

Globalization, Identifying the Challenges and Obstacles
(case study: exporting and importing companies
of the Islamic Republic of Iran Customs)

A Master's Thesis submitted for the degree of
"Master of Science"

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Affidavit

I, **Mohsen Heidari**, hereby declare

1. that I am the sole author of the present Master's Thesis, "Globalization, Identifying the Challenges and Obstacles (case study: exporting and importing companies of the Islamic Republic of Iran Customs)", 85 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
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Abstract

The present study aims to recognize the challenges and barriers of globalization at the present condition of Islamic Republic of Iran. Population of the study included the exporting and importing companies of the Islamic Republic of Iran Customs. Participants of the study included 136 exporting and importing companies from customs of Bushehr, Hormozgan and Sistan and Baluchestan provinces of Iran. The opinions of 12 experts were used to recognize the challenges and barriers of globalization against the importing and exporting companies of Iran. Next, a questionnaire is designed accordingly and distributed among the sample. Results of the study based on the review of literature and research findings indicated that the challenges and barriers of the exporting and importing companies of the Islamic Republic of Iran Customs can be categorized in three general groups of cultural, economic and political challenges and barriers. Findings of the study indicated that the most important cultural challenges and barriers of globalization for the exporting and importing companies of the Islamic Republic of Iran Customs included cultural interactions and undermining the cultures and indigenous subcultures, cultural confusion and disorientation, imposing the dominant cultures through the media of other cultures, cultural interaction and the collapse of beliefs, attitudes, values and norms, promotion of the culture of consumerism, racism and priority of indigenous race, changing the national identity of Iranian population and Westernization. According to the results of the study the most important challenges and barriers of globalization for the exporting and importing companies of the Islamic Republic of Iran Customs included financial transactions and investment flows, internationalization and interdependence of financial markets and a global trading exchange, unemployment, commercial support regulations, customs and trade barriers, low economic power of the country and increased gap between the poor and the rich. Results of the study also indicated that the most significant political challenges and barriers of the exporting and importing companies of the Islamic Republic of Iran Customs included changes in the international order and political system, reducing

rights and political freedoms, corruption and bribery at the political level, the increasing role of human rights organizations and interference in the internal affairs of countries, the loss of legitimacy and undermining national governments legitimacy, reducing the power of public policy instruments and decline of democracy.

Keywords: globalization, cultural challenges and barriers, economic challenges and barriers, political challenges and barriers

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Chapter 1

Introduction

1.1. Statement of the Problem

Modern information and communications technology (ICT) has led to time-space compression and, blurring the boundaries, has led to human awareness of a world as a single place. This has made the world a place for multiple interaction and discourses. Consequently, human being has faced the phenomenon of globalization. The phenomenon which is mostly considered multi-dimensional encompasses various ideological and technological elements which triggers various interpretations including reproduction and consequences of modernism, intensified modernism, Westernization/ Americanization, internationalization, universalization and liberalization. Meanwhile, globalization can be defined as a phenomenon followed by four properties of deterritorialization, time-space compression, and human identification of the world as a single place and modern information and communication technology (Baba Akbari, 2009).

Some scholars place the origins of globalization in ideas of ancient Greece, Middle Age and ideas of scholars in nineteenth and twentieth centuries. However, the origin of modernization traces early in the second half of the twentieth century. Globalization is a multi-dimensional phenomenon including various social, economic, political, legal, cultural, technological and also environmental aspects.

Accordingly, there is no consensus among scholars on its definition (Aqar Kakoli et al, 2016).

Globalization is a complex and multidimensional process which can be viewed through a variety of lenses. One of the most significant features of globalization is to diminish the cross-border barriers. These barriers do not only include economic flaws but also global extension of knowledge, information, belief systems, values and ideas. Thus, globalization is outcome of technological advances, and of the natural curiosity of human species, fueled by increasing cheap and sophisticated information and communication systems (Kaplinsky, 2005).

All levels of the economy and society are fundamentally influenced by globalization processes. Between representatives of business and management theory, there are two directions for views of the implications of the effects of globalization. The first direction

includes supporters of the view that globalization is a battle of wisdom taking place only among the most advanced countries. The twenty-first century is the century of competition of all against all so that one wins and others lose. Supporters of the second stream argue that in globalization all win since they all have the same opportunity and it depends only on them to how use it. Accordingly, global economy is a networked economy. The more companies there, the more a space for new businesses. Globalization creates greater risk and more opportunity for everyone (Mikusova, 2010).

Globalization in general characterizes three key features of globalization of economy, globalization of culture and globalization of politics, each of which has removed the old global structures, replacing them with new economic, political and cultural structures. Therefore, in general, some exact planning are need in cultural, economic and political domains to align with modern global order. Identification of cultural, political and economic challenges and barriers of globalization in various countries is an appropriate planning strategies to meet this purpose (Haji Nejad and Ahmadi, 2010).

Iran delayed in perceiving the need to move toward globalization due to possessing rich oil resources and revenues. Hereupon, it has been late in globalization compared to other countries such as South Korea, China, Brazil, etc. Regarding the urgent need to develop non-oil exports, it is inevitable for Iran to join globalization campaign with its multiple opportunities and challenges (Ghasemzade, 2014).

Accordingly, globalization in a phenomenon which various countries are inevitable to join it soon or late. Joining the area, however, is naturally accompanied by various challenges and barriers. There has been no research conducted to recognize the challenges and barriers of globalization for all the countries all over the world or, in other words, to provide a universal version in this regard. Recognizing these challenges and obstacles can hence differentiate for various countries based on cultural, political and economic condition. Accordingly, the present study aims to recognize the challenges and barriers of globalization in Islamic Republic of Iran, one of most significant of which are cultural, political and economic factors. In other words, the present study aims to recognize the cultural, political and economic challenges of globalization in Islamic Republic of Iran.

1.2. Significance of the Study

In global industries, companies with various skills including flexibility in response to competitors in various countries and markets would gain the responding of a country to a change in another country, monitoring markets all over the world, knowledge transfer between states of a country, reduce costs, improving efficiency and maintaining diversity in end products and in the production area (Karimi and Konsynski, 1991).

Despite various advantages followed by globalization for each country, the fact that some countries are winners and others are losers in globalization process indicates that there are significant difference among countries regarding their ability to cope with the challenges of globalization. Accordingly, various countries face with different challenges in their globalization process, the most significant of which are economic and political challenges (Mark, 2000) and cultural barriers (Dahrendorf, 1995). Thus, economic, political and cultural factors are among the most significant barriers faced by different countries in trying to integrate with globalization process. Therefore, recognizing these challenges and the related dimensions are of a high significance.

Furthermore, globalization encompasses wide aspects of economic, social, cultural, legal, security and political, the examination of all is beyond the scope of the present study. Accordingly, the author narrows the view to examining three important dimension of cultural, economic and political. In regard to recent lifting of economic sanctions of Iran and considering the high growth potential of Iran economy and industry through foreign capital and cooperation with transnational corporation, specifically European corporation, it is inevitable for economy and industry of Iran to move toward globalization and alignment with global economy to gain more prosperity and growth. So, the present study can take an efficient step toward making the economic and industrial administrative (Iranian or foreign) acquainted with present condition of Iran and help them in taking future managerial decisions and studying more. Further, it would suggest new directions for students and researchers to conduct further studies and researchers in this area.

On the other hand, recognizing these challenges would help us to discover and identify the challenges for Supply chain management (SCM) (which is another aim of the study) and

paved the way for decision making and planning to face these challenges and barriers. Obviously, appropriate planning is essential for Iranian companies which produce and supply at global level since they have to act in line with the cultural, economic and political necessities and requirements of global market.

Therefore, regarding the intensity of competition at global level which is continuously changing, it is twice necessary for organization and product-industrial companies to react appropriately and have flexibility against insecure foreign market. Furthermore, the current organization require using proper models such as Supply Chain Management (SCM) to gain and maintain proper place at national and international level to meet the competitive advantage and customer expectations.

1.3. Review of Related Literature

This section provides a brief review of related literature.

Afshari (2015) conducted a study entitled as “Globalization Challenges in Iran”. He argued that the term globalization is derived from the word globalize, which refers to the emergence of an international network of economic systems. Globalization has been increasingly used since the mid-1980s and especially since the mid-1990s. The impact of globalization has left; In addition to the various positions taken. Present paper reviews the challenges of globalization in Iran. The impacts and challenges can be found in areas such as Extreme political structures, Cultural plurality, the national-religious identity and Social Capital Observed was more.

Singh and Kaour (2016) in a paper entitled as “Managing Cross-cultural Diversity: Issues and Challenges in Global Organizations”. Due to globalization, many companies are now operating in more than one country. This crossing of geographical boundaries by the companies gives the birth multicultural organization where employees from more than one country are working together. The global business is affected by a number of factors like differences in-socio, economic, cultural, legal and political environments. The global business is also prone to a number of risks like political risk, currency risk, cross-cultural risks etc... Human resources are required to perform at all operational levels across all

business units be it domestic or global. In such circumstances, the risk of cross cultural discrepancies is inevitable.

Ghasemzade (2014) in a paper entitled as “economic globalization: opportunities and challenges with a view to Islamic Republic of Iran” (in Persian) examined the opportunities and challenges brought by economic globalization for economic development of Iran. Results of the study indicated that economic globalization can play a significant role in economic development of the country provided good and competitive production structure in the world, government efficiency and financial stability in government policies including monetary, trade and exchange, the existence of appropriate infrastructure and economic stability. However, ignoring these cases would lead to more isolation of Iran in face of challenges in globalization process.

Rahnama (2006) in a paper entitled as “obstacles, challenges and strategies of globalization in cities of Iran” examined the globalization history of Iran and its place in globalization process. It was found that extensive government control over various sectors of economic, social, cultural and information and lack of direct foreign investment are among the most significant challenges of globalization process.

1.4. Contribution

Some countries are winners and others are losers in globalization process indicates that there are significant difference among countries regarding their ability to cope with the challenges of globalization. Accordingly, various countries face with different challenges in their globalization process. Thus, the present study can contribute to recognizing the globalization challenges faced by Iran and results of the study would help in taking a significant step toward planning and development of globalization activities of Islamic Republic of Iran. Besides, this is one of the first studies dealing with identification of cultural, economic and political challenges as most important barriers toward globalization of Iranian companies.

1.5. Research Purposes

- . Identification of challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs.
- . Identifying the cultural, economic and political challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs and their effect on Supply Chain Management.

1.6. Research Questions

1. What are the most important cultural challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs?
2. What are the most important economic challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs?
3. What are the most important political challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs?
4. what are the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs and their regarding Supply Chain Management?

1.7. Research Hypotheses

- . Cultural challenges and obstacles are among the challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs.
- . Economic challenges and obstacles are among the challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs.
- . Political challenges and obstacles are among the challenges and obstacles of globalization in exporter and importer companies of the Islamic Republic of Iran Customs.

1.8. Definition of Key Terms

Globalization

Regarding different views and opinion of the researcher, it is hard to provide a definition of globalization which is agreed by all. Accordingly, there are various definitions based on different views of globalization. Some definitions highlight cultural aspects while others focus on economic and political one.

According to Malcom Waters (1995) “globalization is a social process in which constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding” (p.3).

Barber (1992) defines globalization as a process through which the borders are depoliticized, homogenization of communities and corporations are increased, information and production transfer between countries is facilitated and locality is also removed (cited in Ghasemzade, 2014).

Harvey (1990) stated that time-space compression is the most significant feature of globalization which leads to the destruction of spatial barriers and distances.

According to Castells (1996) globalization is the emergence of a network society which follows the capitalization movement to include economy and culture of a society (cited in Rahnama, 2006).

Based on various definitions, globalization can be defined as a process which blurs the cultural, political and economic boundaries of countries has led to human awareness of a world as a single place. Therefore, globalization is a multidimensional phenomenon affecting political, economic, cultural and other aspects of societies and governments.

1.9. Globalization Challenges

There are various challenges faced by countries in the process of globalization. The most significant challenges and barriers are cultural, political and economic ones.

1.10. Research Method

Present study is a descriptive survey which describes the population of the study and collects the required data through questionnaires or field study of the research population. Research population included agencies of exporter and importer companies of the Islamic Republic of Iran Customs.

Data collection procedure is conducted at stages. At first stage, the data of related theoretical bases are collected by reviewing the related literature including theses, papers, books and online resources. Then, field data are collected through field study. The research instrument included a standard questionnaire developed based on the review of literature and modified and approved by experts.

1.11. Population, Participants and Sampling

Population of the study included all the exporter and importer companies of the Islamic Republic of Iran Customs. Regarding the wide scope of the study, multistage sampling was used to select the Customs. Then, some companies were randomly selected from among these Customs and related data was collected through distributing the questionnaire among the companies. Number of samples is selected based on sufficiency.

1.12. Data Analysis

Descriptive statistics were used to analyze the demographic and frequency of the research variables. Statistical t-test was also used to examine the relationship between dependent and independent variables. SPSS software was applied for analysis.

1.13. Outline of Study

Chapter one presents an introduction to the study. A review of related literature is provided in chapter two. Chapter three includes the research methodology. Following, chapter four provides an analysis of the data. Finally, a discussion of research findings and related conclusion are presented in chapter five and six, respectively.

Chapter 2

Theoretical Background and Review of Literature

2.1. Introduction

The late eighties of the last century was marked by a sharp increase in the dynamics of the market environment. Turbulence increases in the threshold of chaos. And as Gibson (1998) states “Our only certainty is that things will change” (p.195). Therefore, some new phenomenon such as discovery of new customers can predict future market. Accordingly, Prahalad (1998) argues that emergence of new competitive landscape in new economy is known with eight types of discontinuities including environmental friendliness through control, standards, and vague boundaries between industries, convergence, fluctuations in demand, deregulation, privatization and globalization (Mikusova, 2010). These reveal the need for globalization more than before.

Globalization is a multidimensional phenomenon and applicable to various social, economic, political, legal, cultural, technological and also environmental aspects. Furthermore, Globalization is a hot topic in the business world today, garnering enormous attention as imports and exports continue to rise as companies expand across the global marketplace. Understanding the basic overview of the global economy underlines highly relevant managerial and business level applications that provide useful insights to modern-day managers. Globalization is also a conceptual challenge that is crowding the world and cultural, political and economic challenges are the most significant challenges faced by governments (Afshari, 2015).

Also Iran due to having unique oil resources and revenues did not consider it essential to have a serious move toward globalization and taking introspective policies and because of concerns about the lack of success on the international stage, it entered the international arena much later than its competitors (Ghasemzade, 2014). Therefore, identifying the challenges and obstacles of globalization in Iran can help the administrative and planners to make Iranian corporate ready to enter the global market. These corporates can better survive and easier grow in today’s seriously competitive market if they are made ready to enter the global market.

2.2. Theoretical Background

At the beginning of this section, first various definitions of globalization are provided. Following, the history of globalization, theoretical background of globalization and finally a review of related literature of globalization are provided.

2.2.1. Globalization

Globalization means condensation of the world and accumulation of knowledge all over the world. In globalization world in theory and practice is known as a unique place where national communities, specifically individuals have to accept their existence as a member of a bigger community. Although, the phenomenon of globalization first emerged in economy, however, it changes all social, political, cultural and demographic systems and these systems in turn enhance globalization in economy. Thus, globalization means more appropriate use of facilities for human welfare and fighting injustice. The corporation of state and non-state corporations is required to reach these goals (Estelaji and Hosseinzadeh, 2013).

Kaplinsky (2005) believes that Globalization is a complex and multidimensional process which can be viewed through a variety of lenses. One of the most significant features of globalization is to diminish the cross-border barriers. These barriers do not only include economic flaws but also global extension of knowledge, information, belief systems, values and ideas. Thus, globalization is outcome of technological advances, and of the natural curiosity of human species, fueled by increasing cheap and sophisticated information and communication systems. Accordingly, globalization is a multi-dimensional phenomenon including various social, economic, political, legal, cultural, technological and also environmental aspects. Accordingly, there is no consensus among scholars on its definition. What can be stated is that globalization is a multidimensional phenomenon which blurs the border between countries, nations and cultures and cause more condensation of time and space. Therefore, in this study globalization is defined as a phenomenon which causes essential changes in cultural, political and economic areas leading to condensation of time and space and created various challenges for different countries.

2.2.2. History of Globalization

The word 'globalization' is over 400 years old. However, terms such as globalization, globalizing and globalism were entered the science and literature since 1960. It was late 1980s when globalization spread not only through dictionaries and in scientific and cultural circles but also among politicians, journalists, bankers and others. Social science and human science scholars also examined various dimensions of globalization since late twentieths. They used some terms such as global market, global threats and global culture to refer to new phenomenon of globalization (Haghighi and Haghighi, 2010). It was nearly middle of 1980s when globalization was discussed in all areas and concepts of postindustrial and postmodern societies were used to refer to globalization. However, the concept of globalization became widespread all over the community at 1990s and it is so common today that it is frequently used in all economic, cultural, political, social and military aspects.

In modern times, globalization has seriously influenced various political, economic and more specifically cultural areas of Islamic countries including Iran and these changes can be observed at all levels including product consumption and economic services to cultural products, lifestyle and political level (Mostafavi, 2013).

Therefore, today, Iran is facing a new stage of globalization and to enter the stage, it needs identifying various components so that it can better manage globalization and global competition.

2.2.3. The Waves of Globalization

Despite considerable debate that globalization stimulated and thousands of definitions and descriptions provided for the issue, generally three broad approaches or waves of globalization have emerged to explain this subject.

2.2.3.1. First-Wave Approaches

The first-wave theorists of globalization using various terms of globalizers, strong globalizers, globalists and hyper-globalizers, consider contemporary developments and global process as constituting a new phase in human history. They delineate the emergence of an integrated global economy, based upon open markets and breaking down of national borders, a development that has been aided by the spread of information and communication technology and advances of transportation systems. The advocates of this perspective believe that production is a global process and as the volume of international trade is growing, the mobility of capital, information and people will be greater and levels of foreign direct investment will be increased.

2.2.3.2. Second-Wave Approaches

The advocates of this approach are mainly known as skeptics and highly critical of the globalizers' thesis. They deny globalization constitutes a new epoch but view it simply as a further expansion of international capitalism. They maintain that the world economy is far from being global. Trade, investment and financial flow are concentrated in a triad of Europe, Japan and North America and thus we are faced with a triadization rather than globalization.

2.2.3.3. Third-Wave Approaches

Third-wave theorists of globalization have a diversity of opinions. Writers such as Giddens (1990) and Rosenau (1997) are among the theorists who are known as transformationalists. They stress on the unprecedented nature of current economic, political and cultural flows and levels of global interconnectedness as a result of combined forces of modernity. Globalization for them is not only motored by capitalism but also by industrialization, the nation-state, technological and scientific development and critical thinking (Hopper, 2012).

In addition to various approaches toward globalization, there are also different paradigms regarding the phenomenon. These paradigms may consider globalization based on

subjective-objective dimension. That is, these paradigms are differentiated based on being subjective or objective.

2.2.4. Various Paradigms about Globalization

Globalization can be examined based on four paradigms in general, including functional, interpretive, radical humanist and radical structural paradigms. Following, a description of each paradigm is provided.

2.2.4.1. Functionalist Paradigm

The functionalist paradigm is based on objectivism which seeks to objectively examine the nature and role of globalization in real words. According to this approach, globalization is the result of information and communication technology and its consequences include development of free markers with high economic interests, enhanced life standards, economic efficiency, freedom and personal democracy along with simultaneous development of technology (Ardalan, 2009).

2.2.4.2. Interpretive Paradigm

According to the interpretive paradigm, globalization is a phenomenon which requires awareness of its meaning and processes to analyze it so that one can reach a real order inside it (Ardalan, 2009).

2.2.4.3. Radical Humanist Paradigm

According to this paradigm, the current stage of globalization is accompanied by unprecedented spatio-temporal compression along with intensification of social, political, economic and cultural interaction at global scale. Globalization provides great value and numerous opportunities for a few people while many people are subject to sever poverty and disappointment. Globalization is both a great destroyer and strong creator of ideas, values, attributes, actions and movements (Ardalan, 2009).

2.2.4.4. Radical structuralism Paradigm

The radical structuralism paradigm assumes that reality is objective and concrete. It emphasizes on recognition of social order as a general entity not a set of detailed facts about various aspects and sections of society (Ardalan, 2009). According to this paradigm, globalization is a general fact which should be recognized as a general entity.

The present study aims to identify the current cultural, economic and political challenges in the way of globalization for Islamic Republic of Iran. Therefore, following the economic challenges and obstacles of globalization, one needs to consider functionalist and structuralism paradigms as the basis. Recognizing the cultural and political challenges of globalization also requires section of radical humanist and structuralism paradigms. Thus, a combination of paradigms should be used in this study to identify the challenges and obstacles of globalization in Iranian companies and industries. Accordingly, various theories of globalization are discussed.

2.2.5. Theories of Globalization

This section presents various theories of globalization including classical theories constructivism, liberalism, neoliberalism, and modernism.

2.2.5.1. Classic Theories of Globalization

Marx and Engels can be named as the advocates of classical theory of globalization who have discussed globalization process and factors affecting it. Marx defines modernity as a globalizing and developing system but looks at it from a different view. According to Marx and Engels globalization is a process simultaneously started by the formation of capitalism. Considering the features of capital system, Marx considers the system as the main factor in harmonizing the world. Marx and Engels believe that political and cultural relations or hyper-structures of the society are mainly formed through the power of products (Marx, 1948; Engels, 1969).

Giddens links globalization to development of modern societies and modern society has four institutional characteristics or organizational clusters. The first two of these features

are broadly economic in character. Thus, modernity requires a capitalist system of commodity production and therefore implies industrialism. Giddens argues that modern society is not defined only by its economic base but the fact that it is nation-state. In other words, nation and state simultaneously indicate modern global order (Akhtar Mohagheghi, 2007).

2.2.5.2. Constructivism Theory of Globalization

According to this view globalization is not a fundamental change in global structure and human relationships among various societies. Constructivists believe that the modern global communication, cultural impacts and development of international economic relationships are not new phenomenon and, they, same as classics, believe that nation-state relations determine the globalization. They believe that states are the main player of globalization by having mutual relationship and international contracts. Also, other players such as multi-national and international companies have to act based on the state relations. According to constructivists, new global conditions created some changes in economic, political and cultural behaviors of nations. However, this is not over the global political system among states but the states shape the cultural factors of societies which are intensified by globalization (Akhtar Mohagheghi, 2007).

2.2.5.3. Liberalism Theory of Globalization

The advocates of liberalism theory are among the strongest proponents of globalization theory. Globalization is also highly consistent with liberals' opinion about international politics. Accordingly, liberals argue that globalization itself is a reason for the legitimacy of their principles. They believe that globalization is the final result of long-term changes in global politics. Globalization indicates that other states are not only players of the global system but countries have been connected to each other as a network under the light of globalization. According to liberal theory, globalization is an essential step toward realization of liberal democracy. Based on this approach, globalization is also affected by strong powers of state-nation. On the other hand, the result of development of democracy,

sovereignty and authority of citizens and Non-Governmental Organizations have been limited at national and international levels (Haghighi and Haghighi, 2010). Accordingly, globalization would lead to increased tendencies of various societies toward western values and liberalization of trade, liberal elections and, in other words, spread of western values, methods and objectives.

2.2.5.4. Neoliberal Theory of Globalization

For some two decades neoliberalism has dominated economic policymaking in the US and the UK. Neoliberalism has strong advocates in continental Western Europe and Japan, but substantial popular resistance there has limited its influence so far, despite continuing US efforts to impose neoliberal policies on them. In much of the Third World, and in the transition countries (except for China), the US has been successful in dictating neoliberal policies. From roughly the mid-1930s to the mid-1970s a new interventionist approach replaced classical liberalism, and it became the accepted belief that capitalism requires significant state regulation in order to be viable. Neoliberal theory claims that a largely unregulated capitalist system (a free market economy) not only embodies the ideal of free individual choice but also achieves optimum economic performance with respect to efficiency, economic growth, technical progress, and distributional justice. The state is assigned a very limited economic role: defining property rights, enforcing contracts, and regulating the money supply (Katz, 2002). Globalization based on neoliberal market is applied for advancement of economic, political, material and ideal interests of groups who drive a benefit from liberalization of economy, privatization of ownership, minimum ordering role of state, capital return efficiency and strong private sector (Ardalan, 2009). Therefore, according to neoliberal theory, states have a little role in guiding various political, economic and cultural activities. States can direct the economic and political flow of the society only through leading and controlling roles.

2.2.5.5. Modernity Theory of Globalization

Globalization of modernity is one of main discussions in western philosophy. According to theory of modernity global community is based on global values, human rights and

belief in order and law are at the center of which. Liberal-capitalism modernity is the only valuable method of organizing political, social, economic and cultural affairs which emerge in civil society (Akhtar Mohagheghi, 2007). Based on this theory, world is a system, all components of which are related and modern global system has a dynamic nature. Therefore, the components of this system cause dynamism of this global system. According to modernism theory, globalization is a fabricated issue and not a new phenomenon but it is the last sage of international capitalism development (Haghighi and Haghighi, 2011).

The present study is looking forward to identify the challenges and obstacles of globalization and theory of modernity is more consistent with this condition.

2.2.6. Phases of Globalization

Globalization is a process which existed from the beginning of human history and developed along with modernization and development of capitalism and its consequences have been increasing since then. However, there was a sudden acceleration in globalization. Globalization is a recent process accompanied by other social processes such as post-industrialization and modernism and deconstruction of capitalism.

Globalization of business is a multi-stage process. Corporates require to pass these stages to become global. These stages include local, export, international or multinational and globalization. A company becomes international when it exports its production or distributes them abroad. At this stage, there is the advantage of expense and all the important decisions are made locally. When a company establish a small branch of abroad, hires some human forces and makes it somehow independent, it becomes multinational. Global organization goes far and at globalization stage, a multi-center organization is created which can apply all departments of the company all over the world (Srinvas, 1995).

2.2.7. Dimensions of Globalization

Globalization is a complex and multidimensional process which can be viewed through a variety of lenses. Accordingly, various political, economic, cultural, social, technological

and other dimensions should be considered for globalization. However, there are some limitations in this study and due to importance of these dimensions compared to others in development of various countries and societies, only economic, political and cultural aspects of globalization are discussed.

2.2.7.1. Globalization of Economy

Since globalization first starts from economic section, the essential mechanisms of globalization happen at economic sector. Today, societies and states face with borderless economy. Therefore, development of economic activities based on capital system rule over the world. Globalization of economy is driven at two levels of internal and external factors. Shortened economic distance between countries due to development and advances of modern technology, increased flexibility against foreign trades and acceleration of transportation flow and reaching good transfer flow, capital and services are among the most important internal factors affecting globalization process.

Radical changes in the structure of global economic system, entrance of new players to the domain of economy and reduced economic power of countries such as United States (Haghighi and Haghighi, 2010). In post-World War-II period, globalization was mainly driven by rapid growth in foreign trade while in 1950s and 1960s, direct foreign investment started to play an increasingly important role in this process. Over the last two decades and based on a global trend of trade and investment liberalization, the world economy has evolved into a highly integrated system. Today, globalization has driven economic integration at global level with the following key dimensions: internalization of production accompanied by changes in the structure of production, expansion of international trade in services and widening and deepening of international capital flow (Mark, 2000).

The most common theory of globalization is related to economists which is based on economic integration and assimilation of all national economies in a global economy at the limit of capital market. Regarding various concepts and definitions about globalization, globalization of economy happens when the geographical borders and sovereignty of national states does not affect the economic activities such as investment,

production, trade, financial transactions, labor division and labor force. Increasing interdependence of states drives expansion of trades which in turn leads to omission or reduction of red tapes, removal of trade supports and customs and trades barriers. Consequently, the financial transactions among countries are facilitated. Finally, this would lead to market integration and changing it into a global market (Navazani, 2003). According to what mentioned above, globalization of economy is one of the most important aspects of globalization which itself has many dimensions including direct foreign investment, capital flow, labor division and others.

2.2.7.2. Political Globalization

Political dimensions of globalization were first discussed by Bretton et al. They believe that globalization means blurring the national borders and decline of classic beliefs and images of some concepts including sovereignty, national interests, power relations and other. Expansion of options for global political institutions lead to many changes at power and sovereignty of national states and international system. United Nations, World Bank and International Monetary Fund become the most important players at international policy (Haghighi and Haghighi, 2010).

Political globalization is seeking for a new order for state-nation relations and their relations with other communities and states. Globalization is an integrated process which can be examined at political dimensions: Global political processes are an integral part of global processes and therefore they affect the structure of relations in the world. Thus, the global political process could be defined as a change of state, structure and hierarchy of a global political order. The global political processes lead to changes in policy and related economic, social, cultural, legal, ideological, moral and other relations between the countries and regions of the global world (Ilyin and Rozanov, 2013). Emergence of globalization caused significant changes in political indices of globalization. Today, protecting human rights, individual freedom, sustainable development, defending civilized and popular institutions, development of democratic policies are among the most important political indices of globalization.

2.2.7.3. Cultural Globalization

In twentieth century, the approaches for social change analysis are generally divided into two groups. One considers economy and policy as the basis for social change and the other defines cultural beliefs and values as the main basis. The fact is that people from various nations and cultures have various beliefs and behaviors. In case of cultural globalization, it should be emphasized that people with various cultural background perceive this phenomenon differently. Therefore, one should get more acquainted with cultural interaction and cross-cultural issues. In case of globalization, when two culture are interacted, a competition is formed and usually one side wins and the other loses. However, when three cultures meet, there is trust, corporation, and finally win-win relations (Graen and Hui, 1996).

Cultural globalization may have various consequences. There are generally two principal theories in this regard: cultural/media imperialism in which one culture dominates or is imposed on others and; hybridization in which new versions of culture emerge when different cultures come in contact with one another (Carne, 2011). Accordingly, cultural globalization can have various effects on host culture and causes changes in beliefs, values. Identity and other cultural aspects.

2.2.8. Advantages and Disadvantages of Globalization

Globalization is a phenomenon or process with various advantages and disadvantages. However, some researchers believe that globalization has various advantages which can compensate the disadvantages.

Kose et al (2008) argue that globalization and trade liberalization create a competitive environment for domestic and foreign industries by developing new production techniques or efficient use of production factors. Furthermore, globalization leads to more options for high quality of intermediary inputs with lower price for economic activities. Therefore, globalization leads to increased productivity of all production factors.

Gemmell et al (2008) argue that two general hypotheses can be proposed for globalization:

A) Efficiency Hypothesis

Advocates of efficiency hypothesis argue that globalization reduces the tasks of the government and make economic condition more competitive by more presence. Therefore, increased involvement of private sector and reduced intervention of public sector increases economic efficiency in practice.

B) Compensation Hypothesis

In turn, the advocates of compensation hypothesis believe that globalization creates some risks for society and national economy. Although, globalization has various features and characteristics, many economists consider trade growth, increased direct foreign investment and establishment of multinational companies as the key features of globalization. In addition, globalization causes trade liberalization and reduction or elimination of tariffs (Gemmell et al, 2008).

Globalization, in general, has many advantages. It causes increased investment of people from various countries in national projects of various countries all over the world. Significant price reduction for air and maritime travel has led to expansion of global trade borders. In this condition, not only the global trade is increases, but its forms have also experienced complete metamorphosis. Accordingly, globalization drives profitability of financial markets all over the world. The required work force for various political, cultural, economic and social activities of various countries can also create momentum. Furthermore, globalization would increase self-awareness and social development at global level. Furthermore, globalization has led to increasing economic integration followed by social integration (Akhtar Mohagheghi, 2007).

Globalization can be understood in two ways. First, it is a vision that would be called “inside out.” This is dominance for business and often the user. From this perspective, globalization offers opportunities for further growth. On the other hand, mainly outside the business sphere brings a perspective “outside - inside, where are much more prominent limitations, implications and risks. Table 1.2. Illustrates these two sides (Basl, 2002, p.16).

Table 2.1. Two Sides of Globalization

Globalization, Outside-Inside	Globalization, Inside-Outside
-Globalization, alert to the threat	-Globalization, predominantly opportunity
-Limits of the planetary resources and capability of the country	-Almost unlimited growth
-The importance of increasing the cost of maintenance and elimination of adverse effects of new technologies	-The primary objective - revenue growth
-Heterogeneity (regionalization) of company	-Homogenization-based company offered products globally
-Efforts to optimize the whole in a global sense	-Dominating local optimization from the perspective of business and the consumer

Accordingly, globalization can cause economic, political, social, cultural and other growths at all key dimensions of human life. On the other hand, globalization can have many detrimental effects on the environmental aspects, increasing inflation, reducing quality of life of communities, especially underdeveloped or less developed countries. Therefore, globalization is like a two-side coin which has both positive and negative effects on human life.

2.2.9. Opportunities of Globalization

Globalization has profound implications for developing countries. It creates important new opportunities—wider markets for trade, an expanding array of tradable, larger private capital inflows, and improved access to technology. The outward-oriented reforms being adopted by more and more developing countries make the latter both agents and beneficiaries of globalization—these reforms both contribute to globalization and expand opportunities for developing countries to participate in its benefits. By promoting efficiency and productivity and providing a friendlier environment for exports and foreign investment, outward-oriented reforms have been key to recent improvements in the developing countries' economic prospects (Qureshi, 1996).

At production sector, global products provide the possibility for the developing countries to enter the competitive global market. Production is most important source for growth of developing countries since increased income elasticity leads to increased demand for manufactured goods. Furthermore, due to low level of wages and other costs, developing countries have comparable advantages at production sector. Globalization also provides various opportunities for services. Globalization leads to increased changes of outsourcing for less productive jobs including telephone centers, entering and preparing data and others. Therefore, globalization can provide millions of carries at clothing and footwear and have productive role in development of service sectors at low-income countries. Globalization also increases efficiency and incomes at agricultural section. Globalization provides the demand and supply chain for export products such as coffee, cocoa and other modern products such as green-house products. Globalization at financial sector also increase investment of rich countries in poor countries. Furthermore, globalization provides the chance for migration of people from poor countries to rich countries and using existing chances there (Lee, 2008).

Globalization is accompanied by many opportunities for equal and real development. Some countries integrated with global economy faster than others. It seems that countries with more integration with global economy have had faster growth and reduced level of poverty. Eccentric policies have resulted in more dynamism and achievements for East

Asian countries and has changes them from the poorest countries of the region 40 years ago into developed one. Improving the life standard level provided the possibility for development of democracy and economic domains such as environmental standards and working. Workers emigrate from one country to another to find better job opportunities. The highest number of immigrants are in developing countries. However, the immigration flows to developed countries means convergence of global wages. In general, technical knowledge about product methods, managerial techniques, export markets and economic policies are available with low cost (Goudarzi, 2004). Therefore, according to what mentioned above, globalization provides various opportunities for development and growth in various economic, political, cultural, agricultural, immigration section and other developing sections of societies and states and in other words, promote private, public and social sector products and services.

2.2.10. Challenges and Obstacles of Globalization

Globalization can also be accompanied by challenges, limitations and obstacles for various countries. Therefore, various countries should recognize these challenges and obstacles to remove and eliminate them. The most important obstacles and challenges examined in various studies include economic, political and cultural challenges and obstacles. This section presents challenges and obstacles of globalization.

2.2.10.1. Economic Challenges and Obstacles

Economists points to economic crisis as the economic challenges and obstacles of globalization. These crisis include financial and unemployment crisis. Financial crisis are those affecting various countries of the world due to internationalization and mutual dependence of financial markets and world market transactions. In unemployment crisis, firms have automatized their production systems. Consequently, the need for work force, specifically unspecialized work force is continuously reduced. Further, globalization of financial markets and deregulation of these markets causes reduced practical independence and efficiency of national economy strategies. In other words, global capital

market and excessive mobility of private section capitals undermines the power of central banks to control currency exchange rate and designing effective and healthy macroeconomic policies (Aqar Kakoli et al, 2016). Regarding poverty index which is one of the most important challenges and obstacles of globalization, it should be stated that globalization increases the gap between poor and rich and people would face inequality regarding income level (Kaplinsky, 2005).

Furthermore, displacement of people from rural to urban areas and increased migration rate between rural and urban cities, increased migration rate between countries, another challenge can be considered for globalization which is reduced wage level and job inequality due to intense global competition (Hopper, 2012).

Another challenge or obstacle for globalization is reducing the role of government in key social areas and downsizing public services in many developing countries, especially in the South and East of the world, as well as neglecting the important task of reinforcing political and economic institutions, left many countries unprepared to meet the challenges and rapid transformations of globalization.

Another area of great concern regarding globalization is related to intellectual property rights, and the use of anti-dumping practices, which seem to discriminate against producers in developing countries. Another challenge is that restructuring of the economy can lead to unemployment rate (Bertucci and Alberti, 2003).

Globalization is accompanied by various tensions and challenges for policy and national economy by increased convergence, it reduced national independence and challenges national sovereignty. Reduced national independence of states leads to their less capability in controlling and management of events and incidents. Further, national sovereignty also blurs in the process of globalization (Haghighi and Haghighi, 2010).

2.2.10.2. Political Challenges and Obstacles

The most important political challenge accompanied by globalization for states is the fact that it is against the current governance of states on human society or national states. This challenge or obstacles can question the principle of nationalism as current political ideology and lead to collapse of the local states by rejecting their legitimacy. This force

can create some changes in political structure and governing order and cause power handling in favor of new groups and organization.

Political challenges of globalization include collapse of union and national governments, national governments limit the spread of political ideology, anarchism and the emergence of chaos. There are mutual limiting consequence of globalization on public states; one is from outside or international and the other is from inside and people of the country. Globalization limits the role and domain of exclusive sovereignty of national states and as a result provides a good condition for convergence. Globalization causes pressure over hierarchies and their crumbling. It divides humanity into two classes of privileged and marginalized. Consequently, democracy is weakened and is even removed. Globalization can reduce the power of state in policy making (Navazi, 2003).

What comes into mind when discussing globalization, is that it would lead to chaos in international order, that is, relations and interactions between states and nations in its political form. Consequently, globalization process limit the power of national states in taking independent actions in performing their policies, their control over goods, technology and information and even their authority in regulation and ruling at national territory is challenged somehow. In other words, the United Nations, World Bank, IMF and WTO are among the most important political actors at the international level with power to make decisions at the global level. On the other hand, developments in international law challenges traditional government freedom at the international arena (Heydarzadegan, 2010).

2.2.10.3. Cultural Challenges and Obstacles

Cultural difference between provider and receiver is mostly related to communication obstacles. During transferring process, provider may send a message which is misunderstood by the receiver. This mostly happen due to cultural corporate or national differences (Lin and Berg, 2001). Globalization may weaken national states and subcultures and can also change the national identity of Iranian community and in other words unidentification of Iranian society (Afshari, 2015).

Globalization can create numerous obstacles for people of various countries. As a result of globalization individuals and organizations act in various social systems which may

have various principles. Workers of various countries can have different habits with other countries which if not be distinguished well would lead to problems. Some may be individualist and emphasize on their personal needs while others may not recognize the need of various countries. Another challenge and obstacle of globalization is related to racism where individuals may believe that the condition in their country is better than others and they do not accept people from other countries. Further, some people may be affected by cultural shock when entering another country and so feel insecure and confused against the culture of other countries. (Singh, 2012)

Globalization may promote consumerization due to cultural differences between countries and in other words, various countries may follow consumerization. As a result of increased consumerization, the gap between the poor and the rich is increased (Madison, 1998).

Cultural globalization is accompanied by various challenges for Iran. Broadcasting news, information, amusing programs and consuming products from main centers to the surroundings is accompanied by modeling western life style. Attracting nations toward western culture and international language of English while the other cultures and languages are limited has led globalization to mixing of cultures. New culture is mixed with local culture and a new intermingled one is created. As a result, subcultures have been melted in the dominant culture. Another challenge of globalization is related to individualization and thus isolation at home. One of the factors affecting western culture is that everyone is looking for isolation so that members of a family live apart even inside a house. Another challenge of globalization is that house and housing have less role in separating individuals. Modern man is more willing to expose himself and show off (Estelaji and Hosseinzade, 2013).

2.2.11. Globalization and Supply Chain Management (SCM)

Today, there is a severe competition among business units based on the production of goods and services and also the needs and demands of customers and at the same time, the cost-effectiveness of these needs. Furthermore, globalization process and intensity of international competition along with technological advances has led to formation of a new business market for competition along with some opportunities for organization to be

successful at international and global level. Accordingly, many companies moved toward customer orientation to reduce time and to meet the customers' needs and also high quality production. As a result, many companies have applied effective management in purchase process and also tried to have effective interaction with competitive advantage providers. This has led to changes in companies look at the process of supply chain as a vital activity in creating value for customers (Tan et al, 1999).

What are the main processes of supply chain management?

Supply chain management includes **three** main processes including:

1. *Information Management*
2. *Logistic Management*
3. *Relationship Managements*

1) Information Management: today the role and importance of information is accepted for everyone. Proper and correct information transmission leads to more effective and efficient processes and easier management of them. The issue of coordination of activities is significant in supply chain management. This is also true in information management, information system and information transmission. Appropriate and proper information management among the business partners causes increased effects in speed, precision, quality and other aspects. Correct information management causes more cooperation in the chain. In general, information management at supply chain is effective in various sections, some of which are:

Logistic management (transmission, handling, processing to integrate transmission processes customization, changing orders, production timing, logistic plans and warehouse operation), data processing and exchange between partners (such as technical information exchange and process, orders and ...) , information collection and processing for outsourcing, selection and development of providers; information collection and processing of supply and demand to predict market process and future condition of supply and demand; creating and improving the relationship between business partners. Thus, information management and set of supply chain information systems can be effective on many internal decision making in various sections of supply chain which indicates high importance of this components in supply chain management.

2) Logistic Management: in analysis of production systems (such as automobile industry) includes the issue of logistics of physical sections of the supply chain. This section which includes all the physical activities since supplying the raw material to final production including transportation, warehousing, production timing and others. It includes a wide area of supply chain activities. In fact the logistic area not only includes the material flow and material but it is also the core of supply chain activities where the relationships and information are the support instruments for improving the activities.

3) Relationship Management: the factor which leads us to the end of discussion and maybe the most important section of supply chain management due to its structure and form, is relationship management in supply chain management. Relationship management has a significant effect on all supply areas and also performance level. In most cases, information systems and required technology for supply chain management activities can be easily accessed and can be completed and applied in a relatively short time. However, many of primary fails of supply chain result from the weak expectations and demands and behaviors which happen in between the parties on chain. Furthermore, the most important factor for successful management of supply chain is the secure relationship between chain partners, so that the parties have mutual trust to each other's capabilities and operations. In development of each integrated supply chain, development of trust and confidence among the parties and their reliability are among the most important and vital elements of success.

Intensity of global competition area in a continuously changing environment requires proper reactions of production-industrial organizations and companies twice and emphasized on their flexibility with insecure foreign environment. In addition, modern organization at national and international level in order to obtain and maintain a proper place require using the proper models such as supply chain management to meet the competitive advantage and customer expectations.

There are many weaknesses and difficulties of product supply chain in Iran including:

- . Lack of coordination within the ministries
- . Lack of coordination between ministries
- . Lack of coordination at the national level
- . Lack of coordination of Iran with other countries
- . Transportation problems of loads and facilities for loading terminals
- . Lack of proper attention to the packaging process
- . Lack of logistics experts in the country
- . Lack of coordination between chain components
- . Lack of access to accurate data and reliable
- . Withstanding changes
- . A system of mutual distrust
- . Poor understanding of the market economy

2.2.11.1. Advantages and benefits of supply chain

Supply chain have many advantages and benefits which are included in the following:

- . Reduction of logistics costs, logistics and maintenance
- . Reduction of personnel
- . Improved productivity
- . Improved the financial cycle
- . Timely delivery
- . Clarity and flexibility
- . Standardization
- . Globalization
- . Economies of scale
- . Increased consumer choice and access to suppliers
- . Reduction of distances and time dimensions (Mianabadi, 2010).

Supply chain management is a combination of science and art which is applied to improve access to basic materials, productions and services and providing them for the customers. Supply chain management emphasizes on integrating the supply chain activities and related information flows through improving the relationships in supply chain for have access to the reliable and sustainable competitive advantage. Therefore, supply chain management is defined as integrating the supply chain activities and also their related information through improving and coordinating activities in production and product in supply chain. In order to examine a unique organization based on this framework, this definition should be considered at both networks of providers and distribution channels. Definition provided for supply chain includes the management of information systems, outsourcing and procurement, production timing, order processing, inventory management and customer services. Thus, for effective supply chain management, it is required that the providers and customers work together and in a coordinated form or with the corporation and information relations or negotiations. This means quick information flow among customers and providers, distribution centers and transportation systems which enables some companies which create very efficient supply chain. Suppliers and customers have to same goals and also suppliers and customers should have mutual trust. Customers should have similar goals and suppliers and customers also should trust each other regarding product quality and services. Furthermore, suppliers and customers should cooperate in supply chain design to gain mutual goals and facilitate relationships and information flow. Some companies try to gain control over their own supply chain or general vertical control or use the ownership and integration of all various components along the supply chain from preparation of materials and services to delivery of final product and customer services. However, even with this organizational structure, various activities and operation units may be uncoordinated.

. Supply Chain difficulties and their sources

In business world, there are many examples of companies which are not able to reach their demand levels and as a result, they suffer from a lot of costly inventories. This section explains these problems and their causes.

The supply chain difficulties are generally resulted from **two** main sources:

1. Unreliability: one of the main source of unreliability is to predict demand. Demand prediction is affected by many factors of competition, cost, current condition, technological development and general level of customer commitment. Another factors of unreliability in supply chain is the delivery time which depends on factors such as failure of the machines in the production process line, traffic congestion intervening on transport and difficulties of material quality which may create production delay.

2. Lack of Coordination: this problem happens when a department of a company or other department s do not have good relationship, when the message is incomprehensible for business partners and when some departments are not aware of some issues or became aware more lately of what happened or going to happen.

Management function against challenges of supply chain:

Many technologies and instruments are used to improve supply chain strategies. The range of implementing technologies paves new ways for changing the organizational structure from hardware technology to software and information technology for organization. The main points to reach efficacy and effectiveness in supply chain are divided into five main components which are somehow the organizing factors. Skill and efficacy of supply chain management depends on competence and integrity of these **five** functions.

1) The structure of supply chain partners: designing supply chain is planned based on efficacy on the strategic factors and regarding the customers need for supply chain design, so that it includes the range of available products, services, new products or customer segments. It is planned based on awareness of final product in supply chain. That is, the product quality should be developed and improved in long term to be able to continue the competition. Furthermore, integration of supply chain determined the organization's competitiveness.

2) Implementation of participatory relationships: this section refers to various types of essential cooperation. This function develops the relationship of supply chain to the

participation of external factors. Any change in supply chain should be informed to the partners and all over the chain.

3) Designing supply chain for strategic profitability: supply chain management requires the effective cooperation of external factors of the company. However, the relationship of every company with the external companies is problematic.

4) Information of supply chain management: the role of information systems in modification of supply chain should not be ignored. This segment illustrates the role of technology in modification of supply chain. Systematic changes should affect the changes (modification) of company's processes and strategies.

5) Reduction of supply chain costs: the main index of improving supply chain is to reduce the costs. *Five* main reasons are:

- . Lack of clarity in supply chain process
- . Changes in domestic and foreign policy
- . Weaknesses in production design
- . Incomplete information for decision-making
- . Weakness of the chain in communication between supply chain partners (Naghadeh, 2011).

World Bank in a report divided the barriers of logistic development in developing countries into five main groups, all of which are true for Iran. Following, the barriers of development and their examples are provided (Soleimani Sadehi, 2011).

Table 2.2 Barriers of logistic (barriers in developing countries)

Key Factor	Example
Weak substructures	<ul style="list-style-type: none"> . Poor transportation infrastructure and multiple and various related laws . Poor communication systems . Worn out and inadequate transport vehicles . Inadequate road network . Inadequate storage . Old railway network
Challenges of economic systems	<ul style="list-style-type: none"> . Poor understanding of the market economy . Weakness in realistic and practical economic planning, . Weakness in the consolidation of economic path . Small domestic market and lack of market information. . Inefficient banking system and high interest rates . Problems and deficiencies in the government's economic support . Inefficient tax system

Problems of management systems	<ul style="list-style-type: none"> . Bureaucratic management and lack of inter-organizational coordination in the chain . Lack of system flexibility . Lack of trust between judicial systems to resolve disputes and long chain components . The shortage of competent working forces
Management problems	<ul style="list-style-type: none"> . Resistance to change . Poor understanding of balance cost / service . Ignorance of the common aspects of logistics, marketing and production . Low credit managers in logistics . Lack of innovation and progress . Weakness in specialization
General problems	<ul style="list-style-type: none"> . Lack of management consistency . Lack of continuity of policies . Insufficient funds . Lack of compliance with regulations

Therefore, globalization creates this viewpoint in companies that they severely need supply chain management to meet the various needs and demands of customers. As a result, they have to internalize the ability to manage competitive activities and activities at global level every day using proper supply chain management. On the other hand, opening international markets for Iranian companies led some of the companies to think about globalization and acting in this regard. In this condition, the necessary condition for supply chain management should be provided at global level, however, there will be various challenges in this regard. *The challenges faced by companies on using global supply chain are:*

1. Cultural barriers: those companies which consider the effect of cultural barriers and differences nonsignificant, will pay heavy cost at global markets for this mistake.

2. Following export and import regulations: every company, even if not directly entered the international trade, has to comply with export and import regulation. If a company offers the products of a producer which are sold outside the country, it soon understands that it has to comply with trade regulation of foreign countries.

3. Products Standards and Testing: standards form the basis for product design. Product testing insures the customers about the fact that the product is reliable regarding the standards which are considered as barriers for trade without tariff by World Trade Organization (WTO). If the companies do not comply with national or regional standards, they will be deprived of global markets and their supply chain is interrupted.

4. Advanced Technology: although human interaction is required for maintaining firm global relationships and human skills are essential for information transmission management, no company is needless of advanced technology for supply chain management at global level.

5. Information management: global supply chain is not possible without considering the information management. For example, accuracy of information is required specifically for on time sending and controlling the available products in warehouse. Incorrect

information and missed data and delayed sending can interrupt the entire supply chain (Rouhani et al, 2014).

Today, ports are the most important part of global supply chain. Ports as the most important centers of economic activities since old times, play an important role in economy of Iran. Changes in ports functions and changing them from decks and product warehouses into the product market and places for processing, change, modification, distribution and transition of product, service, industrial and business activities has increased their importance in global economy twice. Therefore, those countries which could successfully modify their ports with the new process of global economy and has changed the ports from decks into economic firms through investment and management, have benefited from the resulted profitability in the economy of their country. The importance of logistic management and supply chain, specifically free ports and special economic zones has been specifically considered by the producers, businessmen, distributors, customers and generally all the stakeholders. It is known that if the aim of economic globalization is to manage the supply chain. Logistics, use modern technologies in production factors and trading products at production place, processing or consumption of products, minimizing the production costs for producer and consumers, the role of ports as the import and export place of products has increasingly become more significant than before. In fact, the vital role of ports in reduction of transportation cost and direct effect on the whole price of the products or services is significant and undeniable.

Since 1980, development in container transportation and emergence of new multidimensional site led to the emergence of third generation ports. These ports change into product market from product service centers. The functions of the third generation ports extended from the port neighborhood and adjacent areas into the hinterland and domestic distribution centers. Distinction between these ports and second generation ports was the promotion of business functions along with service and industrial functions. Regarding the development of industrial and business activities and serious will of all countries for excellence and development, it is required to precisely consider all dimensions of supply, production and distribution over the type and quality of products for fast progress. Studying the global experience makes the role of supply chain management

and logistics more significant. An important part of products and services related to supply chain management and logistics are defined in areas which include: systems and equipment for transporting goods and cargo, storage systems and storage technologies and technologies for transporting dry items, liquid items and bulk items, services and logistics technology, hazardous materials, with special risk, control systems (radio, etc.), systems and software, transportation management and warehouse management, etc.,. Accordingly, those activating in marine transportation are the most significant activists of logistics and supply chain services.

Some advantages of implementing logistic knowledge and supply chain management in third generation ports are:

- . Lower inventories
- . Higher productivity
- . More agility
- . Shorter delivery deadlines
- . Higher profits
- . More concern for customer rights
- . Inventories and deposits of the correct value
- . Ability to view and track events
- . Reduction in costs
- . Increased service to consumers
- . Creating Competitive Advantage
- . Closer interactions with suppliers
- . Opportunity to purchase large quantities and at lower cost
- . Creating reference response
- . The ability to actually run a system in combination

2.3. Conceptual Framework

Present study aims to identify the challenges and obstacles of globalization in Iran. A brief discussion of challenges and obstacles of globalization are provided following discussion about concepts, paradigms, theories, advantages and disadvantages, and opportunities. According to what mentioned above, there are three main challenges of cultural, economic and political on the way of globalization for countries including Iran. These challenges and obstacles are shown in figure 1.2 as the conceptual framework of the study.

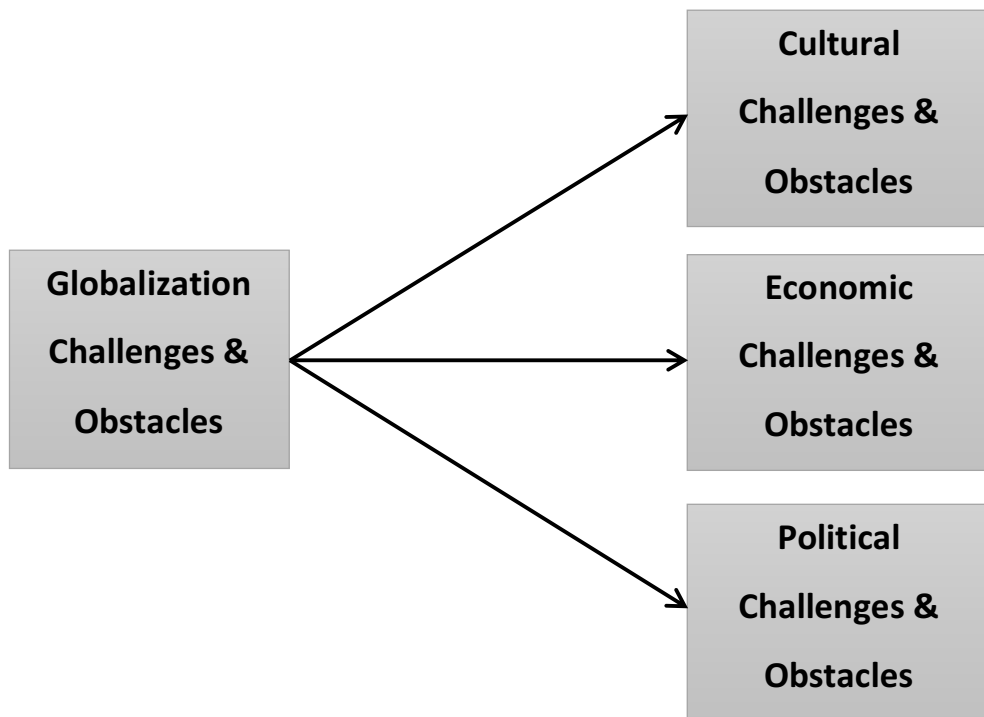


Figure 2.1. The conceptual framework of the study

Chapter 3

Methodology

3.1. Introduction

Scientific research in order to find reality, is in fact found based on research methodology. Meeting the scientific objectives or scientific understanding is only possible through correct methodology. In other words, research finds reliability based on its methodology not the subject. Research methodologies are categorized based on research objectives and also data collections in various forms. Each of these categories include various methodologies with its own applications, advantages and disadvantages. The researcher should consider the fact that the reliability of research findings is severely affected by the reliability and validity of research methodology selected by the researcher. Meeting the research objectives is only possible when the research is done for recognition or based on correct methodology. Conducting a research, one should propose a set of hypothesis and then test them to find the appropriate answer to these hypotheses, objectives or questions. This leads the research process and helps the researcher to recognize the facts. Accordingly, research method determines the fact that how a hypothesis or research questions is approved or rejected. The answer to this question that: “how research data are collected and interpreted so that the ambiguity reaches its minimum level?” should be given based on research methodology (Sarmad et al, 2011).

This chapter presents research methodology, population and participants of the study, sampling method, research instruments and reliability and validity index of it, statistical methods of data analysis and finally the research area.

3.2. Research Method

In general, scientific studies are categorized into three types of basic research, applied research and research and development based on research objectives (Sarmad et al, 2011). Basic research are the one where the researcher apart from the immediate commitment and applicability of the study, reviews the background and answers the great curiosities of human being (Sarokhani, 20112). Applied research are the one which are not only conducted to meet the deep curiosities of human being but also for solving personal, group or social problems. Research and development is conducted to determine and recognize the appropriateness of an educational product (Sarokhani, 2012). The present study tries to use the results of the study in short time and at the field of organizations. Therefore, the

present study is an applied research based on objective and descriptive-survey in terms of methodology since it examined the correlations among variables based on prediction (testing hypothesis) in addition to describing the present fact and is looking for determining the effect of variables on each other.

3.3. Research Population and Participants

Population of the study includes a set of people or units who have at least one common features and the researcher is interested to attribute his or her research findings to them (Sarokhani, 2012). Population of the study are export and import companies of Islamic Republic of Iran Customs. Regarding the fact that exporting and importing companies of customs are among the strongest and more efficient companies of Islamic Republic of Iran. These companies are selected for identifying the challenges and barriers of globalization. Simply, sample of the study can be defined as a set of researcher observations of the research population and participants (Rousta et al, 2007). Sample of the present study was selected based on cluster random sampling method. This method was used due to the distribution of the population and exporting and importing companies of the customs. Therefore, the present study was conducted based on cluster random sampling method. Regarding the various number and high distribution of the exporting and importing companies of the customs, sample of the study included the exporting and importing companies of Bushehr, Hormozgan, and Sistan and Baluchestan provinces. The opinions of 12 experts were used to recognize the challenges and barriers of globalization against the importing and exporting companies of Iran. Accordingly, 7 challenges and barriers were selected for each of these barriers and challenges and then a questionnaire was designed accordingly and distributed among the sample of the study. Table 3.1 illustrates the challenges and barriers of globalization of Islamic Republic of Iran.

Table 3.1. Challenges and barriers of globalization of Islamic Republic of Iran

Challenges and barriers of globalization	Economic challenges and barriers	Political challenges and barriers
Promotion of the culture of consumerism	Decline of economic power	The loss of legitimacy and undermining the nation-state
Cultural conflict and the collapse of beliefs, attitudes, values and norms	Customs and trade barriers	Reducing the power of government policy instruments
Cultural interactions and undermining indigenous cultures and subcultures	Problems of financial transactions and investment flows	Changes in the international order and political system
Imposing dominant cultures through the medium of other cultures	Internationalization and interdependence of financial markets and the global trading exchange	The increasing role of human rights organizations and their involvement in domestic issues
Changes in the national identity of removing Iran and the Westernization	existence of commercial support regulations	Decline in political rights and freedoms
The prevalence of racism and the inherent superiority of indigenous	The unemployment crisis	Increasing corruption at the political level
Cultural confusion and disorientation	Widening the gap between the rich and the poor	Decline in democracy

Based on cluster sampling method, at first stage 3 pre-mentioned customs were selected from among the exporting and importing companies from Islamic Republic of Iran Customs and at next stage, 150 companies were selected as the final sample of the research and then the questionnaires were distributed among the managers and agencies of exporting and importing companies from each customs (from among 150 distributed questionnaires, the share of each custom was 50). At third stage, 136 completed questionnaires were collected and analyzed from among distributed questionnaires.

3.4. Data Collection Instruments

Regarding research methodology, the present descriptive survey implemented a questionnaire for data collection which included three parts:

First part, the acknowledgement letter: through which the researcher informed being thankful to the respondents and along with providing some information about research topic, ensured them about the confidentiality of their collected data.

Second part, demographic questions: in this section some questions regarding age, gender, marital status and education level were included.

Third part, questions related to research variables: in this section, some questions were asked to examine the research variables including cultural, political and economic challenges and barriers. This part of the questionnaire included 21 items. Questions 1-7 are related to cultural challenges and barriers, questions 8-14 are related to economic challenges and barriers and questions 15-21 ask about political challenges and barriers. All the answering items were closed and rated based on five-point Likert scale. Table 3.2 illustrated five-point Likert scale rates.

Table 3.2 Five points of the Likert scale

Strongly disagree	disagree	No opinion	Agree	Strongly disagree
1	2	3	4	5

3.5. Reliability and Validity of Research Instrument

Despite accuracy of research instrument, there is a rate of error in every precise measurement which is called measurement error. The researcher should reduce this error and approve its measurement quality. For this purpose, the reliability and validity are required to approve the accuracy of research instruments (which is a questionnaire in this study).

Validity means that every instrument should measure what it has been designed for. One cannot rely on the collected data of an instrument without being informed about its reliability (Sarmad et al, 2011). There are various methods for determining reliability of measurement instrument. The present study applied content validity for measurement of item validity (the questionnaire). Content validity is a kind of validity used for examining the components of a research instrument. If the questions of the research instrument present the specific features and skills which the researcher aims to measure them, the test has content validity. Therefore, the research instrument was examined by five experts and scholars in order to test the content validity by giving their opinions about the questionnaire based on research objectives. After collecting the questionnaire, their proposed corrections were applied so that the questionnaire would have required content validity.

Reliability is one of the technical features of research instrument. Reliability indicates that how much the measurement instrument presents same results at same conditions (Sarmad et al, 2011). There are various measurement instrument for measuring research instrument reliability including Cronbach's alpha. Cronbach's alpha coefficient is an index for measurement of the internal consistency of multiple items toward a specific factors. The acceptable Cronbach's alpha is over 0.7 (Sarmad et al, 2011). The present study also

applied Cronbach's alpha in order to measure the research instrument reliability as many other studies. Cronbach's alpha coefficient is a number from zero to one. The reliability coefficient of less than 0.6 indicates weak reliability. The reliability coefficient of higher than 0.7 to 0.8 indicated acceptable reliability and higher than 0.8 Cronbach's alpha indicates high reliability of any research instrument. Table 3.3 illustrates the Cronbach's alpha of each research variables and the entire questionnaire separately.

Table 3.3 Cronbach's alpha for research variables and the entire questionnaire

Variable	Number of items	Cronbach's alpha
Cultural challenges and barriers	7 items	0.81
Economic challenges and barriers	7 items	0.86
Political challenges and barriers	7 items	0.84

Cronbach's alpha for all the research variables was higher than 0.80. Thus, this is over the standard and all the research variables have acceptable reliability. Therefore, the research instrument reliability is very high.

3.6. Methods of Data Analysis

At the present study, various descriptive criteria of frequency, percentage, mean and standard deviation were used to measure the demographic variables. SPSS software was used for data analysis. The researcher aimed to use indices such as mean, standard deviation and one-sample t-test to answer the research questions and meet the research objective. Therefore, SPSS software was used to answer the research questions.

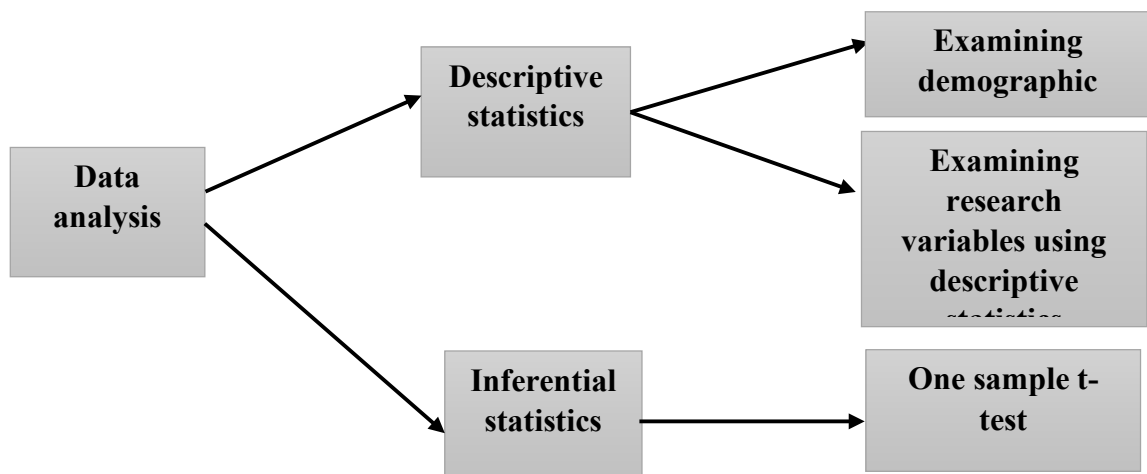
Chapter 4

Data Analysis

4.1. Introduction

The main aim of the study is to answer the research questions and meeting the goals for which the researcher has planned to recognize the external facts. Data analysis is one of the most important and significant parts of the study in most studies which rely on collected data of the research subject. Raw data are analyzed using statistical data analysis techniques and then presented to the users after data processing (Ahmadi and Sorayandi, 2013). The researcher can use various statistical methods for data analysis and answering the research questions and meet the research objectives. Using each of these methods depends on the conditions where the researcher has to consider regarding their studies. Generally, the analysis methods can be divided into two groups: descriptive and inferential statistics. This chapter presents data analysis and data collected through the questionnaire so that the research questions and research hypotheses can be answered. Analyses are divided into two different parts. First part is related to descriptive statistics including determining demographic features. Second part is devoted to inferential statistics to examine the hypotheses and research questions using SPSS software. Figure 4.1 illustrates the model of data analysis.

Figure 4.1. Model of Data Analysis



4.2. Descriptive Statistics

Based on figure 1.4, descriptive statistics are used to examine the research sample. Descriptive statistics indicates the demographic features of the research participants. In fact some information about the age, gender, marital status and educational degree of the sample exporting and importing companies of Islamic Republic of Iran Customs. Related results are provided in the following table.

4.2.1 Descriptive statistics of research variables based on the age of the respondents

Table 4.1 illustrates the percentage and frequency of age variable of the research participants.

Table 4.1. The percentage and frequency of age variable of the research participants

Age	Frequency	Percent
Less than 20	4	2.9
20-25 years old	31	22.8
25-30 years old	31	22.8
Over 30 years old	70	51.5
Total	136	100

Based on the above table, the highest frequency and percentage of the research respondents were more than 30 years old (51.5 %), followed by 25-30, 20-25 years old with 22.8 percent and finally those less than 20 years old with the frequency of 2.9.

4.2.2. Descriptive statistics of research variables based on the gender of the respondents

Table 4.2 illustrates the percentage and frequency of gender variable of the research participants

Table 4.2. The percentage and frequency of gender variable of the research participants

Gender	Frequency	Percent
male	109	80.1
Female	23	16.9
non	4	2.9
Total	136	100

Results of table above indicated that the high percent of the participants (80.1 percent) were male and only 16.9 percent were female.

4.2.3. Descriptive statistics of research variables based on the marital status of the respondents

Table 4.3 illustrates the percentage and frequency of marital status variable of the research participants

Table 4.3. The percentage and frequency of marital status variable of the research participants

Marital status	Frequency	Percent
Single	14	10.3
Married	116	85.3
Non	6	4.4
Total	136	100

Based on table 4.3, the highest percent of respondents (85.3) were married and only 10.3 percent were single.

4.2.4 Descriptive statistics of research variables based on the educational degree of the respondents

Table 4.4 illustrates the percentage and frequency of educational degree variable of the research participants

Table 4.4. The percentage and frequency of educational degree variable of the research participants

Educational degree	Frequency	Percent
College degree to bachelor's degree	26	19.1
Master's degree	99	72.8
PhD.	11	8.1
Total	136	100

Based on table 4.4 the highest percent of the participants had master's degree (72.8 percent), followed by college to bachelor's degree (19.1 %) and PhD. (8.1 percent), respectively.

4.3. Inferential statistics

After describing the variables and responds given by the participants, this section deals with the research questions and hypotheses based on the related statistical test. The aim of statistical test is to see if the prediction about a feature of the participants based on the sample data is verified or not. Based on the research objective, the prediction is typically based on the value of a parameter. Therefore, statistical hypothesis can be approved or rejected.

4.3.1. Testing research hypotheses

This section presents the test of research hypotheses separately. One-sample t-test was used to test the research hypothesis.

Hypothesis one: cultural challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs.

Results of one-sample t-test for first hypothesis is shown in table 4.5

Table 4.5. Results of one-sample t-test for cultural challenges of globalization

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
Cultural challenges and barriers of globalization	128	23.07	5.60	46.56	127	0.000

As shown in table 4.5 and regarding t statistics of 46.56 and level of significance (p-value) of 0.000, it is concluded that cultural challenges and barriers are among the most important challenges of globalization. Therefore, first hypothesis is approved. It can therefore be concluded that cultural challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. In order to precisely define these challenges and barriers, t-test was done for all the components of cultural challenges and barriers.

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
Promotion of the culture of consumerism	135	3.19	1.23	29.96	134	0.000
Cultural conflict and the collapse of beliefs, attitudes, values and norms	135	3.25	1.13	33.40	134	0.000
Cultural interactions and undermining indigenous cultures and subcultures	134	3.70	1.12	38.11	133	0.000
Imposing dominant cultures through the medium of other cultures	136	3.40	1.13	35.04	135	0.000
Changes in the national identity of removing Iran and the Westernization	133	2.98	1.19	28.84	132	0.000
The prevalence of racism and the inherent superiority of indigenous race	134	3.12	1.13	31.74	133	0.000
Cultural confusion and disorientation	134	3.49	1.37	29.45	133	0.000

As it is shown in table above, all the t-test for the components of cultural challenges and barriers were significant at the p-value of 0.000. Therefore, all these challenges and barriers were among the cultural challenges of globalization.

Furthermore, it can be concluded that the most important cultural challenge and barrier of globalization for the importing and exporting companies of Islamic Republic of Iran Customs, respectively are: cultural conflict and the collapse of beliefs, attitudes, values and norms (mean 3.70), cultural confusion and disorientation (mean 3.49), imposing dominant cultures through the medium of other cultures (mean 3.40), cultural conflict and the collapse of beliefs, attitudes, values and norms (mean 3.19), prevalence of racism and the inherent superiority of indigenous race (mean 3.12) and changes in the national identity of removing Iran and the Westernization (mean 2.98), respectively.

Accordingly, the first hypothesis is approved. Findings indicated that cultural challenges and barriers are among the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs. Besides, the most important cultural challenge of globalization for these companies was also identified.

Hypothesis two: economic challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs.

Results of one-sample t-test for second hypothesis is shown in table 4.6

Table 4.6. Results of one-sample t-test for economic challenges of globalization

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
economic challenges and barriers of globalization	117	24.16	5.99	43.56	116	0.000

As shown in table 4.6 and regarding t statistics of 43.56 and level of significance (p-value) of 0.000, it is concluded that economic challenges and barriers are among the most important challenges of globalization. Therefore, second hypothesis is approved. It can therefore be concluded that economic challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. In order to precisely define these challenges and barriers, t-test was done for all the components of economic challenges and barriers.

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
Decline of economic power	136	2.93	1.39	24.54	135	0.000
Customs and trade barriers	133	3.41	1.33	29.42	132	0.000
Problems of financial transactions and investment flows	136	3.99	1.05	44.02	135	0.000

Internationalization and interdependence of financial markets and the global trading exchange	135	3.70	1.27	33.72	134	0.000
existence of commercial support regulations	136	3.51	1.16	35.03	135	0.000
The unemployment crisis	126	3.53	1.05	37.54	125	0.000
Widening the gap between the rich and the poor	132	2.88	1.31	25.17	131	0.000

As it is shown in table above, all the t-test for the components of economic challenges and barriers were significant at the p-value of 0.000. Therefore, all these challenges and barriers were among the economic challenges of globalization.

Furthermore, it can be concluded that the most important economic challenge and barrier of globalization for the importing and exporting companies of Islamic Republic of Iran Customs, respectively are: Problems of financial transactions and investment flows (mean 3.99); Internationalization and interdependence of financial markets and the global trading exchange (mean 3.70); unemployment crisis (mean 3.53); existence of commercial support regulations (mean 3.51); Customs and trade barriers (mean 3.41); decline of economic power (mean 2.93) and widening the gap between the rich and the poor (mean 2.88).

Accordingly, the second hypothesis is approved. Findings indicated that economic challenges and barriers are among the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs.

Besides, the most important economic challenge of globalization for these companies was also identified.

Hypothesis three: political challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs.

Results of one-sample t-test for third hypothesis is shown in table 4.7

Table 4.7. Results of one-sample t-test for political challenges of globalization

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
political challenges and barriers of globalization	123	24.34	5.65	47.71	122	0.000

As shown in table 4.7 and regarding t statistics of 47.71 and level of significance (p-value) of 0.000, it is concluded that political challenges and barriers are among the most important challenges of globalization. Therefore, third hypothesis is approved. It can therefore be concluded that political challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. In order to precisely define these challenges and barriers, t-test was done for all the components of political challenges and barriers.

Variable	Frequency	Mean	Standard deviation	t	df	Sig.
The loss of legitimacy and undermining the nation-state	131	3.56	1.19	34.09	130	0.000
Reducing the power of government policy instruments	133	2.98	1.12	30.51	132	0.000
Changes in the international order and political system	134	3.84	0.93	47.46	133	0.000
The increasing role of human rights organizations and their involvement in domestic issues	136	3.64	1.24	34.08	135	0.000
Decline in political rights and freedoms	134	3.75	1.24	35.01	133	0.000
Increasing corruption at the political level	136	3.70	1.23	35.03	135	0.000
Decline in democracy	131	2.66	1.23	24.54	130	0.000

As it is shown in table above, all the t-test for the components of economic challenges and barriers were significant at the p-value of 0.000. Therefore, all these challenges and barriers were among the economic challenges of globalization.

Furthermore, it can be concluded that the most important economic challenge and barrier of globalization for the importing and exporting companies of Islamic Republic of Iran Customs, respectively are: Changes in the international order and political system (mean 3.84); Decline in political rights and freedoms (mean 3.75); Increasing corruption at the political level (mean 3.70); increasing role of human rights organizations and their involvement in domestic issues (mean 3.64); Reducing the power of government policy instruments (mean 3.56); Reducing the power of government policy instruments (mean 2.98); and Decline in democracy (mean 2.66).

Accordingly, the third hypothesis is approved. Findings indicated that political challenges and barriers are among the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs. Besides, the most important political challenge of globalization for these companies was also identified.

The fourth and last research question is:

Question four: what are the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs and their regarding Supply Chain Management?

Results of the study based on the review of literature and research findings indicated that the challenges and barriers of the exporting and importing companies of the Islamic Republic of Iran Customs can be categorized in three general groups of cultural, economic and political challenges and barriers. Findings of the study indicated that the most important cultural challenges and barriers of globalization for the exporting and importing companies of the Islamic Republic of Iran Customs included cultural interactions and undermining the cultures and indigenous subcultures, cultural confusion and disorientation, imposing the dominant cultures through the media of other cultures, cultural interaction and the collapse of beliefs, attitudes, values and norms, promotion of the culture of consumerism, racism and priority of indigenous race, changing the national identity of Iranian population and Westernization. According to the results of the study the most important challenges and barriers of globalization for the exporting and importing companies of the Islamic Republic of Iran Customs included financial transactions and

investment flows, internationalization and interdependence of financial markets and a global trading exchange, unemployment, commercial support regulations, customs and trade barriers, low economic power of the country and increased gap between the poor and the rich. Results of the study also indicated that the most significant political challenges and barriers of the exporting and importing companies of the Islamic Republic of Iran Customs included changes in the international order and political system, reducing rights and political freedoms, corruption and bribery at the political level, the increasing role of human rights organizations and interference in the internal affairs of countries, the loss of legitimacy and undermining national governments legitimacy, reducing the power of public policy instruments and decline of democracy. Therefore, globalization would reduce the role of Iranian governments in administration of social activities. Thus, globalization leads to remove of country's order and also putting pressure on the governing state of Islamic Republic of Iran and reduced the role of government at national policy makings through the dominance of international organization and their intervention at national level. In this condition, supply chain management of Iranian companies would also be force to comply with new condition under the pressure of international rules and regulations.

Chapter 5

Discussion

5.1. Introduction

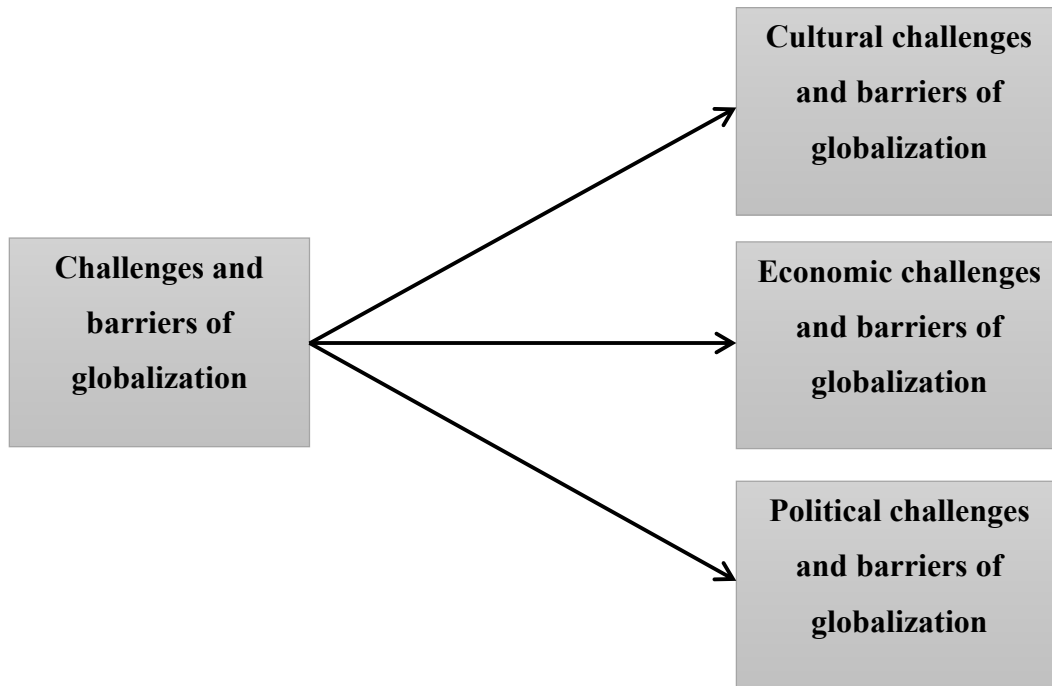
Obviously, conducting scientific research is one of the most essential and key features of scientific advances in various fields of study. Every researcher uses the findings of their study to scrutinize the issue and clarify an ambiguous point. Accordingly, they act scientifically to advance the science. Therefore, various studies try to find more information to contribute to scientific advance of human being. There is no doubt that research findings are explanatory for scholars and scientists. The aim of scientific studies is to obtain findings based on which one can find a new understanding to the research topic and so extend the scientific understandings and also solve the problems systematically. The present study aims to identify the challenges and barriers of globalization for the exporting and importing companies of Islamic Republic of Iran Customs. The study was conducted based on standard methods and methodologies suggested by the scholars and the required data were collected from the participants and analyzed through appropriate statistical analysis and descriptive statistics using SPSS software.

This section, summarizes and discusses the findings of the study based on data analysis. It is tried to answer the research hypotheses. Furthermore, next chapter deals with limitation of the study and finally, some suggestions are given to extend the research topic.

5.2. A summary of research content

Based on the issues presented in chapter two of the study, the conceptual model of various challenges and barriers of globalization faced by the exporting and importing companies is presented as below. Three types of main challenges and barriers faced by Iranian companies and industries are illustrated in this model.

Figure 5.1. Research Model



Population of the study are export and import companies of Islamic Republic of Iran Customs. , the present study was conducted based on cluster random sampling method. Regarding the various number and high distribution of the exporting and importing companies of the customs, sample of the study included the exporting and importing companies of Bushehr, Hormozgan, and Sistan and Baluchestan provinces. Then, 150 companies were selected as the final sample of the study. Following, the questionnaires were distributed among the exporting and importing companies of each customs. 136 complete questionnaires were collected out of 150 distributed questionnaires for data analysis. Then data collected through the questionnaire were analyzed so that the research questions and research hypotheses can be answered. Analyses are divided into two different parts. First part is related to descriptive statistics including determining demographic features. Second part is devoted to inferential statistics to examine the hypotheses and research questions using SPSS software.

5.3. Descriptive Statistics

This part presents a sum of various demographic features of research participants including their age, gender, marital status and educational degree.

According to the descriptive statistics, the highest frequency and percentage of the research respondents were more than 30 years old (15.5 %), followed by 25-30, 20-25 years old with 22.8 percent and finally those less than 20 years old with the frequency of 2.9.

Results of the data analysis also indicated that the high percent of the participants (80.1 percent) were male and only 16.9 percent were female.

Furthermore, the highest percent of respondents (85.3) were married and only 10.3 percent were single.

Accordingly, the highest percent of the participants had master's degree (72.8 percent), followed by college to bachelor's degree (19.1 %) and PhD. (8.1 percent), respectively.

Therefore, it can be stated that most of the participants were married men who were over 30 years old and had master's degree.

5.4. Inferential Statistics

A sum of research findings based on testing hypotheses is presented in this part. First hypothesis stated that cultural challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. Results of the study indicated that cultural challenges and barriers are among the most important challenges of globalization. Therefore, first hypothesis is approved. It can therefore be concluded that cultural challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs can be summarized as: globalization would led the companies' management to face a new phenomenon called cultural interactions and undermining indigenous cultures and subcultures in Iran, causing cultural confusion, imposing dominant western cultures through local cultural media. At this condition, companies should monitor cultural

changes of Iran's society and changes in subcultures and new beliefs and values to offer cultural products based on the new condition. Globalization would lead to dominance of consumerization, racism and prioritization of local races on Iranian society.

At this condition, Iranian companies can take two policies into consideration. First, they can offer products and services promoting consumerization and second they can offer products or services to promote Iranian culture. However, in face of globalization, it seems that Iranian companies have no way except to be modified with dominant global values and beliefs. Furthermore, globalization leads to changes in Iran national identity and westernization. So, globalization leads to dominance of western values on pure Iranian beliefs and values.

Second hypothesis stated that economic challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. Results of the study indicated that economic challenges and barriers are among the most important challenges of globalization. Therefore, second hypothesis is approved. It can therefore be concluded that economic challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs can be summarized as the following. Emergence of globalization lead to some problems in supply chain of Iranian companies regarding financial and product transactions regarding the international sanctions against Islamic Republic of Iran. It is essential for Iran to comply with these conditions. Investment flows, internationalization and mutual dependence of financial markets and World Markets Transactions regarding various financial sanctions led to reduction in investment and arrival and departure of capital through borders of Iran. Regarding high unemployment rate of Iranian society, globalization intensifies the unemployment crisis in Iran by arrival of new technologies and reduction in human labor. Despite the supportive business and trade regulations, the customs and global business barriers leads to reduction of these regulations and companies can compete at international area to be ready to enter the global markets. On the other hand, globalization leads to reduced economic power of Iran and increased gap between the poor and the rich since specific individuals and companies are able to compete at global market and use the advantages of globalization. Regarding the

difficulties on arrival of international capital and reduced participation of foreign investors due to international sanction against Iran, the managers and shareholders of companies are faced with difficulties in supplying the capital and financial resources. When the supply chain of companies is faced with various financial and economic problems, the ability of manager to decide and plan naturally decreases and production would not be compatible with the customers' needs and demands at a competitive market. Therefore, the companies face difficulties in producing the necessities.

Third research hypothesis states that political challenges and barriers are among the challenges and barriers of globalization faced by the importing and exporting companies of Islamic Republic of Iran Customs. Results of the study indicated that political challenges and barriers are among the most important challenges of globalization. Therefore, third hypothesis is approved and summarized as following. Globalization leads to change in international political order and system and imposed the global order on Islamic Republic of Iran. Globalization and emergence of new technologies led to reduced political rights and freedom, increased corruption and bribery at political level. Increased role of international human right organizations and their intervention at internal issues of the country has led to difficulties in governance of Islamic Republic of Iran. Further, globalization leads to reduced legitimacy and weakness of national governments, reduced power of policy makings of governments and reduced democracy in Islamic Republic of Iran. At this condition, production, export and import of the companies cannot be dependent on supportive policies of government since the power of government is significantly reduced to support the companies and no supportive policies can be applied in this regard since the government has not appropriate policies which in turn directly affects the policies of supply chain management of the companies (specifically public companies).

The fourth and last research question is:

Question four: what are the most important challenges and barriers of globalization for exporting and importing companies of Islamic Republic of Iran Customs and their regarding Supply Chain Management?

Results of the study based on the review of literature and research findings indicated that the challenges and barriers of the exporting and importing companies of the Islamic Republic of Iran Customs can be categorized in three general groups of cultural, economic and political challenges and barriers. Regarding cultural dimension, globalization affects the ability of other indigenous subcultures to face the dominant cultural condition at global level but they will defeat against cultural values governing western societies due to the emergence of new media. In this condition, supply chain management have to design and implement based on the new cultural condition (affected by western society) for Iranian customers.

Regarding economic dimension, emergence of globalization lead to increase in financial problems of the companies and there for inability of supply chain management to supply required financial resources and inappropriate attraction of capitals and financial transaction. Thus, managers of the company should use other methods to supply their financial requirements which indicates the importance of direct foreign investment. From political aspect, by globalization, the local government of Iran would not have the required power and ability of policy making to protect national production and so the companies themselves have to supply their required capital for competition at global level which in turn directly affects the supply chain and creates a new challenge for the managers.

Afshari (2015) showed that globalization is also a conceptual challenge that is crowding the world and cultural, political and economic challenges are the most significant challenges faced by governments. Singh (2012) also found that the risk of cultural conflicts is one of the most important challenges and barriers of globalization. At cultural conflicts, the creative and innovative managers should be employed to face the challenge. Hajizade and Ahmadi (2010) also stated that globalization is accompanied by various challenges including increasing inequality, stagnating economic growth and rising income inequality

in different countries. Ghasemzade (2014) showed that economic globalization can have effective role in development process in case of good and competitive production structure in the world, government efficiency and stability in government financial policies including monetary, trade and currency policies, proper infrastructure and economic stability and presence in regional organizations and unions. However, due to weakness of Iran in abovementioned factors, challenges of globalization emerged in economic isolation of Iran will be more significant. Stones (2007) also showed that globalization is accompanied both by various risks and opportunities. For globalization, the local politicians have to take an international view of the issue. Therefore, the most important political challenge of globalization in Iran is the short-sighted approach to domestic and international issues by politicians and policy-makers. Thus, based on the mentioned discussions, along with the review of literature, it can be concluded that globalization leads to various economic, political and cultural challenges for various communities.

Chapter 6

Conclusion

6.1 Introduction

Previous chapters dealt with the theoretical background of various challenges of globalization for Iranian companies based on political, cultural and economic aspects and also supply chain management. Further, after recognizing the related theoretical background, based on the opinion of the experts, seven sub-challenges were defined for each cultural, economic and political challenges which were statistically tested by the participants of the study. Accordingly, the managers and experts of Iranian companies stated their opinions regarding the various global challenges. Some solutions and suggestions were provided based on research findings. Further, the limitations of the study were also provided along with some suggestions for further studies.

6.2. Research Objectives

The present study aims to recognize the challenges and barriers of globalization at the present condition of Islamic Republic of Iran including cultural, economic and political aspects. Furthermore, the effect of these challenges on supply chain management of Iranian companies was another aim of the study. Based on the findings of review of literature and research findings, it can be stated that due to various problems and limitations of the study which will be mentioned. Further due to the wide extend of the study, it is proper to examine the issues more comprehensively and from other aspects and also use more comprehensive data collection instruments.

6.3. Research Problems

- . Lack of information sources to identify challenges and barriers of globalization for Iranian companies
- . Short period of investigation
- . Difficult access to enterprise managers and practitioners of exporting and importing companies of Iran's customs.
- . Lack of cooperation by many managers with researchers in the process of doing research

6.4. Research Limitations

Conducting any applied research is accompanied by some limitations due to internal and external factors which cannot be controlled. Thus the effect of these factors can significantly affect the findings of the study. There are some limitations in this study:

- . Limitation of the study population to exporting and importing companies of Bushehr, Hormozgan and Sistan-Baluchistan customs
- . Limitation of the data to the questionnaire gauges
- . Limitation of the scope and variables to cultural, economic and political challenge
- . Limitations in resources due to lack of access to or membership in some key publications and websites

6.5. Suggestion for further research

Some suggestions are provided for further studies here: \ Discuss strategies for dealing effectively with the challenges and cultural barriers facing the globalization of companies and industries in Iran

- . Discussing solutions for planning and action to deal with any cultural challenges and barriers globalization according to the order of their importance
- . Discussing solutions for planning and action to deal with any political challenges and barriers globalization according to the order of their importance
- . Discussing solutions for planning and action to deal with any economic challenges and barriers globalization according to the order of their importance
- . Providing a local mode for promoting the culture and creating proper cultural condition to face the cultural challenges of globalization based in Iranian-Islamic model
- . Examining other variables such as the social, environmental and technological challenges and barriers of globalization of companies and industries in Iran
- . Identifying the effects of globalization on national identity and the existence of Iranian society
- . Conducting the same study among communities and other fields to examine the validity of the framework in areas and other areas

6.6. Summary

Globalization is accompanied by various problems and serious challenges which should be appropriately managed. Globalization includes various challenges such as lack of quick financial transaction between countries, financial shocks and changes at trust which affects the interest exchange rate and workers with adverse social effects. Globalization is also accompanied by challenges such as social differences, income distribution, various policies and also increased unemployment rate along with technological advances. In general, globalization is accompanied by various political, economic, cultural and social challenges for various societies and countries.

Regarding the results of the study it seems that managers of Iranian companies should plan service and production activities based on cultural difference of various countries to be able to compete at global level. For example, they can sign international contracts at international level using modern technology and recognizing cultural differences and customs of international negotiations based on mutual respect. Furthermore, the cultural managers of Iran are recommended to provide the condition for removing the weak sections and entry of strong foreign cultural domain and also the condition for promoting rich Iranian culture by identifying the weakness and strength of Iranian cultures.

Considering the fact that there are various economic challenges and barriers for Islamic Republic of Iran and more specifically the companies and industries of Iran on the way of globalization, it is essential to reduce the business support policies and customs tariffs to increase the quality of the competitive services at global level to make them ready for compete at global level.

On the other hand, Iranian managers and policy makers, more specifically managers and policy makers of industry, mine and trade are required to negotiate with the related organization, banks and international financial institutes to provide the condition for financial transactions of Iranian companies at global level. This way, it is easier to supply the primary information and raw materials and so the supply chain process will be smoother and more efficient.

In addition, it is required that Iranian managers and policy makers take interactive policies to provide the condition for political relationship and so increased capability of Iranian companies to negotiate and supply the required material and activity at global level. Finally, it is hoped that the present study could contribute to more understanding of the readers regarding the research topic and provide a condition for more comprehensive studies in this regard.

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Appendix

This part presents the research questionnaire used to assess the variables.

Dear Participants,

This questionnaire is provided to collect data for the master's degree thesis entitled as "*Globalization, Identifying the Challenges and Obstacles (case study: exporting and importing companies of the Islamic Republic of Iran Customs).*" You can help us to provide rich findings by giving real answers to each question. You are asked to carefully study the questions and give your answer by crossing one of the five items from 1 (strongly disagree) to 5 (strongly agree).

We are thankful for your sincere cooperation in advance. Please complete the following information before answering the questionnaire.

- 1) Age: less than 20 20-25 25-30 30 and over
- 2) Gender: male female
- 3) Marital status: single married
- 4) Educational degree: college degree-bachelor's degree master's degree PhD.

	Strongly disagree	disagree	No opinion	agree	Strongly agree
Promotion of consumerization is one of the challenges of globalization for Iranian companies.					
Globalization leads to cultural conflict and the collapse of beliefs, attitudes, values and norms.					
Globalization leads to cultural interactions and undermining indigenous cultures and subcultures					
Globalization leads to imposing dominant cultures through the medium of other cultures					
Globalization leads to changes in the national identity of removing Iran and the Westernization					
Globalization leads to prevalence of racism and the inherent superiority of indigenous					
Globalization leads to cultural confusion and disorientation					
Globalization leads to decline of economic power					
Customs and barriers are one of challenges for globalization of Iranian Companies					
Problems of financial transactions and investment flows are one of challenges for globalization of Iranian Companies					

Internationalization and interdependence of financial markets and the global trading exchange are one of challenges for globalization of Iranian Companies					
Existence of commercial support regulations is one of challenges for globalization of Iranian Companies					
The unemployment crisis is one of challenges for globalization of Iranian Companies					
Widening the gap between the rich and the poor is one of challenges for globalization of Iranian Companies					
The loss of legitimacy and undermining the nation-state is one of challenges for globalization of Iranian Companies					
Reducing the power of government policy instruments is one of challenges for globalization of Iranian Companies					
Changes in the international order and political system is one of challenges for globalization of Iranian Companies					
The increasing role of human rights organizations and their involvement in domestic issues is one of challenges for globalization of Iranian Companies					
Decline in political rights and freedoms is one of challenges for globalization of Iranian Companies					
Increasing corruption at the political level is one of challenges for globalization of Iranian Companies					