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**PROBLEMS OF YOUNG PEOPLE ON THE
LABOUR MARKET IN PODLASKIE PROVINCE IN
THE OPINION OF EMPLOYERS**

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Problems of young people on the labour market in Podlaskie province in the opinion of employers ¹

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Keywords: *unemployment; young people; labour market; competency gaps*

Abstract

Research background: In this article, chosen results of the study regarding the opinions of employers in the Podlaskie province (Poland) on their perception of young people entering the labour market are presented. In particular, efforts have been made to answer the following questions: what are the reasons for not recruiting young people and what are the largest competency gaps that employers notice within this group of employees? The unemployment rate of young people in Poland in the age range 15-29, reached 14.2% in 2015. For comparison, at that time the average for the EU was higher by almost two percentage points, and the decline compared to the year 2013 was lower than in Poland. In all provinces in Poland, the unemployment rate in 2015 was in the double-digits, and the Podlaskie province had the worst indicator of all regions with an unemployment rate of 13.8% among youth. It turns out that higher education in Poland has lost its importance in the process of hiring staff. Employers are increasingly less likely to look at the educational background of candidates, as they focus more on their experience and specific skills.

Purpose of the article: The purpose of this article is to present the chosen results of research regarding the diagnosis of the situation of young people on the labour market in the Podlaskie province from the perspective of employers. In particular competency gaps were identified and other reasons for not recruiting young people.

¹ Ewa Rollnik-Sadowska, PhD and Joanna Samul PhD were co-authors of empirical the research. The article was financed with the statutory funds of Organization and Management Department, Faculty of Management in Białystok University of Technology (S/WZ/3/2015).

Methodology/methods: this article includes analyses of desk research and results of quantitative research, which was carried out on a sample of 346 respondents among 16 companies registered in the Podlaskie province.

Findings: Among the reasons for not employing young people which were most often mentioned by the entrepreneurs from the Podlaskie province in quantitative research were financial reasons. During the interviews, employers indicated the reasons for not employing young people such as "lack of appropriate qualifications," "specific skills" or simply "practical preparation for work." Employers when asked about the competence gaps of young people pointed out that they have a lack of experience, initiative and entrepreneurship, as well as learning skills.

Introduction

The human capital of young people is a significant element of labour force for European markets. This is mainly because of demographic changes and the strong ageing of European society. On the one hand, Europeans are living longer and healthier lives, and subsequent generations can benefit from longer life spans (Sadowska et al., 2016, p. 346). Globalization causes significant changes in the labour market. Greater individualization of work is noticeable, self-employment is increasing, and more and more people work part-time (Matwiejczuk & Łaut, 2011, p. 4).

Instead of paying attention to narrowly defined skills and qualifications companies regard more important the candidates' personal qualities and attitudes which cannot be recognized through conventional diplomas and certificates. The workforce is expected to show flexibility, entrepreneurship qualities, personal responsibility, adaptability, innovation, creativity and in general a self-directed and a self-motivated attitude (see Richman et al., 2008, pp. 183-184; Casner-Lotto & Barrington, 2006, pp. 7-9).

Recent studies look at the importance of work experience in more detail. The analyses relate to a large empirical labour literature on the returns to experience, seniority, and job tenure, initiated by Topel (1991, pp. 145-176), Carlsen (2016, pp. 39-49). Researchers are focused also on generational differences and very different priorities of different generations who are on the labour market (Krahn 2014, pp. 92-112; Worth 2016, pp. 601-616; Haiyan 2015, pp. 147 - 168).

Precariousness and precarious work, broadly associated with high levels of labour insecurity, are prominent themes in recent employment relations

research (Cambell 2016, pp. 314-332; Standing, 2011; Vosko, 2010; Vosko et al., 2009). Researchers have produced a rich and expanding literature that describes dimensions of precariousness and forms of precarious work, and its incidence and trends in advanced capitalist societies (Kalleberg, 2011, pp. 271–288.; McKay et al., 2012). Although most studies are descriptive, some explore causes, highlighting how employers, within a framework of labour regulations, introduce labour-use practices that reduce costs and shift risk onto individual employees (Frade and Darmon, 2005, pp. 107–121; Rafferty and Yu, 2010).

Initiatives within the framework of labor market policy in Poland are often limited to the supply side of the market. They consist of the implementation of activation programs for selected groups of the unemployed or providing financial support to maintain a certain level of income. Much less action is focused on the support of entrepreneurs who create new jobs. The demand for labour is essential for the labour market. It affects the size and profile of employment and unemployment, which is why state action aimed at supporting entrepreneurs in creating new jobs is an important part of labour market policy (Rollnik-Sadowska, 2015, p. 319).

The following article takes the issue of youth unemployment and the problem of the mismatch of skills and qualifications of the youths to the labour market needs. The purpose of this article is to present the results of empirical research regarding the diagnosis of the situation of young people on the labour market in the Podlaskie region from the perspective of employers. In particular, competency gaps and key reasons for not employing of young people have been identified.

Method of the Research

The purpose of this article is defined as an assessment of the situation of young people on the labour market in Podlaskie from the perspective of employers. The study involved the companies, established in the Podlaskie province. Quantitative research was carried out on a sample of 346 respondents from 3 sub-provinces from Podlaskie: Białystok, Suwałki and Łomża.

In relation to the companies a fixed amount-random selection of respondents was adopted. Due to the fact that the region is dominated by small enterprises employing up to 10 people (they constitute 96.1% of all non-public sector entities), this criterion was rejected as a differentiating condition. It assumed, however, that it should take into account the selected sectors of the economy of the region, characterized by the greatest number

of operators or employing the greatest number of employees. According to the assumptions of research, respondents represented 6 branches, in at least 45 companies in every industry. Most of the surveyed companies represent the following sectors: services (22%), trade (16%), other sectors (15%). Subsequently, construction (14%), agriculture (13%). The least-represented industries include transportation (11%) and industry (9%). The majority of respondents (69%) were micro enterprises -under 10 employees, followed by companies employing between 10-50 employees (19%), while 7% of respondents employed 51 to 250 people. The smallest group (5%) were large enterprises, with more than 250 employees.

The situation of young people on the labour market in Poland

In comparison with other age groups in Poland, young people find themselves in a difficult situation on the labour market. The age group is characterised by very low professional activity and a low employment rate. In 2015 only slightly over one in every four people aged 15-24 were employed (26.1%), while in the age group 15-29 - 45% were employed, and for 15-39 year olds the figure rose to 62% (Eurostat, 2016).

Taking into account the long-term unemployment rate among young people, it should be noted that the situation in the EU, Poland and individual regions of the country has been improving since 2013. The rate in Poland is similar to that of the EU (4.6%), however taking into consideration the changes since 2013, we can notice a decrease (by over 30% in comparison with 2013). Eurostat has not published data regarding 3 provinces, and the available data show that the provinces in the most difficult situation with regard to long-term youth unemployment last year were the Podkarpackie (8.7%), Świętokrzyskie (7.5%) and Lubelskie (7.3%) provinces. The lowest values were recorded in the Mazowieckie, Pomorskie and Kujawsko-Pomorskie provinces. In all analysed regions, the long-term youth unemployment rate in the age range 15-29 had fallen in comparison with 2013. The Podlaskie province featured in the middle of the range of provinces with a youth unemployment rate of 5.4%.

Table 1 Long-term youth unemployment rate among young people in the age range 15-29 in Poland in different provinces in 2013-2015

Country/Province	2013 [%]	2014 [%]	2015 [%]	2015/2013 [dynamics %]
POLAND	6,8	5,8	4,6	-32,4
Łódzkie	7,0	4,7	3,8	-45,7

Mazowieckie	3,9	3,5	3,0	-23,1
Małopolskie	8,7	7,8	4,7	-46,0
Śląskie	5,8	6,3	3,8	-34,5
Lubelskie	7,7	7,9	7,3	-5,2
Podkarpackie	11,1	10,0	8,7	-21,6
Świętokrzyskie	11,3	8,8	7,5	-33,6
Podlaskie	7,1	7,0	5,4	-23,9
Wielkopolskie	6,3	4,3	4,9	-22,2
Zachodniopomorskie	7,3	4,3	**	-41,1*
Lubuskie	**	**	**	**
Dolnośląskie	7,0	5,4	4,2	-40,0
Opolskie	**	**	**	**
Pomorskie	6,1	5,2	3,2	-47,5
Kujawsko-Pomorskie	7,5	6,5	3,7	-50,7
Warmińsko-Mazurskie	8,0	6,9	6,7	-16,3

*(2014/2013) **no data

Source: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_130&lang=en;
original tables: Youth long-term unemployment rate (12 months or longer) by sex and NUTS 2 regions; [entry date: 20.12.2016]

Taking the dynamics of the analysed phenomenon over the years 2013-2015, the situation improved in all provinces. The largest decrease in unemployment was noted in the Kujawsko-Pomorskie, Łódzkie, and Małopolskie provinces (in some cases over 45%). Unemployment decreased the least in the Lubelskie (-5.3%) province. The Podlaskie province experienced an almost 24% decrease in unemployment over the analysed years. This situation was made possible among others by demographic factors to do with negative natural population growth, as a result of which there are less people in the age group 15-29, as well as high emigration rates of young people to other European countries (the Podlaskie province is well above the national average in terms of number of emigrants).

Among the reasons for high unemployment among young people in Poland, those that are most often pointed out are: the lack of work experience of young people entering the labour market, candidates' qualifications not being suited to employers' needs, unsatisfactory cooperation between the educational and employment systems, and the high salary expectations of young jobseekers (Plan realizacji Gwarancji..., p. 8).

The situation of young people on the labor market in the opinion of Podlasie entrepreneurs

Reasons for not recruiting young people and competence gaps of young workers

Among the reasons for not employing young people, which were most often pointed out by the respondents were financial determinants (Tab. 2). On average, the respondents complained about the high cost of doing business (3.74), generally high labour costs (3.71), the high cost of creating a new job or too high salary expectations of candidates (3.7). In fact, high labour costs are the reasons for which employers are not generally willing to hire new employees, not only in the specified age range. On the other hand, greater mobility of young people and better education results provoke high salary expectations, which is why some young Poles have trouble finding and taking a rewarding job (Population Survey 2015).

The less important reasons of not employing young people were lack of appropriate permissions, qualifications or skills (below 2.7). It would seem that these are the key arguments in favor of not employing people without proper training. It is difficult to meet all the requirements regarding the qualifications, competence and experience. Therefore, those who possess all the qualities sought are very valuable resource for the company. On the other hand, in a situation of severe staff shortages, employers will have to change their attitude and also recruit people who require further additional training. This will open better employment prospects for people who have had trouble finding it so far.

Table 2 The reasons for not employing young people, in the opinion of entrepreneurs

No	The reasons for not employing young people, in the opinion of entrepreneurs	Average (scale 1-5)
1	High cost of doing business	3,74
2	High labour costs	3,71
3	Too high salary expectations of candidates	3,70
4	High costs of jobs creation	3,70
5	The necessity of training / apprenticeship to work	3,60
6	Lack of financial support from the state labour institutions	3,50
7	Lack of knowledge of the industry	3,42
8	Lack of motivation to work	3,42
9	No work experience	3,40
10	Low demand for products in the region	3,22
11	The bad economic situation of the region	3,21
12	Lack of required personality traits	3,19
13	Lack of professional qualifications	3,15
14	The lower loyalty of young people to the employer	3,13
15	Lack of social skills relevant to the position held	3,09
16	No learning skills	3,04
17	The fear of reduced performance	2,98
18	Lack of adequate education	2,98
19	It is not profitable for companies to hire such a person	2,90
20	Prolonged exposure outside the labour market	2,86
21	The unemployed belonging to the so-called difficult teens	2,82
22	No additional skills required for the workplace	2,70

23	Lack of knowledge of foreign languages	2,65
24	No license of required category	2,50

Source: authors' construction

Employers in the least paid attention to aspects such as the lack of appropriate education (2.98), the so-called unemployed "difficult youth" (2.82), no license of the required category (2.5) or the lack of foreign language skills (2.65). Just these skills seem to be mastered by today's young people and will naturally become today's 'standard'. And in no profession they are needed and desired by the employer. The reverse situation occurred in the case of in-depth interviews with employers.

Employers from Podlaskie province addressed also the issue of missing qualifications and skills of young people. Most respondents indicated young people's lack of experience (more than 80% of answers "definitely yes" and "rather yes" – Tab. 3), which is not really a surprising result, as encroaching on the professional path (when beginning their careers), young people often have only theoretical knowledge, gained at school without any practicing or testing it in real-life conditions.

Table 3 Competency shortages of young people in employers opinion

Competency gap	Strongly agree	Tend to agree	Hard to say	Tend to disagree	Disagree
Experience	42%	39%	8%	8%	3%
Initiative and entrepreneurship	22%	38%	21%	16%	3%
Learning ability	19%	37%	22%	17%	5%
Personal characteristics, directly related to the nature	17%	35%	27%	16%	5%
Courses and rights	17%	38%	21%	17%	7%
Education	14%	29%	18%	30%	9%
Communication in foreign languages	11%	22%	28%	26%	13%
Cultural awareness and expression	16%	25%	34%	20%	5%
Social competences	14%	31%	33%	16%	6%
Mathematical and technical competence	11%	29%	32%	22%	6%

Source: authors' construction

Subsequently, young people have a lack of initiative and entrepreneurship (60%), but also learning skills and specific professional qualifications

(over 50% of responses). On the other hand, in terms of qualifications / skills of young people now entering the labour market, employers recognize their competence, communication in foreign languages and education as elements in which "features" a young man is looking for work now. The above-mentioned advantages of young people are an argument for them to seek better paid work in other labour markets outside the Podlaskie region in this country or abroad.

Conclusions

To summarize the point of view of the employers from Podlaskie region in respect of young people in the labour market and the support of labour market institutions in their employment, the following conclusions can be made:

1. among the reasons for not employing young people, which were most often pointed by Podlaskie entrepreneurs were financial reasons: the respondents complained about the high cost of doing business, and excessive salary expectations of candidates. On the other hand the research shows greater mobility of young people and better education which results in high pay expectations and some young people find it difficult to find and take up a satisfactory job.
2. Employers asked about the competence gaps of young people indicated that they lack not only experience, initiative and entrepreneurship, but also learning skills and courses. On the other hand, young people, from the perspective of the employer, possess competences like knowledge of foreign languages or computer skills.

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