PREFACE

Human resources are important and invaluable corporate assets and the economic performance of any organization is greatly dependent on how effectively they are put to use. Until recently, a notion was held that the prosperity of business enterprises is dependent on technological progress and innovations in different areas of management. But it is now realized that efficient human resource management is a crucial factor in determining the growth and prosperity of business enterprises. Improper handling of human resources through haphazard personnel policies have deleterious effects upon the efficient functioning of the organization in the form of frustration, resentment and discontentment. The human factor thus acts as a crucial factor to organizational survival, growth and effectiveness.

Human resource management with its emphasis on fair treatment and development of employees-through scientific selection, training and development efforts enables business managers to avert several unpleasant situations. In recent years particularly after the 1970's employees have become more sophisticated in their demands for high quality work environment, adequate compensation, proper training and development activities etc. In achieving the long-term objectives of profitability, service, market share and performance, the contribution of human resources should be recognized properly and rewarded through appropriate personnel policies and practices.

HRM is essentially an ideology. It is underpinned by a philosophy which starts from the belief that organizations exist to deliver value to their customers and that this is best achieved by adopting a long-term perspective to the management of people and by treating them as assets rather than merely as variable costs. HRM sees people as valuable resources for the achievement of competitive advantage who should therefore be managed and developed to their full capacity and potential.

The emphasis in HRM is on the common interests of management and the workforce in the success of the business. It is concerned with the creation of a positive culture and with enlisting the commitment of all employees to the goals and values of the enterprise.

With this perspective in mind ours is an attempt to study human resource management in the Islamic Republic of Iran between 1979-2000. In 1979 there was an Islamic revolution in Iran and the regime of Mohammad Reza Pahlavi was overthrown. The present study aims to integrate the theories, principles and applications of this discipline to provide an indepth understanding of the subject and incorporates the practical experience of practicing managers. Specifically an attempt
has been made to clarify and update the information to reflect the emerging perspectives in the
field of human resource management in Iran.

The study seeks to know:

1. Is there any relationship between the HR competence and organizational productivity?
2. Is there any relationship between the HR commitment and organizational productivity?
3. Is there any relationship between the HR productivity and organizational productivity?
4. Is there any relationship between the HR globalization and organizational productivity?
5. Is there any relationship between the HR competence related pay philosophy and
organizational productivity?
6. Is there any relationship between the HR competence related pay policy and
organizational productivity?
7. Is there any relationship between the HR competence related pay programmes and
organizational productivity?
8. Is there any relationship between the HR competence related pay practices and
organizational productivity?
9. Is there any relationship between the HR competence related pay process and
organizational productivity?

The present study aims to test the validity of these hypotheses and also wants to
determine the status of human resource management in selected automobile making industrial
companies in Iran and the extent to which it varies in varied settings emerging from their
stratification in terms of public and private sector enterprises. The specific objectives of the study
are to explore the status of the following HR strategies and related HRM activities in automobile
making industrial companies in public and private sector enterprises under study in particular and
Islamic Republic of Iran in general. Specifically, the emphasis is on to study:

- Factors influencing HR competence, HR commitment, HR productivity, and HR
  globalization;
- Factors influencing organizational productivity;
- The nature of HR competence-related pay philosophy;
- The nature of HR competence-related pay policy;
- The nature of HR competence-related pay programmes;
- The nature of HR competence-related pay practices; and
- The nature of HR competence-related pay process.
The present study also seeks to explore the extent to which the HRM in the automobile making industrial companies in Iran are in line with those of western principles to ascertain their tenabilities in the Iranian climate.

Research Methodology

The study is empirical in nature. It includes public and private sectors automobile making companies in Tehran city. At present eight public sector automobile making companies (Iran Khodro, Saipa, Pars Khodro, Khavar Industrial Group, Iran Kaveh, Zamyad, Shafab Khodro, and Moratah) and one private sector company (Bahman Group) are operating in Tehran city. For the research purpose, two public sector automobile making industries Saipa and Pars Khodro have been selected on the basis Random Sampling and the only one private sector company (Bahman Group) has been chosen.

Design of the Questionnaire: The study has been designed to focus on the HR strategies (HR competence, HR commitment, HR productivity, and HR globalization), HRM activities and organizational productivity in those industries. The questionnaire has been designed in a way that it obtains standardized answers of the specific questions. It is structured in nature and requires selection of answers from series of alternatives (Likert System). This questionnaire has been translated in Persian for distribution in Iran.

The questionnaire has been divided in two parts having forty eight questions in all. Part I of the questionnaire contains eight questions concerning social background of the respondents. Part II of the questionnaire consists of items pertaining to HR strategies (related to HR competence, HR commitment, HR productivity, and HR globalization) as independent variables, HRM activities (related to HR competence-related pay philosophy, HR competence-related pay policy, HR competence-related pay programmes, HR competence-related pay practices, and HR competence-related pay process) as intervening variables and organizational productivity as dependent variable.

Validity: The first draft of the questionnaire was given to 15 experts for ascertaining its validity. After getting the response from 12 experts, questionnaire was revised as per suggestions received. It was further tested though a pilots study of 21 companies of Iran. On the basis of the responses received from the companies it was further authenticated by Cronbach's Alpha method used for reliability test. The coefficient reliability was found 0.79, which is high enough to accept the questionnaire because coefficient of 0.65 is the generally accepted as sufficient.

Data Collection: A list of all the managers working in the companies was obtained from the Personnel department of the selected companies. This served as basis for selecting the sampling
on the basis of Random Sampling. Hundred managers from Saipa Company, seventy managers from Pars Khodro Company and fifty managers from Bahman Group Company were selected from different functional areas of the companies. From them only hundred and forty six responded.

Secondary Data: The secondary data was collected from the relevant acts, rules and regulations, official records and files, annual reports, published works, journals, newspapers, reports of the Ministry of Economic Affairs and Finance, Central Bank of Iran, Statistical Center of Iran and Management and Planning Organization etc.

Tools for Data Processing and Analysis: The data thus collected was subjected to tabulation and processing was done by ‘SPSS’ package. The statistical tests such as Correlation, Mean score and Standard Deviations were used. Bar chart was used as a statistical tool for analyzing the data. The scores for HR competence, HR commitment, HR productivity, and HR globalization were calculated for all the companies.

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