

# FIDIC Business Days

**Georgian Infrastructure  
with FIDIC Knowledge**

**Tbilisi, Georgia  
29 - 30 June 2017**

Dr. Michael J Saunders  
Managing Director of  
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## **Challenges consulting engineers face in Georgia**

Experience of Joint International / Georgian Consulting Teams



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## Outline

- Soft Skills Challenges
  - Teamwork / multicultural issues
  - Nature of Project cycle and resourcing
  - Contractual Culture
- Hard Skills Challenges
  - Education skill levels – the missing generation
  - Capacity and development of Contractors
  - Contractual Fluency





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## Teamwork and Multicultural Issues

- Large Infrastructure Projects always have a mix of International and local Teams
- Difficulties faced by the Georgian Team
  - International Teams are from completely different countries cultures
  - Dutch Approach very different to Indian, Spanish to British etc.
  - Georgian's must adapt to each management style from Project to Project

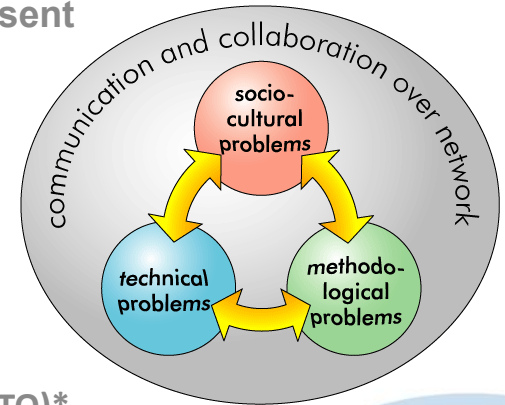






## Teamwork and Multicultural Issues

- Difficulties faced by the International Teams
  - Not treating the local team with respect doesn't get best results
  - Despite Georgia's tolerance, sometimes xenophobia is present
- Cultural Differences (Geert-Hofstede)
  - Power Distance Index (PDI)
  - Individualism versus Collectivism (IDV)
  - Masculinity versus Femininity (MAS)
  - Uncertainty Avoidance Index (UAI)
  - Long Term Orientation versus Short Term Normative Orientation (LTO)\*
  - Indulgence versus Restraint (IND)



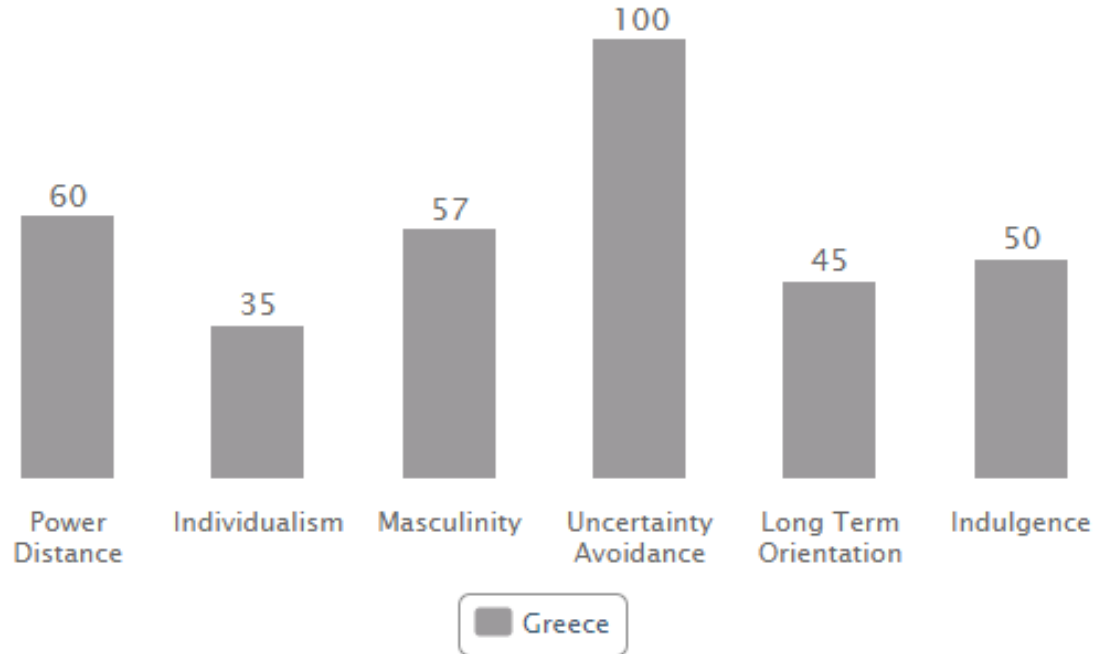


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## Challenges consulting engineers face in Georgia.





## Nature of Project Cycle and Resourcing

- Many Projects start with Completely New Teams
  - Corporate Culture Hard to Establish on Projects with Limited Duration
- Keeping International and Local Resources at Completion Difficult
  - Everyone starts looking for a new job
- Unemployment still high and Project Continuation Variable
  - All companies facing similar problems in Public Tenders – work is not guaranteed
  - Private Sector traditionally more stable but not well developed in Georgia

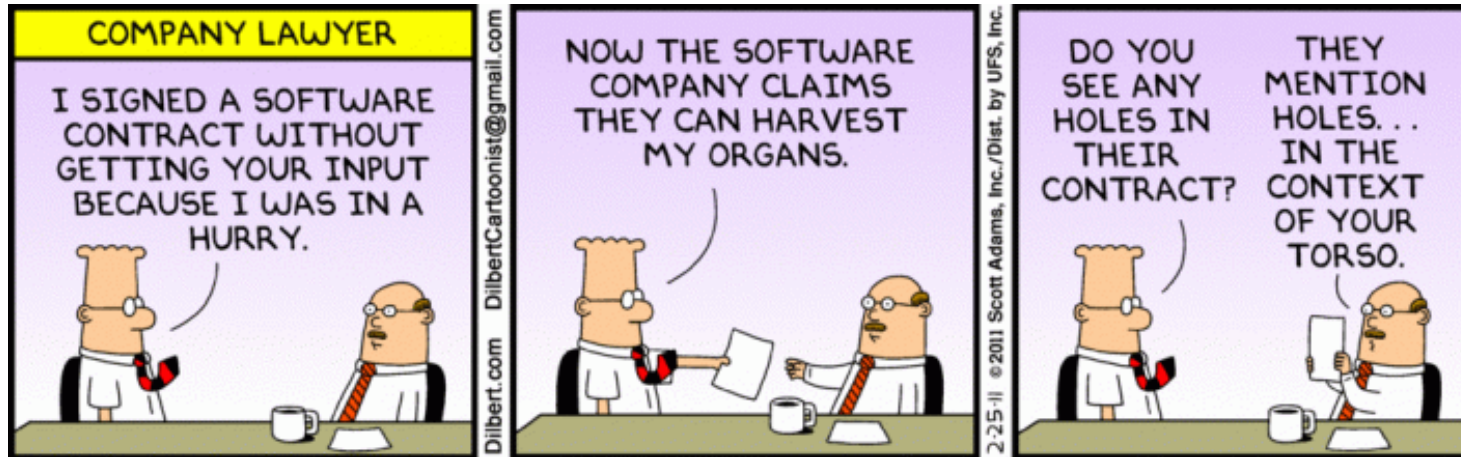


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## Contractual Culture in Georgia

### She'll Be Right Mate!







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## Hard Skills Challenges

Education Skill Levels – The Missing Generation

- Collapse of Soviet Union – Collapse of Education
- Currently
  - Older Engineers qualified with Soviet Education 50+ years
  - Young Engineers qualified with recently re-established institutions less than 30 years
  - Some (very small number) Engineers with International Education
  - Missing Gap between 30 and 50 years



## Capacity and development of Contractors



- Contractor's have similar Education Problems as Consultants
- Consultants can only manage Contractor's to **their Maximum Potential**
- Georgia is a small market – Contractor's small
  - Less Management Potential
  - Cash-flow issues
  - Rental/leasing market small and undeveloped



# Contractual Fluency

- Related to Contractual Culture
- Poor understanding by Contractors of what they are signing
- Contractor's Sometimes Abused
  - Don't know their contractual rights
  - Very few claims
- Many cases of Government overrides
  - Bypass the Supervisor/Contract

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