

Human Resource Development within European Social Fund in Poland

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The purpose of this article is to demonstrate and illustrate the results of spending measures in Poland of European Social Fund (ESF), which supports human resource development and, in particular, the systematic improvement of employee qualification. A starting point is the presentation of the European Social Fund in Poland. Then the Human Resource Development (HRD) is defined and analyzed from a few theoretical perspectives. In the following part of the article an analysis of progress is made in implementation of the strategic objectives of the Human Capital Operational Program (HCOP) and then the results of the implementation of the European Social Fund in Poland are presented. The final section shows conclusions and future research directions.

Keywords: European Social Fund, human resource development, Poland.

Introduction

Over the past few years an increased interest in the subject of the European Union and its impact on the national reform programs have been observed in Poland. This is a result of Polish accession to the European Union. Poland, being a full member of the Union, has become the recipient of financial support, which serves the implementation of the European cohesion policy. In the first programming period-within 2004–2006 – Poland received 12.8 billion euros, which represented more than half of EU funds for the ten new Member States. In the financial perspective for 2007–2013 Poland, with the amount of 68 billion euros, has become the largest beneficiary to EU funds among all the Member States of the European Union.

The purpose of this article is to demonstrate and illustrate the results of spending EU funds in Poland as one of the main instruments of the European

Communities social policy – the European Social Fund, which supports human resource development and, in particular, the steady rise of employees' qualifications. A starting point for the reflection on the human resource development within European Social Fund is the presentation of the European Social Fund in Poland. Then a theoretical view on the human resource development (HRD) is presented. In the following part of the article an analysis of progress in implementation of the strategic objectives of the Human Capital Operational Program, which embraced all ESF interventions is made, and then the results of the implementation of the European Social Fund in Poland are presented. In the end, the essential conclusions and recommendations, resulting from the theoretical and empirical research are made.

1. The European Social Fund in Poland

The European Social Fund (ESF) was created in 1958 on the basis of the European Economic Community Treaty, as the first structural fund of the European Communities (European Commission, 1958). In the initial period the ESF was to increase the chances of obtaining work in the community by employment promoting and increasing the mobility of workers. In the 2007–2013 financial perspective the legal basis for the ESF was provided by Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006. The main tasks of the ESF in the current programming period consist in support of measures covered by the following priorities:

1. Increasing Adaptability of Workers, Enterprises and Entrepreneurs by Promoting Lifelong Learning and Investment in Human Resources.
2. Enhancing Access to Employment by Modernizing Labor Market Institutions, the Implementation of Activities in the Field of Resolving Individual Labor Market Needs, such as Training, Mobility, Self-Employment.
3. Enhancing Human Capital by Supporting the Reform of Education and Training Systems, Creating a Network of Higher Education Institutions, Research Centers and Enterprises.
4. Reinforcing the Social Inclusion of Disadvantaged Persons, such as Persons at Serious Risk of Social Exclusion (European Commission, 2011).

Member States transmit the objectives contained in the documents of the EU on the local ground in the form of relevant entries in the National Strategic Reference Framework (NSRF) and Operational Programs (OP). In Poland the Human Capital Operational Program is responsible for all ESF interventions, the implementation of which 2007–2013 exceeded 11.4 billion euros. Its purpose was

to allow the full potential of human resources by the employment and enterprises adaptive potential increase. The Human Capital Operational Program consists of 10 priorities, at both central and regional levels, within which the institutions managing the individual priorities announce competitions for funding activities aimed at investment in human resources.

The central component is implemented within the framework of the 5 priorities:

1. Employment and Social Integration.
2. Development of Human Resources and Adaptability of Companies and Improvement of Health of Working People.
3. High Quality of the System of Education.
4. Higher Education and Science.
5. Good Governance.

The regional component includes:

6. Labor Market Open for Everyone.
7. Promotion of Social Integration.
8. Regional Economy Staff.
9. Development of Education and Competences in the Regions.

The last priority (10), called Technical Assistance, aims to support institutions involved in the accomplishment of the HCOP in its effective management and implementation. Allocations for particular priorities within the framework of the Human Capital Operational Program are presented in the Table 1.

Table 1. Allocations in the framework of the Human Capital Operational Program
Priorities

Priority	Community contribution (EUR)	Domestic contribution (EUR)	Total (EUR)	Share
I. Employment and Social Integration	430 260 954	75 928 404	506 189 358	4.43%
II. Development of Human Resources and Adaptability of Companies and Improvement of Health of Working People	661 310 120	116 701 786	778 011 906	6.81%
III. High Quality of the System of Education	855 300 828	150 935 440	1 006 236 268	8.81%
IV. Higher Educ. & Science	816 311 813	144 055 026	960 366 839	8.41%
V. Good Governance	519 225 980	91 628 114	610 854 094	5.35%

Priority	Community contribution (EUR)	Domestic contribution (EUR)	Total (EUR)	Share
VI. Labor Market Open for Everyone	1 918 389 821	338 539 380	2 256 929 201	19.76%
VII. Promotion of Social Integration	1 319 970 145	232 935 908	1 552 906 053	13.60%
VIII. Regional Economy Staff	1 350 207 670	238 271 942	1 588 479 612	13.91%
IX. Develop. of Education and Competences in the Regions	1 447 911 629	255 513 817	1 703 425 446	14.92%
X. Technical Assistance	388 287 040	68 521 242	456 808 282	4.00%
HCOP Total	9 707 176 000	1 713 031 059	11 420 207 059	100%

Source: (Ministry of Regional Development, 2012).

Poland, becoming a member of the European Union in 2004, “came” in the programming period of 2000–2006. In the first programming period 2004–2006, Poland received 12.8 billion euros, which represented more than half of the EU funds for the ten new Member States. In the financial perspective for 2007–2013 Poland, with the amount of 68 billion euros, became the largest beneficiary of the EU funds among all the Member States of the European Union.

Within 2004–2006, as a result of the support offered by the ESF, more than million people benefited from the aid in more than 8 thousand projects, valued at more than 8 billion PLN. The goal of the last programming period 2007–2013 is, i.a., the creation of about 61 thousand new jobs, coverage of the support in the form of advisory services or one-off measures to take up economic activities for almost 65 thousand people, enhancing professional qualifications for over 218 thousand unemployed, as well as trainings for about 500 thousand employees of companies. Reaching these indicators was possible by projects enrolling in the implementation of priorities, defined in the program and accomplished at the central and regional levels.

The European Social Fund was and is a great opportunity for Poland. The purpose of the Fund is long-term actions, consisting of investment in human capital, which is linked to an improvement of the competitiveness of the regions and an increase in entrepreneurship (Grewiński, 2001, p. 268). It is an instrument of the modern employment policy and the development of human resources, contributing to the achievement of socio-economic cohesion.

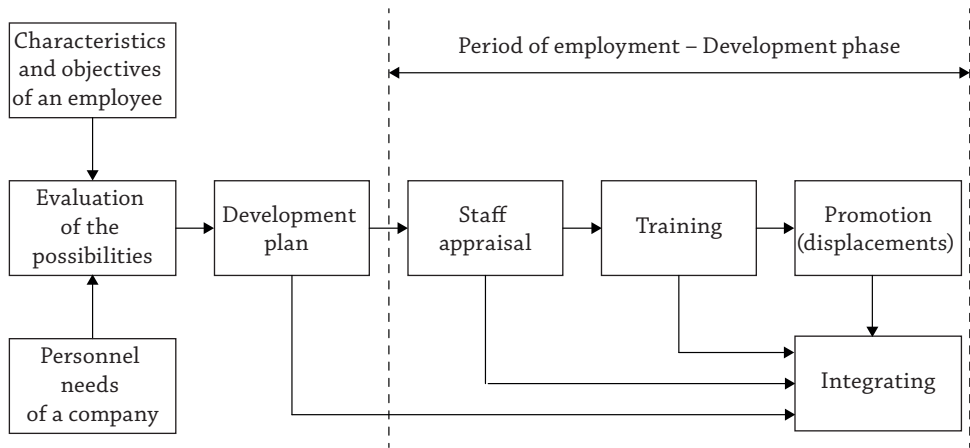
2. The definition and meaning of human resource development (HRD)

In the subject literature there is no consistency as to the scope of the definition of human resource development (HRD). According to Armstrong *human resource development is the process in which, through the educational and development experience one acquires and develops knowledge, skills and abilities and forms their behavior and attitude. Its purpose is to ensure the educated, skilled and dedicated employees for an organization according to its needs* (2011, p. 574). Poczowski suggests another interpretation. By the human resource development, he understands the *intentional configurations of knowledge enrichment ventures, abilities development, shaping the values, attitudes, motivation and skills, as well as taking care of physical and mental health of those carrying out the work, whose measures lead to the increase in its efficiency and the market value of human resources*" (2013, p. 274). In a variety of definitions related to HRD, there is also the concept of Kostera and Kownacki, who claim that the *training and development are the personnel system elements designed to complement the knowledge and improve the skills and competences necessary for the proper performance of the tasks in the current and future workplace* (2000, p. 429). In turn, Król, by human capital development understands *a group of activities in the field of knowledge enrichment, development of skills and abilities, development of motivation and physical and mental health of employees, which should lead to the increase in their personal human capital and the value of organizational capital* (2006, p. 432). The definition, which, according to the author, fully meets the modern meaning of the concept of human resource development, is by Listwan, who by HRD means *the process of preparation to carry out tasks and occupy positions of greater complexity and responsibility* (2005, p. 384). The human resource development is treated here as a dynamic process, which consists of the following activities:

- human resource development planning,
- staff appraisal,
- training,
- human resource organizational movements,
- integrating of human resources, (Fig. 1).

In the course of these activities, one must adjust the objectives and expectations of employees to capabilities existing in an organization, in accordance with the changing conditions of the environment¹.

¹ More on this subject of HRD can also be found in: Miś (2007), Suchodolski (2008), Suchodolski (2010).

Figure 1. Elements of the HRD process in an organization

Source: Listwan (1998, p. 74).

One of the essential elements of the organization's external environment, impacting the human resource management and, therefore, the development of the capital is political and legal factors. These are primarily the administrative and legal regulations and the government policies. The accession of Poland to the EU structures is associated with the need to adapt the Polish Law to the EU Legislation, a.g. the Long-Term Strategy for the Country Development under the name *Poland 2030. The Third Wave of Modernity*, the National Reform Program for the implementation of the *Europe 2020 Strategy* and the nine integrated strategies, including the Strategy for the Development of Human Capital. A tool, through which the operational objectives of SDHC are carried out, especially as regards the development of human resources, is the Human Capital Operational Program.

3. An analysis of the progress in the implementation of the strategic objectives of the Human Capital Operational Program

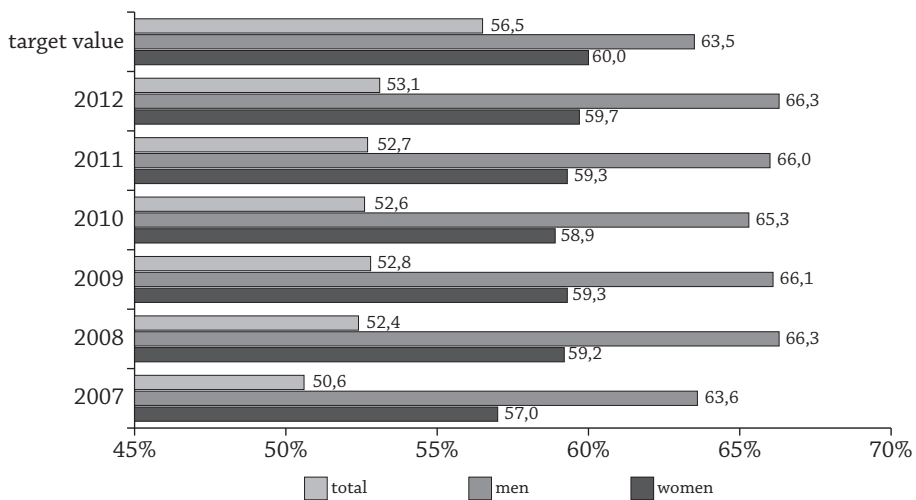
The main objective of the Human Capital Operational Program, which is to *improve the quality of human capital and enhancing social cohesion*, is achieved through the following strategic goals:

1. Improving the level of professional activity and ability of finding employment by persons who are unemployed and professionally passive.
2. Reducing areas of social exclusion.

3. Enhancing the adaptability of employees and enterprises to changes that take place in the economy.
4. Popularization of education in the society at all educational levels with concurrent improvement of the quality of educational services and a stronger correlation between them and the needs of the knowledge economy.
5. Enhancing the potential of public administration as regards development of law and policies and providing high quality services, and strengthening partnership mechanisms.
6. Enhancing territorial cohesion (Ministry of Regional Development, 2007, p. 124).

Analyzed from the point of view of the article are the following objectives: the first, third and fourth. With regard to the objective of improving the level of professional activity and ability of finding employment by persons who are unemployed, it should be noted that the employment rate of people aged 15–64 in 2012 was 59.7%. It was lower than the average for Member States of the European Union, which amounted to 64.2%. In 2012, however, a slight increase in the employment level was reported – by 0.4% compared to 2011 (Fig. 2)

Figure 2. The employment rate for persons aged 15–64 in the years 2007–2012

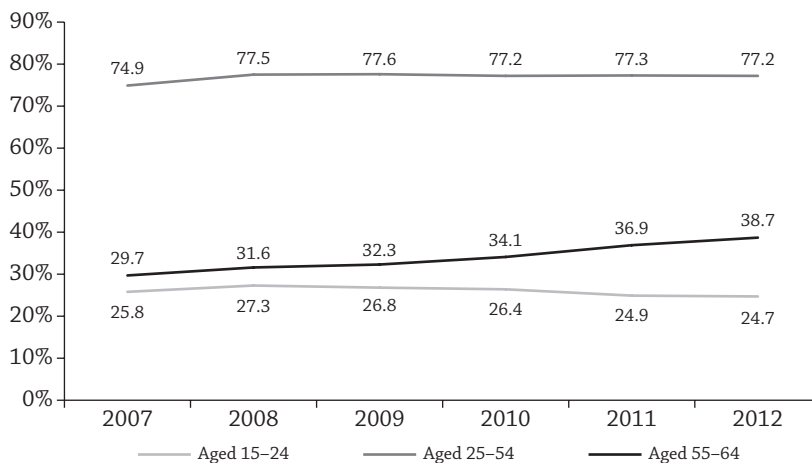


Source: Ministry of Regional Development (2012).

The employment rate for people aged 15–24 reached 24.7%, and like in previous years, was higher among men (29.3%) than among women (19.9%). In the case of this age group the economic downturn contributed to a slight reduction in the level of employment among young people. The employment rate for persons aged

15–64 in Poland greatly deviates from the average for Member States, where it amounted to 32.9%. Also in the case of persons aged 25–52 there was a decline in employment levels in 2012. The employment rate in this age group amounted to 77.2%, which means a decrease of 0.1% compared to 2011. The employment rate of people aged 25–64 in the European Union countries stood at 77.2% in 2012. Interestingly, the employment rate for women in Poland –71.5% is slightly higher than the average for Member States, which amounted to 71.2%. It is worth noting that an increase in the level of employment was reported among those aged 55–64. At the end of 2012, the employment rate in this age group amounted to 38.7% and was higher in relation to 2011 by nearly 2%. The employment rate of persons aged 55 plus on the Polish labor market still differs significantly from the average for the Member States of the European Union, which in 2012 reached 48.9%. However, in comparison with 2007, the year in which the Human Capital Operational Program began its implementation, that indicator has increased by 10% (Fig. 3). This is a result of the measures taken by the Managing Authority of HCOP aimed at recognition of the 45 plus group as disadvantaged and directing more support within the framework of the competition projects².

Figure 3. The employment rate of persons by age in 2007–2012

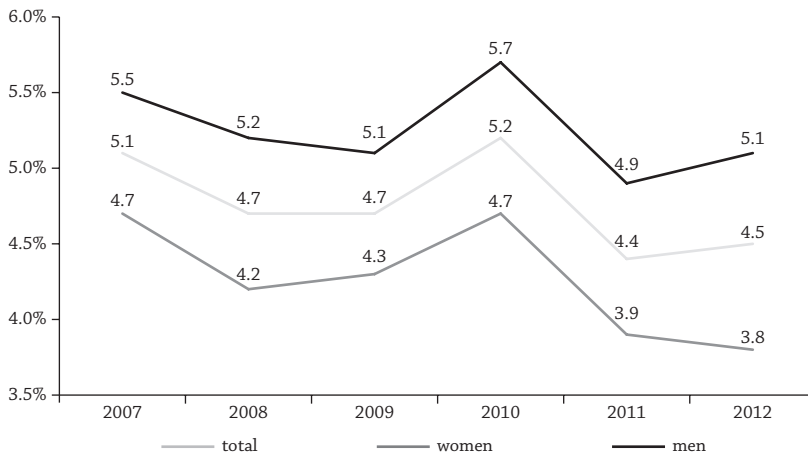


Source: Ministry of Regional Development (2012).

² More on this subject can be found in the final report of The Evaluation of the Effectiveness of Support Forms Offered under the Regional Component HCOP. (2012). At <http://www.efs.gov.pl/AnalizyRaportyPodsumowania/>.

In the area of the third objective, in respect to enhancing the adaptability of employees and enterprises to changes that took place in the economy, in 2012, there was a slight increase in the share of people aged 15–64 studying and training in the total population of this age that stood at the level of 4.5% (Fig. 4). The purpose of the National Strategic Frame of Reference is specified for Poland at 10%. In the 27 countries of the European Union in 2012 this percentage amounted to 9%. The low level of this indicator in Poland stems from the little popular idea of lifelong learning in Polish society. The reason for insignificant popularity is the lack of awareness of the need to raise the qualifications and the belief that knowledge, which was once gained, is sufficient and there is no need to amend it.

Figure 4. Participation of people aged 25–64 learning and training in the total population of this age in the years 2007–2012



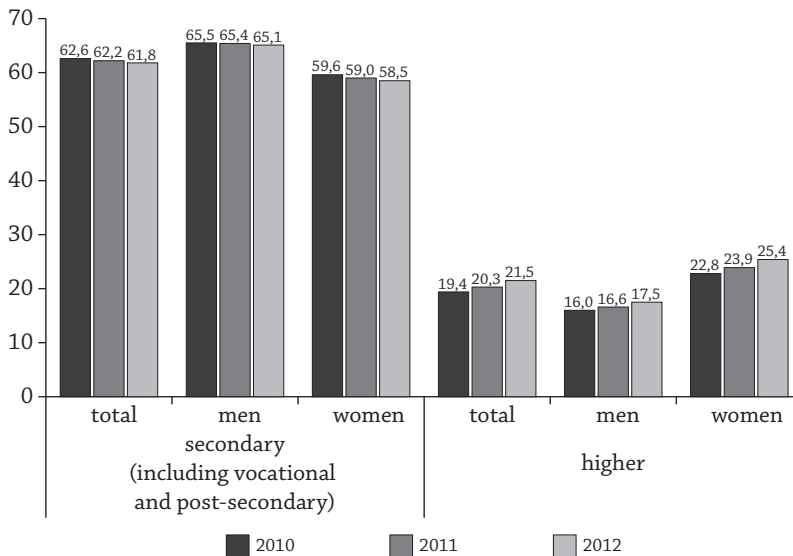
Source: Ministry of Regional Development (2012).

By analyzing the participation of adults in lifelong learning, one might want to pay attention to the results of a study evaluating *Lifelong Learning* carried out in the framework of *The Balance of Human Capital* project in Priority II. According to the report in 2011 more than 64% of Poles did not raise their qualifications in any way. In addition, 37% of those polled had never participated in courses, training, workshops, trade internships or other forms of non-formal education. The results of the study indicate that the larger the enterprise or institution, the more often activities are taken towards the development of workers' skills (Ministry of Regional Development, 2012, p. 12).

By making the verification of the fourth strategic objective, concerning the dissemination of public education at every stage of education, in 2012, as in the

previous two years, the trend was associated with a change in the structure of education of the population aged 15–64. With reference to 2011, the participation of people with secondary education dropped to 61.8%. At the same time in 2012, percentage of people with higher education increased and accounted for 22.7%. As in the period of 2010–2011, a larger share growth of people with higher education was reported in case of women (Fig. 5).

Figure 5. The structure of education of the population aged 15–64 in the years 2010–2012



Source: Ministry of Regional Development (2012).

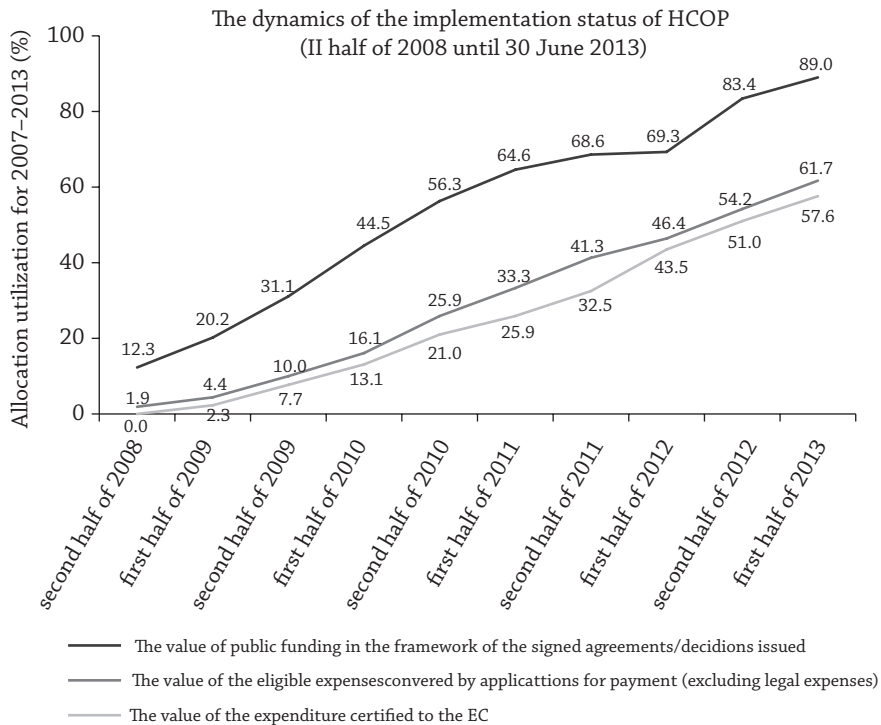
The projects from ESF contributed to such a result, in which the part-time university studies were and are free of charge. These projects are part of the central component in the framework of the Fourth Priority under the name of *Higher Education and Science*.

4. The results of ESF intervention

At the end of June 2013, within the framework of the Human Capital Operational Program provides, more than 40.3 thousand contracts have been concluded for the projects implementation financing totaling almost 44.7 billion

PLN, which makes up 89% of the allocation, aimed for the program implementation in the period of 2007–2013 (Fig. 6).

Figure 6. The dynamics of the HCOP implementation status in the period from the second half year of 2008 until the end of June 2013



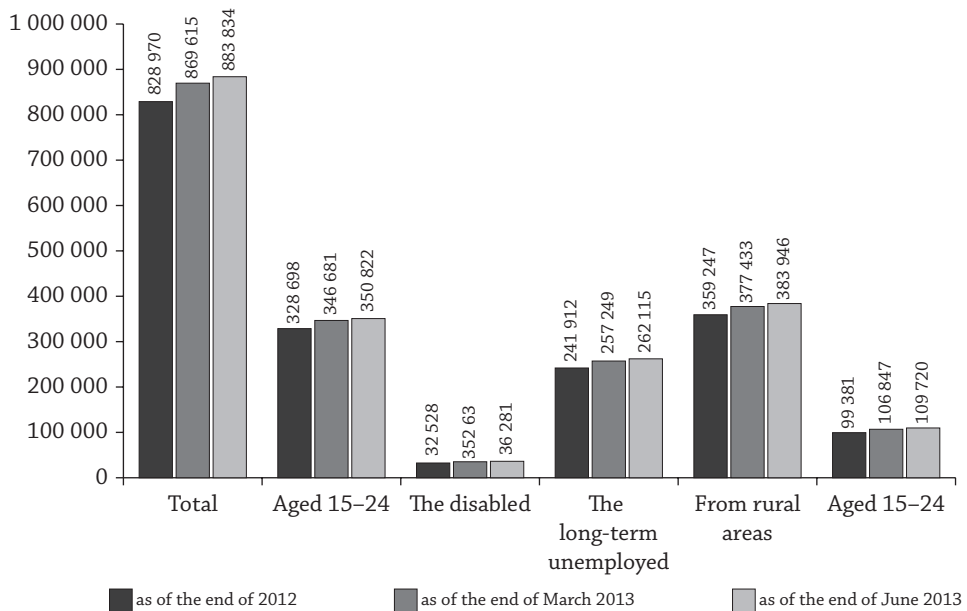
Source: Ministry of Regional Development (2013).

By the end of the second quarter of 2013, within the framework of the Central Component, funding of more than 12.8 billion PLN was earmarked on the basis of more than 3.2 thousand project contracts, under which the level of allocation for the period 2007–2013 amounted to 84.2%. The highest degree of contracting was recorded in the Fourth Priority – *Higher Education and Science* (93.9%) as well as in the First Priority – *Employment and Social Integration* (83.5%). However, in the framework of the Regional Component of the Human Capital Operational Program, on the basis of more than 37 thousand signed contracts, up to 30 billion PLN has been earmarked so far, and the achieved level of utilization of the allocation accounted for 90.5% within 2007–2013. Under the Regional Component of HCOP, by far the Sixth Priority – *Labor Market Open for Everyone* is most effectively

implemented, in which the utilization degree of allocations amounted to 97.7% for the period of 2007–2013 (Ministry of Regional Development, 2012).

By the end of June 2013, more than 883.8 thousand people had been involved in projects aimed at activating unemployed professional people, including up to 351 thousand young people and approximately 110 thousand people aged 50–64 (Fig. 7). In addition, the activating support was received by more than 262.1 thousand of long-term unemployed, about 36.3 thousand people with disabilities and almost 384 thousand of rural area inhabitants.

Figure 7. The number of people who have completed their participation in the Sixth Priority of HCOP



Source: Ministry of Regional Development (2013).

Clear progress has been reported in the area of the agility of workers and enterprises. By the end of 2012 support was provided almost 173.5 thousand companies in both the Central and Regional Component. Participation in training projects, implemented at the regional level in the Eighth Priority – *Regional Economy Staff* had been accomplished by 666 thousand working adults, including 103.2 thousand people over the age of 50. In addition, nearly 367.6 thousand employees of companies took part in the projects within the Central Component of the Second Priority – *Development of Human Resources and Adaptability of Companies and Improvement of Health of Working People*, including 54.5 thousand workers over the age of 50.

By analyzing the progress in the field of employment at the end of 2012, it should be pointed out that the level of implementation of most of the indicators in the Sixth Priority – *Labor Market Open for Everyone*, exceeded the targets, which proves a high level of support to people without jobs. By the end of 2012 over 148.6 thousand people had received measures for economic activity, which fully accomplishes the purposes planned for the period 2007–2013. 829.3 thousand people had taken part in projects aimed at professional activation, implemented regionally, while on the central level as many as 97.3 thousand people (Ministry of Regional Development, 2012).

Moreover, as it is clear from the evaluation study, entitled of *On-going Evaluation*, carried out on behalf of the Polish Agency for Enterprise Development PAED, the aim of which was to assess the usefulness of the funded training services and the impact diagnosis of training and post-graduate studies funding on the professional situation of workers and enterprises activity, owing to the participation in the EU projects, as much as 87% participants earned new professional qualifications, and 94% had broadened their current qualifications. What is more, 89% of respondents expressed their interest in further training³.

The European Social Fund is an effective instrument of social policy of the European Communities in the field of employment, the agility of workers and enterprises, social integration and education. In the area of employment, there has been clear progress in kind. Only at the end of 2011 more than 124.5 thousand people had received measures for economic activity, which fully accomplishes the target established for the period 2007–2013. Over 833.8 thousand people took part in projects dedicated to professional activation. Significant progress was also reported in the agility of workers and enterprises. By the end of 2012, support had been provided to 173.5 thousand companies in both the Central and Regional Component. In terms of social inclusion EU help was received by almost 6.3 thousand social economy bodies. Importantly, approximately 164.9 thousand clients of social welfare institutions were involved in projects relating to active inclusion, and 198 thousand people in this group were included in social contracts. In addition, as a result of the support, 16.1 thousand key staff of social welfare institutions raised their qualifications on the regional level and 3.9 thousand workers on the central level. In the field of education, close to 2.3 thousand of pre-primary education centers received support from the ESF and almost 10,1 thousand primary schools, secondary schools and high general education schools accomplished development projects (Ministry of Regional Development, 2012).

³ More on the positive impact of training from EU funds can be found in: Haromszeki (2013).

5. Concluding comments and implications for HRD research

Research and analysis, available in the literature on the European Social Fund in Poland, carried out mainly by the Ministry of Regional Development, which prepares regular reports on *The Effects of Implementation of The Human Capital Program*, are mainly of descriptive nature, lack an explicable and predictive perspective. A similar problem was noted in Portugal, studying the ESF. E. Tome called it the *absorption logic paradox* (2012, p. 191). The qualitative problem is defined by the presence of an absorption logic which co-exists with the economic logic in the European Social Fund. The absorption logic has administrative and international causes. Administrative – because money should be spent and international because money is a gift from abroad. The logic also means that some programs are made more by inertia and because they generate higher impacts and not because they address the needs of the more necessitated people (Tome, 2012, p. 191). In addition, little attention is paid to the issues of the effectiveness of EU spending for the development of human capital. It is important to specify the conditions conducive to increasing the efficiency of spending of the EU funds in the organizations.

In terms of research, the Polish case of HRD within the ESF should be compared with other national cases in the European Union to find out if there are certain regular patterns that occur within all the Member States. It is also worth comparing the ESF patterns with other operations of the International Human Resource Development by which a country or organization in one country receives funds from another country (Tome, 2012, p. 192). In addition, the research should take into account the micro-economic perspective, i.e. an organization. Evaluation of the impact of European Union funds on social cohesion is recognized in the literature in macro-economic terms and stochastic model of overall equilibrium. The qualitative approach and micro perspectives are missing. In the end, the development of human resources in organizations within the framework of the ESF should be recognized as systemic. Most of the literature studies and research do not show a systemic approach, which should exist between the training policy, human resource development and the human resource management and personnel strategy of an organization.

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