



Munich Personal RePEc Archive

Staff-related disclosures as an element of social policies on the model of Bulgarian black sea hotels

Georgieva, Daniela and Georgieva, Teodora

International business school - Botevgrad, Bulgaria

May 2020

Online at <https://mpra.ub.uni-muenchen.de/103391/>
MPRA Paper No. 103391, posted 09 Oct 2020 11:23 UTC

Staff-related disclosures as an element of social policies on the model of Bulgarian black sea hotels

Daniela Ventsislavova Georgieva 

International business school - Botevgrad, Bulgaria

Teodora Marinova Georgieva 

International business school - Botevgrad, Bulgaria

Abstract

The main aim of the study is to analyse published information on staff-related social policies on the websites and in the annual financial statements of enterprises that manage hotels and provide hotel services in the territory of Varna and Burgas Black Sea regions in Bulgaria. In addition, analysed are some factors that impact disclosures in the financial statements of enterprises. The adopted research methods are the logical, deductive and comparative methods, as well as the methods of analysis and synthesis. To verify the author's hypotheses the IBM – SPSS Statistics software, ver. 19 has been used. The main results of the study show that the analysed hotel enterprises disclose scarce or no information on staff related data and social policies on their websites or in their financial statements. Disclosures mainly focus on compliance with legal requirements and they are most significantly influenced by available audit control and selected accounting basis. This could lead to asymmetry in the data, lowering the prestige of the organisation, problems with recruitment of qualified staff and unjustified economic decisions by data users.

Keywords

Disclosures, Social Policy, Staff, Hotel Enterprises, Factors, Financial Statements, Websites

JEL Classification

M140, M480, M490

Introduction

Today, the idea of developing and implementing appropriate social, environmental and economic policies and strategies at the microeconomic level has acquired an increasing relevance in terms of sustainable tourism development. The concept of sustainable development is based on three main pillars generally related to efficient and effective use of environmental resources, respect of the socio-cultural authenticity, and provision of socio-economic benefits to stakeholders (Making Tourism More Sustainable, 2005, pp. 11-12; Galabova and Nestorov, 2018). This ideology is enshrined in the concepts of corporate social responsibility ((CSR) or so-called social responsibility) and responsible tourism (Nikolov, 2017, pp. 149-178, p. 154). The European Commission has defined the CSR of enterprises as their impact on society by introducing a process to integrate social, environmental, ethical, human rights, and consumer concerns into their business operations and core strategy (European Commission, 2020). This should be achieved in close collaboration with stakeholders to maximise the creation of shared value for the management body of the organisation, the shareholders and society as a whole, and identifying, preventing and mitigating their possible adverse impacts (Commission Staff Working document, 2019). Responsible tourism refers to the awareness, decisions and actions of all those involved in the planning, delivery and consumption of tourism so that it is sustainable over time (Weston at al., 2019, p. 40). Apparently, there are essential differences between the two concepts, although they focus on achieving sustainability in the tourism sector. Without detracting from the importance of responsible tourism, for the aims of this study, social responsibility will be subject to a more detailed analysis. It is done in the context of a process to identify the needs of the stakeholders concerning the level of responsibility for the collective welfare of society, environment and the economy (Dahlsrud, 2008) at individual, local, regional and global level (Paskova and Zelenka, 2019), leading to the achievement of sustainable development (Lund-Durlacher, 2015, p. 60).

Corresponding author:

Daniela Georgieva, Address Sofia, 7 Vincent van Gogh Str.
Email: dgeorgieva@ibsedu.bg

The three areas that present the most commonly measured CSR dimensions are attitude towards the environment, relations in society and labour relations (Muller and Kolk, 2010). However, it is believed that environmental policies within the scope of CSR are presented in greater detail as compared to social policies. Therefore this study focuses on the social policies of enterprises providing hotel services¹ in Bulgaria. Within the scope of the individual elements, disclosure in regard to adopted and applied social policies, subject to in-depth analysis are staff-related textual data. The choice of such factor is driven by the idea that the specific nature of the provision of hotel services is directly dependent on staff qualification. Furthermore, at the national level, the main challenge is the adequate parallel development of human resources as they underlie tourist product construction and progress. Promoting corporate social responsibility in the tourist industry (Strategy for Sustainable Tourism Development in Bulgaria 2014 - 2030, p. 102) is part of the suggested measures for tackling the problem. In this context, the subject of study in this article is the information published on the websites of enterprises that manage and own hotels. The analysed publish data is on one hand regarding staff-related social policies adopted and applied by them, and published financial statements and attached notes including significant accounting policies, management activity reports, auditor reports, reference and other documents containing detailed information, on the other hand. It should be noted that the target group covers enterprises that own and manage hotels and carry out operations in the territories of Varna and Burgas regions. This territorial choice is based on the reported data on growing accommodations in the two Black Sea tourist regions (Varna and Burgas), partly justified by the presence of a strong territorial concentration of overnight stays of foreigners (National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria, 2014-2030, pp. 18, 37).

This study aims to analyse the information about staff-related social policy published on the websites and in the annual financial statements of enterprises that manage hotels and provide hotel services. An additional aim is to study the existing statistical relationships and correlation of factors that affect disclosed narrative information in the financial statements of enterprises. To achieve the stated goals the following research tasks have been set out:

- To analyse the content of the published information on staff and adopted social policies towards them, in the financial statements of enterprises that own or manage hotels in Burgas and Varna regions.
- To compare mandatory and voluntary disclosures, highlighting good practices in the region.
- To study published social policies on the websites of the organisations from the target group.
- To examine the following factors which affect disclosures in the financial statements of the enterprises: the size of the organisation; available external audit control; available foreign participation in the capital of the enterprises; applicable accounting standards in the preparation of the financial statements; accounting financial result for the reporting period (profit or loss); type of merchant according to the requirements of the Commerce Act (CA); enterprise category.

The main hypothesis of the authors is that hotel enterprises in Bulgaria disclose scarce or no information on social policy and staff on their websites or in their financial statements. This could lead to an asymmetry in the data, lowering the prestige of the organisation, problems with recruitment of qualified staff and unjustified economic decisions by data users.

The adopted research methods draw on the logical, deductive and comparative methods, as well as on the methods of analysis and synthesis of texts embedded in the legal framework and in the specialised literature on the issue under review. The empirical study includes a study of disclosed data on the websites and in the financial statements of enterprises, the activities of which include provision of hotel services in Varna and Burgas regions. To this end, the content method has been used. To test the authors' hypotheses the IBM – SPSS Statistics software, ver. 19 has been used.

The results of the research support literature development and provide a more in-depth analysis of the factors impacting the disclosure of data on the social responsibility of hotel staff as a prerequisite for achieving sustainability in tourism.

In meaningful terms, the study is structured as follows: the introductory part states the main issue of research and presents the object, the subject matter and research methods adopted. The literature review describes some of the most common concepts of staff-related social responsibility policies subject to disclosure. Defined is the main aim and sub-aims of the research. In a further step, the staff-related information disclosed in the notes to the financial statements of enterprises and on their official websites is analysed. Based on the reported results of the analysis, hypotheses are tested for existing statistical relationships and correlation of factors that affect staff-related disclosures. The paper ends with conclusions presenting the main results of the study.

Literature Review

¹ Although the authors are aware of the fundamental differences between the concepts "enterprise", "organisation", "company", "hotel enterprise" and "hotel", for the purposes of the study they will be used interchangeably in the context of legal entities whose scope of activities covers also the provision of hotel services.

Corporate social responsibility is first implemented in the tourism sector in the late 1990s by international hotel corporations. Today, many hotel chains publish annual CSR reports, aiming to enhance the image of the organisation, build trust among customers and society, raise the value of the enterprise (European cities marketing). CSR draws on the concept of pluralism and diversity of stakeholders, while their information needs and discourse play an essential role in improving accountability (Aragon-Correa et al., 2015; Lund-Durlacher, 2015, p. 63; Coles et al., 2011; Farrington et al., 2017). Stakeholders are defined as any group of individuals who can both impact and be impacted by the achievement of the organisational aims set (Mellahi et al., 2005, p. 107). A clear identification of the stakeholders is fundamental for determining the main social responsibility measures in tourism businesses, namely: the responsible use of natural and cultural resources; the minimisation of pollution and waste; the conservation of landscapes, biodiversity and cultural heritage; fair and responsible treatment of employees, suppliers and guests; fair use of local products and services; as well as involvement and cooperation with local communities so as to improve the quality of life of local people. In this context, the main groups of stakeholders are internal and external. Within the scope of external consumers generally fall consumers of tourist products and services; suppliers; non-profit legal entities engaged with development and conservation of tourist sites and cultural attractions; government bodies and institutions; society; competitors, consumers with creditor and investor interests; the media, etc. Internal consumers include members of the management staff, shareholders, employees of the organisation (see figure 1) (Swarbrooke, 2005, p. 17; Xavier and Lynes, 2018, p. 1029).

It is believed that environmental rather social policies prevail in the CSR scope of presented detailed information (Sheldon and Park, 2011). Also, studies in the field reveal the lack of consistency in the accounting methods of social responsibility reporting and problems with the scope of reporting and actions undertaken (Holcomb et al., 2007; Burns and Cowlshaw, 2014; Bonilla-Priego et al., 2014). This results in gaps in the staff-related information, human rights, sustainable relationships with suppliers and other data (Perez and Rodriguez Del Bosque, 2014), which in turn creates significant gaps between planned CSR policies and actual practice (Font, 2012). The existing gap is the subject of ongoing criticism and discussions (Weston et al., 2019, p. 40).

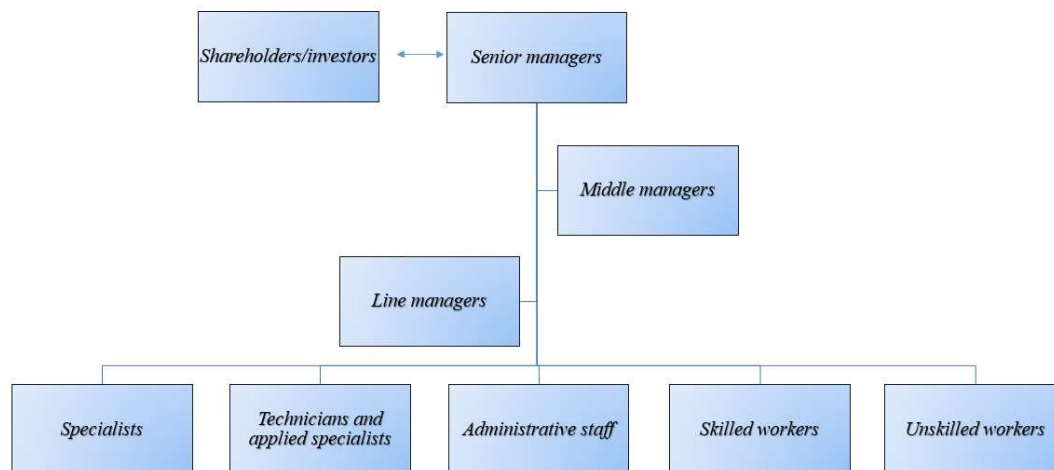


Fig. 1. Internal stakeholders of CSR information from tourist organisations.

Source: (Based on profession groups according to minimum social security income 2020 in Bulgaria; Swarbrooke, J. (2005). Sustainable Tourism Management. Wallingford: CABI Publishing, p.17.; Xavier, F., J. Lynes (2018): Corporate social responsibility in tourism and hospitality, Journal of Sustainable Tourism, 26:7, p. 1029)

One of the most widely used methods of CSR evaluation is social reports (sustainable development reports or corporate citizenship reports) (Nikolov, 2017, p. 156), based on the practice of public “reporting” by using websites (Atanasova, 2014, p. 117). Based on analyses of good practices in the field, the specialised literature and legislation, many concepts are being suggested to support the organisations in structuring the content and indicators of their social reports (Global Reporting Initiative, 2013; Directive 2014/95/EU; International Standard ISO 26000:2010; Georgieva, 2016; Atanasova, 2014; Hopkins, 2005; Corporate Social Responsibility Strategy 2019-2023; Gorcheva et al., 2013). In a comparative analysis, the following essential aspects of staff-related social responsibility policies can be highlighted, which require disclosure:

- Existence of policy on staff motivation and management, including higher employee satisfaction and loyalty to the firm, reducing staff turnover.
- Standards for employment and employment relations, including employment contracts, working hours, redundancy compensations and fair system for accrual and payment of salaries and social security contributions.
- Social protection and social dialogue, including support and dialogue with ill and injured employees; examination of work capacity areas; support of old and retired employees; ban on work force exploitation; prevention of child

labour.

- Policies on human rights and non-discrimination, including policies for integration of long-term unemployed persons, refugees, immigrants, socially weak individuals, foreign employees, disadvantaged youths, and people with criminal past; fair treatment of and respect for employees; gender equality.
- Healthy and safe work and living conditions, including regular medical examinations and prevention.
- Freedom to participate in trade unions and collective bargaining, including building practices of collective social responsibility; donation, volunteering, support for improvement of local infrastructure.
- Possibilities for on-the-job training and development, including policies on recruitment and retention of human resources, social benefits, provision of housing, a work-life balance.

However, studies in the field refer to the low level of CSR data publication on the websites of Bulgarian hotels (Atanasova, 2014). Due to the fact that currently in Bulgaria there is no uniform format of corporate social responsibility report for hotels, non-financial reporting as an element of the financial statements of organisations develops and elaborates further actions of corporate social responsibility in the business practice (Bakardzhieva, 2018, p. 26). To this end, enterprises develop and publish CSR reports² or elaborate the information in their financial statements, thereby turning them into integrated reports (Nikolov and Stanev, 2018, p. 259). In this context, staff-related data are an element of disclosure in the notes to the annual financial statements (AFS) of organisations. Essentially, the notes present a detailed description and analysis of the information stated in the separate AFS elements, which must present data on the applied accounting policy³ and additional information, the disclosure of which is needed for the correct and fair presentation of the non-financial and financial position, the reported financial result, changes in the cash flows and in the equity of the enterprise (AS 1, article 24.1, “a” and “c”).

Disclosures in the financial statements of enterprises can be broadly divided into mandatory and voluntary. Mandatory disclosures are directly dependent on the legal requirements of the accounting standards applicable in the respective country. In this regard, all hotel enterprises should have an equal level of mandatory disclosure of information in accordance with the adopted standards (national or international). Nevertheless, the literature provides evidence that due to the high diversity of disclosures there is no narrative consistency of the published data, which reflects on international disharmony (Stolowy and Cazavan-Jeny, 2001; Gelb, 2002). As a new Accountancy Act is applicable since 2016 in Bulgaria, and given the changes introduced in the accounting standards, an in-depth study of the mandatory staff-related disclosure is the subject of analysis in the next parts of the paper, which is based on the selected methodology and baseline research year.

Voluntary disclosure can be broadly defined as any additional information besides the mandatory one, provided by the enterprises to their counterparties, publishing it as part of their financial statements. Management may use the detailed disclosure of data as a tool to create a positive image about the value and reputation of the enterprise before outsiders, thereby improving the market value of equity (Merkley, 2014; Jones, 2007). Some of the literature supports the opposite idea that, other conditions being equal, voluntary disclosure does not ramp up the market value of the enterprise but may result in the sharing of strategic information, to be used by competing organisations (Entwistle, 1999). Nevertheless, disclosures are considered an important mechanism for reducing conflicts between internal and external users of financial statements data (Patelli and Prencipe, 2007).

Based on the literature review, formulated is the main aim of the study to make a comparative analysis of the disclosed data (of mandatory or voluntary nature) on staff (workers and employees, see fig. 1) in the published financial statements of enterprises that own or manage hotels in the Bulgarian Black Sea territory, Varna and Burgas regions. Additional sub-aims cover:

- 1) To determine the baseline year for which all organisations falling within the analysed sample have published financial statements.
- 2) To undertake a comparative analysis of the disclosed data for the baseline year and staff-related disclosures in the latest published financial statements of organisation after the baseline year. The purpose is to examine whether there is a change in the disclosures and what the change is, additionally analysing changes in the legal setting reflecting on mandatory disclosures.
- 3) To analyse the staff-related information published on the websites of the enterprises as an element of CSR.

Staff-related information disclosed in the notes to the financial statements of enterprises

² In practice, the terms “sustainability report”, “corporate social responsibility report”, “citizenship report”, “corporate social report”, ESG report - environmental, social and governance report, “social report”, “CSR report” are used as synonyms. Nikolov and Stanev, 2018, p. 260. Although the authors take into account the fact that such differences are driven by differences in the concepts of data disclosed in the document, and for the purposes of this study they will be used as synonyms.

³ For the purposes of this paper, the accounting policy term includes “specific principles, benchmarks, conventions, rules and practices applied by the enterprise in the preparation and presentation of financial statements” (IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, Commission Regulation (EC) No 1126/2008 of 2008, as amended and supplemented by Commission Regulation (EC) No 70/2009 of 23 January 2009, point 5).

providing hotel services in Varna and Burgas regions

Research methodology

For the purposes of the study, the financial statements of 452 (four hundred fifty-two) enterprises have been analysed. Based on the source of data on legal entities that own and manage hotels and provide hotel services, the analysed financial statements can be grouped as follows:

- Published financial statements of hotels, included in the Register of Places for Accommodation and Food Places and Entertainment with the Ministry of Tourism.
- Published financial statements in the Commercial Register and the Register of Non-Profit Legal Entities (CR) which have in their name the word "hotel".
- Published financial statements of enterprises managing hotels, included in the Orbis register⁴.

Excluded from the scope of the target group are organisations in liquidation or deregistered legal entities which have not published financial statements in the Commercial Register yet, newly registered entities or entities for which data on only one year has been published without an option for comparative analysis, as well as organisations that do not provide hotel services in the territory of Varna and Burgas regions. Organisations identified as owners of more than one hotel and operating in the territory of the two regions are subject to a single study, regardless of the number of controlled hotels. After the introduced limitations, the final sample includes 100 (one hundred) enterprises. Published financial statements and data in the Commercial Register and the Register of Non-Profit Legal Entities have been used as of March 2020. The analysed statements are for 2015 due to absent recent information for part of the target group. For 49 of the analysed enterprises published statements have been also found for periods after 2015. For these enterprises, an additional analysis has been carried out in order to compare the disclosed information and highlight changes and significant differences in the data on staff between the baseline 2015 and the last year of published statements in the Commercial Register. In methodological terms, the method of content analysis has been used, which is considered reliable in studies of disclosed information in reports of organisations (Beretta and Bozzolan, 2008; Abeysekera, 2006). The analysis captures only data about the staff of separate units for reporting purposes in the notes to the annual financial statements (incl. management activity reports, disclosed significant accounting policies, auditor reports, references etc.).

Results from the analysis

As regards the legal form, 35% of the analysed enterprises are limited liability companies, 35% are sole-proprietor limited liability companies, 19% are joint-stock companies, and 11% are sole-proprietor joint-stock companies. The predominant part of them (43%) are small enterprises, 31% are micro enterprises, 20% are medium-sized enterprises, and only 6% are representatives of large enterprises. In accordance with the requirements of the Accountancy Act (Accountancy Act, 2015, article 22a) effective in 2015, the International Accounting Standards (IAS) have been accepted and applied as an accounting basis for the preparation of the financial statements by 26% of the analysed organisations, while the predominant part (74%) apply the National Accounting Standards ((NAS). In 2015 they are called National Standards of Financial Reporting for Small and Medium-sized Enterprises). It should be noted that the lawmaker has provided for a group of enterprises to prepare their statements in accordance with NAS, and they may apply simplified format of financial reporting (AA, 2015, article 26, paragraphs 4 and 5). In this case, the Accountancy Act provides for the constituent parts of the annual financial statements of the organisations falling within the hypotheses to have a balance sheet, a profit and loss account, and an appendix. Only sole merchants falling within the scope of some of the hypotheses of the Accountancy Act (AA, 2015, article 32, paragraphs 3 and 4) are not required to apply an accounting policy as an element of the constituent part of AFS in the part "Appendix". However, none of the analysed organisations providing hotel services is a sole merchant and the requirement for application of accounting policy as part of the statements refers to them. In addition, the organisations applying IAS should also have explanatory notes to their statements, containing in general a declaration of conformity, summary accounting policies, supporting information on the items presented in the statements, as well as other appropriate information for the understanding of AFS (IAS 1, paragraph 114). Drawing on the fundamental function and purpose of the accounting policy to support correct, fair, truthful, neutral and full presentation of the information in the financial statements, we share the view of H. Dosev that "the accounting policy as a form of financial management and accounting, in accordance with the adopted accounting basis should be mandatory for preparation" (Dosev, 2015, p. 13). Nevertheless, 27% of the organisations falling within the sample do not publish appendices, accounting policies or any narrative data of financial or non-financial nature. Among the other enterprises, only 49% disclose staff-related information in the notes to the financial statements. This is indicative of non-publication of narrative data, which are crucial for sound economic decision-making, providing information to the users of the statements to ensure that the latter are reliable and truthful in all material respects. Such a trend is also typical of other economic sectors in Bulgaria, being a ground for creation of

⁴ Orbis is a database containing comparative information on more than 365 million international private companies (<https://www.bvdinfo.com/en-gb/our-products/data/international/orbis>).

asymmetric information (Georgieva, 2019; Georgieva, 2020).

As regards content, observing the requirements of the applicable accounting standards, specific staff-related information is to be disclosed, which is primarily focused on (IAS 19; IAS 1; IAS 26; NAS 19; NAS 1):

- short-term employee benefits (inc. monetary and non-monetary remunerations, social security payments and compensated absences);
- termination and post-employment benefits;
- long-term benefits (including long-term compensated absences, deferred compensations, long-term disability benefits, long-service benefits, etc.);
- payroll in the reporting period by category;
- amount of paid salaries, social security contributions and advances and loans made to the administrative staff and members of the management bodies.

A detailed analysis of the content of the notes to the financial statements of enterprises from the sample gives us ground to conclude that about 65% of the organisations providing hotel services and publishing information about their staff have met disclosure requirements. In particular, 4 (four) enterprises under IAS and 13 (thirteen) under NAS have not disclosed in full the information required under IAS 1, IAS 26⁵ and IAS 19, NAS 1 and NAS 19. Non-disclosure of the required data, mainly by organisations applying the national accounting standards, leads to incorrect interpretation of the statements as a result of unclear data. Unclear financial statements provide unreliable information, which is a basis of unsuccessful alignment (Amaral, 2001, p. 54). This predetermines incorrect methods of presentation of financial statements and inhibits clarity and international comparability (Alves and Antunes, 2010; Nobes and Parker, 2008). Of note is also the fact that the disclosures of some enterprises reveal a tendency to refer data users to a given legal document which lays down specific rules and bases for the purposes of current and periodic staff accounting. Although such reference cannot be considered a substantial error, it is not appropriate. This argument is based on the individual nature of the accounting policy in the choice of approaches, valuation bases and practices. In addition, the accounting standards require disclosure of financial and non-financial information in numerical and narrative terms, which cannot be done only by reference to the corresponding number of the standard.

As regards voluntary disclosure of staff-related data in the notes to the financial statements of the analysed organisations, of note is the fact that the entities applying the national accounting standards publish more detailed information (see table 1). This can be partially explained with the requirements for disclosure of more detailed information introduced in the international accounting standards as compared to the information required under the national standards. In quantitative terms, in the texts of IAS 19, IAS 26 and IAS 1 (applicable for 2015, in the disclosure part) 1970 words are set out⁶ for the required staff-related information to be disclosed whereas in NAS 19 and NAS 1 the total number of words is 742. In this sense, the authors of the statements under the national standards may have assessed the need to publish more data so as to enable users of information from the statements to make sound economic decisions. However, this does not explain the reported non-publication of mandatory disclosures, which are required by the standards.

Table 1. Voluntarily disclosed information on staff by Bulgarian enterprises providing hotel services.

	<i>National accounting standards</i>	<i>International accounting standards</i>
Additional staff-related narrative disclosures in the statements of analysed enterprises	<ul style="list-style-type: none"> • Publication of more detailed information on the education of staff by type. • Information for development of programmes to enhance quality and staffing policy through initial and subsequent training. • Application of a policy of maintaining constant and seasonal numbers of staff. • Strategic goals for staff motivation. • Staff age structure. • Strategy for improving labour conditions. • Data on actions taken to build a center for staff training and qualification. 	<ul style="list-style-type: none"> • Adopted strategy of staff enhancing qualification. • Information on optimisation of jobs and management structure. • More detailed information on the types of social insurance funds.

⁵ It should be noted that the national accounting standards of Bulgaria have no analogue of IAS 26 Accounting and Reporting by Retirement Benefit Plans.

⁶ In determining the number of words, the Bulgarian translation of the standards is taken into account.

-
- More information on reporting and payment of severance payments, considering different hypotheses.
 - More detailed information on the types of social insurance funds and percentage allocation of mandatory contributions between employee and employer.
-

Source: authors based on author analysis of 100 financial statements.

Based on the selected approaches and methodology of reporting the accounting items of the analysed enterprises, we can state that the organisations have adopted and are applying stabilisation accounting policies. It is typical of cases of preserving the financial and non-financial position, and the accounting policy model is geared towards a change in technology, expansion of advertising, revision of social policy. However, it should be noted that the management activity reports of most of the medium-sized and large enterprises state that they operate in the conditions of financial and economic crisis. Nevertheless, their strategy is primarily designed to retain market positions and replace assets and their potential future development is not associated with a change in the currently applied policy. This is in contrast to the state of affairs in the external setting in which the hotel enterprises operate and illustrates the application of inadequate measures for business sustainability and development. In order to establish whether the accounting and social policies of the organisations are subject to review and update, under the impact of external and internal factors of the setting, a comparative analysis is carried out of the financial statements of 49 enterprises in the sample, which have published reports for the periods after 2015.

About 43% of the organisations whose reports have been examined for the periods after 2015 apply as their accounting basis the International Accounting Standards. With enforced amendments from 2016, the lawmaker allows enterprises to change their accounting basis, shifting from IAS to NAS. Only four of the analysed enterprises availed of that opportunity. Without published accounting policies to their annual financial statements are 12 of the examined 49 organisations. Of note is that half of those that have not published the internal statutory document for years after the baseline year have staff-related disclosures as part of their accounting policies for 2015. The stated negative trend of subsequent non-disclosure of information is observed for enterprises applying the national accounting standards. The analysis of the elements of the accounting policies of the legal entities that have disclosed them is indicative of the ongoing application of a stabilisation policy against the background of virtually unchanged management goals and strategies. Interesting is also the fact, that a large part of the enterprises that apply the national accounting standards have not even updated the amendments (introduced with the publication of the new accountancy act in the State Gazette, effective from 2016) to the principles on the basis of which the items presented in the financial statements are recognised and measured. This gives us grounds to assume that the organisations do not analyse the external and internal factors of the setting on an annual basis and thereby they do not disclose truthful data. This is in contrast to the main goal of the accounting policy to give assurance that the information in the financial statements is reliable, prudent, neutral, unbiased, and full in all material respects and, above all, necessary for making sound economic decisions (Dushanov, 2003, p. 20).

(1)

The development of accounting theory and practice over the years also affects the development of the legal framework, including staff-related disclosures. In this regard, in terms of content, staff-related data to be disclosed in the notes are updated for the enterprises applying the international accounting standards. In particular, in quantitative terms, in the texts of IAS 19, IAS 26 and IAS 1 (in the disclosure part), there are 2423 words with guidelines on what information of financial and non-financial nature should be disclosed by enterprises regarding staff (workers and employees, excluding related parties and key management staff). In order to align accounting legislation, some of the national accounting standards are updated to take account of the international accounting standards. However, this do not affect mandatory disclosure of staff-related data as regards the number of words in the disclosure part in the standards concerned. Therefore, in accordance with the requirement for review of the accounting policy applied by enterprises it is expected for the latter to have taken into account the changes in the internal and external legislative and socio-economic environment and to have updated the information that is subject to disclosure of mandatory and voluntary nature. A more detailed analysis of the notes, however, shows that about 47% (23) of the organisations for which AFS for the years after 2015 are found have not amended their social policies and staff-related data and 9 of the 23 organisations apply the international accounting standards. It should be noted that 2 of the hotel organisations have even reduced their staff-related information as compared to the information published in 2015.

As regards voluntarily disclosed information by the organisations, it is essential to note that the information is mainly focused on development and application of internal rules and procedures for selection and recruitment of individuals. This is consistent with the reported difficulties in the sector relating to staff recruitment.

The comparative analysis of the financial statements and the notes thereto shows absent narrative staff-

related data, although such data are legally required. The non-publication of narrative information to AFS is also typical of other economic sectors in Bulgaria (Georgieva, 2019; Georgieva, 2020). However, it should be noted that a factor with a negative impact on tourism development (including hotel enterprises) is the low level of financing of organisations in the tourism industry, which rely mainly on European funds and framework programmes. Creditor confidence in small and medium-sized enterprises is low, which further reduces the funds for implementation of business projects in tourism and for achieving economic and financial viability (National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria, 2014-2030, pp. 9; 36). Data of financial and non-financial nature disclosed in the financial statements of enterprises directly impact creditor confidence. However, the analysis of the statements of the enterprises from the sample confirms the notion that in practice the development of accounting policy and relevant notes as elements of the financial statements is considered a formal requirement rather than a substantial part of the reporting. For this reason we have examined as a next step the social policy published on the websites of the organisations, as an element of the CSR adopted and applied by them.

Staff-related information disclosed on the websites of enterprises providing hotel services in Varna and Burgas regions

The research of the websites of the enterprises from the sample is carried out in March-April 2020. It should be noted that development and maintenance of a website is not a precondition for doing business in Bulgaria. In this regard, we found active websites of advertising and information nature for only 58% of the analysed organisations. The websites of the remaining enterprises (42%) either are not found or could not be opened due to ongoing actions for development, maintenance or an expired domain. For these enterprises we found information in the internet which had been published by third parties, mainly tour operators, websites offering hotel accommodation on the Black Sea coast, forums for hotel guest reviews and former employees⁷, as well as on websites with short details about their registered address and subject of activity. As the study covers staff-related social policies published on the official websites of the organisations, the enterprises for which no website is found are excluded from the subsequent analysis. Of note is that from the remaining 58 enterprises, 7 have online disclosed CSR. In the information of two of these enterprises, however, there is no data about their staff-related social policy. Among the organisations which have active websites, only 14 have staff-related disclosures. About 29% of them disclose the full AFS set, including additional declarations and reports, which are not published in the Commercial Register but required under the relevant legislation for their business. In this regard, the staff-related information is part of the accounting policies and notes to the statements. Of note is that half of these enterprises have not published the full set of notes to the AFS in the Commercial Register but have disclosed it on their websites. It should be pointed out, however, that such online disclosure does not waive the requirement for publication in the Commercial Register. Among the remaining 71% of the analysed 14 enterprises, 5 of them voluntarily publish staff-related data which are not part of CSR or AFS but are standalone items on their websites. In this regard and based on the manner of presentation of staff-related information on the websites of the analysed hotel enterprises, data can be separated in three main groups:

A) Compliant with mandatory and voluntary disclosures to the annual financial statements (analysed in more detail in the preceding point).

B) A part of the corporate social responsibility reports of organisations. Based on the analysis of content of the published CSRs the following information can be highlighted, which is in the focus of staff-related disclosures:

- adoption and application of policies on development of safety and health at work;
- support of volunteer programmes for employees;
- building and maintaining good employment relations with the employees and their families;
- organising an annual team building;
- support of training programmes (including language ones) and qualification of the labour force;
- ensuring better conditions for equality and support of human rights;
- more specific data on staff pay based on their performance;
- statement of compliance of working hours with the national and international labour law and standards;
- recruitment policy for locals aged over 18 in order to reduce unemployment in the region;
- applying a bonus system and providing free accommodation, food, uniforms and transport to employees;
- giving freedom to employees to become members of trade unions or similar organisations;

⁷ However, the studied opinions of former employees of the organisations providing hotel services in Varna and Burgas regions are predominantly negative, aimed to criticize their attitude towards employees, non-performance of preliminary agreements, and low pay.

- annual monitoring and annual target setting to motivate staff and foster initiatives;
- application of fair staffing system;
- support of employees who support the sustainable development of the hotel.

C) Other staff-related disclosures. These disclosures are not directly related to the social policy of the organisation but directly impact the employees. Such disclosures on the websites of the analysed enterprises contain information that:

- “the employees are young and ambitious”;
- “the team provides high quality services and tailor-made treatment”;
- “welcome highly qualified staff”;
- “the employees are trained to respond to situations which are in conflict with internal order”;
- published are photos, names and positions of staff members.

The more in-depth analysis of the published staff-related data in the financial statements of the enterprises providing hotel services and on their official websites is indicative of the low level of disclosures. This can be negatively interpreted by the stakeholders (external and internal) as an attempt to defraud or cover up grey practices. The latter has a negative impact on the image of the organisations and on the trust of creditors, society, supervisory bodies and other agents and could adversely affect the building of viability at micro level and hence at macro level. In order to calculate causal relationships and correlations, we have examined several factors which impact disclosures.

Factors affecting staff-related disclosures

Methodology of the study and author hypotheses

The analysed financial statements show absence of narrative homogeneity of staff-related information. This is in contrast to the idea that enterprises should have equal level of disclosure depending on the adopted accounting standards (national or international) (Teixeira Da Silva et al., 2013, p. 392), which in turn reflects on the comparability of reports. Impossibility to undertake a comparative analysis due to non-disclosure of notes and between the statements of individual enterprises and the statements by year of the same enterprise is fundamental to establish asymmetric information. For that reason the accounting basis for the preparation of the financial statements of enterprises is assumed by the authors as a factor that affects disclosure. Due to reported non-publication of primarily data of mandatory nature under the standards, the authors of this study draw a distinction between mandatory and additional (voluntary) disclosure of narrative information in the analysis of the factors and on that basis the following hypotheses are tested:

H0: There are no statistical relationships and correlations between mandatory staff-related disclosures in the financial statements of hotel enterprises and the accounting standards selected for their preparation.

H1: There are statistical relationships and correlations between mandatory staff-related disclosures in the financial statements of hotel enterprises and the accounting standards selected for their preparation.

H0: There are no statistical relationships and correlations between voluntary staff-related disclosures in the financial statements of hotel enterprises and the accounting standards selected for their preparation.

H2: There are statistical relationships and correlations between voluntary staff-related disclosures in the financial statements of hotel enterprises and the accounting standards selected for their preparation.

Internationalisation is a factor which impacts designed and applicable CSR policies of companies (Strike et al., 2006). If a company is considered foreign (international), it comes under stronger pressure to reveal more information in its financial statements (Oliveira et al., 2006; Gerpott et al., 2008). Some authors define internationalisation as listed companies (Morris and Tronnes, 2008; Meek et al., 1995). We believe that such an assumption can be made for countries with well-developed stock exchanges. Due to many factors, such a hypothesis cannot be made for Bulgaria. We consider that the participation of foreign investors in the capital of hotel enterprises can also put more pressure on the level of disclosure. This is due to the cultural and legislative diversity of the shareholders and the need of more financial and non-financial data for the purposes of the analysis. This idea is supported by the research of Francis et al. (2005), in whose opinion voluntary disclosure is greater if the company depends on foreign investments. To analyse the existence of such statistical relationship the following hypotheses are formulated:

H0: There is no statistical relationship between the mandatory staff-related disclosures and the presence of foreign participation in the capital of hotel enterprises.

H3: There is statistical relationship between the mandatory staff-related disclosures and the presence of foreign

participation in the capital of hotel enterprises.

H0: There is no statistical relationship between the voluntary staff-related disclosures and the presence of foreign participation in the capital of hotel enterprises.

H4: There is statistical relationship between the voluntary staff-related disclosures and the presence of foreign participation in the capital of hotel enterprises.

If the statements are audited by an external independent auditor, this is an indicator of the reliability and clarity of the statements. The literature supports the idea that the level of disclosure is a factor measuring the quality of audit services. This is the reason why prestigious audit companies encourage their clients to reveal more data in their statements (Chalmers and Godfrey, 2004; Jones and Higgins, 2006). Auditors, however, may influence companies to reveal more information impacting the type, quantity and quality of the data (Wallace et al., 1994; Oliveira et al., 2006; Teixeira Da Silva et al., 2013). To test the relationship between the existence of audit control and published staff-related clarifications to the financial statements of the analysed organisations, the following hypotheses are formulated:

H0: There are no statistical relationships and correlations between the presence of independent financial audit by a registered auditor and the mandatory staff-related disclosures in the financial statements of hotel enterprises.

H5: There are statistical relationships and correlations between the presence of independent financial audit by a registered auditor and the mandatory staff-related disclosures in the financial statements of hotel enterprises.

H0: There are no statistical relationships and correlations between the presence of independent financial audit by a registered auditor and the voluntary staff-related disclosures in the financial statements of hotel enterprises.

H6: There are statistical relationships and correlations between the presence of independent financial audit by a registered auditor and the voluntary staff-related disclosures in the financial statements of hotel enterprises.

Some authors support the idea of a direct relationship between the size of the company and disclosures (Bauwhede and Willekens, 2008; Jones and Higgins, 2006). This is due to the fact that regulations, visibility, social responsibility and external control are higher for larger companies as compared to smaller ones. Besides, large companies are more organised and have more resources to build detailed data. From management point of view, it is believed that large organisations derive more benefits from disclosures compared to smaller ones (Hossain, 2008). Taking into account these assumptions, the following hypotheses are formulated:

H0: There are no statistical relationships and correlations between the category of the enterprise and the mandatory staff-related disclosures.

H7: There are statistical relationships and correlations between the category of the enterprise and the mandatory staff-related disclosures.

H0: There are no statistical relationships and correlations between the category of the enterprise and the voluntary staff-related disclosures.

H8: There are statistical relationships and correlations between the category of the enterprise and the voluntary staff-related disclosures.

Companies that report higher earnings are more ambitious and want to publish more narrative data in quantitative and qualitative terms. This idea assumes that the worst performing enterprises seek to hide this fact from shareholders and investors and reveal less information (Nguyen et al., 2017, p. 258; Palmer, 2008; Teixeira Da Silva et al., 2013, p. 400). Taking account of profitability, the next research hypothesis formulated by the authors is:

H0: There are no statistical relationships and correlations between the mandatory staff-related disclosures in the financial statements and the accounting financial result (profit or loss).

H9: There are statistical relationships and correlations between the mandatory staff-related disclosures in the financial statements and the accounting financial result (profit or loss).

H0: There are no statistical relationships and correlations between the voluntary staff-related disclosures in the financial statements and the accounting financial result (profit or loss).

H10: There are statistical relationships and correlations between the voluntary staff-related disclosures in the financial statements and the accounting financial result (profit or loss).

Enterprises providing hotel services, according to Bulgarian legislation, are merchants (Commerce Act, article 1, paragraph 1, item 13). As regards the legal status, the types of merchants are set out in the Commerce Act (CA). For establishment and registration of an enterprise whose primary business activity is in the hotel field, the following types of merchants are relevant: sole proprietors who are natural persons and companies (general partnership, limited partnership, limited liability company, sole-proprietor limited liability company, joint-stock company, partnership limited by shares). The type of merchant predetermines the legal relations with partners and their rights, participants in the company, the liability of the founders, etc. The founders and the partners in their capacity as stakeholders can impact the design, application and control of social policies. Holding that idea, the following hypotheses are formed, to be subject to test:

H0: There are no statistical relationships and correlations between the type of merchant (according to CA) and the mandatory staff-related disclosures in the financial statements.

H11: There are statistical relationships and correlations between the type of merchant (according to CA) and the mandatory staff-related disclosures in the financial statements.

H0: There are no statistical relationships and correlations between the type of merchant (according to CA) and the voluntary staff-related disclosures in the financial statements.

H12: There are statistical relationships and correlations between the type of merchant (according to CA) and the voluntary staff-related disclosures in the financial statements.

For the data analysis the IBM – SPSS Statistics, ver. 19 software has been used. The examination of statistical relationships and correlations is based on Chi-square – analysis (χ^2), and as contingency coefficient is chosen the Cramer's coefficient (V). The variables that are subject to analysis are coded using two values 1 (one) – to present the existence of occurrence and 2 (two) – to present the absence of occurrence. The variables have the following parameters:

To examine the impact of the accounting basis selected by the hotel enterprise for the financial statement preparation on disclosed data:

1 = The national accounting standards are selected.

2 = The national accounting standards are not selected.

To examine the impact of foreign participation in the capital of the hotels on disclosed data:

1 = There is foreign participation.

2 = There is no foreign participation.

To examine the existence of independent financial audit of the analysed statements on disclosed staff-related data:

1 = Audited statements.

2 = Unaudited statements.

To examine the reported accounting financial result for the period on disclosed social information:

1 = Profit.

2 = No profit.

An exception from the above introduced approach for coding of variables is the category of the enterprise and its legal form. The four categories of enterprises according to the Accountancy Act, i.e. micro, small, medium and large enterprise, are presented with values from 1 (one) to 4 (four). The types of merchants specified in the formation of the hypotheses are entered with sequential numbering.

Analysis of the results

When testing the first research hypothesis, the estimated empirical value for the data used is 11.295, with theoretical value of 5.99, with a level of significance $\alpha = 0.05$ and degrees of freedom $n = 2$. Under these values and upon fulfilled conditions of the Chi-square test analysis, we need to reject the null hypothesis and confirm the

presence of an average statistical relationship (Cramer's V: 0.336, $p < 0.05$) between the publication of mandatory staff-related disclosures in the notes to the financial statements of the analysed enterprises and the accounting basis selected by them (see table 2).

Twenty of the analysed hotel enterprises disclose additional staff-related data in the notes to the financial statements. 55% of them apply the national accounting standards and the analysis of the content of the disclosures shows a greater variation in the published information compared to those applying IAS/IFRS. The test for existing statistical relationships and correlations between voluntary disclosures and applicable accounting standards (see table 2) shows an average statistical relationship (Cramer's V: 0.335, $p < 0.05$) and fulfilled conditions of the Chi-square analysis. Based on the collected and analysed data it can be assumed that the selected accounting basis of preparation of annual financial statements impacts staff-related disclosures, whether mandatory or voluntary.

No statistical relationships and correlations exist between international foreign participation in the capital and the mandatory disclosures of staff-related information in the notes to the financial statements of the analysed enterprises. In this case, the theoretical value is higher than the empirical one and the level of significance is higher than the error. This gives us grounds to reject the alternative hypothesis and assume the null hypothesis. Such assumptions can be made for voluntary disclosures (see table 2) as well. The analysis of collected data is essential for excluding the foreign participation as a factor influencing staff-related disclosures (mandatory and voluntary) by hotel enterprises falling in the target group.

The test for statistical relationships and correlations between voluntary staff-related disclosures and presence of audit control by an external independent auditor again shows average correlations and fulfilled conditions for application of the selected methodology. In particular, based on the results from table 2, the calculated empirical value for the purposes of mandatory disclosures is 26.913, at theoretical value of 5.99, with a level of significance $\alpha = 0.05$ and degrees of freedom $n = 2$. For the voluntary additional disclosures, the estimated empirical value is 37.031, with theoretical value, degree of freedom and selected permissible error complying with the mandatory disclosures. This gives us grounds to reject the null hypothesis and assume the presence of statistical relationships and correlations between the analysed factors and staff-related disclosures (Cramer's V: 0.519, $p < 0.05$ for mandatory disclosures and Cramer's V: 0.609, $p < 0.05$ for voluntary ones).

Table 2. Data from cross tabulation during testing of research hypotheses and examination of statistical relationships and correlations.

Factor/skill	Pearson Chi-Square value	Level of significance	Degree of freedom	Asymp. Sig. (2-sided)	Cramer's V value	Appro x. Sig.
Accounting standards applied / mandatory staff-related disclosures	11.295	$\alpha=0.05$	n=2	.004	.336	.004
Accounting standards applied / voluntary staff-related disclosures	11.212	$\alpha=0.05$	n=2	.004	.335	.004
Existence of foreign participation in the capital / mandatory staff-related disclosures	0.289	$\alpha=0.05$	n=2	.866	.054	.866
Existence of foreign participation in the capital / voluntary staff-related disclosures	4.038	$\alpha=0.05$	n=2	.133	.201	.133
Financial audit performed by external auditor / mandatory staff-related disclosures	26.913	$\alpha=0.05$	n=2	.000	.519	.000
Financial audit performed by external auditor / voluntary staff-related disclosures	37.031	$\alpha=0.05$	n=2	.000	.609	.000
Enterprise category / mandatory staff-related disclosures	21.588	$\alpha=0.05$	n=6	.001	.329	.001
Enterprise category / voluntary staff-related disclosures	27.959	$\alpha=0.05$	n=6	.000	.374	.000
Accounting financial result / mandatory staff-related disclosures	5.192	$\alpha=0.05$	n=4	.268	.161	.268
Accounting financial result / voluntary staff-related disclosures	4.079	$\alpha=0.05$	n=4	.395	.143	.395

Type of merchant / mandatory staff-related disclosures	10.987	$\alpha=0.05$	n=6	.089	.234	.089
Type of merchant / voluntary staff-related disclosures	20.478	$\alpha=0.05$	n=6	.002	.320	.002

Source: own calculations, n=100.

Based on the collected and analysed data (see table 2) between enterprise category under the Accountancy Act and disclosed significant accounting policies in the staff-related part, there is a statistical relationship too (the empirical value to test the hypothesis is 21.588, versus theoretical of 12.59, with a level of significance $\alpha = 0,05$ and degree of freedom $n = 6$). The reported statistical relationship is average (Cramer's V: 0.329, $p < 0.05$). However, not all conditions for application of the Chi-square test (χ^2) are fulfilled, which makes us sceptical to assume such correlation (in 4 cells (33.3%) there are values of theoretical frequencies which are smaller than 5). Similar assertions can be derived for the voluntary disclosures of the analysed enterprises. Again not all conditions for application of the selected methodology are fulfilled and this is a reason for us to not fully assume the average statistical relationship between the enterprise category and the additionally published staff-related data to the financial statements of the organisations (Cramer's V: 0.374, $p < 0.05$).

There are no statistical relationships and correlations between the reported accounting financial result and the staff-related disclosures (mandatory and voluntary) based on the data used. In this case, the theoretical value is higher than the empirical one, and the level of significance is higher than the error (see table 2).

Of note is the fact that the type of merchant according to the requirements of the Commerce Act impacts only staff-related voluntary disclosures. In particular, there are no statistical relationships and correlations (the theoretical value is higher than the empirical one, and the level of significance is higher than the error) between mandatorily disclosed staff-related data and the legal form of the enterprise. Conversely, when testing the hypothesis for voluntary disclosure, the estimated empirical value (20.478) is higher than the theoretical one (12.59), with a level of significance $\alpha = 0.05$ and degrees of freedom $n = 6$ (see table 2). This gives us grounds to reject the null hypothesis and assume the presence of an average statistical relationship between the type of merchant (according to the CA requirements) and the disclosure of additional staff-related information in the statements of the analysed organisations (Cramer's V: 0.320, $p < 0.05$).

Discussion

The in-depth analysis of staff-related disclosures as part of the social policy of the analysed hotel enterprises allows us to draw the following main findings and questions:

1) Non-disclosure of information that is found in the studied statements and webpages can be associated with a lot of negative assumptions about the organisations. Such assumptions can be attempted fraud; lack of qualified staff responsible for the preparation and disclosure of data; disregard of CSR as a possibility to build competitive advantages and attract educated labour force; inadequate knowledge of the legal framework; lack of good governance, etc. The implications of such assumptions can be associated with increased distrust in hotels, shift of human resources to foreign hotel enterprises, less investments in the sector, building a negative public stance and attitude. The latter is directly associated with tourism sustainability because the present economic, health and social crisis may lead to liquidation of many hotels. It should be noted that in the conditions of virus pandemic some of the public requirements to hotels will be focused not only on the rollover of assets prompted by sanitary and hygiene considerations, but also on higher quality services and care for customers. This would require additional skills and competences of staff who are substantially motivated not only by the enterprise's remuneration policy but also by the overall attitude and social setting in the organisation. The lack of formal, disclosed and applied staff-related social policy by hotels is a reason for high labour force turnover, and for use of other sources of information by job seekers. In this case, as is established during the research, such sources are forums and websites maintained by third parties, which feature mainly negative information about the hotels' attitude towards staff.

2) The analysis of the content of the published information shows that the disclosures focus on the policies on selection, recruitment, training of staff, employment standards and employment relationships. In the context of CSR however, this is a small part of the information about the staff-related social policy which is subject to regulation and disclosure. In this context, the data published in the notes to statements is mainly of labour, tax and accounting nature. This can be explained by the tax inspections and tax audits performed by government bodies and institutions which disregard disclosures as an element of reporting. This substantially affects the overall treatment of the persons preparing the annexes and statements as their focus shifts mainly to performance of tax and administrative functions and tasks. Regardless of the latter assertions, staff-related disclosures in the notes to the financial statements of the analysed enterprises are more numerous and more detailed than those featured on their

websites. An exception to the latter assertion is the published social policies as an element of CSR on the websites of 5 of the enterprises from the target group.

3) The content analysis of the financial statements shows yet another negative practice, namely non-publication of mandatory staff-related disclosures required under the standards. That, in essence, is indicative of potential unreliability of the data presented in the statements. A question can be raised as to why Bulgarian hotel enterprises refrain from publishing disclosures to their statements? The answer to this question may be sought both in the attitude of the managers and compilers of the statements towards disclosure of staff-related data and in their understanding of the role of CSR for long-term development and viability. However, this study cannot answer the question due as it goes beyond the limitations of the study but is a basis for further reasoning and reflections.

4) Application of uniform accounting policies (stabilisation) by the analysed enterprises may furthermore raise the issue of the rationality of the strategies applied by hotels. In this case we refer to the absent update of some of the legally required data by some organisations. The latter is in causal dependence on the absence of timely analysis of the changes in the internal and external setting in which the enterprises operate, and failure to review the applicable policies to reflect such changes. This may lead to irrational management decisions, damage the reputation of hotels, as well as to the application of non-sustainable measures.

5) The presence of the derived statistical relationships and correlations between the examined factors and disclosures gives us ground to conclude that only the accounting basis selected by the organisations and the presence of an audit by an external independent auditor have an average impact on the staff-related disclosures (mandatory and voluntary). Essentially, these two factors are associated with specific legal requirements for control and reporting, which further confirms the assertion that the disclosures mainly focus on compliance with the legal framework rather than on supporting the business of the hotels. During the testing of the research hypotheses no statistical relationships are calculated between staff-related disclosures and 1) foreign participation in the capital of enterprises, and 2) the accounting financial result for the period. Potential reasons for the absence of such relationships and correlations may be sought again in the overall attitude of management towards published information. In this case, investors and managers focus on quantitative data which may be used for the purposes of the financial and business analysis. Although in recent years narrative data and non-financial data are also put in the focus, we should not forget the principle that “demand determines supply” or, to put it differently, if the users of the statements have weak or no interest in such information, the enterprises may choose to “omit” it. Of note is that the type of merchant according to the requirements of the Commerce Act impacts only voluntary staff-related disclosures. Again this could be explained with the level of control to be exercised by the shareholders and partners in the enterprises, in accordance with their legal rights. In this case, the higher the number of shareholders and partners, the higher the pressure on the level of voluntarily published data may be. Voluntary disclosure, however, may be associated with investment behaviour, which is a precondition for the subjective nature of the disclosed data and for creation of information asymmetry. Although based on the data used average statistical correlations are calculated between the size of the enterprise and the disclosures, such a final conclusion should not be assumed as absolutely true, given the unfulfilled criteria for application of the selected research methodology.

Conclusion

As a conclusion we can state that the main authors' hypothesis can be accepted. In this respect, a comparatively high percentage of the enterprises from the target group do not publish staff-related information either on their official websites or as notes to their financial statements. Such non-publication is primary of mandatory staff-related disclosures required under the standards rather than the voluntary data. The analysis of the collected data confirm that the strongest calculated statistic relationship is between the external audit control and staff-related disclosures. This supports the studies of Nguyen at al. (2017), Georgieva (2019), Teixeira da Silva at al. (2013), but does not explain the existence of missing mandatory data in the published disclosures. Additionally, the results of the research in the study give us ground to disagree with the idea of integration of the applicable social policies as part of the financial statements of the organisations.

As a result stakeholders can negatively interpret the lack of publish staff related information as the companies are trying to hide something or mistreating its employees. Disclosures enrich the information environment, prevents the idea of wrong methodologies for presenting data in the financial statements and help stakeholders to make reliable economic decisions. This in hand shows that the entity is reliable partner, which gains creditor's trust and is a base for long turn sustainability of the organization. Having in mind that disclosure can lead to a leak of strategic information we believe that the risk could be minimized through timely and reliable review of the data that could be disclosed. This in hand could be a better option rather that disclosure of none or less information.

Acknowledgement

This study is financed with funds under the project “Development and approbation of a model for monitoring and evaluation of the sustainable development of tourism in Bulgaria (based on the model of national resorts)”, funded from the National Science Fund, with contract No КП-06-H25/3 от 13.12.2018.”

References

- Abeyssekera, I. (2006). The project of intellectual capital disclosure: Researching the research, *Journal of Intellectual Capital*, 7(1), 61–77.
- Accountancy Act, 2015, Published in the State Gazette No 98 of 2001, repealed, SG No 95 of 2015.
- Alves, M. C. G., & Antunes, E. C. (2010). A Implementação das Normas Internacionais de Contabilidade na Europa—Um Estudo Comparativo. Online available at: https://www.researchgate.net/publication/46464642_A_Implementacao_das_Normas_Internacionais_de_Contabilidade_na_Europa_-_Um_Estudo_Comparativo, last accessed on 15.02.2020.
- Amaral, C. X. (2001). Processo de harmonização contabilística internacional: Tendências actuais. *Gestão e Desenvolvimento*, (10), 33–58. Online available at: <https://repositorio-ucp.pre.rcaap.pt/handle/10400.14/8837?locale=en>, last accessed on 15.02.2020.
- Aragon-Correa, J., Martin-Tapia, I., & de la Torre-Ruiz, J. (2015). Sustainability issues and hospitality and tourism firms' strategies: analytical review and future directions. *International Journal of Contemporary Hospitality Management*, (27), 498–552. <https://doi.org/10.1108/IJCHM-11-2014-0564>.
- AS 1, Presentation of Financial Statements, adopted with Council of Ministers' Decree No 46 of 21.03.2005, published in the State Gazette No 30 of 2005, amended SG No 86 of 26 October 2007.
- AS 19, Employee Benefits, adopted with Council of Ministers' Decree No 46 of 21.03.2005, published in the State Gazette No 30 of 2005.
- Atanasova, L. (2014). Korporativna socialna odgovornost na hotelite v Bulgaria: e li tya instrument za internet marketing? *Upravlenski praktiki*, BFU, (1), 117-126, available online at: https://www.researchgate.net/publication/308112172_KORPORATIVNA_SOCIALNA_OTGOVORNOST_NA_HOTELITE_V_BLGARIA_E_LI_TA_INSTRUMENT_ZA_INTERNET_MARKETING_CORPORATE_SOCIAL_RESPONSIBILITY_OF_THE_HOTELS_IN_BULGARIA_IS_IT_AN_INSTRUMENT_FOR_ONLINE_MARKETING.
- Bakardzhieva, R. (2018). Korporativnata socialna odgovornost v konteksta na globalnata veriga na dostavki, *Busines posoki*, (2), 25-38.
- Bauwhede, H., & Willekens, M. (2008). Disclosure on corporate governance in the European Union, *Corporate Governance: An International Review*, 16(2), 101–115.
- Beretta, S., & Bozzolan, S. (2008). Quantity versus quality: the case of forward looking disclosure, *Journal of Accounting, Auditing & Finance*, 23(3), 333–375.
- Bonilla-Priego, M. J., Font, X., & Pacheco, R. (2014). Corporate sustainability reporting index and baseline data for the cruise industry *Tourism Management*, (44), 149–160. <https://doi.org/10.1016/j.tourman.2014.03.004>
- Burns, P. M., & Cowlishaw, C. (2014). Climate change discourses: How UK airlines communicate their case to the public. *Journal of Sustainable Tourism*, 22(5), 750–767. <https://doi.org/10.1080/09669582.2014.884101>.
- Chalmers, K., & J. Godfrey, M. (2004). Reputation costs: The impetus for voluntary derivative financial instruments reporting, *Accounting, organizations and society*, 29(2), 95–125.
- Coles, T., Fenclova, E., & Dinan, C. (2011). Responsibilities, recession and the tourism sector: Perspectives on CSR among low-fares airlines during the economic downturn in the UK. *Current Issues in Tourism*, (14), 519–536. <https://doi.org/10.1080/13683500.2010.544719>
- Commerce Act, Published in the State Gazette No 48 of 1991, amended and supplemented in SG No 83 of 2019.
- Commission Staff Working document - Corporate Social Responsibility, Responsible Business Conduct, and Business and Human Rights: Overview of Progress, European Commission, SWD(2019) 143 final, Brussels, 20.3.2019.
- Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1–13.
- Directive 2014/95/EU of the European Parliament and of the Council of 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, *Official Journal of the European Union L 330*, 2014.
- Dosev, H. (2015). Vidove predpriatia i bazi za izgotvyane na finansovi otcheti, *IDES*, (1), year XIX, available online at: <https://www.ides.bg/media/1270/01-2015-hristo-dosev.pdf>, last accessed on 29.04.2020.
- Dushanov, I. (2003). Mezhdunarodni schetovodni standarti. Vavedenie i azbuchnik. Romina.
- Entwistle, G. (1999). Exploring the R&D disclosure environment, *Accounting Horizons*, 13(4), 323-342.
- European cities marketing, Online available at: <https://www.europecitiesmarketing.com/corporate-social-responsibility-and-tourism/>, last accessed on 12.05.2020.
- European Commission, 2020, https://ec.europa.eu/growth/industry/corporate-social-responsibility_en.
- Farrington, T., Curran, R., Gori, K., O'Gorman, K. D., & Queenan, C. J. (2017). Corporate social responsibility: Reviewed, rated, revised. *International Journal of Contemporary Hospitality Management*, (29), 30 –47. <https://doi.org/10.1177/1096348010388657>
- Font, X., Walmsley, A., Cogotti, S., McCombes, L., & Hausler, N. (2012). Corporate social responsibility: The disclosure–performance gap. *Tourism Management*, (33), 1544–1553. <https://doi.org/10.1016/j.tourman.2012.02.012>.
- Francis, J., Khurana, I., & Pereira, R. (2005). Disclosure incentives and effects on costs of capital around the world, *The Accounting Review*, 80(4), 1125–1162.
- Galabova, B., Nestorov, N. (2018). State and trends of Bulgarian foreign trade with ores and concentrates, *Economic Studies journal, Bulgarian Academy of Sciences - Economic Research Institute*, (1), 109-140.
- Gelb, D. S. (2002). Intangible assets and firms' disclosures: An empirical investigation, *Journal of business finance & accounting*, 29(3–4), 457–476.
- Georgieva, D. (2016). Nefinansovata deklaracia kato chast ot otchetnostta na predpriyatiyata ot obshtestven interes, *Savremennoto distantsionno obuchenie: tendentsii, politiki i dobri praktiki*, IBS, Botevgrad, 448-461.
- Georgieva, D. (2019). Mandatory and voluntary R&D data disclosure: evidence from Bulgaria, *Academy of accounting and financial studies journal*, 23(5), 1-8.
- Georgieva, D. (2020). A study of intangible assets disclosure as factor for sustainability: an evidence from Bulgarian furniture

- enterprises, Sustainability of Forest-Based Industries in the Global Economy, *Proceedings of Scientific Papers, WoodEMA*, i.a., 221-225.
- Gerpott, T. J., Thomas, S. E., & Hoffmann, A. P. (2008). Intangible asset disclosure in the telecommunications industry, *Journal of intellectual capital*, 9(1), 37–61.
- Global Reporting Initiative. (2013). The external assurance of sustainability reporting. Amsterdam, The Netherlands; The International Integrated Reporting Council. (December 2013). The International <IR> Framework.
- Gorcheva, T., Lyubenov, Z., & Savcheva, V. (2013). Realizirane na korporativnata socialna otgovornost – savremenni izmerenia, *Dialog, INI, extraordinary thematic* (2), 12-26.
- Holcomb, J. L., Upchurch, R. S., & Okumus, F. (2007). Corporate social responsibility: What are top hotel companies reporting?. *International Journal of Contemporary Hospitality Management*, (19), 461–475. <https://doi.org/10.1108/09596110710775129>.
- Hopkins, M. (2005). Measurement of corporate social responsibility, *International journal of management and decision making*, 6(3-4), 213-234.
- Hossain, M. (2008). The extent of disclosure in annual reports of banking companies: The case of India, *European journal of scientific research*, 23(4), 659–680.
- IAS 1, Presentation of Financial Statements, Commission Regulation (EC) No 1126/2008 of 2008, Commission Regulation (EU) No 475/2012 of 2012.
- IAS 19, Employee Benefits, Commission Regulation (EC) No 1126/2008 of 2008, Commission Regulation (EC) No 70/2009 of 2009.
- IAS 26, Accounting and Reporting by Retirement Benefit Plans, Commission Regulation (EC) No 1126/2008 of 2008.
- International Standard ISO 26000:2010, Guidance on social responsibility, online available at: <https://www.iso.org/obp/ui/#iso:std:iso:26000:ed-1:v1:en>, last accessed on 09.03.2020.
- Jones, D. (2007). Voluntary disclosure in R&D-intensive industries, *Contemporary Accounting Research*, 24(2), 489–522.
- Jones, S., & Higgins, A. D. (2006). Australia's switch to international financial reporting standards: A perspective from account preparers, *Accounting and finance*, 46(4), 629–652.
- Lund-Durlacher, D. (2015). Corporate Social Responsibility and Tourism. In: *Education for Sustainability in Tourism - A Handbook of Processes, Resources, and Strategies*. Moscardo, P. & Benckendorff, G. (eds.). Berlin: Springer, 59 – 73.
- Making Tourism More Sustainable - A Guide for Policy Makers, UNEP and UNWTO, 2005.
- Meek, G. K., C. B. Roberts, & Gray, S. J. (1995). Factors influencing voluntarily annual report disclosure by U.S., U.K., and continental European multinational corporations, *Journal of international business studies*, 26(3), 555–572.
- Mellahi, K., Frynas, J., & Finlay, P. (2005). *Global strategic management*, Oxford university press.
- Merkley, K. (2014). Narrative disclosure and earnings performance: evidence from R&D disclosures, *The Accounting Review*, 89(2), 725–757.
- Morris, R. D., & Tronnes, P.C. (2008). The determinants of voluntary strategy disclosure: An international comparison, CA, USA. National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria, Updated version 2014-2030, Updated version 2017, available online at: <http://www.tourism.government.bg/bg/kategorii/strategicheski-dokumenti/aktualizirana-nacionalna-strategiya-za-ustoychivo-razvitie-na>, last accessed on 09.04.2020.
- Nguyen, L. S., Manh, D. T., Hong, N. T. H., & Le, Q.H. (2017). Factors affecting disclosure levels of environmental accounting information: the case of Vietnam. *Accounting and Finance Research*, 6(4), 255-264.
- Nikolov, E. (2017). Otsenka na socialnata otgovornost na algarskite proizvoditeli na velosipedi, Upravlenie na znaniето, informatsiata i ikonomicheskia rastezh, Almanah nauchni izsledvania. Volume 24, 2017, part II.
- Nikolov, E., & Stanev, Y. (2018). Dokladvane na korporativnata socialna otgovornost, Ikonomicheski rastezh v promenyashta se ikonomika – realnost, prognozi, strategii za razvitie, Almanah nauchni izsledvania. Volume 25, 2018, part II, 257-289.
- Nobes, C., & Parker, R. (2008). *Comparative international accounting*, London: Prentice Hall.
- Oliveira, L., L. L. Rodrigues & Craig, R. (2006). Firm-specific determinants of intangibles reporting: evidence from the Portuguese stock market, *Journal of human resource costing & accounting*, 10(1), 11–33.
- Palmer, D. (2008). Disclosure of the impacts of adopting Australian equivalents of international financial reporting standards. *Accounting & finance*, 48(5), 487-492.
- Paskova, M., & Zelenka, J. (2019). How crucial is the social responsibility for tourism sustainability?. *Social Responsibility Journal*, 15(4), 534-552. <https://doi.org/10.1108/SRJ-03-2018-0057>
- Patelli, L., & Prencipe, A. (2007). The relationship between voluntary disclosure and independent directors in the presence of a dominant shareholder, *European Accounting Review*, 16(1), 5–33.
- Perez, A., & Rodriguez Del Bosque, I. (2014). Sustainable development and stakeholder relations management: Exploring sustainability reporting in the hospitality industry from a SD-SRM approach. *International Journal of Hospitality Management*, (42), 174–187. <https://doi.org/10.1016/j.ijhm.2014.07.003>
- Sheldon, P. J., & Park, S.-Y. (2011). An exploratory study of corporate social responsibility in the US travel industry. *Journal of Travel Research*, (50), 392–407. <https://doi.org/10.1177/0047287510371230>
- Stolowy, H., & Cazavan-Jeny, A. (2001). International accounting disharmony: the case of intangibles, *Accounting, auditing & accountability journal*, 14(4), 477–497.
- Strategy for Corporate Social Responsibility 2019-2023. (2019). Ministry of Labour and Social Policy, Republic of Bulgaria; Accountancy Act, published in the State Gazette No 95 of 2015.
- Strategy for Sustainable Development of Tourism in Bulgaria 2014 – 2030, Ministry of Economy and Energy, 2014.
- Strike, V., Gao, J., & Bansal, P. (2006). Being Good While Being Bad: Social Responsibility and the International Diversification of US Firms. *Journal of International Business Studies*. 37(6), 850-862. Online available at: www.jstor.org/stable/4540388, last accessed on 04.05.2020.
- Swarbrooke, J. (2005). *Sustainable Tourism Management*. Wallingford: CABI Publishing.
- Teixeira Da Silva, S., A. Morais, & Curto, J. (2013). Disclosure of R&D activities, *Global Business Perspectives*, 1(4), 391–417.
- Wallace, R., K. Naser, & Mora, A. (1994). The relationship between the comprehensiveness of corporate annual reports and

firm specific characteristics in Spain, *Accounting and Business Research*, 25(97), 41–53.

Weston, R., Guia, J., Mihalič, T., Prats, L., Blasco, D., Ferrer-Roca, N., Lawler, M. & Jarratt, D. (2019). Research for TRAN Committee – European tourism: recent developments and future challenges, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels.

Xavier, F., & Lynes, J. (2018): Corporate social responsibility in tourism and hospitality, *Journal of Sustainable Tourism*, 26(7), 1027-1042. <https://doi.org/10.1080/09669582.2018.1488856>