

# **Job Career in Iran Oil Industry (Strategies and Challenges)**

**Ebrahim Samipour Giri**

MA in Management Education-National Iranian South oil Company.Ahvaz Technical Training Complex.Ahvaz-Iran<sup>1</sup>.

**Mohammad Kazem Khani**

MA in Strategic Management, University Technology Malaysia.

**Jahanshir Jahedpour**

Senior Operator of NGL Plant of KOGPC. National Iranian South oil Company, Ahvaz-Iran.

**Asadollah Evazzadeh**

MBA Student in Pnu University in Ghesm, Iran.

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## **Abstract**

In recent years, oil industry of Iran has started a planned development in different sectors such as human resources. This industry has adopted strategies such as downsizing, reorganization, etc to compete in global and domestic markets, so that it could overcome challenges and uncertainty. One of these ways is considering the career. Oil industry tries to increase the current efficiency of employees and at the same time prepare them to accept the changes by career management. Career plans will cause decrease in replacement and increase in efficiency in this industry. In this research, the definition and types of career in oil industry will be studied and its growth and promotion will be evaluated; also explaining the challenges of this industry regarding human resources, the factors affecting career will be tested, including 1- environmental condition, 2- management philosophy and 3- job analysis. The researcher found that creating expert committees and training human resources, attraction and keeping the competence human resource and increase in job satisfaction are the result of job development plans; so the researcher suggests applying a model that uses selection, replacement and leading the employees, observing their job performance, performance evaluation and decision making in development path and proper replacement of human resources in order to choose and hire the most competence person.

**Keywords:** Oil Industry - Job Career - Job Development - Meritocracy – Human Resources

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<sup>1</sup> Ebrahim.samipour@gmail.com

## **Introduction**

In recent years, oil industry of Iran has started a planned development in different sectors such as human resources. Discovering billions of petroleum barrels and reaching the second place in oil-rich countries, Creation of special economic zones of energy, establishing many petrochemical complexes and increasing the share of Iran in production and exports of petrochemicals, giant gas field exploration and development with extensive gas projects and exports ... besides marketing, organizational structure and human resource development are the indicators of rapid motion of oil industry to future clear aims and strong steps of development based on updated knowledge and tendency to independence (Manouchehri, 2004:72).

Measuring the effective factors of achieving the objectives, reminds the key role of human resource in implementation of development projects in oil industry which has been defined based on meritocracy. The industry which has been put among the three best ministries of country regarding evaluation of performance in industrial and public organizations, evaluates the employees annually to determine responsible, creative, innovative and effective ones in order to celebrate them and institutionalize the positive values, effective job methods and the culture of true competition in organization. Today, Organizations operate in turbulent and uncertain environments and to succeed in such environment strategies such as downsizing, reorganization, reengineering, etc. have to be taken up, so that they can overcome challenges and current uncertainties. Hence, the employees experience their job with a new order of rules, expectations and conditions of employment (Buter & Harvey, 1998:75-78). In this respect, today's knowledge-based and borderless economy by focusing on learning and creative organizations carries different and new messages for managers and staff in their career path. On one hand, organizations today expect people to adopt a lifelong learning approach; think globally; manage fluctuations and dynamics in jobs and market successfully; act in self-manage teams; and develop the culture of quick and on time respond to customer expectations. On the other hand, organizations are required to afford cost of technical and behavioral training of people in this environment. People have accepted this idea that they cannot have many expectations of organization in the field of stable and long-term career paths guarantee.

To manage organizations in such environment, there is a need for skilled managers who can combine the career needs of people and aspirations of organization achieve organizational goals and mission. Anyways, the employees expect the job development opportunities be provided by employing and working for organization. In order to supply opportunities, the organizations have to improve the work life quality of personnel. The quality of work life is not limited to physical work condition or wage, but through which any employee must be able to use his abilities completely, work in his favorite job and the opportunities must be provided for his growth and promotion. In this regard, managing job career is very important.

By job career management, the organization tries to increase current performance of employees and simultaneously prepare them to accept changes. Successful plans of job path will decrease employees' displacement and increase their performance. Since exploitation of first oil well of Masjed Soleiman in 26<sup>th</sup> May 1908 till now, Iran oil industry has passed more than 100 challenging years. Oil was a newly occurred industry in those years; and Iran was the

fourth country, whose oil sources were exploited using modern knowledge and global scale; so the industry moved to this country and in one hand, it promoted Iran to the centre of accelerated flow of knowledge and industry in 20<sup>th</sup> century as a new industrial phenomena; and in the other hand, it became the reference of many good and bad happenings in politics, economy and social aspects according to incompatible structure of Iran with these changes, incorrect expectations of imperialistic governments, unawareness of people and commitment of governors of the country. Though there was a short gap in February 1950 because of Oil Nationalization Movement, but the contraction of oil consortium in 1954, the Oil Nationalization law was neglected and the strangers dominated our oil even more than before. Islamic revolution was the end of all these difficulties and made a new era in oil industry that could compensate for all losses of 8-year war and established a new season of work and effort in history (World of Economy, 2004:29). Now, as one of the oldest in the world and the pioneer in Middle East, Iran oil industry is 100 years old and in June 2008, the efforts of people in the field was noticed and evaluated by international oil experts. Preparation for using this historical opportunity for introducing Iran oil industry especially in this period of time that the effective presence in global markets of oil, gas and petro chemistry is needed more than ever, it is a great responsibility for all involvers of oil industry. In this paper, the challenges and problems of job careers of human resource development is evaluated and some recommendations are suggested.

### **Job Career**

In common viewpoints, job career is defined as a series of related jobs and there are two methods for evaluating it:

In the first method, job career is counted as organizational properties. In this viewpoint, job path is considered as a dynamic path.

In the other viewpoint, job career is mentioned as individual property instead of organizational property. In this viewpoint, where almost all people have individual jobs, posts and experiences, each person in fact follows a unique job path (Matten & Shein, 1977:45). Even inside individual viewpoints, there are different definitions of job career, each of which clarifies a certain subject in job career definition. For example, in many definitions job career in considered as a matter of progress and promotion; in some cases it is emphasized as a profession or in some cases it is the source of job stability and security.

Greenhouse et al define job career as the growing sequence of job experiences of an individual during time. Flidman adds job related behaviors and ideas (Greenhouse et al, 1994:4). Finally, and more important is that this definition determines that results of job career are common results of efforts of people and external resources which people cannot control. According to the theory of common responsibility, the responsibility of managing job path is by both units instead of one unit. The main hypothesis of this theory is that effectiveness of job career increases only when people and organizations play their role in managing it. This hypothesis is also of the job career management plans that typically design certain activities for people and support them (Orpen, 1994:27-37). In other definition, job career is defined as a set of consequences of management development that grows in a certain period and offers

responsible roles inside organization. In this definition, it is supposed that this progress is linear and down-up; i.e. progress from a lower situation, rank, responsible and authority to upper level .

Job career has two principles:

External Job Career: A strand of tasks undertaken by an individual.

Internal Job Career: Conception of individual in his job life that is continuously changes. The internal identity which is got and developed based on external experiences and actions, is principle of job career. This means self-measurement of individual according to his abilities, talents, ideas, feelings, motivations, needs and wishes (Derr, 1987:17).

### **Management of Job Career:**

As future job careers are based on a hierarchy of competencies instead of competencies of organizational level, proper management of job career will be the main pivot of strategic planning of organization. This kind of strategic job management must be determined since employment until retirement. Managing job career does not refer to ensuring the progress of individual to higher level, but it refers to employment, evaluation and development of talents that are beneficial for both organization and employees (Vanvees et al, 1994:93).

### **A. Organizational Job Career Management**

The term organizational job career management is used for different experiences and policies that organizations create to develop the effectiveness of job career of their employees. Though the contents of this program may be different, but they have common certain characteristics (such as determining what people expect their job career; providing proper opportunities of job path for people; identifying people who are competent for these opportunities; and then offering the opportunities and evaluating the results of job career management).

### **B. Individual Job Career Management**

The opposite point of organizational job career management is the individual one. The efforts of people in achieving their goals of job career may not be compatible with the goals of organization. The theory of common responsibility supposes that such efforts of people are necessary for effectiveness of job path along with a proper job career management plan. In mental success model of Hall & Foster, people act and try to use job career management plans in order to achieve their job career objectives; and this is the duty of organization to ensure their support and supply in achieving their objectives. Based on this model, two main aspects of individual job career management include individual job path planning and individual job path tactics.

Therefore, job path planning refers to the processes that include the following activities: Identifying the individual expectations of his job path; evaluating strengths and weaknesses in relation with these objectives and making decisions to get which actions must be done for determining these objectives in the framework of their weak and strong points.

This fact includes individual decisions that must be got systematically and rationally as possible to lead to success of job career. However, planning of job career while implicating, requires

support of proper tactics. Of course, because of credible condition, it is often difficult to predict job progress and it will be very rare to succeed in it without people having the ability of create and development of strategies for implicating such plans.

Any of these viewpoints emphasize on certain fields of job career management; hence, success in job path management requires combining individual and organizational viewpoints.

### **Growth and Promotion of Job Career in Oil Industry:**

Job career management is a regular and continuous process that can be done in organization based on the following reasons:

1) As work is the main part of life, a satisfying and optimal job path increases sense of success in people. However a series of weak job career decisions may have harmful effects on person. Furthermore, creating deep understanding of people' position in job world is not easy. Objectives are often unreal and strategies are designed incomplete. Without active, continuous and careful job path management, past mistakes are continued and repeated.

2) People often keep their commitments to a decision even if they face with several failures. Such people may have believed that their past failures are compensable and so their efforts will make results. Hence, in order to prevent falling in difficult problems, a growing active job career management is essential.

3) Moreover, changing environments require developing job career management. In establishing new business strategies, new missions are replaced with the old ones and omit old job career paths in order to establish new, equipped and movable channels. Technological changes and reorganization affect the job path of individual inside the organization. People, who are not sensitive to make such environmental changes, may not recognize this control.

4) People change, and the objectives that are important in certain parts of life, may need to be re-evaluated in next stages. For example, a part of job that is exciting in 30s may become boring or even disgusting in 50s. New competencies and values may occur with increase in age. Sometimes with changes in the situation of family, limitations and opportunities may be provided in job path. Again, people who are not sensible to their changes will lose the opportunity of job career decision making (which is more adopted with current values and life style priorities). So, job career management must be a growing and permanent process. Furthermore, people need documentation of self-evaluation actions continuously and reform their goals and strategies. This fact indicates that people must agree with change themselves and their job environment. The estimations show that the total amount of reachable crude oil and liquid hydrocarbons of country is more than 132 billion barrels. Iran has 18% of North American gas resources, 4 times more than gas resources of Europe, 3 times more than Asia-Pacific and half of Middle-East. South Pars gas station, which is shared between Iran and Qatar, is the largest and the most important gas resource of the world, which is able to supply energy of all people on earth for 10 years. In this regard, oil industry has focused on the following issues alongside improvement of its structures align with multi-year plans (Oil Source Perspective, 2006:55).

A- Official, executive and civil structures

B- Managerial and planning system

C- Education and research system

D- Required capacities for technology transmission and producing local technology

So, the main challenges of oil industry regarding the mentioned facts and development of job careers are as following:

- Traditional exploitation structure and weakness of developmental competencies
- Lack of required capital for development
- Public and bureaucratic management system
- Lack of qualified, trained, skilled and motivated human resources
- Lack of complete availability of updated technology and weakness in required science for attracting technology and producing local knowledge
- Existing limitations of laws
- Impossibility of using competitive advantage of gas and oil industry
- Uncommon marketing with brokerage method
- Lack of aggregated method of management from discovery to marketing development
- Problems for development of great national and international contributions

Regardless of the challenges which oil industry faces with, stepping the following important stages is necessary:

- Changing the attitude to oil from “a source of income” to “an advantage for attracting technology”, industrial development and following the paradigm of converting oil source to the factor of creating value added.
- Institutionalizing based on the new paradigm which needs executive contexts and it is defined in this relation. Some main institutes that can noticed in this regards, are as following:

- The institutions providing technical and engineering services, such as contractors, consultant companies, project managers and design offices;
- Support institutions including producers of equipment, machines, parts and also welfare service companies;
- Financial institutions which have to supply financial resources of projects, risk taking and conducting the profit flow of investments in oil industry to national economy;
- Institutions of research and development and scientific centers as a context and path for bringing technology to industry.

Beside this important task, training the executors of development is one of the key activities of research and development centers. These institutions undertake capacity building for empowerment of human resources. Also, creating a knowledge area and human resource development are counted as the main mission of these centers.

### **Effective Factors of Job Career Management in Oil Industry**

The most important factors that affect job path management in oil industry are as following:

1) Environmental conditions of oil industry:

The environment, in which organization has been located, has an important role in job path design of employees of oil industry. In simple and stable environments, there is high possibility of prediction and also job path design and implication will be easy and could be done for a long time. But in a dynamic and complicated environment, which is full of ambiguity, prediction possibility is very low. So, it is difficult to design job path and planning for progress in organization in far future. The organization which is in such environment, must adopt itself with changing situation inevitably, if it wants to continue to succeed. The employees must also be continuously ready for job change and even job path change; they must continuously learn new knowledge and skills to be able to maintain with changing environmental and technological conditions. Organization managers must also view environmental and technological evaluations and tasks and responsibilities of employees in their job, and so design and define job progress paths according to them. So, it will guarantee success of organization in such dynamic environment.

2) Management philosophy in oil industry:

In fact, the philosophy of management is based on noticing and appreciating people in organization. In this industry, job progress path will find its right position.

3) Job analysis in oil industry:

Study and analysis of jobs is the most important action and the main center of all activities of job path. The information obtained by this analysis will lead to job creation and the conditions of job. Such information is the most important tools for managers of this industry in designing the plan of job path and it is provided for employees to think of the jobs that are available for them.

Therefore, planning and development of job career is followed by both employees and organizations, each of which has different viewpoints of job life development.

### **A) Individual View of Planning and Development of Job Career**

From the viewpoint of people, planning and development of job career is identification of main job goals and determining necessary actions for achieving goals. In fact, fostering job life from individual viewpoint includes a map of job series which person can undertake in his job life, regardless of organization.

The stages of planning and development of job career from the individual viewpoint in oil industry are based on the following items:

1- Self-Evaluation

Planning job path begins by recognizing one's situation, including "what kind of characteristics I have", "what skills I have", "what are my favorites and values", "what I like", "what I hate" and "what are my strong and weak points and limitations".

2- Opportunity Recognition

Human resource unit must publish some information about industry-related jobs. This information could be in the form of organizational charts, title list and real job description that are categorized based on the level of payment and establishment of units. Also, human resource unit must publish the required competence for each job, so that the individual could recognize the available opportunities of organization.

### 3- Goal Setting in Industry

After people evaluated their values, favorites, strengths and weaknesses and got information about job trends and job opportunities, the objectives of job path must be properly selected. Of course, this fact requires short-term, middle-term and long term goal setting.

#### **B) Organizational View of Planning and Development of Job Career in Oil Industry**

From organizational view, plans of job life foster in oil industry include designing a set of correlated jobs for employees and also offering feedback and guidance for growth, through which, it is ensured that in future the human resource of organization owns the required managerial and technical ability and talents. So, these plans try to overcome organizational needs in future and help people to grow and progress. In order to achieve this goal, oil industry must train human resources and evaluate their performance and also it must people' abilities, requirements and job wishes, and guide the employees according to the results and provide opportunities of growth and promotion of people by proper job design, job promotion and job displacement.

Noticing age and certain tasks of people and also way of behavior can determine job path optimally (Table 1).



Table 1. Organizational View of Planning and Development of Job Career in Oil Industry

<b>Growth Path Stages</b>	<b>Age Range</b>	<b>Behavior in each stage</b>
Preparation for entering work	under 21	Exploring abilities, competencies and inner talents in order to improve them
Entering work	16-25	Job selection proportionate with abilities and getting attracted in organization
Basic trainings	16-25	Try to obtain skill, experience and self confidence in job
Membership in primary job section	17-30	Try to become more effective and efficient in performance
Membership in middle job section	Over 25	Creating standards for performance and preparation for accepting more responsibilities and authorities
Crisis occurrence in middle job section	35-45	Accepting more responsibilities and authorities to obtain a better future position
Membership in final job section (informal)	Over 40	Try to keep professional competencies and adopting with changing environment
Membership in final job section (formal)	Any age	Accepting hard responsibilities and authorities to manage tasks
Preparation for exiting work	40 to retirement	Delegation of hard authorities and accepting lighter ones to prepare for exit
Exiting work	Over 55	Retirement and enjoying free time

**Conclusion:**

About 1.5 centuries after formation of oil industry in world, unlike years of scientific efforts and huge economic investments in discovering alternative energy, oil is still the largest and the most comprehensive part of world economy and as a strategic good, plays a main role in directing political strategies and planning for the economy of countries (Petropars, 2004). Future perspective of world economy and energy indicates that increasing dependence on oil in future decades will go on and even the days could be imagined that oil will be more important in international scene than now, according to decreasing trend of this indispensable source of energy and predictions of experts regarding impossibility of new vast explorations in compare with golden years. With such point of view, involvers of world oil industry suggest applying the methods of human resource development as an economic and secure way of increasing oil and gas resources.

Human resource development and noticing meritocracy of human resources is more valuable for our country that has one of the biggest oil resources of the world. Because 1% of increase in

oil recycle coefficient will lead to produce about 5 billion more barrels that would make profit more than 150 billion dollars.

Of course in recent years Iran oil industry has been able to increase oil exploitation coefficient from 21% to 24% by developing human resource part though all technical complications and problems. But achieving the final goals of these plans and reaching the world average oil recycle coefficient, which is more than 32%, requires planned continuous investments with human resource development and applying updated knowledge and experience of world oil industry. Hence, according to the importance of issue and current challenges, policy makers of oil industry must consider two micro and macro dimensions and reform and change human resource mechanisms by creating certain improving committees.

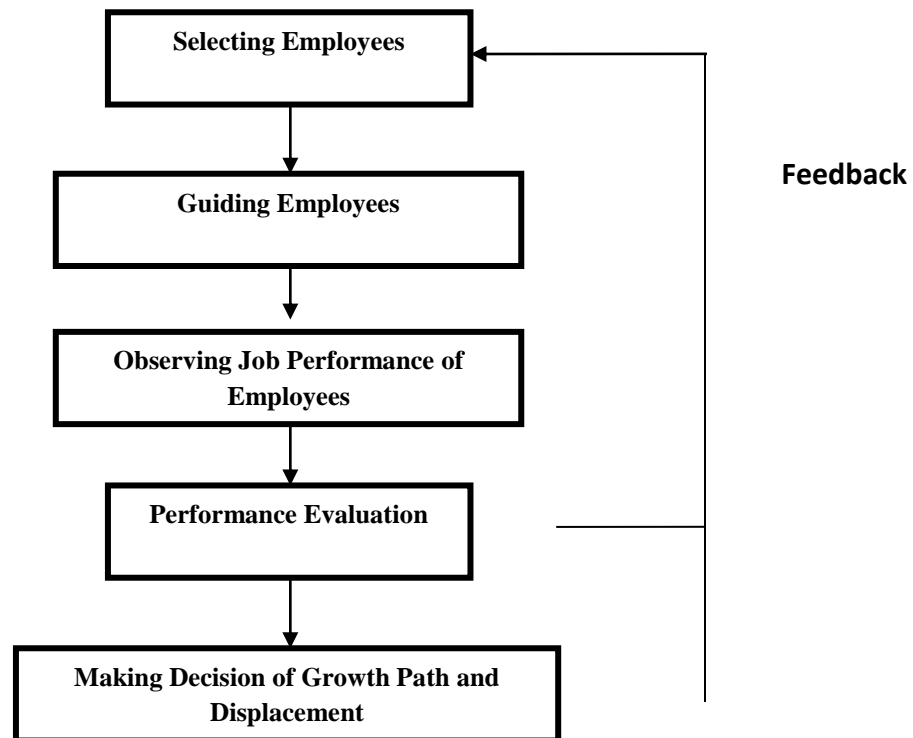
These committees can evaluate human resource supply mechanisms, human resource adjustment plans; performance evaluation, training and improvement, personnel treatment and improving work life and job path quality; and omit unnecessary factors and add new ones based on related models and organizational culture of national oil company. Establishing service centre and database of gas and oil of country, implicating comprehensive projects of oil fields studies; supporting higher education by development of human resources in engineering resources and investment in scientific promotion of employees; interaction with technologic international companies and using their ability and experience in research and execution plans and also implicating huge projects of gas injection are all some efforts of country's oil industry in succeeding in plans that could be considered in macro dimension.

However, finishing this way requires cooperation and assistance of all institutions, centers and organizations that implicating human resource development plans depend on their confirmation. So, oil industry must create the plans of job life foster with basic human basic plans. Because effective training plans lead to organizational effectiveness and makes the following results in oil industry.

- 1) Ensuring of availability of required talents in oil industry;
- 2) Attract and maintenance of competent human resources in this industry;
- 3) Increase in job satisfaction of employees of oil industry.

### **Recommendations:**

The most important action in oil industry is continuous pursue of the process of job progress planning. This process is a permanent trial that begins with displacement of an individual in a job and then the employee is guided in doing tasks. In the next stage, the performance of person is observed and evaluated. In the other word, performance of person is compared with job standards. Then, competencies and weaknesses are noted. Information enables human resource manager in oil industry to make great decisions by the help of employee about job path. This process must be done based on the following model:



According to the model above, training requirements of oil industry could be recognized and weaknesses employees' trends and future needs of oil industry are determined. Also this model focuses on meritocracy in organization and since performance of people is measured optimally, it will cause that people' job path in oil industry will continue its way based on optimum principles with most performance.

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