

FORMING EFFECTIVE MODEL OF HUMAN RESOURCE MANAGEMENT (CASE OF GEORGIA)

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Abstract

During the last decade in many Georgian organizations has been an unhealthy environment from the point of human resource management. There are lots of facts of oppression and firing of qualified personnel from the organizations. In working environment harmonious and collegiate relationships are very rare. There are tensed relationships between colleagues which causes different kinds of conflicts. Developing countries like Georgia, are in great need of sharing the most effective and efficient experiences in human resource management and their inclusion in organization management processes taking into consideration local specifics. Taking into mind above mentioned we conducted several studies both in governmental and private organizations. The aim of mentioned research was studying conflict causing factors and pointing out typical picture of organizational environment. The results of the alluded studies let us find out the organizational climate in Georgia and kinds of tensed atmospheres and situations that are the most common.

Key words

Human resources, The success of Organization, Corporate Climate, Human potential, Japanese Model

JEL Classification: O15, M14, M15

Introduction

Humans' joint activities are impossible without management. In any organization people of different profession, qualification and specialty are employed and they perform diverse duties. Success of any organization depends on individuals who represent workforce of this organization. Selection of adequate personnel is very important and manager of human resources coordinates this process.

Manager of human resources observes and controls department of management of human resources. Organizations may have only one HR manager who performs every duty of manager or corresponding departments may have several members in accordance with scale of organization. The basic duty of HR manager is to coordinate workforce of organization including hiring and firing personnel, as well as regulation of inter-personal communication. The most important duty of HR manager is to hire and recruit personnel. Duty of manager of human resources is to not only select adequate personnel, but regulate inter-personal communication of organization's workforce. Besides, manager's duty is to eradicate confrontation and disagreement among members of organization.

Manager's duty is to control the working process of personnel of a department, which must constantly ensure that they have common goals and act according to shared values. First of all, HR manager must have perfect communication skills and ability to make

decision on the basis of analytical and critical reasoning. He/she must be able to work in a stressful environment and be a good mediator to adequately solve the problems of personnel communication. HR manager works to create a comfortable environment for personnel, i.e. creates organizational climate that is also called corporation climate. Organizational climate includes everything that creates working environment of particular organization and impacts personnel's communication, activities and quality of performance. Only competency and knowledge of subject aren't enough to perfectly perform one's duties. It also requires comfortable working environment and friendly, united collective. These factors surely have impact on the quality of performance of any duty. HR manager guarantees regulation of inter-personal communication of any organization and collective efficiently works on the basis of shared values and goals. Team work is impossible, when inter-personal communications are tense. It is also impossible to achieve common goal, when people (who must work as a team) have bad or even worse, hostile relationships. If employers have tense relationships, probability to achieve desired results is minimal in any case.

On the basis of natural observation and survey we concluded that majority of Georgian population is employed in non-state sector (see Table 1). Corporation climate of organizations is more or less balanced. Employers avoid conflicts, debates with superiors and bold expression of their opinions, because they fear to lose a job.

Table 1: Distribution of employers according to institutional sectors

Distribution of employers according to institutional sectors					
					Thousand persons
	2011	2012	2013	2014	2015
Sum	1,664.2	1,724.0	1,712.1	1,745.2	1,779.9
State Sector	266.4	273.7	247.3	251.2	274.9
Non-state sector	1397.8	1450.4	1464.7	1494.0	1505.0
					%
Sum	100.0	100.0	100.0	100.0	100.0
State Sector	16.0	15.9	14.4	14.4	15.4
Non-state sector	84.0	84.1	85.6	85.6	84.6

Respondents were given the following test and summary table was created on the basis of corresponding answers. Afterwards, conditions of Georgian organizations were estimated.

Test included the following questions with possible answers:

Test

1. Are you employed? – yes; no
2. Do you work in state or private sector? – state; private
3. Your gender - male; female
4. Marital status – married; single
5. Working position – manager; senior specialist; specialist, etc.
6. Are you interested in your job? – yes; no
7. Do you work according to your profession? – yes; no
8. Do you feel oppressed at work? – yes; no
9. Are you satisfied with wage? – yes;no
10. Have you ever thought about changing your position? – yes; no
11. Have you ever thought about changing your job? – yes; no
12. Have you ever received undeserved note from your supervisors? – yes; no
13. Do you feel respected among employers? – yes; no
14. Do you feel self-confident at work? – yes; no
15. Are you motivated at current position? – yes; no

The following conclusions can be made on the basis of summary table of answers. 60% of respondents is employed, 40% works at the position of manager, 30% is a senior specialist and 20% is a specialist. 70% works in private sector (including financial agencies, supermarkets and private companies) and 30% works in public service. 55% of

respondents is female. 90% of employers isn't satisfied with wage because of inflation. Therefore, they would gladly change the job to get better conditions and higher wage. 60% of respondents works in accordance with profession. 80% wishes to change position and achieve career advancement. 70% of respondents has received undeserved note from the superior and as they say, it is frequent reason for changing mood and has negative impact on productivity. However, majority of respondents feels positive attitude from the colleagues (even if it is artificial).

When we asked, “did you lose interest in a job which had made you happy in the past?”, 50% of respondents answered “yes”. 30% of respondents didn't lose interest and 20% answered “sometimes it happens”. Respondents don't think that it's their fault. In most cases they talk about low wages and poor working environment.

At the question “do you feel oppressed at work?”, 30% of respondents answered “yes” and 70% answered “no”. In our opinion, reason for this is distrust.

At the question “do you feel self-confident at work?”, everyone answered that they never doubted their skills, but often had the feeling of injustice and vulnerability.

In our opinion, respondents' answers would give more radical results in confidential environment. It is a certain way to protect themselves. Georgian society can't overcome the feeling of shame and usually, answers are camouflaged. The same happened here.

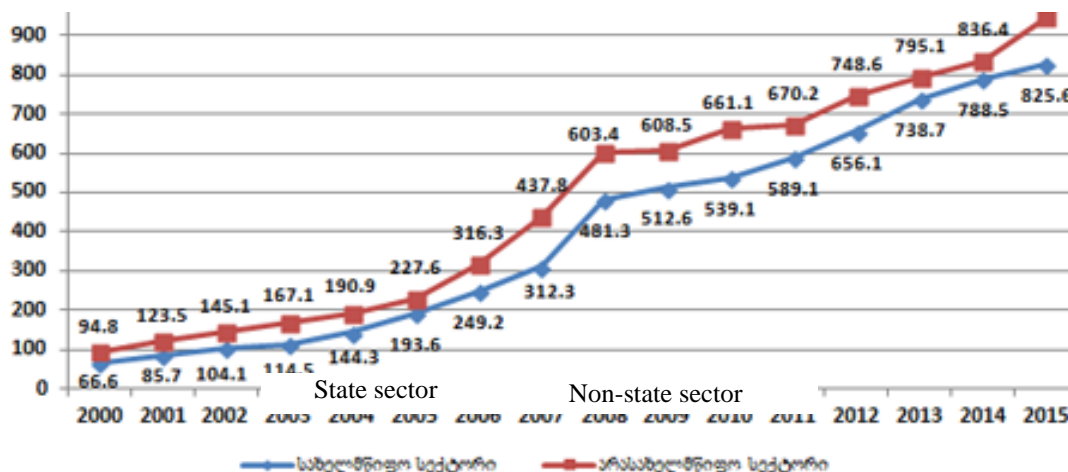
90% of respondents optimistically looks for the future, enjoys life and believes that he/she can overcome any obstacle. Generalization of such answer for whole Georgian population gives reason to be optimistic. In spite of difficulties of 90s, including

civil war, poverty and refugees, they didn't lose hope and enjoy life.

According to World Bank and UN, Georgian population is recognized as poor. At the background of general material conditions of Georgian population, average monthly wage of employers is 800 GEL

(appr. 300 EUR) (see Fig. 1). Majority of Georgian population is unemployed and frequently whole family expenses depend on income of one employed person. Of course, we must take into account this condition.

Fig. 1: Average nominal monthly wage of employers in state and non-state sectors



The results of study of organizational climate gives us possibility to change management techniques, working environment and conditions, as well as diverse procedures.

Empirical study helped us understand which type of organizational climate is the most prevalent in Georgian organizations. We concluded that 40-50% of respondents has problems in this field. It means that in Georgian companies working environment is undesirable and managers don't know techniques how to improve activities and labor intensity of employers. They don't care for quality of work and motivation of employer has significant impact on such quality. Professional development (significant component of human resource management) and employers' social welfare (ability to care for his/her or family member's health and social realization) are left without attention.

The complex process of organizational analysis should be carried out step by step to establish optimal organizational design. Particularly, we need:

- analysis of organization's goals and problems;
- determination of types of structural entities and official hierarchy;
- establishment and description of organizational design;
- composition and requirements towards personnel at the level of organization.

Conclusion

Indicator of organizational climate shows that many things should be done to improve situation. Organizations produce goods that are necessary for society's welfare. Even with existing material resources, if we use successful models of management of human resources, we may develop organizations and it may become strong impulse for development of a society and whole country. The most distinctive model of management of human resources is Japanese model instead of more popular administrative (American) model. Japanese management is oriented on improvement of human relationships. The basic priority is management of human resources. Therefore, employers have strong labor guarantees, as well as good opportunities for professional and personal development. All these are foundations for labor motivation and loyalty towards organization.

Georgia, similarly to Japan, may develop and show progress by means of maximal usage of human potential. Japanese model of management of human resources is the most helpful technique and it may become strong impulse for development of Georgia which is in stagnation.

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