job. They offer a wide range of instruments: as job placement, personal advice, career counseling, temporary work, intervention work, training vouchers, etc.²⁵.

²⁵ Ustawa z dnia 20 kwietnia 2004 r. o promocji zatrudnienia i instytucjach rynku pracy, Rozdział 11, art. 44.

“Employment agencies are entities inscribed in the register of entities running employment agencies, providing job placement services, job placement abroad with foreign employers, vocational counseling, personal advice or temporary work”²⁶. Each employment agency carries out the activity of providing one, several or all services

The functions of an employment agency are regulated by the Act on employment promotion and labor market institutions²⁷. Their description is included in the table below.

Functions	Works
Job placement	<ol style="list-style-type: none"> 1) Assisting people in obtaining appropriate employment and assisting employers in obtaining employees with sought professional qualifications. 2) Acquiring and disseminating job offers. 3) Providing employers with information about job candidates in relation to the submitted job offer. 4) Informing job candidates and employers about the current situation and anticipated changes in the local labor market. 5) Initiating and organizing contacts of people seeking appropriate employment with employers. 6) Sending people to work abroad with foreign employers. 7) Sending foreigners to employment or other paid work to entities operating in the territory of the Republic of Poland.
Personal advice	<ol style="list-style-type: none"> 1) Analyzing employment, defining the qualifications of employees and their predisposition as well as other features necessary to perform a specific job. 2) Indicating the sources and methods of obtaining candidates for specific positions. 3) Verification of candidates in terms of expected qualifications and predispositions.
Career counseling	<ol style="list-style-type: none"> 1) Assistance in choosing the right profession and place of employment. 2) Providing information necessary to make professional decisions, in particular about occupations, the labor market and training and education opportunities. 3) Initiating, organizing and conducting group professional advice, activating classes in the field of assistance in active job search. 4) Assisting employers in the selection of candidates for work, in particular for providing information and advice in this area.
Temporary job	It involves employing temporary employees and directing these employees and non-employees to perform temporary work for and under the management of the user's employer, on the terms set out in the regulations on the employment of temporary employees.

Source: Ustawa z dnia 20 kwietnia 2004 r. o promocji zatrudnienia i instytucjach rynku pracy, Rozdział 6, art. 18.

Most people in 2016 got a job through an employment agency: in the Mazowieckie (119,500) and Małopolskie (36,629). The smallest number of people got a job in the Podlaskie Province (1,075), Lubuskie (1,323) and Świętokrzyskie (1,069)²⁸. In the group of persons employed by employment agencies in 2016, 9.6 thousand obtained permanent employment. In Małopolska there are almost 15% of people employed in the country and 8% of those employed under a contract of employment.

²⁶ Ibid., Rozdział 6, art. 18.

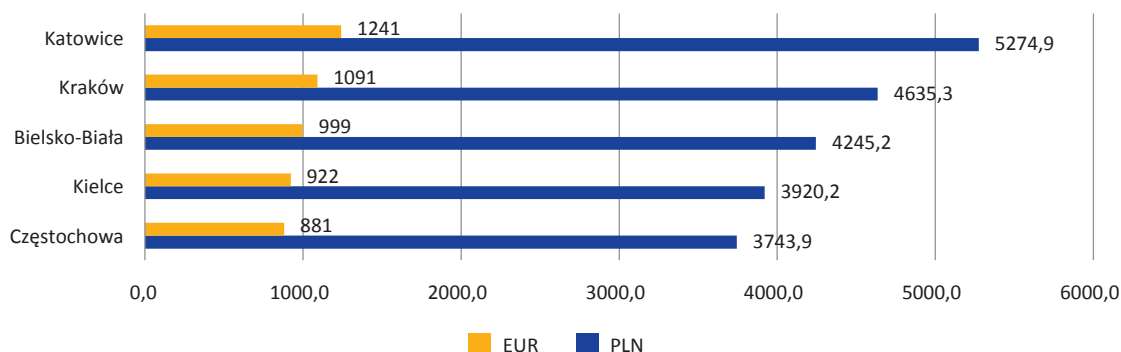
²⁷ Ibid.

²⁸ Ibid. p. 18.

4.6 Salaries

In October 2017, the average gross remuneration in **Krakow** amounted to PLN 4996.95 (EUR 1,175), and in Małopolska, PLN 4,401.56 (EUR 1,035.71)²⁹. Compared to 2016, salaries increased: in Krakow by PLN 388 (around EUR 90), and in the Małopolskie Province by PLN 101 (around EUR 24)³⁰. Among cities located within a radius of up to 100 km from Krakow in 2016, the highest average gross remuneration was paid to the residents of Katowice (PLN 5,200, EUR 1,241), and the lowest - Częstochowa residents (PLN 3,700, EUR 881).

Table 15. Average gross wages and salaries in cities located within 100 km from Krakow (2016)



Source: CSO: Średnie wynagrodzenie w miastach na prawach powiatu 2016.

²⁹ Data of the Statistical Office in Krakow. The National Bank of Poland exchange rate of October 31, 2017 was used for conversion (1 EUR= 4.2498 PLN): www.nbp.pl/home.aspx?navid=archa&c=/ascx/tabarch.ascx&n=a211z171031

³⁰ CSO in Krakow.



In the Małopolska Region the highest average gross monthly wages in 2016 were recorded in the following industries: information and communication (PLN 7,403.1, EUR 1,746.0), financial and insurance activities (PLN 5,334.3, EUR 1,258.1). The least, in turn, earned industry representatives: activities related to accommodation and food services (PLN 2,447.1, EUR 577.1) and other service activity (PLN 2,990.4, EUR 705.3).

Table 16. Gross rewards in sections of the Polish Classification of Activities (PKD) in Małopolska (2016)

PCA Sections	PLN	EUR
Total	3,839.56	905.6
Section A - Agriculture, forestry, hunting and fishing	4,472.52	1,054.8
Section B - Mining and quarrying	3,885.94	656.5
Section C - Industrial processing		
Section D - production and supply of electricity, gas, steam, hot water and air for air conditioning systems		
Section E - water supply; sewerage and waste management and activities related to reclamation		
Section C - Industrial processing	3,704.36	873.7
Section F - Construction	2,998.38	707.2
Section G - Wholesale and retail trade; repair of motor vehicles, including motorcycles	3,026.16	713.7
Section H - Transport and storage	2,783.37	656.5
Section I - Accommodation and food service activities	2,447.10	577.1
Section J - Information and communication	7,403.10	1,746.0
Section K - Financial and insurance activities	5,334.34	1,258.1
Section L - Activity related to servicing the real estate market	3,706.68	874.2
Section M - Professional, scientific and technical activities	5,307.43	1,251.8
Section N - Administrative services and support activities	3,156.26	744.4
Section O - Public administration and national defence; obligatory social security	4,841.83	1,141.9
Section P – Education	4,379.56	1,032.9
Section Q - Health care and social assistance	3,731.54	880.1
Section R - Activities related to culture, entertainment and recreation	3,643.89	859.4
Section S - Other service activities	2,990.39	705.3

Source: BDL CSO www.bdl.gov.pl; The value of EUR was determined from the archival materials of the National Bank of Poland: www.nbp.pl 1 EUR = 4,424 PLN (30 December 2016).

4.7 Salaries of specialists

In **Krakow**, specialists account for 28% of the population, and in the Province - 19%. This is the professional category most sought after on the market, especially in dynamically developing centers, which are undoubtedly Krakow and Małopolska Region.

According to the classification of professions in Poland, specialists cover 708 professions and specialties. Their common feature is to have higher education³¹.

Salaries of specialists in Poland are diverse due to: employees' experience, business sector, capital and size of enterprises.

The highest average wages in 2016 were achieved by specialists employed in companies from the Małopolskie Province. Their remuneration was on average PLN 6,165 gross (EUR 1,390). The Dolnośląskie Province was in the second position, with an average of PLN 5,915 gross (EUR 1,371), and on the third - Mazowieckie with wages of PLN 5,628 gross (EUR 1,272). The highest earnings for leading specialists (with experience over 10 years) were recorded in the Mazowieckie Province (PLN 8,750, EUR 1,977). Specialists at the beginning of the career path and employed in companies from the Małopolskie, Pomorskie and Śląskie Provinces, can count for the highest earnings, exceeding PLN 4,000 gross (EUR 900). The lowest earnings were recorded in the Podlaskie Province. This particularly applies to novice specialists earning around PLN 3,219 gross (EUR 727). In 2016, in relation to 2015, the highest increase in wages took place in the Dolnośląskie Province. It amounted to PLN 806 gross on average (EUR 182)³².

The average salary of specialists in the Małopolskie Province amounted to PLN 6,160 gross (EUR 1,393). The least experienced specialists (up to 1 year of work experience) earned an average of PLN 4,280 gross (EUR 969). Their remuneration was over 45% lower than the wages of the most experienced specialists (with more than 10 years of experience), who earned an average of PLN 7,800 gross (EUR 1,765).

Table 17. Gross specialists' salaries (2016)

Work experience	PLN	EUR
Younger (up to one year)	4,287	969
Typical (up to 3 years)	4,961	1,121
Older (from 10 years)	5,626	1,271
Leading (over 10 years)	7,813	1,765
Average earnings	6,165	1,393

Source: Raport Płacowy Advisory Group TEST Human Resources, 2016.p. 7. (1 EUR = 4.2615 PLN; June 30, 2015).

³¹ Specialists conduct research in technical, natural, social, humanistic and related sciences; they design new technologies, machines and devices and create works of art; implement scientific concepts and theories into practice; provide advice and support in solving difficult problems; prepare scientific publications; they transfer knowledge and shape skills at different levels of education. Vide. *Klasyfikacja zawodów i specjalności na potrzeby rynku pracy Tworzenie i stosowanie*, Ministry of Labor and Social Policy: Warszawa 2014, p. 13-14.

³² Payroll report Advisory Group TEST Human Resources, 2016, p. 2.

In the leading industries, the highest salaries of specialists in 2016 were recorded in the IT sector. They amounted to over PLN 7,000 gross (EUR 1,594). The lowest was, however, the salaries of specialists in the fields of electrical engineering and the fast-moving consumer goods (FMCG), about PLN 5,000 gross (EUR 1,119). Representatives of other leading industries earned an average of PLN 5,500 gross (EUR 1,250). Diversity due to the employees' experience is comparable in the leading industries.

Table 18. Average gross earnings of specialists in leading industries

Work experience	Construction		Electrotechnics		FMCG		IT		Automotive		Machine industry	
	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR
Younger (up to one year)	3,615	817	3,301	746	3,808	860	4,223	954	4,411	997	4,135	934
Typical (up to 3 years)	4,408	996	4,142	936	4,444	1,004	6,102	1,379	5,299	1,197	4,736	1,070
Older (up to 10 years)	5,650	1,277	5,038	1,138	5,175	1,169	8,215	1,856	6,502	1,469	5,380	1,216
Leading (over 10 years)	7,847	1,773	7,500	1,695	6,860	1,550	10,807	2,442	8,161	1,844	6,600	1,491
Average earnings	5,461	1,234	4,951	1,119	5,080	1,148	7,054	1,594	5,888	1,330	5,522	1,248

Source: Raport Płacowy Advisory Group TEST Human Resources, 2016.p. 8. (1 EUR = 4.2615 PLN; June 30, 2015).

The salaries of specialists are also diversified due to the origin of employers' capital. In companies with polish capital or the predominance of polish capital, the average salary of specialists in 2016 is less than PLN 5,000 gross (EUR 1,120), and in foreign enterprises or with a predominance of foreign capital PLN 5,800 gross (EUR 1,313). Wage differences deepen in the scope of employee experience. A very experienced employee in a company with foreign capital earns on average EUR 400 more than its counterpart employed in a Polish company, and an inexperienced employee – less by EUR 50.

Table 19. Average gross earnings of specialists in companies with Polish and foreign capital (2016)

Work experience	The advantage or all of Polish capital		The advantage or the whole of foreign capital	
	PLN	EUR	PLN	EUR
Younger (up to one year)	3,434	776	3,604	814
Typical (up to 3 years)	4,389	992	4,894	1,106
Older (up to 10 years)	5,115	1,156	5,429	1,227
Leading (over 10 years)	6,435	1,454	8,072	1,824
Average earnings	4,958	1,120	5,809	1,313

Source: Raport Płacowy Advisory Group TEST Human Resources, 2016.p. 9. (1 EUR = 4.2615 PLN; June 30, 2015).

The last criterion affecting the number of specialists' earnings is the size of the companies in which they work (number of employees). The highest salaries in 2016 were in the companies employing up to 100 employees (PLN 6,000 gross, EUR 1,381). In enterprises with the number of employees from 100 to 500, the average salary of specialists is PLN 5,700 gross (about EUR 1,300), and in companies with more than 500 employees, the average salary of specialists is PLN 5,500 gross (EUR 1,250). Employees with a short seniority earned the most in companies employing 500 people, and specialists with seniority 10 years in companies employing up to 100 people. The differences in earnings of highly experienced and early-looking employees in 2016 amounted to an average of EUR 350.

Table 20. Average gross earnings of specialists due to the number of employees in companies

Work experience	Up to 100 employees		From 100 to 500 employees		Over 500 employees	
	PLN	EUR	PLN	EUR	PLN	EUR
Younger (up to one year)	3,789	856	3,500	791	3,986	901
Typical (up to 3 years)	5,052	1,142	4,760	1,076	4,800	1,085
Older (from 10 years)	6,200	1,401	5,787	1,308	6,123	1,384
Leading (over 10 years)	8,800	1,988	8,372	1,892	7,538	1,703
Average earnings	6,111	1,381	5,706	1,289	5,535	1,251

Source: Raport Płacowy Advisory Group TEST Human Resources, 2016, p. 9. (1 EUR = 4.2615 PLN; June 30, 2015).

4.8 Non-wage benefits

The scope of non-wage benefits is very wide. Most often, however, these are: private medical care, a business phone for private purposes, a private car for private purposes, gym and pools passes, sports and recreation cards, cultural coupons, vouchers for tourist services, subsidies for meals at work, various types of purchase vouchers and prepaid cards and other.

According to the research of leading employers, 68% of them provide their employees with internal training, 57% with additional health benefits, 55% with subsidies for sports activities, 51% with additional insurance, and 48% with subsidies to education³³.

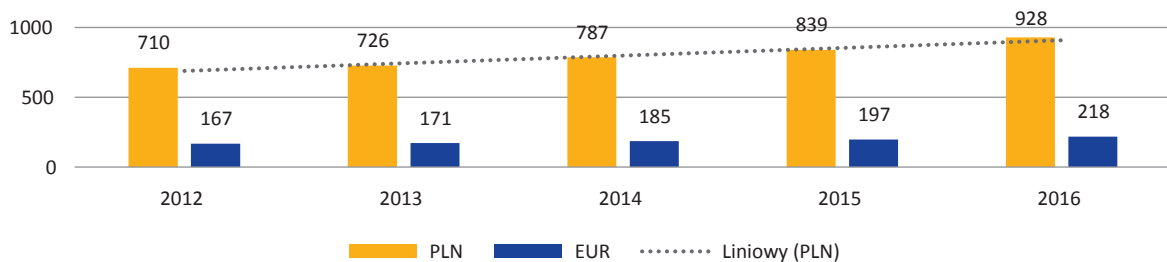
³³ Payroll report Advisory Group TEST Human Resources, s 19. The survey was based on actual data obtained from HR departments provided by 604 leading employers in Poland. 88 companies represented Małopolska.

Table 21. Benefits provided to employees (2016)

Non-wage benefits	The percentage of employers providing non-wage benefits (%)
Internal training	68
Additional health benefits	57
Surcharges for sports activities	55
Additional insurance	51
Education subsidies - MBA studies, language courses	48
Surcharges for cultural and entertainment purposes	42
Mobile phone	29
Additional payments to meals	29
Gift vouchers	29
Laptop	25
A company car or a car service	7
Long-term benefits (e.g. Shares)	6
Surcharges to travel to the workplace	4

Source: Raport Płacowy Advisory Group TEST Human Resources, 2016, p. 19.

According to the results of the nationwide survey of employers in 2017,³⁴ companies announce an increase in non-wage benefits budgets. The average amount allocated to all non-wage benefits per annum per employee was PLN 928 in 2016 (EUR 218), which was almost 11% more than in 2015³⁵.

Graph 16. Annual amount of benefits per one employee (2012-2016)


Source: Drogowskaz motywacyjny 2017. Raport rynku świadczeń pozapłacowych p. 3.

Companies increasingly use the so-called a cafeteria system, that is, they enable employees within a defined limit to choose benefits compatible with their needs or interests³⁶.

³⁴ It was a telephone survey of 398 people, working full-time, selected from a 1000-person representative sample of 18+ (selected according to the gender structure, age, education and region and size of the place of residence), implementation in August 2017, results compared to the analogous survey of 2016.

³⁵ Drogowskaz motywacyjny. Raport o rynku świadczeń pozapłacowych, Sodexo: Warszawa 2017, p. 5

³⁶ Ibid., p. 7



Conclusions

Małopolska is an attractive region in terms of investment. The age structure is favorable, especially the percentage of people of pre-working age who will enter the labor market in the next years is higher than in the neighboring regions. The proximity of the Śląskie Province, which is the main source of raw materials for industry and Świętokrzyskie – which is a reservoir of human resources, allows for a more efficient diversification of production and services, as well as a more dynamic economic development. The southern border, which is the gateway to Slovakia, allows economic expansion, but also economic coherence, which can bring profits to both sides.



The capital of Małopolska, Krakow thanks to very good universities with comprehensive profiles is able to develop highly qualified specialists for the needs of a modern, innovative economy. Krakow is one of the few Polish cities that are widely known and appreciated because of the tourist attractiveness. In recent years, the city has also become known and appreciated because of its investment attractiveness. In Krakow, the European centers have been located by the potentates of the global economy, such as CISCO, IBM, Motorola, ABB or Shell. Other urban centers, such as Tarnów or Nowy Sącz, also have significant economic and intellectual potential, but also interesting local culture, original architecture and attractive tourist areas.



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