

## THE ARMED FORCES OF THE REPUBLIC OF POLAND AS A MODEL FOR ORGANISATIONS USING OUTPLACEMENT

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**Purpose:** The paper is part of a research project regarding the use of retired soldiers on the civilian labor market. The aim of the paper was to analysis the use of outplacement in the Polish Armed Forces.

**Design/methodology/approach:** Participant observation and analysis of legal acts and source materials were used as research methods. The paper discusses theoretical aspects of staff allocation. Based on the premises indicated in the source literature, the authors present a detailed scope of *outplacement*. They describe the benefits which professional soldiers receive on account of termination of their service. Various forms of outplacement used in the Polish Army was assessed.

**Findings:** The rules of outplacement used in the Polish Army are one of the basic benefits presented in recruitment. The termination of service has no pejorative effect and creates new opportunities and challenges for the soldiers. The model of employee training, severance pay and retirement rules used in the army is more useful than the amenities used in civilian companies. In outplacement, the army can be an excellent benchmarking partner whose can give proven solutions.

**Originality/value:** The article may be a recommendation for corporations and companies to extend the scope of severance pay and facilities for employees, whose leave the organization. The research results were formulated in conclusions for use in civil companies.

**Keywords:** outplacement, Armed Forces of the Republic of Poland, professional soldier.

**Category of the paper:** Viewpoint.

## 1. Introduction

In the times when the labour market is characterised by a shortage of employees, businesses need to take care of their good relations with employees and the environment as never before. Organisations should create modern staff allocation systems in which employees' departures are also taken into consideration. This will help them build appropriate public relations and guarantee social consensus. It is necessary for dismissal programmes to encompass legal and financial assistance as well as career guidance. All these activities have been comprehensively described in the source literature under the concept of *outplacement*.

An organisation that meets all criteria of assistance for its former members is the Armed Forces of the Republic of Poland. The Polish Armed Forces offer regulated severance pay, retirement benefits as well as employment support. The above issues are governed by a number of normative acts. In Poland, *outplacement* related to soldiers is supported by a number of institutions, including Military Retirement Offices or Employment Support Centres. The present paper is an attempt to answer the question whether *outplacement* in the Polish Armed Forces could be a model to be followed by modern organisations in terms of their HR activities.

Both authors are soldiers who use the personnel management facilities in the army. As a result of outplacement observations in civilian companies and army, in this regard it was noticed that the army stands out in a positive way. To create recommendations for civilian companies, the article was written.

## 2. Outplacement in the source literature

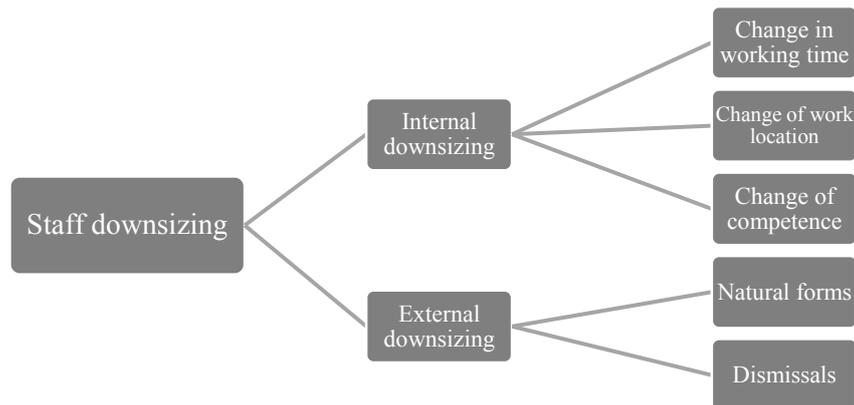
The current labour market makes it necessary for organisations to become employee-oriented and to provide employees with competitive working conditions. Managers and executive staff have understood that their success depends on the individuals they employ. More and more often, organisations are in search of talented employees, and the *sine qua non* condition for acquiring them is to have a well-developed *human resources* department.

Contemporary organisations need to have in place a transparent human resources allocation system that processes all personnel-related activities (Ludwiczynski, 2019). The basic premise of this system is filling each job position with an efficient and effective employee, thus putting into practice the adage *the right person in the right place*.

When put on a timeline, human resources allocation could be divided into three principal stages (Ludwiczynski, 2019):

- sourcing (selection) of employees from outside the organization,
- allocation within the organization,
- employees' departure.

The last stage of human resources management in an organisation is one of the more difficult challenges that the executive staff and HR employees face. This stage is reached as a result of resignation, redundancy, or eligibility for a retirement or disability pension (Armstrong, 2016). Figure 1 presents the forms of staff downsizing.



**Figure 1.** Forms of staff downsizing. Source: A. Poczowski, *Zarządzanie zasobami ludzkimi*, Polskie Wydawnictwo Ekonomiczne, Warsaw 2018, p. 165.

Modern organisations need to adopt a special approach to building good relations with employees and with the external environment. Potential employers' adverse public relations or negative reviews they receive may deter "the best" specialists searching for a new workplace.

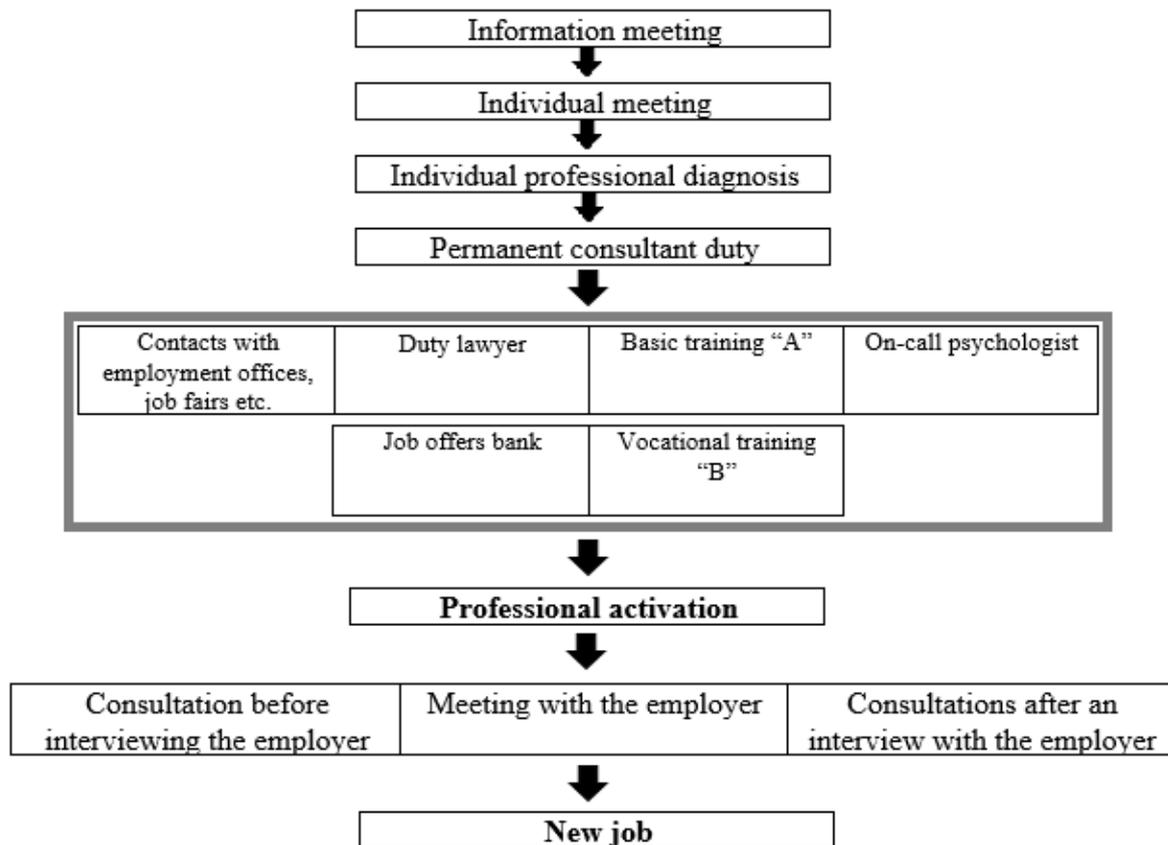
Organisations which are in the vanguard of fulfilling personnel-related functions provide their departing employees with support that goes beyond the scope of benefits guaranteed by the Labour Code (Poczowski, 2018). The responsibility manifested by the enterprise in this respect allays the trauma arising from the loss of self-esteem and from concerns related to the search for a new workplace and a source of income (Fowler, 1999). In the source literature, authors recommend that schemes of support for people leaving an organisation should be formulated in parallel to downsizing plans. Such schemes are referred to as *outplacement*.

*Outplacement* is defined as a range of activities intended to properly prepare employees dismissed by an organisation for finding their feet in the labour market and an easier job search; the programme of these activities is implemented by the organisation's HR department or outsourced to a consulting company (Chwistecka-Dudek 2016).

The issues of *outplacement* have also been addressed by Polish researchers in the field of management science. Outplacement has been referred to as a system of complex and comprehensive institutional, managerial, organisational, legal, psychological or medical care of people dismissed from work (Makowki, 2001). Its key and fundamental aim is to reduce any

bothersome consequences related to downsizing. The objective of these activities must be to make it easier for the departing personnel to find employment.

Proper implementation of *outplacement* should be considered as an investment rather than pointless expenses incurred by the organisation. It is a guarantee of social consensus. When planning on dismissals, organisations began to create *outplacement centres*. An *outplacement* centre's activities are presented in figure 2.



**Figure 2.** An outplacement centre's activities. Source: A. Ludwicyński, *Alokacja zasobów ludzkich organizacji*, [in:] H. Król, A. Ludwicyński, *Zarządzanie zasobami ludzkimi*, Wydawnictwo Naukowe PWN, Warsaw 2019, p. 224.

The dismissal of an employee does not need to have a negative overtone. It should be considered as a chance, challenge, development, creation of a new career path, or a prospect of better earnings (Antczak, 2010). The true face of an organisation is manifested at the time of redundancies. This also refers to its attitude to human resources. Aid provided to departing employees leads to a substantial decrease in the number of court cases related to the termination of the employment relationship. These activities are underlain by social, legal and marketing premises (Pocztowski, 2018). *Outplacement* should be categorised as a "win-win" strategy, since the activities it involves are focused on the future and showcase assistance and advice. Before leaving, an employee remains under the auspices of the former employer until he or she copes with the issues of a new workplace as well as social and living conditions. Such activities mitigate crisis situations, do not give rise to additional claims and restore dismissed employees' self-esteem.

*Outplacement* is characterised by a broad scope of activities that should be classified as follows (Pocztowski, 2018):

- career and professional development guidance,
- training,
- assistance in the search for a new job,
- support in setting up one's own business,
- teaching how to behave actively in the labour market,
- psychological support,
- system of severance pay and financial guidance.

In the discussion of domestic *outplacement* solutions, it is necessary to take account of employment support centres. Their role is defined by the Act of 20 April 2004 on Employment Promotion and Labour Market Institutions. These institutions' activity consists in the provision of services in the labour market. The services include (The Act of 20 April 2004) job placement, career guidance and the organisation of training. As for detailed activities of employment support centres, it should be noted that they are responsible for supporting the essential services of the labour market through the following instruments (<https://zielonalinia.gov.pl>):

- covering the costs of travel to an employer searching for new employees,
- organisation and conduct of apprenticeships,
- organisation of retraining courses,
- conducting career guidance classes and providing assistance in the search for a new workplace,
- providing assistance related to social and living conditions by funding accommodation in a new place of work or apprenticeship if it is outside a programme participant's place of permanent residence,
- subsidising newly established businesses, co-funding their equipment, covering the costs of legal and consulting assistance,
- refunding social insurance contributions,
- covering the costs of unemployed persons' travel to career fairs and expos.

Basically, *outplacement* can be divided into two types: group outplacement and individual outplacement. The first type relates to creating programmes for individual workers who held certain senior positions within the organisational structure. These are, for instance, high-level managers or specialists, with whom the organisation needs to maintain good relations. Group *outplacement* concerns a group of employees, be it a narrow one or a broad one. It may be dedicated to ordinary employees as well as middle and lower management.

### 3. Discharge benefits in the Armed Forces of the Republic of Poland

The Polish Armed Forces offer a range of benefits related to the termination of military service. Soldiers discharged from professional military service are entitled to severance pay as presented in table 1.

**Table 1.**

*The amounts of severance pay upon a soldier's discharge from professional military service – (Amounts with the indication of the average salary in the Polish Armed Forces in 2019)*

Length of service	The amount of a base salary including permanent allowances (as due on the last day of service)
After one year of service	100% - (5530 PLN)
After five years of service	200% - (11 060 PLN)
After ten years of service	300% - (16 590 PLN)

Source: Own work based on: the Act of 11 September 2003 on Military Service of Professional Soldiers, Art. 94, Regulation Of The President Of The Republic Of Poland of 01.01.2019.

After ten years, severance pay is increased by 20% of a base salary including permanent allowances for each subsequent year of service. The maximum level of severance pay is 600% (average 33 180 PLN) of the abovementioned compensation, and it is achieved after 25 years of service (The Act of 11 September 2003). In addition to severance pay, soldiers discharged from professional military service are eligible to receive additional allowances, as described below (The Act of 11 September 2003).

A base salary including permanent allowances is paid to soldiers every month over a period of one year upon discharge. Its amount must be equal to the compensation due to a soldier on the last day of service. The right to these benefits is acquired upon fifteen years of continuous military service. In the Polish Armed Forces, it is possible to receive a one-off payment of the total funds in advance. In the period of receiving this kind of compensation, a soldier cannot draw retirement pension they are eligible for. What is more, soldiers are entitled to an additional monthly salary (the so-called "thirteenth salary"). It is paid for the year in which the soldier has been discharged.

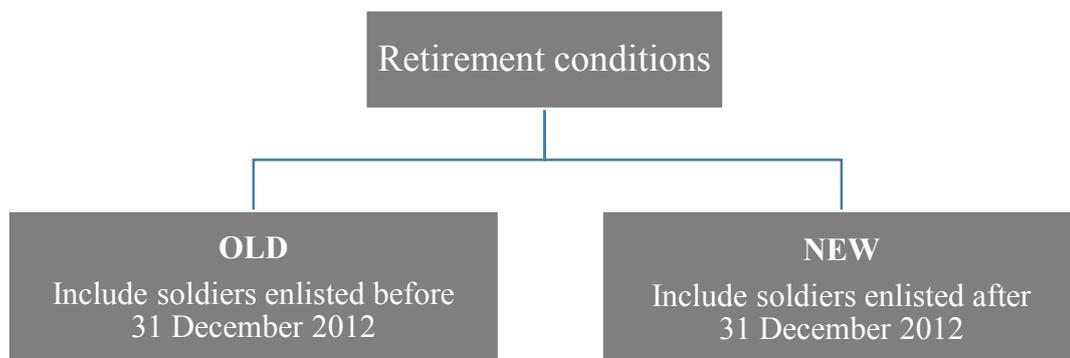
If a soldier discharged from service has not used their holiday leave or additional leave, they acquire the right to financial compensation for unused leave. The amount due for one day of such leave equals 1/22 of a monthly compensation (base salary including permanent allowances as due to the soldier on the last day of service). A soldier is also entitled to unused leave compensation for the year in which they have been discharged.

Another benefit related to discharge from professional service is one-off reimbursement of the costs of the soldier and their family's travel to the place of residence in the territory of Poland selected by the soldier. This also includes the cost of transporting household equipment. These are the same rules as those applicable to a soldier's transfer to another locality for service.

In the Armed Forces of the Republic of Poland, soldiers receive high severance pay, which increases with age. This type of solution should be fully recommended for use in civil law companies. In this way, dedicated employees who have been building the company's power for years are ennobled. After leaving, they build a positive image of the organization and its perception in the environment. A requirement to introduce employee severance pay should be introduced in national legislation. This would ensure the safety of employees when changing jobs or starting a new life path.

#### 4. The pension scheme in the Armed Forces of the Republic of Poland

The fundamental document that governs the operation of the pension scheme in the Polish Armed Forces is the Notice of the Speaker of the Sejm of the Republic of Poland of 17 January 2019 on the Announcement of the Uniform Text of the Act on Retirement Benefits for Professional Soldiers and Their Families (Polish Journal of Laws of 2019, item 289). This document is supposed to change in the nearest future. There exists a dual pension scheme in the Polish Armed Forces. Figure 3 illustrates the division of soldiers into those to whom the old and new retirement regimes apply. Legislative changes have considerably influenced the terms for the payment of retirement benefits and the length of service necessary to receive them.



**Figure 3.** New and old retirement regimes for professional soldiers. Source: Own work based on: *the Notice of the Speaker of the Sejm of the Republic of Poland of 17 January 2019 on the Announcement of the Uniform Text of the Act on Retirement Benefits for Professional Soldiers and Their Families.*

Based on the aforementioned document and the changes planned by the government, it is necessary to draw practical conclusions as to the actual terms and periods concerning retirement benefits for professional soldiers.

As for the retirement regime applicable to soldiers enlisted into military service (professional or as a candidate for professional service) after 31 December 2012, two basic terms need to be highlighted. In order to receive a retirement benefit, it is necessary to have served in the military for no less than 25 years and attain the age of 55. The amount of

a retirement benefit is increased by 3% of the assessment basis for each subsequent year upon 25 years of service. At this point, the lowest benefit is 60% of the assessment basis, whereas the highest one amounts to 75% of the assessment basis and is received after 30 years of service. For each month of operations in a war zone, a soldier is awarded an additional 0.5% of the assessment basis. In the Armed Forces of the Republic of Poland, the calculation of the assessment basis takes into account the average salary from the 3 years of service indicated by a soldier (<http://www.wojsko.juszczyk.org/>).

However, the Ministry of National Defence is planning on changes to the system described above. The pension rules in the Armed Forces of the Republic of Poland are to be equivalent to those applicable in the services subordinated to the Minister of the Interior and Administration. After the changes, the basic condition for a professional soldier to receive pension is supposed to be a twenty-five-year period of military service (<http://www.polska-zbrojna.pl>).

In accordance with the old retirement regime, professional soldiers need to have served for minimum 15 years to retire. They receive 40% of the assessment basis then. The basis is calculated as the base salary in the last position occupied by a soldier. It additionally includes permanent allowances as well as a monthly equivalent of the so-called "thirteenth salary" (an additional monthly salary). After fifteen years, an additional 2.6% is added for each subsequent year of a soldier's service. As a consequence, soldiers receive the maximum pension after 28 years and 6 months of service. It amounts to 75% of the salary (<http://www.wojsko.juszczyk.org/>).

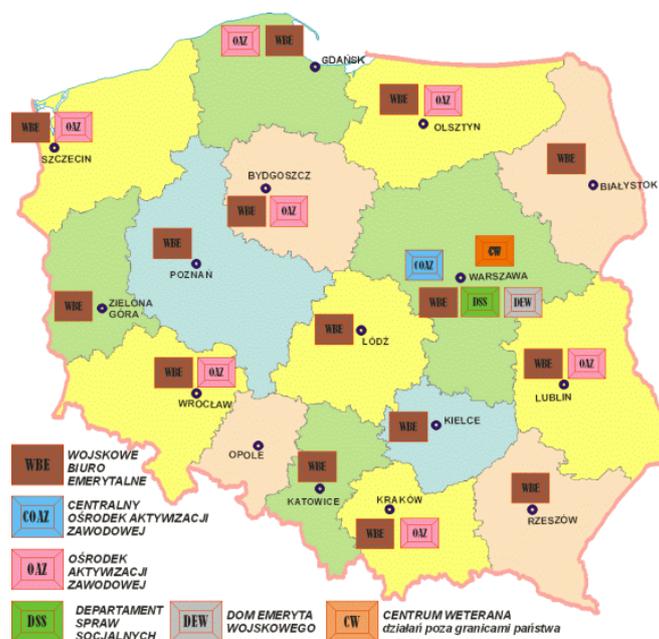
It is worth noting that retirement benefits for former professional soldiers may be reduced if they take up paid employment (The Notice of the Speaker): if the earnings exceed 130% of the average monthly salary in a quarter announced by the President of the Central Statistical Office, pension is reduced by 25%.

## **5. Institutions responsible for *outplacement* and the pension scheme in the Armed Forces of the Republic of Poland**

In the Polish Armed Forces, there are certain institutions responsible for the offboarding process and *outplacement* activities. These are Military Retirement Offices and Employment Support Centres (The Notice of the Speaker).

The pension scheme in the Armed Forces of the Republic of Poland is based on 15 military retirement offices. They were established under the Regulation of the Minister of National Defence of 12 April 1990 *Amending the Regulation on Establishing the Right to Retirement Benefits for Professional Soldiers and Their Families and Payment of Cash Benefits on Account Thereof* (Polish Journal of Laws, No. 31, item 186). According to Decision No. 173/MON of the Minister of National Defence of 20 December 2018 *on the List of Organisational Units*

*Subject to or Supervised by the Minister of National Defence Along with Their Subordination* (Official Journal of the Minister of National Defence of 2018, item 198), Military Retirement Offices are subject to the Minister of National Defence and are directly subordinated to a Secretary of State in the Ministry of National Defence through the Head of Social Affairs Department of the Ministry of National Defence (Polish Journal of Laws, No. 31, item 186). Figure 4 presents the locations of the institutions mentioned above.



**Figure 4.** Location of the institutions associated with the pension scheme and outplacement in the military. Source: <http://www.wbe.wp.mil.pl/pl/index.html>, (accessed 31.03.2019).

The primary tasks of the Military Retirement Offices include (<http://www.wojsko-polskie.pl>):

1. Establishing the right to retirement benefits and their amount, as well as payment of these benefits to former professional soldiers and their family members.
2. Establishing the right to and the amount of cash benefits due during the year after discharge from professional military service and payment of these benefits.
3. Payment of compensation to retired military court judges and prosecutors of military organisational units of the prosecution service as well as family benefits to their families.
4. Awarding financial aid from the social fund to military disability and retirement pensioners.
5. Payment of financial aid dedicated to science as well as special assistance grants for veterans of foreign missions.
6. Reimbursement of the costs of a soldier and their family members' one-off travel to the place of residence in Poland selected by the soldier, as well as the costs of transporting household equipment to that place.

The task of Employment Support Centres is providing comprehensive readjustment assistance to (<http://wszwlodz.wp.mil.pl>):

- eligible professional soldiers,
- former professional soldiers,
- members of the abovementioned soldiers' families.

Employment Support Centres cooperate with specialists from Provincial Military Staffs, commanders of military units, or local labour market institutions. Their primary tasks include information and advisory activities as well as providing assistance in retraining or job placement within their territorial competence.

## 6. The scope of assistance related to *outplacement* in the Armed Forces of the Republic of Poland

The Armed Forces of the Republic of Poland are an organisation that has properly implemented the last stage of human resources allocation. The Armed Forces offer professional soldiers finishing their service a number of benefits that support them in retiring or in the future professional activity in the private or public sector. Upon consent of the commander of a Military Unit in the territory of Poland, a discharged professional soldier may take advantage of the assistance presented in table 2.

**Table 2.**

*The scope of assistance for discharged professional soldiers*

<b>The scope of assistance for discharged professional soldiers</b>		
<b>career advice</b> as long as they have been in the military service for at least three years	<b>professional retraining and job placement</b> two years before dismissal from professional military service, provided they perform this service for at least four years	<b>professional practice six months before dismissal</b> from professional military service, provided he has performed professional military service for at least nine years

Source: Own work based on: the Act of 11 September 2003 on Military Service of Professional Soldiers, Art. 120.

The financial limits on readjustment assistance are determined based on the currently applicable Regulation of the Minister of National Defense on Base Salary of Professional Soldiers and the Act of 11 September 2003 on the Military Service of Professional Soldiers. The limits on readjustment assistance are calculated as 75% of the currently applicable lowest salary of a professional soldier and subject to the percentage of the limit related to the length of service. The current financial limits on retraining are illustrated in table 3.

**Table 3.***The amounts of financial limits on readjustment assistance*

<b>Types of eligible persons</b>	<b>Percentage of the limit [%]</b>	<b>Amount of readjustment assistance [PLN]</b>
- after 4 years of professional military service	100%	<b>2737.50</b>
- after 9 years of professional military service	200%	<b>5475</b>
- after 15 years of professional military service	300%	<b>8212.50</b>
- discharge due to a ruling of the Military Medical Board on permanent or temporary inability to perform professional military service resulting from an accident or diseases related to active military service, as well as the eligible members of the former soldier's family	300%	<b>8212.50</b>

Source: Own work based on: the Regulation of the Minister of National Defence of 22 January 2019 on Professional Soldiers' Base Salary (Polish Journal of Laws of 23 January 2019, item 135).

The abovementioned funds may cover the costs of (The Act of 11 September 2003):

- retraining,
- travel from the place of residence to the training centre where retraining is carried out or to the place of an internship,
- accommodation in the period of retraining or an internship.

Courses, internships and training, which are offering by the organization is the right initiative. The financing of such assistance is equally good. Employees after years of work may want to test themselves in another profession or gain new knowledge. Financing reconversion is also important for reducing structural unemployment or occupational exclusion. Training or financing for the civilian labor market could take place during the notice period. If the employer is not able to finance the conversion, the state could do so. This would help employees to find a job faster, improve their qualifications and competitiveness on the market.

## **7. Conclusions**

Contemporary organisations need to have in place a transparent human resources allocation system that processes all personnel-related activities. The last stage of human resources management in an organisation is one of the more difficult challenges that the executive staff and HR employees face. This stage is reached as a result of resignation, redundancy, or eligibility for a retirement or disability pension. Organisations which are in the vanguard of fulfilling personnel-related functions provide their departing employees with support that goes beyond the scope of benefits guaranteed by the Labour Code. *Outplacement* is defined as a range of activities intended to properly prepare employees dismissed by an organisation for

finding their feet in the labour market and an easier job search; the programme of these activities is implemented by the organisation's HR department or outsourced to a consulting company.

The Polish Armed Forces offer a range of benefits related to the termination of military service. Soldiers discharged from professional military service are entitled to severance pay, one year's compensation, compensation for unused leave, and reimbursement of the costs of travel to a selected place of residence, including the transport of household equipment.

Currently, there is a dual pension scheme in the Armed Forces of the Republic of Poland. Legislative amendments to the Act on Retirement Benefits for Professional Soldiers and Their Families have considerably influenced the terms for payment of retirement benefits and the length of service necessary to obtain them. An analysis of the old and new retirement regimes leads to a conclusion that the changes in the scheme are unfavourable for soldiers. Currently, the soldiers enlisted after 31 December 2012 have to wait until the age of 55 to receive the benefits. They are not entitled to the minimum pension after 15 years of service and the age required to obtain the maximum amount of the benefit is also higher.

In the Polish Armed Forces, there are certain institutions responsible for the offboarding process and *outplacement* activities. These are Military Retirement Offices and Employment Support Centres.

Upon consent of the commander of a Military Unit in the territory of Poland, a discharged professional soldier may use assistance in the form of career guidance, retraining, job placement as well as a paid internship. The funds granted to soldiers in connection with readjustment to civilian life may cover the costs of *retraining, travel from the place of residence to the training centre where retraining is carried out or to the place of an internship, as well as accommodation in the period of retraining or an internship.*

Based on the above benefits related to *outplacement*, it can be concluded that the Polish Armed Forces are an organisation that meets all requirements of the last stage of human resources allocation. Even though the receipt of the above benefits is often remote in time, they constitute one of the factors that motivate individuals to put on a uniform. The Armed Forces of the Republic of Poland separate with their soldiers in a dignified way and provide them with the support necessary to find their way in the new reality. In terms of the scope of benefits related to an employee's departure, the Polish Armed Forces may constitute a model to be followed by even modern private sector enterprises.

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