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ANALYSIS OF STAFF SATISFACTION WITH CURRENT TYPE OF EMPLOYMENT

Introduction

The structure of the regulations on employment types and their frequent change in Poland make the rules of employment types seem confusing and complicated. It happens that even after the conclusion of an employment contract, employees are not aware on what legal provisions their contracts are based.

Under Polish law, the types of employment are regulated by the Labor Code and the Civil Code. The Labor Code regulates the employment relationship, i.e. the basic type of employment, while the Civil Code includes the regulations concerning civil law contracts such as mandate or agency contracts.

It is generally believed that the employment relationship is the most favorable type for employees as it ensures the right to a paid annual leave, the right to remuneration (work based under the employment relationship cannot be performed for free) and the right to at least 11 hours of rest per 24 hours. However, the regulations that are favorable to employees may result in numerous restrictions to their employers. Therefore, a trend can be noticed that employers offer civil right contracts instead of the employment relationship as they are not so strictly regulated.

The aim of the article is to assess employee satisfaction with their present type of employment¹.

1. Types of employment under Polish law

The basic legal type of employment under Polish law is the employment relationship on the basis of which an employee undertakes to perform work of a specified type for the benefit

¹ The article is a synthesis of the research performed within Monika Zębala's MA thesis supervised by Dominika Woźny Ph.D. and defended on 18.07.2022 in the School of Banking and Management in Krakow.

of an employer and under his supervision, in a place and time specified by the employer. The employer is obliged to employ the employee in return for remuneration².

Thus, the essence of the employment relationship is the personal performance of work by the employee for the employer³ and the employer's duty is to observe the work order.

The most common type of employment relationship in Poland is the contract of employment⁴. It can be concluded for a definite or indefinite period and in both cases the contract may be preceded by a trial contract which does not exceed 3 months.

A trial contract is a fixed-term contract. It is intended to give the employee the chance to see what opportunities are offered by a particular position. On the other hand, the employer can check the qualifications, skills and determine the usefulness of the employee⁵.

The duration of fixed-term contracts of employment between the same parties may not exceed 33 months and the total number of such contracts is restricted to three. When the period of such employment is more than 33 months and the employee is still employed in this type or when another fixed-term contract is concluded, the employee becomes employed under an indefinite-term contract⁶.

Employment contract for an indefinite period of time is an open-end contract as there is no end date of the employment relationship²⁸. This is the most favorable type of employment for the employee because it provides the most statutory guarantees. It can be terminated after a specified activity of one of the parties. The contract for an indefinite period of time can be terminated by mutual consent of the parties, by notice of termination of one of the parties, or without a notice of termination⁷.

Under the Polish law, apart from the employment based on employment relationship regulated by the Labor Code, there is a possibility to establish employment on the basis of the Civil Code⁸. This solution is usually used when the main criterion is the performance of a specified task or operation rather than the need to hire an employee⁹. However, economic benefits are also considered. Civil law contracts instead of employment relationships are

² Act of 26 June 1974 – Labor Code (Journal of Laws of 2020, item 1320; of 2021, item 1162).

³ M. T. Romer, *Prawo pracy. Komentarz*, LexisNexis, Warszawa 2010, pp. 198-199.

⁴ *Umowa o pracę*, <https://www.finansowysilacz.pl/umowa-b2b-czy-umowa-o-prace/>, (accessed: 13 September 2022).

⁵ R. Styczyński, *Leksykon kadrowego. Wydanie 8 rozszerzone*, Difin, Warszawa 2018, pp. 16-17.

⁶ M. Kot, *Kompetencje menedżera*, Helion, Gliwice 2018, p. 260.

⁷ *Umowa na czas nieokreślony*, <https://rynekpracy.pl/slownik/umowa-na-czas-nieokreslony>, (accessed: 2 September 2022).

⁸ Z. Radwański, A. Olejniczak, *Prawo cywilne – część ogólna*, C.H. BECK, Warszawa 2019, p. 85.

⁹ *Co to jest umowa cywilnoprawna? Jakie są rodzaje umów cywilnoprawnych?*, <https://poradnik.ngo.pl/umowa-cywilnoprawna-umowa-zlecenie-i-o-dzielo>, (accessed: 2 September 2022).

becoming increasingly more popular among employers. This is due to the fact that such a type does not involve the obligation to pay social security contributions or payroll tax costs¹⁰.

The most common civil law contracts are mandate contracts and contracts for specific work. Pursuant to the Civil Code, Art. 734 *by a mandate contract, the mandatory commits to perform a specified legal act for the mandator*¹¹. The mandate contract is a due care agreement, which means that even if it is concluded in order to achieve a specified objective, the lack of it does not mean that the contract was not completed on condition that due care was observed during the performance of activities, which is the basic obligation of the mandatory¹².

Contrary to the employment contract, where the work is always paid, in the mandate contract the work may be free of charge. If both parties agree that the commission will be free of charge, an adequate provision is necessary in the contract.

The other most common type of civil right contracts is the specific work contract. It is concluded between an orderer and the person accepting the order (contractor). Like the mandate contract, the specific work contract is regulated by the provisions of the Civil Code (Articles 627-646). By a specific work contract, the party accepting the order commits to perform specified work, while the orderer commits to pay the remuneration. Due to the fact that a specified result is the effect of the contract, the contract is also referred to as a result contract¹³. This type provides a lot of freedom and independence in performing the task. However, it also assumes the impermanence of this legal relationship because the performance of the work is a one-time activity and restricted to a deadline. It is assumed that the result must be defined in advance, feasible and certain¹⁴.

The non-employment types of employment also include agency contracts, managerial contracts and outwork contracts.

By an agency contract, the agent i.e. the party accepting the order commits to act on a permanent basis on behalf of the ordering party when concluding agreements with clients. The parties of an agency contract, that is the orderer and the party accepting the order must be entrepreneurs – this is a trade agreement.

¹⁰ *Umowy cywilnoprawne jako forma zatrudnienia pracowników*, <https://lexplay.pl/umowy-cywilnoprawne-jako-forma-zatrudnienia-pracownikow/>, (accessed: 2 September 2022).

¹¹ Act of 23 April 1964 – Civil Code (Journal of Laws of 2020, item 1740, 2320, of 2021, item. 1509).

¹² B. Gnela, *Umowy handlowe o (niektóre) usługi*, [in:] B. Gnela (ed.), *Prawo handlowe dla ekonomistów*, Wolters Kluwer, Warszawa 2019, p. 134.

¹³ B. Babacki, *Umowy o dzieło. Jak bronić się przed atakiem ZUS*, Wydawnictwo e-bookowo, Będzin 2015, p. 8.

¹⁴ *Praca na umowę o dzieło*, <https://www.pip.gov.pl/pl/f/v/180082/ul%20UmowaPra-UmowCywilno-Internet.indd.pdf>, (accessed: 2 September 2022).

A managerial contract, also referred to as a management contract or management board agreement, is a specific type of employment. It is sometimes called an unnamed agreement as it is not regulated by the provisions of law. Its only legal source is the Civil Code article on freedom of contract (Art.353)¹⁵. This kind of agreement is most frequently concluded in entities where partners prefer to entrust the role of the management board to highly qualified specialists rather than deal with it themselves¹⁶.

An outwork contract is another type of employment. Persons hired under this type of a contract are entitled to some rights similar to those of employees although the contract does not result in an employment relationship. The contract does not require the work to be performed at the entrepreneur's premises. The contractor is obliged to deliver the effects of work at specified intervals¹⁷.

Self employment is a phenomenon that has been spreading rapidly over the last few years. An increasing number of people are choosing this type of employment. However, most of them are forced to do so by their employment situation and, for example, the inability to find other jobs. They are usually dissatisfied with this type but self-employment has many advantages¹⁸. It allows them to make their own decisions regarding, for example, the number of clients, the place and time of work as well as when to take a holiday break. It also generates a greater work satisfaction resulting from personal development and makes it possible to have influence on the income. The more work, the higher profits¹⁹.

2. The rights and obligations of the employee and employer

The rights and obligations of the employee and employer are regulated by the Labor Code as they are applicable only to persons employed on the basis of an employment relationship.

Employees have many rights under the employment contract although they are not always aware of them. The basic right of every employee is the right to choose employment. A person looking for a job in Poland has the right to choose occupation. There are exceptions when a ban

¹⁵ *Czym jest kontrakt menedżerski*, <https://inewi.pl/Blog/kontrakt-menedzerski-czym-jest-i-kiedy-warto-go-zawrzec->, (accessed: 2 September 2022).

¹⁶ *Czym jest kontrakt menedżerski*, <https://inewi.pl/Blog/kontrakt-menedzerski-czym-jest-i-kiedy-warto-go-zawrzec->, (accessed: 2 September 2022).

¹⁷ *Umowa o pracę nakładczą*, <https://calamari.pl/blog/formy-zatrudnienia-w-polsce-rodzaje-umow-o-prace-i-umow-cywilnoprawnych>, (accessed: 2 September 2022).

¹⁸ *Samozatrudnienie – poznaj zalety prowadzenia działalności gospodarczej*, <https://poradnikprzedsiębiorcy.pl/-dlaczego-samozatrudnienie>, (accessed: 2 September 2022).

¹⁹ *Samozatrudnienie – jakie zalety?*, <https://www.biura-rachunkowe.waw.pl/artykul/samozatrudnienie-wady-i-zalety-19>, (accessed: 2 September 2022).

on performing a specific job is defined by law, e.g. when a criminal record certificate is required and the applicant cannot present it. Employment relationship cannot be performed unpaid – everybody has the right to fair remuneration²⁰.

Employees have also the right to improve their professional qualifications, which is specified by the Labor Code as the acquisition and implementation of knowledge by the employee on the employer's initiative or under his consent. In such cases, the employee is entitled to a training leave, release from the whole or part of working day for the time needed to attend obligatory classes. The employee retains the right to full remuneration for the time of the training leave²¹.

Pursuant to Labor Code, Art. 105, employees who contribute substantially to the performance of tasks of the company by an exemplary performance of their duties, initiatives shown at work and improvements to their effectiveness and quality, may be granted rewards and distinctions. A copy of the notification about the reward or distinction is entered into the employee's personal file²². Employment relationship obliges the employee to diligently fulfil their duties and follow the instructions of superiors. They cannot be contrary to the provisions of law or of the employment contract²³.

The observance of OHS rules and provisions is one of the most important responsibilities of the employee. Employees are obliged to be familiar with the OHS provisions and rules, participate in training courses and take the necessary test in the area of OHS. It is necessary to use collective protection measures, as well as use personal protective equipment, work clothing and footwear. Employees should immediately notify superiors of an accident noticed or a danger to life or human health, as well as to warn co-workers and other persons in the area of the imminent danger²⁴.

Other employee obligations that are not related with OHS include careful performance of work, compliance with work regulations and working time, as well as taking care of the company's well-being²⁵.

²⁰ *Prawa pracownika*, <https://www.livecareer.pl/porady-zawodowe/prawa-obowiazki-pracownika>, (accessed: 13 September 2022).

²¹ Act of 26 June 1974. – Labor Code (Journal of Laws of 2020, item 1320, of 2021, item 1162).

²² Act of 26 June 1974. – Labor Code (Journal of Laws of 2020, item 1320, of 2021, item 1162).

²³ *Obowiązki pracownika*, <https://www.gov.pl/web/rodzina/obowiazki-pracownika>, (accessed: 13 September 2022).

²⁴ Act of 26 June 1974 – Labor Code, Journal of Laws of 2020, item 1320, of 2021 item 1162.

²⁵ *Obowiązki pracownika*, <https://www.livecareer.pl/porady-zawodowe/prawa-obowiazki-pracownika>, (accessed: 13 September 2022).

The Labor Code includes rights and obligations that do not only apply to employees but also to employers.

Pursuant to Labor Code Art. 94, the employer is obliged in particular to make employees starting work familiar with the scope of their duties, the manner of work in particular positions and their basic rights, as well as to organize work in a manner ensuring effective use of working time and high quality of work by using their abilities and qualifications. The employer should act against discrimination in employment, particularly in respect of gender, age, race, religion, disability, sexual orientation, ethnic origin, nationality and pay remuneration on time²⁶.

The employer should also keep and store either computer- or paper-based records concerning the employment relationship and personal files of employees. The employer should also meet the employee's social needs within the resources available²⁷.

One cannot be an employer without employees who receive orders and are given remuneration. One of the most important rights of every employer is to select the most competent person for a particular position. It is the employer who specifies the criteria that must be met by applicants²⁸.

Another significant right of the employer is the ability to determine the conditions of work and the salary. The employer himself decides how the work in his entity will be organized. This should be specified either by company regulations or a collective agreement. It should be emphasized that the provisions in these documents cannot be less favorable to the employee than the ones required by applicable law²⁹.

Other employer's rights include the right to assess the effects of the employee's work, to enforce the obligation to perform work diligently and conscientiously, to order the employee to work overtime, to impose a disciplinary penalty and to claim compensation from the employee for the damage resulting from the failure to perform or from a breach of duty by the employee³⁰.

²⁶ Act of 26 June 1974 – Labor Code, Journal of Laws of 2020 item 1320, of 2021 item 1162.

²⁷ *Podstawowe obowiązki pracodawcy*, <https://zielonalinia.gov.pl/obowiazki-pracownika-i-pracodawcy-33373>, (accessed: 13 September 2022).

²⁸ *Prawa pracodawcy*, https://www.praca.pl/poradniki/rynek-pracy/prawa-i-obowiazki-pracodawcy_pr-1934.html, (accessed: 13 September 2022).

²⁹ *Organizacja pracy*, <https://poradnikprzedsiebiorcy.pl/-poznaj-10-praw-pracodawcy>, (accessed: 13 September 2022).

³⁰ *Prawa pracodawcy*, <https://www.livecareer.pl/porady-zawodowe/prawa-obowiazki-pracownika>, (accessed: 13 September 2022).

3. Employee satisfaction from the type of employment – analysis of the author's survey

Within the framework of primary research, a survey was conducted on a web platform among 100 employees with various types of employment in different companies. The aim of the survey research was to assess the employee satisfaction level with their employment type.

The scope of the survey included such issues as the satisfaction with the current type of employment and the willingness to continue work on this basis, the flexibility of working time, the remuneration, the stability of employment, the knowledge of the benefits (or of their lack) regulated by law, related to a particular type of employment.

The survey was conducted in the first quarter of 2022 and included 52% of women and 48% of men. The most numerous group consisted of respondents aged 25-34 years (28%), while the least numerous group were respondents in the age range of 55-65 years (9%). A vast majority of respondents had secondary or higher education (82% in total).

As many as 55% of respondents indicated being employed on the basis of an employment contract for an indefinite period. One fourth of the respondents were employed on the basis of an employment contract for a definite period. Thus, 80% of respondents were in an employment relationship; 11% were employed on a contract of mandate, 5% were self-employed and 3% had a contract for specific work.

The reply to the question whether the respondents were satisfied with their current type of employment was *definitely yes* or *rather yes* in 39 % of responses. Only 3% of respondents were definitely dissatisfied with the current type of employment. Thus, it can be concluded that the conditions offered by the present type of employment were satisfactory for the respondents.

This conclusion was also confirmed by their replies concerning the willingness to continue work on the basis of the current type of employment: 70% of respondents expressed their will to work in the same form. Probably, working conditions in the present type of employment was sufficiently satisfactory and they did not feel the need to change it. 18% respondents would like to change the type of employment, while 12% of respondents had no opinion on this matter.

The survey research also measured the satisfaction of workers with employment agreements for an indefinite period and with contracts for a specific job. 83% of respondents hired on the basis of employment contract for an indefinite period were satisfied with this type. This indicates that the terms and conditions of work were consistent with their expectations. In the case of contracts for a specific work, 66% of respondents were satisfied but none of the

respondents was dissatisfied with this type, while 8% of respondents were dissatisfied with the agreement of employment.

One of the most important criteria for a job applicant is the flexibility of working time. This is also a crucial factor that may influence the decision on changing the job³¹. 68% of respondents expressed the opinion that their current type of employment ensured the flexibility of working time, i.e. it was possible for them to perform their duties at convenient time, which made it possible to fulfil other, not only professional, obligations.

Most doubts among the respondents concerned salary issues. Almost half of the respondents were generally dissatisfied with their salaries and 18% of them could not give a definite reply. This might be caused by the increase in inflation in Poland, which led to the increase in prices of basic products. However, the dissatisfaction might be caused by the excessive number of duties that employers impose on employees under the contracts. As regards salaries of employees with employment contracts, 66% of the respondents were satisfied with the remuneration, while 20% thought it was insufficient. In the case of contracts for a specific work, 33% of the respondents were satisfied, while the same number was dissatisfied. The dissatisfaction among employees with contracts for a specific work may be caused by the lack of a minimum wage as it is the mandate and the mandatory who determine the remuneration and this may appear unsatisfactory for one of the parties.

The stability of employment is an important factor both for employees and job applicants. People feel more secure when they know they will still be employed when they go to work on the next day. The survey research showed that almost $\frac{3}{4}$ (72%) of the respondents had the sense of stability at their present position, while 21% of them did not feel it this way. As many as 89% of the respondents who had an employment contract for an indefinite time thought that their work was stable, while in the case of a contract for a specific work, 33% had this feeling.

As it was mentioned before, the types of employment under Polish law are regulated by the Labor Code and the Civil Code. The respondents were asked a question whether they knew about the benefits (or about the lack of them) associated with their present type of employment. It is worth noting that one third of respondents did not know about the benefits or their lack. This is disturbing because it gives an easy opportunity for the employer to cheat but it also may cause an improper performance of duties by the employee. Moreover, when the employee does not know the rights he is entitled to, he will not be able to exercise them.

³¹ *Kluczowy dzień w firmie – o tym, co kryje się za firanką elastycznego czasu pracy*
<https://www.optimhuman.com/elastyczny-czas-pracy/>, (accessed: 20 August 2022).

The research and analysis presented in the article do not fully cover the issues concerning staff satisfaction with the present type of employment. It seems interesting to conduct further research in staff satisfaction assessment and perform a more detailed analysis with regard, e.g. the respondents' demographic profile; for example it would be interesting to study staff satisfaction with the type of employment in terms of the respondents' age or gender.

Conclusions

In conclusion, there is no single perfect type of employment. Every type has both advantages and disadvantages from the point of view of employees. However, the most beneficial type for the employee is the employment relationship which ensures the stability of employment and an adequate rest period between subsequent days. On the other hand this is the least advantageous type for the employer, who is obliged to pay contributions. This results in the increasingly more common employment contracts regulated by the Civil Code.

It should be mentioned that according to the rules of particular employment types, both the employee and the employer have privileges and numerous obligations that they have to fulfill. A failure to comply with them may result in consequences. Consequently, it is insignificant whether the contract is based on an employment relationship or it is a civil code agreement – both parties must comply with its provisions.

It can be concluded from the survey research analysis that among the most common type of employment among the respondents is the employment relationship (employment contract for a definite or indefinite period) and a vast majority of them are satisfied with this type and want to continue it. The greatest satisfaction with the form of employment is among employees with an employment contract for an indefinite period. The respondents value the flexibility of working time and this type of employment gives them a sense of stability. It is disturbing that almost half of the respondents are generally dissatisfied with their salaries.

The choice of the type of employment has its significance not only for the employee but also for the employer. Every type of employment involves differences both in the job characteristics and the related costs. Therefore, before signing a contract, it is worth analyzing both from the point of view of the employee and the employer which type of employment will work best in terms of the cooperation and the services involved.

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Abstract

The article is an attempt to analyze employee satisfaction with their present type of employment. Employment types under the Polish law are presented as well as the right and



obligations of employers and employees. Based on the author's own survey research, the satisfaction of employee with the type of employment was assessed.

Key words

Employment types, employment relationship, mandatory contract, specific work contract, obligations and rights of employees and employers.