

## Industry Sector in Poland – Deficit of Executive Talent

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From our extensive experience with executive recruitment both in various geographical as well as in functional areas we have encountered the issue of lack of leadership talent in Central and Eastern European region. Real estate in Romania is booming and the demand for top performers in this sector has been growing exponentially. Russia is experiencing growing demand for HR directors and executives in investment banking. FMCG, Retail and Financial sectors in Poland already developed and trained highly qualified executives in the past fifteen years, however the Industry Sector seems to be a more problematic one. It is lagging behind and is in a desperate need of executives that can combine and successfully apply management, technical skills and knowledge of market economy.

Industry used to be dominated by large state enterprises, which were heavily relying on government support. In centrally planned economy there was no need for marketing and sales skills and knowledge, to become a manager one needed technical education and gradual promotion depending on years of experience, or be well connected within the industry. However in the early 1990s the emergence of market economy and the opening of the Polish market to imports and inflow of foreign capital did not give sufficient time for the education and adaptation of the local industry leaders to the dramatically changed conditions and environment. This has put the domestic industrial base, including human resource development and improvements in management practices, in great difficulty.

Even at present many industrial enterprises have pre-1990s management structures that are politically influenced, which is not attractive to young well-educated professionals and not conducive to the development of efficient management teams. These enterprises have to adapt to a constantly changing environment, and now that Poland is a member of EU since 2004, they also need continual adjustment to EU procedures. Changes are connected with scientific progress, dynamically developing economy, applying new technical and organizational solutions, changing of industrial infrastructure, higher requirements for quality of products and raw materials, and for environmental protection. Application of obsolete methods for solving current problems will bring enterprises to failure.

Another issue is education and development of management capital for industrial sector. One of the main factors affecting the demand for educational services is the labour market, which also goes along with the public opinion on the prestige and the future value of a certain profession. Colleges and universities eagerly offer professions such as Management, Banking and Finance, Economics, Marketing and the likes while industrial professions are less attractive mainly due to the lack of guarantee of getting a well-paid job after the graduation.

It would be logical to encourage managers in the industrial sector to take on executive business courses, as well as include business courses for those who follow technical and engineering degrees at the universities. Business education should become a base for the development of positive trend in economical and social development of a country (not mentioning sound and consistent reforms). Lack of government initiative and support for the development of the industrial sector also hinders the attraction of the highly qualified managers, furthermore it drives them away to different sectors of economy or even other countries where they can better realise their potential.

So the situation on the market is that there already is a solid well-developed base of specialists in finance, banking, marketing and sales, who could also potentially run industrial enterprises. However they lack the necessary specialised knowledge and connections, as the older professionals in the industry sector. At the same time, many of these guys from older managerial generation are also leaving the industry sector and becoming entrepreneurs due to their connections and access to financial resources and because they do not see profit and interest in developing of the bulky industrial companies.

In conclusion, dramatic shift from centrally planned to decentralised market economy in Poland, as well as in many CEE countries, shows that one of the main reasons for the mistakes and failures is in the lack of qualified executives, who not only have specialised knowledge in a certain industrial area, but also able and willing to assimilate the ideas of the market economy. The most ideal situation for an industrial enterprise is to have a person with main degree in engineering and an additional degree in economics as its leader.

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