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## PECULIARITIES OF HUMAN RESOURCE MANAGEMENT IN MULTINATIONAL COMPANIES

**Abstract:** Human resource management in modern multinational companies is characterized by certain difficulties, because such companies employ people of different nationalities, religions, cultures, different mentality and ethics, who prefer different forms of communication and management. The desire to manage with a different approach to organizational structure, culture and strategy creates problems in the management of human resources of multinational companies, these problems need proper research and solutions.

The purpose of the study is to determine the challenges in the field of human resources management by multinational companies, to fairly evaluate the activities of expatriates and managers working in foreign companies and to protect their rights.

Methods of data collection and observation were used in the development of the paper. The data collection method is mainly used to evaluate the human resources activities of multinational companies, and the observation method is used to identify the challenges and potential in the activities of expatriates, based on which the ways to solve the challenges in the field of human resources management of multinational companies were determined.

As a result of the research, the factors affecting the management of human resources in multinational companies were identified, the elimination of which will help to increase the competitiveness of multinational companies and raise the level of qualification of the personnel employed in them. In order to eliminate the problems arising during the management of human resources in modern multinational companies, we have developed recommendations, the consideration of which significantly improves the process of human resources management in multinational companies.

**Keywords:** Human resources management, multinational companies, expatriates, performance evaluation of managers.

**JEL classification:** J53, J6, F22, F23

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## ადამიანური რესურსების მენეჯმენტის თავისებურებები მულტინაციონალურ კომპანიებში

**აბსტრაქტი:** თანამედროვე მულტინაციონალურ კომპანიებში პერსონალის მენეჯმენტი გარკვეული სირთულეებით ხასიათდება, რადგან ასეთ კომპანიებში დასაქმებულია სხვადასხვა ეროვნების, რელიგიის, კულტურის, განსხვავებული მენტალობისა და ეთიკის მქონე ადამიანები, რომლებიც კომუნიკაციისა და მენეჯმენტის განსხვავებულ ფორმებს ანიჭებენ უპირატესობას. ორგანიზაციული სტრუქტურისადმი, კულტურისა და სტრატეგიისადმი განსხვავებული მიდგომით მართვის სურვილი პრობლემებს ქმნის მულტინაციონალური კომპანიების ადამიანური რესურსების მენეჯმენტის დროს, ამ პრობლემებს სათანადო კვლევა და გადაჭრის გზების დასახვა ჭირდება.

კვლევის მიზანია მულტინაციონალური კომპანიების მიერ ადამიანური რესურსების მენეჯმენტის სფეროში არსებული გამოწვევების დადგენა, ექსპატრიანტებისა და უცხოურ კომპანიებში მომუშავე მენეჯერთა საქმიანობის სამართლიანი შეფასებისა და უფლებების დასაცავად.

ნაშრომის დამუშავებისას გამოყენებული იქნა მონაცემთა შეგროვებისა და დაკვირვების მეთოდები. მონაცემთა შეგროვების მეთოდი ძირითადად გამოიყენება მულტინაციონალური კომპანიების ადამიანური რესურსების საქმიანობის შესაფასებლად, ხოლო დაკვირვების მეთოდი კი - ექსპატრიანტებისა და უცხოელ მენეჯერთა საქმიანობაში არსებული გამოწვევებისა და პოტენციალის გამოსავლენად, რომლის საფუძველზე დასახული იქნა მულტინაციონალური კომპანიების ადამიანური რესურსების მენეჯმენტის სფეროში არსებული გამოწვევების გადაჭრის გზები.

კვლევის შედეგად გამოვლინდა მულტინაციონალურ კომპანიებში ადამიანური რესურსების მენეჯმენტზე მოქმედი ფაქტორები, რომელთა აღმოფხვრა ხელს შეუწყობს მულტინაციონალური კომპანიების კონკურენტუნარიანობის ამაღლებას და მათში

დასაქმებული პერსონალის კვალიფიკაციის დონის ამაღლებას. თანამედროვე მულტიინაციონალურ კომპანიებში ადამიანური რესურსების მენეჯმენტის დროს წარმოქმნილი პრობლემების აღმოსაფხვრელად შევიმუშავეთ რეკომენდაციები, რომელთა გათვალისწინება მნიშვნელოვნად სრულყოფს მულტიინაციონალურ კომპანიებში ადამიანური რესურსების მენეჯმენტის პროცესს.

**საკვანძო სიტყვები:** ადამიანური რესურსების მენეჯმენტი, მულტიეროვნული კომპანიები, ექსპატრიანტები, მენეჯერთა საქმიანობის შეფასება.

**JEL კლასიფიკაცია:** J53, J6, F22, F23

## INTRODUCTION AND REVIEW OF LITERATURE

### *Introduction.*

**The essence of the issue, the problem.** Personnel management in modern multinational companies is characterized by certain difficulties, because such companies employ people of different nationalities, religions, cultures, different mentality and ethics, who prefer different forms of communication and management. The desire to manage with a different approach to organizational structure, culture and strategy creates problems in the management of human resources of multinational companies. Multinational companies try to solve these problems by moving their business to another country, which is why they can have more influence on employees than local companies. To limit this excessive control and interference in human resources activities by multinational companies, labor unions use various legal means. Differences between countries in culture, labor legislation, determination of wage rates, evaluation of personnel activity and forms of motivation create problems in the management of human resources by multinational companies. The mentioned problem is also relevant for multinational companies operating in Georgia.

**The purpose of the study** is to determine the challenges in the field of human resources management by multinational companies operating in Georgia, to develop a mechanism for fair evaluation of the activities of Georgian expatriates and Georgian managers working in foreign companies and protection of rights. To achieve this goal, statistical methods of material collection, grouping and analysis were used. Correct management of human resources employed in multinational companies operating in Georgia will help to reveal and implement the regional potential of their business activities in accordance with the new reality created in the regions of Europe and Asia.

**Research hypothesis and main tasks.** **The hypothesis of the research** is that if, during the management of human resources, multinational companies entering Georgia take into account the national, cultural, ethical, religious specificity of the work of people of Georgian nationality employed in their organization, then, by establishing an optimal personnel policy, they will be able to increase their competitiveness in the European and Asian regions. , to reveal and realize the potential in their business field. **The main task of the research** is to identify ways to solve the challenges in the field of human resources management of multinational companies operating in Georgia.

**The methodological basis of the research of the paper** is the scientific articles on human resources management of modern multinational companies, edited by Georgian and foreign scientists. Our research is based on methods of collecting, grouping and analyzing materials. In particular, the method of collecting materials is used to evaluate the human resource management of multinational companies, and the method of observation is used to identify the challenges in this field. On the basis of the research, the problems of human resources management of multinational companies were identified and the ways to solve them were analyzed. The specifics of human resources management of modern multinational companies are discussed in our article. Georgian and foreign scientists have published many works on human resource management, but their research is mainly focused on traditional methods of personnel management of local companies. A shortcoming of their research is that their research does not apply to multinational companies, for whose success it is not enough to rely on traditional human resource management approaches.

**The potential usefulness of this paper lies in the fact that** it offers a new perspective on the management of human resources in multinational companies, according to which the successful management of personnel in these companies depends on their geographical location, cultural differences between expatriates involved in international repatriation and their host countries. We claim that the geographical location of multinational companies and consideration of cultural differences are necessary conditions for these companies to become successful, both in terms of entering new, favorable markets (target audience) for the key products produced, and finding new, optimal sources of raw materials and materials supply. The problems and specifics of human resource management of multinational companies are discussed in this paper in the new reality of the world economy, against the background of uncertain, unstable situation caused by the influence of hostilities between Russia and Ukraine in the Middle East.

#### ***Review and understanding of relevant literature***

Consider the opinion of some Georgian and foreign researchers about the problems of human resources management of modern multinational companies. In the last decade, scholars have made significant efforts to establish that the human resources management of multinational companies is a complex, multifaceted and continuous process that makes it difficult for them to increase their competitiveness and operate successfully. These scholars have developed different leadership models that create a vision and unite expatriates, managers, and other employees around a common vision. They emphasize both the influence of corporate culture and the negative effect of downward communication on this process and encourage managers to take into account the views, interests of expatriates and include them in the human resource management process.

For example, professors Nino Faresashvili, Badri Gechbaia and Ana Chagelishvili in their work "Challenges of Managers Employed in Multinational Companies" point out that "in the conditions of globalization, managers of multinational companies have to think internationally and develop relevant strategies." Through global management, managers successfully use international opportunities and deal with international threats....Exiting business operations from local markets to foreign markets complicates management functions, creates challenges for

international business and puts managers of multinational companies in front of the need to possess a number of skills." (Faresashvili N, Gechbaya B., Chagelishvili A., 2023: 481)

Georgian scientists Natela Tsiklashvili, Nato Jabnidze and Tamila Turmanidze published the paper "The influence of human capital on the global innovation index" in the international scientific journal "Innovative Economy and Management", where the authors note that "human capital is one of the most important drivers of economic growth and innovation. The growth of investments in human capital will contribute to the growth of the economic value of education, the correct distribution of resources, planning, and the correct management of state policy" (Tsiklashvili N., Jabnidze N., Turmanidze T., 2023: 38).

Georgian scientist Ana Chagelishvili published the paper "Challenges of human resources development in the conditions of the Georgian economy" in the international scientific journal "Innovative Economy and Management". In the work, the author notes that "care for the development of human resources is a key factor in the effective functioning of almost all multinational companies, and at the same time, it is also in the professional and career interests of the employees." (Chagelishvili A., 2023: 8)

The French researcher Raymond Pierre in his work "Human Resource Management: An International Comparison" noted that "...the comparison of human resource management strategies is the main indicator of the competitiveness of multinational companies ... Due to specific international problems, multinational companies, by repatriating head office managers and expatriates abroad, try to work in foreign branches Solving the existing problems, which is the main factor of maintaining their influence on the branches...". (Pieper R., 2012: 23).

The Hungarian scientist József Poór in his work: "Human resource management practices transferring from foreign firms to Russia: The case of MNCs subsidiaries" notes that "the adaptation strategy is better suited to the human resource management of multinational companies that enter a country culturally distant from their home country, but In terms of institutional and business environments, in more developed countries, the integration strategy appears to be universal and allows for mitigating the advantages and disadvantages of other strategies. (Poór J., 2020: 43). The paper also discusses the formal operationalization of the relationship and knowledge flow between headquarters and subsidiaries. The research results of the paper are also important in the process of decision-making in relation to expatriates by multinational companies wishing to enter the countries of the Central and Eastern European region. (Poór J., 2020: 476).

Thus, as it can be seen from the analysis of the results of the research conducted by Georgian and foreign researchers on the human resources management of modern companies, if the personnel management strategy is correctly selected and implemented, it will be possible to solve the problems faced by these companies, to reveal and implement the existing potential in their business. According to them, the correct management of human resources is of crucial importance in the success of modern companies. In their works, the specifics of human resource management and the aspects of increasing the competitiveness of companies are reviewed in detail. Such researches conducted on the management of personnel policy provide the right development advice to modern companies so that they can take favorable positions in the field, both in the country and in the region as a whole.



The challenges in the field of human resources management faced by modern Georgian companies are studied in detail in the works of Georgian scientists. As a result of the research, they came to the conclusion that personnel management of companies operating in Georgia needs further improvement. As it is clear from the analysis of the works of Georgian researchers, the need to perfect the management of personnel policy in Georgian companies is growing inexorably.

Our vision in this work, unlike other scholars, is that human resource management problems are discussed in multinational companies operating in Georgia in the Middle East, against the backdrop of the instability of the world economy caused by hostilities between Russia and Ukraine and sanctions against Russia. The specificity of our research lies in the difficulty of managing the work of people of different nationalities with different mentality, culture, traditions and ethics, which is faced by modern multinational companies operating in Georgia. The difficulty of managing the behavior of people of different nationalities (speaking different languages) puts on the agenda of modern multinational companies the need to develop a new strategy of human resources management. The hitherto unsolved problem of human resources management of multinational companies operating in Georgia, to which the article is devoted, is the discovery of new opportunities, through the correct management of personnel in multinational companies, so that these companies can fully realize and implement the business potential before them.

## **METHODOLOGY**

**The scientific works prepared** by Georgian and foreign scientists in the direction of human resources management are the methodological basis of the work. The work is built on the basis of research conducted on theoretical concepts and ideas in the field of human resource management models and strategies. The research methods used in the development of the article correspond to the direction of human resources management.

## **RESULTS**

**Human resource management challenges in modern multinational companies.** In modern conditions, without an open economy, it is impossible to increase the social well-being of the country. The development of an open economy implies both the export and import of goods (following the rules recommended by the World Trade Organization), the migration of labor and tourists, taking loan obligations from international organizations (the International Monetary Fund and the World Bank), as well as receiving investments from corporations and multinationals operating in the private sector. from companies. Accordingly, multinational companies occupy an important place in the economy of any country, especially developing countries, including Georgia, both in terms of export-import of goods and services, and investment. In addition, multinational companies, by hiring local personnel, additionally create new jobs in the country. But due to the simultaneous entry into the economy of different countries, people of different nationalities join multinational companies, which cannot be successfully managed by traditional approaches, standard methods and strategies. That is why human resource management in modern multinational companies is an extremely difficult and contradictory process.

Naturally, the question arises: what kind of contradictions do multinational companies operating in Georgia face during human resource management? Selection of international

personnel by these companies depends on their cultural values. There is a significant cultural difference in transnational companies. For example, German American and British transnational companies use different methods for selecting and managing expatriate employees than Japanese ones. Success in the field of human resource management is achieved when there is a reconciliation of cultural values in multinational companies. For example, the recruitment process in South Korea is fundamentally different from Georgia. When hiring a Korean company, it investigates in detail such details of the employee's life as the lifestyle of family members, their integrity and income, which companies operating in Georgia do not attach any importance to when interviewing the applicant. In Georgia, during personnel selection, asking such questions is unacceptable and is considered a violation of the applicant's rights.

As part of the work, we observed the human resources management process of multinational companies operating in Georgia, which showed that they face the following obstacles in the process of personnel management:

**1. Objections related to personnel selection and training.** Managers of multinational companies operating in Georgia often face contradictions caused by cultural and legal incompatibility when interviewing Georgian applicants. Foreign managers when selecting applicants in Georgia do not even notice the contradictions caused by these cultural and legal incompatibilities or they simply react to them too late. Foreign managers believe that before hiring applicants, they should at least partially learn about their marital status, lifestyle and religious beliefs, but corporate selection procedures can be modified and traditional (Georgian) employee selection/recruitment approaches can be introduced in the Georgian branches of these companies to better fit the Georgian culture. values. These approaches should be introduced by the multinational companies operating in Georgia in order to facilitate the adaptation of Georgian expatriates to the foreign environment. For example, in the process of hiring Georgian workers, the Japanese management in the Georgia-based Toyota Center-Tbilisi want to focus on team skills, achieving consensus, harmonious relations and other Japanese values, but these values cannot be combined with Georgian cultural values. On the contrary, managers of American companies operating in Georgia (for example, Coca-Cola) consider it necessary to develop the ability of independent thinking and action in Georgian personnel. American and Japanese approaches to self-determination are different. Nevertheless, multinational companies operating in Georgia use both American and Japanese approaches to staff selection and labor motivation. The success of any personnel selection and training program in multinational companies operating in Georgia depends on how well it matches the culture of the employees hired and trained. From the point of view of American managers, individualized training will give much better results in Georgia than group-oriented training. The approach of Asian companies operating in Georgia to this issue is the opposite. If for the managers of American companies operating in our country it is more important for the Georgian personnel to develop the skills of personal ability to achieve success when performing any task (by conducting individual-oriented trainings), according to the managers of the Asian companies operating in Georgia, the success of the Georgian personnel in performing the assigned task depends on the on the capabilities of the group to which he belongs (by conducting group-oriented trainings).

**2. Difficulties caused by organizational differences.** The difficulty of human resource management in multinational companies operating in Georgia is determined by the consequences caused by organizational differences. In order to overcome these contradictions, these companies need to take into account the cultural values of the Georgian society when drawing up personnel training programs and setting strategic goals. Therefore, information about cultural values should be valuable for multinational companies wishing to enter Georgia. Their managers should determine that the individual "behavior" of the Georgian staff is more valuable, important and defining, or the "behavior" of the group, it depends on the psychological perception of the Georgian staff, perceives itself as a part of the group and accordingly allocates organizational responsibility to the group, if he is confident in his personal abilities and Takes organizational responsibility upon himself. Multinational companies operating in Georgia face various challenges while overcoming the obstacles caused by organizational differences. "Georgian" cultural norms create problems for these companies in the process of employing expatriates and local workers, despite the fact that Georgian labor legislation requires equalization of their working conditions. The "Civil Rights Protection" Act, adopted within the framework of international law, prohibits discrimination by multinational companies based on nationality, religion and ethnicity of workers hired abroad. When entering Georgia, multinational companies are obliged to comply with international norms of personnel selection and labor conditions, as they do not conflict with the requirements of local legislation. For example, the legislation of Georgia does not prohibit a woman from being a manager, so foreign companies entering our country must be guided by the norms of international law that are consistent with the local ones. That's why foreign companies entering Georgia face not legal, but rather organizational and cultural differences.

**3. Contradictions caused by sexual minority and sexual discrimination.** As the observation of the activities of the multinational companies that entered Georgia showed, their managers feel discomfort from the Georgian collective in case of hiring representatives of the sexual minority to work in the company. A similar cultural value (supported by Georgian traditions) contradicts the western cultural values of multinational companies entering Georgia, supported by international law, according to which everyone should have equal opportunities in the labor market. Not everyone in Georgia shares this approach. Part of the Georgian society (defenders of the basic Georgian traditions) does not recognize the extension of "equal opportunities" to citizens of this category by the civilized society. Therefore, Western companies have to take this reality of Georgia into account when hiring staff. Those foreign multinational companies that try to employ only citizens of their (parent) country in their branches in Georgia face even greater resistance from the unemployed population of Georgia. There is no discriminatory approach towards women's employment or career advancement in Georgia, but in the case of sending Georgian repatriate women by multinational companies to different cultural environments abroad (for example, African countries, Arab countries of the Middle East, Japan and China), care should be taken to avoid local misunderstandings. , because women in these countries are not perceived as equal employees. In these types of countries, women are subordinated to men and have the highest specific share of unemployment. This prevents the employment and career advancement of expatriate Georgian women in companies of these



countries. The expatriation of Georgian women is justified in the USA, because more than half of managerial positions in this country are held by women. Georgian expatriate women lose the opportunity to travel to countries that support gender discrimination because their company managers believe that Georgian women cannot cope with the discriminatory attitude towards women in these countries. Multinational companies cannot risk sending women or sexual minorities to a potentially hostile environment because they have not yet realized that women appointed to positions in these types of countries are viewed first as a foreigner and then as a woman.

**4. Problems caused by increased terrorism, increased security and increased expenditure on wages.** Multinational companies operating in Georgia are less and less interested in sending Georgian expatriates abroad due to the increased security problem in the conditions of intensified terrorism. Therefore, instead of sending Georgian expatriates, these companies hire workers abroad, and send Georgian employees only on short-term assignments and use the latest communication technologies (eg, teleconference, e-mail). Observation of multinational companies operating in Georgia has shown that Georgian expatriates represent only a small part (1-2%) of the company's foreign staff. Despite this, Georgian expatriates undoubtedly remain an important segment for multinational companies. At the same time, the tendency to reduce the number of Georgian expatriates and the assignments given to them is not universal. For multinational companies, Georgian expatriates play an important role, which is reflected in their employment in the position of branch manager, but expatriates may have wives, husbands, minor children, whose departure without the family becomes impossible. This creates additional problems for multinational companies operating in Georgia. Of course, a multi-month assignment abroad is not attractive. In an unstable world, issues of terrorism, political cataclysms and personal security are important. It is easy to see that the world has become more dangerous than ever in recent years. "Today, 30% of the world (about 240 regions) is classified as a high-risk area, while in 1998 this figure was just 12%" (Grigolashvili G., 2017: 228). Nevertheless, multinational companies operating in Georgia want Georgian expatriates should be sent abroad to gain experience. However, sending Georgian expatriates abroad is associated with risk, because multinational companies operating in our country sometimes make mistakes in selecting expatriates. In addition, the use of expatriates is very expensive for companies due to the sharp increase in costs abroad to pay them. The sum of all additional taxes paid for the expatriate's activities in the first year (for example, higher salary, air transport costs, other costs of intra-city travel, housing rent, educational costs for expatriates' children, company car, if the expatriate travels with his family - additional family expenses, the cost of intensive trainings and others ) is 3 times higher than the salary received in his local branch. However, the benefits from them are so great that it is worth the costs for companies.

**5. Contradictions caused by the selection of expatriates.** Multinational companies operating in Georgia often make a mistake during the selection of Georgian expatriates, because in the process of their selection, the managers of these companies focus too much on the expatriates' technical skills, qualifications and ability to quickly solve problems abroad. In contrast to this approach, they should focus more on the ability to adapt to other cultural environments. Therefore, the recruitment strategy of the managers of these companies should be

more informal, because through such a strategy, they will more adequately compare the capabilities of the candidates with the goals and requirements of the task to be solved abroad. If we take into account the fact that the success of Georgian expatriates is not guaranteed and they are influenced by a number of factors operating in foreign countries, in such conditions multinational companies find it difficult to manage the performance of expatriates' tasks in different foreign markets.

**6. Contradictions related to the location of Georgian workers expatriated from Georgia in foreign branches of multinational companies.** There are a number of contradictions in multinational companies operating in Georgia, which are related to the success and failure of Georgian expatriates working in foreign countries. In particular, these types of objections include: inconsistency of conducted trainings with the specifics of foreign culture; Incorrect forms of communication designed to help expatriates; difficulty of the task; Incorrect career development plan; development of an incorrect incentive mechanism developed by the firm; Having a non-professional mentor. The problems related to the location of expatriation of Georgian workers include: the range of differences related to culture; low levels of development (for example, poverty, poor infrastructure, low-capacity markets); climate, political instability, existence of business risks; excessive government regulations (for example, on the use of the labor market); closeness to the homeland; The hostility of the local population towards foreign expatriates. Individual problems affecting Georgian expatriates include: excessive tolerance, inconsistency between the social policy of Georgia and the goals of the head office; Ignorance of the language, lack of adaptability, international experience, appropriate education and functional expertise; Difficulties related to family relocation; Lack of managerial skills. Decision making by Georgian expatriates on business trips is influenced by issues such as spouses being forced to leave their jobs to follow expatriates abroad. Some spouses may refuse to go abroad on the grounds that he or she cannot pursue a career abroad. The issue of career advancement of Georgian expatriates is also called into question, because most of them face difficulties in adjusting to the new work environment or career decline after returning to Georgia. This is due to the fact that multinational companies give expatriates returning to Georgia the job they have at that moment. In the best case, the managers of these companies should clearly state what awaits the career of expatriates returning to Georgia. On this issue, multinational companies, after returning expatriates to Georgia, do not make any promises to them.

**7. Contradictions caused by the collapse of the careers of spouses of expatriates.** Large multinational companies operating in Georgia are recalculating the lost salary of spouses of Georgian expatriates and taking this loss into account when developing a financial package. Large multinational companies offer assistance to the spouses of Georgian expatriates in finding a job, preparing a resume and planning a career. Large companies offer Georgian expatriates a preliminary visit to a foreign country, and their family members - to study a foreign language. Some multinational companies send Georgian expatriates to dangerous, unstable regions, for which they offer 60% more than the average expatriate salary. Some multinational companies require Georgian expatriates to undergo intensive safety briefings before departure (related to issues such as: accidents, personal safety tips, defense risks and local political situation), and in risky areas offer Georgian expatriates a more secure environment (houses with security

mechanisms). Therefore, multinational companies operating in Georgia should have a clear and consistent plan for the selection of expatriates. They should create a selection commission for Georgian expatriates, which should consist of human resource management specialists from the headquarters of the multinational companies and their branches in Georgia.

**Analysis of the results of observing the challenges in the field of human resources management of multinational companies operating in Georgia.** Analysis of the results of observation of human resource management in multinational companies operating in Georgia allows to prove that the managers of these companies identify potential candidates for applicants. Like these managers, the Georgian managers of the head office and local branches must ensure that the needs of these companies and their branches are aligned. Then they should clearly define the purpose of expatriates' assignments and show how important it is for Georgian expatriates to adapt to other cultures during their business trips abroad. After passing these steps, the team of specialists should determine the selection criteria of Georgian expatriates. The analysis of the results obtained from our observation on the management of human resources in multinational companies operating in Georgia showed that trainings should be conducted before the departure of Georgian expatriates. The skills acquired as a result of the trainings are used by expatriates after their stay abroad and after their return. Georgian expatriates often experience year "Culture shock" at the beginning of their foreign assignment and after returning to their home country. All training should have two main goals: 1. To help employees to conduct effective activities abroad; 2. Georgian expatriates should reduce the number of potential problems after their stay abroad and after their return.

The analysis of the results obtained from our observation showed that, unfortunately, many multinational companies operating in Georgia do not conduct any preparatory training for Georgian expatriates before their departure, especially regarding cultural differences, when such trainings can help expatriates get used to the new environment and increase labor productivity. During the training, first of all, attention should be focused on cultural features, which explain the reasons why people think and behave abroad in the way that is actually established in these countries with different mentality. As a result of the trainings, Georgian expatriates should acquire knowledge about the norms of acceptable behavior in the culture of the country they are traveling to and use these norms to bring their behavior into certain frameworks. These frameworks will help Georgian expatriates to remember the norms of behavior in a foreign environment and to understand the expected consequences of mistakes made. The last stage of the trainings refers to the practical application by Georgian expatriates of norms tested in foreign cultures, which correspond to the frameworks allowed for Georgian expatriates, this process increases their self-confidence in dealing with foreign colleagues, clients and suppliers.

Multinational companies operating in Georgia conduct trainings superficially, for a few days, or intensively, which requires a lot of time and effort. Intensive trainings last several months. Choosing the right combination of activities and teaching is quite difficult. When making this decision, companies should take into account how important the assignment is for Georgian expatriates, how long it lasts, and how often Georgian expatriates should have contact with the local population. If the work of Georgian expatriates requires an intensive relationship with local specialists and the forms of communication abroad are different, then more thorough training in

the field of business communication will be mandatory. When expatriating, it is important to learn about the differences between cultures. It depends on how different the culture of the host country is from the cultural values of Georgia. The greater the difference between cultures, the more difficult it is for Georgian expatriates to adapt to the foreign environment.

As a result, it is necessary to conduct more thorough trainings for such expatriates. For example, it is more difficult for Georgians to adapt to a foreign environment in African and Middle Eastern countries than in Western Europe. For Georgians, the cultural values of Kenyans are more foreign than those of Germans. Thus, the difference between cultures is a factor that negatively affects the willingness of Georgian expatriates to go on assignment and the quality of the assignment itself. Multinational companies operating in Georgia should create retraining programs for Georgian expatriates. The managers of these companies should regularly receive information from Georgian expatriates about the obstacles encountered during the performance of foreign assignments. They should use this information to improve future training and career development programs. The goal of the trainings conducted for Georgian expatriates should be to increase their openness to other cultures, to dispel their false views and assumptions, which go beyond the limits of the superficial trainings used for expatriates in the past, in order to perform an overseas assignment for the company. Multinational companies operating in Georgia should pay more attention to understanding and respecting foreign cultures. For this purpose, they should open a cultural training center.

**Evaluation of the quality of work of Georgian expatriates abroad.** Evaluation of the quality of work is one of the controversial (and probably the most unpleasant) processes for Georgian expatriates. Managers are most concerned with the process of employee evaluation. Evaluation of workers in multinational companies is done annually and it is an unpleasant activity for everyone, especially if this evaluation is negative and the performance of this task itself is difficult. This leads to a superficial attitude to the assessment of workers. In the evaluation process of Georgian expatriates employed in multinational companies, it is necessary to take into account the achievements and shortcomings accumulated by the personnel during the year. For some jobs, such as the position of a sales manager, this process is easier to implement than in the case of scientific-research works. After that, the company manager should compare the final results with each other. The situation becomes even more complicated if the obtained results are not sharply different from each other, because the negative assessment will not have an objective basis. Moreover, the instruments of encouragement and reward are smaller than those of punishment. Therefore, applicants should be ranked according to certain criteria and scores. After overcoming all this, the main difficulty begins - face-to-face interviews with the applicants and sharing opinions about them, what they deserve to be encouraged and what they should be reprimanded for. Evaluation in a foreign country becomes even more difficult, because there the commission cannot use the evaluation criteria tested in Georgia, because the environment in which the future Georgian employees will have to work is unknown. The evaluation process is complicated by the influence of foreign culture and traditions on the labor productivity of Georgian expatriates. Therefore, there is a probability that there will be more problems in the joint activities of expatriates and citizens of foreign countries than in Georgia.

Multinational companies operating in Georgia should realize how important it is for Georgian expatriates to study and use new techniques and methods of communication. To master this, it is necessary to send Georgian managers abroad so that they acquire a global vision. This tactic will be successful because abroad they will learn new methods of motivation. To achieve this, it is necessary for multinational companies to send managers to work abroad, so that they can gain more foreign experience and, after returning to Georgia, introduce them to the Georgian branches of these companies. A business trip abroad will give Georgian managers the ability to manage cultural differences, gain deeper knowledge of the activities of multinational companies, manage the relationship between domestic and foreign operations, search for different ways to solve problems, and use more flexible methods of human resource management. These qualities are important both for hired Georgian personnel and for multinational companies operating in Georgia, but for some reasons, their evaluation practices may not even be recognized.

This is because some of these skills may already be used in the domestic market, or this method of assessment may be cumbersome and difficult (for example, how to determine whether a worker has a clear mind or can manage cultural differences). In addition, open-mindedness can be observed only as a result of long continuous interaction with people, and conclusions about different cultures are given from different angles (for example, in some cultures loyalty is important, in other cultures they do not make a public assessment even when this conclusion is positive). So, the job evaluation procedure in the multinational companies operating in Georgia is uncomfortable, very difficult and full of obstacles, because the evaluator and the evaluated entities are culturally different. Nevertheless, this procedure is inevitable in multinational companies operating in Georgia. There are several issues that should be considered when evaluating the quality of work in these companies, namely: 1. Who should evaluate the quality of work? 2. How and how many times should the evaluation be done? 3. How should managers working abroad be evaluated? Multinational companies have many criteria for evaluating staff working in Georgia or Georgian expatriates sent abroad. In addition to a professional evaluator, a person's work can be evaluated by his colleagues, assistants, and customers, but due to the presence of several evaluators at the same time, they can make sharply different conclusions about the work of the same person. For example, if a Georgian manager is sent to the USA and he has two superiors: an American - in the USA and a Georgian - in Georgia, if their evaluations are contradictory, then it becomes a matter of dispute as to whose evaluation will prevail in the final conclusion - the evaluation of the Georgian or the American manager.

For example, from the Georgian point of view, "a good manager should not ask anyone's opinion". From this point of view, an expatriate Georgian may deserve a positive assessment from a local Georgian top-manager, but will undoubtedly deserve a negative conclusion from an American top-manager, which will leave a negative mark on his career after returning to Georgia. Georgian expatriates receive a negative evaluation if they fail to properly study the cultural features of the country where they will be sent to work. The "culprit" in this will be the management of the Georgian branch, because it did not provide its expatriate staff with appropriate training, the purpose of which should have been to bring these personnel closer to the new culture. For example, a manager prepared for expatriation in Georgia may be calm even when angry, and develop the ability to manage emotions and self-restraint towards employees,



but in America such restraint will be considered a negative side of an expatriate. In such a case, it is logical that the managers of the American (central) office of the multinational company will consider that the expatriate serves the interests of Georgia and will receive a negative assessment from the American manager. They may not even take into account the positive assessment of the top manager of the Georgia office. From the above analysis, it is clear that in multinational companies operating in Georgia, the evaluation of the central office manager is important.

Several other reasons call into question the fairness of the evaluation of the managers of the headquarters of multinational companies. One of these reasons is the language barrier, due to which the foreign manager may not be able to understand Georgian expatriates at all. Also, the manager of the Georgia branch may pay more attention to other details of the case, and the manager of the central office - to something else. In addition, if the interests of the Georgian office manager and the company's global strategy do not coincide, then the Georgian expatriate will work for the benefit of the Georgian office, and such activities will deserve a negative assessment from the manager of the multinational company's central office. Managers of multinational companies operating in Georgia should introduce a "sponsor" career development program that provides a connection between Georgian expatriates and the head office. The duty of the sponsor should be to inform the expatriates about what is happening in the Georgian branch and also to perform the function of a caretaker, an observer. However, sponsors are evaluated in terms of the cultural vision of the central office. Evaluation of the work obtained by such programs is quite successful. Balancing the evaluations made by the managers of the Georgian branch and the central office of multinational companies depends on the quality of the work to be performed. The terms of evaluation of Georgian expatriates' activities are different depending on the country. For example, local (Georgian) staff of multinational companies in Georgia are evaluated at six-month intervals, but when it comes to evaluating Georgians expatriated abroad, it becomes somewhat difficult, because they need some time to adapt to living conditions in a new foreign environment, and their evaluation in six months is hasty. Considering the adaptation period, at least one year is needed to evaluate Georgian expatriates.

## CONCLUSIONS

Thus, managers of multinational companies operating in Georgia, in order to solve the challenges in human resources management, need to take the following measures:

**1. Assessment of Georgian expatriates by head office manager.** Georgian expatriates must be evaluated by the office manager of their receiving (foreign) country, regardless of language and cultural differences, because during the period of expatriation he has continuous, dynamic communication with Georgian expatriates and directly sees their actions, skills and abilities. In contrast to this, despite modern advances in communication and Internet technologies, language and cultural similarities, due to geographical and territorial distance, the assessment of local managers of Georgian branches cannot be as accurate as that of head office managers, because Georgian top managers do not have continuous, dynamic communication with Georgians. with expatriates and cannot directly see their actions. Thus, the evaluation of the host country of Georgian expatriates due to daily interaction is more objective, because they work together and no one knows the quality of work of a Georgian expatriate better than him.

**2. Factors affecting the assessment of work quality.** In order to objectively assess the quality of the work of Georgian expatriates, the managers of the receiving country need to determine the factors affecting the environment of expatriates' work evaluation, which include: the working environment of Georgian expatriates, the tasks facing them and personal qualities. When evaluating the working environment, the evaluator should take into account the level of development of the host country, because the more developed the country, the more comfortable the environment for expatriates. During the assessment of the factors affecting the Georgian expatriate's task performance, the evaluator top-manager should pay the main attention to the expatriate's duties or type of work. Some tasks require long-term relationships with others. The managers of the host country of Georgian expatriates should pay attention to the personal qualities of the expatriates, because their personal qualities are also reflected in the quality of their work performance. Excellent performers of a given job in Georgia may turn out to be poor performers in a foreign country if they lack the ability to adapt and adapt to new working conditions. When selecting Georgian expatriates, managers of the receiving country's office should pay attention to the ability to adapt to the cultural environment and new conditions in a foreign country, along with many other factors.

**3. Compensating the difference between countries in the salaries of foreign managers.** Head office managers of multinational companies operating in Georgia must assess the financial implications of expatriate work, which is complicated by the problem of foreign currency conversion and the use of different taxes and economic levers in different countries. One of the main reasons firms spend so much time evaluating the performance of expatriates is to compensate for differences in wages between countries. Therefore, it is necessary to consider the factors affecting financial compensation in different countries. There is a large discrepancy between the financial compensation of workers and their supervisors. The wage rate for workers with the same qualification (expressed in the same currency) varies by country, which creates problems in the remuneration of Georgian expatriates living abroad. The same can be said about the bonus system. Upon hearing about the compensation, Georgian expatriates, first of all, think about the financial side, but the compensation can be in other forms as well. For example, medical insurance, accumulated pension system, vacations, business trips and many other measures that do not directly involve the transfer of money, but still make this kind of (financial) economy for the employee of the firm. This appreciation depends on the type of work and culture. Compensation in Georgia is perceived as eliminating the deficit between the result of labor and its remuneration, but in foreign countries compensation means much more than filling the deficit. For example, in Germany, compensation is equated with success, and in Japan, this word means protection. The trust factor in the Japanese system makes this term much more understandable. Of course, such perceptions should be taken into account during the expatriation of Georgians to different countries. Thus, the factors determining the magnitude of compensation for differences in foreign managers' salaries between countries differ from country to country.

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