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## ANALYSIS OF PROVISION AND RELATIONS WITH PERSONNEL IN ENTERPRISES OF BULGARIAN TOURIST INDUSTRY

N. Penev<sup>1\*</sup>, Iv. Stoytcheva<sup>1</sup>, G. Kiryakova<sup>2</sup>, N. Angelova<sup>2</sup>

<sup>1</sup> Department of Economics, Faculty of Economics, Trakia University, Stara Zagora, Bulgaria

<sup>2</sup> Department of Informatics and Mathematics, Faculty of Economics, Trakia University, Stara Zagora, Bulgaria

### ABSTRACT

Tourism product has its own specific design and characteristics - in terms of consumption, resource provision, access to the product, etc. This implies the formation of industry-specific "laws of action" on the part of those employed in tourism. This study is focus on:

- management of human resources in the tourism business;
- analyzing the relation "quality tourism product - quality staff";
- participation of the individual employee in the production of high quality product;
- salaries, motivation, benefits of employees;
- corrupt practices in the personnel selection, payment of salaries and social security contributions.

**Key words:** Tourism; Management; Accounting; Staff Management; Motivational Process

Tourist product has its unique nature and characteristics – as far as consumption, resource ensuring and access to the product, etc. are concerned. This supposes development of typical for the industry „laws of action” performed by the ones occupied in the sphere of tourism.

In the current study the focus is placed on management of tourist enterprise as far as personnel and its management is concerned [1]. Several problems arising from the relationship „product quality –qualified personnel” are examined. Attention is paid on the role of each employee in creation of the high quality product in tourism. The so called „second side of the coin” – payment is also looked up, motivation, additional social benefits of the staff. Attention is also paid on the specific aspects of accounting

in relation to the ones hired and are mentioned and criticized some of the bad practices in the selection, management of financial relations with the personnel in tourism.

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Workforce is a major factor in the economic activity of man. Although in last decades is observed implementation of automatic production systems, and computers and robots „conquer” whole branches of the economy, replacing human beings, because of the specific nature of the product offered in tourism this is not expected to happen in the tourist industry [2]. Labour force consists only of the human qualities and abilities, which he uses in the production process.

The study of problems of provision and relations with personnel in enterprises will always be topical because of their essence. In particular, this is valid for the enterprises of the tourist industry, in which success on each level of the

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\*Correspondence to: Assist. prof. Nikolay Penev, Trakia University, Faculty of Economics, Stara Zagora, Bulgaria, e-mail: [penevbg@abv.bg](mailto:penevbg@abv.bg), [gabriela@uni-sz.bg](mailto:gabriela@uni-sz.bg), [nadja@uni-sz.bg](mailto:nadja@uni-sz.bg)

production process is connected with qualified personnel. It is from investment decision and positioning, to the marketing and selling of the tourist product. In other sectors business success could be given to technology, technical and scientific progress as a whole, soil and natural resources, while the significance of the human factor in tourism is of great importance for quality of service.

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Accounting of labour and wage in enterprises of tourist industry is specific. It is regulated by the accounting law, in compliance with the Labour Code (last amended in 2013), Mandatory code for social security and others. Enterprises in their book-keeping plan have account „Personnel”. In the sample national book-keeping plan account „Personnel” has code 421. The account is a liability and describes obligations of the enterprise to different staff categories. Relationships with employees has central place in the relationships within the personnel. Business operations here arise from the accrual of wages and other payments to employees and of deductions. Reporting wage costs in the company are carried out in the account 604 "expenses for salaries". In this account are determined salaries which are formulated in the contracts, additional payments under the Labor Code and other regulations. After determining the gross amount of wages on the basis of normative documents is defined and deductions, depending on their nature and purpose. The mandatory deductions include:

- Income tax on legal relations;
- Other taxes defined by law – pension, social security, health insurance.

Rate of insurance is based on several factors: the gross amount of remuneration of the working group and category, in compliance with the normative documents. Security relations arise with the registration of staff, respectively, from the date of commencement of activities. Costs that are made for pension, social security and health insurance are measured by the account 605 "Social security costs."

In tourism industry is observed seasonality and high labour turn over of the employees. Therefore should be strengthen the financial and tax control in the accounting process of relations

with personnel. First of all control should be exercised in the registration of contracts – labour and civil contracts, calculation and payment of social securities. This will inevitably lead to stability as far as provision of the personnel in the sector is concerned. In tourist industry enterprises are used software products for the payment with the pension, social and health insurance [3]. On a regular basis the enterprise provides information to the National insurance institute and pays in the necessary.

Expenditure of tourist enterprise is the decrease of assets of the enterprise in relation to the expected economical benefit. The dynamics of the realization of the expenditure and revenue of the enterprise is part of the process of the realization of the financial result of the company. Economic logic is connected with profit and its maximization (achieving maximum profit with minimal expenses). In this relation is necessary rate of production and sells to leave behind the rate of expenditure development. According to accounting standards expense is decreasing the value of economic benefit of the enterprise in the accounting period in the form of taking out of the company and decreasing the number of its assets or increasing its liabilities, which leads to a decrease of pure value of capital separately from that, which is due to the capital providers in the allocation of the financial result.

Ensuring qualified specialists in tourism industry is on a relatively low level. Therefore should not be paid low salaries in order to decrease expenses and increase profit. In long term plan this could lead to low-tide of specialists in the industry, decreased motivation of employees, which will influence quality of the tourist product. Owners of enterprises in the sector start realizing the negative aspects of this process. Qualified employees – receptionists, cooks, waiters, F&B managers, animators could be motivated to stay at that place with incentives and social benefits. This is a short and middle term decision of the problems of ensuring highly qualified staff. Introduction of non material stimulus is a long term decision of the problem. Prestige of the enterprise, reputation of the profession, trainings, qualification and others, these are all a prerequisite for the sustainable development of the tourist industry.

Expenses for salaries are formed by the decrease of the value of the assets, by the accrual of wages, social securities and others. Expenses related to the activity of the enterprise are initially estimated according to the particular economical elements, and after that – by function.

In the report for the revenue of the company we may find summarized information about all expenses and revenue together with those for salaries and insurances. The above mentioned report is the main source of information for the analysis of the activity of the enterprise [4]. Timely and accurately dealing with all issues and tasks related to personnel leads to a great extent to efficient allocation and utilization of labor resources of the enterprise. Labour expenses in each company have significant part in the structure of the expenses. In the analysis of the labour used in the enterprise, the quickest comparison which could be done is on the basis of expenses for salaries and insurances in the current year compared to the previous one (in absolute and relative value). In this way is defined the trend of development of expenses for salaries. At the same time could be studied the change of the relative rate of these expenses to the total rate of the expenses, when the following indexes are calculated:

- Relative share of costs for personnel to the total expenses of the enterprise;
- Relative share of expenses for live labour to the expenses for the activity;
- Revenue for activity with 1 BGN expenses for live labour;
- Realized profit with 1 BGN expenses for live labour.

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Difference in salaries of personnel in tourism industry depends on many factors:

- Different categories of employees and labour;
- Different qualification levels and education;
- Size of tourist enterprise and its effectiveness;
- Localization of tourist business, etc.

Listed factors are connected with physiological, psychological, gender, social, cultural,

educational, qualification and other differences of each person.

Perception of human potential as a competitive advantage of the organization leads to increased productivity effectiveness in the workplace. In this sense evaluation of personnel in the management of human resources processing has greater significance. Testimonial is a process, where is estimated the level of correspondence between the provided in the job description requirements and the professional capabilities of the person, on the position, over a period of time.

Purpose of evaluation in connected with increase in the individual productivity of labour and with ensuring career development for the employees in the organization. Testimonial is official systematic check with the aim to evaluate to a what extent hired personnel performs its duties in compliance with accepted regulations, tasks and strategies of the company. Results are announced on evaluations.

Because of the significance of the human capital in tourism industry is necessary regular testimonials of the hired personnel to be carried out. Applying objective estimation of the staff in tourist business guarantees security for the organization over the time, and that aims, which are planned are achievable with the help of the human resource. *Ceteris paribus*, knowledge of foreign languages is often a prerequisite for the occupation of positions of higher level.

Common trend in personnel management is realization of activities of its development, stimulation and motivation in view of current and future needs. Employees evaluate themselves as well as their colleagues.

Evaluation motivates for qualification, for better performance. Thanks to it the employee is ensured, that aims settled and expectations for his results are followed by the management, which contributes for formation and development of personality.

Applying testimonial systems in tourism achieves effective selection and positioning of the staff; their development in the hierarchy of the enterprise is forecasted; personnel is used more rationally, which is related to moral and material stimulation; structures of the tourist

enterprise are improved, when results are maximized (tourist product is better, and this is achieved with small number of personnel); in the system is observed „circle”, which is expressed in loyalty and responsibility of the personnel toward the enterprise.

**In conclusion:** we can summarize, that presented problems of enterprises in the tourist industry, as far as provision of personnel and managing relations with it are concerned have with long term influence. Timely analysis and counteraction of the negative trends will lead to increase of the profitableness of the enterprises in the tourism. Salaries nowadays are relatively high having in mind the overall situation in the country. But the seasonality of the industry leads to instability– for both entrepreneurs and employees. Possible decisions are development of new forms of tourism – congress, rural, cultural and others with the aim of achieving permanent tourist flow.

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