

# Human Resources Management and Its Challenges in the Public Sector of Georgia

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## **Abstract**

Human resource management has become an essential component of the development process. This is due to the fact that any development process is driven by the human factor. This paper discusses the importance of appropriate institutional mechanism, tools and HR management in the public sector. Public policy faces various challenges and the strength of the policy implementation lies in identifying such challenges and finding ways of overcoming them, which depends on skills, knowledge and experience of staff. Organizations can not build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, conducting performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more. This paper presents the key components of the human resource development policy in the public sector of Georgia. It also highlights the key challenges faced, the lessons learnt and the way forward in enhancing sustainable human resource development.

**Keywords:** Human Resource, development, public agencies, staff, knowledge, experience, training, motivation, workplace, sustainable, team.

## **1. Introduction**

Human resources comprise the most unique and valuable capital of organizations and effective HR management is a significant instrument for achievement of the organizational goals. Effective HR management is directly linked with development of HR management strategies, implying the set of methods and actions used by the organization for attraction of effective human resources, their training, development and maintenance. Strategy allows organizations to predetermine the suitable personnel needed and set the ways for their recruitment, maintaining and development. People have different knowledge, experience, intellectual capacities, style of thinking and behavior. These differences cause difficulty of HR management and, at the same time, a special area of interest.

## **2. HR Management Systems in Georgian Public Sector**

The Georgian Civil Service Bureau provides implementation of unified policies, development of the public service relying upon professional, carrier principles, improvement of the legislation and activities for introduction of effective, transparent administration and ethical standards. One of the key priorities of the Civil Service Bureau is development of HR management systems in the Georgian public sector.

The goal of our research is to analyze the basic HR management systems in the institutions of Georgian public service and identify the gaps. The following was studied: 1. electronic HR system; 2. issues of the strategic planning (general strategies of HR management; personnel development planning/training; internal communication strategies); 3. job description, evaluation and motivation systems. Introduction of HR management electronic systems in public institutions of Georgia is significant for ensuring improvement of management quality. Implementation of HR management software projects would contribute to improvement of administration effectiveness, costs reduction and improvement of service standards.

“Organization development is not an easy task. For its achievement, in addition to the other factors, it is critical to shape the close-knit staff, in organizational respect, with the normal and civilized relations based on mutual respect, between the staff members. Such staff creates new ideas more frequently, the costs are reduced significantly and finally, this contributes to development of the organization.” [1, p. 135] Most programs applied by public institutions can only register the human resources and maintain statistical data (SAP and ORIS software). Other programs of a wider scale include features of integrated assessment, motivation, as well as testing. These programs develop permanently. Only 47% of departments have electronic HR management programs. Absence of HR software is basically caused by lack of budget funds, inadequate knowledge and expertise, low capacity servers, outdated communications. Study of general strategies of HT management has shown that only 48% of public institutions have HR management strategies though they have rejected the facts of presence of internal communications and personnel development strategies.

Well-scheduled and organized internal communication strategies may contribute positively to the process of organizational activities. This ensures awareness of the personnel in organization's plans. Professional development plans for the staff of the public structures provide a powerful management instrument. Tactics of staff development are intended to improve the knowledge specific to the public sector and its type depends on needs of the public structures.

“Each educated person is regarded as asset of the nation and this should become the priority in the nearest future in our country. Education is only potential factor for development; it will become the source for growth only where it is used effectively” [2, p. 225]. Improvement of knowledge may be provided through training, self-education, professional and work meetings and other activities. Personnel development planning process includes evaluation of the servant's abilities, education level, immediate needs and potential resources. With respect to personnel development, the situation in the Georgian public sector is indeed critical. Only 25% of the public institutions have personnel development plans.

Studies of job descriptions, evaluation and motivation systems showed that job descriptions comprise the most important component of HR management. They specify necessary functions, responsibilities and competencies for the specific position, improve individual and organizational effectiveness, and provide personnel awareness in the purposes

of specific positions and the organization as a whole. Absence of job descriptions was recorded in 14% of Georgian public institutions.

Work of the civil servant may be assessed based on a number of factors: knowledge/competence, degree of productivity, incentives, leadership skills, supervision skills, hierarchical relations, etc. The system for assessment of the performed work contributes to growth of communication and identification of the training needs, improves the organizational culture and sense of accountability in the employees, and improves motivation. Thus, assessment of performed work is directly linked with motivation systems. It should be noted that work assessment systems are available at 38% of Georgian public institutions only. These systems include: competence-based assessment, self-assessment, immediate supervisor's assessment, feedback related to the performed work, interviews, etc.

Georgian public structures employ various motivation systems: support of professional development, corporative insurance, organization events and annual nominations, bonus and retirement schemes, cycles of assessment-based promotion, acknowledgement letters, gifts and awards.

Staff selected on the basis of skills corresponding to the qualification requirements of public service would shape a powerful system able to offer better programs and services to the public. HR management is significant as it clearly identifies the spheres where public services have the personnel of proper qualification and those lacking such personnel. The government has the ability to apply flexible education methods adjusted to the needs of civil servants.

Since 2006, a number of projects have been implemented with the support from international organizations, for the purpose of improvement of personnel qualifications in public institutions. In 2006-2007, EC Expertise Center for Local Self-Government Reforms implemented the Project of HT Management at Municipal Level, intended to support improvement of HR management at the local level. Within the scopes of the said project, the manual was developed containing typical job descriptions of the officials and public officers and HR management procedures. In 2007-2008, within UNDP program, the website of the Center of Territorial-Administrative Reforms for Effective Governance was created to provide information to the public and interested persons. In 2008, the German Technical Cooperation Society (GTZ) and the Georgian Institute of Public Affairs (GIPA) implemented the project "Study of the Education Institutions and Curricula Related to Self-Government". Within the scopes of this program, the curricula of education institutions and training centers working on self-government issues were studied. In July 2014, within the scopes of USAID project "Democratic Governance on Georgia G3", the "Recruitment Manual" was published and capacity building training was conducted for the municipality personnel.

Analysis of the work performed by Vano Khukhunaishili Effective Management System and Territorial Arrangement Reform Center in 2012-2013 showed that general qualification level of the servants employed in the Georgian public sector does not comply with the objectively necessary qualification requirements.

### **3. Foreign Experience of HR Management**

Analysis of HR Management systems employed by public services of various countries showed that they are implemented in various forms. Some countries have established special departments providing HR management of all governmental departments centrally. In some countries, this practice is completely decentralized and each department

provides HR management individually. In Georgia, basically the mixed practice is employed: here, the central department for HR management is setting general strategies for HR management while relevant activities, like selection, evaluation etc., are within the competence of individual departments.

HR management in public institutions in Georgia is mostly decentralized. Each department independently selects its personnel, as well as any other activities related to HR management. Only the regulations of announcement of competitions for public service supervised by the Civil Service Bureau are centralized. According to Georgian Law on Public Service, a person shall be employed in public service either through appointment to a position or through competition. Appointing is applicable to high rank public servants. In case of competition, each governmental department makes announcement about a vacancy by posting on the website administered by the Civil Service Bureau. The format for making each announcement is specified. Candidates may apply only electronically, through the website of the Civil Service Bureau. Upon expiry of the competition term, each department selects the personnel individually. As for qualification requirements, these are specified individually, for each position, by each department. There is no general framework or standard with respect of the required skills for one or another position. The conclusion is as follows: various countries employ different HR management strategies. In some countries, these systems are more centralized, while in other ones, the centralization degree is lower.

Comparing the Georgian system with the ones of the other countries, HR management is less centralized here. Similar to Germany, there is no central department for HR management in Georgia. Only the first stage of this process, announcement of competition, is centralized. All other aspects take place at the individual department level, while in Germany, a certain part of these aspects is centralized, and in Turkey, actually the entire system is centralized. In the countries where there are central departments of HR management, their functioning basically includes development of general strategies of HR management and monitoring of its implementation. Strategies for selection procedures are developed and specific departments provide selection on the basis of the said strategies. Development of the job descriptions for specific vacancies and specifying of qualification requirements take place similarly. For example, in the USA, announcement of a vacancy for a specific position is based on description of skills and qualifications for the said position though regarding requirements of a specific department, additional, more exact requirements could be stated. Presence of general, centralized strategy of HR management implies personnel management in a similar way and this, on its side, simplifies these procedures and contributes to their fair implementation.

In local self-government units, the personnel policy and HR management departments cannot ensure proper management of the servants, and their functions are mostly limited to contracting. In addition, professional skills and qualifications of the staff members do not correspond to the professional requirements. However, in 2014, certain significant steps were made to address these issues: 1. The Organic Law of Georgia “Local Self-Government Code” was adopted. According to Article 157 of the Code, the Ministry of Regional Development and Infrastructure developed the Conception of Perpetual Education for the Public Servants of Local Self-Governments; 2. The Local Self-Government Code set the municipal obligation that no less than 1% of budget assignments intended for labor remuneration was allocated for training and re-training of the public servants of local self-governments; 3. A regular staff list of local self-government units was adopted, to include no less than 30 staff members; 4. Costs of labor remuneration of the servants of administration/city hall and local council apparatus shall not exceed 25% of the municipality costs provided by the budget; payments to the local council members in the form of bonuses and rewards are not allowed; according to the

Rules of Calculation of the Rewards at Public Institutions, the rewards will be paid on the basis of assessment of performed work, which will take place if the public institution has a performance evaluation system.

Absence of an ordered HR management system at public institutions finally results in ineffective operation of local self-governments, hindering economic growth and preventing development. Hence, for effective operation of HR management at the local self-government level, general methodology should be developed for ensuring adequate management of personnel.

Effective HR management in local self-government requires HR planning, recruitment rules and means, personnel assessment, selection and employment, personnel adaptation, training, qualification improvement and development, personnel motivation, optimal work schedule development, personnel attestation, personnel dismissal, evaluation of personnel performance and labor potential, as well as conflicts management functions.

Optimization of HR management is of significance for the public sector of Georgia, and it requires optimization of the regular staff list. This must be provided by a competent specialist, through full registration and attestation of the personnel, to identify outdated, incompletely loaded and duplicated jobs, to provide their reorganization or liquidation, to determine the required number of new, reasonable jobs, and to prepare the full list of jobs and their descriptions.

Together with optimization of jobs, the exact scope of obligations and authorities, as well as the personal responsibility area of each employee of the public sector, must be identified to prevent lack of responsibility and duplication in performing of the work.

#### **4. Conclusion**

Analysis of HR management systems at public services of Georgia showed that with respect of HR management software, strategic planning, motivation and assessment systems' development, the situation is critical. Staffing policies and HR management offices are not able to ensure proper management of civil servants; general qualification level of employees of the public sector mostly does not comply with the necessary qualification requirements. Lack of order in the HR management system results in ineffective operation of the public services and prevents development.

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