

THE ROLE OF FLEXIBLE FORMS OF EMPLOYMENT IN POLAND

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Abstract: Modern organizations are increasingly eager to hire workers on the basis of flexible forms of employment. For the past few years Poland has also noticed increase in the share of temporary workers in the general structure of employment in organizations that increasingly use these solutions within the personnel function. This article aims to present the flexible forms of employment as a modern trend in the labour market based on the Polish example. In addition, it presents opportunities and risks of flexible forms of work from the perspective of the employee and the organization.

Keywords: flexible forms of employment, labor market.

1 Introduction

There have been significant developments in the area of human resource management in Poland in recent years. Contemporary organizations increasingly prefer employees with specialized knowledge and unique competencies, offering them a place in their structures. This place is not fixed for the functions and responsibilities, but is characterized by temporariness and transitivity. In Poland, despite the recent global economic crisis, there has not been a drastic decline in consumption and production. In fact, it has been otherwise. According to Central Statistical Office data PKB (Gross Domestic Product) in 2010 amounted to 3,8%. Better for last few years economic situation makes Polish organizations begin to seek workers who would constitute their competitive strength. However, special role is attached to temporary workers. It is indicated by Eurociett forecasts that in 2012 in Poland it is expected that the temporary employment market will rise by 26% compared to the previous year (report Eurociett 2011). In this context, the process of making employment flexible, which is an important indicator of changes in employment model, is beginning to gain special significance. Flexibility is a peculiar reaction to the uncertainty of the conditions of the organization and the inability to simply extrapolate the current way of functioning. It is also the most desirable feature of modern organization, an important determinant of its functioning and the determinant of its development (Krupski ed., 2008,p.9-10).In the literature there are several categories of atypical forms of employment and work organization, which include: teleworking, staff leasing, contracting work, self-employment, term contract, seasonal work, etc. These forms are not separable and employment characteristics of the individual can take one or more of them (Kryńska ed, 2003).

Also in Poland, for a few years we can observe more flexible employment process. Organizations are increasingly eager to use these solutions within the personnel function. However, this form of employment has its consequences, both in organizational and individual terms. Against this background, an attempt was made to present the flexible forms of employment as a modern trend in labour market, based on Polish example. In addition, opportunities and risks of flexible forms of work from the perspective of the employee and the organization were presented.

1.1 Changes in the employment and labour market in Poland

Over the past few decades the world has undergone major changes in labour market, in order to increase flexibility (Reilly,1998). The main sources of changes in labour-employment relations are primarily associated with changes in labour efficiency, globalization, the potential of the working and waiting for work, lengthening life, increasing the level of education, preferring a different model of family life and the rise in employment rate of women (Orczyk, 2004, p.124). For example, in mid-1980 in the United States there were about 100

temporary agencies. Currently, there are over 15 thousand agencies employing about 11 million people each year (Boyce, Ryan, Imus, Morgeson, 2007, p.6 for Berchem 2005). Although the flexible model of employment is most widespread in the United States and Western Europe, in recent years, it has been gaining increasing recognition in Poland as well (Ziółkowski, 2006, p.216). Discussions about changes in the patterns of employment in Poland should be sought with the transition from centrally planned to a capitalist economy. At this point we must mention that employment in Poland until 1989 was traditional and meant subordination of workers. This resulted from the contemporary economic system, in which the State provided a top-down equal access to jobs, regardless of the economic efficiency of enterprises. It is evidenced by the data of Central Statistical Office, which in Poland in the period before the political transformation showed the absence of unemployment.

The employment structure was dominated by structures based on labour relations, which provided a contract for an indefinite period, thus ensuring the need for worker safety in the workplace. Such employment model was, however, inadequate for actual contemporary demand for labour. The transition from centrally planned economy to a capitalist launched a number of mechanisms that affected the employment model in Poland. One (and most important) was so called 'Balcerowicz Plan' (the name of contemporary Deputy Prime Minister and Minister of Finance in Poland), that is a package of political and economic reforms. It should be noted, however, that at that time in Poland there was hyperinflation (annual rate of inflation in 1989-639.6%), foreign debt amounted to 42.3 billion dollars and there were huge shortages. The results of the plan included a significant reduction of inflation and budget deficit, which resulted in bankruptcy and liquidation of many public enterprises and reduction of employment in those which survived. The unemployment rate in 1993 reached the level of about 16.4%. On the other hand, many economists insisted that the Balcerowicz plan revealed only the actual level of unemployment that had occurred in a latent form ([www. http://pl.wikipedia.org/wiki/Plan_Balcerowicza](http://pl.wikipedia.org/wiki/Plan_Balcerowicza)).

The job market began to undergo an intense and permanent change, and organizations began to aim at more flexible organization of work and employment, which in turn resulted in increase in their capabilities and rapid response to changes in labour demand (Bohdziewicz, 2008,p. 107). These changes are also part of a contemporary popular concept of employment (Handy 1998, s.75-97, Sekula 2001, p. 16 et seq., Gableta2003, p. 127), which extracts the relatively homogeneous groups according to the criteria of the tasks / functions working conditions and wages (Antczak, p.251). It classifies workers into three segments. These include, according to the concept by M. Gablety: (Gableta, 2003, p.127):

- the core of the organization - employees of critical importance to the organization, with distinctive and specific knowledge, distinguishing particular organization from another; perform the tasks of a strategic nature,
- permanent workers – working in salaried positions, identify with the organization,
- peripheral workers – workers who are loosely related with the organization, characterized by easily replaceable competencies, which are available in labour market; employees based on various non-standard forms of flexible employment.

The structure of the individual staff will vary depending on the situation prevailing in the organization or its environment. According to M. Gablety the core crew definitely takes on the importance, without whom organizations cannot at present exist, the circle of loosely related workers, characterized by individuality compared to permanent workers, is widening. This results primarily from differences in forms of employment, the nature and durability of ties with the organization (Gableta, 2003, p.127). These ties are weakening today, which in turn results in atrophy of employee loyalty to the employer. Thus, participation of employees in achieving the objectives of the

organization takes on importance too (Bohdziewicz, 2008, p.123).

In conclusion it should be emphasized that the changes in the labour market in Poland are the result of: continuing trend related to preference for flexible employment rather than the traditional one, high labour costs charged to employers, increasing competition between companies, high percentage of graduates completing secondary and higher education, adverse demographic trends, increase in product and service innovation and the development of advanced technologies. We should also mention the changes proposed by the new government, to be an important instrument to fight the upcoming crisis in 2012, namely, the lengthening and alignment of activity to achieve the same retirement age for men and women amounting to 67 years. In this situation, to take temporary employment for many people in Poland is more and more often an alternative to permanent employment, while also an important instrument in the labour market, such as giving the opportunity to gain work experience.

1.2 Flexible forms of employment in Polish practice

Flexible forms of employment in Poland have their legitimacy apart from the European employment strategy and social policy in the "Strategy of development of the country 2007-2012", which is the primary and overarching strategic document setting out objectives and priorities for socio-economic development. Priorities adopted in this strategy determine the key and main directions of action, so that it will be possible to achieve the main objective. The first priority for the problem is priority No.3, which points to: "increase in employment and improvement of the quality of life; it clearly highlights the need to promote and apply flexible and alternative forms of employment on a larger scale as well as organization of time and working conditions." (Machol-Zajda, 2008, p.24).

A worker employed in Poland under flexible employment today is anchored in law. It should be noted that by 2004 the employment of temporary workers was governed by Article 298 of the Labour Code. It only signalled obligations of the firm, which used the services of temporary workers agency. This provision was repealed on January 1, 2004. The Act of 9 July 2003 on employment of temporary workers is currently in power. It contains more detailed tightened rules on hiring temporary workers by the employer, regardless of whether this is a temporary employment agency or a person employing temporary workers directly (Ziółkowski, 2006, p.228). In Poland, as the data indicate, 20% of temporary workers have secondary education, and only 15% have higher education. Therefore, the category of workers with primary education dominates. Thus, the distribution of the data differentiates Poland compared to other European countries where, for example, in Britain the proportions are reversed (www.jobexpress.pl/artykul/30/pracownik-tymczasowy).

However, as argued by A. Wicha, Director General of Adecco Poland, (the third largest share of temporary employment agencies in Poland in 2010) more and more often you can see changes in this trend. In addition to the permanent demand for workers of the production sphere, the development of service organizations occurs as well as the increase in demand for positions in departments such as call centres, telemarketing or office positions in the total number of employees (More specialists in temporary work, <http://www.egospodarka.pl/70817>, More-specialists-the-job-temporary, 1,39,1. html of 11 November 2011).

Temporary workers in Poland in 2010, worked out as much as 82 million hours of which 88% based on the contract of employment, while 12% of the hours were worked on the basis of civil contracts. For example, compared to 2009, the number of hours worked grew by 56% (www.admin.polskieforumhr.pl). This demonstrates the high popularity of this form of employment and understanding in the Polish society, it is an opportunity for professional activation, in particular, for those remaining unemployed for a long time. It should also be noted that among temporary workers, in the same period, in the age structure the highest percentage of 51% accounted for workers

under 26 years. However, there are only few of 50+, who seem not to be interested in this form due to the fact that they have minimum social security assured, either in the form of a pension or annuity. On the other hand, unfortunately, employers interested in temporary workers decide to recruit and even train younger rather than older people.

Regarding the positions, in Poland as much as 70% are employed in manufacturing jobs, in sectors such as automotive, light engineering, food and tobacco, transport and logistics, and pharmaceuticals. As indicated by the figures for 2009 making a contract does not exceed 30 days, which taking into account the length of contracts for temporary workers in other European countries is, along with Italy, one of the largest. For example, the longest contracts are concluded with temporary agency workers in Sweden, Germany and Austria (Ciett Economic Report 2011). However, we can be positive about the fact that temporary work greatly increases chances for workers in Polish labour market, where today nearly 20% of temporary workers are employed permanently (www.admin.polskieforumhr.pl).

In Poland, since 2000 several conferences have been organized, dozens of studies have been conducted in this area, also dozens of scientific publications have been created and a number of research programs have been implemented under the European Social Fund, for example, the Integrated Regional Operational Programme (Dobrowolska ed., 2006) on flexible forms of employment, their forms, consequences and effects from the perspective of both organization and individual.

Postulates formulated by Spytek-Bandurska and Szyłko-Skoczny regarding temporary work in Poland seem to be interesting, which implementation can contribute to this form of work. These include among others: (Spytek-Bandurska, Szyłko-Skoczny, 2008, pp.283-288)

1. Temporary work should be seen as a multifaceted phenomenon, due to the functions it can perform. The interests of employers and potential employees must be reconciled.
2. The perception of temporary work must be changed, considered by staff primarily through the implementation of an unattractive form of flexicurity which combines, in optimal proportions, flexibility with employment security, understood as the need for skills development and ideas of learning throughout life.
3. Ability to create trade unions for temporary workers.
4. The need to modify the laws governing the institution of temporary work. One important barrier is the accepted limit for performing work for a single user employer. It would be reasonable to extend the limit or completely abolish it.
5. We must reduce bureaucracy and simplify the performance of many obligations which employment agencies meet, e.g. agencies must keep a record of employee for 50 years.
6. Improving quality of services provided by temporary work agencies.
7. Strengthening social safety of temporary workers, which involves their employment stability.
8. Creating own codes of ethics aimed at building a unified and coherent policy to respect the employer's and employee's temporary interests.
9. Ensuring a better relationship between private and public institutional sector operating labour market, which should be based on complementarity, competitiveness and cooperation.
10. The agency certification criteria should be reinforced. Currently, new entities are not e.g. checked for financial reliability and capacity to conduct such activities.

The above presented postulates are necessary in a situation of increasing scope of changes and uncertainty and creating an organizational environment conducive to a potential employee. They also do not lose their importance today, and contrary, will be to a greater extent in the centre of attention especially to the growing interest in flexible forms of employment in Poland from both employers and employees.

1.3 Opportunities and risks of flexible labour market in Poland

It is not possible to consider the general opportunities and threats in relation to flexible labour market due to the multiplicity of solutions, which provide different effects. We should also

separately analyze the advantages and disadvantages in the labour market flexibility, both from the perspective of the employer and the employee (D. Głogosz, 2007, p.60). Below we have a synthesis of advantages and disadvantages of flexible employment from the employee and employer perspective.

	Employee	Employer
A D V A N T A G E S	<ul style="list-style-type: none"> the possibility of combining non-professional and professional life (more time for family, own interest or education and skills) higher satisfaction from work possibility of acquiring new knowledge, through its participation in the implementation of tasks in different companies, acquiring work experience, increase in flexibility in the implementation of tasks and shaping the conditions of employment, opportunity to perform work for several employers at the same time. 	<ul style="list-style-type: none"> lowering the cost of workplace organization, higher productivity efficiency of employees, better customer service better access to employees greater employment opportunities for appropriate staff, eliminating stress connected with the need to use emergency solutions, better control over employees, more efficient use of work time, diffusion of knowledge, short time of recruitment, adjusting the number of employees to the changing circumstances of the organization.
D I S A D V A N T A G E S	<ul style="list-style-type: none"> less job security, lower wages, no guaranteed minimum wage and employee benefits, weak friendship ties and contacts with the work environment by being isolated by the full-time employees, blurring of boundaries between work time and time off work, difficult access to information about what is happening in the company, difficulties to comply with professional duties, especially in the case of new untested organizational solutions, low motivation to work due to short periods of employment and wages, inability to associate in trade unions 	<ul style="list-style-type: none"> cost of organizing the workplace costs of training, management and supervision, costs of administrative changes, atomization of labour relations, possible transient inferior quality of work, high levels of employee turnover, the possibility of losing competitive advantage due to the lack of loyalty, the possibility of conflicts between permanent staff and "the flexible", reduced protection of secret information organization, deficit of desired employees in the period of increased demand for labour.

Source: own study based on Głogosz, 2006, p.67, Dobrowolska 2006, Ziółkowski, 2006, p.228, Juchnowicz, 2009, p.35-48, Sadowska-Snarska ed., 2008, pp.152-160

Examples presented in the table represent the most important advantages and disadvantages of flexible employment from the perspective of employers and employees. Referring them to the functioning of the of Polish labour market, the most important factor conducive to positive perceptions flexibility in the areas of employment by employers is primarily reducing labour costs, which from 2000 to 2009 have nearly doubled (Statistical Pocketbook 2011), and adjusting the number of employees to changing situation of the organization. In this situation, employers are increasingly using the services of temporary work agencies employing workers on the basis of atypical forms of work rather than create new (full-time) jobs. From the perspective of a Polish employee, flexible form of employment is an opportunity to gain work experience-especially in the case of a graduate, is an opportunity for employment in regions with high rate of unemployment, is a way to avoid being excluded from the community and the possibility to use the key competencies of employees and, which was previously highlighted, in Poland workers with university education are increasingly employed for specialized positions. It is also an opportunity to gain permanent employment by increasing jurisdictional competitiveness in people taking temporary work. Unfortunately, this form of employment also has its negative aspects. In Poland there is still a belief in the superiority of the "permanent" over temporary employment, which is associated with a lack of legal regulations relating to the lack of a guaranteed minimum wage, employee benefits, inability to associate in trade unions and the concept of the working day adopted in the Polish legislation. In accordance with Article 128 paragraph 3 point 1 of the Polish Labour Code a day should be understood by 24 consecutive hours, from the hour at which the employee starts work according to his working schedule. Such a provision has deprived the employee of free and convenient shaping distribution of time. People undertaking flexible employment in Poland are also discriminated against when applying for bank loan for example. There is also a stereotype that a person taking a flexible employment is qualitatively worse, has poor qualifications, because if it was the opposite one could get "fixed" time.

The negative implications of changes in the employment model from the perspective of employers are high costs associated with the implementation the employee to the tasks assigned in organization, high levels of job rotation (associated with the provision in the Polish Labour Code) and a lack of loyalty of employees reflected in unethical behaviour.

1.4 Conclusion

Flexibility is a feature, which increasingly includes the sphere of functioning of the organization. Also in Poland the development of flexible employment is promoted as an alternative to permanent employment. It is also an important instrument of increasing the dynamics of people taking their own professional activity and translates into the economic situation of the country even exemplified by Polish economic growth.

Although Poland is convinced that flexible forms of employment are unattractive from the perspective of the employee, we should overcome these barriers and promote such solutions, e.g. in the Polish Labour Code, which would increase the percentage of employment, and thus affect popularity of these forms not only from the employer's perspective.

Topics discussed due to the limited volume of studies certainly does not explore all aspects of flexible forms of employment in Poland. However, the problem discussed tends to take a broader analysis and impact assessment from both economic and psychosocial perspective with particular emphasis on the individual at the heart of research interests.

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