

QUALITY OF WORKING ENVIRONMENT – CHALLENGES TO THE ATTRACTIVENESS OF ORGANIZATIONS AS AN EMPLOYER IN BULGARIA

Attracting and retaining workforce in Bulgaria as part of the emerging integrated European labour market is characterized by a number of challenges related to both the level and dynamics of wages and the Quality of Working Environment. In the context of the multifaceted nature of the Quality of Working Environment concept in the present study, the emphasis is on the managerial capacity of the organizations to ensure both a convincing connection of the work results/achievements with the salary, as well as the compliance with the regulations of the labour and social security legislation. The survey results show that among the working-age population in Bulgaria, the negative attitudes dominate towards the offered in the organizations link between the work results/achievements and the salaries. The incorrect practices in the field of wages and social security “encourage” turnover and reduced motivation of employees with all the ensuing consequences on the attractiveness of organizations in Bulgaria as employers. Successfully overcoming these challenges should be considered as a contribution to improving the quality of the working environment and increasing the attractiveness of organizations as an employer with all the ensuing consequences on the decisions of individuals to participate in the workforce in Bulgaria.

JEL: J21; M12; M 21

Attracting and retaining workforce on the labour market in Bulgaria as part of the emerging integrated European labour market is characterized by a number of challenges both to the level and dynamics of wages and the quality of the working environment. The results of surveys show that the non-wage employment parameters are a significant factor in job mobility and individual job choices, but relatively rarely they are the subject of scientific research (Besley, Ghatak, 2005; Angrisani, et al. 2015; Bartel, 1982). After 2007, the opportunities for free movement of Bulgarian citizens to search, find, assess and compare a growing number of potential job offers increase not only in Bulgaria but also in dozens of other EU countries. (Atoyan, et al, 2016; Todorov, 2015, p. 43). Employers in Bulgaria compete with employers in other European countries in attracting and retaining the

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necessary labour force (Kahanec, 2012; Strulik, 2005; Vega, Elhorst, 2017; Zareva, 2010; Marikina, 2017, p. 23; Beleva, 2017).

In the conditions of a relatively low (compared to other member states) level of remuneration in Bulgaria, when attracting labour force, the organizations are oriented towards quick solutions and the attention is focused mainly on the growth of salaries. It is relatively rare to comment on the fact that the set of factors influencing individual decisions to participate in the workforce and employment choices, along with wages, includes various parameters of the quality of the work environment, among which for the purposes of the study, the strict observance of the agreements between the employer and the employee and the recognition of the work achievements stand out. In essence, these organizational characteristics of the work environment are an element of the attractiveness of the organization as an employer and their improvement requires both significant and sustained management effort (Mussie, et al., 2013) and in-depth knowledge.

From these positions the following **research thesis** is formed: attracting and retaining workforce in Bulgaria at the current stage of development of the country as an EU member (and part of the emerging integrated European labour market) requires in-depth knowledge of both the traditional role of wages and the quality of the work environment in organizations with an emphasis on compliance with labour and social security legislation (correct company practices on remuneration and social security) and recognition of work achievements through a clear link between work performance and wages, which creates challenges to the attractiveness of organizations such as employers and management of human resources.

Incorrect practices in the field of wages and social security and deficits in linking work results/achievements with wages have negative consequences on the motivation to participate in the workforce and employment choices. A number of studies have revealed that in recent years, problems have emerged in organizations in both directions. (Erhel, Guergoat, 2010). Improper pay practices account for about ¼ of employment breaches (EA-GLI, 2019, p. 15). The results of the European Working Conditions Survey show that only 32% of companies implement a performance management and feedback system that is the basis for the recognition of workers' achievements (EWCSI, 2015). In the context of the accepted thesis, the **main goal** of the present study is to explore the attitudes of the working-age population in Bulgaria to the quality of the working environment with an emphasis on key organizational characteristics – recognition of work achievements and compliance with the agreements between employer and employee in the field of wages and social security and on this basis to identify challenges to the attractiveness of organizations as an employer and to the management of human resources in companies.

In order to achieve the set research goal, two main tasks are performed: systematization and presentation of the theoretical foundations and the methodological framework of the study; analyzing the results of the empirical research and formulating challenges to the attractiveness of organizations as an employer. The main information source is data from a nationally representative survey, which was conducted in 2018 in the framework of a research project “Measures to overcome the demographic crisis in the Republic of Bulgaria.”

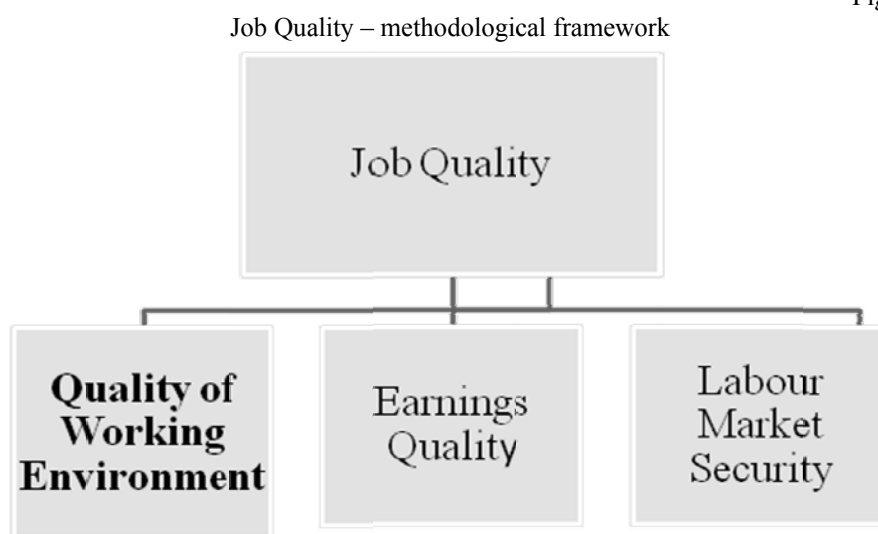
In performing the set research tasks, a number of limitations are adopted in the following areas:

- The conceptual apparatus used in the present study (quality of the working environment, quality of jobs/ employment/ attractiveness of the organization as an employer) and indicators for observations and analyzes in these areas are the subject of long-term discussions about their nature, content and measures (Zhelyazkova, 2018). The present study takes into account the cognitive value of this debate and for the purposes of the research the concepts of Job quality and Quality of Working Environment are accepted and used (Cazes et al., 2015).
- The quality of the working environment as a component of the quality of jobs/ employment covers various components, but the focus of the present study is on part of them – organizational characteristics, which include good management practices for recognition of employees' achievements, a clear relationship between wages and workers' performance and strict compliance with agreements between employer and employees. Other organizational characteristics (such as opportunities offered in the organization for improving competencies and career development, employee participation in decision-making; balance between work and family commitments, etc.) are not analyzed, but their importance as a parameter of the quality of the working environment is recognized.
- When analyzing the content and scope of the quality of the working environment, various approaches are applied in connection with which a number of classifications for structuring the main components stand out: objective and subjective; tangible and intangible; physically and behaviorally (Sell, et al., 2011). In the context of this presentation, the terms subjective and behavioural conditions/components of the work environment are used as synonyms, given that they are the subject of specialized research in various perspectives: job quality as a factor for increasing economic activity, employment, motivation, labour productivity, attractiveness of the organization as an employer (Mironova, Kicheva, 2018, p. 63).
- Traditional policies for improving the quality of the working environment are related to programs and measures to improve working hours, the content of work tasks whereby both public and private resources of the respective employers are invested. The present study focuses on the recommendations for policies and measures to introduce good management practices to ensure the compliance with labour and social security legislation in organizations and convincing connection of the work results/achievements with the salary. The improvement of the management systems for linking the work achievements and the wages and the building of the organizational capacity to comply with the norms and standards of the labour legal relations are understood as a significant factor for increasing the attractiveness of the organizations as employers.

Theoretical foundations and methodological framework of the research

The Quality of the Working Environment is a complex and multi-layered category, which in the present study is understood and analyzed in the context of the concept of Job Quality as one of its components along with the Earnings Quality and Labour market security (Cazes et al., 2015, p. 92).

Figure 1



Source: Cazes et al., 2015.

The quality of the work environment (as a component of the Job Quality) covers various elements: physical and social work environment; provided opportunities for training and development; motivators related to the nature of the work; organization of working hours and good management practices for building constructive relationships and recognition of achievements (Cazes et al., 2015, p. 92). This reveals the heterogeneous content of the quality of the working environment as a construct, which is related to the traditional separation of the two main dimensions – quality of the physical work environment and quality of the social work environment, where the emphasis is on human relations – between management and executive staff colleagues, between employer and workers. In this context, the interdependence of these relationships and their importance for the productivity of work teams (Godard, 2004), for the effectiveness of corporate governance (Dimitrov, Tchipev, Keremidchiev, Bakardjieva, 2014, p. 29) and for the level of personnel performance (Boxall, Macky, 2009) is emphasized. Good management practices are aimed at building and maintaining an appropriate environment in which the employee feels valued by management and cover a variety of activities (Boxall et al., 2003, p. 99): providing effective feedback and performance appraisal; recognition of work achievements and their connection with remuneration; strict compliance with the agreements between the employee and the employer; defining and presenting the work processes and the role of the worker in them; feedback and negotiation of objectives as an element of the performance

management system; support and guidance from the line manager, etc. The analysis of good management practices as a component of the quality of the working environment is related to the main messages of the conceptual model, popularly known as “The effort-reward imbalance model” (Siegrist, et al., 2004, p. 73), which emphasizes that the imbalance between work effort and wages have implications for people’s behaviour and performance. From these positions stands out the need through the relevant management systems to ensure a clear link between the dynamics of work results and wages (Sell, Cleal, 2011). Research states that the worker is interested in the results achieved and how they affect the salary (Camerer, Malmendier, 2007, p. 243). People expect recognition of their work achievements and a fair and honest relationship with the organization as an employer (Reena, Shakil, 2009). Good management practices in this direction require organizations to formulate and approve goals and action plans as a basis for identifying high-performing workers who must be recognized fairly and equitably (Mussie et al., 2013). Good management practices for the recognition of employees’ work achievements and for building constructive relations in the organization are a component of the methodology of the Periodic European Working Conditions Survey (EWCS 2015) – a significant source of information internationally. The methodological framework of this study includes modules for monitoring good management practices for both feedback and evaluation of performance and constructive relationships between management and executive staff. These good management practices cover various components, among which in the context of the objectives of the present study stand out: recognition of achievements and commitment of work results to salary, strict compliance with agreements between employer and employee. The connection of the work results/achievements with the labour remuneration is the basis of the performance and pay management systems applied in the organization. People are interested both in the amount of the salary and in the way it is formed and changed. Introduced performance and pay management systems should convince employees that there is a clear link between their business results/performance and dynamics of the salary. Strict compliance with agreements between employer and employee covers a wide field in which the leading place is occupied by the correct practices of payment and social security. Violations in this area are the subject of a number of studies that reveal both the various forms of incorrect practices in the field of wages and social security and their relatively wide popularity (CITUB, 2019). The good management practices as a parameter of the quality of the working environment are a traditional component of the attractiveness of organizations as an employer, understood as “a force that attracts candidates and encourages current employees to stay in the company” and as a degree to which potential and current employees perceive the organization as a good place to work (Jiang, Iles, 2011; Berthon, et al., 2005; Bakanauskiene, et al., 2017).

The concept of “attractiveness of the organization as an employer” is a complex and constantly evolving construct, which is the subject of a number of studies focused on its nature, key components, characteristics, factors and more. Some researchers (Berthon, 2005) highlight among the key characteristics of the attractiveness of the organization as an employer the recognition of work achievements, trust and attitudes that are associated with the quality, style and effectiveness of management in the organization. In connection with this, various parameters (economic, social, functional, etc.) of the attractiveness of the organization as an employer are formulated and defined. A specialized study (Pingle, 2011)

systematizes the main elements of the attractiveness of the organization as an employer in eleven groups (economic value and wages, training and development, application of knowledge, global opportunities for realization, recognition of achievements, corporate social responsibility, location advantages, human values, inspiring work environment, relationships, personal contacts) taking into account their interdependence. It is necessary to be well acquainted with these key components of organizational attractiveness, through which the organization becomes recognizable and attractive as an employer. The attractiveness of organizations as an employer is seen as a factor influencing the decisions of individuals to participate in the workforce (Farzin, 2009; Clark, 2015; Camerer, Malmendier, 2007). The literature review shows that good management practices in recognition of achievements and building constructive relationships are a traditional component of the attractiveness of the organization as an employer (Berthon, et al., 2005; Arachchige, Robertson, 2011) because they are the basis for forming and maintaining an organizational environment in which people feel valued.

In the context of the adopted research goal and thesis in the structure of the attractiveness of the organization as an employer stand out: recognition of the achievements of employees in management, good relationships between employees and their line managers, work in a pleasant and inspiring environment. It is emphasized that it is necessary to implement appropriate initiatives in the field of corporate social responsibility, where the organization is focused on the interests of key stakeholders – shareholders, customers, workers and others (Pingle, 2011). These organizational characteristics of the working environment are part of the motivational package for attracting and retaining labour in organizations in the conditions of increasing competition between employers in the process of job search. For the purposes of this study, it is emphasized that the employer-employee relationship and the recognition of achievements encompass a variety of activities, including strict compliance the employer-employee agreements and recognition of achievements. These organizational characteristics of the working environment are part of the attractiveness of the organization as an employer. In modern conditions, employers in Bulgaria are already competing with employers in other EU countries, which offer more attractive employment conditions and people take advantage of these opportunities. The motivational packages for attracting and retaining the necessary staff in the organizations include both monetary incentives (salary and social benefits) and organizational characteristics of the work environment, among which for the purposes of this study stand out: strict compliance with agreements between employer and employee and a clear link between the achieved work results and the dynamics of the salary in the organizations. These organizational characteristics of the work environment are part of the attractiveness of the organization as an employer.

The main research question is: What are the attitudes of the working-age population (which is the main potential source of workforce and job applicants) to the quality of the working environment with an emphasis on strict compliance with employer-employee agreements and a convincing connection of the work results/achievements with the salary in the organizations in Bulgaria. The answer to this research question is formed on the basis of an empirical study, the results of which are presented in the next part of the study. In the context of the purpose of the research and the accepted research thesis, two working hypotheses/WH are formulated: a) WH 1 – The negative attitudes towards the impact of the achieved work results on the salaries offered in organizations dominate (Pragmatically, this

is expressed by a lack of conviction that the work performance affects the wage); b) WH 2 – Incorrect pay and social security practices “encourage” negative aspects of work motivation and turnover (Pragmatically, this is expressed by the belief that incorrect practices lead to negative consequences on work motivation and turnover). To test the working hypotheses in the context of the objectives of this study, we use the results of a nationally representative survey conducted in 2018, which involved 1278 people of working age (18-65 years), distributed in 28 districts of our country (Borisova-Marinova, et al., 2018).

Table 1

Distribution of respondents aged 18-65 by gender, age and educational degree

Gender, age and educational degree	Number of persons	Relative share (%)
Gender		
Man	548	42.9
Woman	730	57.1
Total	1278	100.0
Age groups		
up to 29 years	234	18.3
30-49 years	554	43.4
50-65 years	490	38.3
Total	1278	100.0
Educational degree		
Basic and lower education	149	11.7
Secondary education	575	45.0
Higher education	554	43.4
Total	1278	100.0

Analytical focus is the responses and attitudes of people from three main groups, who stand out with a relatively high level of education (and potential for contribution to human capital in the country) and a higher level of territorial mobility in the conditions of free movement of labour in the EU (job opportunities in other countries under more attractive employment conditions): people with higher education, young people with higher education and people performing managerial functions/ managers. At the same time, the third target group – the persons who perform managerial functions, is characterized by relatively higher (compared to other persons) expertise in the field of management systems in organizations and the answers of the respondents from this group reflect accumulated managerial experience in the organizational environment.

The empirical study includes a module with questions about the attitudes of the respondents to the linking of the work results/achievements with the salaries and to the incorrect practices of payment and social security in the organizations in Bulgaria. To survey the opinion of the respondents in these areas, two questions are included in the questionnaire. The first of them requires the respondent to present his/her assessment on a five-point Likert scale of the following statement: “In Bulgaria, when higher results are achieved, this affects the salary” The results obtained in this question are grouped by the percentage of respondents indicating agreement with this statement. The second question is aimed at

examining the opinion of the respondents in the field of incorrect practices of organizations regarding pay and social security: “Some companies pay part of the salary “on hand “and make lower social security contributions, which leads to the following changes in their employees: looking for another, more correct employer; reducing work motivation; search for job opportunities abroad; people are OK with this situation as well. The possible answer “I do not know about such practices” is also provided, but it is indicated by less than 5% of the respondents, which is an indicator of the popularity of these practices for violations of labour and social security legislation. Respondents can choose more than one answer, highlighting the subjective preferences and assessments of respondents about the importance of the possible consequences of incorrect practices in the field of pay and social security on people’s behaviour and performance.

Analysis of the results of the empirical study and formulation of challenges to the attractiveness of organizations as an employer

The results of the answers in the survey to the first question “In Bulgaria, achieving higher results affects the salary” are systematized in Table 2 and are the basis for accepting/rejecting the first working hypothesis (The negative attitudes of the working-age population towards the commitment of work results to wages offered in the organizations dominate).

Таблица 2

In Bulgaria, when higher results are achieved, this affects the salary (% respondents indicated the respective answer)

	Total	Persons with higher education	Persons aged 25-34 with higher education	Persons performing managerial functions
In Bulgaria, achieving higher results affects the salary				
% indicated consent	30.9	30.7	37.8	33
% indicated disagreement	64	66.4	56.9	65.9

Note: the amount is less than 100% because some of the respondents indicated the answer “I do not have an opinion / I cannot judge”.

The data show that only 30.9% (less than 1/3) of the respondents support the statement “In Bulgaria, achieving higher results affects the salary” – among persons with higher education the lowest result is outlined – 30.7%. A set of about 2/3 of the respondents is formed, who do not think that in Bulgaria the work results affect the salary. For persons with higher education, this percentage is 66.4% and for managers it is 65.7%. This is a signal of serious deficits in management practices for the recognition of achievements as a component of the quality of the work environment with all consequences on the attractiveness of organizations as an employer and non-monetary incentives for labour supply in Bulgaria. Lack of belief that work efforts and results affect remuneration is associated with negative changes in perceptions of work (feelings of underestimation,

disappointment, resentment, reduced capacity and desire to work in a team, apathy, unproductive attitude towards customers) and in the level and dynamics of labour performance. The data from the nationally representative survey show a low degree of agreement (less than 40% of the respondents) that in Bulgaria the achievement of higher results affects the salary, which confirms the first work hypothesis: the negative attitudes towards the impact of the achieved work results on the salaries offered in organizations dominate. The low share of those who indicated that in Bulgaria the work achievements affect the received salary should be analyzed in connection with the potential opportunities for the target groups as EU citizens to look for and find work in other EU countries, because the market of labour in Bulgaria is already being analyzed and understood as part of the integrated European labour market.

The results of the answers in the survey to the second question (Some companies pay part of the salary “on hand” and make lower insurances, which leads to the following changes in their employees: looking for another, more correct employer; reducing work motivation; search for job opportunities abroad; people are satisfied with this situation) are systematized in Table 3 – they are the basis for accepting/rejecting the second work hypothesis: incorrect practices in the field of pay and social security “encourage” negative changes in work behaviour and performance.

The results show that incorrect practices regarding pay and social security for a significant part of the surveyed young people with higher education (55.3%) and for persons with managerial positions (51.7%) provoke desires to look for another, more correct employer, incl. and abroad. Over 1/3 of the respondents with managerial positions (36.4%), persons with higher education (33.9%) and young people with higher education (34.6%) indicate the alternative for looking for a job abroad, which can be interpreted as an indicator of popularity and the availability of such potential employment opportunities abroad for these population groups in Bulgaria.

Table 3

Some companies pay part of the salary “on hand” and make lower insurances, which leads to the following changes in their employees (% respondents indicated the respective answer)

	Total	Persons performing managerial functions	Persons with higher education	Persons aged 25-34 with higher education
Looking for another, more correct employer;	46.5	51.7	48.4	55.3
Reducing work motivation;	35.1	37.5	37.4	38.8
Search for job opportunities abroad	31.2	36.4	33.9	34.6
People are satisfied with this situation	29.3	25.6	26.9	25.5

Note: the amount is over 100% because respondents can indicate more than one answer.

The results show that incorrect practices such as payment of part of the salary “on hand” and lower social security, lead to a decrease in work motivation – the highest share is indicated among young people with higher education (38.8%) who are characterized by relatively high expectations for the working environment and sensitivity to the compliance with labour law in the organization. Specialized research focuses on a number of specifics in the priorities and expectations of different groups of the population in the labour market, emphasizing that people with higher education have higher requirements and expectations to the relations offered in organizations between employer and employee (Bakanauskienė et al., 2016). The data show that incorrect practices regarding pay and social security in organizations “encourage” turnover (especially among young people with higher education), reduce work motivation and “persuade” a certain part of those who are hesitant to look for a job outside Bulgaria (with the highest levels for respondents with managerial functions), which confirms the second working hypothesis. At the same time, the results of the survey of attitudes towards incorrect practices in pay and social security are an indicator of a certain heterogeneity in the attitudes of the respondents. As already noted, almost half of the respondents confirm the negative impact of incorrect practices in pay and social security, but at the same time there is a signal of existing relative tolerance to these cases – 29.3% of respondents indicate the answer – “people are satisfied with this situation.” Even for people with higher education and management staff, more than 25% of respondents indicate this answer. This feature of the attitudes of the respondents regarding the incorrect practices of payment and social security should be interpreted as an important (negative) signal for the state (and readiness) of the public environment in which the initiatives for limiting the violations of the labour legislation and increasing the institutional capacity to comply with the rules and laws in the organizations in the country are carried out.

In summary of the presented empirical results in the context of the objectives of this study can be formulated main conclusions that argue certain challenges to the attractiveness of organizations in Bulgaria as an employer and their systems for remuneration management and performance of human resources.

- About 2/3 of the respondents (among persons with higher education – 66.4%) do not think that in Bulgaria work achievements affect the salary with all the ensuing consequences on the attractiveness of the organizations as an employer and the individual decisions for participation in the labour force in the country. If a bold projection of these results is made on the processes of selection, training, development and motivation of human resources, it may mean that out of every 10 people of working age with higher education about 6-7 do not believe that the organization will provide them the expected recognition of work achievements, which has the potential to influence both the selection procedures and the behaviour of individuals in the performance of work duties. These data are a signal of the need to improve and rethink the approaches and systems used in the organizations for performance and remuneration management.
- Incorrect practices in the field of wages and social security lead to turnover (in more than 50% of the respondents with higher education and persons with managerial positions) and a decrease in work motivation, which has the potential to affect both productivity and productivity, and on the level and dynamics of economic activity and

employment in the country. If a projection is made on the work processes in the organizations, this may mean that incorrect practices in the field of salaries and social security encourage turnover in more than half of the persons in managerial positions and in the youth with higher education. The data from the empirical study should be analyzed in the context of search and successful implementation of appropriate practices to increase the capacity of organizations/companies to comply with laws and regulations in the field of pay and social security.

The formulated challenges to the attractiveness of organizations as an employer are an argument for the search for appropriate management solutions and practices both to ensure a clear link between work results and wages and to reduce incorrect pay and social security practices, to which the next part of the study is devoted. The survey includes a question that analyzes the attitudes of the target groups to a number of proposals for improving management practices aimed at ensuring the linking of the achieved work results with the salaries and compliance with laws and rules in organizations: „Based on your personal experience, please indicate what needs to be done in companies to make people work even better and achieve higher results: to have a clearer link between the salary and the work achievements of the respective employees; employees to improve their knowledge and skills for more successful performance of work duties; the managers of structural units to explain the rules and work obligations of the people in the respective teams; to punish the violators of the rules in the company; to better promote the rules of procedure and the procedures for penalties”. In the structure of the systematized proposals, there are two main groups, the first of which is focused on management practices to ensure the connection of work results/achievements with remuneration, and the second group is focused on increasing organizational capacity to comply with rules and reduce violations. Table 4 systematizes the main results of the answers to this question.

Table 4

Based on your personal experience, please indicate what needs to be done in companies to make people work even better and achieve higher results (% respondents indicated the respective answer)

	Total	Persons with higher education	Persons performing managerial functions	Persons aged 25-34 with higher education
Clearer link between the achieved work results and the salary of the employees	84.6	86.7	87.4	83.3
Employees to improve their knowledge and skills for more successful performance of work duties	52.8	61.8	63.4	60.2
The line-managers must explain the rules and work obligations of the people in the respective teams	37.6	45.5	50.3	51.1
To punish the violators of the rules in the company	24.2	26.4	24.6	25.3
To better promote and explain the rules and the procedures for penalties	22.4	25.9	27.4	25.3

The data from the empirical study show the priority importance of ensuring a clear link between work results and wages – over 84% of respondents support this proposal. The highest support (87.4% of the respondents) is found in the persons with managerial functions, who have a significant role in this part of the organizational management. The results should be interpreted as a positive signal that the management staff in the organizations is aware of the need to introduce appropriate management tools for recognition of work achievements, including appropriate practices for managing the human resources performance and its connection with the remuneration system. Introduction and use of effective remuneration systems (basic and additional remuneration) as a component of human resources management (Stefanov, 2015, p. 73; Dimitrova, 2010, p. 57; Danailova, Pandurska, 2018, p. 143; Koleva-Stefanova, 2019, p. 89) poses a number of challenges to organizations, which for the purposes of this study are structured in two directions: in-depth analysis and evaluation of job positions/roles as a basis for the formation of wages; introduction and correct application of modern approaches for assessing the human resources performance, as a factor influencing the basic salaries and additional payments. Job evaluation as the basis for the formation and argumentation level and differentiation of wages requires both significant expertise and time, due to which organizations are allowed a number of compromises in this area with all the ensuing deficits in the correct differentiation of wages. The reasons for compromising organizational performance management systems are similar. In the context of the ongoing discussion on the meaning and effectiveness of human resource performance management systems, the results of a specialized empirical study from 2017 show that this component of human resource management continues to be among the management priorities of 79% of CEOs. The results show that 90% of companies that improve their performance management systems declare an improvement in employee engagement (Deloitte, 2017: 31). Research reveals that achieving high efficiency of performance appraisal systems depends on a number of factors, among which stand out (Appelbaum, et al., 2011; Armstrong, 2009): trust, mutual respect between evaluator and evaluated, objective information, comprehensible guidelines and criteria, goal setting, individual improvement plan, transparency and discretion, integration of responsibility and development, going beyond formal processes with emphasis on educational aspects of assessment. These processes emphasize the leading role of line managers as a key factor in personnel performance assessing and ensuring a clear link between work results/achievements of people and the received salary.

The second group of proposals is related to increasing the capacity to comply with the rules and standards in the enterprise/organization. They are focused on improving the administration of human resources and the system for monitoring and controlling the rules in an organizational context. The data show that over half (50.3%) of the respondents with managerial functions support the proposal that the line-managers must explain regularly the rules and work obligations of the people in the respective teams. This proposal is supported by over 51% of young people with higher education. The results of the survey in this area can be interpreted as a positive signal for the confidence of management staff in the need to improve the administration of human resources and the introduction of effective management practices for intensive communication with work teams and systematic explanation and discussion of work rules and procedures.

Compliance with the rules and reduction of violations of labour and social security legislation depends on various factors, including the successful administration of human resource management activities in the organization. Its main goal is to ensure full compliance of HR activities and processes with the requirements of the law and internal organizational regulations (Ulrich, 2018). The effective administration of human resources management activities at the present stage requires managers and human resources management specialists not only to have a thorough knowledge of the processes in the company, but also to ensure their compliance with regulatory requirements. The emphasis on improving the quality of human resources administration should be understood as a significant component of efforts to increase the capacity of organizations to comply with labour and social security legislation and reduce unfair practices in the field of pay and social security.

Relatively restrained are the positions of the respondents on the need for penalties on violators of the rules of the organization. The results of the survey show that less than 1/4 of the respondents support the proposals “to punish violators of the rules in the company/enterprise” (24.2%) and “to better promote the rules of work and procedures for penalties” (22.4%) For the three target groups (people with higher education, young people with higher education and respondents with managerial positions), the data show a slightly higher level of support for these proposals, but do not exceed 28% of the respondents. These results can be interpreted as a signal of certain deficits in the belief that organizations have the institutional capacity to comply with the rules with all the ensuing consequences on the work behaviour and performance of the people in the respective work teams.

In the context of the presented results, the effective administration of human resources in organizations and the future significant reduction of incorrect payment and social security practices is an ambitious goal, which is associated with certain challenges in building the key characteristics of successful companies in the modern business environment (Dimitrova, 2018, p. 73) and in the management of human resources at the strategic level (Paunov, 2004, p. 57). The reduction of incorrect practices in the field of wages and social security is considered as a core of constructive relations between employer and employees (Apostolov, 2018, p. 93) and a significant component of the activities to increase the effectiveness of human resources audit (Peycheva, 2015, p. 79). In the conditions of the emerging integrated European labour market, the deficits of the management practices for linking the work results/achievements with the remunerations and compliance with labour and social security legislation should be understood as a challenge to the attractiveness of the organizations as an employer, which competes with the employers other EU countries.

Conclusion

The presented results of the survey show that the working-age population in Bulgaria is dominated by negative attitudes towards the offered in the organizations clear link between work results/achievements and remuneration. The incorrect practices on pay and social security “encourage” turnover and reduced motivation of employees with all the ensuing consequences on the attractiveness of organizations in Bulgaria as employers. Significant

challenges for the management of human resources in the organizations in the coming years are formed in two main directions: introduction of effective management systems for performance evaluation and linking work results/achievements with the level and dynamics of remuneration; Improving the of human resources administration activities as a prevention of violations of labour and social security legislation. Successful solution of these tasks should be seen as a contribution to improving the work environment and increasing the attractiveness of organizations as an employer (Baron, 2004) with all the ensuing consequences on the decisions of individuals to participate in the workforce in Bulgaria.

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