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## INTERRELATION OF EMPLOYMENT AND FINANCIAL AND ECONOMIC RESULTS OF THE ENTERPRISES OF HOTEL AND RESTAURANT BUSINESS

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In the article it is determined the dynamics of indicators of profitability and labor productivity in the enterprises of the hotel and restaurant business and develop recommendations for their improvement. It is noted that the feature of the work of employees of hotel companies is that the result of their work is not a product, but a service. Using material and production resources in their production and operation, employees create and implement hotel services. It is established that the number of service personnel does not depend on the volume and cost of services rendered. In addition, hotel workers mainly perform work associated with constant nervous, mental stress and physical activity. The study showed stabilization of the number of employees in the hotel and restaurant business after a sharp decline in 2015. The analysis of profit formation at the enterprises of hotel and restaurant business for 2014–2017 years allowed to reveal a positive trend. However, a detailed analysis showed that for workers in the hotel and restaurant business, in comparison with other Ukrainian enterprises, there is an insufficiently effective indicator of personnel management and a low level of labor productivity. Increase of labor productivity in the hotel and restaurant business enterprises is possible due to the use of a balanced system of indicators combined with incentive system at enterprises in this sphere. The approach to improving the efficiency of using the hotel and restaurant business staff in the article allows balancing fulfillment of the operational and strategic tasks of the organization, including the improvement of the rationing and remuneration of labor in the hotel and restaurant.

**Keywords:** hotel and restaurant business, labor efficiency, personnel, profitability, employment, profit.

### *Introduction*

In today's dynamic environment, each organization is thinking about finding new ways to ensure sustainability and competitiveness. In modern conditions of management, organizations try to use all available resources as carefully and efficiently as possible. Find ways to improve the use of human resources in the enterprise can be through the assessment of staff. Using the methods of personnel assessment, managers can determine the competitive advantages associated with personnel, or vice versa - «weaknesses» of their organization, which do not allow it to develop.

Moreover, the effectiveness of the personnel management service, which is responsible for providing the enterprise with qualified personnel, its training, involvement and satisfaction with working conditions, affects the overall performance of the enterprise more than any other subdivision.

The purpose of this article is to determine the dynamics of indicators of profitability and labor productivity in the enterprises of the hotel and

restaurant business and develop recommendations for their improvement.

### *The main material*

Analyzing the state of the Ukrainian tourism market in 2015–2016, we can talk about its significant annual growth. The network of subjects of tourist activity of Ukraine – legal and physical persons-entrepreneurs – in 2016 amounted to 3506 units, which is 324 units more than in 2015.

The number of tourists – citizens of Ukraine, served by the subjects of tourist activity during the year, amounted to more than 2500000 people, foreign tourists – 35 thousand people (in 2015, respectively, 2.0 million and 15 thousand). For the vast majority of tourists (85%), the main purpose of the trip was the organization of leisure and recreation. In the structure of the network of subjects of tourism, the most numerous category are travel agents - 80% of the total number of subjects [1].

These indicators speak about the unconditional development of Ukrainian tourism, which should be positively reflected in the economic perspective

of the state. The visa-free regime with the countries of the European Union will further strengthen these trends. However, the growth of the tourism market dictates new conditions for its participants. The increase in number of players in the market means an increase in supply and, as a result, increased competition. Consequently, representatives of travel companies are forced to use original and atypical methods of rendering tourist services, to use innovative approaches in the management and evaluation of personnel.

The specifics of the work of the staff of hotel companies is that the result of labor is not a product, but a service. Employing material production products in their production and operation, employees create and implement hotel services. It is no coincidence that in many countries specializing in the development of tourism, a significant part of national income is created in tourism and, in particular, in hotel industry. The staffing of hotel enterprises is characterized by a continuous schedule of work, uneven loading during the year, month, week and even days. The number of attendants does not depend on the volume of services provided, but on the capacity of hotels. In addition, hotel workers, for the most part, carry out work related to constant nervous, mental stress and significant physical activity.

At the present stage of development in a market economy, the provision of hotel complexes by labor force, the effectiveness of their use - the most important condition for the effective functioning of the hotel business.

Increasing the efficiency of using the workforce at the hotel complexes in many respects means increasing labor productivity. The factors of productivity growth include: the volume of services implemented and their structure; variety of assortment; level of mechanization of labor, level of development of science, professional development of workers, material and moral stimulation of labor, improvement of modernization of equipment, etc. Ensuring the effective functioning of the hotel largely depends on the rational combination of such factors.

Underestimation of the importance of activating and developing the personnel of an enterprise

increases the decline of production, leads to a decrease in labor productivity, an increase in costs and a depreciation of accumulated human capital. This is evidenced by general economic indicators (falling production, rising unemployment, reducing vocational training, etc.) and the situation at tourist enterprises.

In the modern hotel business, only those hotels that can offer high-quality service to their clients, and this is not possible without professionally trained staff, can withstand a tough competition.

The urgency of the study of improving the efficiency of staff work in the hotel industry is explained by the high requirements of customers who are presented to hotel services in modern conditions. The staff of the hotel company is an important component of the final product and, consequently, the quality of service in the hotel complex organizations depends on the skill and consciousness of the employees. Thus, effective management of people becomes one of the most important functions of the hotel - the function of personnel management [2,3].

The maintenance process requires a high degree of clarity and a high level of organization that can provide maximum living comfort and a high level of service culture. The solution to this problem is closely linked to the implementation of scientific and technological progress, new forms of organization of work, which will significantly reduce the number of workers and move to the world standards of quality of service for tourists. The unevenness of the intensity of tourist flows in time leads to: in some cases, the inevitable downtime of workers, in others – to the extreme tension of their work, which adversely affects the efficiency of the use of labor resources.

To do this, firstly, consider the dynamics of the number of personnel employed in the hotel and restaurant business (Table 1).

As can be seen from the table, the number of employees in this industry has recently stabilized after a sharp decline in 2015. However, against the background of a general decline in the working population in Ukraine, the share of employees in this sector in the overall employment structure is consistently high.

Table 1

**Number of employees of the hotel and restaurant business in 2014–2017**

Years	Total, thousand people	Including			
		enterprises		individual entrepreneurs	
		thousand people	in percentage to total	thousand people	in percentage to total
2014	213.2	101.5	1.6	111.7	4.5
2015	195.2	87.9	1.5	107.3	4.7
2016	207.9	90.3	1.5	117.6	5.1
2017	204.075	89.4	1.55	114.675	4.95

Note: Compiled by the author based on data Ukrstat

Next, consider the dynamics of economic performance indicators of the subjects of the hotel and restaurant business (Table 2, Figure 1)

Table 2  
Dynamics of profitability of operational activities of enterprises of hotel and restaurant business in 2014–2017

Years	The result of operating activities	Operating expenses	Level of profitability (loss), %
2014	-5326.3	20678.3	-25.8
2015	-4694.0	27198.9	-17.3
2016	-219.4	26903.4	-0.8
2017	1382.1	12739.9	10.8

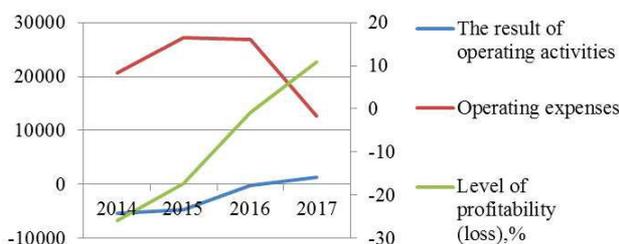


Fig. 1. Dynamics of profitability of operational activities of enterprises of hotel and restaurant business in 2014–2017.

Compiled by the author based on data Ukrstat

As can be seen from the diagram, in recent years positive dynamics of indicators of operating activity results and profitability have been outlined. Next, consider the dynamics of profit formation in

the enterprises of the hotel and restaurant business for the period (Table 3, Figure 2)

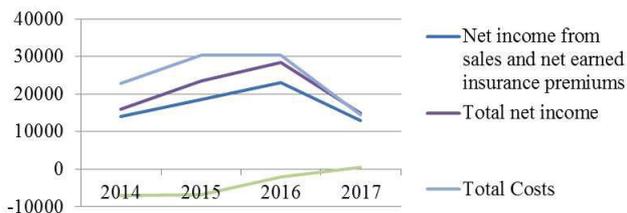


Fig. 2. Dynamics of formation of net profit (loss) of enterprises of hotel and restaurant business in 2014–2017. Compiled by the author based on data Ukrstat

During analyzing the dynamics of profit formation at the enterprises of the hotel and restaurant business for 2014–2017 years, there is clearly a positive trend. However, this approach in the analysis does not take into account the inflation index and general trends of the Ukrainian economy development in these years. To overcome this, we should consider the dynamics of these indicators in relation to the average in Ukraine (Table 4, Fig. 3).

In such an analysis, the inadequate performance of the enterprises of the branch of the hotel and restaurant business becomes apparent in comparison with other Ukrainian enterprises. Considering the stable employment in the industry and even the growth of the number of workers in the industry, we can talk about the decline in labor productivity and the inefficient use of personnel.

The efficiency of labor utilization and the increase in labor productivity of the hotel industry workers is influenced by a large number of factors

Table 3  
Dynamics of formation of net profit (loss) of enterprises of hotel and restaurant business in 2014–2017

Years	Net income from sales and net earned insurance premiums	Other operating income	Other income	Total net income	Operating expenses	Other expenses	Total Costs	Of these, the cost of sold products (goods, works, services)	Net profit (loss)
2014	13963.3	1176	919.1	16058.5	20589.1	2294.6	22946.1	9366.4	-6887.6
2015	18573.3	4010.7	984.5	23568.6	27256.5	3406.5	30443.5	11950.4	-6874.9
2016	22992.6	3832.5	1540.8	28367.4	26995.1	3318.4	30350.5	14510	-1983.1
2017	12967.3	1154.7	800.6	14922.6	12739.9	1515.5	14409.8	7845.9	512.8

Table 4  
Dynamics of formation of net profit (loss) of enterprises of hotel and restaurant business in comparison with general dynamics of entrepreneurship 2014–2017

Years	Net income from sales and net earned insurance premiums	Other operating income	Other income	Total net income	Operating expenses	Other expenses	Total Costs	Of these, the cost of sold products (goods, works, services)	Net profit (loss)
2014	0.29%	0.26%	0.23%	0.28%	0.38%	0.27%	0.36%	0.23%	1.18%
2015	0.36%	0.55%	0.19%	0.37%	0.47%	0.37%	0.45%	0.28%	1.84%
2016	0.37%	0.80%	0.46%	0.40%	0.42%	0.57%	0.43%	0.28%	-6.68%
2017	0.34%	0.56%	0.57%	0.35%	0.33%	0.77%	0.36%	0.24%	0.32%

that can be divided into two groups:

- general economic factors;
- factors operating at the level of enterprises in the hotel industry.

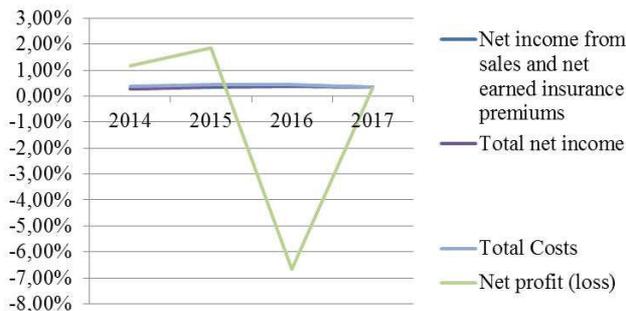


Fig. 3. Dynamics of formation of net profit (loss) of enterprises of hotel and restaurant business in comparison with general dynamics of entrepreneurship 2014–2017. Compiled by the author based on data Ukrstat

To general-economic, that is, external factors of the growth of labor efficiency in the hotel business include:

- intensification of the industry and scientific and technological progress in it;
- equipment of hotel enterprises by the newest equipment and motor transport;
- creation of a large hotel industry;
- measures for training qualified personnel, improving their qualifications, etc.

To the factors operating at the level of a separate hotel, that is, internal:

- Improvement of the organization of the production of hotel services;
- production of new, higher-quality services;
- improvement of hotel customer service forms;
- application of methods of valuation and stimulation of labor;
- introduction of measures of scientific organization of labor;
- growth of volumes (revenues) of sales of services, etc.

The intensification of the hotel industry and technical progress, including the equipment of hotels of various types of modern equipment and inventory, as well as the introduction of advanced technologies, are important for the growth of labor productivity.

An important indicator that characterizes the efficiency of the use of labor resources in the hotel industry is labor productivity. In the conditions of a peculiar nature of the operational activity of hotels, labor productivity is determined by the number of places or the average amount of services rendered per worker for a certain period (year, quarter, month, day). Efficiency, as well as productivity, is characterized by the ratio of the result obtained to costs. However, unlike productivity, efficiency characterizes the process of formation of socially

necessary labor costs associated with the end result – the satisfaction of the needs of tourists. The efficiency of work of hotel staff includes an assessment of labor costs, reflecting increased productivity, economy of travel time, high culture and quality of hotel services, reduction of consumption costs. A well-developed market economy drives social production to meet the specific needs of consumers. This forces manufacturers to constantly update products, expand its range and improve quality, and to maximize profits as a result of their activities to reduce labor costs. In addition, earning profit by entrepreneurs depends on whether consumers are required to produce products they produce. Such conditions put forward new requirements for the assessment of the outcome of work and require the use of a volumetric, rather than labor, category, which, in our opinion, is the efficiency of labor.

The effectiveness of labor is its effectiveness. The growth of labor efficiency means an increase in the volume of goods produced without increasing labor costs. In the broadest sense, the growth of labor efficiency means continuous improvement of people’s economic activity, the constant finding of the opportunity to work better, to produce more qualitative goods for the same or less labor costs.

The effectiveness of labor must be determined primarily by specific consumer values (material or spiritual goods, services, work), as well as the amount of labor spent on them. Only in such a combination should be considered the result of labor. The category «labor efficiency» has a social dimension, which becomes extremely important in civilized countries. Consequently, the efficiency of labor should be considered in economic science as an independent category and be calculated in society as a whole, in certain branches and enterprises (organizations, institutions).

The level of labor productivity in a market economy should be characterized by a system of interconnected and complementary natural and cost indicators, each of which reflects the result of labor on one side or the other and can be used in the economic mechanism of a market economy in accordance with its economic nature and the role, which he is able to play in one or another link of management (analysis, planning, stimulation).

It is possible to increase the growth of labor productivity at the enterprises of the hotel and restaurant business over the fastest growth of wages by applying a balanced system of indicators in conjunction with the system of encouragement at the enterprises of the investigated sphere. Such a system is presented in Table 5.

This approach turns an individual view into a stimulating general idea, which creates consistency in the work of the organization. This allows you to balance the performance of short-term and long-

Table 5  
The weight of each element of a balanced indicator system when determining the amount of incentive reward

Category	Indicator	Weight, %
Financial direction (40%)	Profit versus competitiveness	10.0
	Profit on employed capital versus competitiveness	10.0
	Reduction of costs in comparison with the plan	10.0
	Growth in new markets	5.0
	Growth in existing markets	5.0
Customers (20%)	Market share	10.0
	Customer Satisfaction Survey	5.0
	Personel Satisfaction Survey	5.0
Domestic direction (20%)	Control system in the restaurant	10.0
	Billing and payment processes	5.0
	Innovations	5.0
Training, growth (20%)	Satisfaction of employees	5.0
	Development of strategic skills	5.0
	Availability of strategic information	5.0
	Development of professional qualities of the leader	5.0

Note: Compiled by the author based on data Ukrstat

term tasks of the organization and focuses it on the fulfillment of a multitude of tasks, including improving the rationing and remuneration of labor in the restaurant and restaurant business.

To do this, it is necessary to justify the system of wage level differentiation depending on the labor contribution of the employee to the results of the enterprise's activity, on the content and working conditions, based on industry characteristics. The calculation of modern labor standards at the enterprise of restaurant business should be based on innovations. The normalization of labor in the enterprises of the hotel and restaurant business will ensure a balanced development of productivity and labor remuneration in the enterprise.

### Conclusions

Thus, the following conclusions can be drawn from the study.

The number of employees in the industry of the restaurant business is stabilizing after a sharp decline in 2015. However, against the background of a general decline in the working population in Ukraine, the share of employees in this sector in the overall employment structure is consistently high. When analyzing the dynamics of profit formation at the enterprises of the hotel and restaurant business for 2014–2017 years, there is clearly a positive trend. However, in a comprehensive analysis, it becomes evident that there is insufficiently efficient personnel management and low labor productivity indicators for workers in the restaurant and restaurant business

sector compared to other Ukrainian enterprises. Increase of labor productivity in the enterprises of restaurant and restaurant business over the outstripping growth of wages is possible through the application of a balanced system of indicators in conjunction with the incentive system at enterprises in this sphere.

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### ВЗАЄМОЗВ'ЯЗОК ЗАЙНЯТОСТІ ТА ФІНАНСОВО-ЕКОНОМІЧНИХ РЕЗУЛЬТАТІВ ПІДПРИЄМСТВ ГОТЕЛЬНОГО ТА РЕСТОРАННОГО БІЗНЕСУ

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У статті визначено динаміку показників рентабельності та продуктивності праці на підприємствах готельно-ресторанного бізнесу та розроблено рекомендації щодо їх вдосконалення. Відмічено, що особливістю роботи співробітників готельних компаній є те, що результатом їхньої праці є не продукт, а послуга. Використовуючи матеріально-виробничі ресурси при їх виробництві та експлуатації, працівники створюють і впроваджують готельні послуги. Виявлено, що кількість обслуговуючого персоналу не залежить від обсягу та вартості наданих послуг. Крім того, готельні працівники здебільшого виконують роботу, пов'язану з постійним нервовим, психічним стресом та значною фізичною активністю. Здійснено дослідження показало стабілізацію чисельності працівників в галузі готельно-ресторанного бізнесу після різкого зниження в 2015 році. Аналіз динаміки формування прибутку на підприємствах готельного та ресторанного бізнесу на 2014–2017 рр. дозволив виявити позитивну тенденцію. Однак детальний аналіз показав, що для працівників готельного та ресторанного бізнесу порівняно з іншими українськими підприємствами існує недостатньо ефективний показник управління персоналом та низький рівень продуктивності праці. Підвищення продуктивності праці на підприємствах ресторанного бізнесу можливе за рахунок застосування збалансованої системи показників у поєднанні із системою стимулювання на підприємствах у цій сфері. Описаний в статті підхід до підвищення ефективності використання персоналу готельно-ресторанного бізнесу дозволяє збалансувати виконання операційних і стратегічних завдань організації, включаючи покращення нормування та винагороди праці в готелі та ресторані.

**Ключові слова:** готельно-ресторанний бізнес, ефективність праці, персонал, рентабельність, зайнятість, прибуток.

**ВЗАИМОСВЯЗЬ ЗАНЯТОСТИ И ФИНАНСОВО-ЭКОНОМИЧЕСКИХ РЕЗУЛЬТАТОВ ПРЕДПРИЯТИЙ ГОСТИНИЧНОГО И РЕСТОРАННОГО БИЗНЕСА**

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*В статье определена динамика показателей рентабельности и производительности труда на предприятиях гостинично-ресторанного бизнеса и разработаны рекомендации по их совершенствованию. Отмечено, что особенностью работы сотрудников гостиничных компаний является то, что результатом их труда является не продукт, а услуга. Используя материально-производственные ресурсы при их производстве и эксплуатации, работники создают и внедряют гостиничные услуги. Установлено, что количество обслуживающего персонала не зависит от объема и стоимости оказанных услуг. Кроме того, гостиничные работники в основном выполняют работу, связанную с постоянным нервным, психическим стрессом и во физической активностью. Проведенное исследование показало стабилизацию численности работников в области гостинично-ресторанного бизнеса после резкого снижения в 2015 году. Анализ формирования прибыли на предприятиях гостиничного и ресторанный бизнеса на 2014–2017 годы позволил выявить положительную тенденцию. Однако детальный анализ показал, что для работников гостиничного и ресторанный бизнеса по сравнению с другими украинскими предприятиями существует недостаточно эффективный показатель управления персоналом и низкий уровень производительности труда. Повышение производительности труда на предприятиях ресторанный и ресторанный бизнеса возможно за счет применения сбалансированной системы показателей в сочетании с системой стимулирования на предприятиях в этой сфере. Описанный в статье подход к повышению эффективности использования персонала гостинично-ресторанный бизнеса позволяет сбалансировать выполнение операционных и стратегических задач организации, включая улучшение нормирования и вознаграждения труда в гостинице и ресторане.*

**Ключевые слова:** гостинично-ресторанный бизнес, эффективность труда, персонал, рентабельность, занятость, прибыль.