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Talent snapshot: Poland's “borderless” leaders

The transition from Soviet communism created a generation of leaders comfortable with economic turmoil and uncertainty—useful skills for managers everywhere.

In the 25 years since Soviet communism collapsed, Poland has transformed itself from a stagnant planned economy to a dynamic industrial state. The country is now the sixth-largest economy in the European Union and the fastest growing. The economic renaissance has created a unique environment for business leaders, nurturing a generation of local executives seasoned by economic turmoil and uncertainty. And for some companies operating there, Poland has served as a sort of emerging-market proving ground for leaders coming from outside the country.

A brief look at this dynamic offers food for thought for companies everywhere interested in finding—and nurturing—leaders comfortable operating in today's fast-paced and globally interconnected world.



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Resurgence and growth

The Polish economy has diversified considerably since the days of state-run enterprise. The private sector now contributes 76% of gross domestic product (GDP). Medium-sized companies that were once small businesses now form the backbone of the economy. This diversity has brought a measure of resilience to global market turmoil.

Indeed, growth has remained strong. Between 2006 and 2013, Poland's GDP grew, on average, 3.9% annually and exports increased by 6.3%, and the European Commission predicts that the country's GDP will grow 3.5% annually through 2017, with exports keeping pace at an average increase of 5.8% a year.

Stronger ties with foreign businesses also encourage growth. Poland joined the European Union as a full member in 2004, and its private enterprises have developed deep relationships with German, Dutch, French, British, and US partners. Through these connections, European and US companies have recognized the resourcefulness of Polish managers who have endured and prospered through tough times.

Leaders without borders

Many of these top managers can now be described as "borderless" leaders. Free movement of labor within the unified market benefits those who spent their early careers gaining experience in local Polish companies and then made career moves to bigger enterprises in other countries. Roughly 2.1 million Poles are living outside their native country, according to Poland's Central Statistical Office; most Polish expatriates live elsewhere within Europe. The British Polish Chamber of Commerce recently

sponsored an event in Warsaw organized around the theme that more and more Polish executives are finding senior positions abroad, with regional and global responsibilities.

In our conversations with companies who have hired Polish executives, many cite the candidates' in-country work experience as an advantage elsewhere (in regional or global headquarters, for example) because of the combination of generally having a results-oriented leadership style along with excellent language skills. In addition to English, many Poles speak languages such as German, Russian, French, Italian, or Spanish.

A case in point is Darek Lenart, now senior vice president of human resources for MasterCard's Worldwide Finance group based in New York. Early in his career, Lenart worked in human resources for Pliva, a former state-owned pharmaceutical company. In 2004 he moved over to PepsiCo's local headquarters where he took on increasing responsibilities in human resources, first in Poland and then elsewhere in Central Europe. Six years later he landed the job of human-resources director for finance, IT, and corporate functions in Europe and then later human-resources director for operations in Western Europe, which meant relocation to PepsiCo's European headquarters in Geneva. In 2013, MasterCard recruited him for a full global role at their office in New York.

Like many who move to other countries for career advancement, Lenart's first motivation was simply to gain cross-cultural experience. "I was interested in really understanding how my perspective might change once I left my country, once I left my language, once I left the economic situation that I knew very well," he explains. "Plus, my wife and I both felt it was important to open our family to life experiences in a more global context."

While Lenart is quick to cite the importance of individual skills and capabilities in terms of an executive's leadership development, he notes the effect of Poland's business environment as well. "We are the next generation," he observes. "We tend to be open to change and embrace change, and many bring this openness to the workplace. As a Pole who went through a time of dramatic change, I am always speaking from the heart in terms of embracing change—first for me personally, and then bringing it to the workplace."

Lenart also notes that Poles are particularly sensitive to transparency and open, clear communication with stakeholders. "Polish culture is quite direct in its approach," he notes. "And I think this helps to win trust. It helps us build strong relationships within teams. It helps us acknowledge cultural differences, but at the same time we maintain a lot of clarity around job expectations, objectives, and outcomes." An EU project, Passport to Trade 2.0, supports this depiction, characterizing Poles at business meetings as saying what they think and getting straight to the point while maintaining an attentive professionalism.

Another executive who found his formative experience in Poland to be a business asset is Jacek Pastuszka, currently CEO of Baltika Breweries for Carlsberg Russia. "One thing that makes our generation unique is the opportunity we have had to observe and participate in a relatively quick journey from a 'developing' to a 'developed' market," he explains. "This gives us a broader experience base and makes us potentially more flexible in facing various different market dynamics." Pastuszka is quick to add, however, that what matters the most are skills, competencies, and character that have little to do with nationality and more to do with specific experience.

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Pastuszka echoes a comment we hear from many companies—namely, that any new leader must shape an organization's environment as well as adapt to it. "Making an effort to explore other cultures is always welcome by the organization you join," says Pastuszka, "but I believe it is also important to 'carry' your culture with you. It is the balance that matters most."

The growing need for expatriate managers

In the early years of its economic surge, Poland's market was seldom seen as a career-making opportunity for up-and-coming international executives whose companies had established operations in the country. Similarly, relatively few domestic Polish companies were much interested in recruiting international talent for their leadership ranks. This is changing as global companies seek to capture their share of domestic growth opportunities and as local companies (interested in the same) have realized that the Polish marketplace

has, in some cases, outpaced the availability of local talent. In Kraków or Wrocław, business-processing-outsourcing services are currently on the rise to address shortages in functional expertise.

Both factors are bringing in more professionals from outside the country with a broad range of international experiences.

Expatriate executives fill two needs in particular. First, Polish companies need strong know-how in managing complex markets. The business-services industry, for example, is no longer seen as just a place where foreign enterprises outsource activities to a "cheaper" economy. As it has evolved—and offered greater access to well-trained, educated talent—more organizations have located these operations in Poland. In many cases, expats have been required to make up the gaps, especially at the executive level. According to Poland's Ministry of Labour and Social Policy, more than 50% of work permits issued to highly skilled foreign workers are going to senior-level executives and to technical specialists from IT and the business-services industry.

A second need is to find expatriate managers who have skills in innovating local businesses. Small- to medium-sized Polish companies are increasingly looking for inventive international executives who can lead them into new business arenas locally or take advantage of opportunities outside the country for local businesses. In some cases these efforts are supported by government action. From 2007 to 2013, Poland received €8.3 billion from the European Regional Development Fund to increase innovation and competitiveness. This investment was largely used to upgrade information and communication technologies and to stimulate Poland's presence in international markets. For the years 2014 to 2020, this budget is earmarked to be even bigger: the European Commission assigned €10.6 billion solely to making Polish businesses more competitive. Initiatives are expected to include funding of R&D activities and promoting stronger cooperation among companies and scientific centers.

One frequent recruiting ground is neighboring Germany, with its advanced level of industrial development. Today, Germany is the biggest foreign investor in Poland. From 1990 to 2014, more than 300,000 jobs were created by the country's efforts, mainly in Poland's automotive and chemical sectors. German managers understand the markets in Germany and may be able to offer ways for Polish firms to penetrate these markets. But often these managers bring much-needed export experience to other parts of the world as well.

Finally, many expatriate executives choose to stay in Poland for the long term. And some have become symbols of Poland's new economic vitality. One such leader is Pedro Pereira da Silva, who until this year served as chief operating officer of the Portugal-based Jerónimo Martins Group, the largest food retailer in Poland. Da Silva moved to Poland in 2000,

after the Portuguese company bought a chain of 243 supermarkets. Today, the Polish subsidiary comprises more than 2,500 stores, with 55,000 employees and annual sales of €8.4 million, and da Silva enjoys a reputation as a major innovator in food retailing across Poland.



In a dynamic and competitive talent market, leaders who are comfortable operating in so-called VUCA (volatile, uncertain, complex, and ambiguous) environments are in high demand. By better understanding the historical, cultural, and business contexts that may produce such leaders, companies can gain an edge in finding them. ■

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