

Feasibility Study of New Terminal
Facilities in the Georgian Ports
Manpower Audit
Port of Batumi
May 1998

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General Comments

The Manpower Audit Questionnaire was distributed in 23 copies to employees of the Port of Batumi. The questionnaires were addressed to senior management staff from all port departments.

The quality of the responses was good, due to the fact that not only questionnaires were distributed but the interviews were led personally by local employees of the Consultants. The port managers to be interviewed were selected by the Consultants according to the existing organisational structures of the ports. The upper two management levels were interviewed. The selection of the proposed managers was then approved and completed by the port managements.

Of the 23 questionnaires all forms were returned. Thus, the quota is representative to deduce some conclusions concerning the personnel situation and the results can be taken into account for further strategic personnel planning.

The results of the Manpower Audit are presented hereunder. All remarks and comments to these results are meant to be objective and should in no way be understood as criticism. Nevertheless, in some areas it was felt necessary to point out details that need further attention.

Part 1: Analysis of present situation, questions concerning personal details of the employees

Part 2: Education of the port managers

Part 3: Analysis of the existing situation, questions concerning the job

Part 4: Cross tables

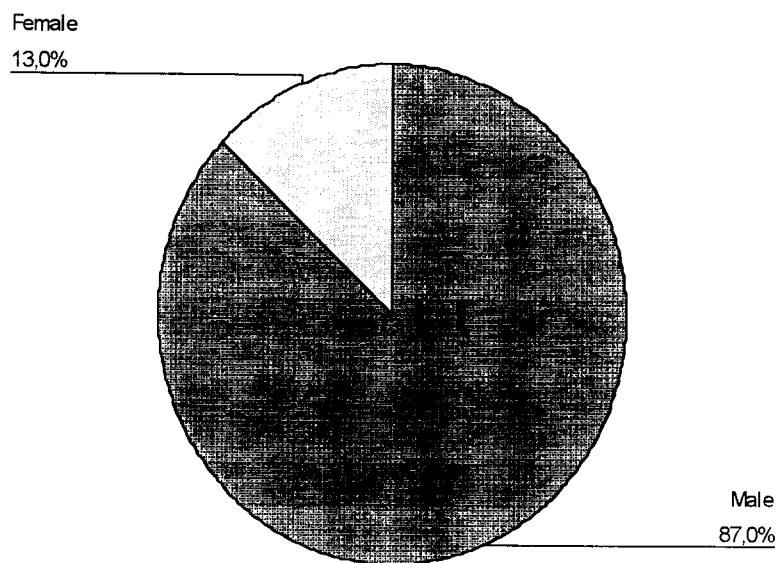
Part 5: Investigation of the leadership and management style within the Port of Batumi, completed by management staff

Part 1 - Personal Details

1.1 Sex distribution

Of the questioned management staff of the International Seaport of Batumi 87.0%, that is 20, of the employees are male, and 13%, that is 3 persons, of the employees female.

Graph 1: Sex Distribution



1.2 Age distribution

To evaluate the age distribution in the Port of Batumi the respondents have been grouped into age groups.

Table 2

Age Distribution

Age Groups

	Frequency	Percent
Age 26 - 30	1	4,3
31 - 35	6	26,1
36 - 40	3	13,0
41 - 45	2	8,7
46 - 50	4	17,4
56 - 60	7	30,4
Total	23	100,0
Total	23	100,0

The average age of the upper and middle management staff in the Port of Batumi is 44 years.

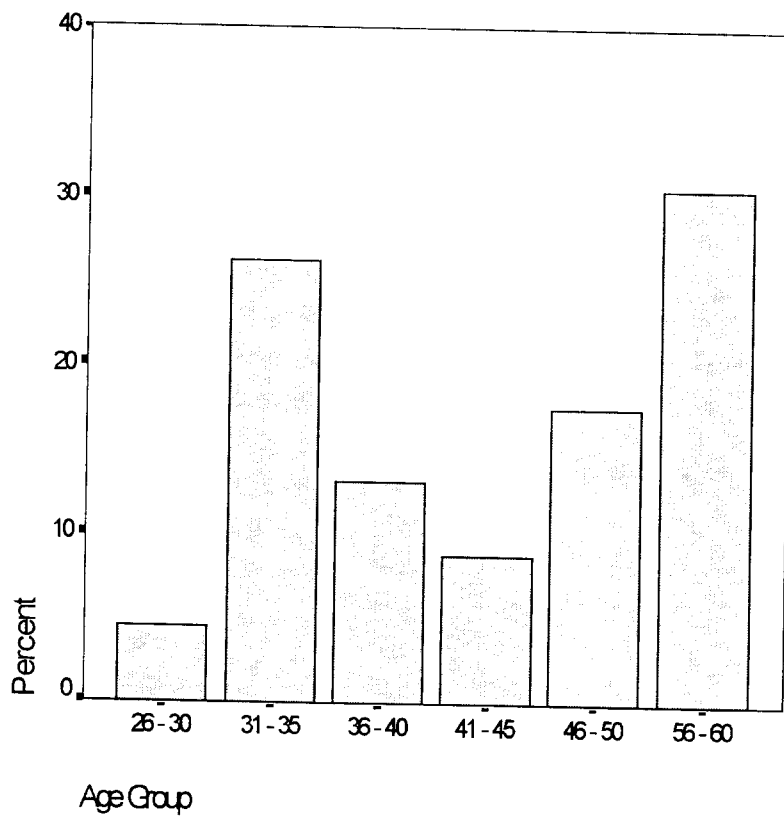
The above figures and the graph below show, that the about half the management staff is in the higher age brackets. 30.4%, that is 7 of the questioned managers are 35 years old or younger, another 13%, 3 managers are between 35 and 40 years old. 30.4% of the managers are between 56 and 60 years old. The biggest concentration of age is in the bracket from 30 to 35 and from 56 to 60. This has the following consequences for the Port of Batumi:

- * In the medium term about 30% of the employees will leave the port through retirement (Within 5 years: 17%)

Therefore, proper career planning and training for the younger employees to take over the positions and responsibilities of the leaving ones should be prepared and put into practice as soon as possible. This is even more urgent, taking into consideration the forthcoming changes in the organisation and the growing competition in the port environment.

On the other hand, the relatively high number of management staff in the higher age brackets give the opportunity to employ new younger personnel or train existing younger staff from lower management levels to cope with the new tasks and responsibilities in the future. This is especially relevant for the areas of budget, cost and profit responsibility and leadership skills and techniques.

Graph 2



1.3 Marital Status

Of the questioned managers of the Port of Batumi 89.4 % are married.

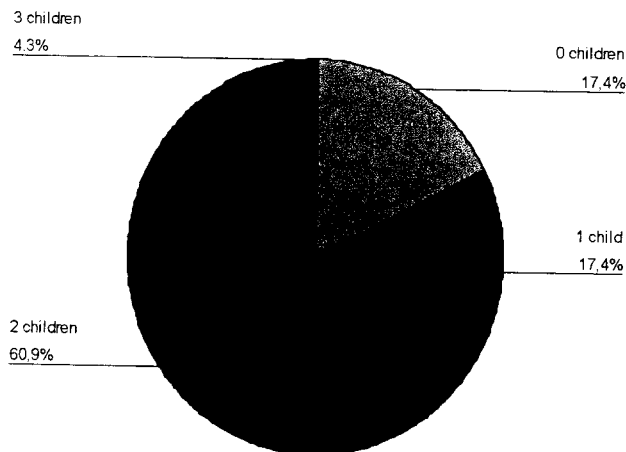
Marital Status

	Frequency	Percent	Cumulative Percent
single	3	13,0	13,6
married	18	78,3	95,5
no data	1	4,3	
Total	23	100,0	

Number of Children

	Frequency	Percent	Cumulative Percent
No of children 0	4	17,4	17,4
1	4	17,4	34,8
2	14	60,9	95,7
3	1	4,3	100,0
Total	23	100,0	

In average the respondents have 1.52 children. Most of them have two children.



Part 2 - Educational History

2.1 Primary Education

All of the questioned employees of the Port of Batumi have completed primary school.

2.2 Secondary Education

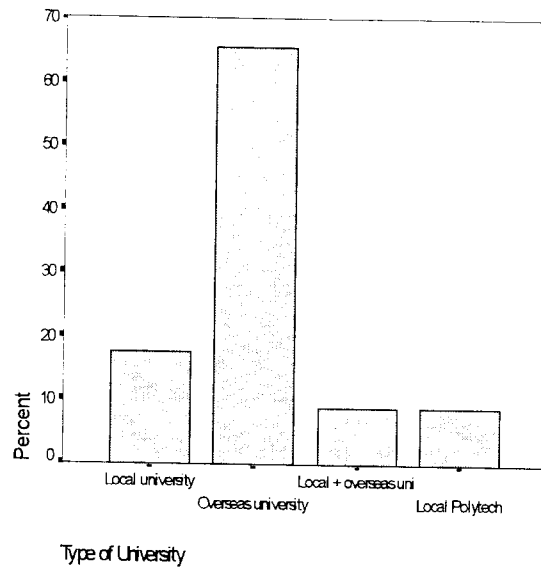
All of the port employees have completed secondary education.

2.3 Tertiary Education

All of the managers have completed tertiary education and gained a degree. Most of them received a degree as an engineer.

Type of University:

		Frequency	Percent
	Local university	4	17,4
	Overseas university	15	65,2
	Local + overseas university	2	8,7
	Local Polytech	2	8,7
Total		23	100,0



Local university means mostly an institute at the university at Tbilisi or Batumi, whereas overseas is meant to be places in the Former Soviet Union, mostly Russia, Leningrad and Ukraine, Odessa.

Location of University

		Frequency	Percent
Location	Odessa	10	43,5
	Moscow	2	8,7
	Leningrad	2	8,7
	Batumi	2	8,7
	Kharkov	1	4,3
	Tbilisi	4	17,4
	Krasnoyarsk	1	4,3
	Total	22	95,7
Missing		1	4,3
Total		23	100,0

The managers have obtained quite a wide variety of diploma. Also, the position they held when starting to work in the port varies considerably.

			Type of University				Total
			1 Local university	2 Overseas university	3 Local + overseas university	4 Local Polytech	
Diploma obtained	1 Mechanical Eng.	Count	1	2	1		4
		% of Total	4,5%	9,1%	4,5%		18,2%
	2 Industrial Eng.	Count		1			1
		% of Total		4,5%			4,5%
	3 Electromech.	Count	1	1			2
		% of Total	4,5%	4,5%			9,1%
	4 Eng. Economist	Count	1	2			3
		% of Total	4,5%	9,1%			13,6%
	5 Econ Cybernetic	Count			1		1
		% of Total			4,5%		4,5%
	6 Maintenance Eng.	Count		5			5
		% of Total		22,7%			22,7%
7 Bookkeeper	Count		1			1	
	% of Total		4,5%			4,5%	
8 Lawyer	Count		1			1	
	% of Total		4,5%			4,5%	
9 Navigator	Count				1	1	
	% of Total				4,5%	4,5%	
10 Radio Engineer	Count		1			1	
	% of Total		4,5%			4,5%	
11 Power Engineer	Count	1				1	
	% of Total	4,5%				4,5%	
12 Dipl. Constructor	Count				1	1	
	% of Total				4,5%	4,5%	
Total		Count	4	14	2	2	22
		% of Total	18,2%	63,6%	9,1%	9,1%	100,0%

Of the tertiary degrees more than 60% have been awarded overseas, that is during SU - times in universities of Russia and the Ukraine, whereby Odessa is by far the most often attended university location with 10 managers who have completed university there.

2.4 Professional Education

All managers of the Port of Batumi received a professional education. Engineers and administrative staff went to a Polytechnic or to professional institutes and schools.

2.5 Educational Events

Of the respondents 63 (19.4%) stated to have received some kind of professional training.

Table 8

Event	Persons	Percentage
Overseas (and States of former SU) on-the-job training yes no	8 15	34.8 65.2
Local on-the-job training yes no	1 22	4.3 95.7
Study tours/ professional excursions yes no	10 13	43.5 56.5
UN, UNCTAD ILO etc. seminars yes no	0 23	0.0 100.0
Other Events yes no	3 20	13.0 87.0

Part 3 - The Job

3.1 Job Designation

The positions, stated by the respondents are shown in the table hereunder:

1st Dep. Manager
Head of Technology Department
Head of Wages Department
Head of Administration Department
Dep. Manager of Security Department
Dep. Manager Economics, Commercial Department
Head of Commercial Department
Head of Economical Department
Head of Planning + Prognosing Dep
Head of Personnel Department
Head of Material + Technical Supply Department
Head of Security Department
Chief Engineer
Head of Mechanical Department
Chief Power Engineer, Electrical Supply Department
Dep. Manager for Construction, Technical Department
Head of Port Fleet
Chief Dispatcher
Dep. Manager Operations Department
Head of Passenger Terminal
Chief Operator, Operations Department
Head of Oil Operations Department

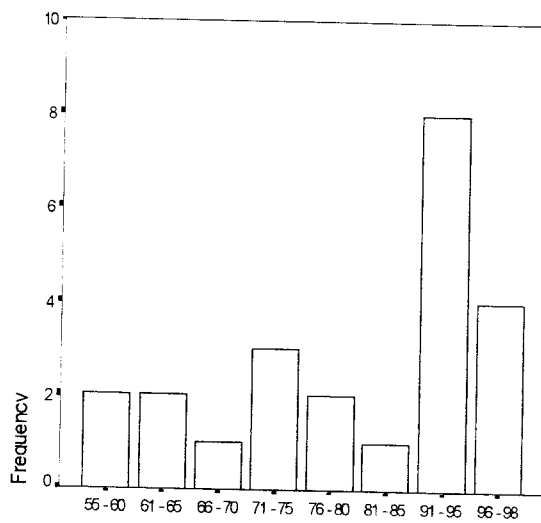
Altogether managers from main departments, sub-departments and sections have answered the questionnaires.

3.2 Duration of Employment

Part of the port management staff have a very long employment time in the Port of Batumi. 32% of the managers work 28 years and more in the port. On the other hand, 34% of the questioned managers are employed only after 1991, thus working only up to 7 years in the port.

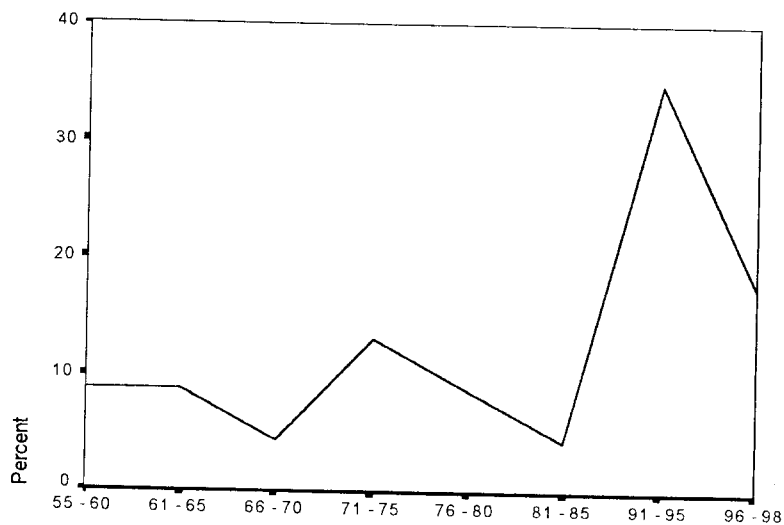
Start of Work in the Port

	Frequency	Percent
Start year 55 - 60	2	8,7
19.. 61 - 65	2	8,7
66 - 70	1	4,3
71 - 75	3	13,0
76 - 80	2	8,7
81 - 85	1	4,3
91 - 95	8	34,8
96 - 98	4	17,4
Total	23	100,0



Start of Work in the Port (19.)

Begin of employment in the port



Start of Work in the Port: Year 19..

In average the managers have started to work in the Port of Batumi in the beginning of the eighties. A considerable number of the questioned managers has been employed only in the beginning of the nineties.

tieth (34.7%), though, and some have only be employed in the last two years (17.4%). So more than half of the upper management staff is quite young in their position.

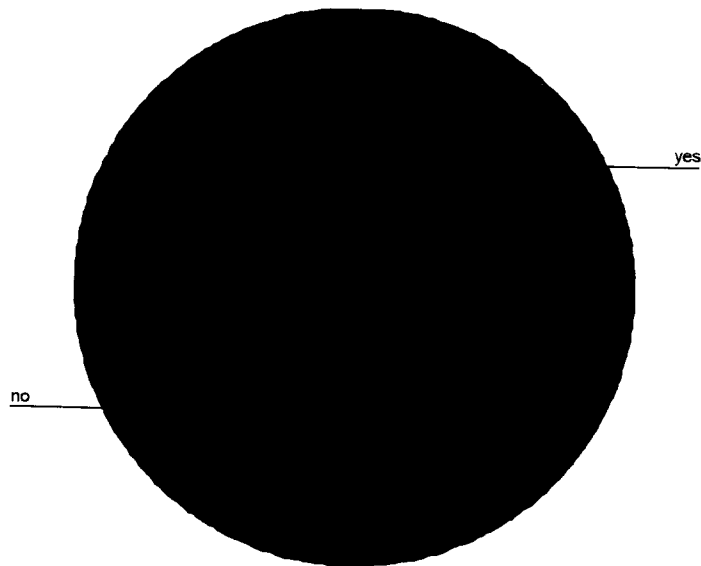
In view of the fact that most of the employees have not received professional training in their present position, it would be advisable to develop a comprehensive further training programme.

3.3 Training while with the Organisation

Of the 23 managers eight confirmed to have received training while working in the port. 15 respondents, that is 65.2% stated that they have received no additional training at all.

Additional training

	Frequency	Percent
yes	8	34,8
no	15	65,2
Total	23	100,0



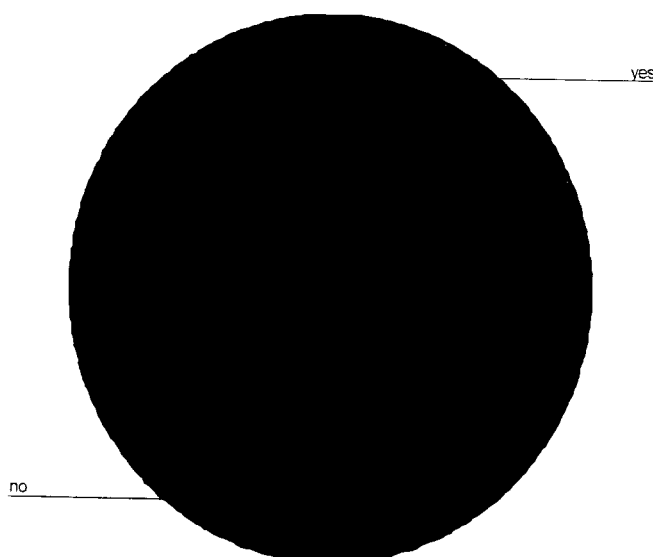
3.4 Training in Present Position

Of the questioned managers only 5, that is 21.7% stated to have received training while working in the present position in the Port of Batumi.

Training received while working in the Port of Batumi

Training in present position

	Frequency	Percent
yes	5	21,7
no	18	78,3
Total	23	100,0



The answers to point 3.4 and 3.5 show that so far not much attention has been paid to training in any field. Mostly, the upper and middle management of the Port of Batumi have not received training, neither in their professional field of work, nor in management topics. This indicates a somewhat dangerous development. The environment in which the port is working nowadays has changed considerably. The whole economic system is changed and with this system also the former responsibilities and tasks of management. Furthermore, in the past most positions have been given to professionally very advanced technicians who have during their studies mostly only received a technical education. Management or leadership have never been topics at the technical universities from which most of the managers graduated.

Additionally, new functions have been added to the port management, new services are being provided. These developments result in an urgent demand for training and further qualification. Generally, it can be said, that approximately each three years the knowledge available in the world is being doubled. That means, that if the port management wants to keep up-dated knowledge in all fields of work - profes-

sionally and management / leadership wise - they have to permanently and life-long acquire new knowledge and keep informed about latest developments, be it with the help of formal training events or by self-training with the help of books, journals, conferences, discussions etc.

Part 4 - Cross Tabulations

4.1 Education per Age Group

All the questioned port managers regardless of age group have a secondary education, and tertiary education. (cp. Part 2)

The distribution of university education within the age groups is also quite balanced. 26.1%, that is 6 respondents have attended a local university, and 62.% (15 persons) have attended an overseas university in the states of the Former Soviet Union.

Most of the questioned employees with tertiary education have acquired the degree of an engineer.

When looking at the spread of professional education between the age groups one can see that the educational level is fairly equally distributed.

Overseas training, study tours or seminars of international organisations have so far seldom been attended by port staff (cp. Part 3, Point 3.4 and 3.5).

			Type of University				Total
			Local university	Overseas university	Local + overseas university	Local Polytech	
Age Group	26 - 30	Number	1				1
		% of Total	4,3%				4,3%
	31 - 35	Number	2	2	2		6
		% of Total	8,7%	8,7%	8,7%		26,1%
	36 - 40	Number		2		1	3
		% of Total		8,7%		4,3%	13,0%
	41 - 45	Number		2			2
		% of Total		8,7%			8,7%
	46 - 50	Number	1	3			4
		% of Total	4,3%	13,0%			17,4%
	56 - 60	Number		6		1	7
		% of Total		26,1%		4,3%	30,4%
Total		Number	4	15	2	2	23
		% of Total	17,4%	65,2%	8,7%	8,7%	100,0%

As stated before, all questioned employees of all departments received primary, secondary and tertiary education.

Only very few employees have received any kind of training in addition to the basic professional training. The consultants therefore recommend regular, pre-planned attendance of seminars and training courses of the administration and management in their respective fields of work in order to keep the port prepared for future demands and developments.

Local on the job training - Age distribution

			Local on the job training	
			1 yes	2 no
Age Group	26 - 30	Number		1
		% of Total		4,3%
	31 - 35	Number		6
		% of Total		26,1%
	36 - 40	Number		3
		% of Total		13,0%
	41 - 45	Number		2
		% of Total		8,7%
	46 - 50	Number	1	3
		% of Total	4,3%	13,0%
	56 - 60	Number		7
		% of Total		30,4%
Total		Number	1	22
		% of Total	4,3%	95,7%

Overseas on the job training - The age distribution

			Overseas on the job training	
			1 yes	2 no
Age Group	26 - 30	Number		1
		% of Total		4,3%
	31 - 35	Number	4	2
		% of Total	17,4%	8,7%
	36 - 40	Number		3
		% of Total		13,0%
	41 - 45	Number		2
		% of Total		8,7%
	46 - 50	Number	1	3
		% of Total	4,3%	13,0%
	56 - 60	Number	3	4
		% of Total	13,0%	17,4%
Total		Number	8	15
		% of Total	34,8%	65,2%

Study Tours / Excursions - The age distribution

			Study Tours / excursions	
			1 yes	2 no
Age Group	26 - 30	Numbers		1
		% of Total		4,3%
	31 - 35	Numbers	4	2
		% of Total	17,4%	8,7%
	36 - 40	Numbers	2	1
		% of Total	8,7%	4,3%
	41 - 45	Numbers		2
		% of Total		8,7%
	46 - 50	Numbers		4
		% of Total		17,4%
	56 - 60	Numbers	4	3
		% of Total	17,4%	13,0%
Total		Numbers	10	13
		% of Total	43,5%	56,5%

Other Events - The age distribution of the participants of other training events

			Other training events	
			1 yes	2 no
Age Group	26 - 30	Count		1
		% of Total		4,3%
	31 - 35	Count	2	4
		% of Total	8,7%	17,4%
	36 - 40	Count		3
		% of Total		13,0%
	41 - 45	Count		2
		% of Total		8,7%
	46 - 50	Count		4
		% of Total		17,4%
	56 - 60	Count	1	6
		% of Total	4,3%	26,1%
Total		Count	3	20
		% of Total	13,0%	87,0%

4.2 Present Position in Relation to the Diploma Obtained

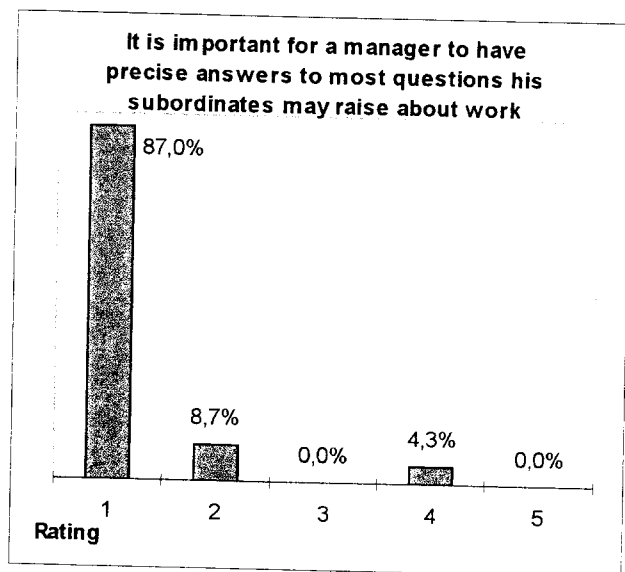
Diploma obtained	Present Position	Age
Mechanical Engineer	Head of Technology Department	26
Industrial Engineer	Head of Wages Department	57
Electromech. Engineer	Head of Administration Department	35
Mechanical Engineer	Dep. Manager, Security Department	33
Engineer Economist	1st Dep. Manager	33
Dipl. Economist for Cybernetic	Dep. Manager Economics, Commercial Department	31
Maintenance Engineer	Chief Dispatcher	56
Mechanical Engineer	Head of Mechanical Department	42
Maintenance Engineer	Head of Commercial Department	56
Bookkeeper	Head of Economical Department	46
Electromech. Engineer	Chief Engineer	38
Mechanical Engineer	Head of Passenger Terminal	35
Maintenance Engineer	Head of Planning +Prognosing Department	59
Maintenance Engineer	Chief Operator, Operations Department	34
Eng. Economist	Head of Mat.+Techn. Supply Department	37
Maintenance Engineer	Dep. Manager Operations	56
Lawyer	Head of Security Department	50
Engineer Economist	Head of Personnel Department	47
Navigator	Head of Port Fleet	59
Radio Engineer	Head of Administration Department	59
Power Engineer	Chief Power Engineer, Electrical SupplyDep	46
Dipl. Constructor	Dep. Manager Construction, Technical Department	36
none	Head of Oil Operations Department	41

Part 5 - Investigation of the leadership and management style within the Port of Batumi

For this investigation 23 managers from the administration and management of the different departments have been asked to fill in questionnaires.

In the first section of this investigation questions concerning behaviour in the work environment and concerning leadership have been asked. The questions aim at finding out the prevailing leadership style within the port management. In view of the forthcoming changes in work and and the introduction of profit centres the understanding of management responsibilities and the attitude towards the subordinates of the questioned managers are most interesting.

Most of the managers hold the opinion that they must know every detail of the work which has to be carried out by their staff. They consider it important to have at hand precise answers to any question concerning work which might be put to them by staff. In the new organisation, the main emphasis for the work of the management will not be on personally carrying out professional tasks of their departments, but rather on taking responsibility for the performance and the results of the department as a whole. A manager cannot fulfil each individual task himself, he does not necessarily have to be the greatest professional expert but has to be able to delegate tasks and appoint the right employees for the fulfilling of tasks.



For this reason it is also impossible for a manager to decide all questions himself alone. He has to rely on the capability of his staff to take reasonable decisions within the work process. Leadership in the new system can only mean teamwork and not autocratic ruling. So far, the questioned managers hold the opinion that they have not only to be the managers of their respective areas of responsibility but at the same time be the best experts and professionals in the practical work as well.

In the answers to the questionnaire it became obvious that very frequently decisions are taken on an ad hoc basis, not thoroughly thinking through the impact of a given situation and considering the consequences of the decision. This conclusion becomes evident by comparing the answers to some contradictory questions.

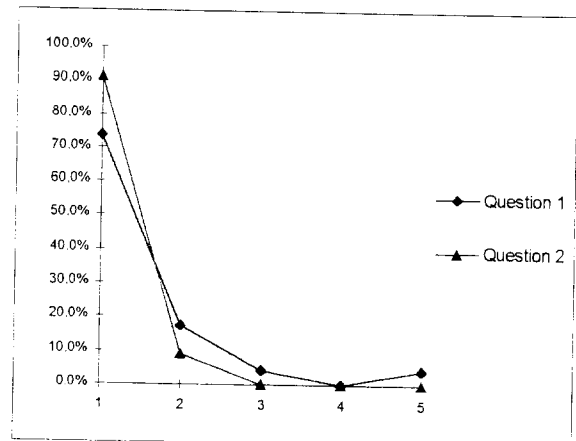
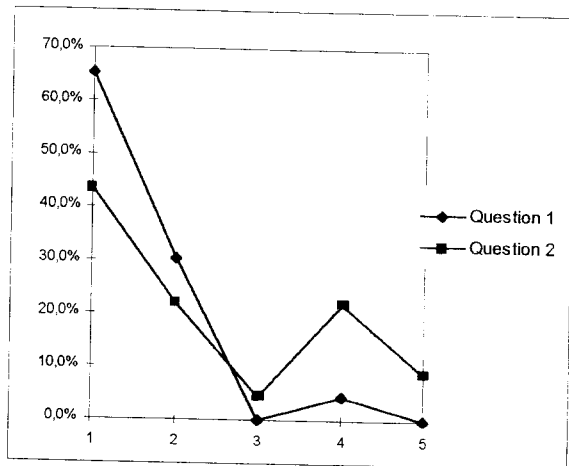
Evaluation: 1 = Full approval of the statement
5 = Total disagreement with the statement

Question 1: Principally decisions must be discussed with staff

Question 1: In the end, one has to carry the sole responsibility, no staff can take over the real responsibility

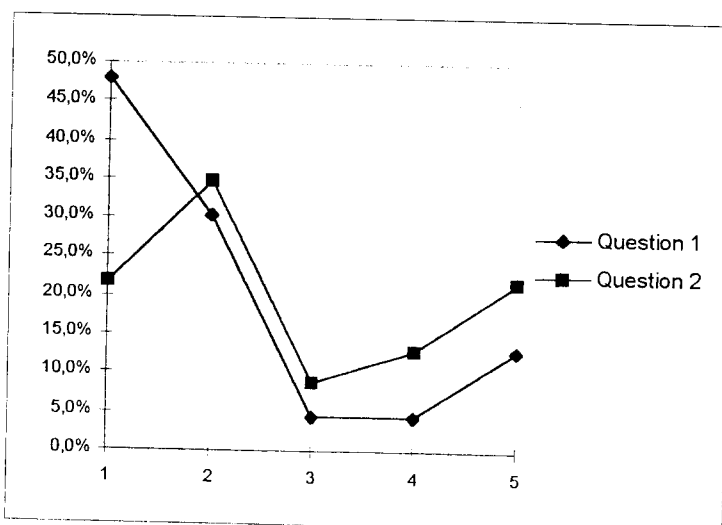
Question 2: In most situations, one simply has to push one's view through, if necessary sometimes with authoritarian means

Question 2: Today a single person is not at all able to decide everything, leadership is in any case teamwork



Question 1: One has to adhere consequently to a certain hierarchical system if the inner structure / order of an organisation is to be maintained

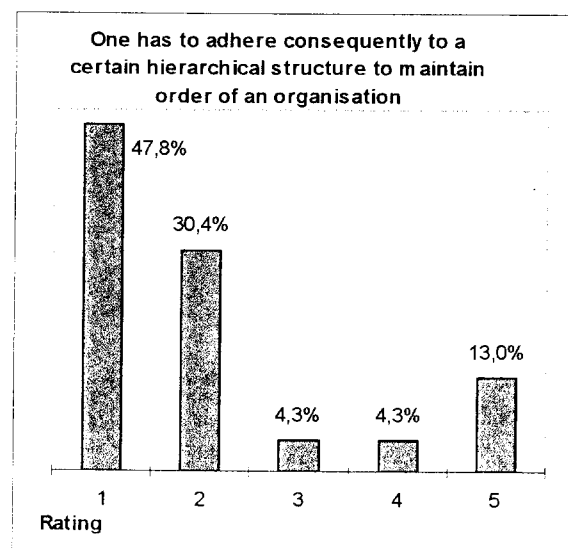
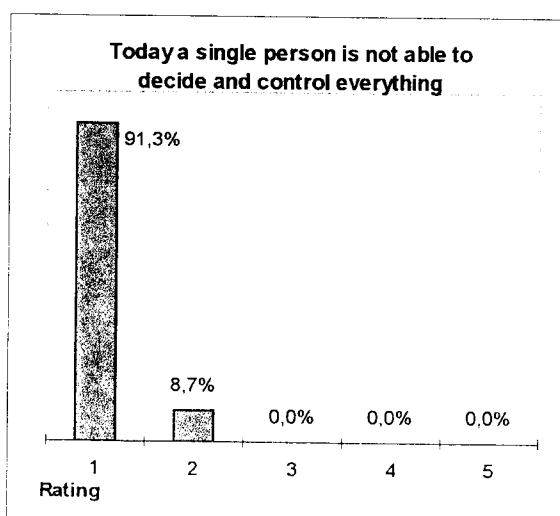
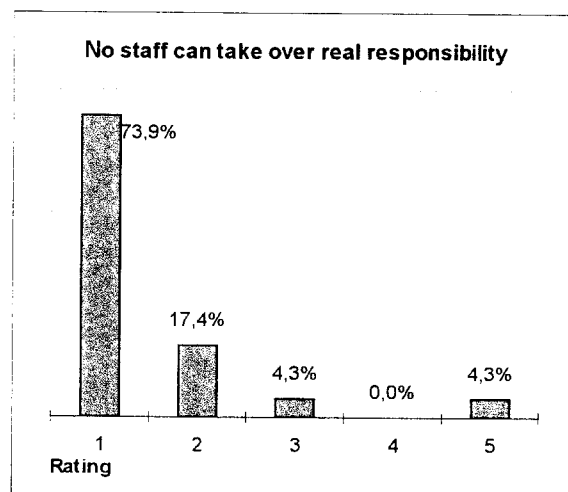
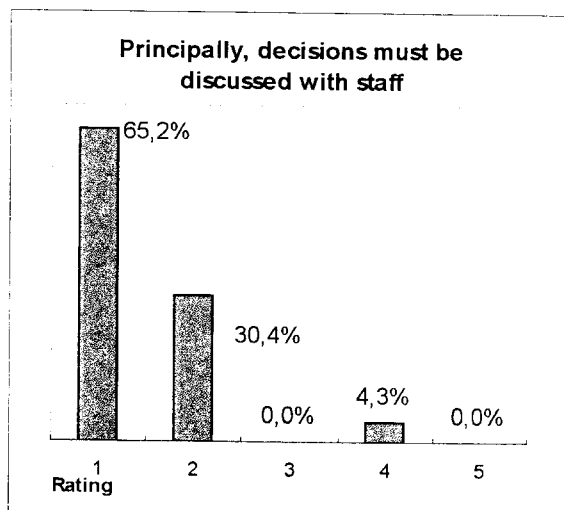
Question 2: To have efficient work relationships it is often necessary to by-pass the hierarchical line

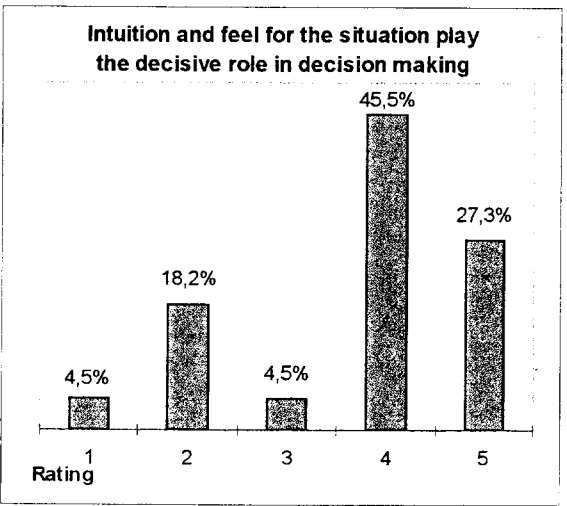
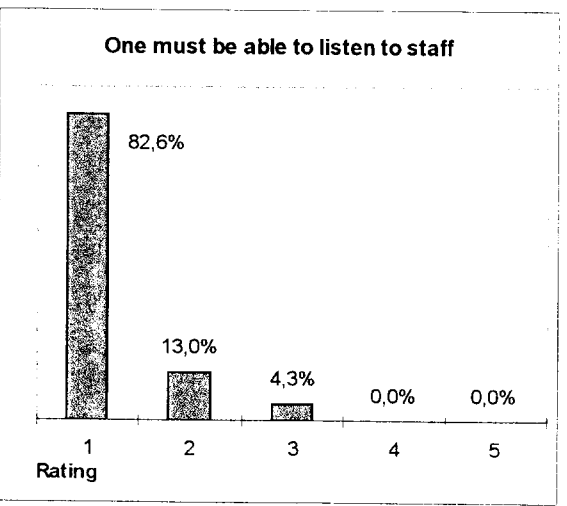
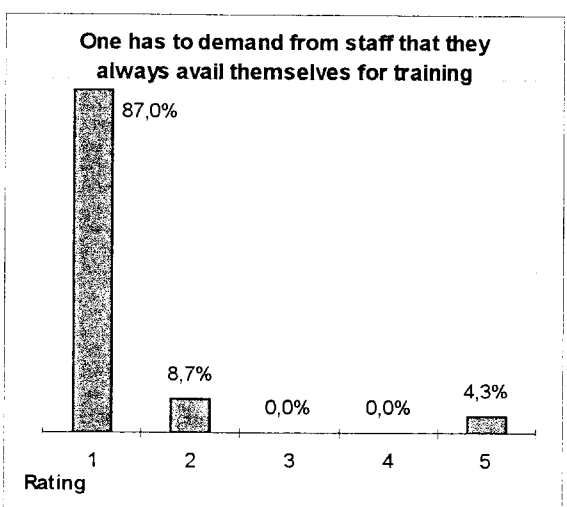
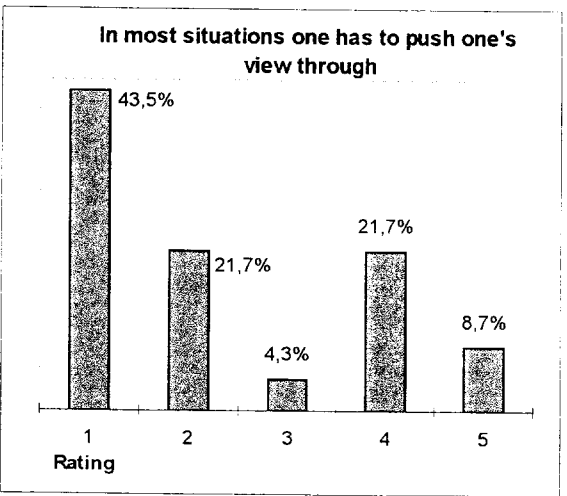
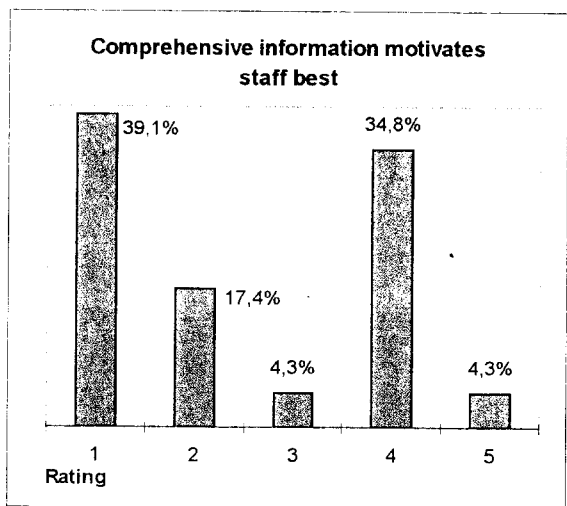
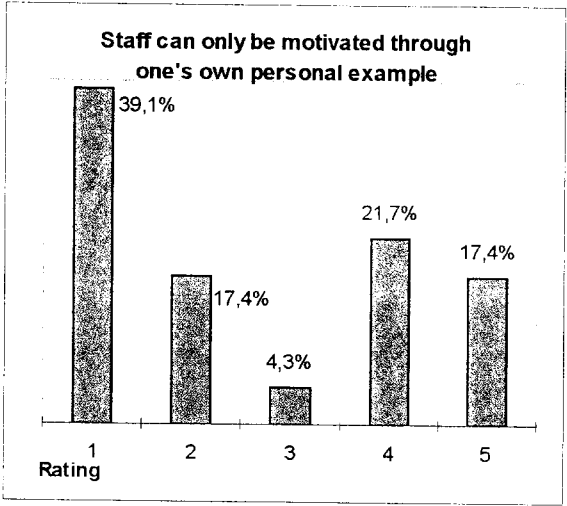


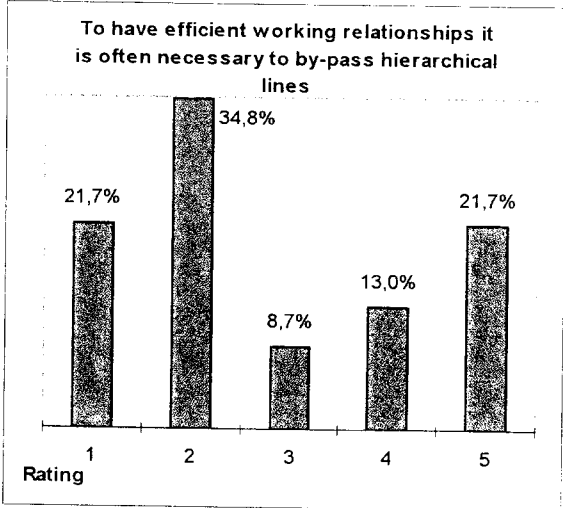
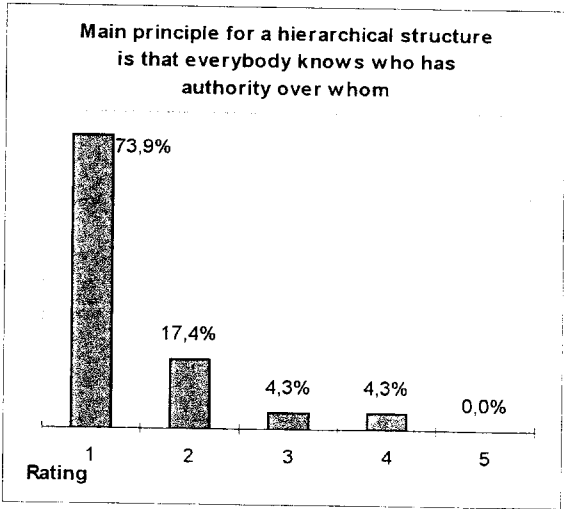
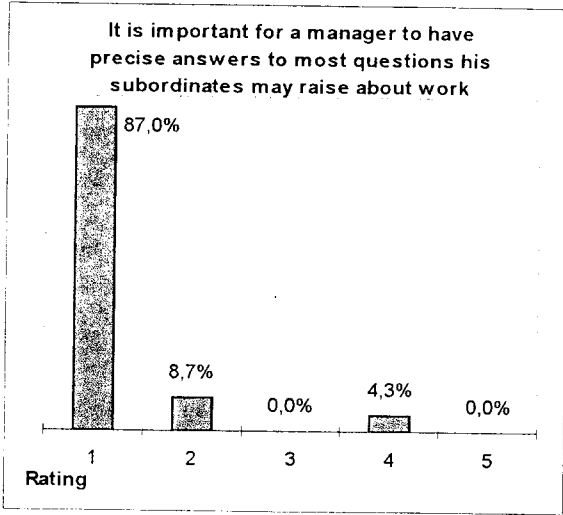
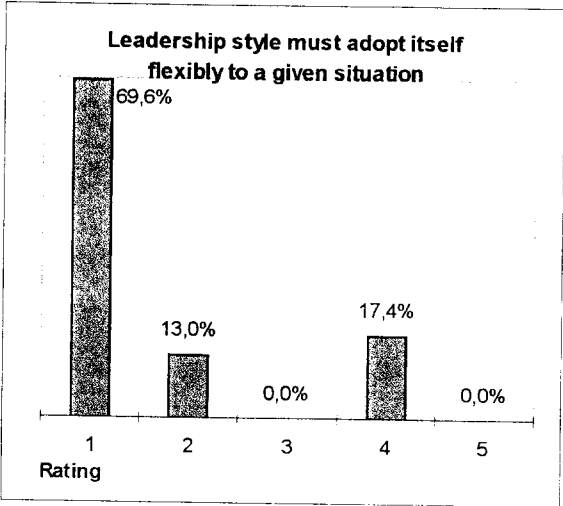
In these three examples one would expect opposite courses of the lines of the diagrams instead of the existing parallel ones. It is obvious that among the respondents there is a lack of taking care to consider the questions thoroughly before answering. Currently, decisions are taken by reasons of immediate expediency, which has the positive consequence that decisions are taken at all. Though the complexity of tasks to be fulfilled by management in a commercially working port demands consideration of possible impacts of decisions in different fields, not only concerning the current operational situation, but also concerning impacts on future costs and consequences, concerning the way of leadership etc. For the future it is evident that a short sighted way of decision taking, has to make place for thorough considering of consequences and impact of decisions, especially within the upper and middle management, which shall be responsible for the work of their departments.

The results of the first part of questions about leadership are presented in the form of graphs on the following pages.

Evaluation: 1 = Full approval of the statement
 5 = Total disagreement with the statement



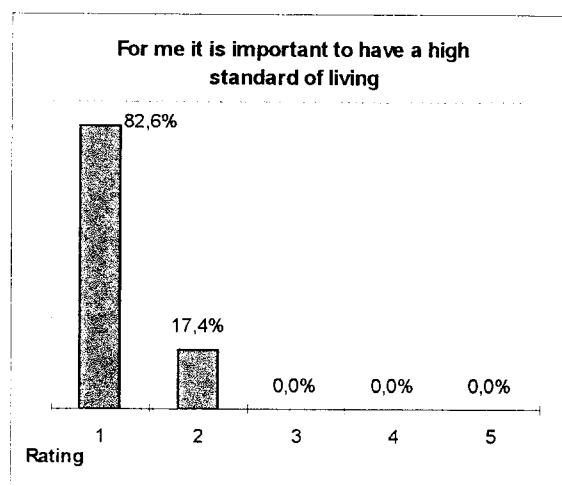
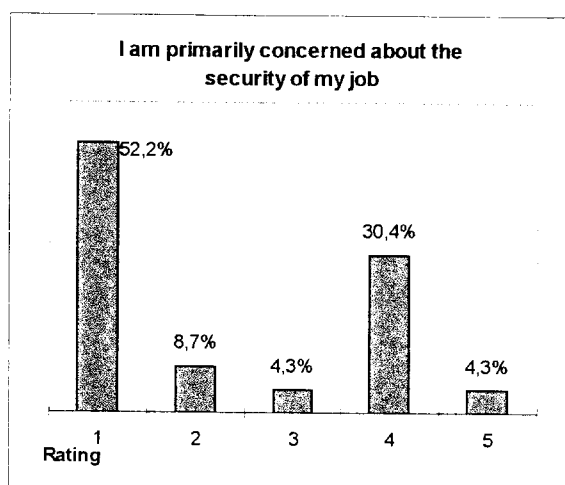




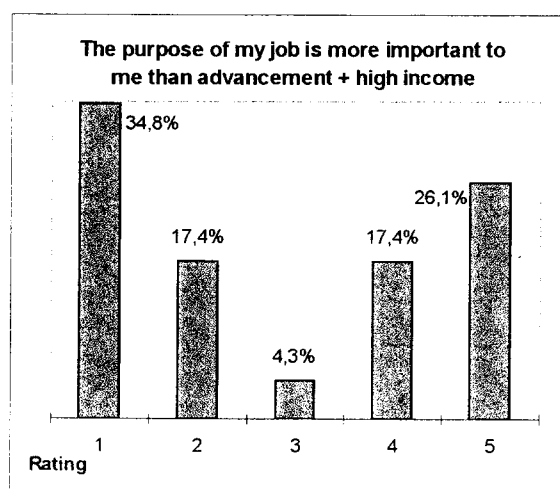
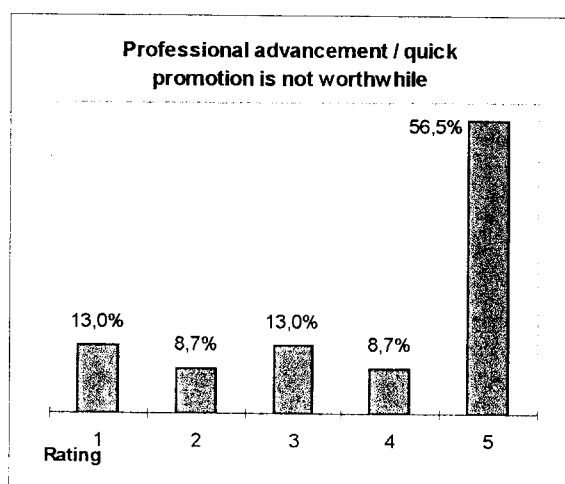
In the next part of the questionnaire the respondents were asked about their attitude towards work.

It appeared that a little more than half of the questioned managers (60.4%) were primarily concerned about the security of their work place whereas about one third (34.7%) did not care so much about this. All managers were very concerned about their standard of living. This attitude might be explained by the uncertain and unstable economic situation of the country as a whole and with the strained financial situation of the port itself,

Rating: 1 = full approval of the statement
5 = Total disagreement with the statement



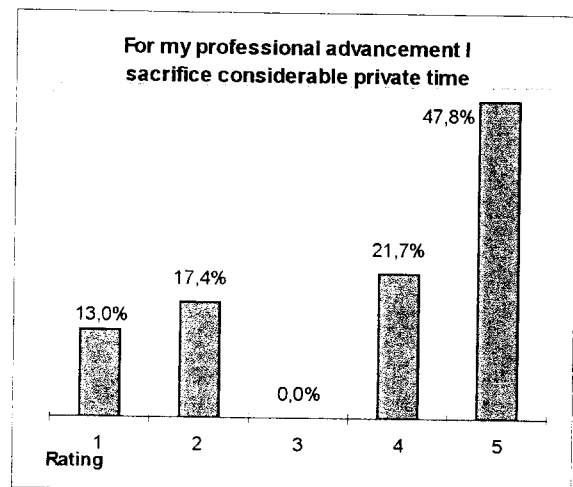
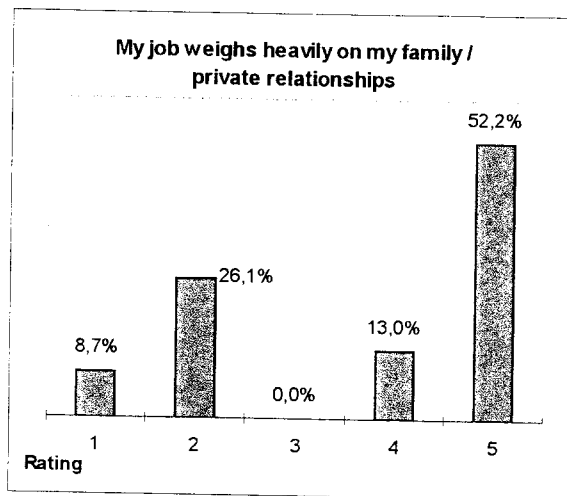
Also, professional advancement and job performance seem to play such an important role for the questioned managers. Only about 20% state that professional advancement is not worth while and most of the managers also state that high income and advancement is even more important than the purpose of the job. This corresponds to the high value a high standard of living has for the managers.



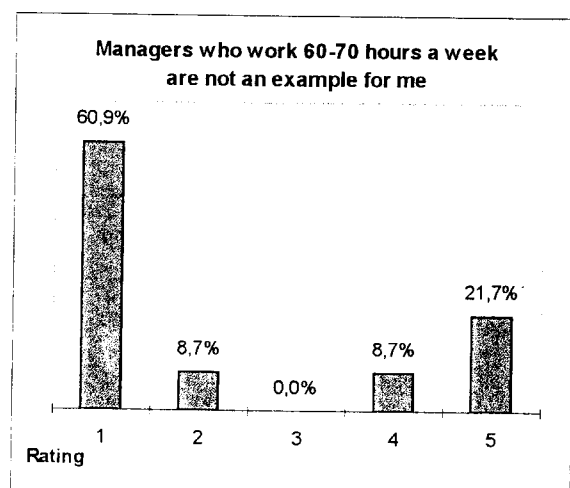
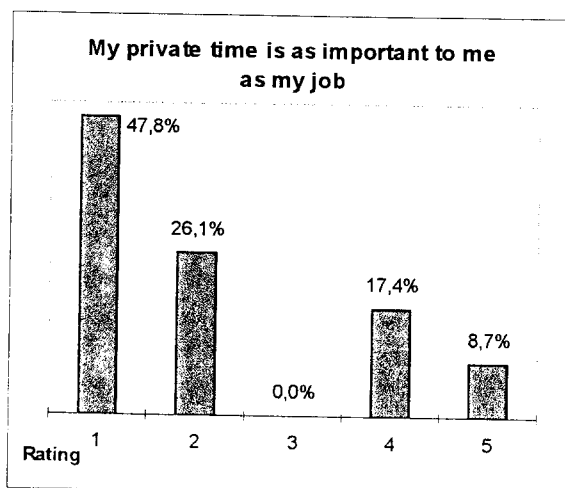
In the transition process the port is currently undergoing, there is a need to adopt a realistic view, that only the job performance can be the basis to secure jobs and generate the source for a high standard of living.

Only a few, less than one third, of the respondents have the impression that they sacrifice private time for their job and that the work weighs heavily on private relationships. So the managers are willing to carry out their functions in a proper way and want to be promoted in their job, but private life and time and the work have to be well balanced for them.

Rating: 1 = full approval of the statement
5 = Total disagreement with the statement



Consequently, most of the respondents say that private time is as important to them as their job and that managers who live only for their job are no example for them



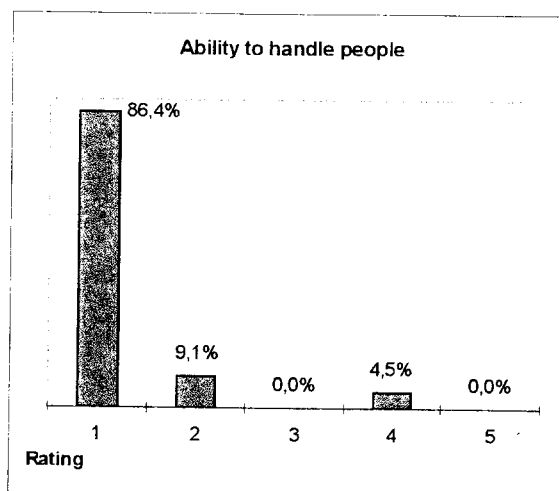
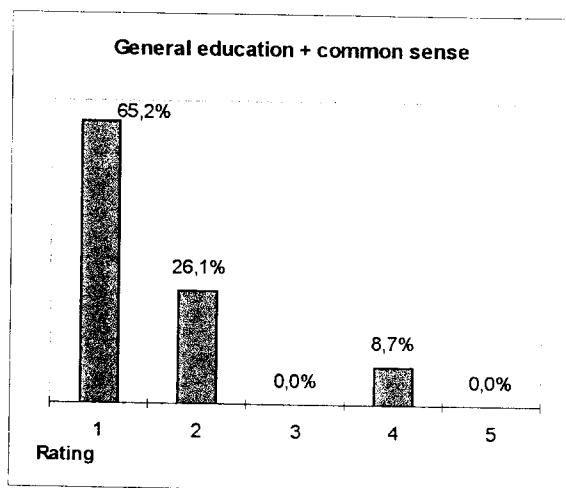
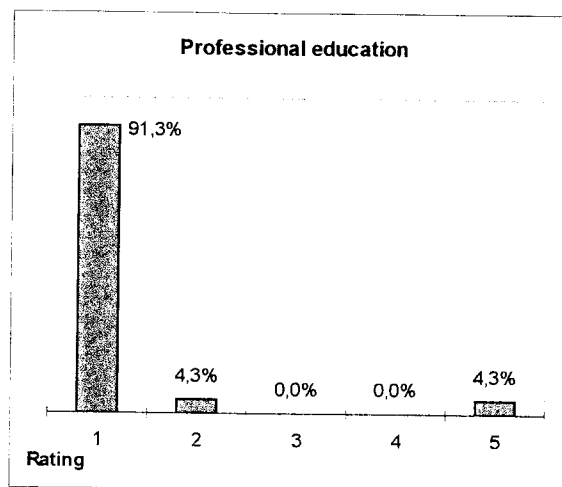
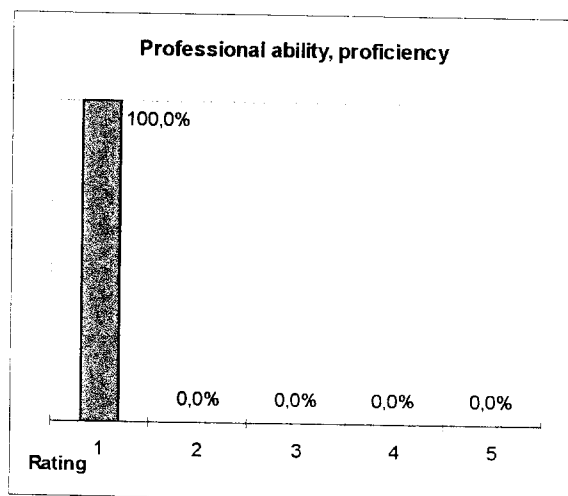
In the following section the port managers and administrators were asked, which facts they considered to have an influence on professional advancement.

The answers show that the managers state to consider primarily facts like education, proficiency, professional ability and the ability to handle people to influence the professional advancement of employees. This idealistic attitude is very encouraging for the future prospects of the port. It shows that job dedication and the job performance are highly valued, which is an essential prerequisite for commercially successful work of the port.

Evaluation:

1 = Full approval of the statement

5 = Total disagreement with the statement

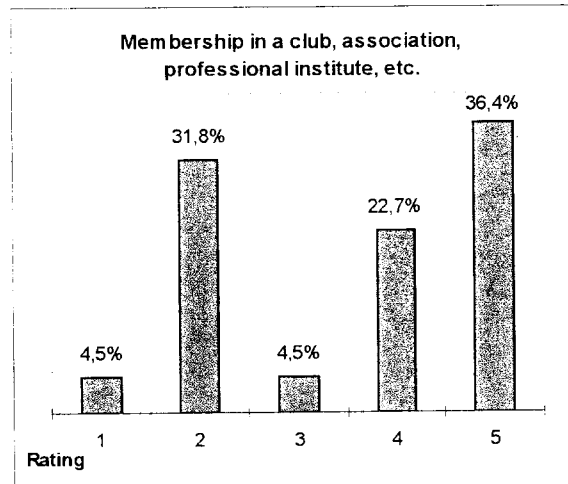
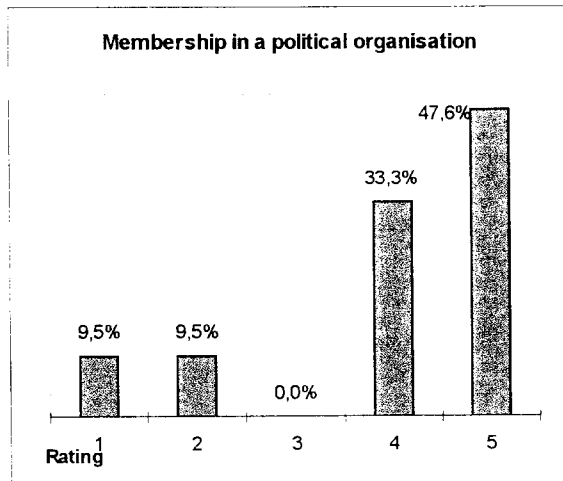
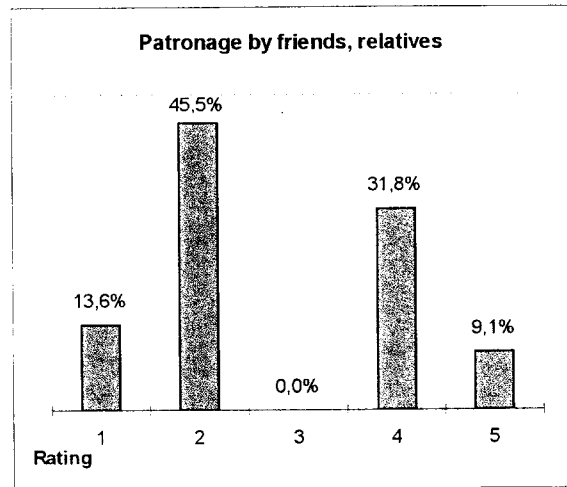
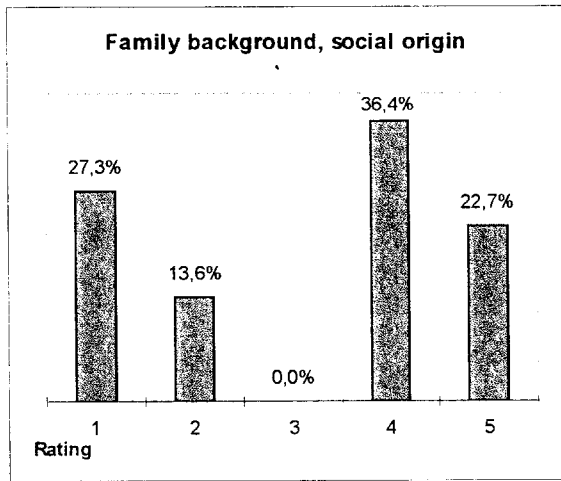


Somehow unexpectedly, the respondents state that the least influence on professional promotion or career have factors like personal social connections, friends or political organisations. Family background is seen to have little impact on professional advancement, though on the other hand, patronage by friends or relatives seems to play a certain role. About half the respondents think that membership in associations does influence the professional advancement.

Evaluation:

1 = Full approval of the statement

5 = Total disagreement with the statement

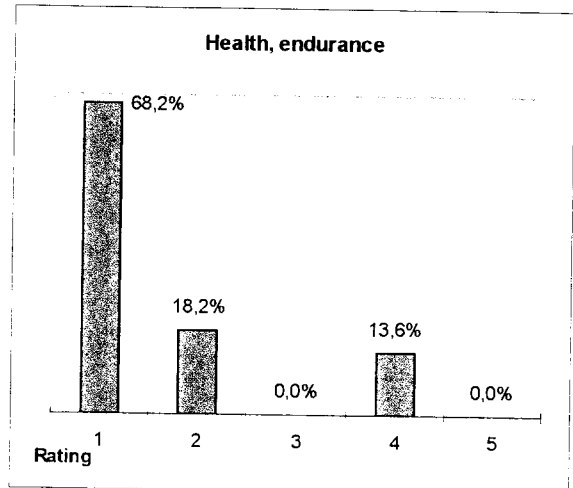
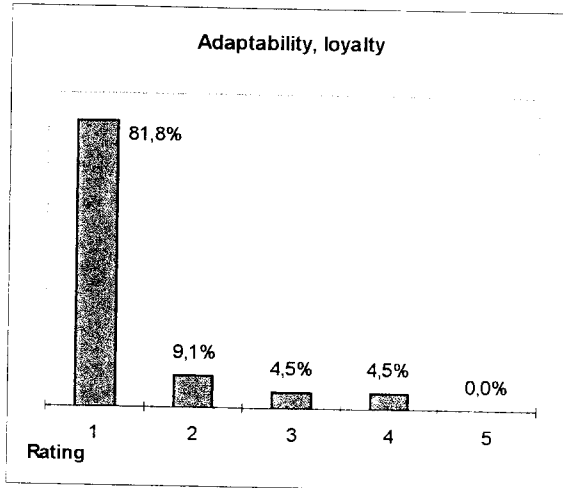


Important for the questioned managers is also on the one hand the willingness and on the other hand the physical and mental ability to support the company. Factors like adaptability and loyalty on the one hand and health, endurance on the other hand are considered to have considerable influence.

Evaluation:

1 = Full approval of the statement

5 = Total disagreement with the statement



A rather influential factor, rated highly in the opinion of the respondents is the „luck“ factor. To be the right person in the right time at the right place does play a considerable role in career. Also, the academic title one holds cannot be underestimated, it is considered to be as important as luck. Academic title in the opinion of the respondents is obviously interlinked with professional education and proficiency, factors, which play the most decisive role concerning professional advancement.

