



Retail

NESST Empowers Industry Profile

About the Research

High-growth industries of Poland – including the manufacturing, aviation, food processing, logistics and warehouse market, nursing and long-term care, and retail industries – will create thousands of jobs in the next five years. Many of the available positions in these industries provide dignified employment, yet do not require a university degree or long-term experience. Is this an opportunity for labour inclusion of underserved communities? NESsT believes it is.

NESsT conducted the following research as part of its NESsT Empowers initiative, which tackles the lack of quality, skilled jobs available for under-served communities in emerging market countries. The NESsT Empowers program invests in social enterprises that prepare people from these communities for dignified employment. Read all the NESsT Empowers industry profiles, at www.nesst.org/nesst-empowers-poland.

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Industry Characteristics

The Polish retail sector continues to grow, registering a 4% value growth in 2014, with a total number of stores at over 354,000. The number of small stores is significantly higher (96.6%), but considering the overall sales volumes, the generated income and created number of jobs, the large-scale stores dominate the market, accounting for 73% of the value share.

Total retail stock in Poland (the large-scale shops) reached 13.5 million m² at the end of September 2017. There are 495 shopping centres in the country, which account for 9.6 million m² of that space (i.e. 71%). The remaining formats are retail parks and warehouses (with 3.7 million of space, i.e. 27%), and outlet centres (with 0.24 million m², i.e. 2%).¹ In terms of shopping centre

density, the agglomerations of Poznan, Wroclaw and Cracow are the most saturated in Poland.

Investors are continually interested in acquiring retail centres that are performing well across Poland: by the end of the third quarter of 2017, over €1.25 billion deals had closed; €1.42 billion in the same period of 2016.² This is in line with the global demand for retailers that identifies Europe as a favoured region of expansion. Even the growth of e-commerce has not become a barrier to the growth of the retail industry, as shopping centres expand their functions and invite a huge variety of tenants to enhance the visitor experience. The new occupiers include food & beverages (F&B) and leisure operators, medical and dental services, fitness and spa amenities and a wide range of educational, cultural and entertainment facilities.³ This strategy allows the retail industry to secure the same high turnover and to generate more employment opportunities.

¹ Tomczyk J., Kiernicki A., "Poland retail market. Q3 2017", JLL Jones Lang Lasalle IP. Inc., Warsaw 2017.

² Tomczyk J., Kiernicki A., "Poland retail market. Q3 2017", JLL Jones Lang Lasalle IP. Inc., Warsaw 2017.

³"The Socio-Economic Impact of European Retail Real Estate", International Council of Shopping Centres Inc., 2017.

Employment Opportunities

Based on the most recent data available from Eurostat, the retail trade accounts for 8.7% of total employment (ages 15-64) in the EU, generating 19 million jobs – direct employment in shopping centres, stores, services and others. Experts estimate that another 6 million jobs are created indirectly, through supplier chains, service companies providing for retailers etc. This means that the retail industry is responsible for approximately 12.4% of all the EU employment, or 1 out of every 8 jobs.⁴

The Polish retail industry, with 456 shopping centres, generated more than 1,4 million jobs (directly and indirectly) in 2017. In the third quarter of the year, 46,5% of them declared that they plan to open new recruitment processes for their sales departments.⁵ Analysing the jobs offers, sales specialists and salespeople are in high demand, with 35% of all jobs offers published in the first half of 2017.⁶ At the same time, 49% of employers admit that finding an employee for middle and lower level

positions is challenging and creates barriers for the company's expansion.⁷

Job opportunities in the retail sector include also those in shops selling food products and beverages, such as bakery selling points and cafes, many of them located in shopping centres. As Poles are spending more and more time in coffee shops, the market is developing and reached a value of PLN 500 million (US\$150 million) in 2016.⁸ Of the over 5,000 cafes operating in Poland, 680 belong to only five of the biggest cafe chains in the country.⁹

The retail industry offers diverse and flexible working opportunities. "The retail sector promotes social inclusion and makes a significant contribution to female employment. Indeed, 2016 Eurostat figures suggest that the industry encourages high female participation rates with women accounting for over 49% of Europe's wholesale and retail trade workforce. Moreover, the industry also offers accommodating employment terms and lends itself to part-time opportunities, making it particularly attractive to those seeking flexibility, students, working parents and retirees keen to re-join the workforce. (...) In addition, the retail sector provides opportunities for younger workers and those with lower skills or educational qualifications. Industry experts

⁴ "The Socio-Economic Impact of European Retail Real Estate", International Council of Shopping Centres Inc., 2017.

⁵ "Barometr rynku pracy VIII. Trzeci kwartał 2017", red. Kubisiak A., Pilichowska B., Ganclerz M., Work Service S. A. 2017.

⁶ "Handlowcy na rynku pracy. Zapotrzebowanie, zarobki, benefity specjalistów ds. sprzedaży", raport Pracuj.pl, June 2017.

⁷ "Barometr rynku pracy VIII. Trzeci kwartał 2017", red. Kubisiak A., Pilichowska B., Ganclerz M., Work Service S. A. 2017.

⁸ Portal Spożywczy, Anna Wrona, Rynek kawiarni w 2016 roku:

<http://www.portalspozywczy.pl/horeca/wiadomosci/rynek-kawiarni-w-2016-r-przychylny-dla-duzych-sieci,138842.html> (access January 2018).

⁹ Portal Spożywczy, Anna Wrona, Rynek kawiarni w 2017 roku:

http://www.portalspozywczy.pl/horeca/wiadomosci/rynek-kawiarni-w-2017-r-podsumowanie,153465_1.html (access January 2018).



mention in the Eurostat reports that over 20% of all employed 15-24 year-olds work in the wholesale and retail trade sector.”¹⁰

The retail industry also supports local supply chains by purchasing goods and services from local producers. Representatives of Jeronimo Martins Polska S.A., the owners of the biggest retail chain in Poland “Biedronka” (more than 2,700 discount shops in Poland as per July 2017), declare that more than 90% of food products available in company shops come from local producers. This tendency was confirmed by the Polish Chamber of Trade with data demonstrating that more than 80% of food products sold in all supermarkets in Poland is produced in the country.

¹⁰ “The Socio-Economic Impact of European Retail Real Estate”, International Council of Shopping Centres Inc., 2017.

OCCUPATIONS AVAILABLE WITHIN THE RETAIL INDUSTRY

The retail industry offers a variety of employment opportunities at all levels (entry, middle, senior) and with different skills and past experience required. The industry accepts people without experience and gives them the opportunity to shape their career, via internal trainings and transparent promotion possibilities.

The highest demand is for salespersons in Mazowieckie, Dolnośląskie, Wielkopolskie, Śląskie and Małopolskie.¹¹

¹¹ “Handlowcy na rynku pracy. Zapotrzebowanie, zarobki, benefity specjalistów ds. sprzedaży”, raport Pracuj.pl, June 2017.

Table 1. The Most Common Positions in the Retail Industry in Poland

Sales Position	Description	Competences Needed	Required Experience
B2B	<p>Managing transactions between businesses, usually involving a manufacturer and wholesaler, or a wholesaler and a retailer.</p> <p>A typical supply chain involves multiple business to business transactions, as companies purchase components and other raw materials for use in the manufacturing processes.</p>	High interpersonal skills, strong communication skills, strong writing & reading skills, multitasking, independence and good organization of work, readiness for business travels, active driving license, knowledge of foreign language at a B2 / C1 level (English preferably), knowledge of MS Office (including very good knowledge of Excel), in some case knowledge of SAP and CRM software.	Yes – usually 2-3 years, specific industry knowledge.
B2C	<p>For transactions conducted directly between the company and the end-users of its products or services.</p> <p>One of the most popular and widely known sales model, used from brick-and-mortar companies to online & mobile services (e-commerce).</p>	Strong computer skills (including Microsoft Office), good communication and people skills, strong analytical and math skills, highly organized and detail oriented, good project and time management skills, able to work and complete tasks independently, able to work collaboratively, high energy level and enthusiastic, reliable and responsible.	Different level of experience; from entry level to managerial positions. Depends on the position, but candidates without experience are also accepted. For managerial positions, 3-5 years of sales experience.
Direct Salesperson/ Sales Assistant	Selling the products directly to the customer/providing sales support to the sales team.	Proficiency in using Word, Excel, PowerPoint and Outlook, ability to pay close attention to detail and to understand written and oral instructions, ability to organize and schedule work effectively, interact effectively with a wide variety of people, effectively plan workload, listen well and actively engage others to facilitate positive outcomes. In case of work at cafés and other food retail establishments, a health examination and sanitation approval are required.	No – available internal trainings provided by employer.
Sales Representative	Salesperson or agent (whether or not under the direct control of a firm) authorized to solicit business for a firm, and compensated usually through a commission or salary, or a combination of both.	Strong interpersonal skills, comfortable working in team attention to detail, accuracy, ability to work under pressure in changing environment, excellent organizational & analytical skills including forecasting experience, strong PC skills (Microsoft Office) active driving license, readiness to business travels.	Yes – minimum 3 years.

Source: NESsT, based on the analysis of the job offers available on Pracuj.pl, November 2017

WORK CONDITIONS IN THE RETAIL INDUSTRY

The retail industry offers quality job opportunities. Most of the salespeople (more than 85%) are employed on fixed-term or indefinite employment contracts. They are secured with monthly fixed salary, periodic financial bonuses dependent on performance, and non-financial benefits.

Wages

Different factors influence the salesperson's wages:

1. Company size – small-size companies offer lower salaries. According to Pracuj.pl, the average gross salary in a company employing up to 10 persons is PLN 2,900 (USD 805), while in bigger companies it is PLN 4,300 (USD 1,200).¹²
2. Region – the ones with high demand offer higher salaries. In Mazowsze, with the highest demand for salespeople, the average gross salary is PLN 4,300 (USD 1,200), while in Lubelskie or Warmińsko-Mazurskie, the salesperson will earn only PLN 3,100 (USD 860).
3. Industry – the sale of products from the tech industries (IT, manufacturing, engineering) pay much more (monthly average PLN 5,000 // USD 1,390) than those from grocery or clothing & accessories industries (average monthly salary PLN 2,400 // USD 666).
4. Position – the salary increases with experience and promotions: sales directors earn even three times more than sales assistants, and in some cases get extra bonuses for fulfilling managerial positions (depending on the industry, this extra bonus varies from PLN 500 // USD 140 for clothing to PLN 2000 // USD 555 in more specialized industries like medical equipment or building materials). Sales representatives earn more than the typical salespeople, due to different set of competences they are required to have (from PLN 3,800 // USD 1,055 for those working in the home & office

equipment industry to PLN 5,800 // USD 1,610 for those working in the medical industry).

Financial Bonuses

Financial bonuses are a significant part of a salesperson's earnings. The system of financial bonuses depends primarily on the company's growth strategy, but also on the salesperson's responsibilities, performance, and industry. It is very hard to provide one unifying scheme, to describe the different practices implemented in different companies. The analytics from Pracuj.pl say that the average monthly bonus is PLN 1,000 (USD 277), but the best employees may earn even PLN 18,000 (USD 5,000) quarterly.

Attractive discounts (up to 25% of discount, depending on the company) are other kind of bonuses offered to retail employees, especially in clothing & accessories sector.

Non-Financial Benefits

The most common non-financial benefit is private medical insurance for employees and their families. Other frequently offered non-financial benefits include: life insurance, financing of sport activities, gift vouchers (especially in clothing & accessories industry). Sales directors receive a business mobile phone with an open plan, and sales representatives – a company car that can be also used for private purposes.

Reimbursement of tickets for cultural events, language classes, other type of courses or private retirement programs can be provided but are not very common.

¹² "Handlowcy na rynku pracy. Zapotrzebowanie, zarobki, benefity specjalistów ds. sprzedaży", raport Pracuj.pl, June

2017. All values are given only for the fixed salary, not counting financial bonuses.

AT-RISK GROUPS

The retail industry offers jobs that are well suited to the needs of different at-risk groups, especially those searching for flexible working hours, such as young mothers. Entry-level jobs are also available for people with no qualifications and experience, who are usually trained on the job and are provided with opportunities to advance to managerial positions after a few years of experience. There are many examples of social enterprises engaging at-risk groups, providing them with training and/or job opportunities directly in the retail industry.

The supply chain opportunities provided by the retail industry also represent an important market for social enterprises. As operators of food shops or cafes themselves or as suppliers to established chains, social enterprises can train and purchase from marginalized small producers and artisans as suppliers. To follow are a series of examples of social enterprises operating in the sector led by enterprise teams that have the knowledge and experience to work with these groups, who knows their specific needs and are able to effectively prepare them to work or to become reliable suppliers.

MESTESHUKAR BUTIQ (MBQ)

MBQ is a Romanian social enterprise working on revaluing traditional Roma craftsmanship. The product designers from the MBQ network develop new products, grouped into premium lifestyle collections, relying on traditional production techniques and influences of Roma culture, threatened by extinction. The enterprise is collaborating with 15 Roma artisans, who are at high risk of unemployment and discrimination. As around 45% of final retail price is going to artisans, MBQ provides them with additional income of EUR 160 monthly. The main product range includes jewellery, textile and leather products and home-decor articles and is sold in the MBQ shop in Bucharest to around 1,000 individual customers monthly and to the HORECA and architecture industry. MBQ recently entered a long-term partnership with one of the largest furniture retailers, allowing the enterprise to access a global market place. The first collection of wooden kitchenware items will be produced in a new workshop set up through NESsT's investment and will employ 4-6 artisans full-time.

► <https://mbq.ro/>

ŻYCIE JEST FAJNE

Życie jest fajne is a Warsaw based social enterprise, launched in 2016 by the Ergo Sum Foundation, that runs a café and offers high quality catering services. The café is the first in Poland to provide unique employment and labour force integration opportunities for autistic people who are at high risk of unemployment in the country. A friendly and casual space where guests may drink aromatic coffee and taste cakes and snacks, the café also hosts cultural events, such as concerts, art exhibitions, panel discussions and workshops. The social enterprise currently employs 20 people and provides support to an additional 35 autistic people and their families through a number of initiatives taking place in the café. Employees are provided with on-the-job training and soft skills development opportunities. They work as managers and salespersons and are also trained in preparing and catering.

► www.zyciejestfajne.pl



Summary

- The retail industry in Poland is constantly growing and offers diverse, flexible and dignified employment opportunities. There are close to 20,000 vacancies in the retail industry in Poland.¹³
- The retail industry offers concrete opportunities for people who are not participating or who are excluded from the labour market or those who are searching for flexible, part-time employment: youth, women, retirees, people with disabilities.
- The retail industry has low entry-barriers and offers jobs for persons with different levels of knowledge, skills, experience and education, including entry-level positions.
- 46.5% of the Polish companies plan to recruit new salespeople at the end of 2017 – beginning of 2018.
- There are some regions in Poland with a higher demand for salespeople (like Mazowsze, Dolny Śląsk, Wielkopolska, Śląsk), but this kind of vacancies are open in all regions.
- The retail industry offers dignified and stable jobs – more than 85% of the salespersons are employed based of an employment contract, their wages are fair and supplemented with financial and non-financial bonuses.
- The employees in the retail industry receive internal trainings and have clear and transparent promotion opportunities.
- The retail industry also provides important opportunities to source from suppliers representing at-risk communities such as small producers and artisans.

¹³ The Statistical Office in Poland, 2017.

ABOUT NESsT

NESsT has been working for 20 years to provide dignified employment to lift people out of poverty in emerging markets. NESsT achieves its mission by raising philanthropic capital to invest in and develop social enterprises that create employment and viable income opportunities for the poorest communities facing isolation, discrimination, lack of job skills and poor education. To date, NESsT has invited 176 social enterprises to enter its portfolio providing them with an average of four years of support and investing more than USD 14 million in capacity building and direct funding. Through this investment, NESsT has contributed to creating more than 49,000 dignified employment and sustainable income opportunities.

SUPPORT

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