

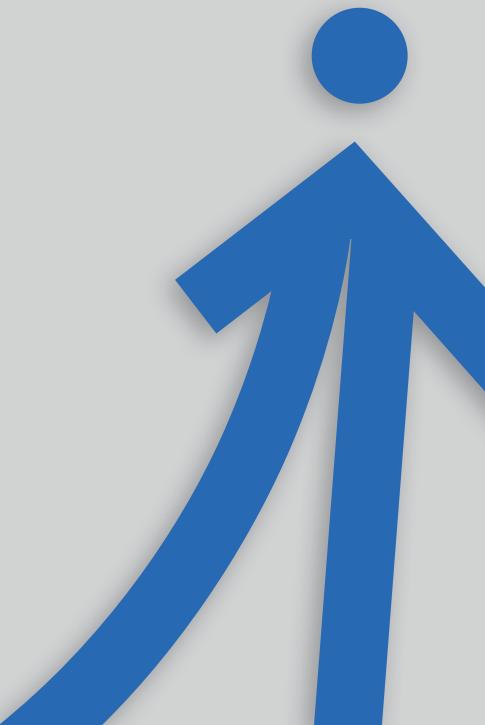


Study of Human Capital in Poland

2011

Study of Human Capital in Poland

Key results of the first round of the study conducted in 2010



HUMAN CAPITAL
NATIONAL COHESION STRATEGY

PARP

JAGIELLONIAN
UNIVERSITY
IN KRAKOW

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This publication is based on the following reports from the first round of the study conducted in 2010:

Study of Human Capital in Poland

- Report concluding the first round of the Study conducted in 2010

Who's wanted in Poland's labour market?

- Report from the study of employers and job offers

The unemployed – the untapped resources of Polish economy

- Report from the survey of unemployed

Poland's secondary education: future employees in the making

- Report from the survey of students of upper secondary schools and analysis of fields of education

Students – the future force of Polish economy

- Report from the survey of the students of higher education and analysis of fields of education

Who educates us when the school is over?

- Report from the survey of training firms and institutions, supplemented with the results of studies of general population and employers

Poles in the labour market

- Report from the survey of general population

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Key results of the first round of the study
conducted in 2010

Polska Agencja Rozwoju Przedsiębiorczości /
Polish Agency for Enterprise Development
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We are delivering into your hands the summary of the first round of the Study of Human Capital in Poland (BKL). Here you will find analyses and key results of the research conducted among the employers, general population, the unemployed, secondary school students, university students, and training institutions.

The Study of Human Capital in Poland is a Poland- and Europe-unique project of monitoring of the Polish labour market. Polish Agency for Enterprise Development (PARP) in collaboration with the Jagiellonian University will follow the changes of structure and demand for competencies in the labour market until 2014.

The BKL Study shows, among others, in which regions of Poland and in which occupations there is the largest maladjustment of employee competencies to the needs of the employers. Disclosing the areas where surpluses and deficits are present, the study allows rational decision making for people planning their education, employers seeking employees, and administrators of public funds implementing actions that support the development of the human capital. For the first time, researchers juxtaposed the demand and supply side of the labour market on such a great scale, as the result grasping the "balance" of the human capital in Poland in the study. This allowed the naming of the challenges that the entities responsible for the shaping of educational policy and institutions of the labour market should confront.

We do hope that the conclusions from the study will provide real assistance in planning the activities improving the quality of the human capital for all the stakeholders who influence the shape of the labour market, at the level of the state, regions, voivodeships, and businesses. Without appropriately prepared personnel, we would remain on the side-tracks of development, lagging behind the states that capitalise on lifelong learning.

Bożena Lublińska-Kasprzak
Chief Executive Officer
of the Polish Agency for Enterprise Development

1. Study of Human Capital in Poland: Poland's largest labour market study

During the five rounds of the study, the researchers will have listened altogether to the opinions of 350,000 respondents.

Only during the first stage of the BKL Study the following have been conducted:

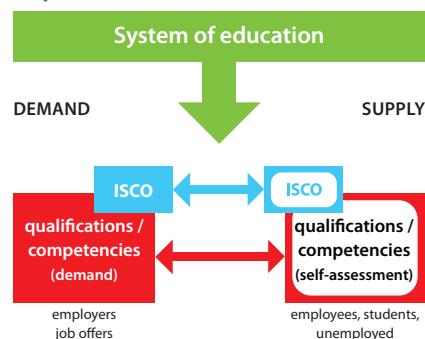
- over 16 000 employers,
- over 17 900 people of working age,
- over 8 000 unemployed registered in labour offices,
- over 35 700 students of upper secondary schools,
- over 33 000 students of institutions of higher education,
- over 20 000 job offers,
- over 4 500 training institutions.

To have a complete picture of the situation in the labour market based on the Educational Information System (SIO) and the data of the Central Statistical Office (GUS), the fields of education in upper secondary schools and institutions of higher education have been analysed as well. All the field surveys conducted as part of the first round of the BKL Study were performed in the fourth quarter of 2010.

Supply vs. demand

The exceptional quality of the studies conducted as part of this project allows comparing the competencies that the current and future employees have with those sought by the employers. Thus, the researchers scrutinised also the system of formal and non-formal education as it influences the level and quality of competencies available in the labour market. To allow comparison and juxtaposition of data, the analyses were based on the International Standard Classification of Occupations (ISCO).

The model of Study of Human Capital in Poland



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Key term definitions

competencies ≠ qualifications

Competencies encompass knowledge, skills, and attitudes associated with the performance of specific actions, independent of the mode in which they were acquired, and whether they have been corroborated with a validation procedure.

Qualifications, being verified competencies, are understood as knowledge, skills, and attitudes that have been corroborated in the process of a formal validation procedure (by an evaluating unit accredited by public authorities).

occupation vs. job/position/post

Occupation is understood as a collection of professional tasks, distinguished through a social division of labour that requires appropriate professional qualifications from the employee.

Job/position/post – the smallest organisational unit of an enterprise, to which the performance of a specific set of tasks, requiring specific competencies from the employee, is related.



Classification of competencies

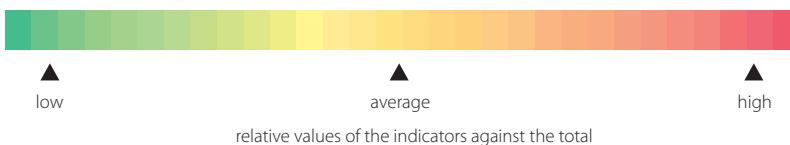
A classification grouping competencies into 11 categories was made especially for the needs of the BKL Study.

COG	COGNITIVE	Seeking and analysis of information, and drawing conclusions
TEC	TECHNICAL	Technical imagination, handling and repairing technical devices
COM	COMPUTER	Working with computers and using the Internet
ART	ARTISTIC	Artistic and creative skills
PHY	PHYSICAL	Physical fitness
SLF	SELF-ORGANISATION	Self-organisation of work and showing initiative (planning and timely execution of tasks at work, efficiency in pursuing a goal)
PER	INTERPERSONAL	Contacts with other people (with colleagues, clients, people in the care)
OFF	OFFICE	Organisation and conducting office works
MNG	MANAGERIAL	Managerial skills and organisation of work
AVL	AVAILABILITY	Availability
MAT	MATHEMATICAL	Performing calculations

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

How to read the data presented?

In all the tables in which colour coding is used to help their understanding, a “geographical” approach is assumed. Making reference to the way maps are coloured, it has green corresponding to the relatively low values, yellow to the average, and red to the relatively high. It is to be emphasised that the coding refers to the relative values of the individual indicators, in this way showing the positions of the given category assume against the totality.



87%
of school students
plan higher
education

2. Poland's secondary education: future employees in the making

School students want higher education

Made at a young age, the decisions concerning the selection of the school frequently determine the occupational paths that one follows throughout the adult life. As the studies conducted in the BKL Project prove, young people realise perfectly well how important the role played by knowledge is today. No fewer than 87% of secondary school students

plan further education. A decided majority of the respondents (70%) would be most glad to enter higher education. Education-related aspirations of students of general secondary schools are highest: 97% of the respondents would like to continue education, the proportion was lowest among the graduates of post-secondary schools (69%). There were more young women (91%) than men (83%) planning to go to another school.

Table 1. Educational plans of upper secondary school students, broken down by type of school and gender

Is the student planning to continue education?	Type of the school where the student is currently learning										Total	
	General Secondary school		Technical secondary school		Vocational school		Specialist secondary school		Post-secondary school			
	W	M	W	M	W	M	W	M	W	M		
no	1%	2%	5%	9%	7%	11%	3%	8%	17%	17%	3% 7% 5%	
yes	97%	94%	83%	76%	82%	77%	90%	80%	69%	72%	91% 83% 87%	
doesn't know yet	2%	4%	12%	14%	11%	12%	6%	12%	14%	11%	6% 10% 8%	
N total	11124	6559	4841	6000	1493	3437	635	373	820	331	18913 16700 35 613	

The percentages in the rows by the answers to the question "Where do you intend to continue education, if at all?" do not add up to 100% in the columns, as the respondents were allowed to give more than one answer.

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Vocational school leavers needed

An analysis of courses of education at the level higher than lower secondary proves that the number of vocational school leavers is diminishing, even though the proportion compared to the number of students leaving other types of school remains constant. This influences the volume of supply of people educated in worker and craft occupations in the labour market.

Yet studies of the employers prove that the demand for physical workers in Poland amounted at least to 40% of all the positions to which human resources were sought. With the fact that nearly 80% of basic vocational school students plan to continue education and change or improve their qualifications in the nearest future in mind, we may face shortages of people in worker occupations.



Lilla Jaroń,
Undersecretary of
State at the Ministry of
National Education

It would be a horrible thing if we tried to limit the education-related aspirations of the young in any way. It is so difficult to build up the so-called internal motivation within the system of formal education. One needs to use multiple external instruments for a young person to obtain knowledge and skills, not to speak about displaying certain civic attitudes. Our task is to direct a young person with their aspirations to such paths of education that are aligned with civilisational development. The question remains why there is no transfer of knowledge about deficit occupations in the given labour market, why there is no partnership for the development of an appropriate range of education available? The local and regional authorities develop the educational offer on their own, and the activity of local entrepreneurs in the area is lacking. All the interested parties need regular inflow of information concerning what is necessary in the labour market now, and what will be in 5 or 10 years, which results from the strategy of development of local and regional authorities, and business plans of locally operating companies. These partners must meet somewhere in the labour market, and it could be done best with the local authorities.



3. Students – the future force of Polish economy

Humanities or technical minds?

The following stage of education is higher education, chosen by four out of ten students. Fields of education selected by secondary school leavers may be positioned on two extremities: humanities and social sciences, and technical sciences. As it has turned out, underlying these choices are features and attitudes that at later stages of life may determine the development of the occupational career. Students of the humanities and social sciences on the one hand, and technical fields on the other follow different strategies already in higher education. Those into humanities try to improve their markets opportunities by embarking on another field of studies, or changing it. Having obtained baccalaureate, they are also more often occupationally active already while studying, even if their work is below the qualifications. Students of technical fields usually focus on a single course of education and are less likely to enter employment. In return for that, in future, they expect better occupational prospects and better pay than the other group. Despite these differences, most students are satisfied with the institution of higher education and field of study selected, and only 15% of the respondents would have changed their decision.

Satisfied artists, disillusioned teachers

Most satisfied students (from 90% to 95% of the respondents) study in Kraków and Warsaw. The fields of education that receive highest marks are: architecture and construction, artistic courses, veterinary sciences, protective care/security, Information and communications technology courses, courses in mathematics and statistics.

The highest percentage of students dissatisfied with the selection of the course of education (oscillating between 25% and 40%) was present among the students of: European studies, family studies, education science and teacher training courses, agricultural and forest technology, medical analysis, social work.

Optimism among students

Dominant among students is the positive thinking about the future. No fewer than 81% of the respondents believe that the knowledge and skills acquired through higher education will let them find a well-paid job in the future. A decided majority (80%) expect also that their employment will be in line with the profile of their education. Most optimistic about this are students of technical courses, industry, construction, services, health, and welfare. Pessimists hail from humanities, social sciences, and courses related to art, agriculture, economy, and law.

How do students price themselves?

As research shows, students estimate their market value in line with reality. Graduates of social welfare, teacher training and educational sciences, services, humanities, agriculture, and journalism expect relatively lower remuneration. The lowest salary they would agree to work for is on average PLN 1500 after tax. A salary they would find satisfactory ranges from PLN 2000 to PLN 2200, with maximum remuneration not exceeding PLN 3000 after tax. Not much higher were the expectations of graduates of biological, mathematical, economical, administrative, social, physical, and medical sciences.

PLN2000
is a salary that
satisfies a higher
education graduate

Table 2. Expected remuneration of students, broken down by the type of institution of higher education

Type of higher education institution	MIN	AVG	MAX
technical universities	2000	3000	4000
artistic schools	2000	3000	4000
universities of economics	2000	2700	4000
medical academies	2000	2700	3500
institutions of higher education in agriculture	2000	2500	3500
other schools	1600	2500	3000
universities	1500	2400	3000
academies of physical education	1800	2300	3000
state higher schools of vocational education	1500	2000	2800
church institutions of higher education	1500	2000	2724
institutions of higher pedagogical education	1500	2000	2600
Total	1700	2500	3000

MIN - the lowest salary you would agree to work for

AVG - fairly satisfactory salary

MAX - salary that can be counted on with plenty of luck

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

The students of artistic, legal, IT, engineering and technical, veterinary, manufacturing, and transport services studies set their prices higher. The lowest salary they

would be likely to work for is PLN 2000 "as paid out". They would find a salary of PLN 3000 satisfactory, and the highest salary at PLN 4000 after tax. Not much lower were the expectations of students of architecture and construction, protection and security, and environmental studies.

High self-assessment of students

On a scale from 1 to 5, students self-assessed their competencies high as a rule. They believe that their computer skills are developed most (average grade 4.1), yet they also rank themselves very highly in the context of relations with others (interpersonal competencies at 4.0). Visible, however, are large differences depending on the field of education. Lowest self-assessment is present among the students of veterinary studies, teacher education, humanities, and protection and security. The students of engineering and technical studies, mathematics and statistics, IT, environmental protection, and architecture and construction have the highest opinion of themselves. Among the humanities, this is true about the students of law.



Wojciech Augustowski,
Ministry of Science and
Higher Education

Competencies may be divided into two groups. The first includes the key competences that are necessary for every human being for self-fulfilment, active participation in the society, and improving employment opportunities. Every graduate of university studies should be furnished with key competencies, whatever the form, course, or field of education. The other group are specific (or specialist) competencies, which are characteristic of a given job. In the shaping of these competencies in students, an institution of higher education should collaborate as closely as possible with business environment. This is why some classes should be conducted in collaboration with entrepreneurs or be held in the potential place of future employment. Student internship should become an integral part of the process of education. In other words, some effects of education described in the curriculum should be acquired practically through internships, and obtaining them should be confirmed by a person who conducts such practical training.

This makes it possible for the graduates to acquire, while still studying, competencies that would be better adjusted to the needs of the labour market. Such a strategy will help individual students build their competitive edge.



4. Poles in the labour market

Women: better educated

Results of the BKL Study corroborated significant differences in the structure of education of women and men. Men more often than women left education after basic vocational or lower schools, and less often entered secondary and higher schools. Gender influences also the choice of the field of education. Women were more likely to graduate from teacher training (22%) and humanities (11%), and men – from engineering (16%) and IT (8%) studies.

Women: lower remuneration expectations

Unfortunately, gender plays also a significant role in the case of real earnings and expected salaries. In all the occupations, and at every level of education, women are satisfied with a significantly lower salary. Interestingly, the differences observed between the real earnings

of men and women were greater than in the case of the declared wages aspirations. The remuneration of women working full-time is on average only 80% of the men's salaries. Among the people with higher education, this disproportion was as high as PLN 803 after tax, and the salaries of women amounted on average to 73% of those received monthly by men. In the case of basic vocational education, the difference in remuneration was lower and amounted to PLN 615.

80%
is how much of
a man's salary is
earned by a woman
in the same position

How much do we earn?

The highest net salaries, as could be expected, were obtained by people in full-time employment in Mazowieckie Region (PLN 2000 net), i.e., especially in Warsaw. Standing slightly below the capital region are Pomorskie, Dolnośląskie, and Opolskie. The lowest real remuneration was recorded in Świętokrzyskie (PLN 1600), Podkarpackie (PLN 1500), Kujaw-

Table 3. Average salary (in PLN) of people working full-time, broken down by the type of work performed, education, and gender

ISCO-1 occupational category (main occupation)	Gender	Education					difference M-W	quotient W/M
		lower second- ary and below	basic vo- cational	second- ary	higher	total		
chief executives, senior officials, and legislators	W			3053	2965	2974	399	88%
	M			3036	3708	3373		
professionals	W			1955	2347	2263	885	72%
	M				3225	3148		
technicians and associate professionals	W			1879	2002	1911	474	80%
	M		1962	2407	2634	2384		
clerical support workers	W			1865	1850	1835	92	95%
	M			1916	2123	1927		
service and sales workers	W	1320	1335	1536	1644	1471	538	73%
	M	1704	1618	2057	2705	2009		
craft and related trades workers	W		1263	1372		1314	730	64%
	M	1932	1957	2176	2690	2044		
plant and machine operators, and assemblers	W		1299	1451		1340	732	65%
	M	1953	2095	2052		2072		
elementary occupations	W	1220	1246	1244		1246	428	74%
	M	1624	1633	1713		1674		
Total	W	1296	1268	1678	2189	1683	421	80%
	M	1737	1883	2140	2992	2104		
	Total	1566	1667	1895	2495	1902		
M-W difference		441	615	462	803	421		
W/M quotient		75%	67%	78%	73%	80%		

* Removed were the cells with counts < 30.

The M-W difference and the W/M quotient refer to the values for women and men total in the given column or row.

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

sko-Pomorskie (PLN 1500), and Lubelskie (PLN 1523).

It is also easy to notice a dependence between the rate of unemployment and the value of the salary. Obviously, in the regions with least people remaining without employment, higher remunerations are recorded.

Age vs. wages

Observing the earnings of people five years before retirement, a clear increase in revenue is visible. For people with low qualifications and on poorly paid positions, a loss of a job in mature age usually means long-term unemployment without an opportunity to find a new job, which is why they prefer to switch from uncertain employment and salary to a smaller, yet certain preretirement benefit. Working into the preretirement period are primarily people with high salaries, who find that retirement does not pay.

Self-assessment of individual competencies vs. financial expectations

Influencing the pay-related aspirations is also the self-assessment of individual skills. It is evident that people who have assessed highly their cognitive, computer, and self-organisation competencies have higher financial expectations. On the other hand, translating most poorly into earnings, practically in all the occupational categories, are the artistic skills. Worth reminding is the fact that students of artistic

fields were in the spearhead of expected remunerations. Most evidently, an experience in occupation changes the perspective of perception, and the significance of these very skills.

Feminine and masculine occupations

Educational, and consequently occupational, choices of women and men follow different paths. Which is a reason why we speak of feminised or masculine fields of studies and positions. Even though this is a significant problem, it is quite unlikely for such a status quo to change presently. Such a division becomes fixed in a natural manner by consequent selections of appropriate schools at upper secondary level, and then general/technical secondary schools, institutions of higher education, and finally occupations.

Counted among the clearly feminised fields, where women account for more than 70%, are: humanities, veterinary, social, social welfare, education, medicine, biology, and services for people. A proportion of women exceeding 60% was present also in economic and administrative, artistic, journalist, physical, agricultural, and environmental actions studies. Men are a significant majority only on IT, transport, and engineering and technical studies.

Let us reiterate that as many as 80% of students planned to work in the occupations learnt. Thus, the differences that are visible clearly already at the level of institutions of higher education are translated into the future structure of occupations, as shown in the table below.

Table 4. Typically feminine and typically masculine occupations

Feminised occupations	Masculinised occupations
<ul style="list-style-type: none">Teaching professionalsPersonal service workersCleaners and helpersGeneral and keyboard clerksHealth associate professionalsCustomer services clerksLegal, social, cultural and related associate professionalsHealth associate professionalsPersonal care workers	<ul style="list-style-type: none">Building and related trades workers, excluding electriciansLabourers in mining, construction, manufacturing and transportStationary plant and machine operatorsScience and engineering associate professionalsProtective services workersElectrical and electronic trades workersInformation and communications technologyProfessionals and technicians

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.



Why don't Poles learn?

Unfortunately, the enthusiasm of Poles about education disappears frequently with the reception of a diploma/certificate confirming the completion of a selected school/university. Improvement of qualifications and development of competencies beyond formal edu-

tion is still on an alarmingly low level. Following the data of Eurostat, participation of adult Poles (aged from 25 to 64) in lifelong learning, amounted only to 4.7% in 2009, which is one of the lowest results among EU states. The research conducted as part of the BKL Study proved that this share dropped to only 4.2 in 2010.

Table 5. Learning activity vs. the age and the level of education

	in any form (A and B)	Learning activity within the last 12 months		in no form
		in non-formal education (A)	in informal education (B)	
age	18-24	27%	15%	16%
	25-34	23%	15%	13%
	35-44	22%	16%	12%
	45-49	19%	14%	10%
	50-54	15%	11%	7%
	55-59	11%	7%	6%
	60+	7%	7%	4%
level of education	Lower secondary and below	12,5%	8%	5%
	Basic vocational	8%	6%	3%
	General secondary	22%	12%	14%
	Post-secondary, vocational secondary	21%	14%	11%
	Higher	42%	31%	26%
	Total	19%	13%	10,5%
81% of adult Poles are not involved in any form of learning				

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

In the last 12 months, only 19% of Poles at working age were engaged in any form of learning. Most keen to develop their competencies are people with highest education. Yet a vast majority of adults (81%) did not learn, an attitude which is lasting, as no fewer than 74% of them do not intend to learn during the coming year. Least motivated to improve their skills, unfortunately, were people with lower education and

poorer competencies, i.e. ones who should invest in the development to improve their opportunities in the labour market. The reason to participate in training quoted most often by the respondents is the eagerness to improve and acquire occupational qualifications. Those who do not improve their qualifications claim that there is no such need in the work they perform (60%), or they simply have no motivation to lifelong learning (13%).



Professor Grażyna
Prawelska-Skrzypek,
Institute of Public Affairs,
Jagiellonian University

It seems that there are excessive expectations from the system of education. Characteristic of the system of education, or to be more precise, the system of formal education, is the long duration, while the market needs change dynamically. How are we to adjust education to the changing needs of the labour market, if we perceive the system of education, identifying it with formal education. It is highly probable that before a young person goes through the process of school education, the needs of the labour market will undergo change. First, we must understand that a significant part of the system of education is non-formal and informal learning. There are three parties interested in the increasing of the degree of adjustment of competencies of people emerging in the labour market and working, and the needs of the employers: beyond doubt, they are the system of education, employers, and those who learn. All the stakeholders must assume responsibility for such a balance in the labour market. The society/individuals must understand that it/they should shape the competencies in the spirit of responsibility for their occupational career and development of the society. Entrepreneurs must understand that they should shape their civic environment more consciously, for example, by supporting the development of internships. As far as the system of education is concerned, formal education must be the grounds for the development of key competencies. The point of gravity in adjustment of competencies of the employees to the changing needs of the employers is, however, shifting to lifelong learning.

The employee potential

The employees self-assessed their competencies on a five-point scale. They also defined motivation to undertake employment in which the given skills would be required. As the studies show, there is a clear dependency between high self-assessment and eagerness to perform a specific occupation.

Most respondents believed the interpersonal competencies connected to contacts with people (average grade 3.9) to be their strong-

est asset. They are immediately followed by availability (3.8), physical fitness (3.6), and skills in self-organisation of work (3.6). Adult Poles can definitely not boast artistic and creative (2.6) or technical (3.0) skills. Unfortunately, the opinions of the employers concerning employee skills are different. They believe that visible in the employees are, among others, deficits of self-organisation (a problem mentioned by 24% of employers) and interpersonal (18%) competencies.

Table 6. Average assessment of main competencies vs. the level of education in the groups of working population (5-point scale)

	Lower secondary and below	Basic vocational	Secondary	Higher	Total
PER	3.5	3.7	4.0	4.3	3.9
AVL	3.4	3.5	3.9	4.0	3.8
SLF	3.0	3.3	3.7	4.1	3.6
PHY	3.4	3.5	3.6	3.7	3.6
COG	2.7	2.8	3.4	4.0	3.3
MAT	2.7	2.9	3.4	3.8	3.3
MNG	2.6	2.7	3.4	3.8	3.2
COM	2.3	2.5	3.4	4.2	3.2
OFF	2.4	2.4	3.3	3.8	3.1
TEC	2.9	3.1	3.0	2.9	3.0
ART	2.2	2.3	2.7	3.0	2.6
Average	2.8	3.0	3.4	3.8	3.3
N (average*)	1 093	2 885	4 141	2 295	10 414

* Numbers in individual cells may insignificantly vary due to lack of data for some competencies.

COG – Finding and analysing information, drawing conclusions; TEC – Handling, assembling, and repairing equipment; MAT – Performing calculations; COM – Working with computers and using the Internet; ART – Artistic and creative skills; PHY – Physical fitness; SLF – Self-organisation, initiative, punctuality; PER – Contacts with other people; OFF – Organisation, and conducting office works; MNG – Managerial skills and organisation of work; AVL – Availability.

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

A diploma improves self-assessment

Influencing self-assessment among others is the level of education. Diploma holders perceive their skills in nearly all categories best. Their grades for competences related to self-organisation of work, computer and Internet skills, organisation and conducting of office works, and seeking and analysing information were much higher than in other groups. Similar, even though slightly lower self-assessment was made by people with secondary education. Consequently, people with lower (basic vocational, lower secondary, and primary) education assigned themselves lowest marks.

The position held vs. self-assessment

The level of self-assessment systematically grows while moving upwards in the ISCO occupational hierarchy (from elementary workers to managers). Perceiving their skills at highest levels are managers and professionals, and at lowest – elementary workers and unskilled labourers. It is characteristic of people representing the individual occupational categories to self-assess themselves above the average in the areas of competencies that are related to the positions they hold. For example, cognitive competencies are distinctive for managers and specialists. Artistic and creative skills are most often



present among the teachers. Mathematical competencies are the domain of IT, science and engineering, and business and administration professionals (besides the highest level management), and business and administration associate professionals.

Self-assessment dropping with age

Age significantly influences the lower self-assessment in all competencies. The ageing of the human organism inevitably triggers changes in physical and psychological functioning. Skills and competencies, even though developed and gathered through-

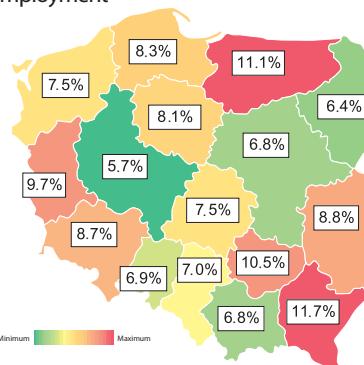
out life, in a decided majority of cases drop with age. Computer skills are an extreme case of this dependency: the difference between the youngest and the oldest amounts on average to nearly 2 points here, and is clearly stronger even from the disproportion in the self-assessment of physical fitness! The exception here are the technical skills, that is, e.g. handling, assembling, and repairing equipment. This is a scope of skills and knowledge which is obtained throughout years of work. The more experience, which comes with age, the more the technical competencies are developed.

5. The unemployed – the untapped resources of Polish economy

Snapshot of the Polish unemployed

According to the data of GUS (BAEL), there were nearly 2,000,000 unemployed, that is more than 12% of the professionally active people, registered in PUPs towards the end of 2010. The level of real unemployment in the fourth quarter of 2010 amounted to 9.3%. According to the data of the BKL Study, approximately 8% of people declared themselves to be unemployed and seeking employment. The highest unemployment ratios were found in the Podkarpackie, Warmińsko-Mazurskie and Świętokrzyskie regions, and the lowest in Wielkopolskie, Podlaskie and Mazowieckie.

Map 1. The percentage of people declaring themselves as unemployed and seeking employment



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011

Every tenth respondent registered as unemployed in a labour office was not in fact looking for employment.

Nevertheless, in the 55-64 age group their share accounts already for 17%. The average period of looking for work for all the unemployed respondents amounted to 18 months. Clearly visible is the fact that the duration grows with the age of the respondents.

Approximately a quarter of the respondents

were the people in long-term unemployment (exceeding 12 months), 15% were people seeking employment for over two years. The largest share among the long-term unemployed was recorded among the oldest age group, as it accounted for 42%.

In Podkarpackie Region, no fewer than 40% of all the unemployed remained without employment for more than 12 months. This notorious spearhead includes also Warmińsko-

10%
of the registered
unemployed are not
seeking employment

12%
of the unemployed
have higher
education

Mazurskie (33%), Podlaskie (31%), Lubelskie, and Kujawsko-Pomorskie (30% each) regions, where the average time of seeking employment so far ranged from 22 to 27 months. The lowest proportion of long-term unemployed was registered in the following regions: Pomorskie (less than 19%), Wielkopolskie (20%), Mazowieckie (22%) and Śląskie (22%). In these parts of Poland, the respondents sought employment from 12 to 16 months.

Diploma holders: 12% of the unemployed

Most unemployed have basic vocational education (28%) and post-secondary or secondary vocational (26%). A relatively large group finished their education at the level of primary or lower secondary (16%) and general secondary school (13%). Every ninth unemployed has a diploma confirming graduation from an institution of higher education. Among the unemployed, women are better educated than men. The respondents registered with County Employment Offices (PUPs), who graduated from higher education institutions are in most cases graduates of economy and adminis-



Professor Jarosław
Górniaik, Jagiellonian
University

Graduates find it easier to find employment. Let us remember that employers hire the best educated candidates so that their training costs are lowest. Lester Thurow claims that the mechanism is based on the existence of two queues: one are the employers seeking employ-

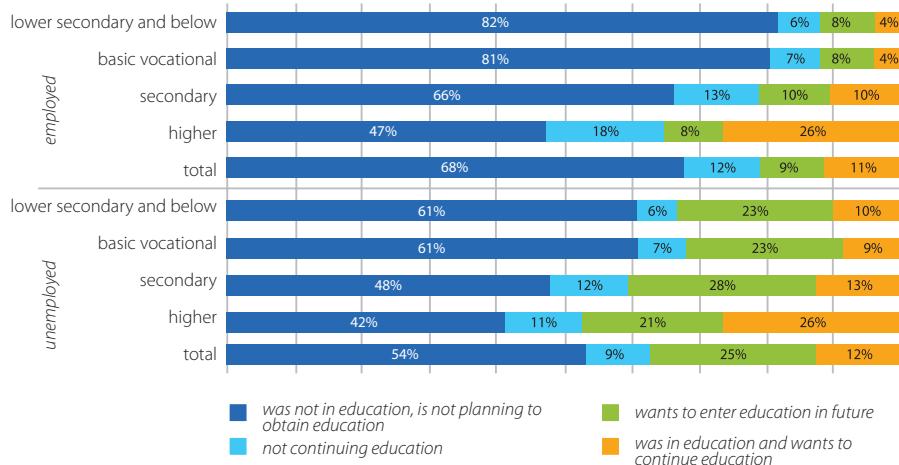
ees – this is the queue of the positions; and the other are of the candidates seeking jobs. The queue of positions is ordered according to the competencies required, and the queue of candidates – according to the qualifications they have.

tration (over a third), and further: teacher, social, and humanist studies.

Learning activity of the unemployed

As far as learning activity is concerned, the unemployed acquire significantly better results than the employed. In most cases, the unemployed declared eagerness to train in future. Despite that, more than every other unemployed registered in PUPs does not learn and does not intend to do it during the following 12 months.

Chart 1. Education during the last year and plans for the coming year, broken down into the working population (population study) and registered unemployed (study of the unemployed), and by education



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Realistic pay expectations of the unemployed

As the study shows, the pay expectations of the unemployed are in line with real remuneration. The lowest salary in return for which the unemployed would agree to work ranges on average from PLN 1200 to PLN 1700 a month. Highest are the expectations of the unemployed living in the Mazowieckie Region prepared to perform specialist occupations in physical, mathematical, and technical fields, and also in economics and management. Positioned at the other extreme are workers performing elementary works. In a word, the better the education, the higher the expected salary. The unemployed with a higher education diploma expected salaries on average higher by PLN 500 than those with lowest education.

The rate of unemployment also influences the value of the desired salary. The lower the rate, the higher of the aspirations of people registered in PUPs. An interesting case on the map of Poland is the Świętokrzyskie Region. Relatively low average earnings and a relatively high level of unemployment are accompanied by unexpectedly high financial expectations of the unemployed.

The unemployed women have also decidedly lower salary aspirations than men, irrespective of education, assessment of com-

petencies, and type of employment sought. The average level of desired earnings of women seeking work amounted to less than PLN 1730 and was by PLN 348 lower than in the case of the unemployed men. The lowest salary in return for which the female respondents would agree to work amounted to approximately PLN 1280, with the corresponding amount in the case of men amounting to PLN 1539. Women with higher education who sought employment expected on average a salary lower by PLN 600 than the male graduates of institutions of higher education. This amounts to just 77% of the salary expected by men. Importantly, women themselves did not notice any gender discrimination at work or while seeking employment. Only 6% of female respondents registered with PUPs as unemployed said that being a woman was an obstacle in finding employment.

PLN 1500
is an average salary
an unemployed
expects

50+ at the labour market

Unfortunately, the level of occupational activity in the 50+ age category in Poland is among the lowest in Europe. Insufficient and not updated qualifications of the elderly frequently reduce their options for remaining within the labour market. The level of education in this age group is lowest, which is especially visible among the unemployed. Analogously,



Czesława Ostrowska,
Undersecretary of the
State in the Ministry of
Labour and Social Policy

I do not know a state where there would be no maladjustment of qualifications learnt in formal education and the labour market. This is a problem that we keep on facing in employment offices. The offices are specialised in the training of unemployed in the occupations that are sought by employers. They must react quickly to the needs of the labour market. They also organise occupational internships, especially for the graduates. Certainly, the system of formal education must listen more closely to the voice of the employers, and react to their needs. This is fairly difficult, as the cycle of education in Poland is long, due to which schools react more slowly to the needs of the labour market.

I would like to turn attention to the fact that in the flagship initiative of the European Commission, Agenda for new skills and jobs, which will be conducted until 2020, it is estimated that the number of jobs for the very highly qualified will increase by 16 million, while the demand for low qualified labour in Europe will drop by 12 million jobs. This stream of reskilling turns

very clearly towards the IT and telco sectors, and also into what is broadly understood as health, including the expansion of healthcare services.

the self-assessment of individual competencies is also lower than in the case of the other respondents. On the other hand, pay aspirations and expectations of people 50+ seeking employment did not diverge from the value for middle-aged people. Similarly, the real wages of elderly employees in most types of occupations do not show falling tendencies at the preretirement age. In office works, both elder women and elder man earn even more.

What work is sought by the unemployed?

Among the occupations in which the respondents sought employment, the ones listed most frequently included:

- occupations related to sales and trade (27%) – primarily salespeople, cooks, hairdressers, cashpoint operators, waiters, and beauticians,
- crafts and related trades (18%) – including mechanics, masons, toolmakers, welders, carpenters, electricians, tailors, bakers, and confectioners,
- elementary occupations (15%) – including building and related trades workers, labourers, cleaners and helpers, and caretakers,
- clerical support workers (14%) – including general and keyboard clerks, warehouse operators, and secretaries.

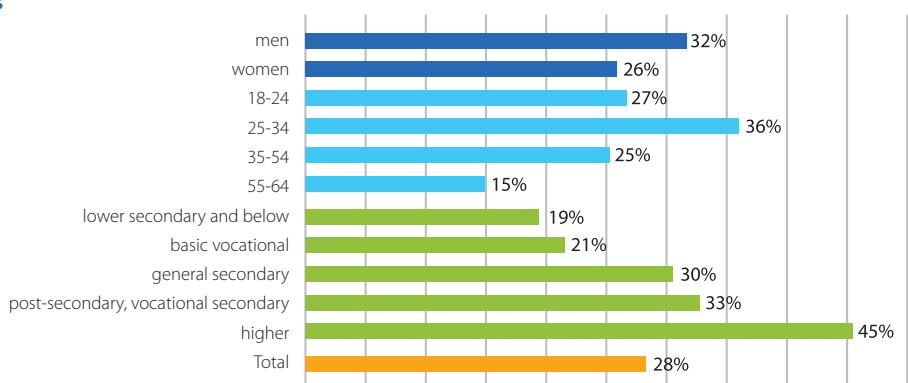
The type of employment sought to a great degree depended on the level of education. Among people with no more than lower secondary education, as many as 36% were looking for employment in elementary occupations. Among the people with basic vocational education, the occupations of workers in crafts and related trades (37%) were more popular than in the other groups. There was a clear oversupply of potential professionals among the people with higher education – even 55% were looking for employment in professional occupations.

Who sought employment where?

Present in the Dolnośląskie and Wielkopolskie regions was a higher than average supply of craft and related trades workers. Yet in the Małopolskie and Śląskie regions the proportion of people seeking employment in these occupations was decidedly lower than average in the regions. In elementary occupations, there were more people seeking work in Warmińsko-Mazurskie and Śląskie. In turn, in Mazowieckie and Małopolskie, every fifth registered unemployed person sought employment in clerical support. The highest supply of unemployed potential professionals was registered in the following regions: Łódzkie, Małopolskie, Mazowieckie, Opolskie and Wielkopolskie.

28%
of the unemployed
considered starting
their own business

Chart 2. Proportion of people considering the possibility of starting their own business, broken down by gender, age, and education (n=7292)



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.



Entrepreneurial spirit among the unemployed

Approximately 28% of the respondents considered the opportunity of starting their own business. They were more often men (32%), people aged 25-34 (36%), and people with higher education (45%). Most of them, more than a third, considered starting their business in the following regions: Łódzkie, Warmińsko-Mazurskie, Pomorskie, and Zachodniopomorskie. It is to be noticed, however, that among the people declaring option of starting their

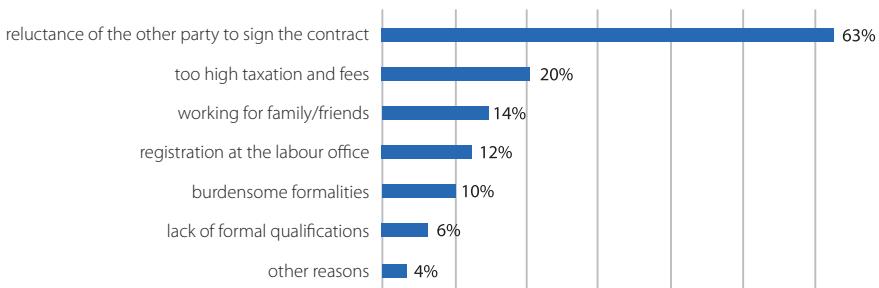
own business, only one in four had made any relevant moves during the previous 4 weeks.

"Working in the grey zone" myth or reality?

Every 10th respondent registered as unemployed in the labour market had worked without a formal job contract during the last year. Nearly 2/3 of the unemployed working "in the black" stated as the reason for the lack of formal contract the reluctance of the other party to sign the contract.

63%
of people working illegally do so based on the suggestion of the employer

Chart 3 . Reasons for signing no formal contract in the case of the registered unemployed working without a formal contract during the last 12 months



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

"Work in the black economy" was popular primarily in the following regions: Świętokrzyskie, Podkarpackie and Podlaskie (15% each), Łódzkie (14%), and Śląskie (13%). The smallest number of people working without a formal contract lived in Dolnośląskie, Małopolskie, Wielkopolskie, and Zachodniopomorskie (6% in each). Such work was more often performed by men (14%), and people with lower education. Most people without a formal job contract performed elementary occupations (43%), were qualified workers (28%), and service and sales workers (23%).

What renders starting work difficult?

The unemployed believe that finding a job is made especially difficult by:

- lack of appropriate job offers (61%),
- lack of contacts and acquaintances (49%),
- insufficient experience (33%),
- lack of certificates and permits (29%),
- the level of education (28%).

Even 55% of the respondents aged 55 to 64 pointed to their age as an obstacle in looking for employment. Let us reiterate that only 6% of the female respondents registered in PUPs as unemployed stated that being a woman was an obstacle in finding employment. This shows that the elderly are more discriminated against in the labour market than women.

17%
of employers
were looking for
someone to hire

6. Who's wanted in Poland's labour market?

Who do the employers seek?

In the fourth quarter of 2010, only 17% of the employers queried were looking for someone to hire. The most frequently sought employees counted in the blue-collar/labourer category included:

- drivers and mobile plant operators (mostly heavy truck drivers, mobile plant operators, and bus drivers),
- construction workers (mostly masons, roofers, floor layers and tile setters, and pipe fitters and assemblers),
- metal, machinery and related trades workers (mostly welders, operators of numerically controlled machines and motor vehicle mechanics and repairers),
- food processing, wood working, garment and other craft and related trades workers (primarily bakers, meat boners, cutters and dressers, carpenters/joiners, and sewing workers).

Another group of occupations that the employers found in major demand (28%) were professionals:

- positions related to finance and management,
- health professionals – physicians, chiefly nurses, pharmaceutics, and general practitioners,
- science and engineering professionals, that is mostly architects, surveyors, and designers,
- electrotechnology engineers,
- people dealing with information and communications technology, and primarily application programmers,
- teachers at various levels – primarily teachers of English, preschool teachers and teachers in educational and care centres.

The last job group that remains in fairly high demand among Polish employers (22%) are

representatives of occupations related to what is understood under the comprehensive term "services".

- sales people,
- personal services workers – mostly cooks, waiters, and hairdressers,
- customer services clerks – including primarily receptionists and call centre staff.

Among the groups of occupations wanted least frequently were people performing elementary occupations and managers. In the first case, the low demand results from the quite large availability of such people – there is no problem with finding unskilled workers, so they can always be employed. The managers, on the other hand, due to the specific function they play in the business, are not that frequently sought after – the managerial positions are less numerous than those of workers or professionals, for example.

In greatest demand: construction

In the last quarter of 2010, more than 120.000 construction workers were sought all over Poland. There was also a large demand on health professionals, i.e. physicians and other healthcare personnel. In this occupational category, 100 000 people were needed to work. On the whole, the highest potential to employ was in the following regions: Mazowieckie (over 180 000), Śląskie (over 110 000), and Małopolskie (over 90 000). Least candidates were recruited in the Świętokrzyskie and Warmińsko-Mazurskie (over 25 000) and Lubuskie (over 28 000).

In the case of people sought to fill positions in managerial occupations, the greatest demand was reported by employers in Kujawsko-Pomorskie and Zachodniopomorskie (over 4000) regions, while the demand for professionals was highest in the Mazowieckie (over



46 000), and Śląskie and Małopolskie (over 30 000) regions. Generally, most eager to recruit were the employers operating in the services sector dealing with hospitality, retail and other services. Most frequently sought were sales and services workers (over 80,000).

Supply and demand equilibrium

Employers and employees (current and potential) form two separate worlds of

expectations and potential. The lack of equilibrium between the two slows down the development of individuals, businesses, and in result – of the entire economy. The BKL Project compared the “balance” of demand and supply in the Polish labour market, that allows a closer look at the deficits and surpluses in individual occupations in all Polish regions.

Table 7. The supply and demand employee balance in individual occupations, broken down by region (the difference between the percentage of people seeking employment in the occupation and the percentage of employees declaring that they were seeking employees in the given occupation, by the 9 major job groups, according to ISCO-08)*

	C	S	E	NW	SW	N	Total
1. managers	-1.3	-0.1	-1.0	-3.9	-0.9	-1.2	-1.2
2. professionals	-12.7	-12.9	-3.7	-15.6	-15.3	-3.4	-11.0
3. technicians and other associate professionals	3.9	6.4	4.9	-11.3	-1.4	-0.8	1.3
4. clerical support workers	2.6	-4.5	5.2	4.0	8.2	3.1	2.0
5. service and sales workers	6.1	11.1	7.4	16.3	4.0	12.9	10.0
7. craft and related trades workers	-5.1	-15.6	-13.8	-0.6	-1.5	-9.9	-8.6
8. plant and machine operators, and assemblers	-0.5	-0.2	-11.1	-4.0	-1.0	-13.9	-4.4
9. elementary workers	6.8	16.0	12.1	15.2	7.8	13.2	11.9

*Negative values in the table mean that the amount of candidates to work in the given occupation is smaller than that of vacancies in corresponding jobs. Positive values mean that the number of candidates is greater than that of vacancies.

Abbreviations used for macro-regions: C – Central, S – Southern, E – Eastern, NW – Northwestern, SW – Southwestern, N – Northern.

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Speaking of the most general level, one can say that largest deficiencies are present in central and southern Poland in the categories of professionals, and also among the skilled workers in the southern part of the country. On the other hand, there is the oversupply present primarily among the services and sales workers (north-western Poland) and unskilled labour (southern part of Poland).

Analysing the occupations in greater detail, the largest shortages of human resources, i.e. a lower number of candidates than jobs available, was registered in the case of:

- health professionals, i.e. physicians and other medical personnel,
- building and related trades workers, excluding electricians,
- drivers and mobile plant operators.

Oversupply of human resources, i.e. the number of candidates exceeding that of

jobs, was in turn present most significantly in the following categories:

- sales workers,
- ancillary workers in mining, industry, construction, transport,
- office workers: general and keyboard clerks.

Problem with recruitment

Seeking employees in the 4th quarter of 2010 were 17% of all the employers. Of that number, no fewer than 75% considered finding appropriate people difficult. The problem concerned mostly the smallest businesses. The largest businesses, employing over 1000 people, had difficulties recruiting staff in more than every other case (55%). As the study shows, employers had most difficulties with finding people who decide about the specific character of the

75%
of employers
considered finding
appropriate people
difficult



Piotr Palikowski,
President of the Polish
Human Resources
Management
Association

The maladjustment of competency supply to demand in the Polish labour market is non-disputable. The results of the BKL Project clearly prove that. They, moreover, show the extensive scale of the phenomenon. If 75% of employers seeking employees speak of difficulties with finding candidates with appropriate competencies, this means that there is something clearly wrong along the line business – system of education – state intervention, and the EU funds invested in the development of human capital have changed hardly anything or nothing in the area. This is proved also by the inadequate results concerning participation of adult people in lifelong learning.

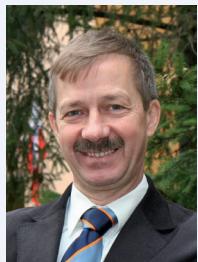
The growth factors of Polish economy, resulting from the cheap labour force and unsaturated markets, are nearly depleted, and one would in vain seek the sources of future competitive edges in the system of education. The BKL Study is perfect material for a debate concerning our future and the direction of the necessary state intervention. An exercise that we all must perform perfectly.

given sector. For example in industry (manufacturing, mining, building, and transport) difficulties in finding skilled workers were registered in the operations related to hospitality, retail and other services, there were problems with finding service workers and medium-rung technicians. What proved a challenge in the segment of specialist services, in turn, was the recruitment of professionals and service workers. Taking into consideration the oversupply of sales workers presented above, the problems of employers with finding sales forces may seem surprising. They, however, result from the undersupply of competencies described here as well. In other words, the candidates who apply to work in the occupation failed to meet employer expectations.

Why is it so difficult to find an appropriate employee?

In three cases out of ten, the problem with finding appropriate people resulted from the failure of the candidates to meet specific expectations. Only in very few occupations, problems related to the shortage of people eager to work were of key importance. It was most difficult to find physicians responding to announced vacancies. The percentage of recruitment that had no applicants turning up was as high as 70%. Problems of quite a different nature, in turn, occurred in the case of employers seeking teachers, and especially guidance counselors. In this case, these were the employers who were unable to meet the candidates' expectations (mostly of financial nature).

70%
of attempts to
recruit for positions
as physicians
were unsuccessful
owing to a lack of
candidates



Professor Michał
Federowicz, Director of
the Educational Research
Institute

School is the place where one should gain the key competencies. If you have them, others can be acquired at the worksite. Therefore, we should train the skill of changing occupations (reskilling). The reason why there is a system of formal education and the reason why there is to be non-formal education well linked to it is an opportunity, capacity, and openness to the change of occupation, and supplementation of your particular competencies. If you have the skill of learning, you will far better understand what the employer needs.

What competencies do the candidates lack?

Generally, it must be said that the shortcomings concerned mostly occupation-related competencies, that is the skills and knowledge that are closely related to the character of the activities performed in specific occupations. Shortcomings in this area concerned especially specialist occupations: science and engineering associate professionals, business and administration professionals, information and communications technology professionals, and also personal service workers. Disregarding the skills that are specific for every occupation,



the employers pointed also to the deficits of self-organisation (18%), and interpersonal (15%) competencies. The shortages of self-organisation skills were true mostly in the case of drivers of various types and categories of vehicles, and teachers and other education professionals. Moreover, the employers believe that shortages in interpersonal competencies are mostly a problem among education professionals, sales workers, electrician and electronics engineers and technicians, and personal service workers.

What competencies do the current employees lack?

Employers were asked also about the skills that the currently employed lack. The answers received corroborate the repeating pattern of competency gaps. Employers pointed to the largest deficits in the area of specific skills concerning individual positions. Moreover, the employed lack self-organisation competencies that is the skill to plan work, initiative and creativity, and



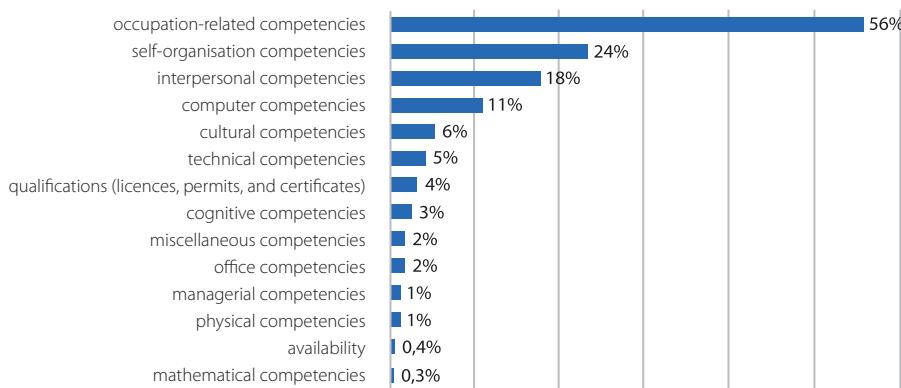
*Beata Stola,
HR Director
Aster sp. z o.o.*

We seek people who have at least minimum experience in the occupations that will allow the candidates to realise what it means to work, and understand what company, responsibility, and duties are. Moreover, we find the entrepreneurial spirit

in the individual, which allows the capacity to organise work important. Unfortunately, our recruitment experience proves that some candidates who apply lack humility and modesty despite the modest experience they can prove.

interpersonal skills necessary for teamwork and in contacts with others. In the services sector (hospitality, retail and others), besides occupational competencies, the employees found contacts with people and clients most difficult. In the specialist services sector, employers pointed to the lack of interpersonal competencies and advanced computer skills.

Chart 4. Competence shortages based on assessment of the lacking competences of the employed



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Education: asset or obstacle?

As the studies proved, higher education of candidates is not a universal “trump card”. As far as in the four highest occupational categories it awards highest employability, in services

and trade, and especially in worker categories, a diploma may limit access to employment. In the case of managers, primary education is accepted by only 11.4% of employers, and higher – by 100%.



*Michał Boni,
Head of the Board
of Strategic Advisers
to the Prime Minister*

When we look at the BKL Study Report, the importance of adjusting the range of services offered by institutions of higher education to the reorienting educational strategies of the young in the shortest possible time – both at the level of secondary vocational and higher technical education – is evident. Short-term adjustment simply will not do. The system of education must prepare people to the challenges of the entire occupational career, and not only a given moment in the economy. The nightmare is not as much in the general maladjustment, but in the fact that people leave school and for another year, or a year and a half, reorient to the realistic demands of the labour market. Thus, it would be important to train in practical skills in the last years of the school or studies.

As the table below shows, while going down in the ISCO hierarchy (i.e. from managerial to elementary works) the first category in which a significant reluctance to employ people with higher education shows are office workers. One in six employers would not like to hire people with such education to such posts.

Worryingly, results of the students survey proved that a large proportion of students intend to work in this segment in future. It can be said, therefore, that already at the level of education they lower down their opportunities to find employment.

The only occupational category where higher education gives clearly a large opportunity of employment are professionals. Most employers (54%) would not hire a person with secondary or lower education for such a position.

Consequences of “overeducation”

The problem of “overeducation” among the candidates with higher education is, however, far more complex. A decided majority of the employers in all occupational categories who expect a candidate to hold a diploma, would also accept people with secondary education; the exception being the professionals, as mentioned above. On the other hand, it must be remembered that in the occupations that entail mental work, a diploma may (even though does not have to) be found by the employer an indication of higher efficiency of the employee. What we possibly deal with here, can be pushing the staff with secondary education down the occupational hierarchy, caused by the “oversupply” of people with higher education.

Table 8. The level of education accepted by employers in individual job groups

Job group (ISCO-2)	Permitted/desired education			
	primarily/lower secondary	vocational	secondary	higher
1. managers	11.4%	17.2%	83.1%	100.0%
2. professionals	7.7%	12.4%	46.4%	98.5%
3. technicians and other associate professionals	22.4%	36.1%	89.4%	92.2%
4. clerical support workers	25.4%	43.1%	79.7%	83.5%
5. service and sales workers	39.8%	73.4%	94.4%	88.8 %
7. craft and related trades workers	60.8%	95.0%	95.6%	71.4%
8. operators and assemblers	69.9%	90.8%	98.0%	75.2%
9. elementary workers	89.6%	97.0%	94.2%	66.0%
Total*	39.1%	58.7%	82.5%	84.8%

* Accounts for innumerable agricultural groups.

Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.



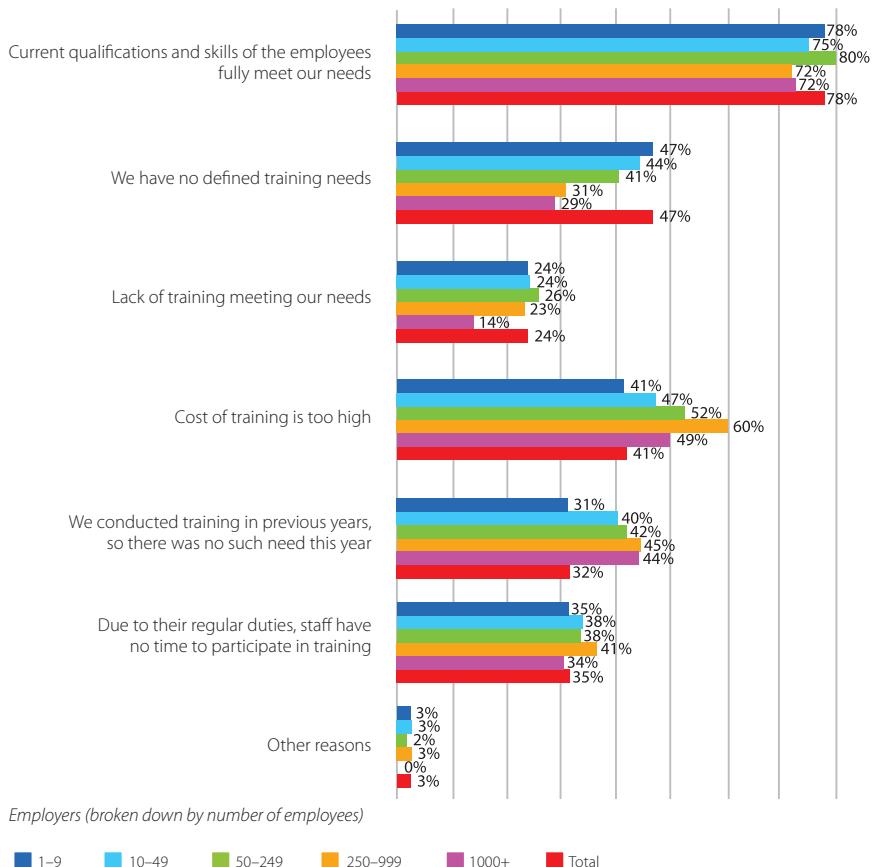
55%
of employers
undertook
measures that
served the
development of
human resources

Investment in human resources

In 2010, 55% of employee respondents undertook measures that served the development of human resources. This results mostly from recruitment strategies used by the employers. Sought primarily were employees fully prepared to the job they performed or requiring only a little training. Such an at-

titude was most popular among small and medium-sized enterprises. Domination of such recruitment strategies is not only a barrier for employment of school graduates who are usually not fully prepared to perform practical occupation-related tasks, but may also be a proof of low appetite to invest in human resources among some employers.

Chart 5. Reasons for lack of investment on behalf of employers in the development of human resources vs. the volume of employment (N=3913)



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

On the other hand, a decided majority of employers claim that the current qualifications of the staff fully satisfy their needs. Worth mentioning is the fact that in the same study employers were asked to assess

the skills of their staff. And as many as 56% of the respondents found deficits in occupational competencies, and 24% pointed to shortages in self-organisation skills of the employees.

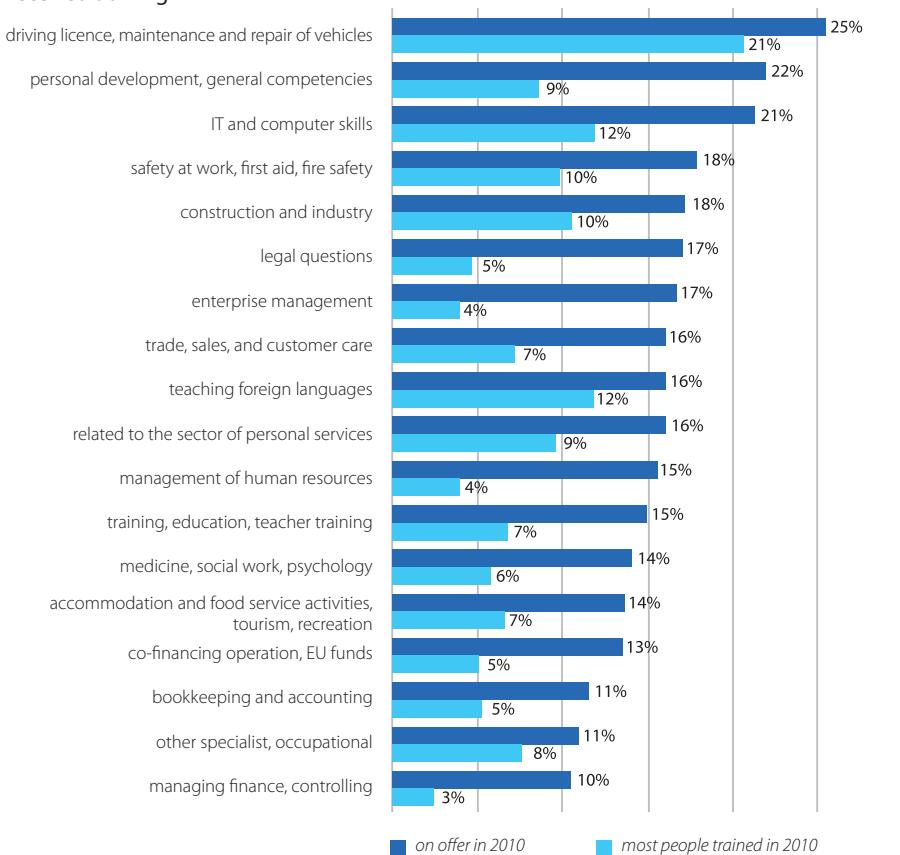
7. Who educates us when the school is over?

85%
of training firms
and institutions are
small and micro
businesses

The studies conducted show that the market of training services is strongly differentiated and fragmented. Dominant among the training firms and institutions are small and micro businesses that account for 85% of the sample covered. Only 13% are medium-size businesses that employ (in any form) from 50 to 249 employees, and only 2% are a large institutions with employ-

ment exceeding 250 people. The subjects present in the offer of services extended by training firms and institutions concentrate in areas that do not help to eradicate the competency maladjustments present in the market. Proposed most often are types of training that only satisfy the current needs of the ordering party (e.g. driving licence, vehicle repair and maintenance).

Chart 6. The range of subjects on offer in 2010 and the subjects in which most people received training



Source: Study of Human Capital in Poland – report concluding the 1st round of the Study conducted in 2010, PARP 2011.

Even though majority of training firms and institutions covered by the survey are planning to expand the range of services during the coming 12 months, this is mostly true about the fields that have already been pre-

sent in the training market. The fields mentioned most often included ones related to the sector of personal services (hairdresser, beautician, florist, make-up artist, tailor, etc.), related to personal development.

and development of general competencies including teaching foreign languages, information and computer technologies, preparation to obtaining driving licences,

construction and manufacturing, education, teacher training, medicine, psychology, social work, and trade, sales and customer services.

8. Crucial challenges for the development of the human capital

Thanks to such a complex study of the labour market conducted as part of the BKL Project, it is possible to name the most important tasks that all institutions responsible for the quality of human capital in Poland must face. Without systemic actions, it will be impossible to eliminate the competency gaps that employers face. One needs to develop the skills of continuous acquisition of knowledge and internal motivation to the above. Today, they are among the key competencies that everyone should be furnished with. Moreover, it is important to increase the flexibility of formal and non-formal education, so that it could react to the changing market needs. This will certainly be easier to obtain once the employers have been involved more strongly in collaboration with schools and institutions of higher education. Yet for this to occur, it is necessary that the attitudes of employers to investment in human resources and strategic planning of employee competency development change.

Greater divergences of the paths in education above lower secondary schools

Because of the insufficient differentiation of paths in education at levels above lower secondary, as many as 80% of young people function in the system lower secondary school – general secondary school – institution of higher education. This is a vicious circle which does not account for the needs of the economy, and especially of small businesses that generate most jobs, and require mostly crafts and technical quali-

fications. The proportion between people receiving general and vocational education at upper secondary level observed in Poland is contradictory with the dominant structure of secondary education in EU states (40% – general education, and 60% – occupational and technical education). Due to that, the labour market struggles with the shortage of people with qualifications obtained in basic vocational schools, and on the other – with an excess of people with general and higher education. An additional reason to worry is the fact that the current division into general and vocational education reinforces the division into better and poorer students. Students of vocational schools assessed their competencies visibly below the young people learning in general secondary schools. What remains a challenge is the preparation of an alternative, modern option for vocational education and training that will be attractive for the young people, and at the same time answer the needs of the labour market.

Education vs. labour market

Due to the continuing deficit of the forms of active and practical learning in the system of formal education, a large proportion of students (about a third) feel the need to complement the competencies before embarking on employment. Interestingly, this is mentioned more often by the students of the schools that award licenses to perform occupations and prepare directly to employment. They know that the opportunity of finding a job depends on holding specific licenses, e.g.

to operate forklift trucks (one of most frequent mentions).

Students asked to self-assess their competencies were, however, incapable of assessing the deficits of their skills from the point of view of the future employment. The "I don't know" answers were dominant in all the categories, and in case of students of general secondary schools, they exceeded 50%. In the case of students of general secondary schools, this may result from the uncertainty concerning their future occupation. In case of vocational school leavers, there is probably a lack of knowledge of employer expectations concerning the qualifications and skills required in individual occupations.

What seems similarly insufficient is the shaping of entrepreneurial attitudes and the skill of using them in market conditions, which is inscribed into the goals of education at levels higher than lower secondary. Nearly 40% of vocational school (i.e. ones that to a large extent are the last stage of education before entering the market) students declared eagerness to start own business in future. Yet this finds no translation into reality. Thus, what remains a challenge is to introduce practical training, coherent with the market reality, to the education on offer, a stronger emphasis on teaching of entrepreneurial attitudes, and providing students with information concerning the employer expectations. Moreover, vocational schools should furnish their students to a greater extent with general competencies, without which it is difficult to cope on any post.

Qualifications of the diploma holders vs. competencies

Graduates of institutions of higher education frequently enter the labour market without the skills that the employers expect and need. Such institutions should

assure that such skills could be developed as part of the parcel of activities accompanying higher education (e.g. through student organisations, additional classes, workshops, etc.).

Another problem is the excessive development of the segment of humanities, social sciences, and teacher training (with mass education in the area) paralleled by the simultaneous shortage of graduates of some health and technical fields. Noticeable is also the low level of respondents' knowledge and awareness of what competences are, which skills are of key importance, and problems with adequate self-assessment of the level of skills. It can be guesstimated that students did not receive sufficient market information, and are not covered by an appropriate support of a vocational consultancy system. What, therefore, remains a challenge is stronger emphasis on the acquisition of specific skills which are in demand, strengthening the collaboration between institutions of higher education and businesses, and development of a system of occupational consulting.

Appropriate position for lifelong learning

There is a need for strategic activity in education beyond schools and increasing the significance of the sector of training and consulting services for the development of human capital. To improve the educational activity of adult Poles, it is also advisable that a stronger emphasis is laid on learning at the worksite and community learning. Today, mostly people with highest competencies continue education. It is important that the link that combines education activity with age is broken. Another challenge is to disseminate lifelong learning, and education concerning the need to improve continuously the level of skills among adult Poles.



Strategic management of human capital in businesses

Also indispensable is the increase of the level of employee investments into the development of human resources. As studies have shown, a large proportion of employee training activity consists of forced actions, focusing on obligatory training: safety at work, fire protection, bookkeeping, and accounting. Occupation-related questions and development of general competencies rank below. Yet the competency shortages of the staff, that is the identified needs concerning the development of human resources, are present primarily in occupational competencies, and subsequently in the so-called "soft" competencies: indi-

vidual (readiness to learn, independence, time management), interpersonal, related to relationships between an employee and the employee's environment (collaborators, clients). Generally, however, in the decided majority of the studied businesses, there is a lack of well-designed, long-term strategies of investing in human resources based on a vision of development of an enterprise or institution, definition of competency needs, and diagnosis of employee competencies, and pointing the paths of their occupational development. The challenge here is the dissemination of strategic management or human capital, accounting for the subjects mentioned above among the employers.



**Andrzej Wypych,
HR Director and Member
of the Board of Arcelor-
Mittal Poland S.A.**

I believe the results of the BKL Study to be very useful for the employers, primarily because they let them develop a longer-term employment and remuneration policies, and therefore – estimate a chunk of future fixed costs. I find a significant added value in the fact that thanks to this information I am capable of preparing my organisation to a challenge that we are all going to face. So our calculations show that already in 2015, 500 employees of Arcelor-Mittal Poland will reach retirement age, and leave the company. This means that already now we must embark on a huge recruitment effort. The area of our interest must cover approximately 6000–7000 students. I estimate that from among that number, we will be able to hire 500 employees with the competency profile we require. Thanks to the results of the BKL Study, it will be easier to conduct this process, and the risk of making an error will decrease, especially when we consider the fact that the BKL Study is conducted in cycles. It is crucial that we, directors of HR departments, are capable of making use of this data. If we just take it for granted without taking appropriate action, one day we may find ourselves with insufficient number of candidates ready to work in our businesses.

Directions in the development of the training market

Faced with quick changes that take place in globalised economy that impact the Polish labour market, occupational courses and training that allow quick reskilling and/or updating occupational competencies are an important instrument for introducing balance between the supply and demand in labour market. The challenge for training institutions is to take over the role of the accelerator of human resource development, and not to play the role of a mostly passive provider of training services.

The sector of training services has so far covered only 55% of businesses and institutions operating in Poland (with the exception of the administration sector) and 13% of adult residents of Poland. Market saturation, therefore, seems to be relatively low. What remains a challenge is the adjustment of the thematic scope to the needs of enterprises, and also ones that have so far not used training services. The more so as one in four employers who did not invest in the development of their human resources in 2010 declared that they had not found an offer that would meet their expectations.



Aleksander Drzewiecki,
Chairman of the Council
of the Polish Chamber of
Training Companies

It is important to define what a training service is, where it starts and where it ends, and what the standard that we should aim at is. For a service provided by a training company is far more than the training itself. So far nobody has embarked on defining this. It is in our interest to promote high-quality training services and to teach the market what can be expected from training firms. The study of training companies conducted as part of the BKL Project is the first that provides an across-the-board inventory of the training market. Due to the wide range of subjects, themes, and types of training services, in the following rounds of the study, it would be worthwhile to consider the complexity of the training market, performing a detailed analysis and presenting data broken into various segments of recipients (participants), payers (clients), types of training, subjects, entities providing them, etc.



Reports

All readers interested in a more detailed insight are encouraged to become familiar with the whole series of reports available at www.bkl.parp.gov.pl:

Study of Human Capital in Poland

- Report concluding the 1st round of the Study conducted in 2010

Who's wanted in Poland's labour market?

- Report from the study of employers and job offers

The unemployed – the untapped resources of Polish economy

- Report from the survey of unemployed

Poland's secondary education: future employees in the making

- Report from the survey of students of upper secondary schools and analysis of fields of education

Students – the future force of Polish economy

- Report from the survey of the students of higher education and analysis of fields of education

Who educates us when the school is over?

- Report from the survey of training firms and institutions, supplemented with the results of studies of general population and employers

Poles in the labour market

- Report from the survey of general population

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

All the information on the project is available on the website www.bkl.parp.gov.pl, where interested parties can find the reports and also use a highly functional research result browser, and register online for conferences and regional seminars on the project. The website allows individual data investigations to be run both at the level of the entire country and of a selected region. The www.bkl.parp.gov.pl portal is a source of credible and updated data on the Polish labour market necessary in undertaking key decisions concerning human capital.

Partnership for development

The thoroughness and professionalism of the research is guaranteed by the initiators of the project: Polish Agency for Enterprise Development and the Jagiellonian University. Falling back upon the many years of experience of their experts, also international, 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. The field research was entrusted to an experienced and well known research company.



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.

The Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości, PARP) is a government 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 the State Treasury and the European Union allocated to manage entrepreneurship and innovativeness and to develop 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 the 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 Agency's mission is to establish favourable conditions for sustained development of the 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**.

One of the Agency's priorities is the promotion of innovative attitudes and encouraging entrepreneurs to apply state-of-the-art technologies in their businesses. To achieve this, PARP operates a web portal devoted to innovation – www.pi.gov.pl – and organises the annual competition **Polish Product of the Future (Polski Produkt Przyszłości)**. Representatives of SMEs are welcome to participate in regular meetings of the **Club of Innovative Enterprises**. The objective of the educational portal **Akademia PARP** (PARP Academy, www.akademiaparp.gov.pl) is facilitation of access and dissemination of business knowledge through e-learning among micro-, small and medium-sized businesses. Moreover, PARP supports the development of e-business through its website web.gov.pl. Operating at the agency is a centre of the **Enterprise Europe Network**, offering entrepreneurs information on EU law and the principles of conducting business in the Single Market.

PARP initiated the development of the **National SMEs Service Network (Krajowy System Usług, KSU)**, which helps business start-ups and companies developing their business activity. In over 150 KSU centres (including KSU Consultation Points, KSU National Innovation Network, and loan and guarantee funds collaborating within the KSU) situated all over Poland, enterprises and start-ups are welcome to acquire information, participate in training on how to run business, and receive loans and/or guarantees. Besides the above, the agency runs the KSU website (www.ksu.parp.gov.pl). PARP's regional partners in the implementation of selected activities are the Regional Financing Institutions (RFIs).