

THE SITUATION OF WOMEN IN THE CONTEXT OF CONTEMPORARY LABOUR MARKET CONDITIONS

Mariola DŹWIGOŁ-BAROSZ

Silesian University of Technology; Mariola.dzwigol-barosz@polsl.pl, ORCID: 0000-0002-5306-3836

Purpose: An analysis of the situation of women on the Polish labour market and identification of arguments in favour of measures supporting the professional activation of women.

Design/methodology/approach: This study is an overview and attempts to analyse the situation of women in the Polish economy on the basis of recent Polish and foreign reports.

Findings: Macroeconomic benefits and the potential to improve business performance are arguments in favour of measures to activate women in the labour market, to support their career development and to promote gender diversity in companies to attract talent.

Research limitations/implications: The paper identifies the micro- and macro-economic benefits of increasing women's participation in the labour market.

Practical implications: The author characterises the changes taking place on the labour market in the context of the situation of women, with particular reference to Polish socio-economic policy regulations and European Union directives on equality policy.

Originality/value: Given the dynamic changes on the Polish labour market, which is already facing very strong supply pressures, seeking solutions to encourage as many people as possible on the labour market, including women, to remain economically active for as long as possible is a necessary condition for the development of the modern economy. Harnessing the potential of women brings tangible results for economies and businesses, hence measures should be taken to redress the gender imbalance in various areas of the wider labour market.

Keywords: labour market, woman, equality policy, professional activation.

Category of the paper: The paper is a review.

1. Introduction

The Polish labour market is experiencing dynamic changes that employers are facing. The age structure of Polish society indicates that the labour market is currently dominated by the baby boomers of the late 1980s and early 1990s. Just behind the current 30- and 40-year-olds, there is a serious reduction in the population of both women and men. This means that over the next five years, the domestic labour market will face strong supply pressures.

The situation will gradually worsen with every five years. This means that now is the last moment to encourage the current baby boomers to stay economically active for as long as possible. Otherwise, the economic development to make up for the gap between Poland and other Western European countries will be hampered, and the economy itself will be subject to many burdens, e.g. social (solvency of the pension system) (Zielonka, 2021, pp. 3-4). The ageing of the population has therefore become one of the reasons why women will have to fill the labour market gaps.

As Tom Peters says, with the 21st century we have 'entered the Age of Talent' (Peters, 2005, pp. 250). In today's business, people matter above all. The aforementioned demographic changes mean that it is becoming increasingly difficult to attract above-average people into businesses. Access to talent is declining as fewer and fewer young people graduate and enter the labour market, and the global economy means that you can work in virtually any country in the world. Talented people therefore choose those companies that offer more favourable working conditions not only in terms of money, but also in terms of development. Diversity - especially gender diversity at top management levels - is nowadays seen primarily as a creator of higher profitability (Adler, 2001; *The Bottom Line...*, 2011; *Women at the Top...*, 2010; Lisowska, 2010, pp. 3-12) and company competitiveness (Griffin, 2004, pp. 15, 190; Wróbel, 2010, pp. 72-79). A focus on diversity fosters the attraction of talent, especially women, who, as half of any society, are a hitherto undervalued source of talent.

The aim of this paper is to analyse the situation of women on the Polish labour market and to identify arguments in favour of taking measures to support the professional activation of women.

2. Situation on the Polish labour market

The current changes in the Polish labour market are dictated by far-reaching factors in the external environment, such as, above all, the war in Ukraine, high inflation, rising loan instalments and the increasing cost of doing business in the broadest sense. Although hiring decisions have been taken very cautiously since the beginning of 2023, companies are starting to build strategies and plans for the coming months anew, which looks quite promising for the labour market.

In the third quarter of 2023, 31% of businesses plan to hire new employees, according to the ManpowerGroup Employment Outlook Survey (ManpowerGroup Employment..., p. 4). According to the report's authors, the Outlook for Poland, which reflects the recruitment sentiment of organisations, is plus 12%, indicating a greater willingness to hire new talent than in recent months. This is 4 percentage points higher than the forecast declared for the period from April to the end of June, and an increase of 4 percentage points compared to Q3 2022. In practice, this means that the labour market is slightly more active than in recent times.

The global employment gap is projected to be as high as 453 million people (11.7%) in 2023, more than double the global unemployment rate (5.3%) (The reality of the labour market...). According to 'The Talent Shortages by Manpower' (Talent Shortage...), already 77% of employers worldwide report problems finding qualified talent.

In Poland, difficulties in finding qualified employees were reported by as many as 72% of employers, who anticipate strong global demand for talent in key sectors. Digitalisation continues to drive the job market globally: organisations in IT declare the most optimistic outlook (+35%). Employers in finance and real estate (+28%) and energy and utilities (+26%) also expect to expand their teams (figure 1).

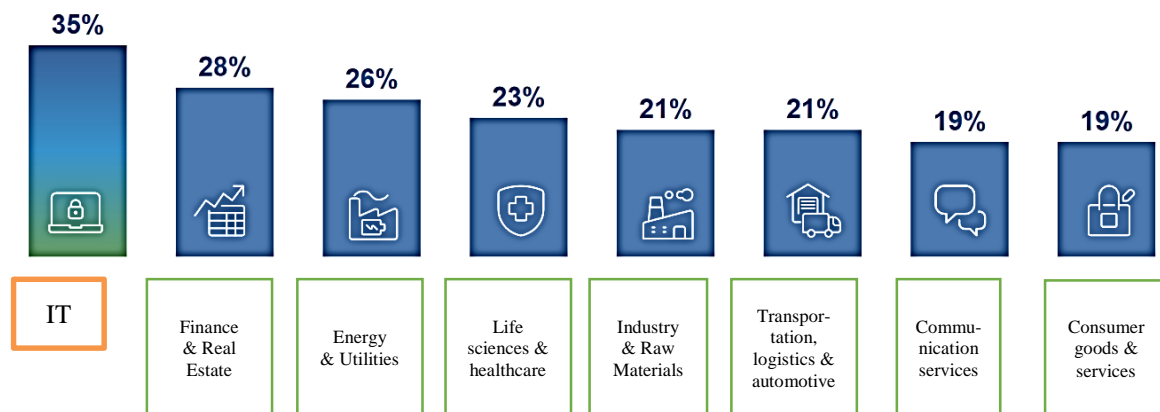


Figure 1. Global demand for talent in key sectors of economies.

Source: ManpowerGroup Employment Outlook Survey Report. Data for the first quarter of 2023, https://7370478.fs1.hubspotusercontent-na1.net/hubfs/7370478/Barometr_ManpowerGroup_Perspektyw_Zatrudnienia_dla%20Q1_2023-1.pdf, 22.08.2023, p. 19.

At the same time, the inferior position of women in the labour market compared to that of men is perpetuated. Their situation is characterised by lower labour force participation, and the low unemployment rate is not due to high employment - it reflects greater inactivity. There is also still a concentration of employment in lower positions and in low-paid industries. The gap between Poland and the leaders (Sweden, Denmark) in the European Union in terms of equal opportunities on the labour market also persists (Report of the Women's Congress..., p. 6).

Poland's female labour force participation rate is 68% - 4 p.p. lower than the average in European countries - as many as 430 000 Polish women are economically inactive. It is still primarily women who are involved in family responsibilities, childcare and elderly care, which affects their professional plans - according to Social Insurance Plant, in 2021, 99% of women and only 1% of men took advantage of parental leave. At the same time, an inefficient childcare system effectively makes it difficult to return to work after maternity or parental leave. A survey conducted by the Pracuj.pl website shows that more than 83% of professionally active women see difficulties in reconciling parental and work duties ([https://www.portalkadrowy.pl/...](https://www.portalkadrowy.pl/)).

Labour market research and CSO data indicate the persistence of horizontal (industries) and vertical (positions) segregation of employment. Women, despite being better educated, work in lower positions than men and in feminised sectors of the economy, in occupations that

are less well paid and often described as less prestigious (Report of the Women's Congress..., p. 11).

For the past decade or so, we have had virtually equal participation of women and men in the labour market. According to Eurostat (Does gender matter...), 44% of Polish women already hold managerial positions in the country. However, when we look at senior management, this share already falls to around 25%. In turn, research conducted by the Polish Economic Institute among the largest companies listed on the Warsaw Stock Exchange shows that the share of women on management boards is 12.6% and on supervisory boards is 17.3%. Even in the financial sector, where women make up 60% of the workforce, there are only 13 on company boards (Increasing the role of women...).

According to the results of the Women's Congress Association's report, "Kobiety, rynek pracy i równość płac" (Women, the labour market and equal pay), 53% of those surveyed, including 60% of women and 47% of men, agree with the statement that it is mainly men who hold managerial positions. 38% of respondents disagree with this statement (Report of the Women's Congress..., p. 13).

3. Contemporary labour market developments in the context of the situation of women

Current trends in the labour market favouring an increase in women's labour force participation can be observed, which focus, among other things, on concrete action by all stakeholders - government, business, NGOs and societies.

One of the important incentives for improving the situation of women in the labour market is the gradual transition from the traditional family model to a partnership model, in which men are actively involved in childcare and household duties on an equal footing with women, which should significantly increase women's labour market participation.

Although, in retrospect, both the political will and the actions of the government should be critically assessed, several measures have so far been introduced in Poland at the socio-economic policy level to facilitate the combination of work and family responsibilities, such as:

- The possibility of combining parental leave with part-time work (Art. 1821d., § 1., Art. 1821e. § 1. - Journal of Laws 2015, item 1268; Art. 1, item 9 of the Act of 24 July 2015 amending the Act - Labour Code and certain other acts),
- Financing of nannies' insurance premiums from the state budget (Social Security Plant regulations in force since 1.01.2018) (<http://prawo.sejm.gov.pl/...>; <http://www.zus.pl/pracujacy/nianie/ubezpieczenie...>; <http://www.zus.pl/pracujacy/nianie/nianie...>).

In addition, three new European Union directives give directions and introduce tools for implementing equality policies in important areas for equal opportunities for women and men (Report of the Women's Congress..., p. 31):

- WORK-LIFE BALANCE - *Directive on work-life balance for parents and carers* (Directive (EU) 2019/1158...). It aims, among other things, to create an incentive for fathers to take leave, the possibility for parents raising a child under 8 to apply for flexible working hours and a non-transferable portion of parental leave of up to 9 weeks for the father and mother.
- PARITY IN BUSINESS - *Directive on improving the gender balance among non-executive directors of listed companies and related measures* (DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (EU) 2022/2381...). Increasing the proportion of women on company boards - to increase to at least 40% on supervisory boards or at least 33% on company boards, i.e. management and supervisory boards combined, by the end of June 2026.
- PAY TRANSPARENCY - *Directive of the European Parliament and of the Council on strengthening the application of the principle of equal pay for men and women for equal work or work of equal value through pay transparency and enforcement mechanisms* (DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on enhancing...). Wage Transparency (Closing the Pay Gap) Directive - introduces an obligation to provide information on minimum pay or pay ranges - in the job advertisement or before the interview - and the right of male and female workers to information on average pay levels by gender for employees doing the same work or work of equivalent value. The directive also requires gender pay gap reporting from employers with more than 100 employees.

According to experts, as time passes and generational changes take place, an increase in the percentage of economically active women will become apparent, not only in industries stereotypically considered "female". In occupations associated with men, such as driver, warehouseman, logistician, production worker, construction worker, there are beginning to be more women. According to a survey of the Friendly TSL Employer 2022 (Raport Prezes nie zgodził się...), by Pracujwlogistyce.pl and TransLogistica Poland, the number of women working in the TSL industry has already reached 47% of the total workforce.

4. Micro and macroeconomic benefits of increasing women's participation in the labour market

The labour force participation of Polish women is low compared to other women in Europe. This has consequences at the macro level for the development of the economy, but also at the micro level for households themselves. The low activity of almost half of the population means a potential lost benefit in the growth of the Gross Domestic Product, a much greater burden on the social security system. In turn, at the micro level, it is a lost household income.

According to the Central Statistical Office (CSO) data from mid-2021, women account for 51.6% of Poland's total population. There were more than 10 million Polish women of working age, i.e. 18-59. If one were to assume that the working age of women is equal to that of men (18-65), it would turn out that, firstly, more than 1.3 million women constitute a potential lost labour market resource. Potential, as some women aged 60-64 are still active in the labour market despite acquiring pension rights. Secondly, as of mid-2021, we had potentially as large a resource of working-age women as men (Zielonka, 2021, p. 3).

Macroeconomic benefits and the possibility of improving the performance of companies are arguments in favour of taking action to activate women in the labour market and support their career development.

The economic activation of women will be important for the pace of the country's economic development. Due to demographic challenges such as the decline in the population aged 15-64 (by 2.3 million by 2025) (Difference between the population..., 2014) and the large labour emigration of young people in Poland, labour supply is declining dynamically. According to McKinsey estimates based on the McKinsey Global Institute model, by 2025, Poland's cumulative GDP could increase by an additional 7% (PLN 1.3 trillion) due to an increase in female labour force participation and an increase in average female productivity. In 2025 alone, the Polish economy could generate an additional PLN 270 billion above the baseline scenario, i.e. 11% more (McKinsey&Company report..., 2017, p. 30).

On top of this, companies that prioritise gender diversity reap real benefits. This is borne out by the McKinsey study 'Diversity Matters' showing that organisations in the top 25% most gender diverse are 15 per cent more likely to have higher financial performance than the median for their industry (Labour market gets...).

5. Summary

The analysis of the professional position of women on the Polish labour market presented in the paper indicates activities supported by both the state and the European Union, which implement numerous projects aimed at combating discrimination and equalising opportunities. Unfortunately, in spite of these initiatives, the professional potential of women is not adequately noticed and appreciated, and limiting their professional position minimises the development of diversity in the company. Organisations should increase female participation, including in high-level positions, making women equal business partners for men.

The examples cited by the author of the tangible benefits of increasing women's participation in the labour market give reason to hope that gender disparities in various areas will be closed sooner than predicted by the World Economic Forum report, whose authors claim that gender equality can only be achieved in 170 years, i.e. in 2186 (Słowik, 12.2016-01.2017, pp. R6).

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