

# Labor Market Segmentation as an Important Factor in Research of Labor Immigration. Comparative Analysis Based on the Opolskie Voivodship Empirical Findings

Sabina Kubiciel-Lodzińska, Bogdan Ruszczak

Opole University of Technology, Poland

---

## Abstract

*The purpose of this paper is to draw attention to the need of taking into account the existence of dual labor markets in the majority of developed countries when analyzing research results on labor immigration. The countries most affected with this duality are the ones where immigration is still on the increase; amongst others, Central and Eastern European countries. Selected qualitative and quantitative research methods were implemented in the study. The data source was a structured questionnaire interview conducted in 2007–2008, among 91 employers and the comparison research carried out again in 2014–2015 with 263 participating entrepreneurs. In accordance with the dual labor market theory, the employers were divided into those who offered employment in the primary or the secondary labor market. The research carried out in the Opolskie Voivodship, Poland showed that those employing a foreign labor force were driven by different reasons in the primary or the secondary sector of the labor market. It was also determined that taking into account the segmentation of the labor market in analyses of results of research on labor immigration positively affected their interpretation and provided more precise conclusions.*

**Keywords:** labor market, immigration, market segmentation, entrepreneurs

**JEL Classification:** C83, J23, J61

## Introduction

Migration processes, including in particular those relating to labor migration, are fairly difficult to assess from a statistic perspective only — i.e., through an economic analysis (Castles and Miller 2011, 45). To understand those phenomena, it is often enough to conduct empirical research. However, drawing accurate conclusions is only possible by performing a correct analysis of the said research. Nowadays, the labor market in the majority of countries is segmented (a dual labor market). This means that there are industries (professions) on the market which are perceived as prestigious, requiring specific qualifications (“good” jobs) and occupations which do not require qualifications, generally perceived as unattractive (“bad” jobs) (Bibb and Form 1977, 977). As a general rule, immigrants take up those jobs which the native labor force does not want, one of the factors stimulating immigration being, inter alia, the labor market segmentation in the host country (Lewis 1982, 156). However, as Bohning (1995, 9) notes, in industrialized countries, which are the main targets of labor immigration, more and more often two extreme groups are needed (i.e., unskilled workers and highly skilled employees). That is why labor market dualization seems

---

### E-mail addresses of the authors

Sabina Kubiciel-Lodzińska: s.kubiciel@po.opole.pl

Bogdan Ruszczak: b.ruszczak@po.opole.pl

to be an important factor affecting the process of immigration. The ever-increasing numbers of the foreign workforce gives stimulus for considerable growth in migration studies in Poland (Golinowska 2004; Grabowska-Lusińska and Żylicz 2008; Klimek 2014; Kubiciel-Lodzińska 2012, 2016, 2017; Organiściak-Krzykowska et al. 2013).

Results of research on migration are generally analyzed taking into account the sex, education, duration of stay or home country of migrants, and even their religion (Brownell 2010; Sporlein 2015; Zimmermann, Zimmermann, and Constant 2007). The purpose of this paper is to draw attention to the necessity to take into account, in the analyses of research results on labor immigration, the fact that in the majority of developed countries, there is a dual labor market, since, as already shown, it affects the migration processes (Dietz and Kaczmarczyk 2008, 42; Neuman 2014, 20–21). As established in empirical studies, the sector of the labor market influences significantly the interpretation of results of analyses. The above observations have also been confirmed by research whose selected results are presented in this paper. It was conducted in Poland, where the labor market undergoes segmentation (Kaczmarczyk 2015, 3), and the research area was the Opolskie Voivodship. It is a specific region in terms of migration processes as it is characterized by a long tradition of (usually foreign) travel, which brings about social, demographic, economic and cultural effects. In addition, it is a region characterized by the deepest decline in the population in Poland (Waligórska et al. 2014, 113). The consequence of those changes which take place in the region is an already discernible shortage of manpower on the labor market which is increasingly compensated by employing foreign workers. Due to the said processes, the Opolskie Voivodship is one of the best areas for research into labor immigration in Poland.

## 1 General framework and literature review

One of the most frequently employed theories of segmentation is the dual labor market theory whose authors are Doeringer and Piore (see: Doeringer and Piore 1971; Piore 1979). Their research showed that, despite the implementation of programmes aiming at increasing the mobility and productivity of the labor force and improving access to attractive job positions, it was impossible to reduce the disparity between well paid jobs and unstable and poorly paid employment. According to this idea, the labor market is divided into two sectors: primary and secondary. The primary labor market includes job positions perceived as attractive; providing stability of employment and offering high salaries, requiring investment in training, raising qualifications and professional skills. The secondary labor market comprises job positions perceived as unattractive, for low-skilled workers, migrants, or young people. It offers relatively low wages and does not require employees to raise their qualifications.

In terms of mobility of workers, the dual labor market theory, for instance, focuses on the situation in host countries and helps explain the emergence of demand for the work of foreigners. Piore claimed that the reason for the demand for foreigner labor becoming established was exactly the labor market segmentation—i.e., the existence of “good” job positions (primary sector) and “bad” job positions (secondary sector). He noted that there were sectors (industries, professions) in the economy, in which the employment of native workers was decreasing irrespective of their supply. People reject certain job offers as they consider them unattractive. This group of jobs includes poorly paid jobs, which do not require qualifications, as well as dangerous jobs which give small chances for promotion and whose prestige is low (Iglicka-Okólska 1998, 18). That is why migrants are becoming an indispensable part of the modern labor market, additionally making it stable. Importantly, their employment does not increase the unemployment rate or affect the regulation of the economy of the country of immigration (Janicki 2007, 290).

## 2 Research area, goal, methodology

The studies, the selected results of which are discussed in this article, have been carried out in enterprises in the Opolskie Voivodship. It is called a migration region (Heffner and Solga 2013, 43) and is characterized by a long-standing tradition of departures (usually abroad) having social,

demographic and economic consequences (Bernat, Bruska, and Jasinska-Biliczak 2017; Jasińska-Biliczak and Sitkowska 2014, 58). The Opolskie Voivodship has become a kind of a “laboratory” for the study of migratory processes, in particular economic migration. For several years, this has also been a region where research work on foreign migration, mainly economic (Kubiciel-Lodzińska 2012, 2016, 2017; Kubiciel-Lodzińska and Maj 2017) but also among students (Kubiciel-Lodzińska and Ruszczak 2016), has been carried out.

The understanding of determinants and effects of foreign economic migration into the Opolskie Voivodship is constantly being broadened. Research on labor immigration was carried out several times in this region. It involved administering questionnaire surveys whereby questions were asked to the subjects by the authors themselves. These researches were conducted in the years 2007–2008, and comparison research was carried out again in the years 2014–2015.

The following hypotheses were put forward:

- Employers from the primary labor market have other reasons for employment of foreigners than employers from the secondary labor market.
- Foreigners taking up jobs in professions included in the primary segment of the labor market are guided by other motives in undertaking work abroad, as compared to employees entering the secondary labor market segment.

In the literature, it is noted that assignment to the correct labor market sector is not always obvious and it hinders empirical analyses (Massey et al. 1998, 54). In the conducted research, assignment to the correct sector depended on the profession (or function), in which a company employed or would have been willing to employ a foreigner. In the case of workers, the type of job they performed was taken into account. Assignment to the primary market was most often connected with doing white-collar work (e.g., foreign language teachers, physicians, IT specialists, sales representatives, sports coaches), whereas assignment to the secondary sector resulted from performing manual labor (e.g., skilled and unskilled workers).

The Paper & Pen Personal Interview (PAPI) method was applied at the beginning of the study, conducted in the years 2007–2008, and for the later stage, done in the years 2014–2015, several other ways of interviewing respondents were used. First, a Computer-Assisted Web Interview (CAWI) survey was sent to over 900 companies—all members of the Opole Chamber of Commerce (479 companies), Klub 150 (199 companies), participants of the international research project pursued by the Opole University of Technology and the University of Opole (200 companies), and those featured in the database of the Opole Voivodship Office as entities that obtained work permits for foreigners in 2014 (30 companies). However, only 44 of them filled out and returned the questionnaire. Therefore, email communication with respondents was found ineffective, and the PAPI was employed again, conducted at additional meetings and in training sessions organized for the enterprises. Finally, in the years 2007–2008, research was conducted among 91 employers employing foreigners and in the years 2014–2015 with 263 participating entrepreneurs.

**Tab. 1.** The structure of surveyed employers by the sector of labor market

Labor market	2007–2008 research		2014–2015 research	
	<i>n</i>	%	<i>n</i>	%
Primary	15	16,5	50	19,0
Secondary	76	83,5	213	81,0

*Source:* Data compiled based on the results of the conducted research

*Note:* [In the journal European practice of number notation is followed—for example, 36 333,33 (European style) = 36 333.33 (Canadian style) = 36,333.33 (US and British style).—Ed.]

### 3 Labor Market Sector and its Impact on the Results of Analyze Selected Research Findings

Research conducted among those employing foreigners confirmed that the division of subjects into those representing the primary and the secondary sector of the labor market was important when interpreting research results. The most important reason for employing foreigners is the lack

of Polish employees willing to work for the offered remuneration and then higher qualifications of foreigners. However, the division of employers in terms of the labor market sector made it possible to capture significant differences between companies offering foreigners work on the primary and the secondary labor market.

Surveyed employers from the primary labor market most frequently indicated higher qualifications of foreigners. It had to do mainly with foreigners having had exceptional skills, unachievable for Polish employees (e.g., language skills native speakers, knowledge of foreign markets). The second most popular response provided by the employers was the lack of Polish employees who would have been willing to work for the offered remuneration. None of the surveyed employers from the primary labor market stated that lower remuneration expectations of immigrants were the reason for employing them. This could mean that, in sectors of the primary labor market, it is not the financial considerations or the desire to cut costs that are decisive, but above all unique qualifications of foreign employees. In contrast, the predominant reason for employing foreigners in professions from the secondary labor market was the lack of Polish workers willing to take a job for the offered remuneration—79,0% of the responses. The next most often indicated reasons for employment of foreigners were lower remuneration expectations of foreigners and greater availability of foreign workers than the native labor force. Furthermore, research conducted in the Opolskie Voivodship in 2014–2015 also confirmed the necessity to take into account in research on labor immigration the division of subjects into those representing the primary and the secondary labor market.

Similar to previous research, employing the dual labor market theory in analyses made it possible to capture the differences between the labor market sectors. For company representatives from

**Tab. 2.** Reasons for employing foreigners on the primary and the secondary labor market as indicated by the surveyed employers (2007–2008 research results)

	Primary market		Secondary market		Total	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Lack of Polish employees who would be willing to work for the offered remuneration . . . . .	5	33,3	60	79,0	65	71,4
Higher qualifications of foreigners . . . . .	9	60,0	0	0,0	9	9,9
Lower remuneration expectations of foreigners . .	0	0,0	8	10,5	8	8,8
Greater availability of foreigners than Polish employees . . . . .	1	7,7	8	10,5	9	9,9

*Source:* Data compiled based on the results of the conducted research.

**Tab. 3.** Reasons for employing foreigners on the primary and the secondary labor market as indicated by the surveyed employers (2014–2015 research results)

	Primary market		Secondary market		Total	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Lack of Polish employees who would be willing to work for the offered remuneration . . . . .	11	14,9	75	22,1	86	20,8
Lack of employees with qualification sought after by the company . . . . .	17	23,0	64	18,9	81	19,6
Higher qualifications of employees-foreigners. . .	11	14,9	35	10,3	46	11,1
Lower remuneration expectations of foreigners . .	5	6,8	43	12,7	48	11,6
Greater availability of foreign employees . . . . .	10	13,5	36	10,6	46	11,1
Higher motivation to work and greater efficiency at work . . . . .	13	17,6	47	13,9	60	14,5
Nothing would convince me to employ a foreigner	2	2,7	35	10,3	37	9,0
Other answer . . . . .	5	6,8	4	1,2	9	2,2
Total	74	100,0	339	100,0	413	100,0

*Source:* Data compiled based on the results of the conducted research.

the primary labor market, the most frequently provided reason which would have convinced them to employ a foreigner was the lack of employees with qualifications they were looking for: 23% of the subjects gave this reason. Within the group of employers from the secondary labor market, the most important factor which the entrepreneurs would have taken into account when considering the employment of a foreign worker, indicated by over 1/5 of the subjects, would have been the lack of Polish workers willing to work for the offered remuneration as well as the lack of workers with the desired qualifications. Thus, there was a crucial difference which significantly affected the interpretation of research results.

## Conclusion

Doing research into migration is fairly difficult due to its specific nature. Furthermore, the research methods are constantly being improved and complemented with the experiences of more and more researchers (Vargas-Silva 2012). The research conducted in the Opolskie Voivodship and presented in this paper is an additional contribution to this knowledge. The research hypotheses were also confirmed. It corroborated an important methodological conclusion relating to the implementation of research on labor immigration. Analyses of the employment of foreigners (the demand side) and among foreign employees (the supply side) are worth conducting taking into account the division of subjects into those belonging to the primary and the secondary sector of the labor market (in accordance with the dual labor market theory). More precisely, subjects need to be divided into employers employing foreigners in professions being part of the primary market (usually connected with white-collar jobs) and those offering work in professions included in the secondary sector of the labor market (usually connected with manual labor). Such a division is necessary due to significant differences in, inter alia, the reasons for which foreigners are employed and the terms of employment offered (Kubiciel-Lodzińska 2017, 455–458). Thanks to the introduction of such a division of employers, it is possible to obtain more precise information on the factors governing immigration and willingness to employ foreign workers in two different sectors of the labor market.

The issue of labor immigration seems to be all the more important in developed countries, where the native labor resources are shrinking more and more (due to, among other things, aging of the population and low birth rate). It is expected that the demand for two extreme groups (i.e., unskilled workers and highly skilled employees, will be on the rise). The first group is to fill in the least attractive gaps on the labor market from the viewpoint of native workers (agriculture, cleaning), whereas in the case of the second group, it is mainly about making use of their knowledge and experience (Bohning 1995, 9). Organizations seek new ways of gaining competitive advantage and becoming more innovative (Bębenek 2016, 2017). One such possibility is diversity management (Maj 2017; Sauberer, Maj, and Senichev 2018). The conducted research has shown the behavior of foreigners on two different labor markets, but, at the same time, it made it possible to establish that using the work of immigrants in professions from the secondary labor market is of predominant importance in Poland. The use of foreign employees on the primary labor market is of lesser significance and is usually connected with employing a person having specific skills that are inaccessible to the native labor force (e.g., knowledge of a language or of foreign markets).

Taking into account the segmentation of the labor market in analyses of results of research on labor immigration has a significant effect on their interpretation and provides more precise conclusions.

## References

- BERNAT, M., A. BRUSKA, and A. JASINSKA-BILICZAK. 2017. "Influence of the Cultural Background at Small and Medium Sized-Enterprises Innovations in Regional Dimension." *Institute of Economic Research Working Papers* (12): 49–58.
- BĘBENEK, P. 2016. Project and Innovation Management in Agriculture—Outsourcing and Protection of the Environment in Polish Farms. Paper read at 16th International Multidisciplinary Scientific GeoConference (SGEM 2016), 2016.06.30–07.06, at Albena, Bulgaria.

- . 2017. Effective Innovation Management in a Company—Innovation Assessment Criteria. Paper read at 4th International Multidisciplinary Scientific Conference on Social Sciences and Arts (SGEM 2017), 2017.08.24–30, at Albena, Bulgaria.
- BIBB, R., and W.H. FORM. 1977. “The Effects of Industrial, Occupational, and Sex Stratification on Wages in Blue-Collar Markets.” *Social Forces* 55 (4): 974–996. doi: 10.2307/2577567.
- BLUESTONE, B. 1970. “The Tripartite Economy: Labor Markets and the Working Poor.” *Poverty and Human Resources* 5 (4): 15–35.
- BODVARSSON, Ö.B., and H. VAN DEN BERG. 2013. *The Economics of Immigration. Theory and Policy*. 2nd ed. Dordrecht – London – New York: Springer.
- BOHNING, W.R. 1995. “Ekonomiczne i społeczne aspekty przewidywanych ruchów migracyjnych i ich wpływ na procesy przemian w Europie Środkowo-Wschodniej.” *Polityka Społeczna* (3, supl.): 9–15.
- BROWNELL, P.B. 2010. “Wages Differences Between Temporary and Permanent Immigrants.” *International Migration Review* 44 (3): 593–614. doi: 10.1111/j.1747-7379.2010.00819.x.
- CASTLES, S., and M.J. MILLER. 2011. *Migracje we współczesnym świecie*. Translated by A. Gąsior-Niemiec. Stosunki Międzynarodowe. Warszawa: Wydawnictwo Naukowe PWN.
- DIETZ, B., and P. KACZMARCZYK. 2008. “On the Demand Side of International Labour Mobility: the Structure of the German Labour Market as a Casual Factor of Seasonal Polish Migration.” In *International Migration in Europe. New Trends and New Methods of Analysis*, edited by C. Bonifazi, M. Okólski, J. Schoorl and P. Simon, 37–64. Amsterdam: Amsterdam University Press.
- DOERINGER, P.B., and M. PIORE. 1971. *Internal Labour Markets and Manpower Analysis*. Lexington, Mass.: Heath.
- GOLINOWSKA, S. ed. 2004. *Popyt na pracę cudzoziemców. Polska i sąsiedzi*. Studia i Monografie / Instytut Pracy i Spraw Socjalnych. Warszawa: IPISS.
- GRABOWSKA-LUSIŃSKA, I., and A. ŻYLICZ. eds. 2008. *Czy polska gospodarka potrzebuje cudzoziemców?* Warszawa: Ośrodek Badań nad Migracjami WNE UW.
- HEFFNER, K., and B. SOLGA. 2013. “Features of a Migration Region. An Analysis Using the Example of the Opolskie Voivodship.” *Bulletin of Geography. Socio-Economic Series* (20): 43–58.
- IGLICKA-OKÓLSKA, K. 1998. *Analiza zachowań migracyjnych na podstawie wyników badania etnosondażowego migracji zagranicznych w wybranych regionach Polski w latach 1975–1994*. Monografie i Opracowania / Szkoła Główna Handlowa. Warszawa: SGH. Oficyna Wydawnicza.
- JANICKI, W. 2007. “Przegląd teorii migracji ludności.” *Annales Universitatis Mariae Curie-Skłodowska. Sectio B, Geographia, Geologia, Mineralogia et Petrographia* 62: 285–304.
- JASIŃSKA-BILICZAK, A., and R. SITKOWSKA. 2014. “Influence of Small and Medium Enterprises Sector at the Change of Innovation Potential of Polish Regions.” *Grant Journal* 3 (1): 57–61.
- KACZMARCZYK, P. 2015. “Burden or Relief? Fiscal Impacts of Recent Ukrainian Migration to Poland.” *IZA Discussion Paper* (8779): 1–41.
- KLIMEK, D. 2014. *Funkcja ekonomiczna migracji zarobkowej z Ukrainy do Polski z perspektywy polskich przedsiębiorców*. Doctoral thesis, Wydział Ekonomiczno-Socjologiczny, Uniwersytet Łódzki, Łódź.
- KUBICIEL-LODZIŃSKA, S. 2012. *The Wage-Earning Immigration into Opole Province. The Scale, Conditions and Prospects*. Translated by J. Jędrzejowski. Studia i Monografie / Politechnika Opolska. Opole: Oficyna Wydawnicza Politechniki Opolskiej.
- . 2016. *Zatrudnienie cudzoziemców w przedsiębiorstwach. Determinanty i perspektywy (przykład województwa opolskiego)*. Praca Naukowa / Uniwersytet Ekonomiczny w Katowicach. Katowice: Wydawnictwo Uniwersytetu Ekonomicznego.
- . 2017. The Determinants of Employment of Foreigners in Polish Companies (Based on Empirical Findings). Paper read at 4th International Multidisciplinary Scientific Conference on Social Sciences and Arts (SGEM 2017), 2017.08.24–30, at Albena, Bulgaria.
- KUBICIEL-LODZIŃSKA, S., and J. MAJ. 2017. “The Tendency of Entrepreneurs to Employ Foreigners: Labour Immigrants in the Opinion of Employers.” *Central and Eastern European Migration Review* 6: 176–191.
- KUBICIEL-LODZIŃSKA, S., and B. RUSZCZAK. 2016. “The Determinants of Student Migration to Poland Based on the Opolskie Voivodeship Study.” *International Migration* 54 (5): 162–174. doi: 10.1111/imig.12257.

- LEWIS, G.J. 1982. *Human Migration. A Geographical Perspective*. New York: St. Martin's Press.
- LUSIS, T., and H. BAUDER. 2010. "Immigrants in the Labour Market: Transnationalism and Segmentation." *Geography Compass* 4 (1): 28–44. doi: 10.1111/j.1749-8198.2009.00277.x.
- MAJ, J. 2017. Together or Apart? Diversity Management and Corporate Social Responsibility in Polish Enterprises. Paper read at 29th International Business Information Management Association Conference, 2017.05.03–04, at Vienna, Austria.
- MASSEY, D.S., J. ARANGO, G. HUGO, A. KOUAOUCI, A. PELLEGRINO, and J.E. TAYLOR. 1998. *Worlds in Motion. Understanding International Migration at the End of the Millennium. International Studies in Demography*. Oxford – New York: Clarendon Press; Oxford University Press.
- NEUMAN, S. 2014. "Job Quality in Segmented Labor Markets: the Israeli Case." *IZA Discussion Paper* (8750): 1–53.
- ORGANIŚCIAK-KRZYKOWSKA, A., M. PIOTROWSKI, K. NYKLEWICZ, A. SKÓRSKA, and L. KUCHARSKI. 2013. *Popyt na pracę cudzoziemców*. Olsztyn: Wydawnictwo Uniwersytetu Warmińsko-Mazurskiego.
- PIORE, M.J. 1979. *Birds of Passage. Migrant Labor and Industrial Societies*. Cambridge: Cambridge University Press.
- SAUBERER, G., J. MAJ, and V. SENICHEV. 2018. How to Leverage the Potential of Diverse and Virtual Teams and Benefit from Diversity Management? Paper read at European Conference on Software Process Improvement (EuroSPI 2018), 2018.09.05–07, at Bilbao, Spain.
- SPORLEIN, C. 2015. "Destination Choices of Recent Pan-American Migrants: Opportunities, Costs, and Migrant Selectivity." *International Migration Review* 49 (2): 523–552. doi: 10.1111/imre.12104.
- VARGAS-SILVA, C. 2012. "Handbook of Research Methods in Migration." In *Elgar Original Reference*. Cheltenham, UK – Northampton, Mass.: Edward Elgar Pub. <http://ebookcentral.proquest.com/lib/oxford/detail.action?docID=881403>.
- WALIGÓRSKA, M., Z. KOSTRZEWA, M. POTYRA, and L. RUTKOWSKA. 2014. *Prognoza ludności na lata 2014–2050*. Studia i analizy statystyczne. Warszawa: GUS, Departament Badań Demograficznych i Rynku Pracy.
- ZIMMERMANN, L., K.E. ZIMMERMANN, and A. CONSTANT. 2007. "Ethnic Self-Identification of First-Generation Immigrants." *International Migration Review* 41 (3): 769–781. doi: 10.1111/j.1747-7379.2007.00093.x.