A Study of Global Staffing Systems in Iranian Organizations

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Abstract. This paper aims to (1) discuss the benefits and obstacles of global staffing systems, and (2) provide a general Iranian labor review, and (3) discuss effective IHRM staffing in the Iranian context.

Keywords: Effective IHRM Staffing, Global Staffing, Staffing in Iran, Benefits and obstacles of Global Staffing System

1. Global Staffing

1.1. Obstacles and Benefits of Implementing a Global Staffing System

First, it is important to note the obstacles and benefits of implementing a global staffing system

Obstacles to a Global Staffing System	Benefits of Global Staffing
• Legal requirements across countries/regions • Educational systems across countries/regions Economic conditions across countries/regions • Ability to acquire and use technology • Labor market variations • Value differences across cultures • Availability of off-the-shelf translated tools • Level of HR experience varies across regions • Role of HR in hiring varies across regions • Familiarity with a tool or practice varies • Misperceptions that something is a cultural difference • Limited local resources for implementation • Beliefs about whether a global system is U.S.- centric or imposed	• Global database of qualified talent • Quick identification of candidates to meet needs of a specific location • Provision of a consistent message about the company to candidates worldwide • Quality of all hires is ensured • Better understanding of country/regional needs by all HR • Global succession planning is enabled • Global HR personnel have access to the latest versions of products/tools • Shared vision of HR globally • Comparisons of staffing results across locations • Global database as an internal benchmark of achievement in different parts of the world

Adapted from Wiechmann & et al, 2003, p.82

Figure 1: Obstacles and Benefits of Implementing a Global Staffing System

1.2. Development of HRM

Ryan and his colleagues (2003) continued the work of Wiechmann and his colleagues regarding implementing good global staffing systems. In summery, they found that designing and implementing global staffing systems is a challenge, but also that an integrative approach enables companies to be better at staffing around the world. Figure 2 below provides a brief summary of the best and worst practices they outline. The best practices outlined here represent the collective wisdom of a great deal of experience with a wide variety of staffing practices and tools and in a wide variety of countries (Ryan et al., 2003, p.93).

Do…..	Don't…..
• Work within existing local systems—integrate global tools into local systems • Create a strong corporate culture Create a global network for system development— global input is critical Treat local people as equal partners in system development • Assess common elements across geographies • Focus on what to measure and allow flexibility in how to measure • Allow for local additions beyond core elements • Differentiate when necessary • Train local people to make good decisions about which tools to use and how to do so • Communicate, communicate, and communicate! • Dedicate resources for global HR efforts • Know, or have access to someone who knows, the legal requirements in each country	• Try to do everything the same way everywhere • Yield to every claim that "we're different"—make them prove it • Force a global system on local people • Use local people just for implementation • Use the same tools globally, unless you can show that they really work and are culturally appropriate • Ignore cultural differences • Let technology drive your system design—you can't assume every location has the same level of technology investment and access • Assume that "if we build it they will come"—you need to market your tools or system and put change management strategies in place

Adapted from Ryan & et al, 2003, p.93

Figure 2: Necessities to Implementing Global Staffing in MNCs

1.3. Two Perspectives in IHRM

Much of Iran's economy is housed domestically, but as with most countries in the world, Iran is also experiencing increased amounts of economic activity outside of its borders as it tries to grapple with an increasingly globalized economy and the level of Iranian investment in other foreign-based companies is constantly rising. For example, Table 1 below shows that between the years of 1959-1999, Iranian foreign direct investment in foreign-based domestic and MNC's in Turkey rose from 269 in 1959 to 811 in 2007 (Yilmaz, et al, 2008, p.33).

Table 1: Country Distribution of Companies with Foreign Capital in Turkey among Iran and other Countries

Country	1954-1999	2000	2001	2002	2003	2004	2005	2006	Jan 2007
Iran	269	15	19	26	109	131	126	112	811
Iraq	119	10	13	26	40	54	64	78	411
Azerbaijan	63	7	12	13	38	61	63	87	351
P.R. China	61	10	17	13	46	58	34	27	268
South Korea	34	3	11	2	15	19	18	13	115

Source: (Yilmaz, et al, 2008, p.33).

This one example shows that the Iranian economy acts outsides of its borders more and more than ever before and comparatively at higher levels that other neighboring countries. Furthermore, increasing levels of

foreign direct investment in neighboring countries like Turkey requires organizations to adopt a global strategic framework, including this working in various human resource functions, such as staffing, in an effort to maximize global talent.

1.4. Employment Across Economic Sectors

As is the case in other countries, Iran has employment differences across its different economic sectors. According to Javadian (2001), Iran continues to experience positive growth in the private and cooperative sectors, while experiencing negative growth in a public sector. However, the positive gains in the private and cooperative sectors cannot compensate for a growing younger population seeking employment (p.50). Additionally, Table 3 below shows that the private and cooperative sectors are growing more rapidly than the public sector, particularly in more recent years. This is useful for HR managers in private, public and cooperative sectors looking to fit their staffing systems with the country context to be more efficient (Javadin, 2001, p.50).

Table 2: Employed Population in Different Sectors in Iran, 1976-2006

Sector	1976	1986	1996	2001	2006
Private	7,085,679	7,117,480	9,794,168	11,859,240	14,763,427
Growth	-	0.04	3.24	2.1	4.48
Public	1,673,092	3,454,437	4,257,968	4,705,665	5,195,434
Growth	-	7.52	2.11	2.01	1.99
Cooperative	-	-	56,715	77,204	113,814
Growth	-	-	-	6.36	8.07

Source: Javadin, 2001, p.50

1.5. Iranian Labor Statistics

According to Messmer (2002), the first role of a manager is selecting good staff. Furthermore, having an effective staffing system in today's turbulent global labor market is more necessary than it has been in years past (Messmer, 2002). One of the most important issues for developing countries like Iran is the quality of hiring competent staff for the organizations or enterprises in that county (Atafar & Azerbaijani, 2001, p.38). Table 4 below shows a variety of Iranian labors characteristics. In this table, factors such as the Rigidity of employment Index measures the regulation of employment of Iran in comparison to other countries, specifically as it affects the hiring and firing of workers and the rigidity of working hours, which directly impacts staffing strategies (Nation Master, 2006).

Table3: Iranian Labor Statistics in 2006

Labor Factor	Amount	Country Ranking
Compensation of employees	47.14 %	5th of 97
Economic activity, men aged 65 plus	53.71	52nd of 162
Employees, agriculture, female, % of female employment	34.2 %	8th of 86
Employees, agriculture, female, % of male employment	22.8 %	12th of 86
Employees, industries, female, % of female employment	28.4 %	4th of 86
Employees, industries, male, % of male employment	30.9 %	32nd of 86
Employees, services, female, % of female employment	37.4 %	55th of 86
Employed in agriculture, % of total employment	24.9 %	12th of 94
Employed in industry, % of total employment	30.4 %	10th of 94
Female economic activity growth	34 %	6th of 156
Force total	27,542,660	18th of 184
Labor force by occupation, Agriculture 30%, industry 25%, service 45%	28,700,000	18th of 132

Labor force by occupation, Industry	31 %	3rd of 29
Labor force by occupation, services	45 %	13th of 29
Parental Leave, paid maternity leave	90 days	
Rigidity of employment Index	49	48th of 166
Unemployment rate	12 %	10th of 107
Unemployment , female, % of female labor force	20.4 %	9th of 95
Unemployment, total, % of total labor force	11.6 %	27th of 101

Source: www.nationmaster.com/country/ir-iran/lab-labor, Accessed online July 17, 2009

Additionally, Table 4 above shows many additional factors that are important to consider when developing a global staffing strategy within a given national context. For example, Iran's level in compensation of employees' indicator is 5th of 97 countries. Additionally, other factors such as the percentage of employees in agriculture, the percentage of female employment, the percentage of employees in industry, and female economic activity growth are all strong compared to other nations. However, in some other factors like economic activity of men aged 65 plus, the percentage of employees in the service sector, and rigidity of employment index are relatively weak within a broader cross-national comparative context. Each of these indicators can be used as a tool for HR managers to design a good staffing system.

2. Conclusion

There are some necessities for implementing and designing a good global staffing system in Iran. Iranian HR managers should work to create a strong global corporate culture, for without a good corporate culture having and designing a global staffing system will not be practical. Additionally, Iranian HR managers seeking to be strategic leaders in a growing global marketplace must work within existing local systems, while working to simultaneously integrate global tools into those local systems. Finally, Iranian HR managers seeking to be successful in the globalization era should develop their ability to be strategic global HR managers (Mir Sepasi, 2004).

3. References

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