NESsT

Automotive, Electronics & Domestic Appliances

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.

CREDITS

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Industry Characteristics

The automotive sector, one of the fastest growing industries in Poland, includes companies specialised in the production of vehicles, trailers and semi-trailers, as well as car parts and accessories.

After Czechia and Slovakia, Poland is the third producer of vehicles in CEE[1] and the second - after Czechia - of car parts and accessories. While the demand for vehicles and car parts is growing in the country, the Polish automotive industry depends on the economic situation of Western Europe, where most of the Polish production is exported. The 2016 exports of passenger cars amounted to PLN 30 billion (USD 8.6 billion) and the export of parts and accessories – to PLN 86 billion (USD 24.7 billion). The automotive manufacturing sector accounts to 2% (PLN 33.1 billion / USD 9.5 billion) of Poland's total gross value added, out of the 9.4% generated by the overall manufacturing industry.

Another high-growing area of the manufacturing industry in Poland, especially in Dolnośląskie, is the production of electronics and domestic (household) appliances: electric – large (e.g. fridges, ovens, washing machines) and small (e.g. vacuum cleaners, blenders, irons) – and non-electric equipment. According to the Polish Investment and Trade Agency, Poland is Europe's leading manufacturer for domestic appliances, with Germany and Italy as the biggest competitors.[2] The value of this sector was estimated at PLN 8 billion (USD 2.37 billion) in 2014. In 2016, 87% of all Poland's production was exported, mostly to Germany, Great Britain, France and Italy.[3]

Poland is also the leading manufacturer of electronic equipment in Europe, producing consumer electronics, electronic components and parts (also for automotive industry), telecommunication equipment and computer hardware. According to the *Made in Poland* report, Polish production in this sector reached 13.8 billion euro (USD 17 billion) in 2014. The industry's projected growth is expected to reach 10 billion euro (USD 12.3 billion) in 2019.[4]

[1] KPMG and Polish Association of Automotive Industry Report: *Stan branży motoryzacyjnej i jej rola w Polskiej gospodarce*, 2017

[2] Polish Information and Foreign Investment Agency, *Automotive sector in Poland*, 2015: www.paih.gov.pl.

[3] European Committee of Manufacturers of Domestic Equipment Poland, *Press release: Domestic Equipment Market in Poland and in Europe 2016*: www.cecedpolska.pl.

[4] JLL, Polish Information and Foreign Investment Agency, EY, Hays. *Made in Poland. An Investment Guide for Manufacturing Sector Companies*, 2016.

SOLD PRODUCTION & REVENUES OF THE INDUSTRY

Comparing to the previous year, the 2016 value of sold production increased by over 12% in automotive and almost 15% in computers and electronics. The automotive manufacturing is responsible for the highest results, with the value of sold production of almost PLN 140 billion (USD 39 billion) in 2016. Regarding net sales, the results for the first half of 2017 show a stable situation, with numbers equal to 50% of the 2016 results.

In 2015, the companies from Dolnośląskie were responsible for almost 20% of all national sold production of the automotive industry and for 30% of computers and electronics sector.[5]

Table 1. Results of the automotive, computers and electronics, and domestic appliances manufacturing industries.

Sector of manufacturing	Sold production in 2015	Sold production in 2016	Net sales revenues of products, goods and materials
Automotive[6]	PLN 123 billion // USD 34.2 billion	PLN 138.7 billion // USD 38.6 billion	PLN 146 billion // USD 40.7 billion
Computers, electronic and optical products[7]	PLN 32 billion // USD 8.9 billion	PLN 36.6 billion // USD 10.2 billion	PLN 37.7 billion // USD 10.5 billion
Domestic appliances	-	PLN 20 billion // USD 5.6 billion[8]	-

[5] Central Statistical Office in Wroclaw, Statistical Yearbook of Dolnośląskie, 2016: www.wroclaw.stat.gov.pl.
[6] Central Statistical Office, Statistical Yearbook, 2016 Central Statistical Office, Industry Outlays and Results in 2016, Central Statistical Office, Industry Outlays and Results in Ist and IInd quarter of 2017, www.stat.gov.pl.
[7] Central Statistical Office, Statistical Yearbook, 2016 Central Statistical Office, Industry Outlays and Results in 2016, Central Statistical Office, Industry Outlays and Results in Ist and IInd quarter of 2017, www.stat.gov.pl.
[8] CECED Poland, Infografika: Rynek AGD w Polsce, 2016: www.cecedpolska.pl.

GROWTH (PROJECTIONS, RISKS, FACTORS)

These sectors are projected to grow mostly due to their long history and strong track record in Poland, foreign investments from international companies,[9] strong network of suppliers, good geographical location, access to skilled workforce, and lower labour costs than in Western Europe. The last two factors are especially important, as the overall labour market in Poland experiences shortages in medium- and low-skilled labour, with Polish companies competing for candidates with German and Czech companies that are able to offer higher salaries. According to the recruitment experts, this shortage is filled by economic migrants, with the majority coming from Ukraine.[10] Based on CECED Poland, the biggest challenge faced by Polish producers of domestic appliances is to bring innovations to their products and to educate their clients with regard to the efficient use of energy.[11] One of the growth drivers propelling sales is the government's 500+ program, which provides families with two or more children with financial assistance opening up the possibility that they can now afford to buy domestic appliances and electronics. According to the Polish Association of Importers and Producers of Electronic and Electrical Equipment of RTV and IT Sectors (ZIPSEE "Cyfrowa Polska"), the electronics industry is also expected to grow due to a new government law regarding the VAT that will limit the influence of dishonest competition.[12]

THE MAIN PLAYERS & LOCATIONS

Around 2,700 manufacturers of vehicles, trailers and semi-trailers operate in Poland, and there are additional 115 specialised automotive companies registered under different sectors. These facilities are located mostly in the voivodships of Dolnośląskie, Ślaskie, Podkarpackie and Wielkopolskie. In Dolnośląskie, the biggest production facilities are in Polkowice, Środa Śląska, Legnica, Wałbrzych, Wrocław and Jelcz-Laskowice.

The electronics and domestic appliances manufacturing facilities are located mostly in Łódzkie, Wielkopolskie, Śląskie, Dolnośląskie, Pomorskie and Kujawsko-Pomorskie. In Dolnośląskie the production facilities are located in Złotoryja, Żarów, Świdnica, Biskupice Podgórne, Dzierżoniów, Wrocław, Jelcz-Laskowice and Oława.

The main players in computers and electronics in Dolnośląskie are LG Electronics, LG Innotek, LG Chem and Compal. The leading companies in domestic appliances are Whirlpool, Electrolux Poland and BSH. All these players in the manufacturing industry search for similar types of employees.

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[9] There are public policies providing investment incentives: cash grants for investors generating over 50 jobs, exemption from corporate income tax in Special Economic Zones and exemptions from real estate tax according to local regulations, subsidies from labour offices to support employment of people with challenges joining the labour market.

[10] According to Eurostat data, in 2016 Poland issued 586 thousands of residence permits – only United Kingdom issued more in the whole European Union. 84% were issued as work permits, what makes Poland lead among countries that receive foreign workforce. (Eurostat, *First residence permits issued by reason*, 2016: www.ec.europa.eu/eurostat/statistics-explained/index.php). Net migration rate in Poland, according to 2017 estimations of Central Intelligence Agency of United States is -0.4 migrants per 1000 population (CIA, the World Factbook, NET Migration Rate, 2017: www.cia.gov). According to estimations, there is around 1 million Ukrainians working in Poland, including up to 270 thousands working illegally (Jan Nowak-Jeziorański Eastern Europe Collegium, *Ukrainian Migration to Poland*, Jakub Bińkowski, Wojnowice 2017).

[11] CECED Poland is an industry association, member of European Committee of Manufacturers of Domestic Equipment (fr. Conseil Europeen de la Construction d'Appareils Domestiques).

[12] DLA Piper Wiater sp. k. for ZIPSEE „Cyfrowa Polska" *Rok obowiązywania odwrotnego obciążenia VAT w branży elektronicznej - pierwsze wnioski*, 2016: www.zipsee.pl.

Table 2. Automotive industry leaders.

The main producers of vehicles and engines in Dolnośląskie	
Volkswagen Motor Poland	• Polkowice, launched in 1999, revenues in 2015: PLN 6.18 billion (USD 1.74 billion) • 1168 employees
Volvo Poland	• Wrocław, manufacturing facility launched in 2000, but Volvo is producing buses in Poland since 1996, revenues in 2015: PLN 2.9 billion (USD 800 mln) • 2971 employees
Toyota Motor Manufacturing Poland	• Wałbrzych, launched in 2001, revenues in 2016: PLN 1.89 billion (USD 500 mln) • 1550 employees
Toyota Motor Industries Poland	• Jelcz-Laskowice, launched in 2002, revenues in 2016: PLN 641.23 mln (USD 180 mln) • 820 employees
Jelcz Sp. Z o.o.	• Jelcz-Laskowice, launched in 1952, revenues in 2015: PLN 213.3 mln (USD 60 mln) • 568 employees

The main manufacturers of car parts and accessories operating in Dolnośląskie	
Faurecia Group	• Legnica, Jelcz-Laskowice, Wałbrzych, with locations in Greater Poland and Mazovia, operates in Poland since 1996.2016 revenues: PLN 4.3 billion (USD 1.2 billion) • 6147 employees
Lear Corporation Poland	• Legnickie Pole, with locations in Silesia and Podkarpackie, operates in Poland since 1997, 2015 revenues: PLN 2.12 billion (USD 600 mln) • 9000 employees
Robert Bosh	• Mirków, operates in Poland since 1992, revenues in 2015: PLN 1.38 billion (USD 400 mln) • 1062 employees
Ronal Poland	• Wałbrzych, Jelcz-Laskowice, revenues in 2016: PLN 1.56 billion (USD 400 mln) • 1856 employees
Sitech sp. z o.o. – Volkswagen Group	• Polkowice, Głogów, operates since 1998, revenues in 2016: PLN 1.57 billion (USD 400 mln) • 1914 employees
GKN Driveline Poland	• Oleśnica, operating in Poland since 1996, revenue in 2015: PLN 1.31 billion (USD 300 mln) • 900 employess
Leoni Kabel Poland	• Wierzbice, with location also in Ostrzeszów, Wielkopolska, operates in Poland since 2001, revenues for all Poland in 2015: PLN 1.14 billion (USD 300 mln) • 500 employees

[13] KPMG and Polish Association of Automotive Industry Report: Stan branży motoryzacyjnej i jej rola w Polskiej gospodarce, 2017

[14] KPMG and Polish Association of Automotive Industry Report: *Stan branży motoryzacyjnej i jej rola w Polskiej gospodarce*, 2017

NEW INVESTMENTS AND NEWCOMERS

In 2016, the companies operating in vehicles, trailers and semi-trailers manufacturing invested PLN 7.3 billion (USD 2 billion) mostly in machines, tools and devices used in production processes.[15] The total value of direct foreign investments in automotive manufacturing in 2015 amounted to PLN 4.1 billion (USD 1.5 billion) (increase by over 17% comparing to the year before), with almost PLN 3.5 billion (USD 1 billion) invested in innovations. The main companies investing in manufacturing facilities located in Lowers Silesia are Daimler AG (Mercedes Benz) and GKN Driveline Poland, planning to provide 900 new jobs in total.

The investments made by companies manufacturing computers, electronics and optical products, decreased with PLN 682.5 mln (USD 192 mln) in 2016, in comparison to PLN 876.7 mln (USD 247 mln) in 2015. However, the electrical equipment production sector, that includes electric domestic appliance manufacturing, experienced a growth in investments by 5.6% in 2016, in comparison to 2015. In addition to the Whirlpool investment plans that will lead to an increase of employment in the Wrocław facility, BSH is also planning to create additional 1000 jobs in the region.

[15] KPMG and Polish Association of Automotive Industry Report: *Stan branży motoryzacyjnej i jej rola w Polskiej gospodarce*, 2017

Employment Opportunities

According to the Labour Market Barometer report, in the last months of 2017, most of the production companies were planning to sustain employment at the current level (74.4%) or increase it (21.9%), with only 2.8 % planning to lower the number of workers.[16] The great majority (83%) of all recruitment processes planned in the manufacturing companies were related to lower-skilled positions.

In the first half of 2017, the automotive industry experienced an increase of employment by 12,600, in comparison to the previous year and by 22,600 in comparison to 2015.[17] The computers and electronics production employment increase in 2017 was 3,300 new jobs, compared to 2016. According to CECED Poland, the domestic appliances sector employed 25,000 people in 2016 – a growth of 3% in comparison to 2014.

According to the Monitoring of Deficit and Surplus Occupation data issued by the Labour Office of Dolnośląskie, the broad manufacturing sector employed 221,000 people in 2016 (166,000 employed by large companies). In 2015, the companies from Dolnośląskie were responsible for employing over 15% of all the people employed in the automotive industry (27,106) in Poland, and almost 20% of the computers' and electronics manufacturing workers (9,711).[18] As the number of jobs in the automotive industry in Dolnośląskie increases systematically each year, the employment in computers and electronics experienced a decline in 2015in comparison to 2010 by 5.5%.

Table 3. Structure of employment in the selected industries in Poland in 2016.

Industry	No. of employed
Automotive	180,000[19]
Computers, electronics and optical products	52,600[20]
Domestic appliances	25,000[21]

[16] "Barometr rynku pracy VIII. Trzeci kwartał 2017", red. Kubisiak A., Pilichowska B., Ganclerz M., Work Service S. A. 2017.
[17] Central Statistical Office, Industry Outlays and Results, I & II Q 2015: www.stat.gov.pl.
Central Statistical Office, Industry Outlays and Results, I & II Q 2017: www.stat.gov.pl.
[18] Central Statistical Office in Wroclaw, Statistical Yearbook of Dolnośląskie, 2016: www.wroclaw.stat.gov.pl.
[19] Central Statistical Office, Industry Outlays and Results, 2016: www.stat.gov.pl.
[20] Central Statistical Office, Industry Outlays and Results, 2016: www.stat.gov.pl.
[21] CECED Poland, Infografika: Rynek AGD w Polsce, 2016: www.cecedpolska.pl.

OCCUPATIONS AVAILABLE WITHIN THE INDUSTRIES

The demand for workforce in these industries has been growing and is projected to continue to do so, in line with the expansion of existing companies and new investments (for example Daimler). Candidates are needed to work in logistics, business centres and research & development departments. The most needed candidates for low-skilled positions are manufacturing workers - production line workers, electricians, mechatronics, and electro-mechanics that repair and service the equipment.[22] The Barometer of Professions research in Dolnośląskie confirms that the industry needs mainly physical production workers, electrical mechanics and fitters, mechanical engineers, metal cutter operators and welders.[23] According to the Regional Labour Office data, based on the number of vacancies compared to number of registered unemployed people, the occupations in high deficit within the discussed industries are: production engineer, engineer-electrician, warehouse worker, machine operator, and processing and coating metal surfaces workers.[24]

In 2016, the employers in the manufacturing sectors were looking – via labour offices and internet portals - for 33,750 craft and manufacturing workers and for 26,413 operators and mechanical machine fitters (these jobs may require more specialised qualifications and experience).[25] In the first half of 2017, the Labour Office of Dolnośląskie registered 11,274 new job offers for lower-skilled workers in mining, construction, manufacturing and transport sectors.

To find candidates, the companies submit offers to labour offices, hire recruitment agencies, advertise on-line, offer more competitive conditions (like free transportation to production facilities) and are more open to recruit people with no professional experience or Ukrainians, attracted to the higher than in their country salaries, for entry-level positions. However, despite these efforts, employers were not able to fill all of the vacancies – in 2017 the Local Labour Office of Wałbrzych still had 1700 production vacancies registered in three discussed sectors.[26] Around 90% of jobs were for people with low qualifications.

In the long run, with the development of more advanced technological solutions and automatization, the manufacturing companies will face an increasing need for workers specialised in automation and robotics. In 5-10 years, these changes will reduce the need for production workers to do simple assembly tasks, as they would be replaced with machines. According to WiseEuropa Institute, among the 20 occupations most endangered by automatization, many are connected to manufacturing: fitters, production machines operators and welders. Poland and Hungary are the countries with the highest number of employees working in endangered jobs.[27]

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[22] Interview with the representative of CECED Poland.

[23] Regional Labour Office in Cracow, 2016, Barometer of Professions Report for Poland, 2017: www.barometrzawodow.pl.

[24] Regional Labour Office of Dlnośląskie, 2017, Information about the labour market situation for 2016: www.dwup.pl.

[25] Regional Labour Office of Dolnośląskie, 2017, Monitoring of Deficit and Surplus Occupations: www.dwup.pl.

[26] Interview with the representative of Local Labour Office of Wałbrzych (January 2018).

[27] WiseEuropa Institute, M. Bitner, R. Starościk, P. Szczerba, *Working Paper 1. Czy robot zabierze ci pracę? Sektorowa analiza komputeryzacji i robotyzacji europejskich rynków pracy*: www.wise-europa.eu

Table 4. The most common positions available in the industries.

Position	Description	Competencies	Experience
Production worker	Simple assembly of parts; warehouse maintenance.	• Teamwork skills; • manual skills; • in some cases, minimum high school education required; time flexibility.	Experience is an advantage, but not obligatory.
Fitter / Operator of the production line	Assembly of parts; production process control; operating and maintaining the production line.	• Teamwork skills; • manual skills; • in some cases understanding of technical drawings; • time flexibility; • often, vocational education or occupational licenses are required.	Yes, some experience in production work.
CNC Operator	Operating, programming and controlling the CNC cutting machines	• Teamwork skills; • good understanding of technical drawing; • organisational and time management skills; • CNC programming knowledge.	Yes, experience in machinery.
Quality controller	Testing, analysing results and defective products. Adjusting monitoring and control systems. Participating in working groups to improve the products.	• Teamwork skills; • will to learn. • communication skills; • secondary education; • time flexibility; • English (an advantage); • analytical thinking, • excellent knowledge of MS Office.	Yes, experience in production quality control.
Shift Leader	Coordinating and delegating tasks to the production team. Production plans implementation. Adjustments to improve production efficiency. Motivating the team. Responsible for health and safety standards and control.	• Excellent communication, interpersonal and teamwork skills. • organisational skills; • higher education (technical university as an advantage); • knowledge of MS Office and in some cases SAP; • time flexibility.	Yes, three years in similar position.
Production Manager	Managing the team and the production; responsible for: efficiency – based on the production plans and lean manufacturing standards – and the quality of products. Budget planning, control and reporting	• Higher education (technical university); • knowledge of mean management standards and tools; • leadership competences to motivate and manage the team; • interpersonal and organisational skills; • English language – communicative; • MS Office, especially Excel; knowledge of SAP.	Yes, up to five years of experience in production management.

WORK CONDITIONS IN THE INDUSTRY

Most of the recruitment processes for lower-skill positions – especially production workers - are conducted by over a dozen local and international temporary employment agencies. These agencies (like Work Service, Randstad and Adecco) are contracted by the production companies to employ these lower-skilled workers with fixed-term employment contracts.[28] The employees for medium- and high- skilled positions have permanent contracts with the production companies.

The production facilities operate in two or three shifts system, and the earnings depend on the level of skills and experience. According to the Central Statistical Office data, the average monthly salary grew in recent years, amounting in 2016 to:

- automotive: PLN 4,669 (USD 1,316) gross monthly
- manufacturing (computer, electronic and optical products): PLN 4,422 (USD 1,247) gross monthly
- manufacturing (electrical equipment) – PLN 4,387 (USD 1,237) gross monthly

In Dolnośląskie the average gross wage is among the highest in Poland, higher by 20% in 2016 in comparison to the earnings in Podkarpackie - one of the regions with lowest average salaries. Dolnośląskie is also one of the voivodships where the average monthly wages grew most significantly in 2016 compared to 2015 – a 4% increase, meaning PLN 4,616 / USD 1,370[29] (for manufacturing workers, it was PLN 4,077 / USD 1,208).

Facing the lack of qualified candidates, employers offer additional incentives, such as everyday transport or bonuses for recommending other candidates, and attract candidates with professional development opportunities, opening their way to promotions, including internally provided trainings; in some cases, these trainings are offered in other factories abroad which is seen as a motivational factor. Employers also engage in the education of their future employees via technical vocational schools – a well-developed model, especially among automotive companies from Dolnośląskie. One of the examples is Maria Skłodowska-Curie Complex of Secondary Schools in Oleśnica, running patronage classes supported by GKN Driveline, aimed to train CNC operators that will work in the company after graduation.[30] This collaboration is much appreciated by the school, as it boosts the students' interest in the school, and by the company, as it trains its future employees. Another example is the Complex of Secondary Schools No. 5 in Walbrzych that collaborates with a number of companies from the automotive industry, including Faurecia or Toyota.[31] Many companies also collaborate with external training providers, like Akademia Rozwoju Umiejętności (en. Skills Development Academy) that offers trainings to production companies from Dolnośląskie as well.[32]

[28] According to the Polish regulations, the employment of temporary workers falls under both the Labour Code and the 2003 law on employment of temporary workers. The main differences to a permanent employment contract are the trilateral character, length – up to 18 months (36 in case of substitution for an absent employee) and shorter notice period.

[29] Central Statistical Office, Employment, wages and salaries in national economy in 2016, 2017: stat.gov.pl

[30] Maria Skłodowska-Curie Complex of Secondary Schools in Oleśnica: www.zsp.olesnica.pl/rekrutacja.

[31] Complex of Secondary Schools No. 5 in Walbrzych: www.zs5.walbrzych.pl.

[32] Akademia Rozwoju Umiejętności: www.akademiaru.pl.

Table 5. The earnings and benefits per positions in Poland (Sedlak & Sedlak, 2017)[33]

Position	Earnings (market median)	% of employees provided with such benefits
Production worker **Fitter**	PLN 2500 (USD 705) gross PLN 2709 (USD 764) gross	• 13-14% additional insurance • 12-14% sport cards • 10% private health care • In some cases, partially subsidized meals
Production line operator **CNC Operator**	PLN 3000 (USD 846) gross PLN 3060 (USD 863) gross	• 14-20% additional insurance • 14-20% sport cards • 10-20% private health care
Production controller	PLN 3855 (USD 1087) gross	• 29% cell phone • 20% laptop • 19% private health care
Shift leader	PLN 4900 (USD 1381) gross	• 36% cell phone • 21% sport cards • 19% private health care
Production managers	PLN 6600 (USD 1861) gross	• 64% cell phone • 41% laptop • 17% private health care

[33] Sedlak & Sedlak: www.wynagrodzenia.pl (access November 2017).

MARGINALIZED GROUPS

The analysis of competencies needed for the lower-skill positions in production facilities shows that the manufacturing industries in Dolnośląskie provide job opportunities well suited for people with no professional experience nor education, who are also not looking for employment opportunities abroad (as recruitment experts noticed, many potential candidates prefer to undertake temporary contracts abroad, earning more than in Poland). The ones with vocational education from technical schools are preferred for manufacturing jobs. In 2017, the Local Labour Office of Wałbrzych registered 300 new vacancies for manufacturing positions in automotive, electronics and domestic appliances sectors. Together with the unfiled positions from previous year, there were 2,000 jobs available in these industries – including around 1,800 jobs for people with low qualifications and no professional experience.[34] Also in 2017, the Local Labour Office of Wroclaw had in its register around 3,500 vacancies for low and medium skilled workers in these industries – an increase in comparison to the previous year.[35] In the next years there will be at least 2,000 new jobs created in the industry in Dolnośląskie through forecasted investments. As noticed by industry experts, the demand for candidates with no qualifications will decrease in favour of candidates with vocational skills – a trend already noticeable in 2017.[36]

On the other hand, out of the 85,850 unemployed people registered by the Labour Office of Dolnośląskie in 2016, there were 26,500 people with a minimum level of education (middle school or lower), including 6,000 people with no profession.[37] 23,500 had basic vocational education and 17,500 - post-lyceum and secondary vocational education. As the Labour Office of Dolnośląskie statistics show, the unemployment rate among high school and vocational schools graduates (comparing the number of graduates to number of unemployed graduates) is the highest in the case of Basic Vocational Schools (16%) and Technical Vocational Schools (10%) – 820 of the previous year graduates were still unemployed in May 2016. As employers still face problems with filling lower-skilled positions due to workforce shortages, there is a mismatch between the qualifications and employment needs of employers on the one hand, and the skills set and expectations of candidates on the other.

The potential role of social enterprises is to fill in the gap in qualifications for marginalised groups, by developing their soft skills (for lower-skill positions) and vocational education (for medium-skill positions) by providing training, internship and/or placement services. Due to industry characteristics, hands-on hard skills job trainings for the production line positions can be done only in a fully-equipped production facility, so the involvement of the employers in the training phase is crucial. The educational programs should be addressed to people willing to work in shifts, and with no extensive motor disabilities. By undertaking lower-skill positions, they would gain professional experience and benefit from the skills development opportunities provided by employers, allowing them to advance in a few years time.

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[34] Interview with the representative of Local Labour Office of Wałbrzych (January 2018).
[35] Interview with the representative of Local Labour Office of Wroclaw (January 2018).
[36] Interview with the representative of Polish Association of Automotive Industry (January 2018).
Interview with the representative of Local Labour Office of Wałbrzych (January 2018).
[37] Regional Labour Office of Dolnośląskie, 2017, Information about the labour market situation for 2016: www.dwup.pl.

Summary

- With the expansion of the existing production facilities and the inflow of new investments, the automotive, electronics and domestic appliances manufacturing industry will grow.
- The demand for low-skill production workers exceeds the supply of candidates.
- The companies from the automotive, electronics and domestic appliances manufacturing industry offer a variety of positions with very limited requirements for entry-level jobs.
- The candidates for entry-level positions in the automotive, electronics and domestic appliances manufacturing industry are offered minimum wage salaries.
- The employers from the automotive, electronics and domestic appliances manufacturing industry offer professional development opportunities and are interested in working with VET providers.
- Other EU countries offer similar jobs in automotive, electronics and domestic appliances manufacturing industry with better financial conditions.
- The industry of automotive, electronics and domestic appliances manufacturing provides interesting job opportunities for the people who don't want to or can't work abroad, such as at-risk youth.

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. Though this investment, NESsT has contributed to creating more than 49,000 dignified employment and sustainable income opportunities.

SUPPORT

J.P.Morgan

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