

# Work and employment conditions in Polish enterprises

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This survey data report presents an analysis of data collected during 2005, 2007 and 2010 surveys conducted on representative, nationwide samples as part of the 'Working Poles' research project a team from the Warsaw School of Economics and commissioned by social partners. The surveys reflected public opinion on selected features of employment relations, labour law observance, working conditions and the response to the economic crisis. While the state of working conditions improved significantly (especially between 2005 and 2007), trends in labour law observance proved contradictory, and employment relations, approached from the institutional perspective, deteriorated.

### **Research project 'Working Poles'**

The surveys commissioned by the Polish Confederation of Private Employers 'Lewiatan' (<u>PKPP</u> <u>Lewiatan</u>) in 2005 and 2007 examined working and employment conditions in Polish enterprises. The 2005 survey was co-funded by one of Poland's major nationwide trade unions, the Independent and Self-Governing Trade Union 'Solidarity' (<u>NSZZ Solidarność</u>). Both PKPP Lewiatan and NSZZ Solidarity are national-level representative social partner organisations. Another survey, intended as a follow-up, was conducted in 2010 using a selection of the questions from the 2005 and 2007 surveys.

The research project was called 'Working Poles' (*Polacy pracujący*) and was performed by a team from the Department of Economic Sociology at the Warsaw School of Economics (<u>SGH</u>). The data gathered during the 2005 and 2007 surveys formed the basis for a book published in 2009 (Gardawski, 2009). A short version of this book appeared in English in 2010 (Gardawski et al, 2010).

### **Employment relations**

#### Trade union presence

The state of employment relations was assessed using the measure of trade union presence at the workplace. The employees in the sample were asked whether there were trade unions in their workplace and, if so, how many.

The results indicate a shrinking of the most traditional form of employee interest representation (that is, trade unions) in Polish enterprises. While only half of those interviewed in 2005 admitted to having no trade unions at their place of work, this share had risen to almost 60% in 2007 (Table 1).

The results also indicate that there is still a relatively advanced pluralisation of organised labour at the company level. Both in 2005 and 2007, roughly half of those who confirmed that there were unions at their workplace (18.3% and 16.4% respectively) specified there was more than one union active.

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Response	2005	2007	
One union	19.1	15.9	
Two or three unions	12.8	14.1	
More unions	5.5	2.3	
Subtotal: unions present	37.4	32.3	

Table 1:	Trade	unions	in the	workp	blace	(%)	
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Response	2005	2007
No unions	49.8	59.4
Don't know	12.8	8.3
Sample size	745	815

Note: Responses to the question 'Are there trade unions in your workplace?'

#### **Collective bargaining**

According to the surveys, coverage of collective bargaining also decreased (Table 2). In 2005, six out of 10 people working in unionised enterprises confirmed there was a company-level collective labour agreement at their workplace. By 2007, the figure had dropped by over 10 percentage points. As a result, only about half of those interviewed in 2007 gave a positive response to the question, 'Is there a collective labour agreement in your workplace?'

However, the very large share of workers who answered 'Don't know' is striking. In 2005, a quarter of those interviewed were unaware whether there had been a company-level collective agreement at their workplace. Two years later, the proportion had increased to one in three. These figures indicate increasing marginalisation of collective bargaining in Poland, which continues to play second fiddle to the labour law regulating employment relations.

Response	2005	2007	
Yes	62.9	51.9	
No	10.7	12.9	
Don't know	26.4	35.2	
Sample size	279	267	

Table 2: Enterprise-level collective bargaining (%)

Note: Responses to the question 'Is there a collective labour agreement in your workplace?

### Labour law and fair play practices

The first two editions of the survey included a series of questions designed to monitor the state of labour law observance and fair play practices in employment relations in workplaces. Some of these questions were asked again in 2010.

The overall picture of this aspect of employment relations is blurred, as an improvement in some features was accompanied by a deterioration in employers' adherence to labour regulations and ethical standards.

The number of employees who confirmed their wages had been paid on time increased steadily between 2005 and 2010 (Table 3). However, the proportion of positive responses to the questions on working time (whether the records were kept in order and holiday/leave granted in line with the letter of law) decreased in 2010 following an initial improvement in 2007. The figures indicate an increase in workload imposed on staff at a time of economic slowdown.

Freedom of association is another area of employment relations where no clear trend was observed, with the initial decline in the level of positive responses in 2007 being followed by a

slight growth in 2010. Nevertheless, the research shows that observance of union freedom in employment relations in Poland remains unsatisfactory.

Aspect	2005	2007	2010
Wages paid on time	78.8	84.8	85.1
Working time recorded correctly	80.0	82.3	77.8
Holiday/leave granted properly	81.9	80.1	77.3
Freedom of association observed	55.5	41.1	47.0
Sample size	745	815	491

#### Table 3: Labour law observance and fair play in employment relations (%)

Notes: Responses to the question 'Do you agree with the following statement about your workplace?

Aggregated sum of positive responses is given.

## Technical and organisational working conditions

In terms of the organisational features of working conditions, the state of the workplace generally improved over the five-year period although the level of positive responses for some aspects fell between 2007 and 2010 (Table 4).

Aspect	2005	2007	2010
Health and safety rules are followed	82.9	92.1	88.3
Work organisation is adequate	80.1	90.2	84.5
Supervisors are professional	70.6	77.0	78.1
Employees are trained at the employer's expense	41.4	68.4	69.3
Sample size	745	815	491

#### Table 4: Working conditions – technical and organisational features (%)

Notes: Responses to the question 'Do you agree with the following statement about your workplace?

Aggregated sum of positive responses is given.

Recently, employees have become more critical about aspects such as health and safety and work organisation. This negative shift does not necessarily mean that working conditions in these two areas had become worse in 2010 compared with 2007 figures but may indicate increasing expectations of the work environment. However, the research findings imply that managers had become increasingly professional in the eyes of their subordinates over the five years since 2005.

There was an enormous leap in the level of positive responses to the question on workplace training: between 2005 and 2010 the figure rose by about 28 percentage points. This qualitative change in one of the key aspects of working conditions occurred as the EU structural funding allocated to schemes for the development of human capital became available to enterprises in Poland.

## Social working conditions

Analysis of societal features of working conditions in Polish enterprises produced the following conclusions (Table 5).

There was a major improvement in those aspects where data are available from 2005 to 2010.

The most significant change in employees' opinions on issues such as trust in organisational hierarchy and the possibility of voicing their opinions to supervisors happened between 2005 and 2007. Between 2007 and 2010, the level of positive opinions on the former issue remained stable while there was a slight decrease in the latter.

For those aspects where only 2007 and 2010 data are accessible, however, employees became more critical. These aspects included the perceived fair treatment of employees by managerial staff or employees' access to information on management plans. Only the level of positive responses to the question of availability of information on the enterprise's condition grew – by nearly 10 percentage points.

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Aspect	2005	2007	2010	
There is trust between supervisors and employees	57.1	67.3	67.4	
Supervisors listen to employees and take their ideas into consideration	44.8	68.5	65.2	
Supervisors treat employees fairly and reward them accordingly	_	67.4	60.9	
Employees are informed about the enterprise's condition	_	49.5	59.1	
Employees are informed about the management's plans	_	49.5	47.0	
Sample size	745	815	491	

Table 5: Working conditions – social features (%)

Notes: Responses to the question 'Do you agree with the following statement about your workplace?

Aggregated sum of positive responses is given.

### Reactions to the economic crisis

The 2010 survey covered only some of the issues related to the worsening economic conditions following the outbreak of the global recession. Unlike the other 2010 data displayed in the previous tables, the figures reflect the opinions of the entire sample of 986 people. The questions sought opinions on specific actions that may be taken by enterprises to counterbalance the negative impact of the country-wide economic decline at the company level (Table 6). The answers help to establish which type of anti-crisis measures are considered legitimate by society.

Response	2010
During a crisis, enterprises can decide to lay off part of the staff in order to save the remaining jobs	54.7
In 2009 in order to defend themselves from the impact of the crisis, enterprises reached for layoffs only if other solutions had failed	51.5
During a crisis, enterprises had better lay off some of their staff instead of cutting everyone's pay	15.7

Table 6: Opinions on reactions to the economic crisis (%)

Notes: Responses to the question 'Do you agree with the following statement?

The question was addressed to all 986 participants.

Aggregated sum of positive responses is given.

While almost 55% of the respondents agreed that it was better for a company to make redundancies in an attempt to preserve some jobs, only 16% thought that enterprises should reduce their workforce instead of cutting the pay of all employees. These results indicate the solidaristic attitudes among those interviewed, who preferred the option of spreading the burden of the economic slowdown evenly among all those involved with the company rather than protecting the wages of some employees at the expense of making their colleagues redundant.

Those interviewed were also asked their opinions on the actual behaviour of enterprises in 2009. An apparent split in opinion was found, with nearly half of the respondents disagreeing with the statement that reducing employment was the ultimate move which should be made by companies only after other anti-crisis solutions, not involving layoffs, had proved unsuccessful.

### Methodology and data selection

All three surveys were conducted on a nationwide representative sample. The 2005 and 2007 surveys were based on a pen-and-paper interview and the 2010 survey was based on a computer-aided personal interview. The 2005 and 2007 surveys involved 900 and 1,021 vocationally active adults aged 18 and above respectively. The 2010 survey involved 986 people aged 15 and over.

The first two editions covered the following themes:

- industrial relations and social dialogue;
- labour law observance;
- political attitudes in society;
- standard of living in households.

The latest edition of the survey included only a narrow selection of the questions from the first two editions.

For the purpose of this survey data report, only data on employment relations, working conditions (separated into 'technical and organisational' and 'social' features) and labour law and fair play practice were taken into account. For better comparison, the report examines the variables used repeatedly in 2005, 2007 and 2010, with the exception of three features of social working conditions and the data describing the shape of institutional industrial relations.

In the first two surveys, only the responses of employees were taken into account. In 2010, all the employed were counted regardless of their status except for the data in Table 6, which includes the responses of the whole sample. Only employees in unionised workplaces were asked about collective bargaining (Table 2).

For obvious reasons, the questions addressing the impact of the economic crisis did not appear in the 2005 and 2007 surveys. As a result, the structure of the report does not reflect the structure of the original questionnaires used in the consecutive surveys.

In order to present the findings in a coherent manner, the data chosen for the report were divided into the following five blocks.

- Block 1: employment relations are discussed using the data on the presence of trade unions in the workplace and the extent of collective bargaining at the company level.
- Block 2: labour law observance and the extent of fair play practices are depicted using the data on issues such as due payment of wages, maintenance of working time records, correct granting of holiday/leave and the extent of union freedom.
- Block 3: 'hard' components of the working environment are described in particular issues such as health and safety rules, work organisation, professionalism of supervisors and availability of workplace training.
- Block 4: 'soft' components of the working environment are portrayed using the data on issues such as the existence of trust between supervisors and employees, the inclination of the management to allow employees to voice their opinions, fair treatment of the employees by their supervisors, and the propensity of the company to share the information on the state of the enterprise and on management plans with staff.
- Block 5: opinions on the crisis collected in 2010 are presented. This block differs in character from the others as the data presented seek to portray the attitudes of society towards the economic slowdown, even though, the term 'crisis' was deliberately used in the survey.

## Commentary

Although the research project, 'Working Poles' ended in 2010, a wide-ranging body of data was collected over the previous five years. The comparative analysis of these data on various dimensions of the reality in Polish workplaces reveals a significant improvement in the overall state of working conditions between 2005 and 2007. The state of employment relations, however, had deteriorated, not only in the institutional dimension but also in terms of the perceived freedom of association at the workplace level. Interestingly, opinions on the latter issue improved slightly in 2010, even though labour market conditions had become less favourable due to economic slowdown. As far as the impact of the global crisis is concerned, the research revealed a noticeable propensity towards social solidarity among Poles.

# Bibliography

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