



# Analysis of the Human Resources and Personnel of Organisation

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**Abstract:** Human resources ensure the unification of the means and products of labor. Human resources are what the labor force is made up of and reflect the work directly put into the activity of an economic entity. This work has the character of a theoretical study, the subject of which is the analysis of economic categories such as «human resources», «labor force», «personnel» of an organization, including their nature, characteristics, professional, functional and qualification structure, etc. The subject of analysis are also the processes of planning and optimizing the personnel of an organization, identifying the labour conditions, and determining the methods, sources and techniques for personnel assessment and selection. This analysis also includes the baseline parameters personnel planning within an organization is based on, including the level of labour productivity and trends in changes therein, the production quantities and/or services that have been contracted for production/provision, the qualities a worker should possess such as level of education, qualification, profession, etc., corresponding to the activity carried out by an organisation as well as its financial capacity.

## 1. INTRODUCTION

In order to carry out its production and economic activity the organisation needs means of production, as well as human resources. It is namely human resources that ensure the unification of the means and product of labour.

*In a broad sense* the concept “human resources” is used to signify the set of people who at a certain moment or for some time are employed in various economic sectors related to the production of goods and services, i.e. the people that possess and exercise the ability to perform a certain type of work. In a narrow sense the concept “human resources” corresponds to the concept “economically active” population (Obuch, n.d.).

*In quantitative terms* human resources are determined by the population growth and migration processes of the population of a given country. In terms of quality human resources are characterized by educational level and qualification of each individual, their professional experience and skills, labour activity, personal and professional qualities, etc.

*From economic standpoint* human resources are one of the most valuable assets; they, as well as the other resources ought to be managed in a way that provides long-term economic benefits, while at the same time it leads to increased employee satisfaction and engagement. In this sense, human resource management is a system of organizational practices for managing people, aimed at increasing the engagement, motivation and satisfaction of employees, which contributes to increasing the sustainability and improvement of the long-term economic development of the economic organisations (Dimitrova, 2023, p. 30).

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Human resources are the carriers of the labour force and as such they reflect the living labour directly invested in the activity of the organisation. *The labour force* is a quality inherent to the human as a subject of labour. It can be considered in a broad and narrow sense of the word. In a *narrow sense* labour force is a set of physical and mental (intellectual) capacities and skills for labour. In *broad sense* the labour force is the economically active population – persons above 15 and more years, who put in or offer their labour for production of goods and services. The labour force also includes employed and unemployed persons looking for work and is subject to statistical monitoring (Obuch, n.d.).

The specific manifestation of the labour force has its characteristic features. Above all their individuality stands out – each individual has a set of physical and intellectual abilities that is very different and specific. Secondly, this set is a dynamic category, because it changes over time – the physical and mental strength may increase or decline. Thirdly – it is a characteristic of the labour force that it has a certain professional focus (Donchev et al., 2003, pp. 122-123).

## 2. CLASSIFICATION AND STRUCTURE OF THE PERSONNEL OF THE ORGANISATION

The personnel is “a personification of the labour resources within the primary structural unit of production; it encompasses all the persons that work in it” (Iliev et al., 2008, p. 11). The composition and structure of the employed personnel are established as a result of the division of labour, which at the level of the economic unit is realized mainly in the form division of labour based on profession, function and qualification.

1. **Professional division of personnel** is carried out according to the functions performed and is expressed in the differentiation of separate professions, specialties, positions, occupations, etc. The National classification of occupations and jobs in the Republic of Bulgaria defines the meaning of the categories profession, specialty, occupation, professional qualification, etc. (National Statistical Institute of Bulgaria, 2017):

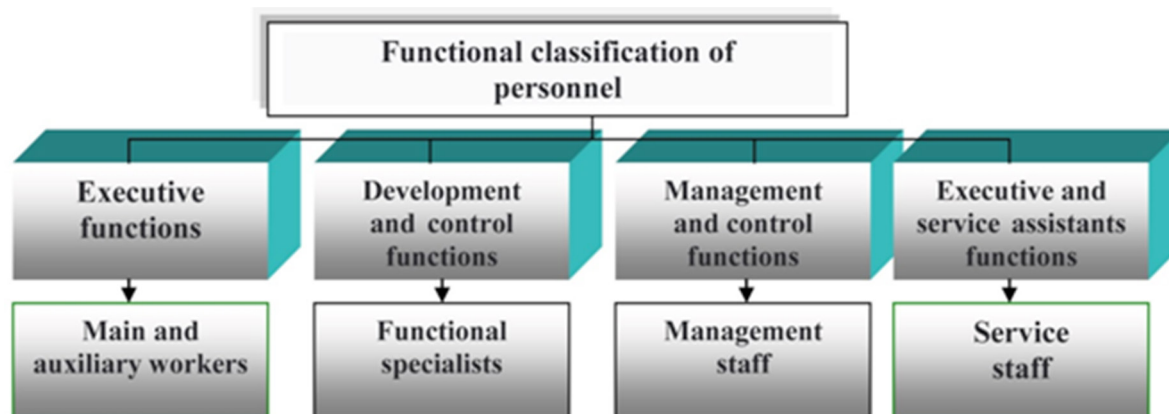
- **Profession** is an independent labour activity, that requires special knowledge and practical habits, acquired through professional training and production experience, *for example profession: financier, accountant, pedagogist, philologist, statistician, lathe operator, setting controller, etc.*
- **Specialty** is the concretization of the labour activity formed within a given profession and characterised by a narrower range of labour activities, the execution of which requires a more in-depth preparation including deeper knowledge and skills for performing the specific activity related to the profession practiced, *for example, specialty – Bulgarian Philology, financial analyst, expert accountant, etc.*
- **Position** is defined as a set of functions, tasks, rights, obligations, etc., related to the requirements of the place of work and is reflected in the job description.

2. **Functional division of personnel** signifies the differentiation of human resources in groups, by the specifics of the functions performed: line, development, management and control. As a result of the functional division of labour, five categories of personnel are differentiated in the production organization (Zagorova, 2017, p. 114a):

- **Line personnel**, namely main and auxiliary *workers* – this category consists of the people who perform line functions, related to the production and realization of material goods, as well as the provision of production and non-production services;
- **Development personnel**, namely *specialists* – this category consists of the people who perform development and control functions, for which a respective qualification is

required. The category includes general function specialists, engineering and technical personnel, economists, lawyers, production organisers, the personnel carrying out the research activities of the organization, etc.;

- **Management personnel** – this category consists of the part of the personnel that performs management and control functions, related to the strategic and operational management of the organisation. It consists of the heads (executive managers) of the organization and its subdivisions, heads of branches, of separate functional departments, offices and production units, including line heads, exempt from direct line functions.
  - **Support personnel** – consists of the people who perform auxiliary and service functions in the sphere of administration management, including: technical and office assistants, clerks, hygienists, etc.
3. **The division of the personnel by qualification** is carried out within a specific profession or specialty and characterizes the complexity and quality of labour, as well as the level of expertise of a given profession and specialty. *The professional qualification* is defined as a combination of general and special training, professional knowledge and skills, practical habits and experience, necessary for the performance of a concrete type of labour activity with a certain degree of complexity under concrete organisational and production conditions.



**Figure 1.** Classification of the personnel, with regard to functions performed

Source: Own illustration

In compliance with the International standard classification of professions, the National classification of occupations and jobs in the Republic of Bulgaria has determined ten primary occupational categories (see Table 1).

**Table 1.** Classification of professions and positions in the Republic of Bulgaria

Occupational class/category	Positions and professions
CLASS 0	Occupations in the armed forces
CLASS 1	Managerial staff
CLASS 2	Analytical specialists
CLASS 3	Applied specialists
CLASS 4	Auxiliary personnel
CLASS 5	Personnel engaged in population services, security, and trade
CLASS 6	Agricultural and forestry workers
CLASS 7	Qualified production workers
CLASS 8	Plant and machine operators
CLASS 9	Low-skilled workers

Source: National Statistical Institute of Bulgaria (2017)

*Structure of the personnel* signifies the ratio between the individual categories and types of personnel, in terms of functions performed, practiced professions, specialties, qualification characteristics, etc. Depending on the determining feature, the structure of the personnel is defined as functional, professional, qualification, age, social. The structure of the personnel is not a constant and is subject to continuous update, with regards to the dynamics of the external macro-environment and strategic goals of the organisation.

*Main factors influencing the structure of the personnel in the production organisation* are its industry affiliation and specifics of the manufactured production (services provided); level of applied technologies; manner of organization and management of production and labour; production range; the rate of technological, organizational and product innovations, etc.

### 3. PLANNING AND SELECTION OF THE PERSONNEL OF THE ORGANIZATION

#### 3.1. Planning of the Personnel of the Organisations

The management of human resources is directly related to the processes of *planning and optimization of the existing personnel, identification of the labour conditions, determining of the methods and sources of personnel selection*.

Generally, planning the number of personnel in the organization is based on the following parameters:

- growth of labour productivity of and trends for its change;
- planned/ contracted quantities of production for the respective period;
- qualification of the personnel employed, namely: education, professional orientation, practical experience, according to the requirements of the activity performed;
- financial status of the organisation.

The number of planned production personnel or planned workers in the organization for a specific period is determined through the following ratios (Blagoev et al., 2010, p. 174a).

$$W_{p1} = \frac{P_{p1}}{P_{s1w}} \quad (1)$$

$$P_{s1w} = \frac{P_s}{W_r} \quad (2)$$

where:

$W_{pl}$  planned number of workers

$P_{pl}$  planned production volume

$P_{s1w}$  volume of realized production on average per worker

$P_s$  volume of realized production

$W_r$  number of workers per report

The number of the remaining groups of personnel is determined through a specific ratio with the number of planned production labourers.

*The correct personnel selection requires* planning their number and type, as well as analysing the specificities of the work, for which there are job positions available, which requires: preparing written workflow of the activity and specification of the conditions of the work environment; drawing up of a person specification and job description of the activity, for which job positions are vacant.

The specification of the work conditions has the following structure (Zagorova, 2017, p. 118b):

- description of the status of the factors of the immediate work environment, namely: noise, vibrations, presence of toxic substances, etc.;
- specification of the social work environment, namely: socio-psychological environment, traditions, views, norms of behaviour, etc.

The organisation – employer draws up the job description and person specification for the announced job positions, which are submitted to the recruitment agencies, as well as potential job candidates.

*The first part of the person specification describes the obligatory requirements and necessary conditions, which the job applicants must meet, namely: minimal educational degree, qualification, knowledge and skills of the candidate; professional experience; additional professional qualification; personal and professional qualities; age, etc.*

*The second part of the person specification describes main parameters of the organisation, which inform the candidate regarding: Initial base salary, range spread of the salary, duration of the work day, work/rest cycle, taking paid annual leave, conditions for social and health insurance of the candidate, type and duration of the employment relationship, additional benefits for the candidate, etc.*

### 3.2. Selection of the Personnel in the Organisations

After the personnel needed is specified, the process of filling the vacant job positions can start. *The resources for recruitment of candidates for a specific position can be internal, i.e. from the organisation itself, or external – outside of it.*

*The filling of the job positions by candidates internal to the organization has the following advantages: it creates a beneficial socio-psychological climate, as a result of the opportunities for career development created; develops an attitude of loyalty towards the organisation; increases the economic motivation and labour activity of the personnel; the expenses for selection of potential candidates are relatively low. This approach is appropriate mainly for the selection of personnel for managerial positions.*

Major disadvantage of the use of internal human resources is that there are no new people coming in the organisation bringing creative and innovative ideas with them, which could result in stagnation of its development. *Recruitment of personnel from external resources is carried out mainly through posting vacancies in the mass media, namely in specialized print media and online; through recruitment agencies; through establishing contractual relations with students in higher education institutions; through attracting specialists from competing organisations, etc.*

*The selection of candidates for the announced vacancy goes through the following stages: recruitment, selection and assessment of the candidates for a job position, choosing a candidate, making a decision on the appointment of the selected candidate and their introduction into the concrete micro-environment.*

*Different methods are used for the assessment and selection of personnel for work, namely: conducting tests to assess the candidate's professional knowledge, conducting psychological tests, launching computer programs for "dialogue" and professional evaluation of candidates, conducting*



business games and simulations, using a method for self-assessment of the candidate, conducting a conversation - interview, etc (Zagorova, 2017, p. 119c).

*Dedicated centres for evaluation and selection of management personnel for the different levels of the hierarchy also have practical applications.* The selection performed by the specialized centres is usually carried out in several stages, namely by conducting group discussions, business games, professional analyses, interviews, solving simulation cases, etc.

The various techniques for assessment and selection of the job applicants have in practice a combined application; an obligatory element in personnel selection is the conducting of a psychological evaluation - interview.

According to the specifics and the way they are conducted, different types of interviews are used in practice - structured, situational, attestation, serial, group interview, etc. (Blagoev et al., 2010, p. 174b):

- *The structured interview* is conducted based on a pre-prepared questionnaire. Each candidate is asked the same questions, which facilitates the assessment and selection.
- *The situational interview* is conducted based on pre-prepared questions, covering a specific situation, as well as the potential answers to them. This does not limit the interviewer from deviating for clarification of certain areas and topics.
- *The serial interview* is conducted successively by several experts, each of whom asks a certain set of questions. The interviewers independently assess the candidates and their ranking is determined by an average grade. The major problem after the selection and employment of the candidate is their introduction and adaptation to the immediate work environment.

#### 4. CONCLUSION

Overall, it can be summarized that the personnel and structure of the employees of the organizations are dynamic values, determined by modern reality and emerging new public needs and new professions. Information technologies, as well as mass digitalization in all spheres of the professional and social life of people, restructure and make people reassess the need for several professions, which have existed for decades and give rise to the need to develop new professions, previously unknown.

The dynamics in professional development dictate that the qualification and professional competence management of the personnel must become one of the main priorities in resource management in modern organizations.

As a result, managers must expand the responsibilities and competences of the human resources specialists, by delegating new powers to them, requiring facilitation of the professional development and re-qualification of the personnel, offering training opportunities to employees, including opportunities to use artificial intelligence technologies in the performance of their official duties, etc.

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