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ISSUES OF IMPROVEMENT OF HR MANAGEMENT IN PUBLIC SECTOR OF GEORGIA

Abstract:

Work deals with the issues of public sector reformation and development of the effective public administration system. Georgia has implemented numerous reforms in this area, including: internal institutional changes – reduction of the government administration and public sector staff, for the purpose of improvement of effectiveness and flexibility, formation of the new organizational system and restructuring of the executive departments, reassessment of the public sector functions for improvement of services provided to the citizens, implementation of public-private projects. Certain steps were made for formation of the competitive public service, implying qualification tests for the public servants, adoption of the new organizational policies of promotion and motivation.

The work demonstrates that after parliamentary elections of 2012, orientation of reforms in Georgia have changed to certain extent and the issue of necessity of development of the new public service conception was put on agenda and non-governmental sector, academic circles and international organizations took part in this. Currently, the process of reformation has not completed yet and numerous problems still persist in the public sector. They must be analyzed and solved for successful implementation of the reformation process formation of the effective state institutes.

Performed researches showed that general qualification level of Georgian public sector employees is mostly incompliant with the qualification requirements, staffing and HR management departments cannot ensure adequate management of public servants and their function is mostly limited to contracts with the staff members. Regarding domestic and foreign experience of work with the personnel, with due regard of socioeconomic factors and Georgian mentality, there were determined such approaches to personnel management that would be suitable to current socioeconomic development in Georgia and help the managers to make their HR management work more effective.

Keywords:

human resources, public sector, qualification level, socioeconomic development, efficient state

institutes.

JEL Classification: J24, M19

1. Introduction

Human resources management determines how the organization can achieve its goals relying on its human resources, management instruments and HR management integrated policy and practice methods. Human resources comprise the most unique and valuable capital of the organizations and effective HR management is 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 the 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, the special area of interest.

And effectiveness of HR management depends on the degree of its suitability to the organization development level. Certainly, with growth and development of the organizations, the HR management programs, practices and procedures should be changed and developed as well. In this respect, there are serious problems in public sector of Georgia.

2. HR Management Systems in Georgian Public Sector

Georgian Civil Service Bureau provides implementation of the 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 Civil Service Bureau is development of HR management systems in Georgian public sector.

Goal of our research is to analyze the basic HR management systems at the institutions of Georgian public service and identify the gaps. The following was studied: electronic HR system; issues of the strategic planning; personnel development planning/trainings; internal communication strategies; Job description, evaluation and motivation systems. Introduction of the HR management electronic systems at the 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 [6, p.6516].

“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 the public institutions can only register the human resources and maintain

statistical data (SAP and ORIS software). Other programs of wider scale include the features of integrated assessment, motivation, as well as testing. These programs develop permanently. Only 47% of the departments have electronic HR management programs. Absence of HR software is basically caused by lack of the budget funds, inadequate knowledge and expertise, low capacity servers, outdated communications. Study of general strategies of HT management showed 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 powerful management instrument. Tactics of staff development is intended for improvement of the knowledge specific for 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 of personnel development, the situation in Georgian public sector is indeed critical. Only 25% of the public institutions have the 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 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 number of factors: knowledge/competence, degree of productivity, incentive, leadership skills, supervision skills, hierarchical relations etc. System for assessment of the performed work contributes to growth of communication, identification of the training needs, improves the organizational culture and sense of accountability in the employees, improves motivation. Thus, assessment of performed work is directly linked with the 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 to professional development, corporative insurance, organization events and annual nominations, bonus and retirement schemes, cycle of assessment-based promotions, acknowledgement letters, gifts and awards.

Staff selected on the basis of skills corresponding to the qualification requirements of public service would shape the powerful system able to offer better programs and services to 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 the flexible education methods adjusted to the needs of civil servants.

Since 2006, number of projects was implemented with the support from international organizations, for the purpose of improvement of personnel qualifications at public institutions. In 2006-2007, EC Expertise Center for Local Self-Government Reforms has implemented the Project of HT Management at Municipal Level, intended to support improvement of HR management at 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 web site of the Center of Territorial-Administrative Reforms for Effective Governance was created to provide information to public and interested persons. In 2008, German Technical Cooperation Society (GTZ) and 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" published the "Recruitment Manual" was published and capacity building trainings were conducted for the municipality personnel.

Analysis of works 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 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 the public services of various countries showed that they are implemented in various forms. Some countries have established the 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 is the central department for HR management setting general strategies for HR management, while the relevant activities, like selection, evaluation etc., are within the competence of individual departments.

HR management at public institutions in Georgia is mostly decentralized. Each department independently selects its personnel, as well as any other activities related to HR management. Only 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 at public service either through appointment to the position, or through competition. Appointing is applicable to the high rank public servants. In case of competition, each governmental department makes announcement about vacancy by posting on web site administered by the Civil Service Bureau. Format for making each announcement is specified. The candidates may apply only electronically, through web site of Civil Service Bureau. Upon expiry of the competition term reach 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. Conclusion is as follows: various countries employ different HR management strategies. In some countries these systems are more centralized, while in the other ones centralization degree is lower.

Comparing 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 first stage of this process, announcement of competition is centralized. All other aspects take place at individual department level, while in Germany certain part of these aspects are centralized, in Turkey, actually the entire system is centralized. In the countries where there are the central departments of HR management, their functioning basically includes development of general strategies of HR management and monitoring of its implementation. The strategies for selection procedures are developed and specific department provides selection on the basis of the said strategies. Development of the job descriptions for specific vacancies and specifying of qualification requirements takes place similarly. For example, in USA, announcement of vacancy for specific position is based on description of skills and qualifications for the said position, though regarding the requirements of specific department, the additional, more exact requirements could be stated. Presence of general, centralized strategy of HR management implies personnel management in 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 mostly are limited to contracting. In addition, professional skills and qualifications of the staff members do not correspond to the professional requirements. Though, in 2014, certain significant steps were made to address these issues: 1. 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. 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. Regular staff list of local self-government units was adopted, to include no less of 30 staff members; 4. Costs for 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 a 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 will take place if the public institution has performance evaluation system.

Absence of ordered HR management system at the 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 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 public sector of Georgia, this requires optimization of the regular staff list. This must be provided by the competent specialist, through full registration and attestation of the personnel, to identify outdated, incompletely loaded and duplicated jobs, provide their reorganization or liquidation. Determine required number of new, reasonable jobs and prepare full list of jobs and their descriptions.

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

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 the civil servants; general qualification level of the employees of 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.

For improvement of HR management in public sector of Georgia, it is necessary to adequately plan the entire process. Before announcement of the vacancies it is necessary to perform reorganization of the organizational structure, formation of the optimal organizational structure based not only on the distribution of functions between the structural subdivisions of the institution but also close relations and coordination between them. In building of the organizational structure, both, internal and external factors should be taken into consideration. Personnel professional development plan corresponding to the requirements to specific positions should be a significant instrument for public structures' management.

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