

Magdalena Rekas

Wrocław University of Economics

ANALYSIS OF FLEXIBLE FORMS OF EMPLOYMENT IN POLAND ON THE EXAMPLE OF INTERIM EMPLOYMENT

Summary: Modern economies are more and more often based on flexible employment forms which accurately stipulate an employment timeframe. The forms of timeframe employment enable the economies to adjust the level of employment to market conditions and to the level of completed orders. The interim employment is also a chance for employees to escape unemployment.

This paper's objective is to characterize forms of employment covered by the definition of the "interim employment" as well as to diagnose the number of contracts for interim employment in Poland between 1997 and 2008. In the conclusion there is an attempt to show desirable trends of changes.

Keywords: employment, interim employment, flexible forms of employment.

1. Introduction

For very long the term "employment/job time" was not assigned to a single employment localization. Nowadays the contemporary market requires from an employee to change employment localization and profession (conditions of employment) frequently and consequently. Flexible employment, including interim employment, enables companies to enhance its competitive position and production costs control, in particular in the field of labour costs. During a period of an economic crisis they are able to adjust a number of employees to their requirements and hire employees in periods adjusted to the needs arising from attained orders.

The interim employment, also for employees, especially in a period of economic crisis is a chance for employment. What is more, as statistics in many European Union Member States prove, the interim employment creates a very significant instrument of professional introduction of young and inexperienced persons to the labour market as well as pensioners who have a little chance to find a job.

To achieve the afore-mentioned objectives the definitions of interim employment are included and the following forms of interim employment are characterized:

a definite time contract, a contract for a period necessary to perform a defined job, temporary staffing and seasonal employment. Furthermore, the statistics which pertain to the increase in popularity and opportunities of using the interim employment during the last ten years in Poland are the subject of the analysis. Two sectors of economy, which are significantly related to such contracts, are described and the use of the interim employment is examined with the consideration given to the criteria of sex, season and profession. Next part of the paper focuses on the analysis and assessment of temporary market in Poland which, due to its three-party nature, constitutes a separate segment of the interim employment. In the summary the author tries to outline some desired directions for changes.

2. Interim employment – definitions and types

Legal and methodological differences as well as the existence of some terms of awareness and common language cause it is very difficult to define the interim employment in a way encompassing all forms of employment within a single definition. Nevertheless, timeframe is a common denominator for all terms, and, to some extent, it specifies (time) limits for the completion of tasks ordered by an employer. A review of the subject-matter literature and other practical papers enables to define the interim employment as “work done for an employer while the employment expiration date is defined accurately”¹.

When trying to classify the forms of the interim employment, the simplest way is to employ the criteria used in the Labour Code. In accordance with the Polish Labour Code “a contract for employment may be concluded for indefinite time, definite time or for time necessary to complete a task, and contract for replacement”². In the two last cases there is a time limit within which a task must be completed or terms and conditions which must be observed to cancel the employment relationship.

A common form of employment in Poland is a contract for the definite time employment, which means the accurately defined expiration date for employment. As a result of the amendment of the Labour Code – dated 29 November 2009 – the use of the art. 25¹ k.p. has been suspended, under which a third contract for definite employment must have been converted into the contract for indefinite time employment, provided that a pause between termination/expiration of a one contract and the following one did not exceed one month³. Should the pause exceed one month no basis exists to recognize a contract to be a contract for indefinite time.

However, it is worth mentioning that for the two year period, that is 2009-2010, under art. 13 of the Act on toning down the economic crisis for employees and

¹ M. Rękas, *Nowoczesne formy zatrudnienia jako źródło racjonalizacji kosztów pracy*, Zeszyty Naukowe Uniwersytetu Szczecińskiego, nr 492 (Ekonomiczne Problemy Usług, nr. 16), Szczecin 2008, p. 77.

² Ustawa z 26 czerwca 1974, Kodeks Pracy (DzU 1998 r., Nr 21, poz. 94, z późn. zm.) art. 21.

³ *Ibidem*, art. 25¹.

entrepreneurs, there were implemented restrictions regarding the employment based on contracts for definite time employment. A period of employment under a contract for definite time employment and the total period of employment under following contracts for definite time employment must not exceed 24 months⁴.

The second category of the interim employment, defined by the Labour Code, is the employment under a contract for defined job/task completion. The moment of completion of a job/task is not defined precisely and the contract expires at a date a job/task, for which a contract was concluded, is completed⁵.

Other element of the interim employment is temporary staffing. A temporary employee is a person hired by a temporary staffing agency in order to provide job services to an employer – user. Therefore, it is a sort of three-party contract. A temporary staffing agency is an institution which assigns its employees to an employer – user in order to provide job services for the latter. The temporary job means provision of job services to an employer – user⁶ of which one criterion should be fulfilled:

- they might be temporal, seasonal, tentative,
- punctual performance by permanent employees hired by an employer – user would not be possible,
- performance belongs to an absent employee hired by an employer – user.

Also seasonal jobs are included in the category of the interim employment. In the subject-matter literature, the seasonal jobs are defined as jobs related to the cycles of a year, so called: “seasons”, beginning and ending more or less within commonly recognized dates depending on the weather conditions, vegetation cycles or other conditions appearing during a particular calendar year. Therefore, a condition, which must be observed to recognize a job as seasonal is an assumption that beyond a specified timeframe such a job cannot be done or its not justified in terms of the economy⁷. It is worth mentioning that such jobs are very common in many sectors of economy: agriculture construction industry, tourism, gastronomy – however, they are not subject of detailed regulations of the Labour Code.

Contracts for replacement constitute the last category of the contracts for the interim employment. This is a specific sort of a contract for the interim time job. Under such a contract an employer may hire an employee as a replacement for a period of justified absence of other employee, e.g. absences arising from leaves (maternity leave, parental leave, unpaid leave, disability caused by sickness,

⁴ Ustawa z 9 lipca 2003 o zatrudnieniu pracowników tymczasowych (DzU 2003 r., Nr 166, poz. 1608, z późn. zm.).

⁵ E. Bąk, *Elastyczne formy zatrudnienia*, C.H. Beck, Warszawa 2006, p. 9.

⁶ D. Makowski, *Praca tymczasowa jako nietypowa forma zatrudnieni*, Difin, Warszawa 2006, p. 13.

⁷ E. Bąk, op. cit., p. 11.

temporary arresting, imprisonment or being conscripted into army). The return of the employee being replaced means automatic expiration of the contract concluded with a replacement⁸.

3. Interim job as a flexible form of employment in Poland

For nearly ten years in Poland there has been observed the growth in popularity in contracts for definite time employment, which is presented by the table below.

Table 1. Employees hired under contracts for definite time employment 1997-2008

Year	Number of employees under contracts for definite time employment (in thousands)	Number of employees under contracts for definite time employment compared to the total number of employees (in %)
1997	603	5.6
1998	597	5.4
1999	527	4.8
2000	607	5.8
2001	1226	11.9
2002	1539	15.5
2003	1888	18.9
2004	2268	22.6
2005	2689	25.7
2006	3014	27.3
2007	3290	28.2
2008	3284	27.0

Source: Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

The most rapid growth in definite time employment occurred between 2000 – 2001 when their number increased from 607.2 thousand to 1 225.6 thousand. The share of employees under contracts for definite time employment compared to the total number of employees in Poland doubled. In 2008 the number of such employees amounted nearly to 3,3 million and constituted 27% of employees in Poland compared to 5.7% in 1997. That means that during 10 years, the number of contracts for definite time employment increased 5 times in Poland.

The forms of the interim employment are the most frequently used in sectors in which employment is heavily related to the demand for goods or services on the market as well as to the production manner, which is proved by the data presented in Table 2. In case of seasonal jobs, consideration must be also given to a season, weather conditions and a vegetation period.

⁸ M. Rekas, op. cit., p. 78.

Table 2. Percentage of employees hired under contracts for definite time employment in relation to the total number of employees in particular sectors of the economy in 2008

Economy sector	Total number of employees (in thousands)	Number of employees under contracts for definite time employment (in thousands)	Percentage of employees under contracts for definite time employment to total number of employees
Agriculture, forestry, fishing	219.2	72.1	32.9
Mining industry	238.8	26.1	10.9
Industrial treatment	3 039.5	954.2	31.4
Electricity, gas, steam and air for conditioning systems	174.7	11.1	6.4
Water resources, sewage and wastes management	155.4	25.5	16.4
Building industry	987.3	396.0	40.1
Vehicle trading and repairs	1 778.9	605.4	34.0
Transport and storage	750.0	143.4	19.1
Accommodation and catering services	263.0	115.1	43.7
Information and communication	248.4	60.6	24.4
Finances and insurance	302.0	54.8	18.1
Real property market services	127.2	19.0	15.0
Professional, scientific and technical services	272.5	62.9	23.1
Services supporting business activity	336.7	172.4	51.2
Public administration and national defense	978.0	149.7	15.3
Education	1 156.8	172.4	14.9
Health service and social aid	806.2	142.3	17.6
Culture, entertainment and recreation	169.9	36.7	21.6
Other services	147.4	49.6	33.7
Households hiring employees	18.1	12.7	70.4
Total	12 178.5	3 283.5	27.0

Source: Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

Giving consideration to the percentage of employees hired under contracts for definite time employment in particular sectors, the highest number of them is hired by households (70.4%). Contracts for definite time employment predominate also among persons hired in the sector of services supporting business activity (51.2%). In turn, in the building industry and the sector of accommodation and catering services, employees under definite time employment constitute more than 40% of employees.

The following conclusions come from from the analysis of the data with the consideration given to seasons and quarters during which employees are hired. It

results from the analysis that the use of the contracts for definite time of employment by employers grows during a particular seasons of a year. The employment rate grows starting from the first quarter and decreases in the third quarter every year (Figure 1). Such cyclic alterations are affected mostly by the share of seasonal jobs. In summer different construction projects and works in the agriculture sector are launched. The requirement for employees in the catering services grows then too.

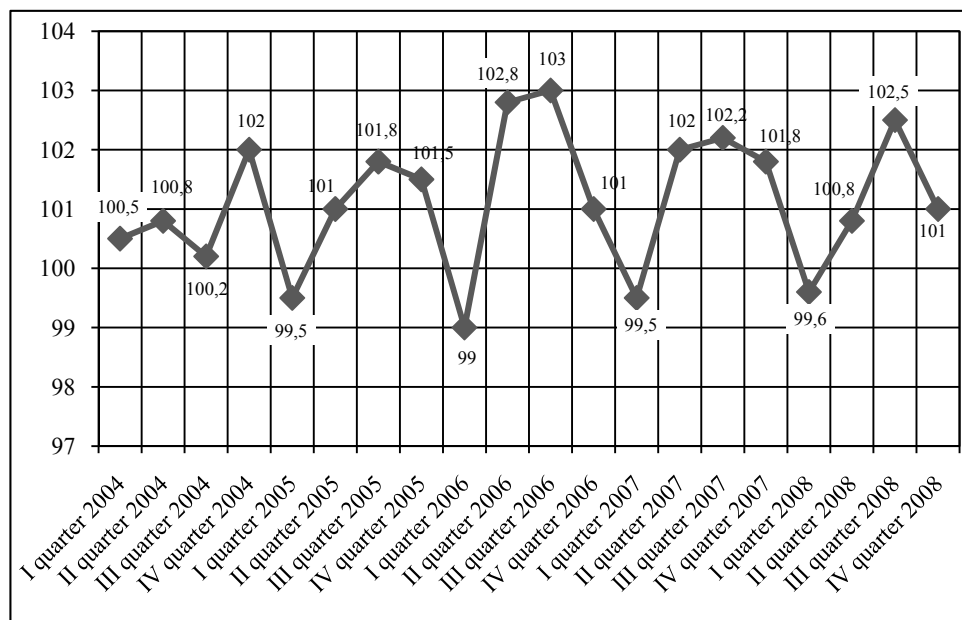


Figure 1. Dynamics of employment of persons employed under contracts for definite time in Poland 2004-2008 (previous quarter = 100)

Source: Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

The analysis of contracts for the interim employment in terms of sex proves that in 2008 more men were hired under such contracts.

In a group of employees hired under contracts for definite time employment (3 283.5 thousand) over 52% were men while nearly 48% women. Such an equal share of representatives of both sexes among the employees hired under contracts for definite time employment is a new phenomena. Yet in 1997 men constituted more than 61% of the total number of employees hired under contracts for interim time employment. From 1997 to 2008 the proportions gradually equalized. The share of women hired under contracts for definite time employment increased by 9.1 percentage points.

There should be differentiated two social groups among persons hired under contracts for interim time employment: the youngest participants on the employment

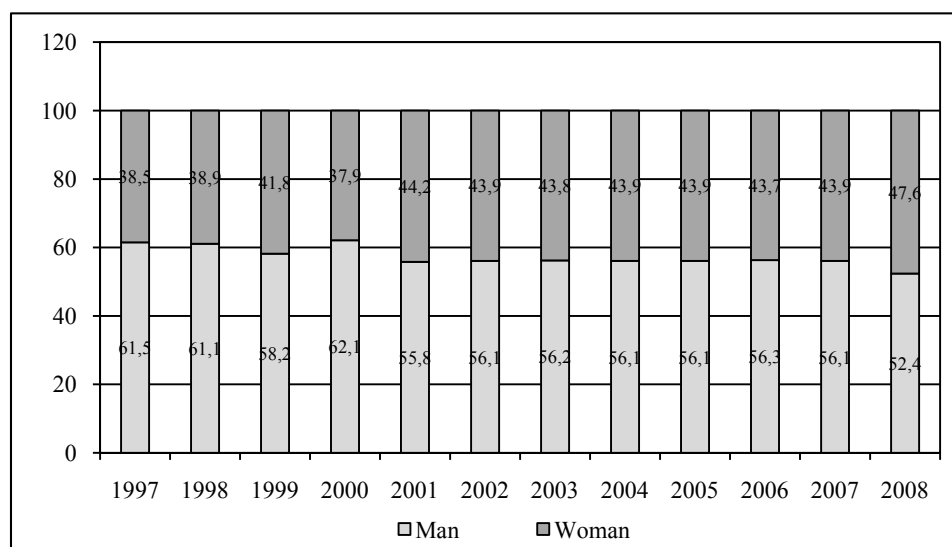


Figure 2. Percentage of women and men among persons hired under contracts for definite time employment in Poland 1997-2008 (in %)

Source: Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.

market, aged 15 to 24, and pensioners (aged more than 65). These groups provide the largest percentage of employees hired under contracts for definite time employment from among all employees.

Table 3. Employees under contracts for definite time employment compared to the total number of employees – selected years and age groups (in%)

Year	15-24 years old	65 years old and more	Total
1997	13.6	24.6	5.6
2001	33.2	23.1	11.9
2005	65.1	33.7	25.7
2008	62.8	41.3	27

Source: Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.

For young people a seasonal job, part-time job or a job via a temporary staffing agency is a very attractive form of employment. The reason is that it enables them to work and study at the same time. Frequently it is the sole opportunity to gain the first professional experience. In 2008 among the employees aged 15-24, 62.8% were hired under contracts for definite time employment. Yet in 1997 the same rate amounted to 13.6%. In turn, in 2008 pensioners constituted 41.3% of the total group of the 65+ generation while in 1997 only 24.6%.

The comparison of the level of using the contracts for interim time employment in Poland and the European Union seems to be interesting. As it is presented in the statistics, in 2008 27% Poles were hired under such contracts. With regard to the numbers Poland follows Spain only, whereby the average for the European Union amounts to 14%. Such a high percentage of the employees hired under contracts for definite time employment proves a large demand for this sort of employees and for flexibility of Polish employment market.

4. Temporary job as an element of the interim employment in Poland

The development of the interim employment occurred after 1990 but in July 2003 there was passed an act regulating the contracts for the definite time employment⁹ and legal frameworks were consequently drawn. The analysis of the use of the interim employment shall regard the period 2004-2008.

It should be emphasized that the temporary staffing is an element of the interim employment since, in the meaning of the act, a temporary employee may be hired by a temporary staffing agency under a contract for definite time employment or a contract for the completion of a job/task or under a civil-legal contract, e.g. contract for mandatory agreement. Contracts for interim employment between an employee and a temporary staffing agency may be concluded for a period of employment not exceeding 12 months. The sole exception is a situation when an employee hired by an agency works as a replacement for a regular employee. Then, the temporary employment period must not exceed 36 months¹⁰.

The number of employers interested in hiring employees under the contracts for interim employment was growing regularly. In 2004 the temporary staffing agencies provided services to 1.5 thousand enterprises. However, this number tripled the following year. The data of the Ministry of Labour and Social Policy show that in 2007 nearly 11.4 thousand enterprises used services provided by the temporary staffing agencies, which makes 40% more than in the previous year¹¹.

Employers are highly interested in temporary employees. In 2008, Randstad – one of the largest temporary staffing agencies in Poland and in the world – made an opinion poll regarding the level of popularity in this form of employment among employers. Among 5 561 enterprises from 10 Polish cities: Wrocław, Łódź, Trójmiasto, Poznań, Katowice, Kraków, Szczecin, Toruń, Bydgoszcz and Inowrocław, 40% hired employees under the contracts for definite employment. Among them the high percentage is constituted by employees delegated by the temporary staffing agencies

⁹ Ustawa z 9 lipca 2003...

¹⁰ Ibidem, art. 12.

¹¹ K. Belczyk, *Na czas określony, sezonowo, dorywczo*, http://www.rynekpracy.pl/artukul.php/typ.1/kategoria_glowna.343/wpis.120

to provide specified services to a hiring employer. The results of the opinion poll prove that 36% of employers subject to the opinion poll plan to increase in the future the number of employees hired under the contracts for definite time employment¹².

What is more, companies hiring employees under contracts for definite time employment consider this form of employment as a way to reduce labour costs and bureaucracy related to employment. All formalities, among others – personnel services, tax services, payments to ZUS (Social Insurance Service), insurance, labour medicine or payments of remunerations constitute a temporary staffing agency's obligations.

The number of employees hired under the contracts for definite time employment in Poland was growing regularly (Figure 3). The largest growth – by nearly 200 thousand – took place in 2007. The worsening economic situation caused that in 2008 the growth was definitely slower (33 thousand) and in 2009 – according to the estimations of the European Confederation of Private Temporary Staffing Agencies *EuroCiett* – there was a 22% decrease in the use of the temporary staffing in Poland (compared to 25% in the entire European Union)¹³.

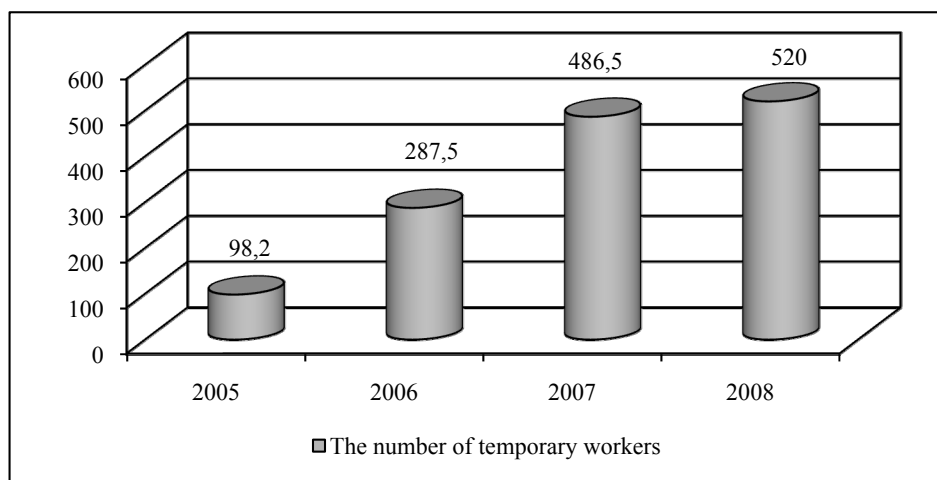


Figure 3. Number of ‘temporary’ employees in Poland 2005-2008 (in thousands)

Source: own elaboration on the basis of the data from the Ministry of Labour and Social Policy.

However, after the conversion into full-time employment (FTE) this number decreased into approx. 85 thousand. It is a result of popularity of short-term contracts in Poland. An employee hired under a contract for definite time employment works

¹² *Report on Survey of Temporary Staffing Market in Poland*, Randstad, 2008.

¹³ *Polish Temporary Labour Market*, Report of EuroCiett: ”IC Market Tracking. Temporary Staffing in CEE 2009”.

approximately 3 months while, e.g. in Hungary, Bulgaria and Slovakia 7 months¹⁴. Therefore, in Poland the largest number of "temporary" employees is hired in the region but their contract periods are the shortest.

The analysis of the interim employment market in terms of age of employees indicates that nearly 50% of the employees hired under the contracts for definite time employment are up to 25 year old. For students the temporary staffing gives a chance to study and earn. Frequently, such a form of employment enables them to obtain professional experience, which pays in the future. The unemployment rate among graduates from universities exceeds 17% and in case of secondary school graduates the number reaches even 31%. Temporary staffing unquestionably enables to partially reduce the negative phenomena of the unemployment among them. Flexibility of this form of employment causes that people taking up employment are not assigned to particular enterprises. Even 61% of employees hired under contracts for definite time employment do their jobs not longer than 3 months. Very rarely is the temporary job done by elderly persons. According to research persons aged more than 45 constitute just 6.8% of all "temporary" employees. In turn in Poland and Romania more women than men who are above 45 years old are employed temporarily (52.1% and 50.9% accordingly)¹⁵.

Other conclusions are provided due to the analysis of using a temporary job with consideration given to professional groups. Statistic data prove that 65% of employees taking up a temporary job are blue collar workers, having poor qualifications, or unqualified workers taking up supportive jobs or jobs in production industry. In the temporary staffing agencies the largest number of jobs offers in 2008 was for warehouse keepers, machine fitters, office service employees and administration employees, cashiers, couriers, promotion organizers and hostesses. Nevertheless one should pay attention to a slow alteration in the structure of the education and qualifications of temporary employees since from 2008 to 2009 more and more frequently the contracts for definite time employment were addressed to white collar workers and experts¹⁶.

Analyzing the use of temporary staffing with consideration given to gender shows that 51% of the total number of offers of the temporary staffing agencies in 2007 and 2008 were addressed to women. Most of them were hired in industry at simple works (59 718) and as operators of automatic production lines in machine industry (18 834). Men mainly took up simple jobs in industry and as warehouse keepers. This group of jobs made 49% of employment of the total number of employees hired under contracts for definite time employment.

In comparison with other European states temporary staffing in Poland, though developing dynamically, constitutes low percentage of employed persons. Private employment agencies unquestionably have a positive impact on the development of

¹⁴ Ibidem.

¹⁵ Ibidem.

¹⁶ Ibidem.

the European labour market. According to the report of EuroCiett (European Confederation of Private Temporary Staffing Agencies) from November 2009, the market of temporary work in Europe provided approximately 3.3 million employees. It is assumed that the temporary form of employment shall be more and more popular. The authors of the report predict that in 2010 the number of employees employed by agencies shall attain the level of 5 million¹⁷.

5. Conclusion

In the contemporary, customer oriented economy, enterprises put special pressure on temporary tasks and adjustment of their businesses to market tendencies. Similarly, enterprises optimize the employment structure to the business surrounding. Further development of flexible forms of employment, including interim and temporary staffing forms in Poland, seems to be certain. Employment provided by agencies will be more and more popular since the costs of regular employees grow up. The growth of the number of employees hired under contracts for definite time employment, including 'temporary' employees, shall be generated by a number of companies providing services and by those which business is of seasonal character.

The analysis of statistic data proves that the interim employment is a common form of employment in Poland. Having 27% of "temporary" employees in comparison with the total number of employees, Poland takes the second position in the European Union after Spain (31.2%). It results mostly from altering requirements of employers, who adjust their business activity and production to market requirements. Since 2004 a lot of temporary staffing agencies have increased the number of 'temporary' employees and so called an employers-user has been growing regularly.

Despite the fact that the data presenting the definite time employment scale is known, the estimation of a number of "temporary" employees is difficult. In case of seasonal jobs employees are usually hired directly by employers and such a type of information is not registered. Secondly, a "gray market" within which many employees work, constitutes a quite serious percentage.

Hiring temporary employees may have a large impact on improvement of economic situation in Poland. Definite time employment may be an efficient way to decrease the unemployment rate in the state. Statistics confirm that approximately 41% of employees hired by the temporary staffing agencies are persons who were unemployed more than 12 months. The unemployment mainly strikes young persons – graduates from secondary schools and universities. Without professional experience they have serious difficulties to find the first job. Temporary staffing is – in this case – a chance for professional activity and a remuneration.

Polish labour market is nowadays at a strategic moment since the unemployment rate again shows a growing tendency (in 2008 the unemployment rate was 7.6%

¹⁷ Ibidem.

while in February 2010 – 13%). Consequently, legal changes are desired to stimulate the flexible forms of employment. It will be necessary to use the potential of the interim employment and consequently – temporary staffing to fight against the unemployment. A barrier which restricts the use of e.g. temporary job are legal regulations which have not been altered for 5 years and which do not meet the requirements of the employment market. To popularize the temporary staffing and to provide the development of this form it is necessary, among others, to: extend a permissible period of employment for temporary employees, cancel prohibition of temporary staffing in plants, which made employees redundant during the last six months (no matter what position they had and localization of a company) and reduce extended obligations of agencies.

Literature

- Bąk E., *Elastyczne formy zatrudnienia*, C.H. Beck, Warszawa 2006.
- Belczyk K., *Na czas określony, sezonowo, dorywczo*, http://www.rynekpracy.pl/artukul.php/typ.1/kategoria_glowna.343/wpis.120
- Eurostat, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>
- Makowski D., *Praca tymczasowa jako nietypowa forma zatrudnienia*, Difin, Warszawa 2006.
- Polish Temporary Labour Market*, Report EuroCiett, "IC Market Tracking. Temporary Staffing in CEE 2009".
- Report on Survey of Temporary Staffing Market in Poland*, Randstad 2008.
- Rękas M., *Nowoczesne formy zatrudnienia jako źródło racjonalizacji kosztów pracy*, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 492 (Ekonomiczne Problemy Usług nr 16), Szczecin 2008.
- Ustawa z 26 czerwca 1974*, Kodeks Pracy, (DzU 1998 r., Nr 21, poz. 94, z późn. zm.), art. 21.
- Ustawa z 9 lipca 2003 o zatrudnianiu pracowników tymczasowych*, (DzU 2003 r., Nr 166, poz. 1608, z późn. zm.).

ANALIZA WYKORZYSTANIA ELASTYCZNYCH FORM ZATRUDNIENIA W POLSCE NA PRZYKŁADZIE PRACY CZASOWEJ

Streszczenia: Nowoczesne gospodarki coraz częściej opierają się na elastycznych formach zatrudnienia, które wiążą się ze ściśle określonym terminem zakończenia pracy. Terminowe formy zatrudnienia umożliwiają im duży poziom dostosowania skali zatrudnienia do warunków rynkowych i poziomu realizowanych zamówień. Praca czasowa stanowi także szansę dla pracowników na wyjście z bezrobocia.

Artykuł ma na celu scharakteryzowanie form zatrudnienia, które można ująć pod pojęciem pracy czasowej (terminowej) oraz jest próbą zdiagnozowania stanu wykorzystania umów czasowych w Polsce w latach 1997-2008. W jego podsumowaniu autorka podjęła próbę wskazania pożądanego kierunków zmian w wyżej wymienionych obszarach.