

The Creation of Jobs by ALCP facilitated entities in the Dairy Sector in Kvemo Kartli and Adjara

Introduction

The ALCP programme has successfully facilitated an improvement in the dairy industry in Kvemo Kartli and Adjara. The ALCP has facilitated 11 cheese factories in Kvemo Kartli and Adjara. Prior to working with them, these factories were deeply embedded in the local community with a strong work ethic and good supply from the target group, however their enterprises were in imminent danger of closure due to weak food safety and hygiene compliance and expansion was impeded by lack of access to finance due to highly informal business practices. Currently all the factories have improved compliance to food safety and hygiene standards, their organizational structure and human resource management, all of them hired qualified accountants, created financial documentation and pay taxes. New equipment and business development services have increased their sales and expanded their businesses.

The programme has significantly contributed to the creation of jobs and improved working conditions in the dairy sector in Kvemo Kartli and Adjara. However the programme has to date only comprehensively measured Full Time Job Equivalents (FTE's), there is a lack of qualitative information and analysis about the quality of the jobs, employees' satisfaction, behavior changes, working conditions and management practices which this survey aims to correct.

Methodology

10 in-depth semi structured interviews with 2 female and 8 male managers of the dairy enterprises and 16 interviews with their 12 female and 4 male employees representing different jobs were conducted. The questions were about employees' satisfaction, team and management performance and effectiveness. See *Annex 2* for the main interview prompts.

Findings

In total the ALCP facilitated 9 cheese factories in Kvemo Kartli and 2 in Ajara which have generated 791,526 Gel net income for their employees. The average net salary in KK factories is 476 Gel (198 USD according to current exchange rate) and 507 (211 USD) in AJ¹ the salaries table of the dairy factories is in the *Annex 1*. The analysis found that the employees are very satisfied with their salaries and noted that they have the same salaries as banks and public offices have and 100 Gel (42 USD) more than the shops workers in their communities. For most of the employees especially for women the jobs created by the dairy enterprises are a first time experience. Most of the employees especially women have secondary education but none of them have a higher education, so without diplomas it was hard for them to find proper jobs with acceptable salaries. The dairy enterprises don't require a diploma; thus it was easier for the employees to get the job.

Gender: the average net salary for female employees is 38% lower than male employees.² In the ALCP facilitated dairy enterprises men occupy the positions where salaries are higher like, managers and milk collectors, while women mostly work on cheese processing and have lower salaries. Otherwise, men and women have equal salaries for the same positions. Half of the female employees are the household 'breadwinner' and their wages are the major source of income for their families.

The analysis found that the programme hasn't captured 37 jobs facilitated by the ALCP, of additional employees who are always hired during 5 months' in the high milking period with full time. In total, the

¹The average net salary in manufacturing sector across the country is 613 Gel, but the national statistics agency Geo-Stat doesn't have disaggregated data per region, so we cannot compare the survey data to the Geostat's information.

² According to the Geostat across the country in the manufacturing sector difference is even higher (58%).

programme has created 144 full time equivalent jobs in the dairy sector in Kvemo Kartli, 62 are females and 82 males.

Employment Conditions and Outlook

- The employees have contracts; they know their rights and responsibilities that are negotiated with them in advance. The agreement means security and forms a guarantee that enables employees to take Banks loans.
- The dairy factories are close to the employee's houses, time and transportation costs are saved and is very important for them especially for women. They have breaks several times a day, when they go home, do other housework, look after their children, have a rest and so on. During the breaks the majority of employees also do gardening, milk cows and sell milk that generates additional income for them.
- The employees feel confident and have all needed information and knowledge to do the tasks. They have had specialized trainings twice under the programme facilitation; the managers and HACCP managers regularly share the required information with them.
- The employees of the dairy factories in Kvemo Kartli are allowed to take the dairy products they need for home consumption for free once a month.
- The enterprises pay salaries in advance if their employees need.
- The employees have paid vacation, leaves and sick leaves.
- The employees don't feel stressed at work, compared to the previous job they had.
- The factories have proper special cloths, hot water and facilities to ensure proper hygiene conditions.

Managers' effectiveness

- In the high milking period during 4 months, due to the workload, the owners increase the employees' salaries by about 25%, which is 100 Gel more; they also hire more people to avoid loading their staff with extra work.
- Among 10 dairy factories 5 ensure lunch for free.
- They have regular staff meetings once a week, where they share challenges, needs and information
- The tasks and responsibilities are properly delegated, the teams have good collaboration and communication relationship with each other
- The employees are informed by their managers about the success of the enterprises and are very proud and motivated to do their best for their future development.

Systemic changes

- The majority of employees (80%) and especially women have savings and invest money in their children's education, renovation or buying houses. 2 female employees and 3 male employees noted that they have invested money in businesses, one opened bakery, one candy shop, one cloth shop and wine shop. Due to the stable income, one of the employees was able to take the bank loan to purchase 'Marshutka-mini bus'. Now her family has additional income as her husband is working on providing transportation services for the locals. Another male employee has a small livestock farm (about 25 cows); he has purchased a truck and is using it for the transportation of his agricultural products and provides transportation service for others too for the minimal fee.
- Among 10 cheese factories 7 have created a new position of HACCP manager, who ensures compliance with FS&H and environmental regulations.

- The employees have been working steadily for many years. The dairy enterprises don't have staff retention issues; nobody has left their job.
- The jobs at the enterprises are in high demand in the communities especially by women, all the managers have a list of people who is looking for a job in their enterprises.

Ongoing Issues:

- Due to the stable salaries and employee agreements, banks give loans to employees. Many of their relatives and neighbors are unemployed and they ask them to take loans in their name, but then they can't pay on time and have payment delays loading the employee with credit worries which aren't of their own making.
- The above mentioned factor is one of the reasons of why employees don't want their salaries to be transferred to a bank account. Among 10 dairy enterprises, only 4 enterprises pay salaries directly into bank accounts.
- After the government established the *Law on Tax Exemptions in high mountainous regions* last year, the enterprises save money from various tax exemptions the enterprises make savings and haven't increased the employees' salaries.
- Only two dairy enterprises have a cleaner, others give these responsibilities to the employees.
- The employees don't have medical insurance provided by the factories. The managers say that the government ensures medical insurance.
- There is no bonus system to encourage the employees. The managers don't provide timely and instructive documented performance feedback to their staff.

Annex 1: Salary Distribution of the Cheese Factories Programme Facilitated

Position	#	Salaries	Time
Tsezari Kakhadze			
Cheese processing	4 (women)	500 gel/month	Full time - 8H/day
Milk collector	2 (men)	600 gel/month	8H/day
HACCP Manager	1 (woman)	200gel/month	2H/day
Shop assistant	1 (women)	500gel/month	9H/day
Storage manager	1 (women)	500 gel/month	8H/day
Director	1 (men)	600gel/month	8H/day
Accountant	1 (woman)	250 gel/month	4h/day
Total	11 (8 women, 3 men)		
Anzor Khinikadze- JTA			
Cheese Processing	3 (women)	400gel/month	7H/day
Milk Collector	2 (Men)	900gel/month	8H/day
HACCP Manager	1 (woman)	300gel/month	4H/day
Storage Manager	1 (man)	400gel/month	7H/day
Cleaner	1 (woman)	400gel/month	2H/day
Distributor	1 (man)	500gel/month	8H/day
Director	1 (woman)	300gel/month	8H/day
Accountant	1 (woman)	250 gel/month	2h/day
Total	11 (7 women, 4 men)		
BMB			
Cheese processing	3 (women)	450gel/month	4H/day

Milk collection	2 (man)	450gel/month	4H/day
Laboratory manager	1 (woman)	450gel/month	4H/day
Cleaner	1 (woman)	450gel/month	4H/day
Director	1 (man)	450gel/month	4H/day
Total	8 (5 women, 3 men)		
Temuri Kakhadze			
Cheese Processing	6 (women)	350gel/month	10H/day
Milk Collection	4 (men)	500gel/month	10H/day
HACCP Manager	1 (women)	300gel/month	10H/day
Accountant	1 (man)	600gel/month	10H/day
Renovation	1 (man)	300gel/month	10H/day
Distributor	1 (man)	500gel/month	10H/day
Director	1 (man)	---	10H/day
Total	15 (7 women, 8 men)		
Milken			
Cheese Processing	5 (women)	300gel/month	7H/day
Milk Collector	4 (men)	1000gel/month	7H/day
HACCP Manager	1 (woman)	500gel/month	7H/day
Sales Manager	1(woman)	400gel/month	7H/day
Accountant	1 (man)	400gel/month	7H/day
Cleaner	1 (woman)	350gel/month	7H/day
Distributor	2 (man)	500gel/month	8H/day
Director	1 (man)	1000gel/month	9H/day
Total	16 (8 women, 8 men)		
Givi Asanidze			
Cheese processing	3 women	300gel/month	8H/day
Distributor	2 men	300gel/month	8H/day
Total	5 (3 women, 2 men)		
Aleqsandre Naveriani			
Processing	4 (3 women, 1 man)	400gel/month	6H/day
Distributor	1 (man)	400gel/month	6H/day
Cleaner	1 (woman)	400gel/month	6H/day
Accountant	1 (woman)	400gel/month	6H/day
HACCP manager	1 (woman)	400gel/month	6H/day
Milk collector	1 (man)	400gel/month	6H/day
Manager	1 (man)	400gel/month	6H/day
Total	10 (4 men, 6 women)		
Cheeseline			
Cheese processing	5 women	400gel/month	8H/day
Distributor	2 men	400gel/month	8H/day
Milk collector	2 men	----	
HACCP manager	1 woman	300gel/month	3H/day
Accountant	1 woman	300gel/month	
Director	1 man	----	
Total	12 (7 women, 5 men)		
Natural Produktsia			
Cheese processing	5 women	350 gel/month	8H/day
Milk collector	5 men	----	
Accountant	1 woman	600 gel/month	8H/day

Distributor	1 man	1300 gel/month	
Manager	1 man	700 gel/month	8H/day
Director	1 man	600 gel/month	8H/day
Total	14 (6 women, 8 men)		
Elgudja Baramidze			
Cheese processing	4 women	400 gel/month	8H/day
Milk collector	2 men	----	
Dairy technician	1 man	700 gel/month	8H/day
Accountant	1 woman	400 gel/month	8H/day
Cleaner	1 woman	150 gel/month	8 H/day
Director	1 man	600 gel/month	8 H/day
Total	10 (6 women, 4 men)		
Total	111 (61 women, 50 men)		

Annex 2: Questionnaire

Name:

Location:

Position:

Date:

1. How many years have you been working at this job?
2. Why did you choose this job?
3. Do you have an agreement/contract?
4. What do you like at this job?
5. Are you satisfied with your salary?
6. What are your working conditions like? Are you satisfied with them?
7. Do you get training? Can you apply what you have learned on the job?
8. Have you ever had a full time job before?
9. Have you been promoted to any position?
10. Do you have medical insurance?
11. Do you have holidays/maternity/paternity leaves?
12. Do you have any other benefits?
13. Can you compare your current job to your previous jobs?
14. Can you compare your job to other jobs in general?
15. What does it mean for you that you have a job in your village/town?
16. What does the stable salary mean for you?
17. Does the stable salary influence your decision regarding buy new things, invest in education, health or business and so on.