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WORKING CONDITIONS IN POLISH ENTERPRISES AND THE EUROPEAN UNION REQUIREMENTS

The paper points to the differing attitudes of two distinct groups of people within the organization, i.e. management and employees, as to how working conditions should be created. Acknowledging Poland's joining the European Union to be a significant determinant of change in this area, we discuss the directives of the European Union as well as look at the extent to which these two separate groups of people within the company are interested in gaining and using knowledge about this area. Using the empirical research, the authors discuss these issues and against this background propose a mode of introducing change in this area.

Keywords: working conditions, European Union requirements, European Union directives

INTRODUCTION

In Polish companies, the approach towards employees is still mainly traditional. Contemporary approaches, however, highlight the need to view employees as subjects within the organization. This should lead to improving working conditions. The social and material aspects of enterprise functioning, which are connected with the kind and character of the work that the employees do, have an impact on these conditions. The most significant components of working conditions are material working conditions, working time, social activity and labour relations.

Due to the fact that there are plenty of various variables affecting these conditions, in real life their creation proves to be quite complicated. One cannot forget about the differing attitudes of the two main groups of people within the organization: managers (including the owners) and employees.

Analysing the existing situation, one should take into account the internal and external factors that affect this situation. One of the factors is becoming one of the member states of the European Union, which forces Poland to act in compliance with the Union's regulations in this area.

Considering the European Union regulations on working conditions, one should point to the special role that the knowledge about working conditions

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plays. It is principally the key management that should possess the knowledge. We mean mainly the knowledge about the role and significance of working conditions in the process of management. Knowing it, Polish managers could be more motivated to improve working conditions in accordance with European Union requirements. It is worth mentioning that European Union legislature contains more than one hundred regulations as regards working conditions, each of them referring to some separate element of these conditions. Some of them concern the need to reconcile the interests of the distinct groups of people working in the enterprise.

The European Union attaches great importance to providing employees with information, seeking their opinions and participation in the process of decision-making, 2002/14/EC Directive constitutes a good example of this. It lays down general regulations on informing employees and consulting them in the countries of the European Union. The empirical research shows Poland is lagging behind in this area (Gableta et al. 2001, p. 219–228; Gableta et al. 2000, p. 100–105).

The colliding interests of employees and management as regards working conditions have been analyzed using the empirical research conducted in the late 1990s as well as in the recent period. The research has been conducted in thirty-two enterprises. The companies belonged to different sectors and industries, were different in size and had a distinct legal and organizational structure. Moreover, they differed in respect to the manufacturing profile. The following companies were among them: food industry, chemicals, pharmaceuticals, furniture, clothes production as well as services such as reprographers, building companies and computer companies. As far as property, legal and organizational structure goes, we can identify the following: eight stock companies, twelve limited liability companies, four civil law companies, two partnership firms, four one-man firms and two co-operatives. In seven of the researched companies foreign capital was invested. Both management and other employees have been interviewed using questionnaires.

This study attempts to demonstrate the willingness to improve working conditions, to gain knowledge about the regulations concerning working conditions and to implement the regulations. Special attention is paid to the reasons for the poor situation in this area. In the final part we focus on the mode of introducing change in the area of working conditions. The need for management and employees to reach agreement is stressed.

1. WORKING CONDITIONS AND THE DIFFERING INTERESTS

The process of improving working conditions is affected by the conflicting interests of two distinct groups: management and employees. The willingness to improve is based on employees' expectations that they work in comfortable conditions. This has clear motivational features. However, management has to bear in mind that the implementation of better working conditions involves high costs. Moreover, this implies the necessity to comply with the legal regulations.

Table 1

The willingness of people within the organization to improve various components of working conditions

Components of working conditions	Subjects		
	Management		Employees
	Key management and medium-level managerial staff	Lower managerial staff	
Material working conditions	– focus mainly on improving the material components of working conditions	– interested in improving the material components of working conditions and do not neglect the physical components	– primarily interested in improving the physical components of working conditions (lighting, noise)
Working time	– in most cases a traditional approach towards working time organization – occasionally interested in making the working hours more flexible and only if this concerns the non-production departments	– exhibit a passive attitude and hold to the existing forms of working time organization	– interested in making working time more flexible
Social activity	– in most cases verbally willing to extend the social activity – rare cases of extending this activity	– interested in extending the social activity, dissatisfied when this activity is limited	– dissatisfied when this activity is limited
Labour relations including the atmosphere at work and employees' participation	– verbally approve of employees' participation – verbally express willingness to improve communication between management and employees – verbally interested in improving the atmosphere at work	– willing to include employees in the process of decision making – interested in improving the atmosphere at work – interested in improving communication between management and employees	– ready to participate in the process of decision making – interested in improving communication between management and employees – very interested in improving the atmosphere at work

Source: authors' own based on Gableta, Cierniak 2000, p.103

Table 1 shows the expressions of the willingness to improve the individual components of working conditions among the two groups of people within the organization. The conflicting interests is what draws our attention. Mainly, this relates to the material components of working conditions as well as to working time and social activity.

Management, principally key executives and managers, verbally approve of actions which are aimed at improving working conditions. They frequently do not go beyond the declared readiness to act and in real life they do not take any steps to improve the situation. Bearing in mind that they have to achieve the best possible results in a short period of time, management pays more attention to the objective component of working conditions. This is connected with aspiring to improve the technological level of production and services, and consequently the quality of the manufactured goods and services.

Key executives are much less interested (in some cases they are totally disinterested) in improving the physical components of material working conditions as well as their social components. This primarily concerns working time and its flexibility. As is shown in Table 1, the views and attitudes of lower managerial staff (shop supervisors and master craftsmen) are largely similar to those of employees (workers). Thus they are concerned about improving working conditions and wish to have a say in deciding about them. They are aware, however, that not only do they have to satisfy the employees' needs and expectations but also act in accordance with the performance strategy of the enterprise.

One can acknowledge the participation of lower managerial staff in creating the working conditions is insufficient. This is connected with their formal capacity to act, however. In most of the researched companies, it is the monitoring and supervision that are their main responsibilities. This involves such responsibilities as: the supervision of the technological process, appointing the workers to appropriate workplaces, maintaining good sanitary conditions and the maintenance of machinery and equipment. To a very limited extent they are expected to participate in the process of training and raising the qualifications of the workers. They are also not formally expected to motivate workers and therefore they do not know much about their needs and expectations as regards, among others, working conditions.

Table 1 shows that employees are in particular interested in the physical components of material working and social conditions. Only three of the researched companies frequently sought their workers' opinions about the working conditions. The interviewed employees have emphasized that their

suggestions are welcome and in one particular case even rewarded. However, this is the case only if they contribute to improving the effectiveness or the quality of work. The employees of the remaining companies are willing to improve working conditions. Their influence, however, is limited. According to them the reason for that is poor knowledge, in particular about the existing regulations. The training that the companies do primarily encompasses work health and safety, with the emphasis put on the workers' responsibilities. Another reason for the passive attitude of the workers should also be attributed to the fear of losing the job.

Seemingly, getting to know workers' needs and expectations is greatly significant. The thing is not to satisfy employees' "whims", as management puts it, but the holistic approach towards this issue, both economic and social, the way the European Union law views this.

2. IMPLEMENTATION OF THE EUROPEAN UNION REGULATIONS ON WORKING CONDITIONS

As Poland became one of the member states of the European Union, the process of comparing Polish and the European Union standards began and their gradual adjusting to that of the European Union (Ahlt 1995, p. 5). The thing is to adopt the so-called "acquis communautaire", which is the European Union hitherto legislature (Wiktor 2001, p.192). In order to adopt it, Poland will have to fulfil the following conditions:

- further unify Polish and the European Union regulations
- inform entrepreneurs about European Union legal regulations, including the regulations on working conditions and about the possible consequences of not complying with them
- work out effective methods of their enforcement as well as persuade employers and employees that complying with them is reasonable.

The regulations on labour protection and working conditions constitute the most extensive part of European Union labour law. This is connected with the importance that is attached to this matter. Defining the basic functions of European Union Law, not only does the Union highlight the need for uniform regulations in the labour law, but also emphasizes the necessity to improve the working conditions and the living standards of the employees in the whole European Union.

The following directives regulate this:

- 89/391/EEC Directive on providing means aimed at increasing safety and improving workers' health at work,
- 93/104/EEC concerned with certain aspects of working time organization,
- 91/533/EEC Directive on compulsory informing employees about the labour contract or the labour relation,
- 94/45/EC Directive, which was replaced by 97/74/EC Directive on workers' councils in the European Union,
- 2001/86/EC Directive, which is a supplement to the European Union partnership agreements. This directive relates to employees' commitment,
- 2002/14/EC Directive, which lays down the general rules as regards informing and consulting employees in the European Union.

Thus far, the legal regulations in the individual countries of the European Union are diversified. As a result, the range of the regulations as well as the extent to which the countries follow them differ. The European Union law has a special role to play in the countries in which employees' rights have been rather small thus far. At the same time one has to bear in mind that if the regulations of any country give a wider range of rights to their employees than the European Union law does, this fact cannot be the reason for limiting the rights the employees have had thus far (Florek et al. 2000, p. 87–88). It is worth adding that the countries which contributed to the creation of the European Union law have had more time to gradually adjust their systems of legal regulations to those of the European Union as well as having had a chance to affect it. The new member states of the European Union have had to accept the law as it is.

Since 1991 when Poland signed the European Treaty, it has been taking steps to adjust its law to that of the European Union. Article 69 of this treaty imposes these obligations on Poland, including the necessity to follow the regulations on labour protection and, consequently, working conditions. Analysing the present situation, one can state that European Union regulations have been partially included in Polish law. This primarily concerns material working conditions including labour health and safety as well as working time. In 2002 the Polish Parliament passed a Bill on European Workers' Councils (Law Gazette 2002 no 62, pos.75). However, such issues as e-employment (General Resolution, 16 July 2002) or informing and consulting employees (2002/14/EC Directive) need to be specified or separate regulations need to be contained in the Polish law as was the case with the workers' councils in the European Union. This also

concerns 2001/86/EC Directive which will come into force in all the member states including Poland on 8 October 2004.

While Poland is adjusting its law to European Union regulations, entrepreneurs should become familiar with the European Union regulations on working conditions and with the consequences of not obeying them. The empirical studies carried out between 1999–2002 demonstrate that there was not much willingness on the part of entrepreneurs to gain knowledge about the regulations. Entrepreneurs do not seem to be fully aware of the fact that Poland is going to function in the common European Union market. Current studies confirm this. In particular, representatives of small enterprises, employing up to twenty-five people, point to the financial problems and the need to solve them on a current basis as the reason why they are not familiar with the European Union regulations.

If this situation is not going to change, Polish companies will have to cope with the same problems which Polish dairy companies, meat producers and fishing companies experienced in 2002. The inspections showed that out of three thousand companies in this sector less than 10–15 per cent are ready to implement the European Union standards. If the remaining companies do not change working conditions or if they are not given the so-called transition period to adjust, they may be liquidated.

Therefore, two issues that we have already highlighted are becoming more significant. Not only does Poland have to contain the regulations in its legislature, but also to implement them in Polish companies in practice. Moreover, this necessitates seeking effective methods of enforcing the law.

In order to solve the former of the problems mentioned above, Polish entrepreneurs must take a greater interest in European Union legislature as well as try to find out what sort of problems they are going to face if they disregard the law. We must remember, however, that entrepreneurs must be able to find information about Polish and the EU regulations easily.

As far as the law enforcement is concerned, we must remember that key management is mostly concerned with only some of the components of working conditions, namely these which are under the strict supervision of the bodies of control and supervision such as, for instance, the State Labour Inspection. Disregarding the regulations in this area involves incurring high costs in penalties.

At present one should not consider financial sanctions to be a good method of enforcing the law, especially because short-term benefits of disobeying the regulations are frequently much greater.

Therefore, the state should encourage entrepreneurs to improve working conditions by appealing to their economic senses. Entrepreneurs willing to improve working conditions should be given loans on preferential terms or they could be given more beneficial forms of paying tax. It is worth pointing out that the state has already started to act in this area. The accident premium introduced in 2003, which is higher or lower depending on how safe the company is, may prove to be a good solution in the long-term.

Given the financial incentives, Polish companies should thoroughly examine the working conditions as well as identify the areas that have to be changed and introduce change. We should not forget a great many factors that affect this situation. One cannot forget the conflicting interests of management and employees and the consequent differences in how the problem is viewed, which results in two totally distinct approaches to how working conditions should be created. The EU schemes, in which the emphasis is put on non-trade-union bodies are an answer to the demand to reconcile the interests of the two groups. The schemes offer employees the possibility of directly participating in the process of decision-making so that conflicting interests could be reconciled (Weiss, Krüger ed.1990, pp.175–177). However, this does not mean that indirect participation is abandoned. Conversely, it is proposed that some sorts of workers' representations be brought into existence (Weiss 1994: Steimeyer 1994, p. 281ff). It is worth paying attention to 2001/86/EC Directive, which is a supplement to the memorandum of association in the European Union. The guidelines contained in the directive refer to workers' commitment and point to the reasons and circumstances in which special negotiating groups should be constituted.

Using the directives mentioned above, in particular those which attribute a significant role to employees' participation in the process of decision-making (2002/14/EC and 89/391/EC Directives), the authors have proposed a mode of introducing change in the area of working conditions so that a compromise could be reached in this respect. The proposed mode is shown in Figure 1. This implies the necessity to:

- define what kind and to what extent management and employees wish to introduce changes in the area of working conditions,
- confront the interests of the two groups taking into account external factors (among others the European Union legislature) as well as internal ones,
- analyse the solutions proposed by the two groups and evaluate them,
- seek a way of reaching a compromise through negotiating.

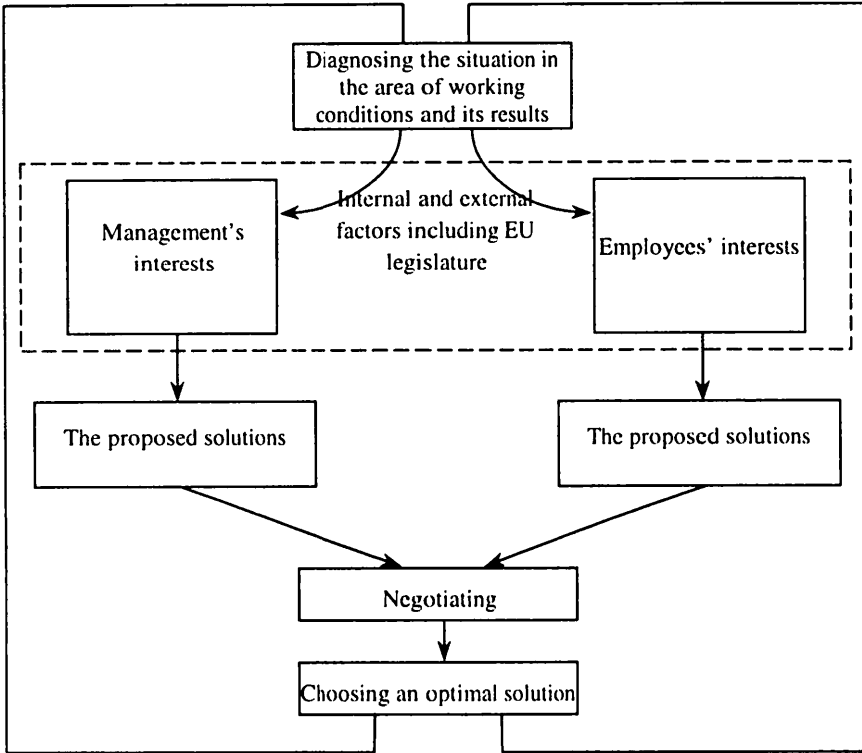


Figure 1. The schedule of introducing changes in the area of working conditions

Source: authors' own based on Cierniak 2003, p. 242

Figure 1 shows that the interests of management and employees should be identified by means of prior diagnosing the situation in the area of working conditions. These interests affect the solutions proposed by the two groups of people. Before the two groups propose solutions, it is vital that they know the existing regulations and the possible future alternations connected with adjusting the Polish law to that of the European Union. Moreover, it is significant that they know the technological, organizational and financial potential for introducing change.

The proposed solutions should be negotiated in order to find a solution which is going to be a compromise in the area of working conditions. Furthermore, it is important to analyse the costs and potential benefits of implementing the proposed solutions in the enterprise. Another role that negotiating plays is to show the positive and negative results of the changes for both parties involved.

Another vital component of the process of negotiating is the period of time after which we can expect the results of the changes to appear.

In order to demonstrate that the issue shown in Figure 1 is of great significance, we wish to quote the directives of the International Labour Bureau in relation to employees' participation. They point to the need to reach a compromise not only as regards the technological and organizational problems but this should also concern employment and personnel issues including working conditions (*La participation...* 1981, p. 24–26).

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