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The impact of the Coronavirus on Polish Businesses

Findings of a Survey by Devire

What losses are Polish companies going to suffer?

Contents

Section headings are interactive. Click to go to content.

Poland (un)prepared for working from home.....	6
Why have some companies not switched to remote work? The main barriers	9
The impact of the coronavirus on the condition of businesses	10
How will the business be hit?.....	13
Predictions for the future.....	15
Methodology	17



BUSINESS IN THE TIME OF CORONAVIRUS

We are all facing the ever-evolving coronavirus situation and the resulting social distancing which affect many areas of our lives, including work. The transport, tourism and event industries have already been hit. International transport took the first blow, followed by domestic transport. The event and culture business has come to a standstill – all concerts, sports events, theatre plays, fairs or conferences have been cancelled. The commerce and food sectors have also suffered a lot, mostly due to the closure of shopping centres.

In industries where this is possible, employers are introducing remote work and migrating their processes to dedicated online platforms. People responsible for organisation management are predicting the potential consequences of the coronavirus for their business. Our survey shows that business representatives are most concerned about lower demand for products or services, as 48% of decision-makers say. They also mention layoffs (45%) and liquidity problems (44%).

What we analyse in our report:

- How many companies in percentage terms have opted for home office arrangements?
- What barriers prevent companies from introducing remote work?
- Are business managers concerned about the detrimental impact of the coronavirus?
- How will the coronavirus situation affect Polish companies in the long term?

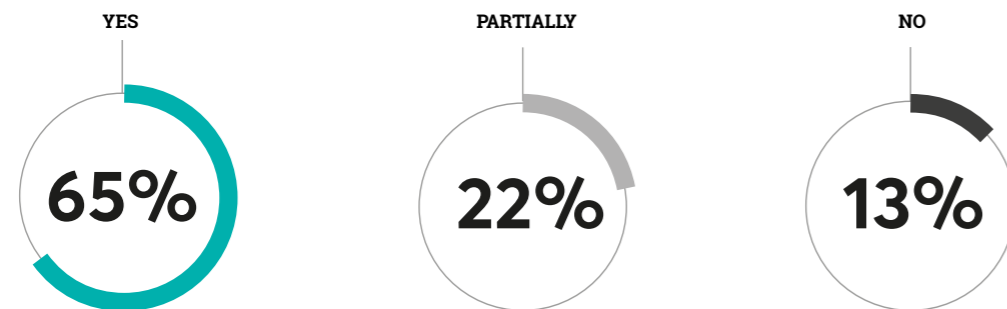
Welcome to our report!
The Devire Team

Poland (un)prepared for working from home

According to our survey, as many as 35% of Polish companies encountered barriers preventing them from introducing work-from-home arrangements. 13% in total were unable to do this at all, and 22% made a partial switch.

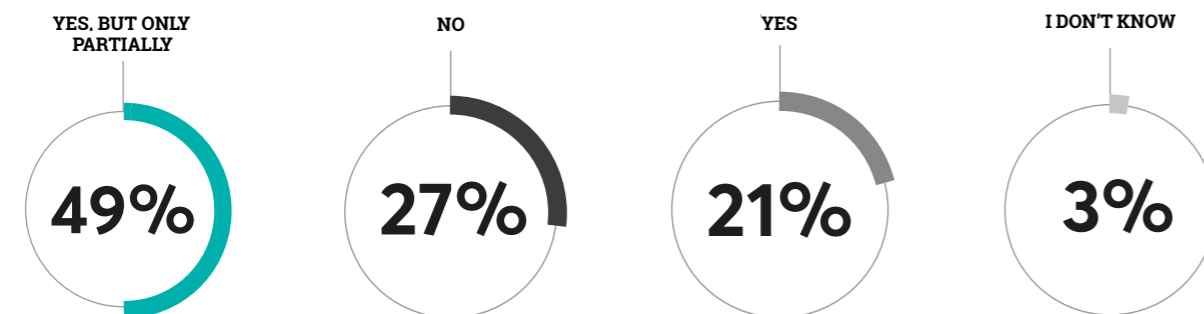
The good news is that 65% of companies have still given their staff the means and the opportunity to work remotely. In those companies, on average 82% of employees work from home.

Following the imposition of coronavirus precautions in Poland, has your organisation introduced remote work?

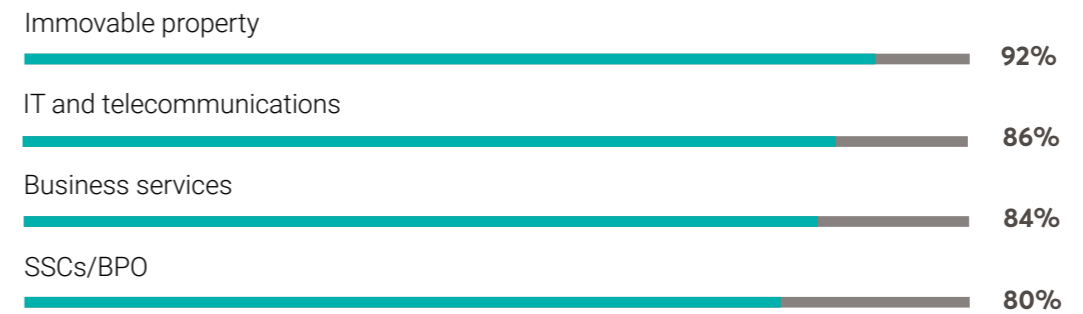


So far, nearly half of the companies have worked remotely, but only partially. Still, 67% of those that did not accept working from home before have decided to allow it after the outbreak of the COVID-19 pandemic.

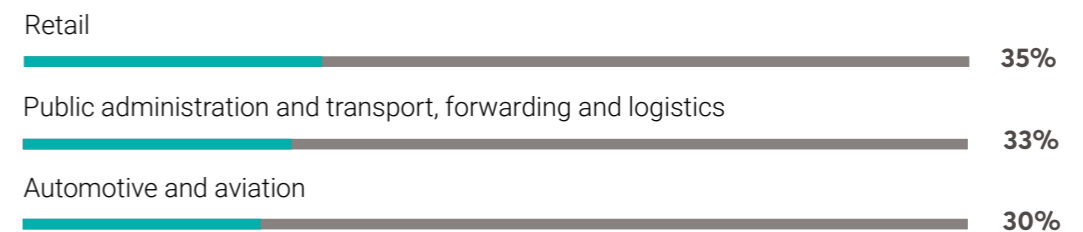
Has your company offered work-from-home opportunities before?



Industries that have switched to remote work



Industries that have not switched to working from home:



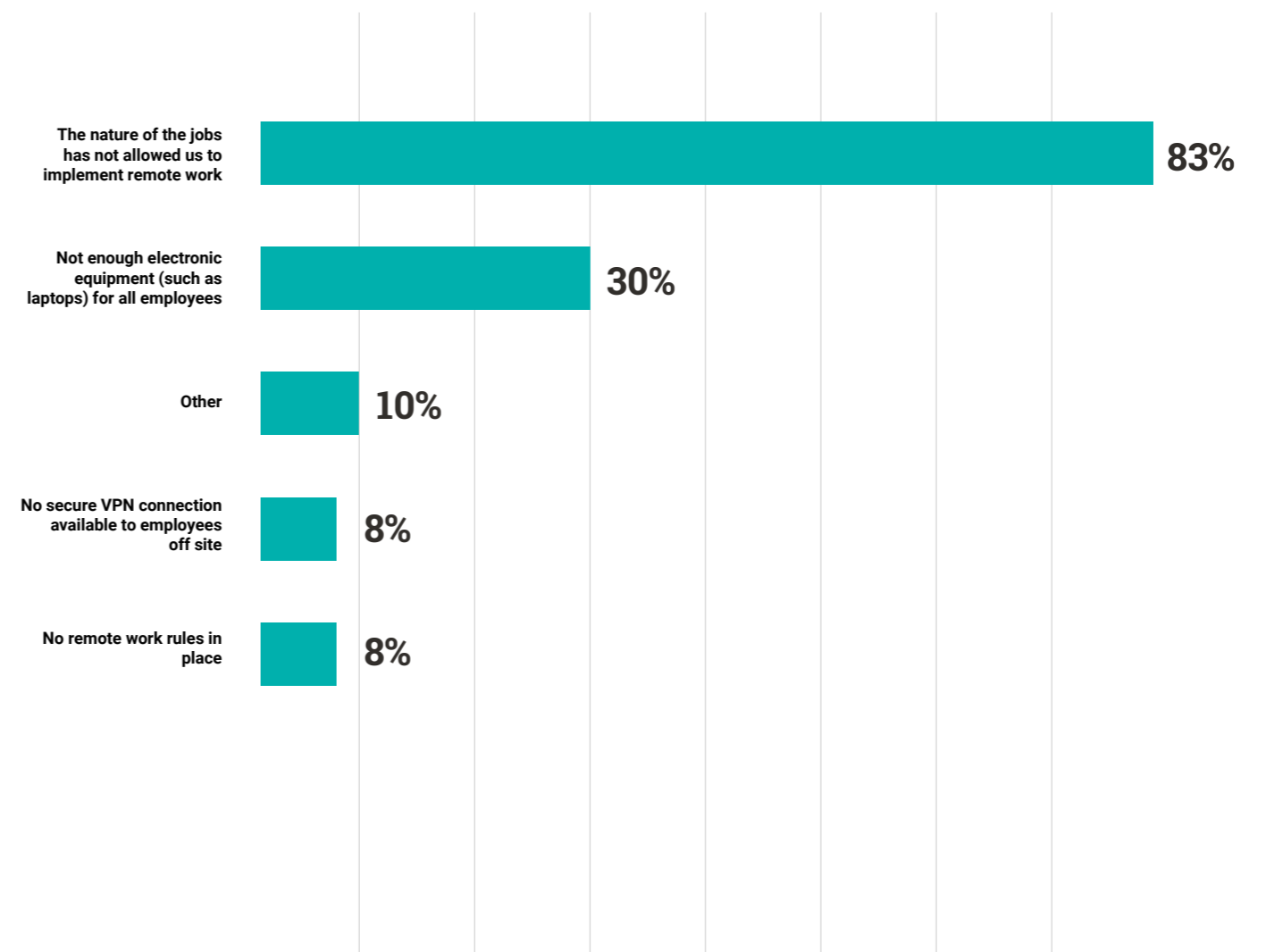
ON AVERAGE, 82% OF EMPLOYEES WORK FROM HOME.



Why have some companies not switched to remote work? The main barriers

The main barrier that prevents companies from introducing work from home is the nature of the jobs – 83%. On the other hand, every third company has faced a shortage of electronic equipment (such as laptops) which makes them unable to equip all employees.

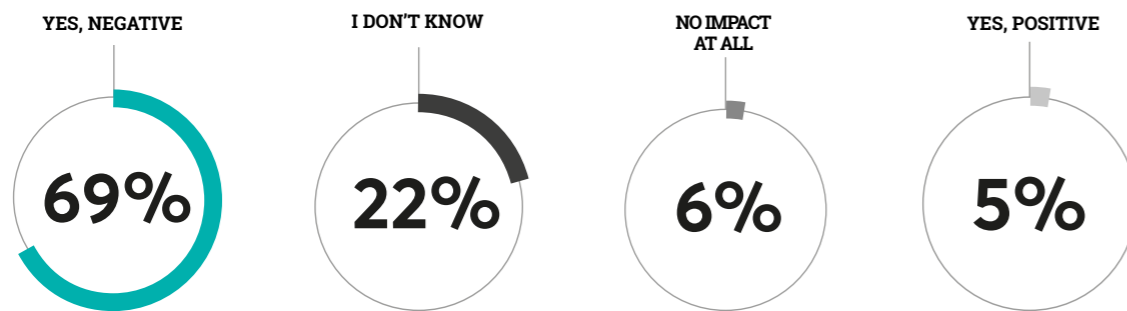
The third most frequently named barrier is a decision of the management board who do not believe that remote working can be efficient. 10% of the respondents mentioned this in the 'Other' answer.



The impact of the coronavirus on the condition of businesses

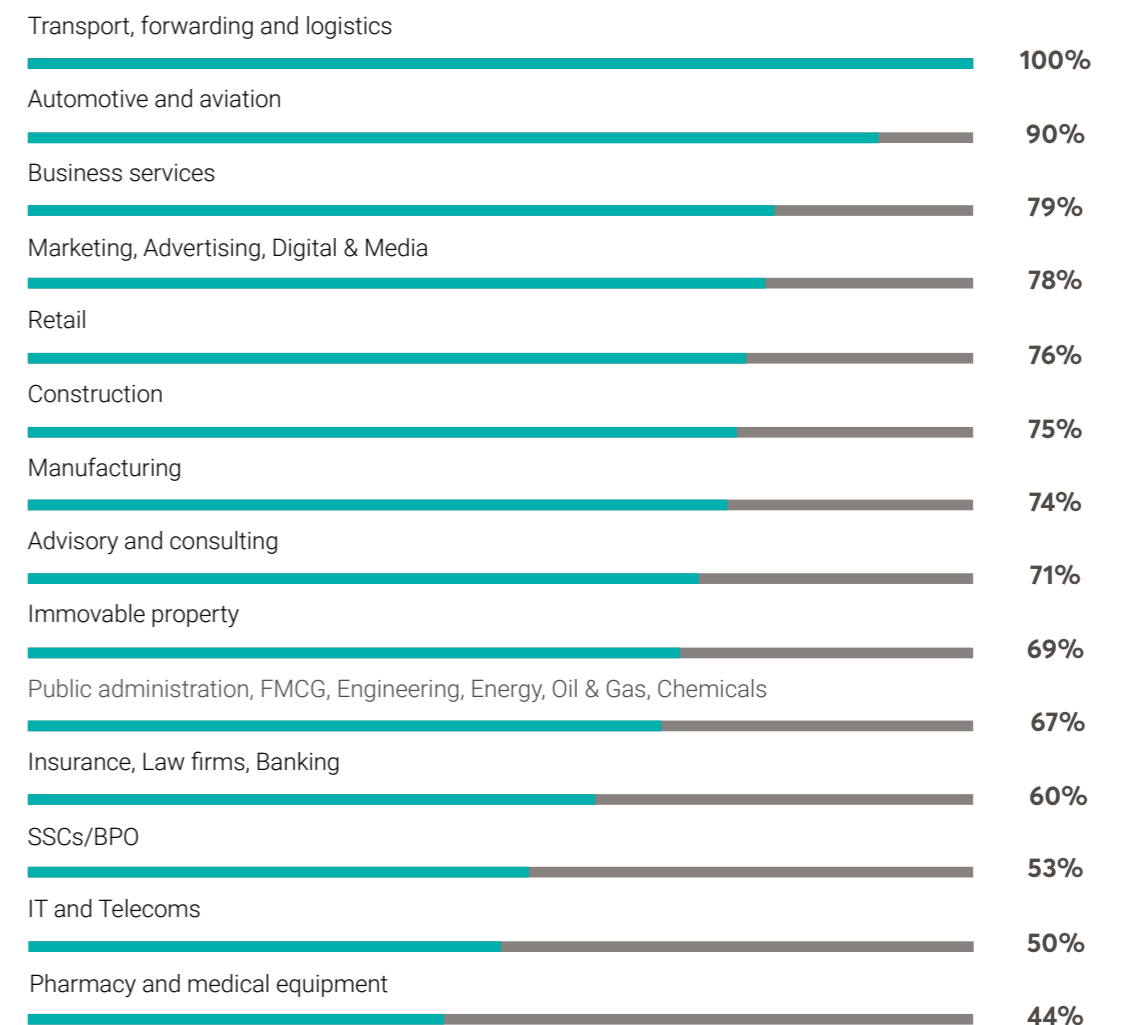
CEOs have no illusions – the coronavirus will affect their companies. 69% of respondents believe that the current coronavirus situation will affect the condition of their company.

Do you believe that the current coronavirus situation will have a long-term impact on your business?



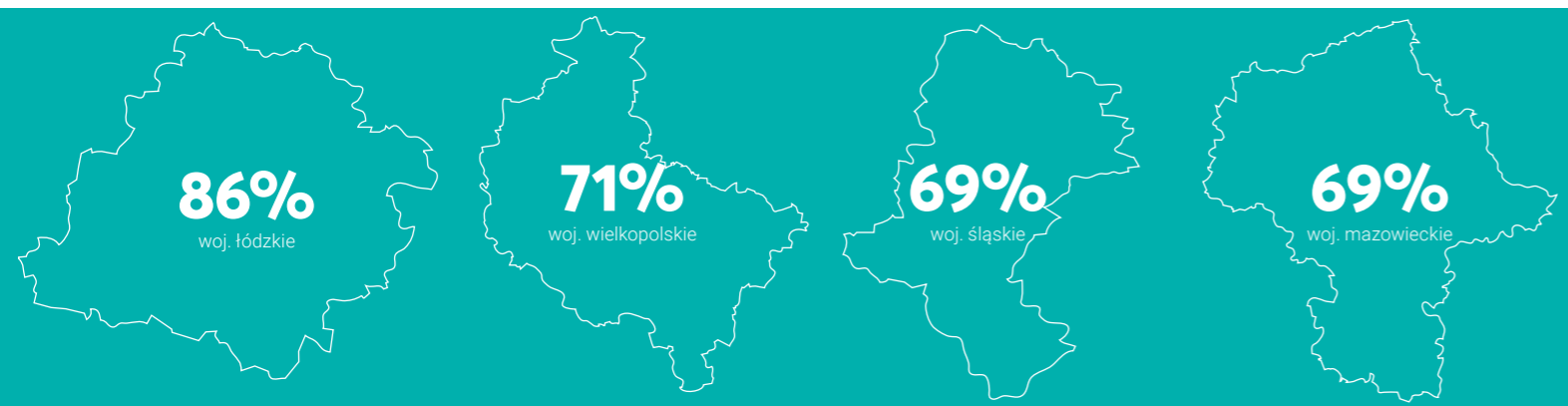
Industries where employers expect to be hit by the coronavirus:

Transport, forwarding and logistics – all respondents declared that the coronavirus would affect the condition of their companies



Coronavirus by province – impact on the condition of businesses

Employers from the Łódzkie Province are the most pessimistic – 86% declare that the coronavirus will affect their business. Łódź has the second highest number of COVID-19 cases after Warsaw. The Wielkopolskie Province follows closely, being one of the first regions in Poland to have suffered from the pandemic. 71% of respondents from the local market believe that the coronavirus will affect their business. The Śląskie and Mazowieckie Province both come third with 69% of positive responses.



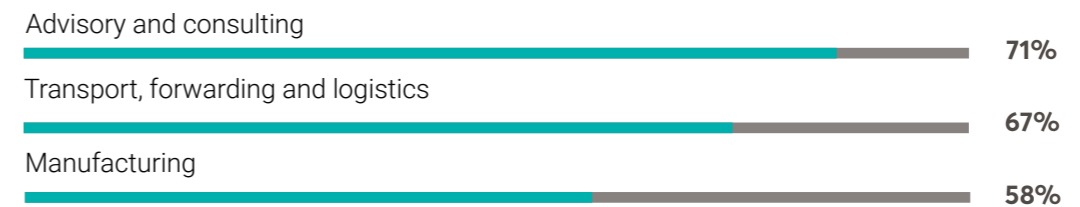
Only 5% of employers perceive this as an opportunity for their businesses – this group declared that the current situation would have a positive impact on their business. The strongest boom is observed in the e-commerce industry, as most of the trade has moved online. Manufacturers of hygiene supplies and protective clothing are also getting stronger. The IT industry, on the other hand, has seen an increased demand for remote work hardware, services and software. In the entertainment category, the obvious beneficiaries are video game developers.



How will the business be hit?

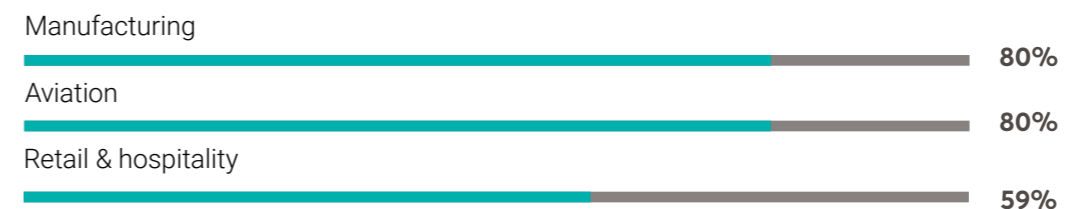
The survey shows that businesses are most concerned about lower demand for products or services, as 48% of respondents declared. This answer was most often chosen by employers from the following industries.

Reduction in demand for products and services in:



Workforce reductions also seem to be inevitable, as almost half of business managers (45%) admit. Layoffs will mostly affect.

Industries that will be affected by workforce reductions:

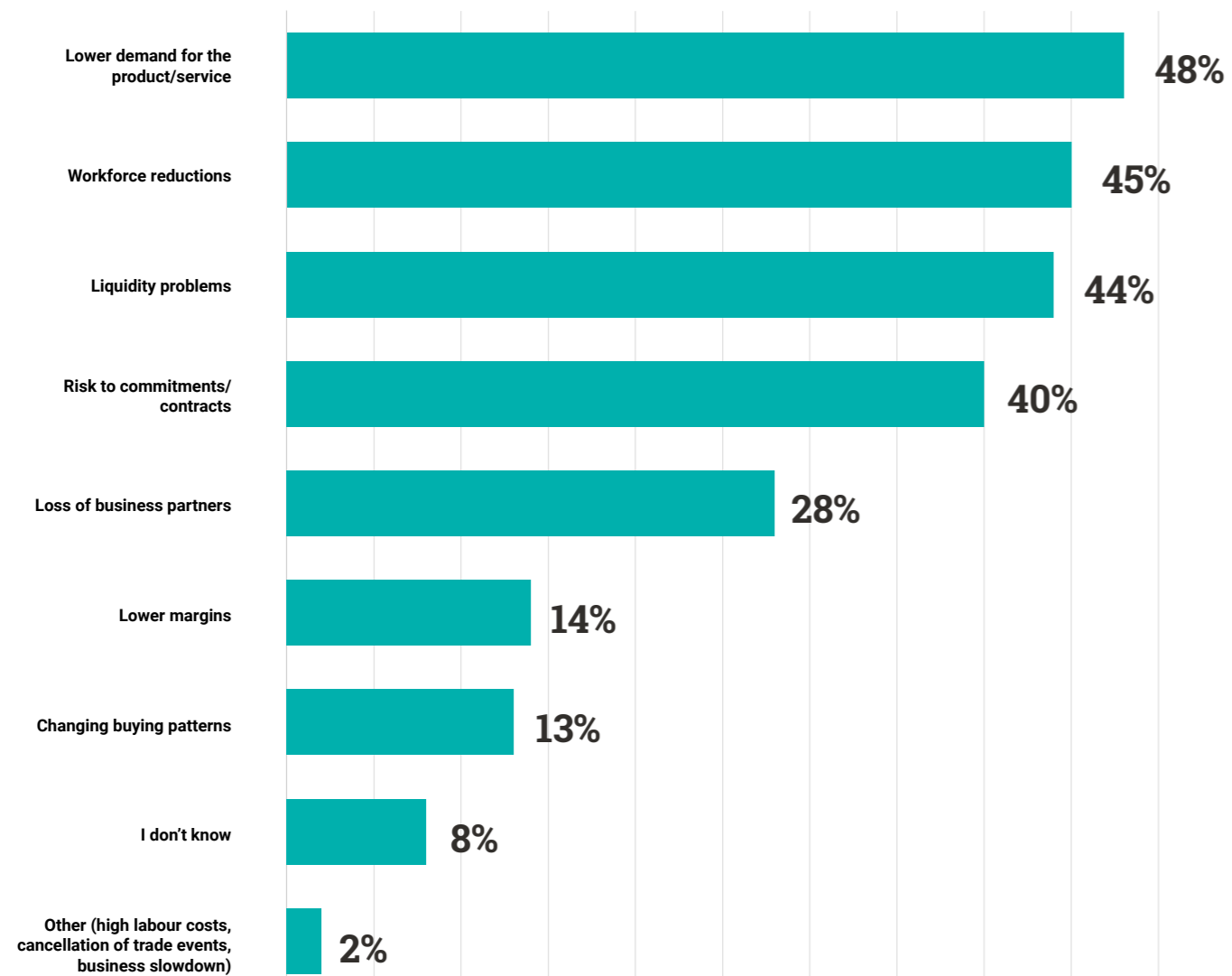


The lowest risk of redundancies is observed in the construction and immovable property sectors – 27% of employers indicate that the coronavirus situation could result in workforce reductions, and the same is true for the IT and telecoms industries (29% of positive responses).

The stable situation in the IT industry is not surprising, since businesses need work-from-home hardware, tools and solutions. The construction and immovable property industries, in turn, are experiencing declines and new investment projects are being suspended and postponed. Despite this, no layoffs are expected at this time. This is due to the fact that companies that are in the execution phase now want to complete their projects as long as they are able to and avoid major delays once the situation has stabilised.

According to the survey, real threats to companies additionally include liquidity problems (44%) and inability to deliver on obligations or contracts (40%).

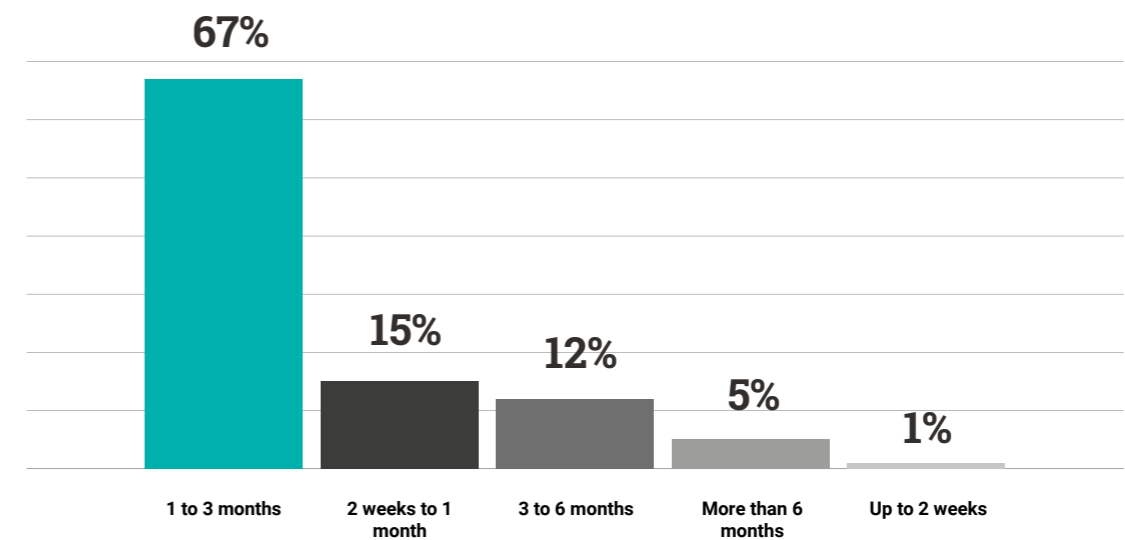
How can the current coronavirus situation affect your business? Please select up to 3 answers.



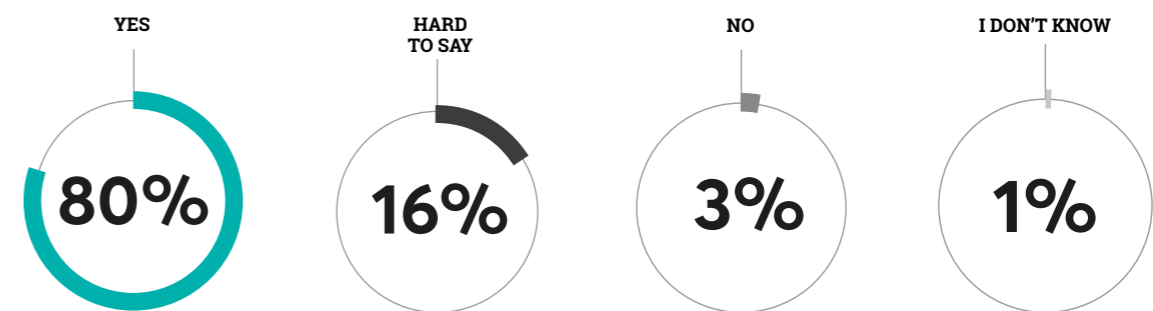
Predictions for the future

Employers do not believe that the coronavirus could be defeated in under a month. Work-from-home and other restrictions will last from 1 to 3 months according to 67% of respondents. While most companies are optimistic about the future of their business – 80% of respondents believe that their companies will survive the COVID-19 pandemic – as many as 17% are uncertain about what tomorrow will bring. This is most evident in the transport industry – as much as 33% of respondents are concerned about their businesses not surviving the coronavirus situation.

How long do you think the current coronavirus pandemic situation could last?



Do you think that your company will survive the COVID-19 pandemic?





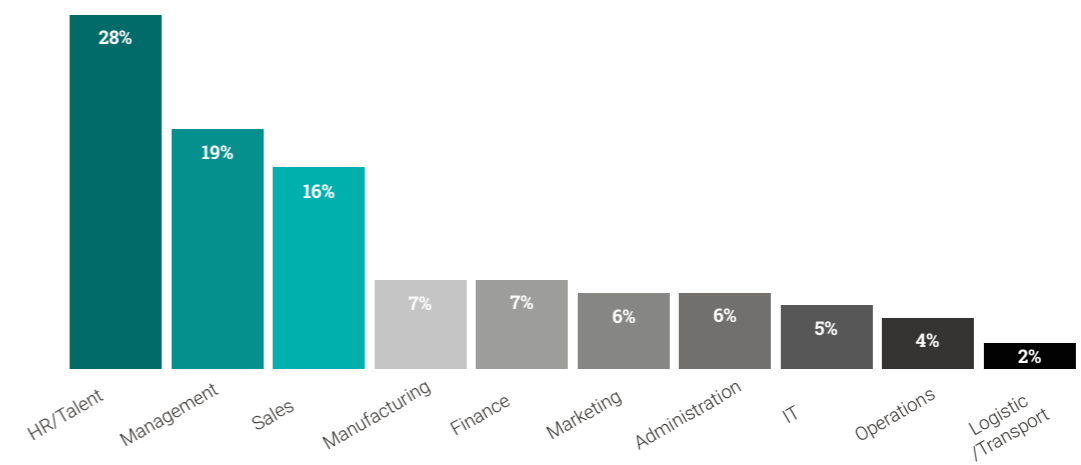
Methodology

The survey was conducted using the CAWI method in March 2020 on 2,500 respondents. They were: 38% managers, 20% directors and CEOs, 33% specialists, 9% other employees

Gender:



Responsibilities:



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