

# Where to open a Business Service Center in Poland?

## COMPARISON



We're the #1 HR company in the world according to the Clutch platform.

# Report overview

(1)

## Talent Pool

- Employment structure in selected locations of business services
- Languages used in customer service centers by popularity
- Talent pool & wages by language knowledge
- Regional pay differentials in Poland

(2)

## Employment

- Contract types
- Labour law in Poland
- Most popular benefits

(3)

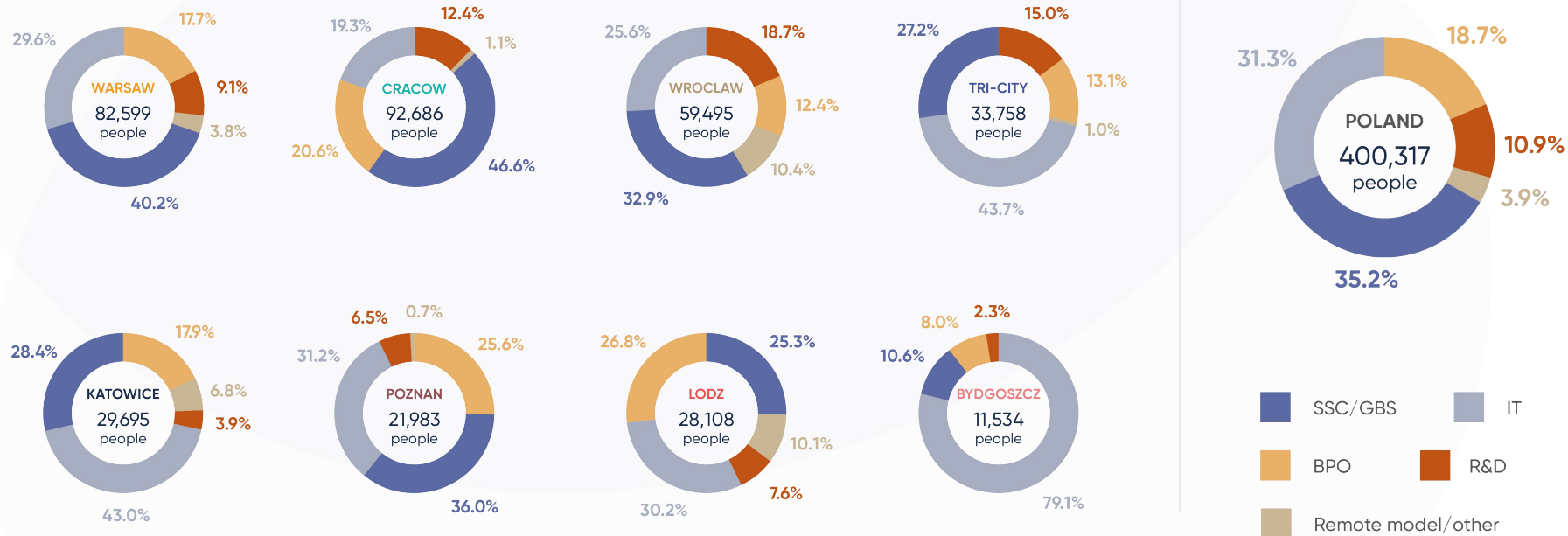
## Business environment

- Polish University education graduates
- GBS centers in Poland
- Cost of living in major cities

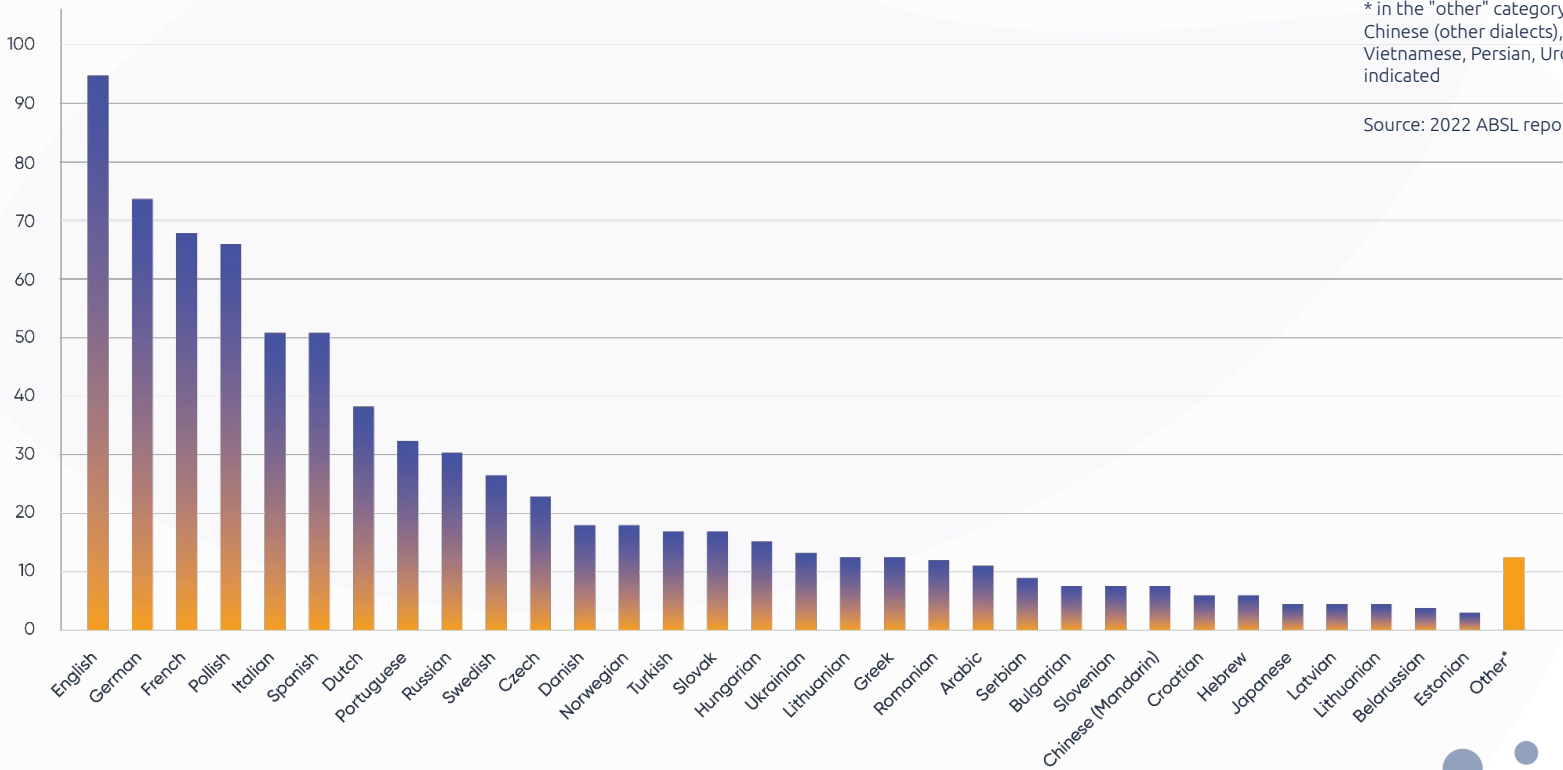
# Talent Pool

Number of candidates and remuneration

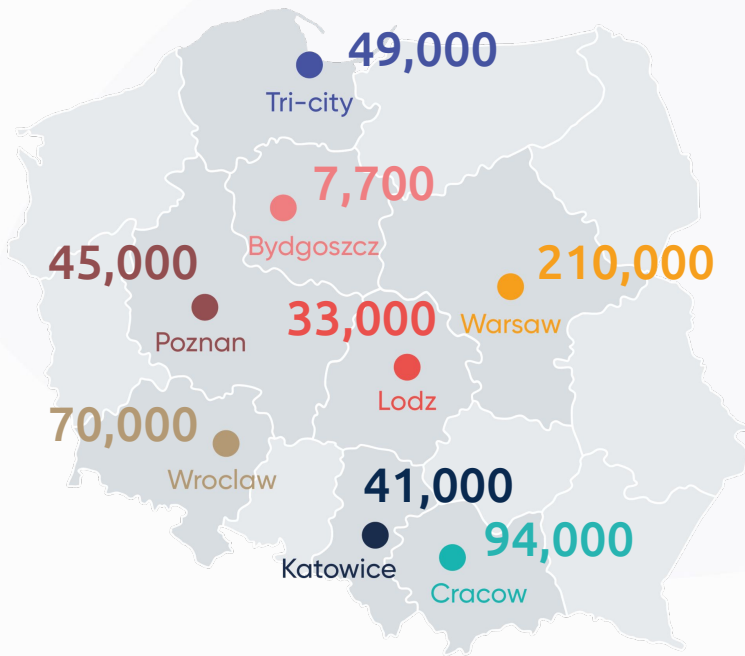
## Employment structure in selected locations of business services



# Languages used in customer service centers by popularity



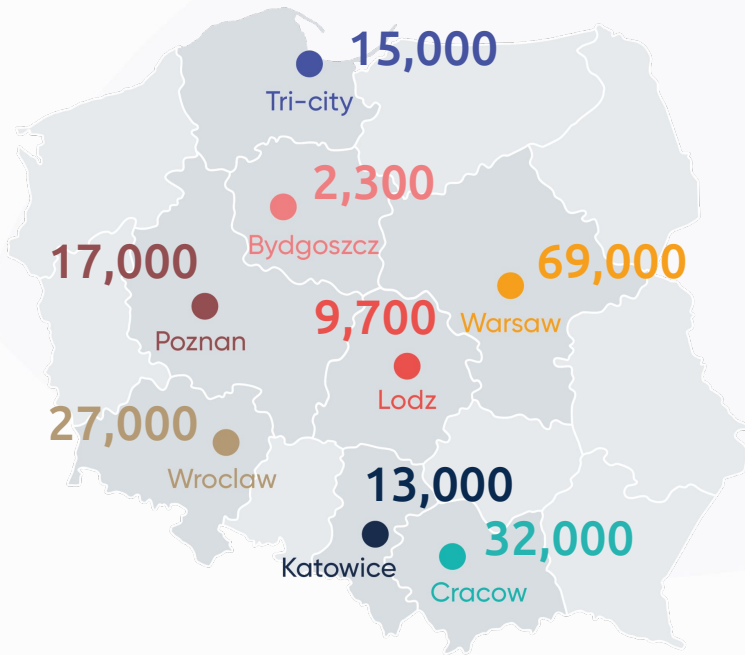
## Talent pool & remuneration - Specialists with English



**Poland: 700,000**

REMUNERATION (per month)			
Level of knowledge	25% earn below than	Median	25% earn more than
Beginner (A1/A2)	PLN 4,500	PLN 5,500	PLN 7,500
Intermediate (B1/B2)	PLN 5,000	PLN 6,500	PLN 9,000
Advanced (C1/C2)	PLN 6,100	PLN 8,500	PLN 12,800

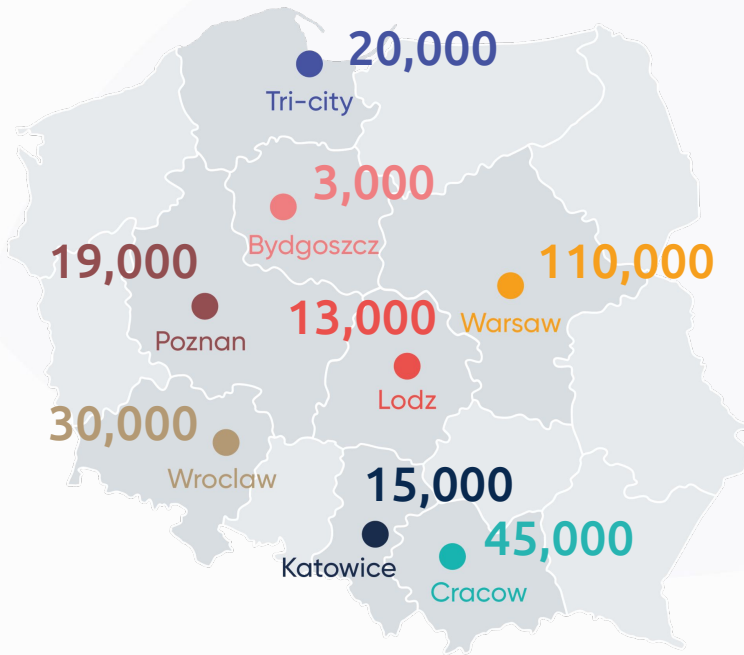
## Talent pool & remuneration - Specialists with German



Poland: 230,000

REMUNERATION (per month)			
Level of knowledge	25% earn below than	Median	25% earn more than
Beginner (A1/A2)	PLN 4,800	PLN 6,400	PLN 8,800
Intermediate (B1/B2)	PLN 5,200	PLN 7,200	PLN 10,800
Advanced (C1/C2)	PLN 6,200	PLN 8,400	PLN 12,200

## Talent pool & remuneration - Specialists with French

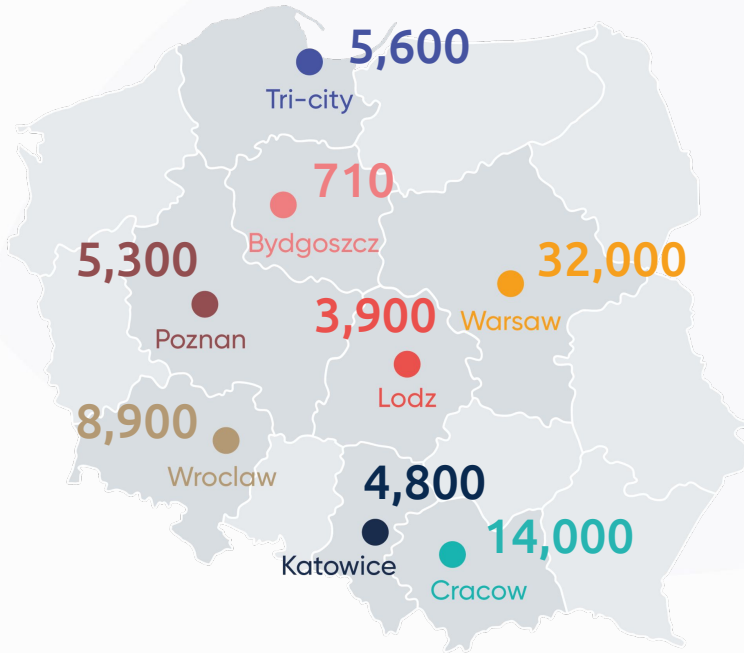


**Poland: 310,000**

REMUNERATION (per month)			
Level of knowledge	25% earn below than	Median	25% earn more than
Beginner (A1/A2)	PLN 5,000	PLN 6,850	PLN 10,800
Intermediate (B1/B2)	PLN 5,600	PLN 7,750	PLN 11,400
Advanced (C1/C2)	PLN 6,500	PLN 8,200	PLN 12,000



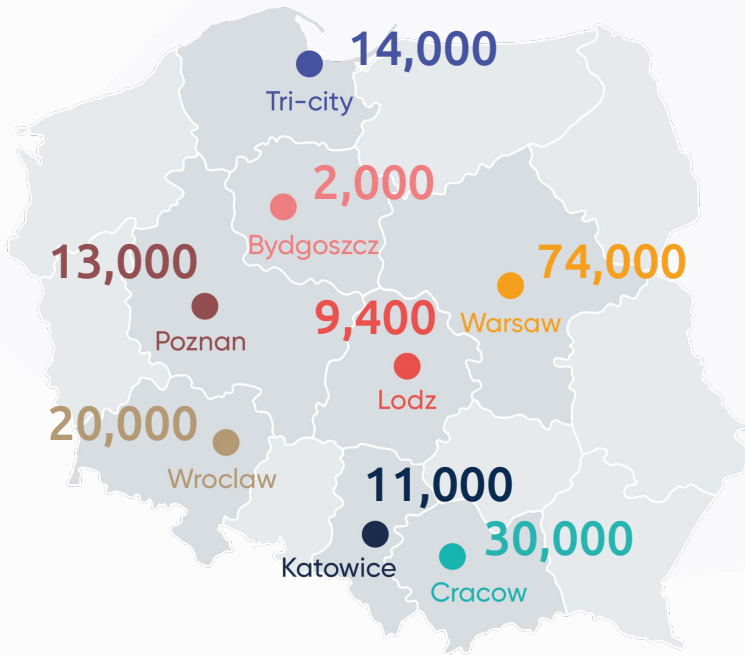
## Talent pool & remuneration - Specialists with Italian



Poland: 89,000

REMUNERATION (per month)			
Level of knowledge	25% earn below than	Median	25% earn more than
Beginner (A1/A2)	PLN 5,000	PLN 6,500	PLN 10,300
Intermediate (B1/B2)	PLN 5,400	PLN 7,450	PLN 11,200
Advanced (C1/C2)	PLN 6,100	PLN 8,100	PLN 12,000

## Talent pool & remuneration - Specialists with Spanish



Poland: 210,000

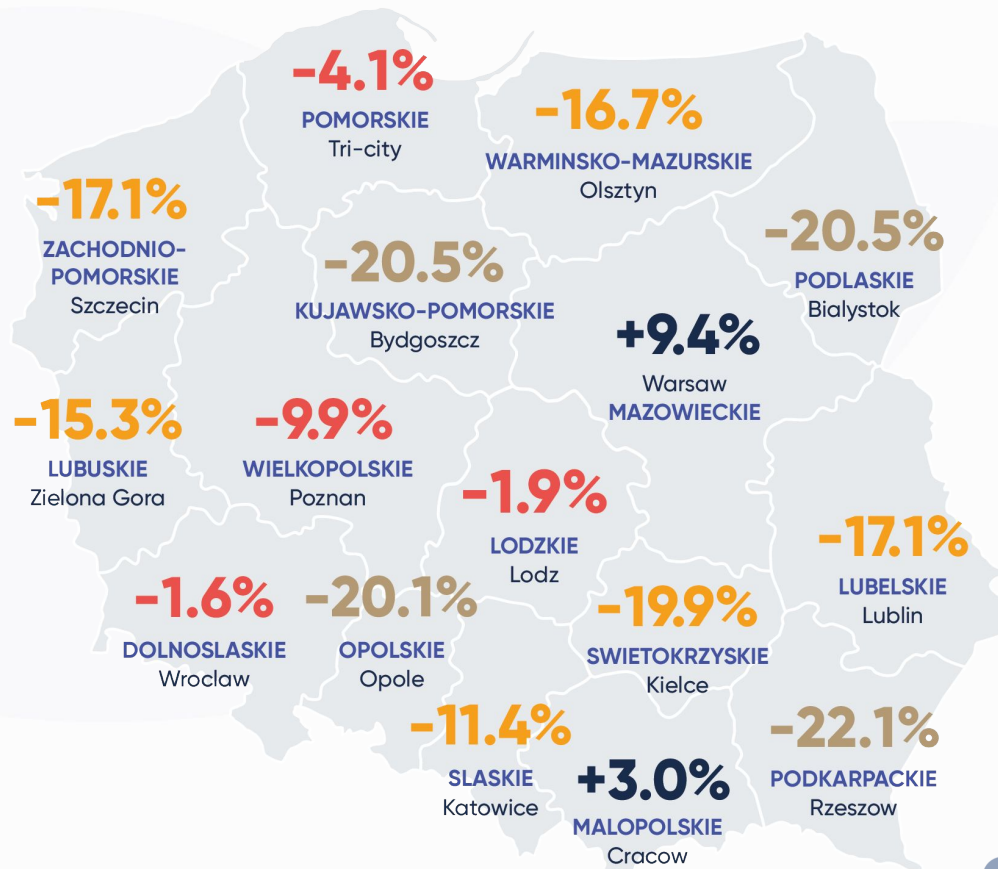
### REMUNERATION (per month)

Level of knowledge	25% earn below than	Median	25% earn more than
Beginner (A1/A2)	PLN 5,000	PLN 6,700	PLN 10,500
Intermediate (B1/B2)	PLN 5,300	PLN 7,550	PLN 11,000
Advanced (C1/C2)	PLN 5,900	PLN 8,000	PLN 11,800

## Regional pay differentials in Poland

Comparison of average annual base salary in regions in Poland, where average Poland is 100%.

Table is based on the analysis of actual remuneration of employees in Poland in 2021.



## Comment

in

**Marta Garus**

Head of Delivery  
Talent Place

**There are more than 400,000 specialists working in the Polish Business Service Centers industry.** In 2020, we could observe a decrease in the growth rate of the SSC/BPO industry due to the pandemic. However, companies from the modern business services sector quickly coped with the situation and adapted to the new conditions. 23,000 new jobs in this sector were created between 2021 and 2022.

**The modern business services sector currently creates jobs in almost 2,000 business process service centers (BPO), shared services (SSC/GBS), IT and research and development centers (R&D).** Currently, 72% of all centers belong to foreign investors from 46 countries. Most of the people employed in this sector live in Warsaw, Krakow and Wroclaw.

The most popular languages used during customer service are English, followed by German and French. **In 2022, the average salary in the Polish GBS/BPO/SSC sector ranged from €16,000 a year for a junior to €60,000 a year for a manager on an employment contract.** In Poland 5% of total remuneration is provided as a bonus and 4% is a benefits cost. Only 1% is provided as a guaranteed allowance.

# Employment

Legal aspects, contracts, perks

# Contract types



## Standard employment (aka FTE)

- Probationary employment agreement (first 3 months)
- Permanent FT/PT employment agreement (upon successful completion of probationary period)
- Temporary FT/PT employment agreement (upon successful completion of probationary period)



## Non-standard employment

- **B2B**
  - Permanent FT/PT B2B agreement
  - Temporary FT/PT B2B agreement
- **Contract of mandate** (civil contract)
  - Temporary agreement



### KEY HIGHLIGHTS:



**Probationary period is not mandatory** but it is an accepted market practice and a standard across BPO/SSC in PL



**Permanent employment agreement is preferred** by candidates over temporary



**Lower total employer costs/contributions** are expected with B2B and Contract of mandate



Only three consecutive temporary employment agreements are allowed that should not exceed 33 months. Immediate conversion to permanent employment is mandatory

# Different cooperation models in Poland - advantages and disadvantages

type of contract	contract of employment	mandate contract	contract work	cooperation agreement
EMPLOYER				
ADVANTAGES	availability, personal performance of work	no documentation, no min. wage, payment after work is done	no documentation, no social security contributions	no documentation, no social security contributions, no tax return form, own rules of cooperation are established
DISADVANTAGES	documentation, periodic inspections, health & safety training, min. wage, social security contributions, tax return form, notice period, vacation, overtime, holidays	social security contributions, tax return form, no subordination	tax return form, no subordination	no subordination, the work does not have to be done personally
EMPLOYEE				
ADVANTAGES	paid holidays, minimum wage at the right time, pregnancy protection, notice period, medical insurance, settlement with the Social Insurance Institution (ZUS) & the tax office on the part of the employer, easier to obtain a loan	freedom in action, settlement with the Social Insurance Institution (ZUS) & the tax office on the part of the employer, voluntary medical insurance	freedom in action, settlement with the tax office on the part of the employer, work can be done by a third party	independence in choosing order, freedom of place and time, several orders at the same time, higher salary, the possibility of settling the costs of income, easier to obtain a lease
DISADVANTAGES	fixed costs, high taxes, specific time and place of work, change of duties during the term of the contract	no holidays, termination at any time	no holidays, no insurance	low salary with min. social security contributions, no holidays, self settlement with the Social Insurance Institution (ZUS) & the tax office, great responsibility, accounting documentation, harder to obtain a loan

## Salaried vs. B2B in Poland

REMUNERATION					
Employment type	Compensation (PLN/month)	Income tax (average PLN/month)	Other contributions (average PLN/month)	Net income (average PLN/month)	Fully loaded cost (average PLN/month)
FTE	15,000	1,761	3,221	10,016	18,072
B2B	15,000	*1,616	1,990	11,442	15,000
FTE	30,000	6,360	5,145	20,781	36,144
B2B	30,000	*3,386	2,720	24,173	30,000

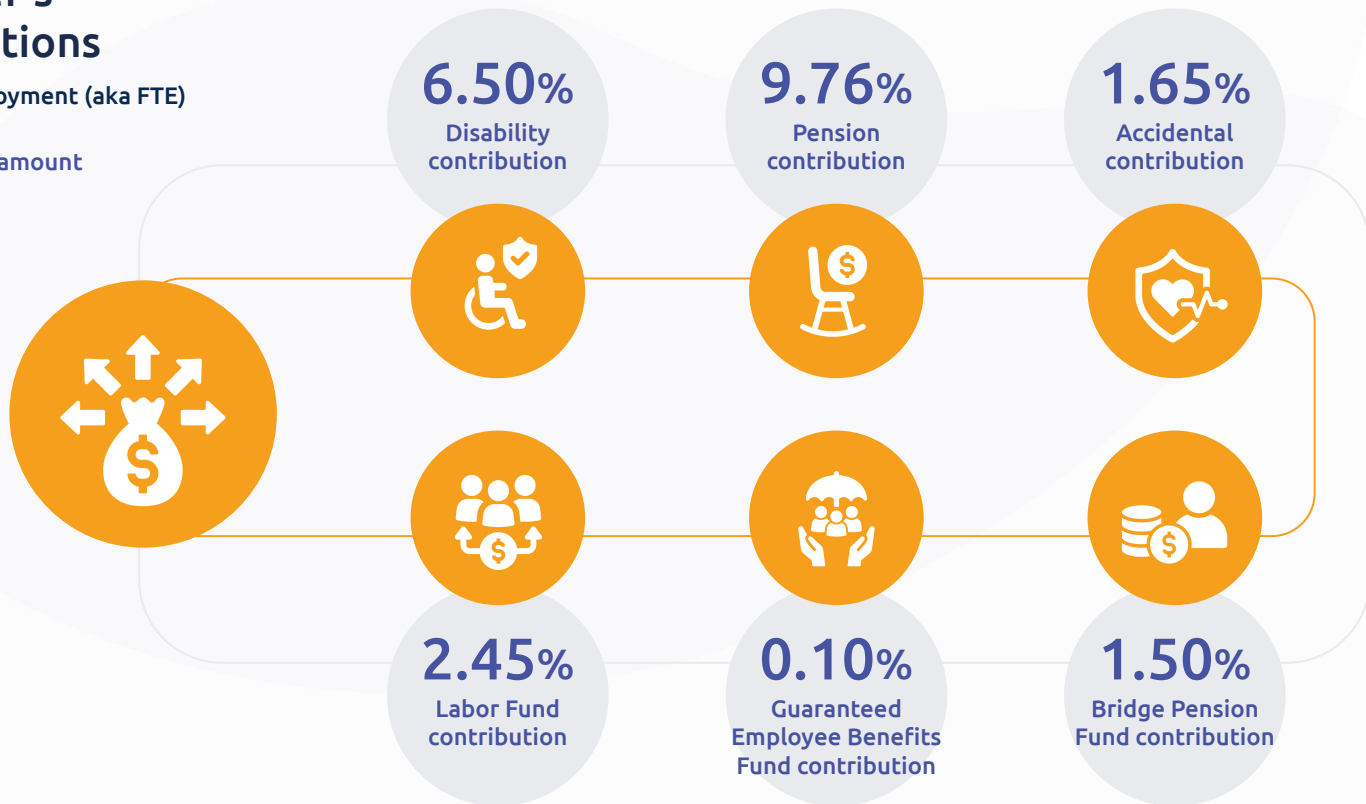
\*Estimated tax rate at 12%. In general, B2Bs will practice tax rates between 8.5% and 19%, based on their specific tax context



# Employer's contributions

Standard employment (aka FTE)

% of the gross amount



# Time-off



## PTO/VACATION

- **Yearly allowance:**
  - **20 days** - total professional experience <10 years (studies + employment)
  - **26 days** - total professional experience >10 years (studies + employment)
  - Employees are required, once a year, to take a vacation of minimum 10 consecutive working days
- **Carryover:**
  - most companies encourage their employees to fully use balance from year N-1 no later than the 30th of September of year N
  - vacation balances can only be carried forward for a maximum of 3 years



## SICK LEAVE

- **Paid at 100% of salary** (employer pays up to 33 days)
  - medical exams, blood donations, work related accident, sickness during pregnancy etc
- **Paid at 80% of salary** (employer pays up to 33 days)
  - all other types of medical care or sickness

# Time-off



## MATERNITY LEAVE

- **Entitlement**
  - **Length:** 20 weeks for 1 child birth
  - **Who:** mother for the first 14 weeks of leave, any of the parents for the remaining 6 weeks
  - **Compensation:** 100% of salary



## PARENTAL LEAVE

- **Entitlement**
  - **Length:** 32 weeks for a 1 child birth
  - **Who:** any of the parents
  - **Compensation:** 100% of salary for the first 6 weeks, 60% of the average for the following weeks



## PATERNITY LEAVE:

- **Entitlement**
  - **Length:** 2 weeks
  - **Who:** father
  - **Compensation:** 100% of salary

# Time-off

## PUBLIC HOLIDAYS 2023

- ➡ Poland has **13** public holidays yearly
- ➡ All public holidays are fully paid
- ➡ When a **public holiday** falls on a **Saturday**, the employer is obligated to select a day that can be offered to employees **in lieu** of this public holiday



Date	Day	Holiday
1 Jan	Sun	New Year's Day
6 Jan	Fri	Epiphany
9 Apr	Sun	Easter Sunday
10 Apr	Mon	Easter Monday
1 May	Mon	Labour Day
3 May	Wed	Constitution Day
28 May	Sun	Whit Sunday
8 Jun	Thu	Corpus Christi
15 Aug	Tue	Assumption Day
1 Nov	Wed	All Saint's Day
11 Nov	Sat	Independence Day
25 Dec	Mon	Christmas Day
26 Dec	Tue	2nd Day of Christmas

# Time tracking and overtime

Depending on the job specific, two types of employment contracts may be used:



## Task based

- Typically used for management roles or roles required to work outside of a physical office
- Also popular for roles where overtime is not expected
- Timesheet reporting is optional
- Overtime is not recorded/paid



## Timesheet based

- A standard on the market for non-management roles
- Timesheet reporting is required
- Overtime is recorded and paid as follows:
  - 200% of salary - performed on Sunday, public holidays or during the night
  - 150% of salary - all other
- The employer may choose to offer days off in lieu of overtime

## KEY HIGHLIGHTS



PL labor law allows a **maximum of 150 hours of overtime/year**



Employee's timesheets have to comply with the minimum rest time as defined by the PL labor law:  
**11 uninterrupted hours of rest each day and 35 uninterrupted hours of rest each week**



Roles expected to perform **"on-calls" or with a non-standard work schedule** should not have a standard timesheet based employment contract



**Time-tracking tools** should be able to produce daily overtime reports for all overtime types

# Performance management and compensation reviews



## PERFORMANCE MANAGEMENT

- Employers are encouraged to **establish performance management policies and implement tools** to support the process
- **Common data elements required by the PL labor law in case of litigation**
  - Employee identification
  - Manager identification
  - HR staff member identification
  - Description of observed performance issue
  - Documentation of remediation plan
  - Documentation of remediation timeline
  - Documentation of progress and feedback against remediation plan
  - Conclusion
  - Acknowledgement of conclusion by all parties involved



## COMPENSATION REVIEWS (the labor law doesn't mandate compensation reviews outside of a CBA)



### We recommend:

- Frequency: **1/year minimum**
- **YoY Compensation increase budget:**
  - Perform yearly compensation analyses of the market
  - Monitor inflation levels
  - Flexibility for off-cycle promotions/salary increases for high potential talent

# Dismissals and notice periods



## NOTICE PERIODS

- **Length:**
  - **3 days - 2 weeks - during probationary period** (standard is 2 weeks)
  - **2 weeks <6 months of employment**
  - **1 month for <3 years of employment** (notice period begins on the first day of the following month)
  - **3 months for >3 years of employment** (notice period begins on the first day of the following month)
- **Exceptions:**
  - Earlier end date agreed by both parties
  - Immediate termination as a result of breach of policy (must meet statutory conditions)



## DISMISSALS:

- **Reasons for dismissal must always be provided in a formal**, signed document to employee and they may be:
  - Attributable to employee (e.g non-performance)
  - Non-attributable to employee (e.g. redundancy)

## KEY HIGHLIGHTS:



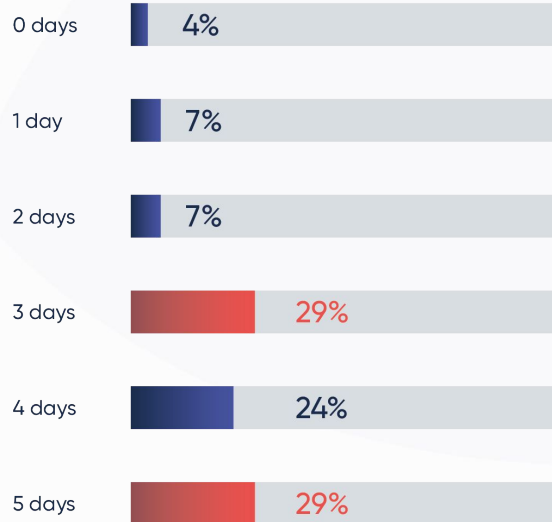
**Notice periods can be adjusted** if there is mutual consent

**Dismissals must always be documented** (e.g. PIP)

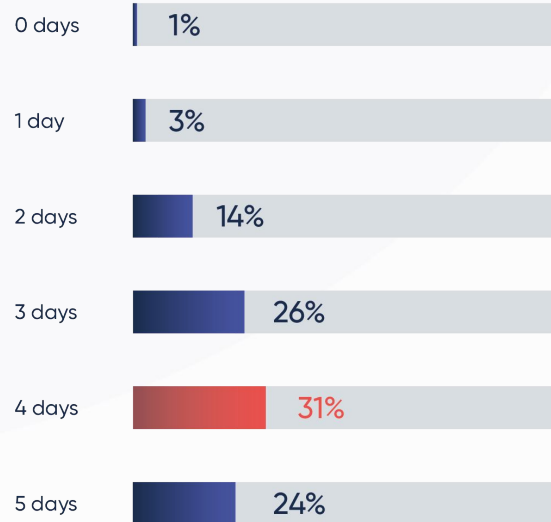
**Dismissals cannot happen during maternity leave/parental leave**

## Working models - Shared Services industry

On average, how many days a week do you work remotely/from home?



How many days a week do you think you should work remotely/ from home to effectively perform your duties and collaborate with others?





# The most popular benefits in Poland

THE MOST COMMON



private health care



flexible work hours



group life insurance



gym membership  
& sport clubs card



co-financing of foreign  
language learning



bicycle parking



fresh fruit/beverages/  
food in the office



subsidized further education  
(courses, certificates, etc.)



health initiatives



showers in the office



mental health  
program



canteen package



employment  
anniversary gifts



integration & team  
building trips/outings



online sports training



additional days for CSR/  
environmental activities



opportunity to buy  
a car or a business phone



employee share  
purchase plan



discounts on company's  
products



holiday vouchers



fitness area in the office



support for working  
parents



loans

## Comment



**Magdalena Kolasa**

Quality Assurance Manager  
Talent Place

“ The level of salaries in Poland, compared to the largest Metropolitan Areas of Western and Northern Europe and the USA, is still very competitive. **Lower wages and access to highly qualified employees mean that Poland invariably remains among the leaders strongly attracting companies from the SSC/BPO sector.**

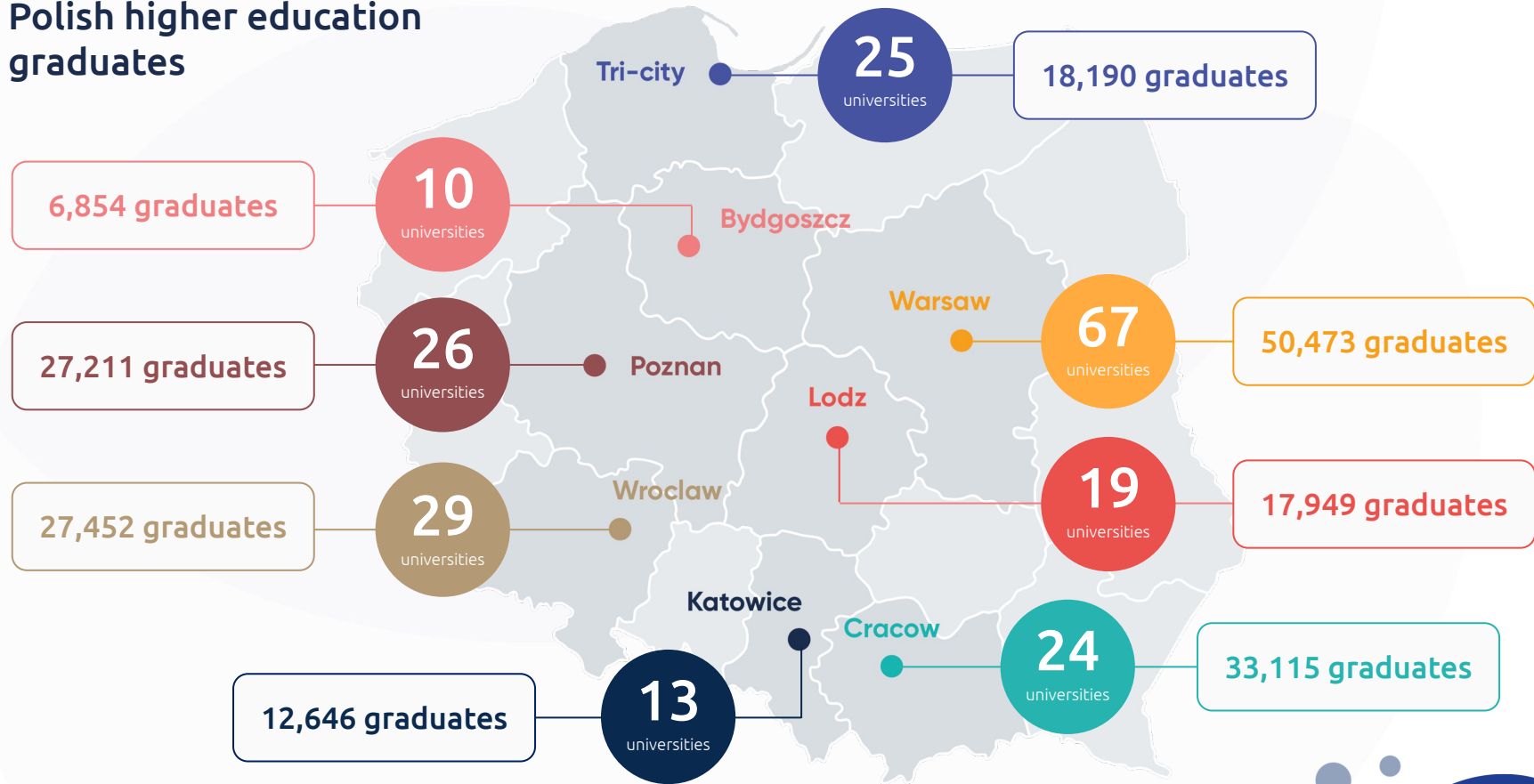
Employment in the business services sector in Poland will continue to grow. **The dynamics of employment growth is estimated at 7.9%.** Among the eleven most significant business locations, the highest average employment occurs in Krakow. Twenty six centers in Krakow employ over 1,000 people. It is 33.0% of all such centers in Poland.

**The Polish SSC/BPO market is very popular with employment contracts and the hybrid model of the workplace.** The trial period is not mandatory, but it is an accepted market practice and standard. The main advantages of the employment contract for the employer are the employee's availability and personal performance of work. The employee gains protection under the Labor Code, is provided with the minimum wage, has paid holidays, has the option of going on sick leave, receives protection during pregnancy, or has a period of notice. ”

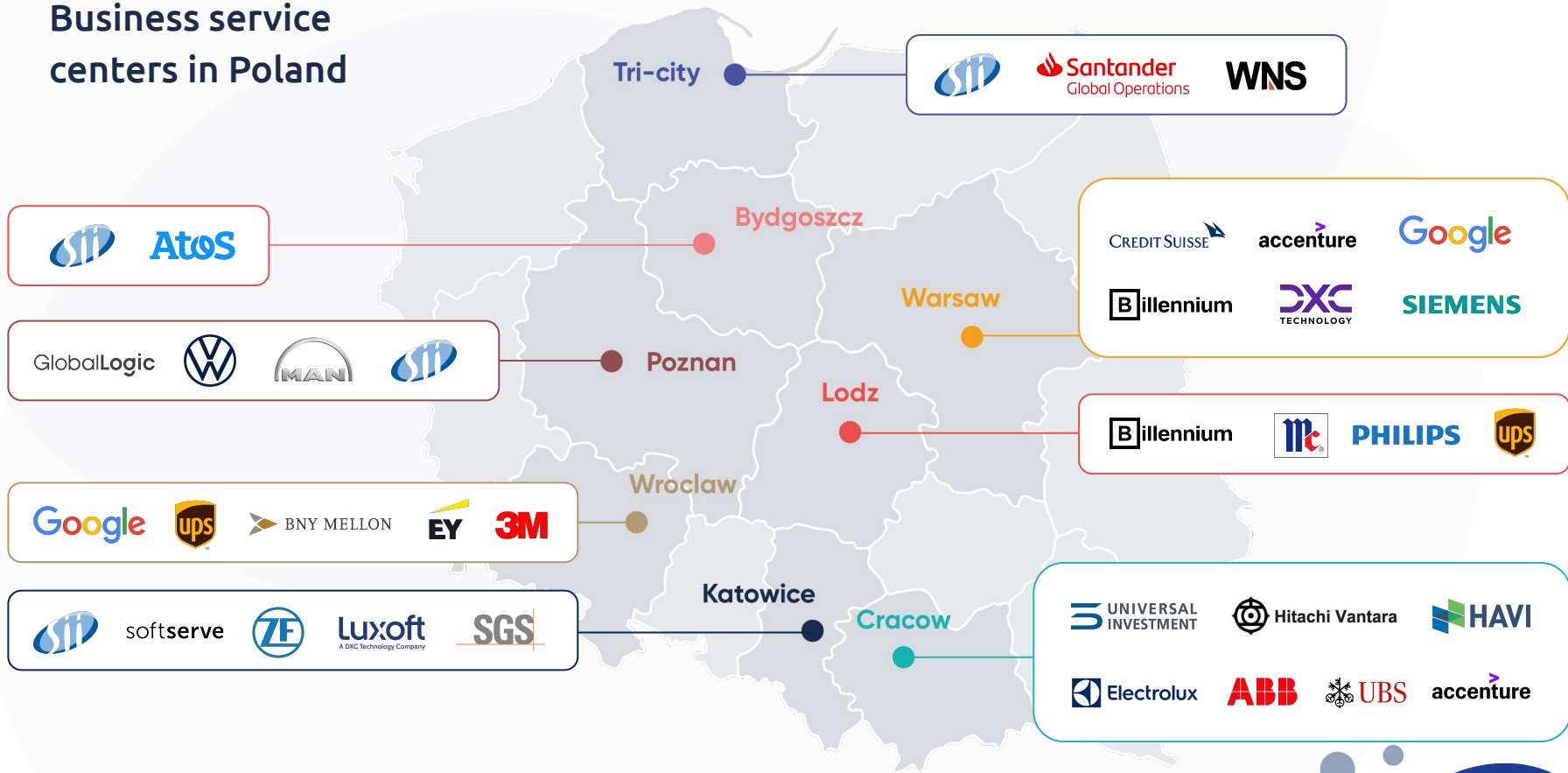
# Business environment

Universities, cost of living, communication

## Polish higher education graduates



## Business service centers in Poland



# Key data on the major office markets in Poland

- Stock (m<sup>2</sup>)
- Vacancy rate (%)
- Gross take-up (m<sup>2</sup>)
- Prime rents (€/m<sup>2</sup> month)
- New supply (m<sup>2</sup>)

Stock (m <sup>2</sup> )	1,327,900
Vacancy rate (%)	15.6
Gross take-up (m <sup>2</sup> )	137,200
Prime rents (€/m <sup>2</sup> month)	14-15.5
New supply (m <sup>2</sup> )	65,700

Stock (m <sup>2</sup> )	136,420
Vacancy rate (%)	7
Gross take-up (m <sup>2</sup> )	32,000
Prime rents (€/m <sup>2</sup> month)	8-13
New supply (m <sup>2</sup> )	10,000

Stock (m <sup>2</sup> )	623,100
Vacancy rate (%)	10.5
Gross take-up (m <sup>2</sup> )	46,600
Prime rents (€/m <sup>2</sup> month)	13.6-15.95
New supply (m <sup>2</sup> )	0

Stock (m <sup>2</sup> )	726,500
Vacancy rate (%)	17.1
Gross take-up (m <sup>2</sup> )	62,700
Prime rents (€/m <sup>2</sup> month)	13.5-14.5
New supply (m <sup>2</sup> )	127,300

Stock (m <sup>2</sup> )	1,012,100
Vacancy rate (%)	13.3
Gross take-up (m <sup>2</sup> )	101,000
Prime rents (€/m <sup>2</sup> month)	13.5-15.5
New supply (m <sup>2</sup> )	50,600

Stock (m <sup>2</sup> )	6,268,800
Vacancy rate (%)	11.6
Gross take-up (m <sup>2</sup> )	860,100
Prime rents (€/m <sup>2</sup> month)	18-26
New supply (m <sup>2</sup> )	236,800

Stock (m <sup>2</sup> )	631,200
Vacancy rate (%)	21.0
Gross take-up (m <sup>2</sup> )	48,400
Prime rents (€/m <sup>2</sup> month)	11.5-14
New supply (m <sup>2</sup> )	43,300

Stock (m <sup>2</sup> )	1,708,000
Vacancy rate (%)	16.0
Gross take-up (m <sup>2</sup> )	198,100
Prime rents (€/m <sup>2</sup> month)	14-16
New supply (m <sup>2</sup> )	100,500

## Costs of renting an apartment in PLN / EUR

City	The cost of renting a 2-room apartment	The cost of renting a 3-room apartment	The cost of renting a 4-room apartment
<b>WARSAW</b>	3,975 / 850	6,569 / 1,400	10,335 / 2,200
<b>CRACOW</b>	2,888 / 610	3,967 / 840	6,800 / 1,450
<b>WROCLAW</b>	3,029 / 650	3,893 / 830	6,692 / 1,420
<b>TRI-CITY</b>	2,782 / 590	4,013 / 850	7,360 / 1,570
<b>KATOWICE</b>	2,600 / 550	3,600 / 770	5,800 / 1,230
<b>LODZ</b>	2,500 / 530	3,450 / 730	5,400 / 1,150
<b>POZNAN</b>	2,308 / 490	2,791 / 590	4,675 / 990
<b>BYDGOSZCZ</b>	2,200 / 470	2,500 / 535	3,500 / 750

## Cost of living in major cities in Poland





## Airports traffic



Airport	Number of passengers in 2022
<b>Warsaw-Chopin</b>	14.4 mln
<b>Cracow-Balice</b>	7.9 mln
<b>Tri-city-Gdansk</b>	4.57 mln
<b>Katowice-Pyrzowice</b>	4.41 mln
<b>Warsaw-Modlin</b>	3.12 mln
<b>Wrocław-Strachowice</b>	2.87 mln
<b>Poznan-Lawica</b>	2.25 mln
<b>Bydgoszcz-Szwederowo</b>	0.25 mln
<b>Lodz-Lublinek</b>	0.18 mln

## Comment

in

**Rafał Chmura**

Head of IT Contracting  
Talent Place

“ The sector developed faster than expected, which was the result of a strong recovery after the COVID-19 pandemic. **At the end of Q1 2022, foreign investors accounted for 82.6% of jobs in the sector and managed 68.6% of the total number of business service centers.**

Poland has become a leader on the office market in the CEE region. **At the beginning of 2022, the total stock of modern office space in 9 major markets in the country amounted to 12.2 million m2.** Taking into account the availability of qualified employees, transport links to the airport, infrastructure and comparing the quality and cost of living, the best rated cities are Kraków, Warsaw and the Tri-City.

Poland has confirmed that it is a top location when it comes to launching SSC/BPO by international corporations. **We are in the top five most populous EU countries.** Most people aged 19-26 are students who enter the labor market every year. Poland has a well-qualified staff, modern office facilities and a very good infrastructure enabling an attractive quality of life.

”

# Summary & ranking

## Summary

	Warsaw	Cracow	Wroclaw	Tri-city	Katowice	Lodz	Poznan	Bydgoszcz
REAL-ESTATE								
Price/sqm2(€)	18-26	14-16	14-15.5	13.5-15.5	13.5-14.5	11.5-14	13.6-15.95	8-13
Vacancy rates	11.6%	16%	15.6%	13%	17.1%	21%	10.5%	7%
New office supply Q4 2022 (sqm)	236,000	100,500	65,700	50,600	127,300	43,300	0	10,000
EDUCATION								
Universities	67	24	29	25	13	19	26	10
Yearly graduates (local/immediate proximity)	50,473	33,115	27,452	18,190	12,646	17,494	27,211	6,854

## Summary

	Warsaw	Cracow	Wroclaw	Tri-city	Katowice	Lodz	Poznan	Bydgoszcz
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### COST OF LIVING & AIRPORTS

Estimated monthly cost (1 person, without rent)	PLN 2,997 EUR 640	PLN 2,744 EUR 580	PLN 2,770 EUR 590	PLN 2,718 EUR 560	PLN 2,766 EUR 590	PLN 2,542 EUR 540	PLN 2,572 EUR 550	PLN 2,430 EUR 530
Estimated monthly cost (family of 4, without rent)	PLN 9,975 EUR 2,120	PLN 9,159 EUR 1,950	PLN 9,076 EUR 1,930	PLN 8,884 EUR 1,890	PLN 9,148 EUR 1,950	PLN 8,333 EUR 1,770	PLN 8,795 EUR 1,870	PLN 7,795 EUR 1,700
Average rental cost comparison - Warsaw:100%	100%	73%	71%	70%	50%	52%	57%	47%
City accessibility by Airport (1 = best)	1	2	5	3	4	8	6	7

### WAGES

Compensation in Poland average - 100%	109.4%	103%	98.4%	95.9%	88.6%	98.1%	90.1%	79.5%
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