



DOI: 10.1515/rpp-2017-0037

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THE INFLUENCE OF EXTERNAL AND INTERNAL FACTORS ON FORMING THE SYSTEM OF MANAGERS' PROFESSIONAL DEVELOPMENT AT TRANSNATIONAL CORPORATIONS IN POLAND

ABSTRACT

The author performs analysis of external and internal factors that influence organization of the system of Polish managers' professional development. These factors can be united into two groups. We will attribute the factors formed under the influence of external factors to the first group, to the second – the internal ones. So, due to the dynamic changes in economy and business, which take place in the world in general, and in Europe in particular, the first group covers the following three directions: 1) the national and political position of Poland and its geographical location (EU membership and close proximity to the highly developed European countries); 2) the socioeconomic condition of Poland at the present stage (intensive economic development and its rapid international exit, the growth of the number of transnational corporations and their subdivisions, thus, investment growth, including in transport industry: as the host country, Poland is considered to be one of the largest transport basins in Europe; the growing popularity of TNC among the Poles as the most desirable employer); 3) the manpower (cheap labour, employment opportunities and the prospect of professional development, the increasing demand for highly skilled managers for positions of heads' divisions of transnational corporations). The internal factors of the second group should be considered at two levels: at the organizational level (in particular TNC) and the level of personnel (in our case, managers). At the organizational level, we can notice changes in approaches to manpower management (the employer's market is transformed into a worker's market) and the growth of investment in training and personnel development, and also the involvement of top managers in the process of training and personnel development. There are the following trends at the personnel level: the possibility of rapid career in TNC, the growth of authority of Polish managers at the international level.

Keywords: professional development, personnel development, Poland, manager, transnational corporations.

INTRODUCTION

The topicality of this issue is conditioned to the annual increase in the number of transnational corporations (TNC) in Poland, namely, those corporations, where there are hundreds or thousands of employees and which have a certain organizational culture. According to the research by Sedlak & Sedlak Company based on the data of Central Statistical Office, there were 882 international companies well known as corporations in 2009 in Poland. 61 % of them (541 units) had a large share of foreign capital. The corporations with dominance of foreign capital came from 36 countries; the majority (over 87 %) were from EU countries. Moreover, 20 % had their headquarters in Germany. At that



time, almost 888,000 Poles worked at these corporations. More than 80 % of them (713,8 thousands) worked at the largest companies, with the employment of more than a thousand of people. But, the largest group consisted of the companies that employed from 50 to 249 people (26,3 %). On the second place (23 %) there were small firms that covered less than 50 people (Raszowska, 2011).

THE AIM OF THE STUDY

The purpose of the article is to distinguish and characterize external and internal factors that have a decisive influence on the process of managers' professional development at TNC in Poland.

THEORETICAL FRAMEWORK AND RESEARCH METHODS

Theoretical foundation of the study consists of the works by Polish scholars on the problems of employment and professional development of personnel in the transport industry in Poland. In particular, the works of H. Bednarchyk, S. Prytula, A. Zygodlo are important for our study, as they present a classification of modern managers engaged by transnational corporations and models of their competences. J. Levernes, M. Piotkowski, B. Piwnicki, G. Rashkowska explored the current trends in the employment of Polish managers. J. Bulinski, P. Kuskowski, M. Michna, A. Wozniak characterized the transport industry in Poland. The results on introduction of innovative methods for promotion of automobile industry products have been highlighted in the studies by B. Pilarchyk, A. Rogal, K. Zhywanowski.

For the purpose of the study a set of general scientific research methods has been used, such as study and analysis of literary, scientific, informational and Internet sources, statistical data, as well as theoretical comprehension, systematization and generalization in formulating conclusions.

RESULTS

The dynamics of the expansion of Polish and foreign TNC and their subdivisions on the territory of the country as external factors determining the employment opportunities and ways of professional development of personnel in general and managers in particular can be seen on the example of a brief analysis of the current state of the transport industry in Poland. Consequently, the transport industry in Poland is a powerful engine of the economy of this country. According to the Ministry of Economy, automotive industry is the leading sector in 6 out of 14 special economic zones operating in Poland. The transport industry employs nine of the top 15 leading investors in Central and Eastern Europe and more than 25 % of the total investment in this territory is invested in automotive industry (Michna & Kuskowski, 2015).

Statistics on the dynamics of development, the growth of the role and importance of the transport industry in the Polish industry are evidenced by statistics over the past few years. By the end of the 2000s and early 2010, the Polish automotive sector had accounted for about 11 % of the total industrial output, accounting for about 4 % of GDP. In this sector, some 130,000 people were employed at that time, and production amounted to about 800,000 to 900,000 passenger cars per year. In the period 2007–2009, Poland became the second (after the Czech Republic) passenger car manufacturer in Central and Eastern Europe. Most of the products are export-oriented, first of all in the European Union. In 2009, exports from this sector amounted to € 15.7 7 billion, or 16 % of total Polish exports. As of 2012, Poland was 23rd in the list of the world's largest car manufacturer (for comparison: Germany – 4th, Ukraine – 38th) (Buliński, 2010; Wikipedia, 2012; Production Statistics – OICA, 2016).



However in 2015, which can be considered a record year in the Polish automotive industry, exports reached 21 billion EUR due to new investments, which also contributed to the rapid increase in the number of jobs. According to data of analytical company AutomotiveSuppliers.pl, at the end of 2015 more than 285 thousand people were involved in the transport industry in Poland (Woźniak, 2016).

The researchers notice that 2015 did not only show high results, but also gave a great hope for the further development of this industry. According to A. Wozniak (2016), investment growth in the transport sector is impressive: according to the data of PZPM and KPMG, the value of investments in this industry in 2015 exceeded 7 billion zloty and became 23,4 % higher than in 2014. Due to these investments, two large projects have been launched since the beginning of the year: in April, the Nexteer Automotive Corporation, which manufactures steering systems, and in January the PKC Group's cable harness production plant in Białogard. Two new built plants have also been started to build: in March, the Uniwheels Group, which is building the third plant in Poland for the production of aluminum wheels, started its investment company in Stalowa Wola. It will become a part of the world's largest production of wheels with a generating capacity of up to 10 million units a year. And in April, in Mysłenice, the work of the Cooper Standard Polska plant extension began. The plant will produce automotive sealing systems with a planned employment of 700 people (Woźniak, 2016).

It is worth emphasizing that the construction of two completely new enterprises was planned. Thus, Industrias Alegre Poland has announced the construction of a factory for the production of internal plastic parts for automobiles (80 million zloty). Another corporation, Panattoni Europa, has informed about the construction of the Koluszki plant for the Norwegian company Kongsberg Automotive.

At the same time, there are two more investments from Germany in the queue, which, according to expectations beginning from 2019, will attract dozens of suppliers: and in the third and fourth quarters of 2015, the construction of the factory for the production of Volkswagen van in Wrzesnia and the Daimler engine production plant in Yawor. A renovation to the amount of about 250 million euros for a motor-vehicle plant owned by General Motors Manufacturing Poland in Tychy is going on. New 4-cylinder blocks for Opel will be produced in two years there. The production capacity of the plant is expected to reach 200 thousand engines per year. According to the Polish Agency of Information and Foreign Investments, the transport industry in Poland is the largest supplier of foreign investment in terms of planned costs (Woźniak, 2016).

The results achieved in the first half of 2016 prove that the output growth of means of transport in 2015 was not one-time act – this is the result of steady progress. Moreover, the situation on the Polish market and the European is favourable. Eurostat's current data allows us to summarize the achievements of the Polish automobile export for 2016. During 12 months, automotive products for export were manufactured to the amount of 30,4 billion euros.

The Data for 2017 indicates a further increase in exports of automotive products. Thus, in the first quarter of 2017, the growth of production in all categories was recorded – in total 202,5 thousand means of transport were produced and it is 7,3 % more than in the corresponding period of the previous year. The production of buses is growing dynamically – 1,4 thousand units left the territory from January to March and that is 36,1 % more than a year earlier. The similar dynamics were typical for the production of cars and trucks that amounted to 43,1 thousand units and was 30 % higher than in the previous year. The production of cars is slightly slower – in this category 158,1 thousand units were registered,



thus, the growth is 7,3 % (Branża motoryzacyjna w Polsce I kw. 2017, 2017). According to the statistics, the data for the first quarter of 2017 is quite optimistic and shows that the best result is expected during this year in comparison with several past years.

So, as it is seen, Poland is attractive for foreign investment for many reasons. There are important political, economic and legal factors among them. The membership of Poland in the EU is a guarantee of political stability and predictability of economic development, coordination of the legislative base, system of privileges to investors on the part of the government. The geographic position and the size of the country are advantageous. Polish experts point out that Poland is a big country with a population of almost 8 times greater than the leader in the automotive industry in Eastern Europe the Slovak Republic, which has only 5,5 million inhabitants. Therefore, Poland can attract new strong investments in a short time.

Cheap labour also attracts investors. Decisive solutions to the choice of investment location in East Europe for the German transport industry are funds spent on work. According to the German Transport Industry Association, they are much lower than the average payment in Germany, where an hour of an employee costs about 52 euros, but in Poland and Hungary less than 10 euros, and in Romania even less – 5,90 euros (Cöllen, 2016).

However, the most important factor, in Polish and foreign experts' opinion, is human capital. Thus, the head of the VW (VWN Volkswagen Nutzungsfahrzeuge) Eskard Scholz points out "an industrious, motivated and highly skilled team" (Cöllen, 2016). Paweł Gos states that the main factor encouraging investments in Poland is the staff, "we really have many highly skilled engineers, young people who want to work in the transport industry, which is the most advanced industry in world (Branża motoryzacyjna w Polsce I kw. 2017, 2017).

Taking everything into account, we can turn to an analysis of internal factors based on human potential and see how they affect the organization of professional development of managers in Polish TNC. The problem of professional development of managers who work or are to work in TNC is being actively investigated in scientific, literary and Internet Polish sources. Researchers confirm that the majority of polled young people in Poland answering the questions at what companies they would like to start their careers, responded without hesitating that it was transnational corporations (Piwnicki, 2016).

On the other hand, the results of the Antal International Survey as for the most desirable employers also confirm that most of the companies included in the rating are transnational corporations. The researches are based on the responses of more than 1900 Polish professionals from different industries (Antal, 2011).

Due to this research, we can analyze the criteria for selecting the TNC. The main advantages for over half of the interviewed specialists and managers are their size and prestige of TNC (58 %), and also the style of management and organizational culture (50 %). Wages and benefits are also very important factors, and they were chosen by 42 % of respondents who participated in the Antal International Survey. It is increasingly important that advantages pass the limits of wages. A mobile phone, a laptop or a car and a possibility of their use for personal purposes become a basic requirement for many specialists. It is also important for the candidates to ensure the protection of their health, life and their families. Some companies also provide legal policy and guardianship. It is also important that employers offer the employee the opportunity to maintain a balance between a work and their personal life, attending a gym or swimming pool, additional days of rest, company dinners and a subscription of magazines or holiday vouchers. The opportunities for promotion and development offered by the employee are the reasons for 39 % of respondents to choose the companies, and education – for 21 %. Often, the most desirable



employers finance the MBA course to employees and offer the opportunity to take part in additional training courses, specialized language courses or individual trainings for improving skills (Antal, 2011).

In connection with the globalization processes in business and the increasing presence of foreign capital in Poland, every time the way to an international career opens out for a larger number of Polish managers. There are new opportunities, new chances at the level of global business. Many Polish managers now take superior positions at TNC. Fifty Poles representing important functions in major international companies are represented in the report “Poles in Corporations 2010 – The Leaders of the Corporation”, prepared by the Portal Spraw Zagranicznych. The vast majority of Poles in TNC are mainly responsible for Poland and the countries of the region. Several winners work at the company headquarters at the global level. Some of the winners manage the units in the EMEA region (covering Europe, Russia, the Middle East and Africa), North and South America and Asia. Polish representatives are also in other regional markets. American companies are the largest groups among the companies where the top managers work. They are followed by the companies from the European Union. There are also Polish managers who are at the top at Japanese TNC and one – at Indian corporations (Levernes, 2010).

Poles are at the key moment when it goes about the development of the Polish managers’ career in foreign corporations. This is due to the fact that in recent years, the number of foreign investments has considerably increased, that creates possibilities to promote Polish specialists in the world market. The history of the international career of Polish managers is relatively short, but extremely fast. Professional managers had the opportunity to show themselves only in the last 20 years. In addition, the chances of such a dynamic career, when only the knowledge of English and self-confidence allowed taking high positions, but now chances are smaller than in the 1990s. At that time, the first wave of foreign investment came to Poland, when large transnational corporations decided to place their offices, mainly in Warsaw, giving their potential to the Polish managers for career development in large corporations, but at the local level. And only the second wave of investment during the next 5–7 years allowed managers to take key positions in global structures at the level of Europe and even the world (Levernes, 2010).

Theoretical studies and practical examples show that Polish managers have a strong potential. A distinguishing feature of Polish managers is to focus on the results and professional ambition, the desire to be better than their foreign colleagues. Their ingenuity, ability to cope in critical situations, diligence, attachment to the company in which they work, and at the same time hospitality and openness are rated highly at the international level. “We are creative, open to new solutions, flexible, innovative and hardworking”, cites Michal Gembal. “Our biggest asset is the ability to work under unpredictable conditions and cope with emergencies” (Piątkowski, 2015).

Even the features they consider national flaws, such as skepticism and pessimism, sometimes combined with the possibility of finding new solutions for representatives of other countries can be a sign of common sense and a clear thinking. From the point of view of the Poles, answering the question what originality Polish managers can bring in the international corporate culture, they think that there are two views: pessimists answer – nothing, because companies around the world use the same procedures, standards, visual identification, as globalization has French, German or British specificity, and for Poland there is no niche. Optimists state with confidence even if there is no Polish school of management there is a Polish style: expressive, unique, noticeable.



In this context we note that the success of Polish managers is partly explained by national characteristics and a complicated history. Ronald Binkofski, the general manager of the Polish branch of Microsoft, thinks that not easy history has become a good school of survival, about which foreign MBA students can only dream of. Previous generations of the Poles sustained occupation, divisions, communism. The ingenuity developed over a long period of time consolidated on the waves of the political changes initiated in 1989. “The Polish managers have unique experience connected with the period of transformation, especially in the construction and formation of new markets and the introduction of products and services,” R. Binkoffsky explains. – It is time to realize that flexibility and overcoming barriers are particularly important in a context of fierce competition. Adaptability, determination, striving for success help the Poles to pave the ways and find non-standard solutions” (Piątkowski, 2015).

No less important advantage of the Poles is that they are not as optimistic as the Americans. Cornelius Makushinski wrote that everything in Poland is poured with “a sauce of sorrow”. Sociologists wrote almost everything about the propensity of the Poles to complain about their pessimism, “searching for the hole in an intact thing”. Skepticism and pessimism relate to negative feature. However, it turns out to be a surprise that representatives of other countries consider them as a confirmation of the rationality and a sober perception of the reality – Michal Gembal says (Piątkowski, 2015).

Researchers of cultural differences emphasize the fact that determining features of governance in Poland is avoiding extremes. Neither German hierarchy, American decrease in distance, nor Scandinavian egalitarianism (the opposite of elitism) is considered here. The Poles appreciate the partnership, but not in the way “the president makes coffee for the secretary.” They look for a golden mean, focusing on the voice of reason. Intuition and feelings mean more for them than the theory of the textbook, which distinguishes the culture of Polish management from Anglo-Saxon, for example. Someone may criticize this style without coherence, uniqueness. However, this method of management follows a certain technique.

Conrad Grohs also believes that the best effects are achieved by combining wise management styles: Anglo-Saxon, Asian, and Polish. “The ideal situation when every member of the board brings something new, fresh, different,” the company head, Fanuc Robotics, says. In his opinion the Polish leaders with their openness and flexibility fit perfectly their cosmopolitan teams. And their professional and social competences will accompany them on the main roles and more often. It will be a waste of potential to stay on the second or third line (Piątkowski, 2015).

The fact that Polish managers are becoming more mature as leaders, affirms that there are less expatriates in Polish branches of international corporations. Even 10 years ago they were very numerous. In recent years the Poles have been able to learn a lot, first of all to understand what an international activity is and what means to conduct international business at large scales.

The prospect for the Poles is also the fact that the Polish in-house companies have been growing up recently. Seven years ago new-created companies mainly dealt with the protection of their in-house budgets. That is why they were glad when the Polish managers were trained to work abroad for the account of a foreign company when the manager was already abroad. Today they can afford to conduct such seminars before business trip in order to avoid mistakes connected with removal and often with difficult or unsuccessful adaptation.

CONCLUSIONS

Therefore, after analyzing the external and internal factors that influence the organization of the system of professional development of Polish managers, we can finally



highlight the current trends that are specific for this country. They can be united into two groups. So, due to the dynamic changes in the economy and business, which take place in the world in general, and in Europe in particular, the first group of trends covers the following three directions:

1) the national and political position of Poland and its geographical location (EU membership is a guarantee of political, economic and legal stability and predictability, and close proximity to the highly developed countries of Europe, the territory and the population of Poland attracts investors' interest);

2) the socioeconomic condition of Poland at the present stage (intensive economic development and its rapid international exit, the growth of the number of transnational corporations and their subdivisions, thus, investment growth, including in transport industry: as the host country, Poland is considered to be one of the largest transport basins in Europe; the growing popularity of TNC among the Poles as the most desirable employer);

3) the manpower (cheap labour, employment opportunities and the prospect of professional development, the increasing demand for highly skilled managers for positions of heads' divisions of transnational corporations).

In our opinion, the second group of trends should be considered at two levels: at the organizational level (in particular TNC) and the personnel level (in our case, managers). At the organizational level, we can notice changes in approaches to manpower management (the employer's market is transformed into a worker's market) and a growth of investment in training and personnel development, and also the involvement of top managers in the process of training and personnel development. There are the following trends at the personnel level: the possibility of rapid career at TNC, the growth of authority of Polish managers at the international level.

Thus, the issue of organizational conditions for professional development of managers at TNC in Poland is very important for further researches.

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