



Study
of Human Capital
in Poland

2013

Study of Human Capital in Poland

Key results of the third round of the BKL Study
in 2012



HUMAN CAPITAL
NATIONAL COHESION STRATEGY



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The publication originated as part of the Study of Human Capital in Poland research project conducted jointly by the Polish Agency for Enterprise Development (PARP) and the Jagiellonian University (Centre for Evaluation and Analysis of Public Policies at the Jagiellonian University (CEiAPP)).

The text of the publication was based on the reports from the third round of the study, conducted in 2012:

Education, employment, and entrepreneurship of Poles

– Report from the study of population at working age

Lifelong learning

– Report from the study of training institutions, supplemented with the results of population and employers, studies

Employers about the labour market

– Report from the study of employers and job offers

Expectations of the employers vs. future employees

– Report from an analysis of fields of study at upper secondary and higher levels, supplemented with the results of the employer study

Youth or experience? Human capital in Poland

– Report concluding the third round of the Study of Human Capital in Poland in 2012

The reports are available from the project website: **www.bkl.parp.gov.pl**

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Free copy

Translated by HOBBIT Piotr Krasnowolski

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ul. Pańska 81/83, 00-834 Warszawa

phone: 022 432 80 80

fax: 022 432 86 20

e-mail: biuro@parp.gov.pl

website: www.parp.gov.pl

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Polska Agencja Rozwoju Przedsiębiorczości /
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Ladies and Gentlemen,

we have the pleasure to present the key results of the 3rd round of the Study of Human Capital in Poland (BKL Study).

It proves that the mismatch between competencies supply and employer needs is a constant feature of the Polish labour market. In 2012, much like in the previous years, more than three in every four employers found it difficult to hire appropriate staff. The problem does not result from lack of labour – the reason is the fact that candidates do not meet the expectations, a statement that is especially true about the lack of competencies including independence in action, ability to make decisions, and the skill of working in a group.

Unfortunately, the continuing uncertainty about the economic situation still will not let employers invest sufficient courage in increasing employment. In the spring of 2012, only every fourth employer believed that in the following 12 months their company will increase employment. What inspires optimism is the fact that 63% of the respondents intended to maintain employment at the same level.

Although employers seek new employees, unemployment in Poland is not dropping. On the contrary, in the second half of 2012, when the study was conducted, there were 500,000 more people out of work – the unemployment rate grew by as much as 2.9 percentage point compared to 2011. Moreover, seeking new employees takes more and more time, and an unemployed needs on average 26 months to find a new job. As can be seen, the institutions responsible for the labour market policy in Poland face plenty of challenges. One of the most important is to establish comfortable conditions for running business and for developing enterprises, which will be accompanied by an increase in the number of new jobs.

I encourage you to become familiar with the latest results of the studies.

Bożena Lublińska-Kasprzak
President of the Polish Agency for Enterprise Development

A handwritten signature in black ink, appearing to read 'Bożena Kasprzak', written in a cursive style.

1. Study of Human Capital in Poland – the largest study of the labour market in Poland

We make systematic and complex studies

Since 2010, the Polish Agency for Enterprise Development (PARP) and the Jagiellonian University have conducted systematic studies to trace the changes in the structure of competencies in the labour market. The first round of the study was conducted in the fourth quarter of 2010, the second – in the second quarter of 2011. The studies that are analysed in this publication were conducted in the second quarter of 2012.

The Study of Human Capital in Poland is a complex research project. Every round covers:

- more than 16,000 employees
- more than 17,900 people at working age
- more than 8000 unemployed registered with County Employment Offices (PUPs, 1st round)
- more than 35,700 last grade students in secondary schools (1st and 4th rounds)

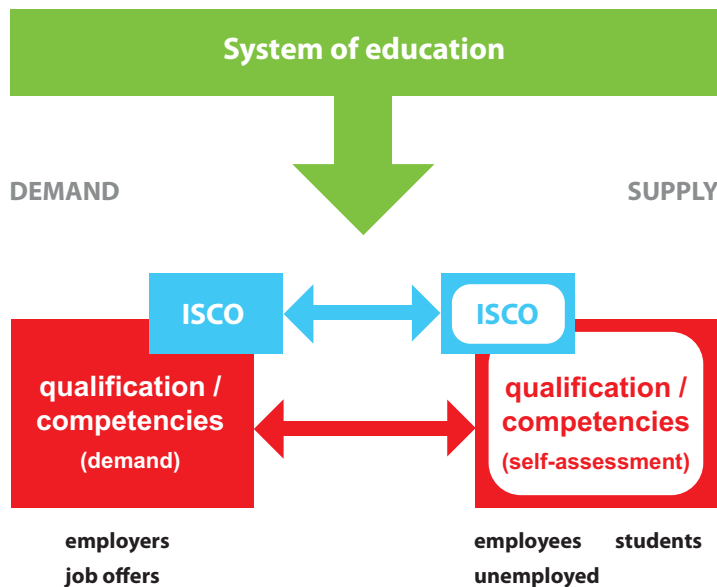
- more than 35,000 university students (1st and 4th rounds)
- more than 20,000 job offers
- more than 4500 training institutions.

To present a full picture of the situation in the labour market based on the Educational Information System (SIO) and the data of the Polish Central Statistical Office (GUS), the BKL Study analyses also fields of study in upper secondary schools and institutions of higher education.

The supply and demand balance

The unique quality of the studies conducted as part of the project is the opportunity to compare the competencies at the disposal of the current and future employees with the competencies sought by the employers. To allow combining data from multiple study modules, all the analyses are based on the International Standard Classification of Occupations (ISCO).

The model of the Study of Human Capital in Poland



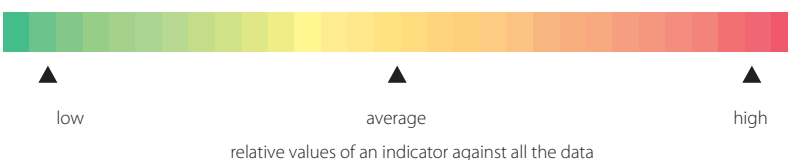
Classification of competencies

Especially for the purposes of the Study of Human Capital in Poland project, a classification grouping competencies into 11 categories was designed:



How to read the data presented?

For easier reading of the tables, “topographic” colour coding is used. It makes reference to the way maps are coloured, with the relatively low values marked in green, average – in yellow, and the relatively high – in red. The colours show the position of the given category against the total body of data.



2. Education, employment, and entrepreneurship of Poles

23%

of adult Polish women have higher education

84%

of professionals have higher education

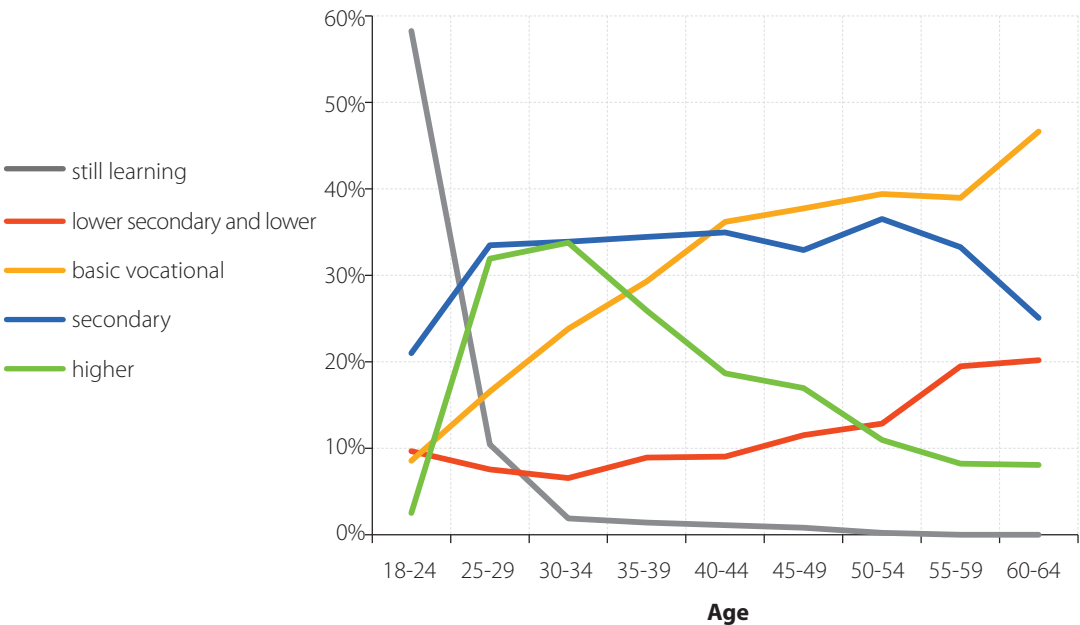
Differences in education

The 3rd round of the BKL Study shows that 18% of all working age Poles are HE graduates. Women (23%) far more often than men (14%) have academic degrees; 37% of the respondents have secondary education, 28% – basic vocational, and 17 – lower secondary and lower.

There are differences in the level of education between the successive generation

of Poles. Among the oldest ones, there are decidedly fewer people with higher education, and more with basic vocational, who account for as many as 40% in the 40+ and 50+ cohorts. Among these age cohorts, there is also a high percentage of the people who completed technical upper secondary schools. The largest share of HE graduates are present among the 20+ and 30+ cohorts.

Chart 2.1. Education of Poles, broken down by age, accounting for people in education (in %)



Source: BKL – Population Study 2012.

The best educated job groups are professionals (84% with higher education) and managers (66%). The worker occupations are usually the domain of people with

vocational education. Secondary schools leavers usually work as technicians, associate professionals, clerical support workers, and service workers.

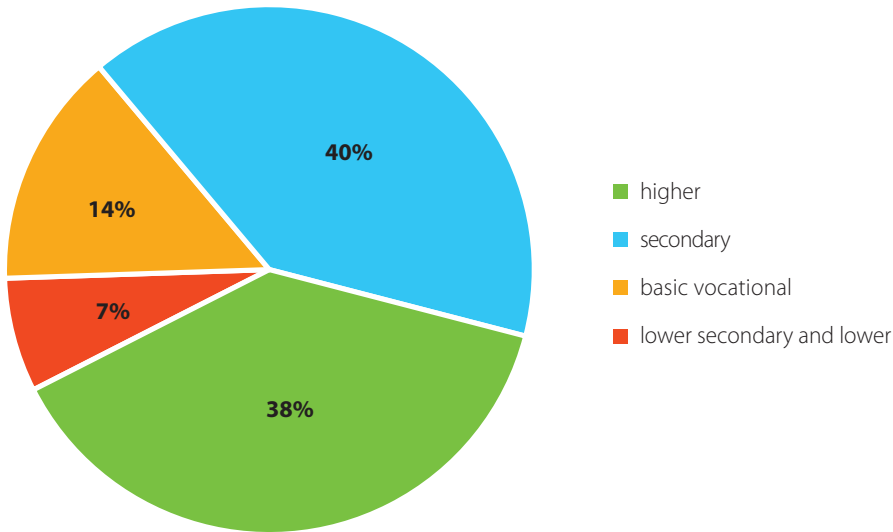
A diploma, and what then?

Most higher education degree holders (32%) graduated in economics and administration, courses that have been especially popular among the graduates in the last several years. Pedagogic courses (18%) ranked second, and humanities (9%) third. Graduates of public schools (84%) still dom-

inate, with private institutions turning out 21% of students. In the last five years, the labour market was supplied with 2.5 million graduates and school leavers. Most of them were secondary school leavers (40%) and HE graduates (38%). 14% were the graduates of vocational schools, and 7% had lower education.

84%
of Poles with HE
graduated from
public institutions

Chart 2.2. The proportion of graduates and school leavers (aged below 30) in the last 5 years, broken down by the type of education completed



Source: BKL – Population Study 2012.



Janusz Piechociński,
Deputy Prime Minister,
Minister of Economy

The report prepared by the PA RP indicates that clearly the Polish economy, society, and predominantly the Polish labour market experience problems. A great battle for labour is raging before our eyes. This battle touches not only the policy of the state, the parliament, and the entrepreneurs. The effects of this battle are experienced today by every one of us, and we will continue to experience them in the future too. The school leavers and graduates entering the labour market must realise that the future of their employment is in their hands. The young generation must develop an entrepreneurial instinct so important in the contemporary innovative economy. The forecasts suggest that every other European must embark on the difficult project of setting up a place to work for themselves, and also for their friends and members of the family, as otherwise they will simply remain unemployed. And it does not matter whether you live in London, Warsaw, Rome or Paris – the vision of unemployment looms already over entire Europe.

61.7%
of Poles at working age work

Parallel to the increase in the level of education, the opportunities for finding employment increase. The highest employment ratio and the lowest unemployment ratio are recorded among the graduates of medical and technical studies: nine out of ten found employment. The lowest unemployment rates among the graduates in the last five years were recorded in the Dolnośląskie and Wielkopolskie regions (18%), where graduate employment rates reached approximately 70%.

75%
of the employed are employed on job contracts

In the same period, the proportion of inactive population decreased (from 32% to 28%), with a parallel increase in the proportion of the unemployed (from 8% to 12%). Most Polish people are employed on the power of a job contract (75%). Assorted freelancer contracts are offered, usually to employees under 25 who have not started their family and in most cases continue education. Moreover, these people are dominant in underground economy. Men decide to work without a formal contract more often than women, while the latter are more likely to resort to civil legal agreements.

Full-time job or a junk contract?

In 2010–2012, the proportion of the employed remained at a level close to 60%.

Table 2.1. Characteristic features of groups of people employed only on job contracts, civil legal agreements, and without any contract

	working solely on the power of									whole population at working age		
	job contract			civil legal agreement			without a contract					
	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Age (years)	39.1	40.2	39.6	33.5	30.3	31.8	34.6	33.8	34.3	40.0	38.5	39.2
Marital status: single	28%	18%	23%	61%	53%	57%	66%	41%	57%	37%	25%	31%
With dependent children	48%	54%	51%	18%	37%	28%	20%	33%	24%	36%	49%	42%
Higher education	19%	34%	26%	16%	20%	18%	4%	2%	3%	14%	23%	18%
Secondary education or higher	57%	76%	66%	59%	67%	63%	31%	50%	38%	47%	63%	55%
Still in formal education	3%	4%	4%	28%	33%	31%	21%	24%	22%	11%	13%	12%
In higher education	2%	2%	2%	18%	20%	19%	7%	13%	9%	4%	6%	5%
Preference for flexible working time (scale 1-5)	3.58	3.26	3.43	3.83	3.65	3.74	3.77	3.50	3.68	3.50	3.19	3.35
N	3852	3408	7260	378	395	772	316	166	482	9129	8471	17600

M – men
W – women

Source: BKL – Population Study 2012.

18%
of Poles run their own businesses

On your own

Running your own enterprise (18% of Poles) is not the most popular form of employment yet. Such a decision is taken by people with stable family situation and higher education. Men run enterprises more often than women. Owners of businesses are

more self-assured than hired workers, they perceive their managerial and self-organisational competencies higher, and declare higher earnings. Every tenth entrepreneur combines running a business with being employed.

Table 2.2. Characteristics of people running own businesses against hired labour and the whole working population

	own business			job	total working population
	in agriculture	out of agriculture	total		
Sex (% of women)	42.8%	33.6%	37.2%	46.8%	45.5%
Age (years)	43.7	42.2	42.8	39.6	39.9
Secondary or higher education	39.3%	77.7%	62.7%	66.5%	64.6%
Higher education	6.1%	32.9%	22.4%	27.6%	25.4%
Place of residence (% in the country)	91.1%	26.2%	51.5%	32.8%	36.4%
Place of residence (% in cities of 200,000+)	1.0%	28.4%	17.7%	23.7%	22.8%
Marital status (% single)	18.9%	11.0%	14.1%	22.9%	22.7%
Marital status (% married)	75.3%	76.5%	76.0%	65.2%	65.3%
Dependent children (%)	61.1%	59.1%	59.9%	51.3%	51.9%
Average net monthly earning (truncated average 5%)	1519	3239	2501	2038	2047
Use the Internet (%)	45.9%	87.7%	71.4%	77.8%	75.6%
N	739	1157	1896	7856	10527
N earnings	284	390	675	4281	5179

Source: BKL – Population Study 2012.

Own business is primarily trade, construction, manufacturing, and services. Trade is dominated by women, who are nearly twice more likely to run companies in the sector. Men much more often deal with construction, transport, warehouse man-

agement, and vehicle repair. Differences in the revenue acquired from running business between women and men may be compared to job salaries: women reach approximately 80% of men's income.

80%
of the amount
earned by a man
is how much
a woman running
businesses takes
home



Professor Andrzej Blikle,
owner of Blikle company

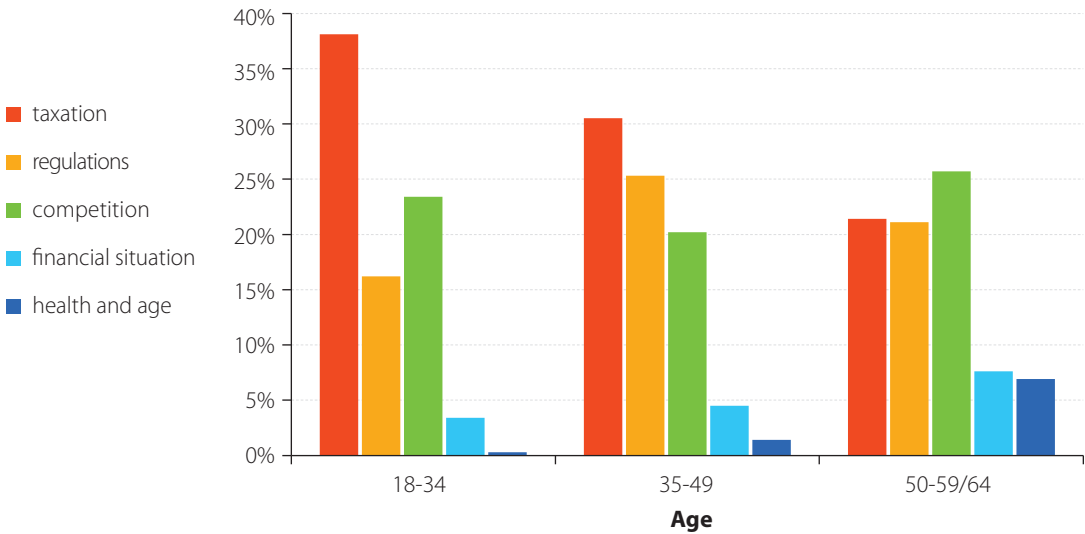
A challenge for public policies is the creation of such a level of economic freedom that will encourage small and medium-size enterprises to open new jobs. These are the small and medium-size businesses that shoulder the heaviest burden of generating jobs in the economy. To stand up to it, they must have conditions developed for the liquidation of the external barriers, and the development of businesses. Also important is how the thinking about work changes among the employees. Today, a job is not necessarily a permanent one. It is the skill of operating in many-month-long projects in one or multiple sectors, with continuous learning perceived as a requirement. Project-based systems are enforced by the labour market, and become its permanent element. Employees must be aware of that fact, and change their approach to the forms of employment.

When something goes wrong

Entrepreneurs claim that running business in the Polish reality is not "a bed of roses". Excessive tax burdens and complicated legal procedures do not help. Day after day, entrepreneurs must struggle against

competition in the market, and care for the financial balance of the company, which is not an easy task. Younger ones more often complain about taxation, and older ones are additionally afraid of competitors and health problems.

Chart 2.3. Main obstacles/reasons for predicted termination of agricultural and non-agricultural business, broken down by age



Source: BKL – Population Study 2012.

80%
of people running
business intend to
continue it in 2012

Those who have decided to finish their business usually brought up poor financial condition of the company or lack of commissions caused by high competition in the market. In the case of agricultural businesses however, these were not the financial matters that were the most often the reason for failure: respondents in this group pointed to the poor condition of health as the factor making running the business impossible (40%). Decidedly growing in this group was the share of the ones who declared discontinuing their agricultural businesses due to old age (1% for the closed businesses before 2010, and 21% in 2010–2012).

People running business are rather unlikely to plan profound changes in the coming future. For 80%, it is simply going to be the continuation of the current activity, 15% of entrepreneurs intend to expand their operation, and only 3% will finish operation.

Increased employment is planned more often by young entrepreneurs, running businesses for no longer than five years and employing at least three people. In one-man-companies operating in the market for over 10 years increasing employment is hardly an option (3%).

Growing unemployment

The number of the unemployed increased by approximately 500,000 in the second half of 2012, and the unemployment rate grew significantly, by as much as 2.9 percentage points. Women remain without employment more often than men. The highest rate of unemployment was recorded in the country and towns with population under 10,000, and lowest – in the large cities. The unemployed are usually school leavers and graduates under 30, who account for 20% of the total, and with lower secondary and lower education (36%).

Table 2.3. The unemployment rate in administrative regions in 2010–2012

	2010	2011	2012	difference 2012:2011 in percentage points	difference 2012:2010 in percentage points
Dolnośląskie	13.1	14.3	15.1	0.9	2.1
Kujawsko-pomorskie	12.3	12.5	17.2	4.6	4.8
Lubelskie	12.3	13.7	16.7	3.0	4.4
Lubuskie	14.0	18.2	19.7	1.5	5.7
Łódzkie	9.4	11.6	16.4	4.7	7.0
Małopolskie	12.4	14.8	17.8	3.0	5.4
Mazowieckie	10.0	10.5	14.6	4.1	4.6
Opolskie	9.9	9.6	10.6	1.0	0.7
Podkarpackie	18.2	16.2	25.2	9.0	7.0
Podlaskie	11.7	13.5	19.2	5.7	7.5
Pomorskie	11.6	15.0	12.1	-2.9	0.5
Śląskie	11.9	13.6	15.5	1.9	3.6
Świętokrzyskie	16.7	14.9	18.7	3.8	2.0
Warmińsko-mazurskie	18.7	15.6	24.3	8.8	5.6
Wielkopolskie	8.1	9.5	10.7	1.2	2.6
Zachodniopomorskie	13.5	20.4	20.9	0.4	7.3
Total	12.0	13.4	16.4	2.9	4.4

Source: BKL – Population Study 2010–2012.

Long searches

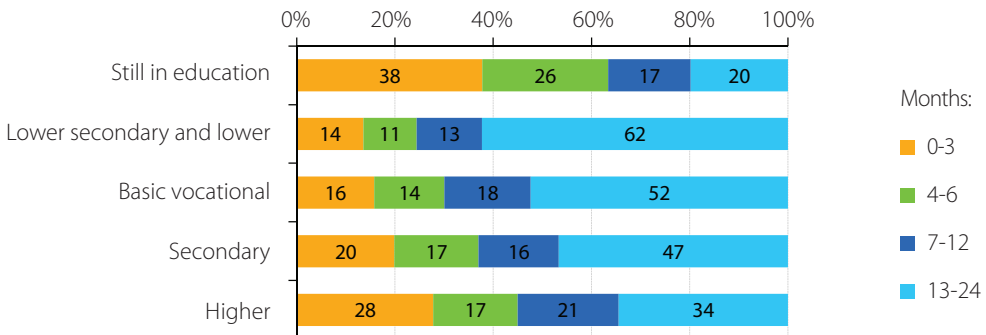
The long-term unemployed consists predominantly of people who lost jobs, returnees to employment after a long break, and school leavers and HE graduates. Once in this group, your task is not easy as the average time of seeking employment by its members is 26 months, and the older the unemployed, the longer the time. The unemployed under 24 need approximately 12 months to find a

job, the 30+ and 40+ already as much as 27 months, while people aged from 55 to 64 need on average no fewer than 49 months. The unemployed believe that the main reason of remaining unemployed is the lack of appropriate offers and contacts that would let them find such a job. They look for the sources of their failures in their lack of experience, appropriate competencies, and lack of education far less frequently.

16,4%
is the registered unemployment in the 2nd Q of 2012

26
months is the average time for an unemployed to find a job

Chart 2.4. Jobseeking time of unemployed, broken down by education (accounts for people still in education; in months)



Source: BKL – Population Study 2012.

15%
of the unemployed
respondents would
welcome any work

15%
of young employees
want to change
the employer

What does an unemployed seek and look for?

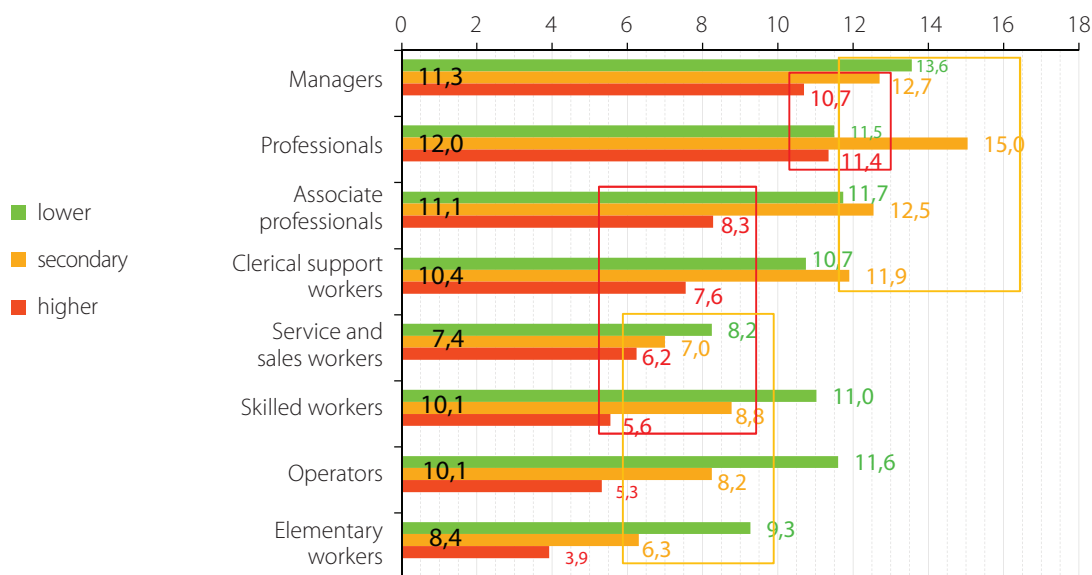
While seeking work, the unemployed in most cases use the assistance of family and friends (75%) and Employment Offices (67%), but make a direct contact with the employer (55%) least often. The young job-seekers are active online. Men seek work mostly in worker and physical occupations, and women in services. 15% of the unemployed were ready to take up any job, only to be able to work. Nor do they expect any disproportionate remuneration: the lowest salary in return for which they would decide to work amounted to less than PLN 1500, and in the case of women on average amounted to PLN 1389 after tax.

Educated = ready for changes

Over 1 million employed Polish people (8%) were looking for a new job in 2012. Insisting on change are usually people under 30 (15%). The shortest average time of employment with a single employer was recorded among service and sales workers (7.4 years) and elementary occupations (8.4 years). In the remaining job categories, the average time of employment exceeds 10 years, and is the longest in the case of professionals, as it amounts to 12 years.

People with higher education prove the highest occupational mobility, and the staff with lower education are least interested in changes. There are two groups visible among people with secondary education: one whose time of employment does not exceed nine years (e.g. service jobs), and the other with the average period of employment exceeding 12 years (clerical support jobs and higher categories).

Chart 2.5. Average time with the current employer, broken down by level of education (in years)



Source: BKL – Population Study 2010–2012.

Employees seek not only a new employer in the same sector, but also intend to change job groups. The changes follow fairly foreseeable rules: managers most often move

to professional positions, and professionals – to managerial or associate professional; skilled workers turn into operators, and operators into skilled workers.

3. Lifelong learning

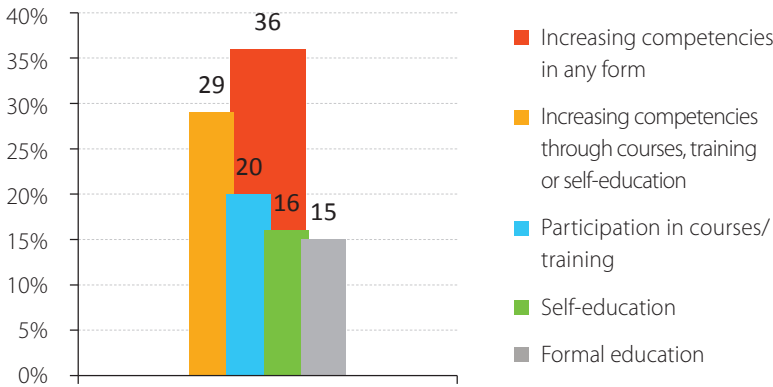
Are Poles more eager to learn?

The latest data on Poles who improved their competencies may inspire optimism, yet are certainly not a reason to be proud. In 2012, 36% of Poles aged from 18 to 64 declared that they increased their competencies during the 12 months preceding

the study. Compared to the results from the previous years, we observed an increase in the number of people learning, yet due to the changes in the substance of the question, the comparison of these values remains impossible.

64%
of Poles did not improve their competencies in any way during the last year

Chart 3.1. Increasing competencies in people at working age in the last 12 months (in %)



Source: BKL – Population Study 2012..

The largest group – nearly 30% of adult Poles – improved their competencies at courses and training, and also through self-education. The successive group (20%) were participants of various courses, workshops, seminars, conferences, and students

of postgraduate studies, internships, and trainees. 16% of the respondents improve their qualifications on their own. The reason to worry is the fact that more than 64% of adult Poles still did not work on their knowledge and/or qualifications in any way.

37%
of adult Poles never participated in training



Aleksander Drzewiecki,
CEO House of Skills

Employers seek candidates with specific competencies to work. The results of the BKL Study show that most sought after are self-organisational competencies, self-discipline and social competencies – they are the ones that guarantee employment. Yet it is the passion for continuous learning that remains the key to occupational success. Formal education should teach, besides general knowledge and the competencies mentioned above, how to learn and also inspire a habit and passion for lifelong learning. The passion and skill of learning and improvement of your qualifications combined with the competencies required by employers increase the likelihood of finding the first job but also of surviving in the labour market, independent of the age.

9%

of people 50+
improve their
knowledge and/or
qualifications

79%

of the working
population do not
intend to train
in the coming year

Educated – keen, uneducated – not as much

Well educated people – young or middle-aged, living in large cities, and holding professional, managerial and technical jobs – are more willing to improve their competencies. Motivating to participate in training are the eagerness to improve the skills necessary in the current work (65%) and employer's requirements (40%)

Poles with lower or basic vocational education, who could increase their value in the labour market through training most, are usually not interested in it at all: only 6% of them improved their competencies. Irrespective of the labour market situation and education, women declared participation in various forms of non-obligatory education more often than men.

The interest in education unfortunately drops with age: the older the person, the smaller the training activity. Only 9% of people aged from 50 to 64 participated in courses and training.

What today, and what in the future?

Hardly anything changes in the training preferences of Poles. Usually they participate in obligatory training (health and safety at work, fire safety, etc.). If they decide to enter non-obligatory training courses, they usually choose medicine, social work activities, psychology and

first aid (slightly more popular among the working population), and also construction and industry (more popular among the unemployed), and information technologies and computers.

Every other Pole has participated in courses and training financed by the employers, and nearly every other training session takes place at work. Only 13% of adult Poles invest their own funds in improving competencies, and in the case of 7% the annual amount is PLN 1000. Interest in the participation in training in the coming months is not impressive: only 20%–30% of adult Poles plan such activity (intending usually to learn foreign languages). Unfortunately, 61% of the unemployed and 79% of the employed do not intend to enter any training during the coming year.

Corporate development

More than 70% of the employers responding to the 3rd round of the BKL Study declared that they invested in the development of their staff in 2011. Traditionally, large businesses and institutions invest most in development, and they do it irrespective of the sector. Of interest is the high position of the education, healthcare and social work activities institutions, yet – as the researchers believe – this can be a function of legal regulations stimulating the high level of activity in the sectors.

Table 3.1. Differences in educational activity, broken down by sector and volume of employment

	1-9	10-49	50+	Total	N
Manufacturing and mining	62	72	91	64	1108
Construction and transport	66	71	90	66	2124
Accommodation and food service activities	58	73	91	59	3091
Specialist services	83	92	96	84	3289
Education	93	99	100	95	554
Human health and social work activities	90	94	98	90	1168

Source: BKL – Employer Study 2012.

The successive round of the BKL Study shows a clear dependency between the development of employee competencies in the development of the company: as

many as 87% of strongly developing businesses are active in the area of training their staff, while the proportion is definitely lower among stagnant businesses (58%).

Over
70%
of employers
financed or
cofinanced pro-
developmental
activity of the staff

Table 3.2. Entrepreneur activity in staff training, broken down by the degree of business development

	Stagnant	Poorly developing	Developing	Strongly developing
1-9	57%	71%	78%	87%
10-49	63%	76%	85%	85%
50+	85%	93%	95%	99%
Total	58%	71%	78%	87%
N	5673	4977	2639	1004

Source: BKL – Employer Study 2012.

Independent of the size of the company, employers most willingly cofinanced participation of their staff in various courses and training: this form was chosen by 64% of smallest

companies, 75% of medium-sized, and 85% of large ones. The employers least often invest in education of their staff in various schools and institutions of higher education.



dr Małgorzata
Starczewska-Krzysztosek,
Main Economist
of Lewiatan Confederation

The value of an employee as a crucial resource of a company is strongly increasing. People and not machines or money – as it used to be – become the greatest value for the employer. Employers want to invest in the development of their staff, and not – as was the case still a few years ago – in their churn, as the education of new staff requires far more funds and time, which companies in the ever-changing market simply do not have.

74%

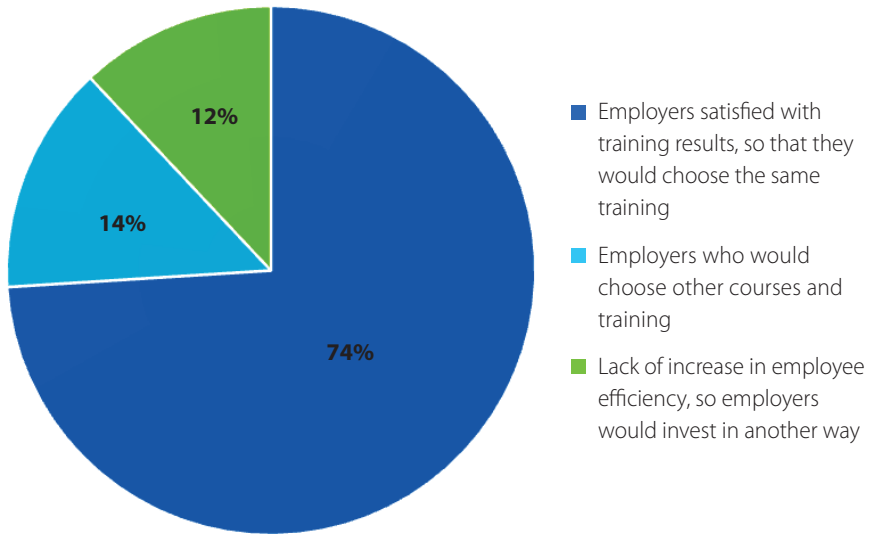
of employers are satisfied with investment in courses and training for their staff

How and in what field(s) do the employers train?

In most cases, courses and training in companies are conducted by external training businesses. Large and quickly developing companies use internal trainers and coaches more often, yet they usually do not stop at that. Prominent among employee training subjects are ones related to construction industry, as they are mentioned by

every fourth respondent. As every year, the spearhead contains legal subjects, commercial and sales training, and client care, with the last being especially eagerly selected by intensely developing companies. Most employers are satisfied with the level of training conducted, with only every eighth perceiving no improvement of employee efficiency after the completed training.

Chart 3.2. Assessment of the results of the training conducted



Source: BKL – Employer Study 2012.

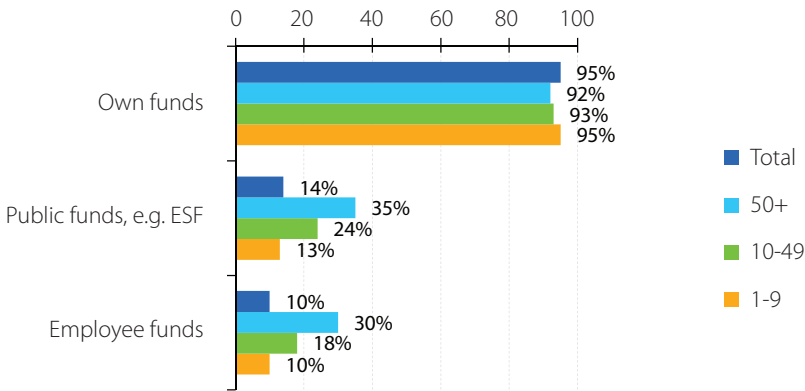
95%

of employers use own funds to train the staff

Company training is mostly employer financed. This is true independent of company size. Only every seventh employer makes use of the option to co-finance

employee development from European Union funds: more likely to acquire EU funds were large employers.

Chart 3.3. Sources of financing of activities improving staff competencies



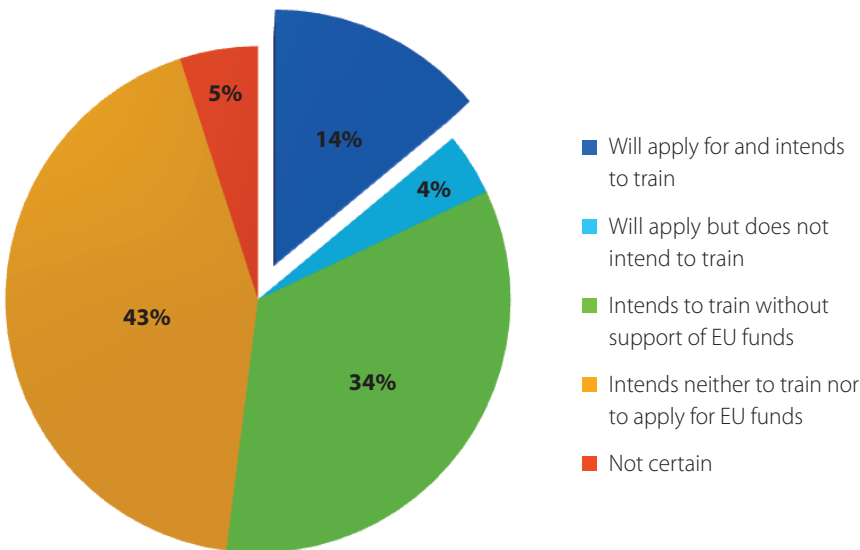
Source: BKL – Employer Study 2012.

Why don't they train?

The answers given to the questions why companies don't train were in fact the same as a year earlier. Employers don't train because they are satisfied with the level of competencies of their staff. Another reason is the excessive cost of training: this complaint comes especially from large businesses. Despite these objections, few companies seek alternative sources of financing, e.g. European Union funds.

The training plans for the coming year are unfortunately not overly optimistic. Only every other employer plan courses and other forms of education. Companies developing most strongly participate regularly and actively in the development of their staff. The weaker the development of the organisation, the greater the likelihood to resign from investing into training.

Chart 3.4. Plans concerning application for EU funds in the following year and running activities improving the competencies of the staff



Only approx.
50%
of employers plan employee training in the coming year

Source: BKL – Employer Study 2012.

21%

training businesses raised their revenues compared to the previous year

10%

of companies believe the situation in the sector improved last year

1 in 4

employers seeks candidates to work

Slow rise of the training sector

In the last three years, when the BKL Studies have been conducted, some development of the training sector has been observed. Obviously, many shifts and changes have been recorded. The numbers of small and micro businesses are diminishing and these of large and medium-sized are increasing. Training businesses expand the scope of their operation: an increasing number direct their services to employers throughout Poland. The average employment in the sector grew from 43 to 56 in 2010–2012, and the average number of trainees increased from 20 to 27. In 2011, training companies recorded also an increase in revenue exceeding 20%, with the largest leap being recorded by training firms and institutions specialising in information technology, construction and industry, and accounting and finance. These entities acquired most of their revenue from individual participants (33% share of the budget), followed by firms (25%). 21% of the funds come from the EU. The number of clients of training companies is also growing, although slowly.

A rush of new forms

Innovative forms of development begin to gain an increasing popularity. This refers for example to coaching that 22% of the investigated training companies offer their clients, and of e-learning that is available from every fifth company. Comparing to 2011, this denotes a growth by nearly 10%. Little has changed in the last three years in

the ranking of training subjects. The training market leaders are the so-called soft skills related to personal development and development of general competencies as well as training in management, marketing, client care, and information and communication technologies.

The company does well, the sector – not really

Generally, most training companies complain that the financial conditions and prospects of development in the sector are poor, although – as their owners claim – the company is developing well and experiences no major trouble.

For a number of years, representatives of the training sector have pointed to tendering procedures, where the main barrier in the development of the sector lies in the focusing on the price rather than the quality of the bid. Nothing has changed in this area. The subsequent obstacles listed by the respondents include overly complicated clearing procedures applied by EU funds. (Most companies simply cannot cope with those.) The economic situation, unfavourable at least for three years, makes employers strongly reduce their training budgets, which the training companies believe to have also a negative impact on the development of the sector. Representatives of training companies less frequently indicated the instability of law and lack of awareness of employers as factors weakening the condition of the training sector.

4. Employers about the labour market

Stable level of employment needs

The 3rd round of the BKL Study corroborated stabilisation of the level of employer employment needs. For three years, every fourth employer has sought new people to work, which is more often true about larger and stronger developing companies. A reason to wonder is the fact that the largest demand for new staff was requested from the construction sector, which has struggled with large stagnation at least for three years, and also private education sector, which is recording a drop of interest in its services due to the baby bust.

Much like a year ago, most vacancies advertised concern positions that already exist. Only every tenth position sought was a new opening. Thus, more new jobs open in the smallest enterprises (11%, compared to 4% in the medium-sized and large ones). Generally, despite a stabilisation in the employment needs, no major signs of optimism come from employers. Exceeding uncertainty concerning the economic situation and the lack of changes in the fiscal system do not let them take more decided steps to increase employment. Only every fourth declared increasing employment in their company in the coming year.

10%
of vacancies are
new positions



Jeremi Mordasewicz,
Advisor to the Board of
Lewiatan Confederation

Increasing employment at any price is not a good idea. The policy focused on increasing employment of young and/or 50+ people by any means is politically correct, yet has hardly anything to do with the economic considerations of businesses. An entrepreneur must have the right to employ the person who will offer them a greater revenue than the costs incurred by employment. Moreover, the employer must have freedom in building relations with employees. Unless stereotypes related to flexible employment are broken, employer activities will not aim at increasing employment. As a society, we are still not ready for taking daring decisions increasing the competitive edge of the Polish economy, and related to resignation from the current and past comfort of work that comes for example from indefinite-time contracts, and pension and retirement privileges. What we still opt for are shortcuts.

In highest and lowest demand

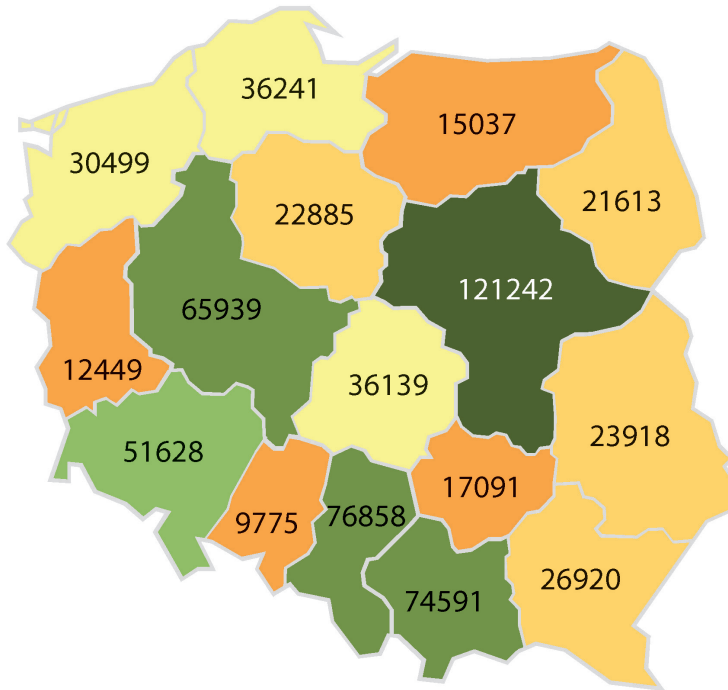
Data acquired from the studies conducted as part of the BKL in the last three years indicate interesting changes in the demand for specific occupations. Most significant is a drop of demand for skilled workers, with a parallel increase in demand for professionals. For a number of years, the personnel in greatest demand has included science and engineering associate professionals, electrical and electronic trade workers, cleaners and helpers, and construction workers. In turn, there are less and less jobs for protective services

workers, numerical and material recording clerks, general and keyboard clerks, and customer service workers.

In the autumn of 2010 employers sought candidates for approximately 560,000 positions. In the spring of 2011, the demand increased by 5% to approximately 590,000 people. The difference was related to the seasonal change in economy and a greater demand for employment in construction and transport. In a similar spring period of 2012, employers sought approximately 610,000 people, which indicates a further growth of demand for labour (by 4%).

2 in 5
employers seeking
employees
wanted to hire
professionals

Chart 4.1. The number of employees sought by employers, broken down by administrative districts in 2012



Source: BKL – Employer Study 2012.

70%
of employers pay attention to the candidate's sex

67%
of employers require that the future staff has had previous experience

Stable expectations

In 2010–2012, employer expectations towards candidates hardly changed. Still, the most important criteria decisive for awarding the contract are sex, experience, education, occupation, and command of foreign languages. Nevertheless, the significance of formal education as a criterion for assessment of candidates diminishes, which results from the negative assessment of the quality of education by the employers.

The regularity observed in the previous rounds of the BKL Study returns: the less professional the position the more important the sex of the candidate; when an employer seeks candidates to professional and/or managerial positions, attention is primarily paid to their education experience. The larger the employer and the more specialist the position, the longer previous experience and the higher level of education are required.

Table 4.1. General requirements of the employers seeking employees towards candidates to work in specific occupations (in %)

	education	experience	sex	language	N
Managers	87	98	37	44	38
Professionals	85	65	36	63	836
Associate professionals	72	61	53	46	614
Clerical support workers	72	35	64	70	266
Service and sales workers	50	54	68	42	823
Skilled workers	42	83	93	15	1283
Operators	34	75	83	29	630
Elementary workers	17	51	91	8	263
Total	55	67	70	37	4754

As multiple answers could be chosen, the percentages do not sum up to 100.

Source: BKL – Employer Study 2012.


No changes in competencies

The competencies related to independent self-organisation of activities, with impact on effectiveness and efficiency of the work performed (independence, time management, decision-making, initiative, resilience to stress, and – generally – eagerness to work) are in greatest demand from the employers (54%). Similarly important are

the interpersonal skills – for 42% of employers, it is material that the future employee is communicative, knows how to operate within a group, and can cope with difficult situations.

Occupational competencies, i.e. related to performing specific work come third, as they are important for 40% of the employers.

54%
of employers are keen to see self-organisational competencies in their future staff



Tomasz Klekowski,
Director of Intel

Employers expect that employees will have specific competencies, and the BKL Study indicated which. This is why it is so easy to focus on the shaping of these competencies in the process of education. Unless the system of education changes, so that it shapes the required competencies, we are going to find our situation very difficult. The progress is so quick that there is no possibility of learning a quantity of knowledge for the whole life, as it has to be obtained throughout the whole cycle of employment, not only at its start. This is why the honing of social and cognitive competencies, and the skill of self-organisation are so significant. What, however, is even more important is the eagerness to learn throughout life.

Old trouble

Despite the large number of candidates to work, employers still have problems with finding appropriate people: 3 in 4 report such difficulties.

In 2012, it was most difficult to find skilled workers and professionals, especially business and administration associate professionals, health professionals, business and administration professionals, and service and sales workers.

3 in 4
employers have problems with finding appropriate people to work

Table 4.2. Occupations with the greatest difficulties in finding appropriate people to work

	1-9	10-49	50+	Total
Managers	2	6	8	3
Professionals	20	17	39	20
Associate professionals	15	16	19	15
Clerical support workers	4	4	4	4
Service workers	21	18	11	21
Skilled workers	34	39	27	35
Operators and assemblers	13	13	13	13
Elementary workers	6	7	3	6
N	2914	179	31	3124

Source: BKL – Employer Study 2012.

Asked about the reason behind these problems, employers indicate mostly lack of appropriate competencies: a complaint returned by every third respondent. Employers believe the candidates usually lack

the following competencies: occupational (54%), self-organisational (31%), and interpersonal (14%), i.e. the ones they believe most desirable.



Władysław Kosiniak-Kamysz, Minister of Labour and Social Policy

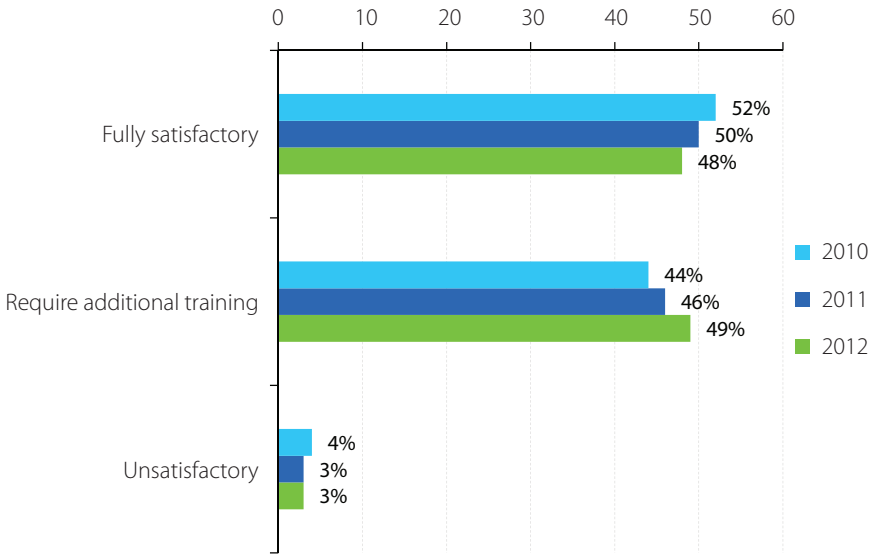
The problem of maladjustment of employer expectations to employee competencies is fundamental for the Polish labour market. Regulating these problems, the Ministry of Labour has specific intentions to set up the national training fund. We want its assets to be earmarked to training, postgraduate education, and other forms of improving qualifications, but also to the obtaining of certificates confirming the acquisition of specific skills by employees. We will invest in custom-tailored training; not in training for training's sake, but such as reacts to the actual needs of the employers and develops the competencies desired by the employers.

What to improve?

In the successive rounds of the BKL Study, employers indicated that they are satisfied with the competencies of the staff they employ. Yet detailed data show that this

satisfaction is slowly dropping, while the number of employers who believe that employees should improve their competencies is growing.

Chart 4.2. Evaluation of the level of competencies of the currently employed staff



Source: BKL – Employer Study 2010–2012.

Especially dissatisfied are large employers and quickly developing companies – their requirements are ever higher and they are more conscious of the need to improve competencies. Traditionally listed as the

ones “to be improved” are the competencies in the highest demand, i.e. occupational, self-organisational, interpersonal, and also office.

5. Expectations of the employers vs. future employees

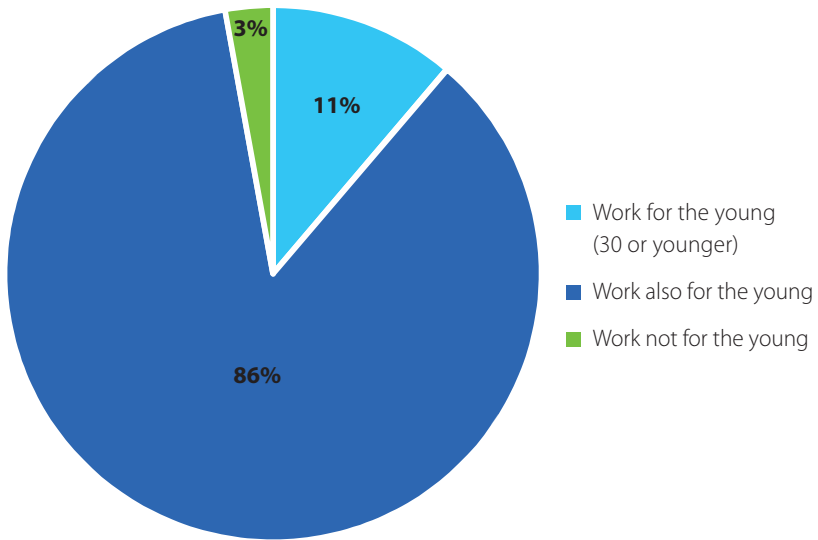
No easy start

Close to 90% of the employers participating in the 3rd round of the BKL Study declared that they seek employees from various age groups – also young. It would therefore seem that age does not provide a serious obstacle in finding employment. At the same time, only 8% of all the positions offered are addressed specifically to the young people, aged 30 or below.

An inexperienced graduate will find employment most quickly as a waiter, bar person, hairdresser, salesperson or trade representative. Few of them will find employment on professional positions – the jobs most often offered in their case are these of educators in educational facilities, information technology professionals, and accountants.

8%
of all positions offered by the employers are addressed to the young

Chart 5.1. Proportion of employers offering employment to the young



Source: BKL – Employer Study 2012.

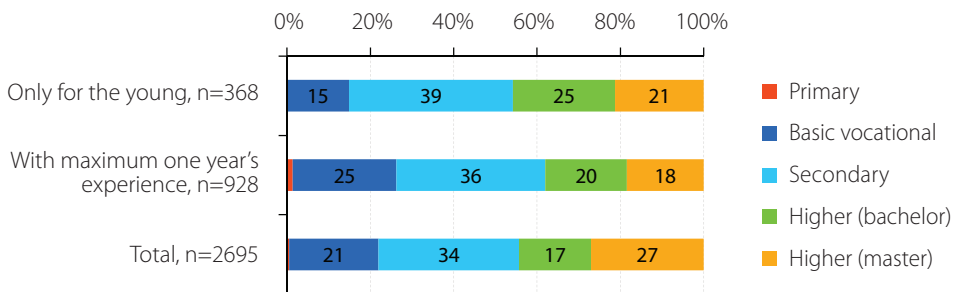
34%
of employers prefer secondary education in the young staff

What does the employer expect from a school leaver/HE graduate?

If a young person is to be employed, there are precise expectations concerning their education. In most cases they seek school leavers with secondary education. Such candidates as a rule are employed in services and sales, work in the office or warehouse, but also on technical and associate professional positions. Ranking immediately below in employer preferences are HE

graduates with master’s degree. Graduates with bachelor’s degree are in much poorer situation: employers seek young people who completed vocational schools more often than representatives of this group. In the case of a beginner employee, sex is important as well: young men are welcome to the positions of technicians and other associate professional personnel, while in case of professionals, and office and service workers, employers choose young women.

Chart 5.2. Education of candidates to work preferred by the employers



Source: BKL – Employer Study 2012.

Employment of a graduate is often a major challenge for the employer: every other respondent is convinced that they will have to provide additional training to the newly employed. Usually there are no positions developed especially for such staff: 85% of the respondents declared that they seek people to positions that already operate in the company. In addition to expectations

concerning education and sex, graduates also face requirements related to experience. Most employers assume that experience is necessary, especially in worker and professional position. For most employers, six months' experience seems satisfactory. This would seem little, yet life proves that such requirements may efficiently reduce the opportunities of finding employment.



Dr Maciej Jakubowski,
Undersecretary of State
at the Ministry
of National Education

The request to adjust the training of the future staff to the expectations of the employers is difficult to answer. Results of education usually require waiting for over a decade if not two: a time in which employers' needs will probably change strongly. This is why it seems proper to shape general competencies, as they will be the most important for the future generation of the employees. In the light of the results of BKL Study, the Polish system of education faces the task of producing such general competencies that will give young people an opportunity to find employment in the constantly changing environment. Today's students will have to change their occupational qualifications repeatedly, and only sound general competencies and the skill of lifelong learning will provide solid grounds for that.

Young and competent

In highest demand on the list of competencies sought in young candidates, besides occupational ones, are definitely the soft skills: good rapport with the clients, responsibility, discipline at work, honesty, credibility, communicativeness, personal culture, and care for the reputation. Invariably precious are also availability, creativity, and eagerness to work as such. More than every other responding employer requires from the graduates some certificates needed to perform work, e.g. safety at work (BHP) certificate, driving licence, and/or apprentice licenses. It is surprising that employers find these certificates much more important than e.g. the command of a foreign language. The last is clearly indispensable in the case of professional positions, and services and sales jobs. Most desirable is obviously the command of English.

Where is the student heading to?

Compared to the results of the 2011 study, the educational choices of students have hardly changed. General upper secondary schools still enjoy an unflinching interest: their numbers of students continue to grow. Only 14% of lower secondary school students want to continue education in basic vocational schools. Despite many actions aimed at the promotion of vocational education, no increased demand for this form of education was recorded in 2012. Higher education still enjoys large interest.

Higher, but where to...

Preferences of upper secondary school students concerning the choice of further education path are changing. An increasing interest in the studies offered by technical, agricultural – and in the last year also vocational – institutions of higher education

46%
of employers
expect especially
responsibility,
discipline at work,
and honesty from
the young staff

is clearly visible. On the other hand, institutions offering higher education in economics and physical education began to lose candidates, much like universities.

The baby bust we have observed for a number of years has not helped private educational institutions, where the number of potential students is decreasing from year to year, as candidates increasingly more often manage to join public institutions.

The students who have not decided to go into higher education prefer to continue learning in upper secondary schools in courses related to the occupations of technicians and associate professionals, which is true especially about young men. Young women, in turn, choose schools that provide them with opportunity to work in services and sales.

A graduate in the labour market

A factor that defines the occupational opportunities of the HE graduates is the type of course completed, and also the cycle of the completed studies. The greatest opportunities in the market are enjoyed by the graduates with a master technician's degree, with the rate of employment at 85.3%, master's degree – 80.7%, title of a technician – 76.5%. They are decidedly lower in the case of people graduating from

the first cycle, with a bachelor's degree – 63.8%. Graduates of the "strategic" studies are generally in better positions in the market (this is true e.g. about the graduates of mathematics, construction, and physics), although there are "strategic" studies in whose case the share of the unemployed graduates is higher than in many mass courses (e.g. environmental engineering, environmental protection).

The lack of decision to continue education at higher level seems most problematic in the case of general secondary school leavers who very frequently find themselves among the inactive population, and if they find employment – the median of their monthly remuneration belongs to the lowest. Better prospects in the labour market are enjoyed by the graduates of technical secondary schools (finishing education with master technician's degree) and upper secondary schools learning to become associate professionals: characteristic of this group is the relatively low share of the unemployed, and also relatively high earnings. The greatest challenge is faced by the vocational school leavers who learnt service occupations: recorded in this group is the highest rate of the unemployed and inactive, and the graduates of this group achieve relatively lowest levels of remuneration.

Table 5.1. The labour market situation of upper secondary school leavers and HE graduates

Profile of education	Employed	Unemployed	Inactive
General (secondary)	60.90%	16.20%	22.90%
Technical: technicians and other associate professionals	74.40%	14.00%	11.70%
Worker after a basic vocational school	68.30%	19.30%	12.40%
Services after basic vocational school	52.30%	18.30%	29.30%
Bachelor's degree	63.80%	16.90%	19.30%
Technician (<i>Inżynier</i>)	76.50%	12.30%	11.10%
Master's degree	80.70%	10.30%	9%
Master Technician's (<i>Magister inżynier</i>) degree	85.30%	10.10%	4.60%

Source: BKL – Employer Study 2010–2012.

6. Challenges for Polish economy

The spring months of 2012, when the studies of the 3rd round of the BKL were conducted were difficult for labour markets throughout Europe and in Poland. A constant growth of unemployment has been experienced in Poland since 2009; it is not yet as dramatic as in Spain or Greece, yet it does not remain without impact on employee and jobseeker behaviours. The first approach the question of increasing employment with plenty of precautions and usually maintain its current level or reduce it, while the young graduates and school leavers entering the labour market experience major difficulties in finding jobs.

Still, education has its price

The results of the BKL Studies confirm that a better level of education clearly improves opportunities for finding work, and guarantees better income. This occurs despite the statements that institutions of higher education turn out throngs of the unemployed and staff not attuned to the requirements of a modern labour market. The Polish system of education still requires changes and adjusting the curricula to the needs of employers, there is no doubt about that, yet despite this far greater opportunities open in the labour market before HE graduates than before candidates with lower education. This does not mean that they are ideally prepared for work. The deficit in competencies so frequently indicated by the employers still remains a challenge for educational institutions. What they do not create in the graduates are the necessary occupational-related competencies, and skills in organising work, communicativeness, and independence – precisely what employers mostly desire.

Increase in competencies

At the same time, a group of well-educated graduates who count on a spectacular career in jobs that require specific competencies enter the labour market. Such graduates will find their place in the labour market soon, yet will it be for a long time? This group of graduates stands a chance only when new jobs that require specific competencies open in the national economy. There are still few such jobs opening in Poland, and as far as innovativeness is concerned, Poland ranks low among OECD states. What can bring a change here? The changes certainly depend not only on the transformations in institutional education but must also encompass a reform of the institutions that regulate the functioning of enterprises and increase the certainty of business turnover.

Growing in contemporary economy is the significance of capital: modern equipment, machinery, technologies, and organisational and logistics solutions. The capital will go wherever properly educated staff capable of using it in an appropriate manner is found. And Poland must educate such staff.

Mature age is not always an advantage

A challenge for Polish employers are not only young but also mature employees. Age management policy, which became a standard in European companies, is still in its early stages in Poland. It is followed as a rule by developing companies and large organisations that know that, due to the demographic changes, resorting to the 50+ staff will be one of the elements allowing to maintain stability of employment.

Moreover, many employers yield to stereotypes concerning mature staff: that they take leaves more often, are not willing to develop, have low levels of competencies, and know no foreign languages. Studies deny these, yet as stereotypes continue to exist, programmes in support of people

50+ are still needed. The establishment of a state-of-the-art system for age management will be of extreme significance. This needs conceptual preparation by providing knowledge not only to the 50+ personnel, but also to managers who decide about the development of such staff.



Grzegorz Baczewski, Director of the Department of Economic Analysis and Forecasts at the Ministry of Labour and Social Policy

The number of jobs for young people does not depend on the number of mature staff still in employment. A labour market, where both the older and younger will be able to find employment can be created. The proof is in the economies of Austria, Sweden, Denmark, the Netherlands, and Germany – countries with clear correlation between the degree of employment of the young and the old in the labour market. It turns out that the greater the number of employed people 50+ the more employees aged from 25 to 29 find employment. This results from the flexible way of shaping the labour market, i.e. primarily from lifting the institutional barriers in managing and dismissing staff, and from the freedom in managing human resources in businesses, but also creating greater security for the staff should they lose their jobs. This is the direction the public policies for shaping the labour market will follow in the years to come.

Key importance of the middle aged

Analysing problems with the employment of the young and motivation to work of people 50+, the BKL Study team paid attention to the exceedingly high significance of the generation of middle aged employees for Polish economy in the coming years. This is a group who should be “the focus” of pro-development activity of companies as well as of state institutions. As BKL experts claim, it is already too late to change the

situation of today’s seniors, which is why it is the way and quality of ageing of today’s middle-aged women and men, and especially baby boom generations, that will be of key importance for the position of Poland in the coming decades. Focusing the attention solely on the group of 50+ or on the graduates and school leavers entering the labour market may be faulty from the point of view of long-term social and economic impact of population ageing.



Professor Jarosław Górniak, Jagiellonian University

We entered the period when the driving forces of the Polish economy are slowly becoming exhausted. To keep in the spearhead of the developing European countries, we must support innovation, yet this requires innovative human capital. Investments in the young generations are investments in the capital fuelling innovation in future, and the innovative and competitive economy is the solution to the problem of unemployment among the young people entering the labour market. These processes are interdependent, which is why the role of quality in education in the process of building employees is so important, both early on in the process and throughout the professional career.



Reports from the studies

You are welcome to acquaint yourself with the series of publications from the 3rd round of BKL Study, accessible from www.bkl.parp.gov.pl:

Youth or experience? Human capital in Poland – report concluding the third round of the Study of Human Capital in Poland in 2012

Education, employment, and entrepreneurship of Poles – report from the study of population at working age

Lifelong learning – report from the study of training institutions, supplemented with the results of population and employers, studies

Employers about the labour market – report from the study of employers and job offers

Expectations of the employers vs. future employees – report from an analysis of courses of education at upper secondary and higher levels, supplemented with the results of the employer study

www.bkl.parp.gov.pl – the source of knowledge about the Polish labour market

The www.bkl.parp.gov.pl website not only contains the reports from studies of the individual research areas, but provides also access to a search function, allows downloads of databases with study results, and access to methodology. It also contains information about planned conferences and regional seminars on the studies presented (with the option of on-line enrolment).

Project initiators

The project was initiated and is conducted by the Polish Agency for Enterprise Development and the Jagiellonian University. Falling back upon the many years of international experience of their experts, the two institutions have prepared the premises, methodology and tools for research, and are now working on reports from the consecutive rounds, and provide expert control over the entire project.



Polish Agency for Enterprise Development (PARP) is a governmental agency subordinate to the Minister of Economy. The task of the Agency is to manage the funds available from the budget of the state and the European Union earmarked for supporting entrepreneurship, innovation, and development of human resources.



The Centre for Evaluation and Analysis of Public Policies at the Jagiellonian University (CEiAPP) is a scientific and research unit providing expertise and education, and collaborating mostly with public administration – both central and regional, including the Ministry of Finance and the Ministry for Regional Development. CEiAPP specialises in running Project pertaining to the entire society, and concerning among other things, the labour market, life-long learning, support of entrepreneurship, and regional development.



Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości, PARP) is a governmental Agency reporting to the Minister of Economy. It was established on the power of the Act of 9th November 2000. The task of the Agency is to manage funds received from State Treasury and the European Union allocated to manage entrepreneurship and innovativeness, and development of human resources.

For over a decade, PARP has supported entrepreneurs in implementing competitive and innovative projects. The goal of the Agency is to conduct programmes aimed at developing economy, supporting innovation and research activity in small and medium-size enterprises (SMEs), regional development, growth of export, development of human resources, and the use of new technologies.

The mission of the Agency is to establish favourable conditions for sustained development of Polish economy by supporting innovation and international activity of businesses, and promotion of environmentally friendly forms of production and consumption.

In the financial perspective 2007–2013, PARP is responsible for the implementation of tasks in three operational programmes: Innovative Economy, Human Capital, and Development of Eastern Poland.

The Centre for Evaluation and Analysis of Public Policies at the Jagiellonian University (CEiAPP UJ) was established in 2008 as an autonomous university research and development unit. The main area of its operation is collaboration with public administration – both central and regional – in the scope of evaluation and analysis of public policies and their methodology. The activity of the Centre covers educational services, conducting scientific and applied research, and expert and analytical studies focused primarily on the sector of public administration at various levels.

During the few years of the Centre's operation, its staff and experts have conducted a number of projects for the institutions of central administration: Ministry of Regional Development, Ministry of Finance, Chancellery of the President of the Council of Ministers, Polish Agency for Enterprise Development, and Pracodawcy RP. In that period, the Centre has also collaborated with regional institutions – the Regional Employment Office in Kraków, the Office of the Marshal of Małopolska Region and other scientific and research centres, including the University of Economics in Kraków, Małopolska School of Public Administration, and the Regional Statistical Office in Kraków.

Polish Agency for Enterprise Development
ul. Pańska 81/83, 00-834 Warszawa, Poland
phone: + 48 22 432 80 80, fax: + 48 22 432 86 20
biuro@parp.gov.pl, www.parp.gov.pl

**Centre for Evaluation and Analysis of Public Policies
at the Jagiellonian University (CEiAPP)**
ul. Grodzka 52, 31-044 Kraków
phone/fax: + 48 12 663 17 92
ceapp@uj.edu.pl, www.ceapp.uj.edu.pl