

Perspectives and issues for TWA in Poland

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Agenda:

- Polish labour market in figures
- Law rules regulating the TWA activity
- Triangular relationship
 - TWA –advantages and disadvantages
 - User firms-advantages and disadvantages
 - Temporary workers
- Perspectives and challenges for TWA
- Polish employees on the Dutch market

Polish labour market

- ❑ Population: **38** mln people
- ❑ Unemployment rate is decreasing: **11,4%** (about 2 mln new places of work arose in years 2004-2007)
- ❑ Minimum pay: **334** Euro per month (growing tendency up to 10,2% yearly)
- ❑ Weekly labour time: **40** hrs

Polish market is a good place for TWA

- ❑ The level of employment the disabled people is ~~the lowest among all EU countries:20%~~
- ❑ The lowest rate of employment in the EU-56,8% (the average for EU countries-64%, Lisbon Strategy-70%)
- ❑ 14,4 mln people are passive workers (they don't work, don't look for job)
- ❑ High ,rapid rate of economic development

- ❑ Many foreign investors set their business in Poland-growing demand for employees in various branches, regions and positions
- ❑ Migration-return to home country after couple of years being aborad

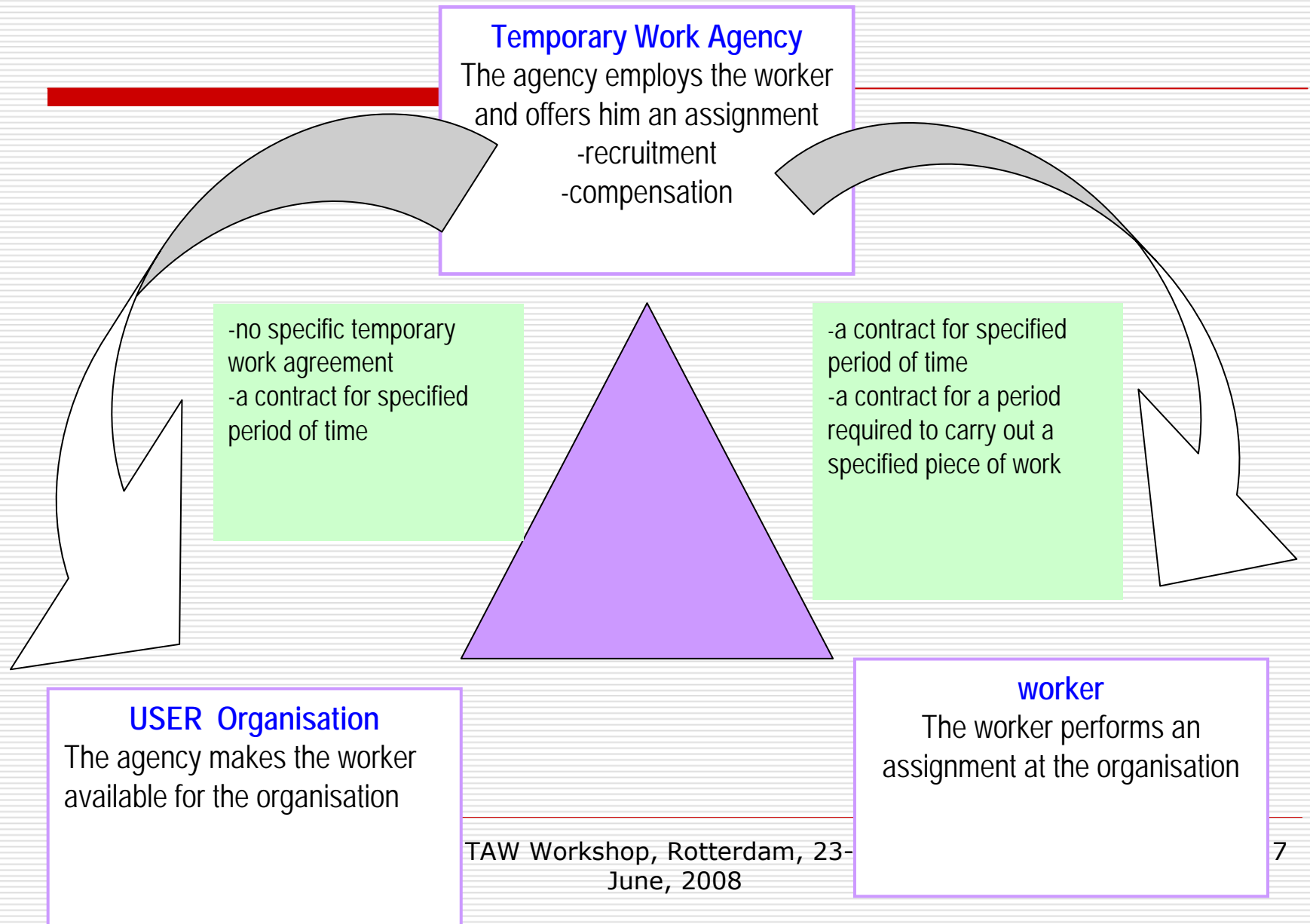
Key facts in figures

- From all employed in Poland the number of temporary workers is 2,8mln- 0,5% (EU average is around 2,5%)
- The number of temporary workers grows annually by around 20%
- In 2006 the number of white-collar workers reached 35-40% of all temporary workers

Law regulations

- ❑ The expansion in legislation in the past 10 years
- ❑ The first Polish provisions on the temporary work, introduced in 2001
- ❑ New and extensive regulation of temporary work was introduced by the temporary Workers Employment Act of July 2003
- ❑ Length of assignment between TWA and user firm is from 3-12mths

Triangular relationship



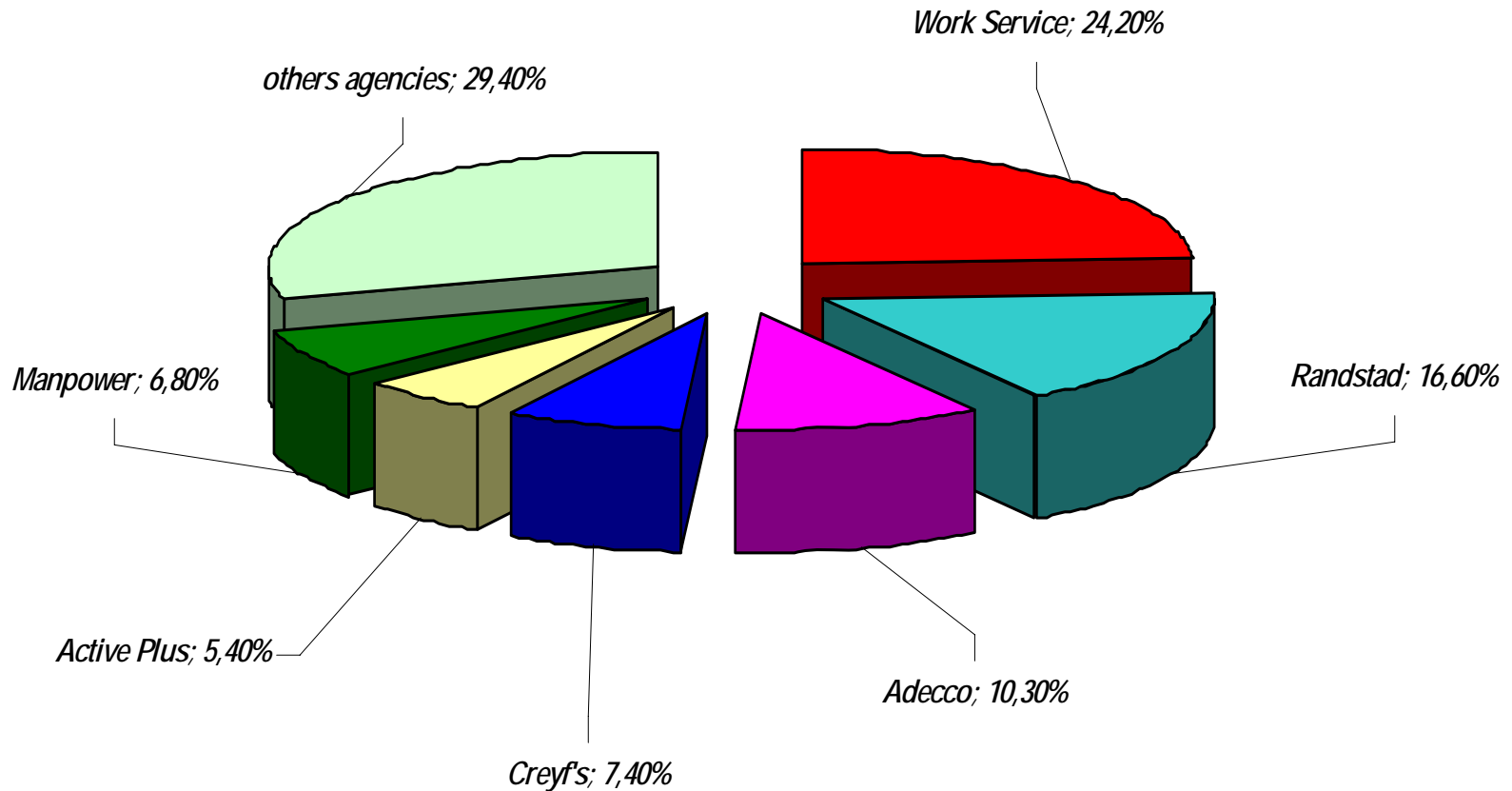
Temporary work market in Poland

- **ZAPT**-Polish Federation of Private Employment Agencies from 2002(similar to ABU), www.zapt.pl

- Private companies belonge to ZAPT: *Active Plus, Adecco, Akcja Job, Allbecon, e-work, Grafton, Hartmanns, Randstad, Start People, Runtime Polska, Stegman, Vedior, Work Express*
- ZAPT is a member of **CIETT**(Confederation of Private Employment Agencies)
- Main tasks of **ZAPT**:
 - promote the interests of the industry
 - providing a quality label (certificate APT)
 - create conditions for development of the temporary work market

Market share of main competitive companies in 2007

Market share in 2007



Temporary Work Agencies



- **Work Service-** from 1999, in 10 European countries, gives jobs to more than 100 000 people a year

(S)TEGMANN



- **Adecco**
- **Randstadt**
- TempService



- Allbecon
- Work Express
- Grafton Recruitment
- Stegman
- Vedior

ALLBECON



Two sides of the same coin...

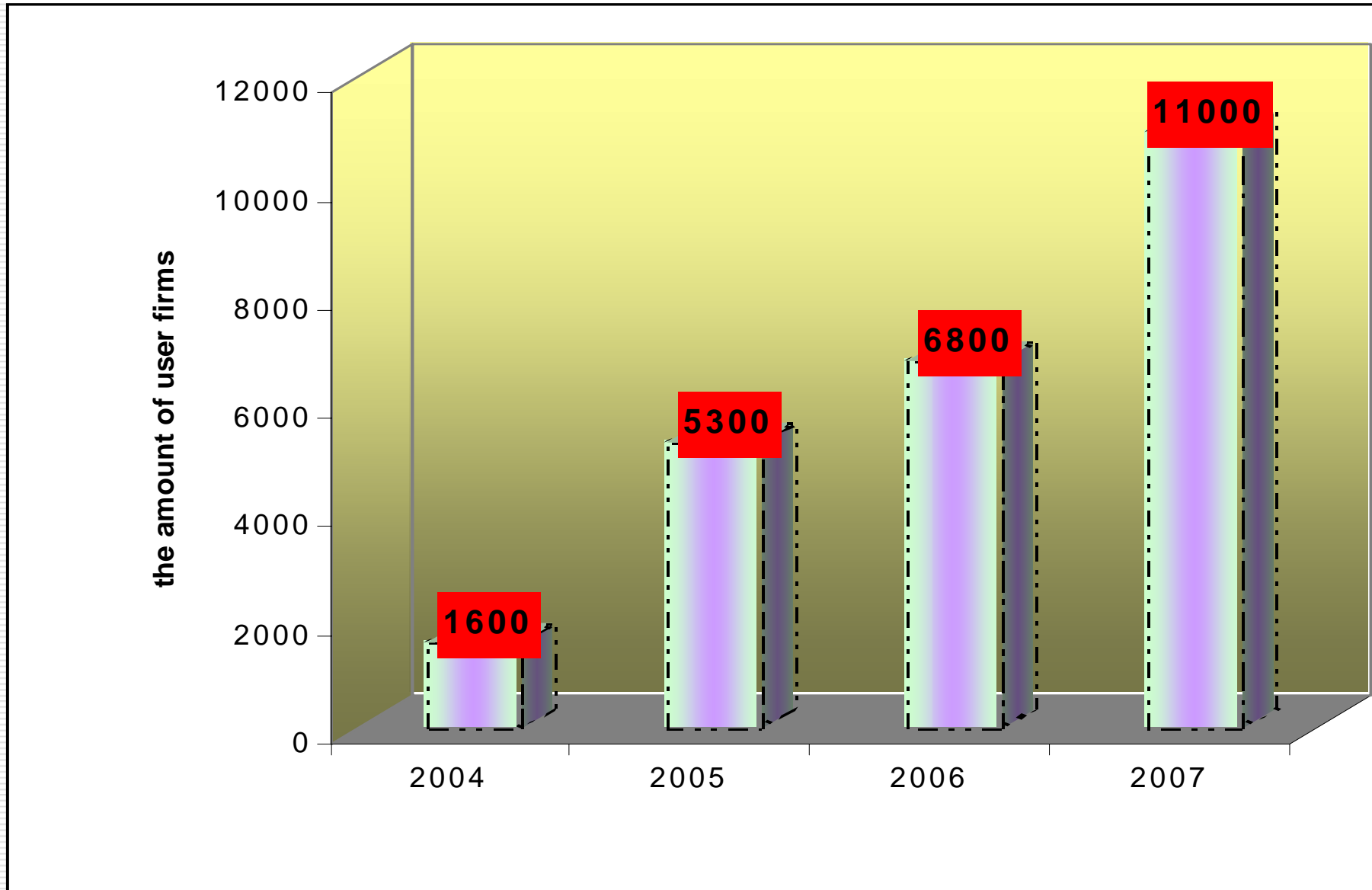
Advantages

- they are doing more than delivering “warm bodies”
- non-stop shopping for any kind of temp staffing
- it can improve job matching within the labour market
- TWA reduce job search time and expenses,
- TWA offer a transition to permanent employment

Disadvantages

- are associated with expanding the relative size of temporary workforce:
- exclusion from standard employment benefits and from an organisation’s internal labour market
- job and wage insecurity and segregation into a cycle of contingency employment arrangements

User firms



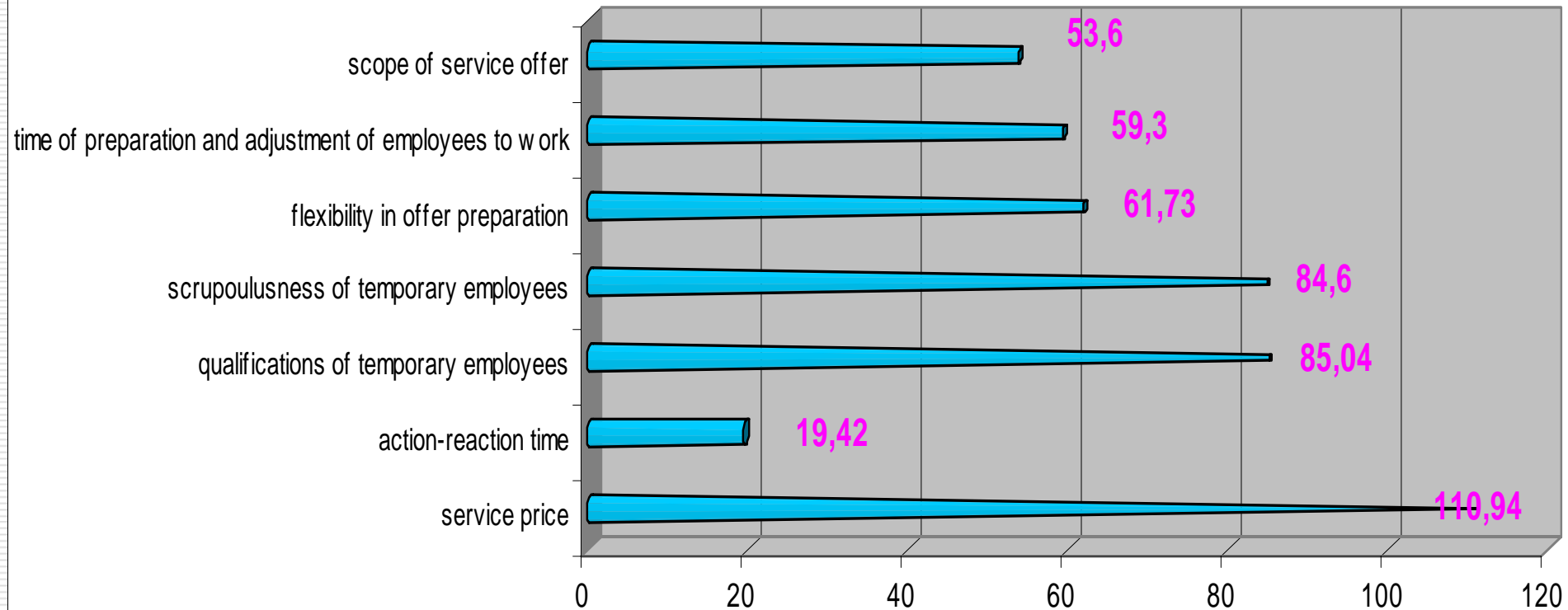
Advantages of TWA from the user firm's point of view:

- quick access and fast recruitment the most appropriate employees we need (agencies offer temp employee even within 24 hours)
- lower cost of staffing procedure for user firm (advertisement, loose of time, insurance)
- TWA let us concentrate not on the administrative issues, which are very time consuming, but on management issues, **we engage our time in placement new employee, training**
- it is easier to replace one temp with another one
- More flexible policy of employment (seasonal work, bigger tension in summer and autumn)
- TWAs use checked methods of selection

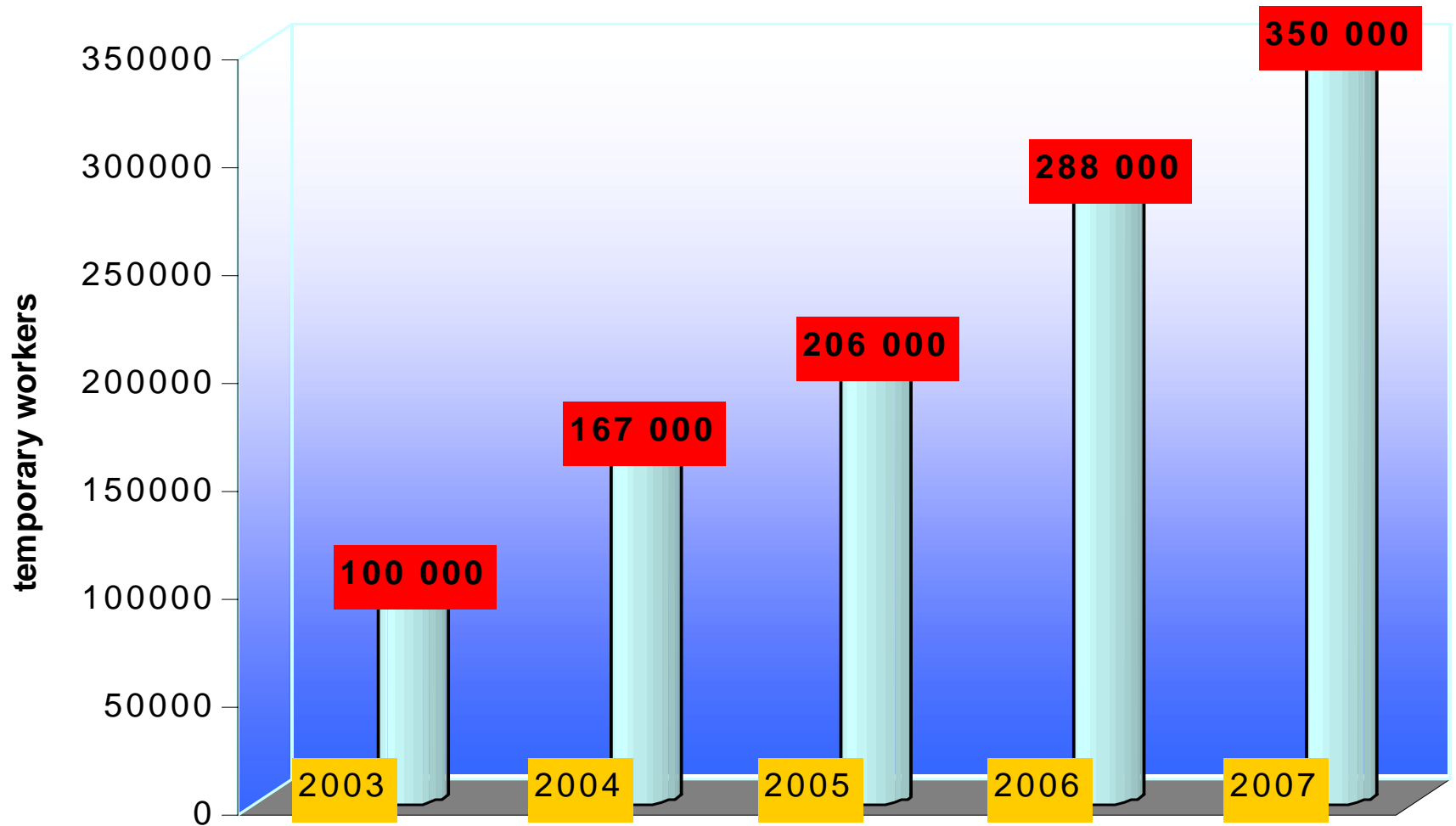
Disadvantages

- temp workers are not specialist so it is hard to take ~~advantage of such employees~~ for high specialist positions
- low level of loyalty with the rest full time workers and the company as a whole
- temps may cause chaos, conflicts and stress others (full time workers must devote some time to introduce temp into their work)

The most important factors having an impact onto the customers' satisfaction



Temporary workers



Source: Ministerstwo Pracy i Polityki Społecznej, 2008

Advantages

- Good job for students to earn money(financing their education or leisure activities)
- Allows workers to choose their working conditions regarding duration, intensity, location of assignment
- For older workers it is appropriate way to finish a career and improve life balance before retirement
- Provide a flexible working solution to meet familial responsibility

Disadvantages

- Temp workers remain detached from an ongoing relationship with the organisation where they work(lack of access to training, career development, employment benefits, organisational identification)

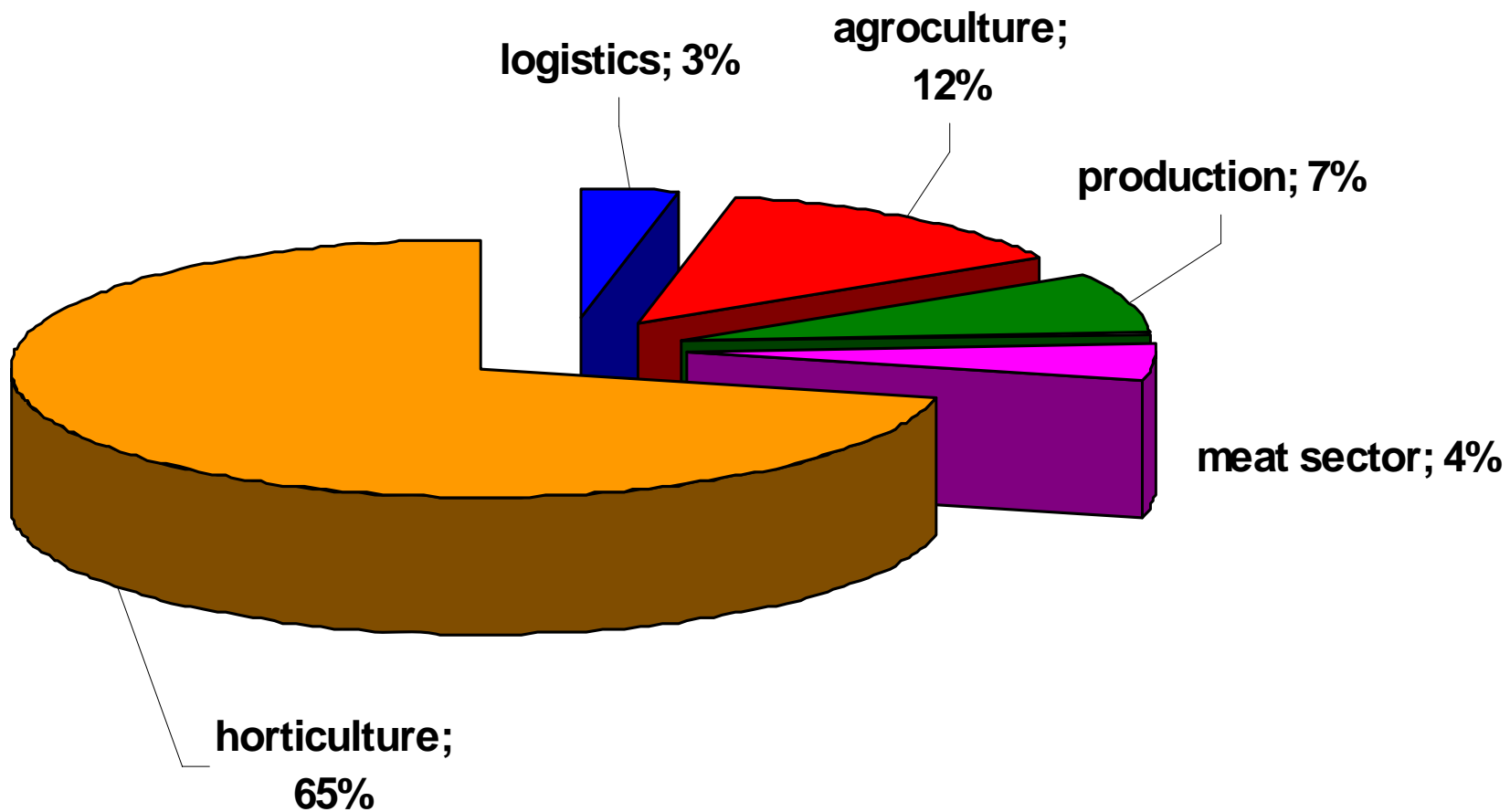
Problems

- ❑ Temps used to be contracted to undertake low skilled, clerical positions, seasonal work.
- ❑ ~~My study highlighted relatively high level of dissatisfaction amongst temp agency workers in relation to the content of the work undertaken and the limited scope for using their initiative~~
- ❑ -This type of employment is found at the top of the list of precarious work
- ❑ -They are treated as reserve army to cover the fluctuations in demand
- ❑ -Atypical work is associated with the low social status (you can not get credit from bank-they don't honour such employment) threat to the security of employment, being something middle between safe employment on primary employment market and unemployment
- ❑ They are sources of conflict-(some forms of control are enhanced)costs, labour discipline, exclude unions,

Perspectives and challenges for TWA in Poland

- How to develop commitment to the organization they are contracted to?
- ~~the productivity of people depends not only on~~ how and where workers are placed, but also on who managers motivate them (temporary agency has no control over)
- How to build positive relationship between temps and permanent workers (they are rather divided than integrated)?
- Does psychological contract (loyalty referring to the user company)exist?
- Many differences exist in the skill levels of temp workers, their demographic characteristics and reason for undertaking temp work
- The temporary agency industry is growing and is increasingly becoming internationalized
- Compete with other attractive job markets (Eastern Europe)
- Find more qualified candidates
- Build good image of Polish employees on the EU market

Polish employees on the Dutch market



Why the Netherlands?

- ❑ Competitive level of salaries comparing to salaries in other European countries
- ❑ The same work conditions for domestic and foreign employees
- ❑ Relatively short distance from Poland
- ❑ Polish workers as a good appreciated specialists-well prepared, multi-task
- ❑ Big Polish societies in Dutch cities (e.g. Den Haag-20 000 Polish nationality group_- "Ryanair emigration")

Thank you !



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- Eurociett,2007
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 - www.zapt.pl
 - Burgess J., Connel J., *Temporary work and human resources management: issues, challenges and response*, Personnel Review, Farnborough:2006, vol.35, Iss 2, p.129
 - Hajn Z., *The impact of european law on the Polish regulation of atypical employment contracts*, Managerial Law, Patrington, 2005,vol.47,iss.6,p.105