

## Determining the Priority of Scenarios Relating to Improving Life Quality of Iran Retirees

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### ABSTRACT

A retiree is a saving not a burnt asset. Retirement and social security are the obvious necessities of life and undoubtedly the achievement resulting from the social phenomena study and their evolution contain a lot of points that can be used in improving the current situation and modifying the future circumstances. Developing retirement plans as a social right is one of symbols of society's development and today there is an urgent necessity to try for improving the life quality of pensioners in different ways. Prioritization the scenarios ongoing Iran retirement system was considered with TOPSIS methods in this article and with a research done in this aspect it was found that "improving the quality of health and treatment services for retirees", "considering the social aspects of retirement", "rules review", and "doing structural reforms in retirement funds" as a necessity is regarded one of the main actions in renewal of Iran retirement system.

**KEY WORDS:** Retirement, Social security, improving the life quality of pensioners, TOPSIS

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### 1-INTRODUCTION

During the history, human are always looking for individual and social security (Karbasian, 2004) and Social support of people who cannot afford their life is regarded important for individuals and families welfare and generally for social and economic performance and also social security with a good and appropriate performance is the main element of each society (Thompson, 1999). The main aim of a desirable retirement program is acquiring assurance from having essential financial resources for securing and also improving the life style in the years of retirement (Movafaghian, 2005). But today in most countries the elderly people don't have the appropriate condition in society, so in developing countries which have inappropriate economic conditions and are subjected to destructive effects of demographic changes, emigration, modernization, reduction of family ties, weakness in the economics of market and inappropriate health and public health services and social and economic security with a low quality (Paswan *et al.*, 2005). Therefore there is an urgent necessity for promoting the life quality of pensioners. In this research, possible scenarios for improving the life quality of Iran's retirees were identified, after numerous studies and inter viewing with the experts in the realm of social security and retirement, and then we pay to prioritization of these scenarios by survey among the experts of this realm and also by using the TOPSIS method. In this article first we pay to explanation of proposal and also the importance of research after considering the literature review and theoretical foundations of research. Then we pay to methodology and explaining the possible scenarios and according to research findings and the acquired results based on the survey and also results analysis, we present some suggestions and also the desirable strategies for retirement organization and Iran's social security by us.

### 2- LITERATURE REVIEW OF RETIREMENT AND SOCIAL SECURITY

#### 2-1 The necessity of changing the outlook towards retirement period of human resources

The Continues rapid momentum process in present age is the most essential ruling incidents of human life and also it's the important distinguished characteristic (Hamidi and Mohammadi, 2008) and Globalization is shifted to importance that wide content of definitions is included (Iravani, and Nazerian, 2012) and it has caused organizations change the methods of managing their human resources to a large extent (Azmi, 2010). Nowadays, in order to obtain the sustainable competitive advantage, the experts believe that the management of human resources is the most important factor and experiences have proved that the success or failure of companies is directly related to their quality and effectiveness of employees (Poor Kiani and Jahantigh, 2012). In the third millennium, all successful organizations consider their most important asset that is human resources and human resources will be the director of organizations and businesses (Rangriz and Azimi, 2007) and undoubtedly all the scientific and technological achievements which are done at present or in future would be implemented are the result of human efforts that are

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the main factors of production and also quality and quantity presentation of services (Ronagh, 2005) And expert human resources are known as the most important dynamic factor of a developed society (Parhizgar, 2002). Effective management of human resources can guarantee quality and also can be effective in the aspect of competitive advantage and employees have to be known as the main source of improving quality and productivity and also human resources have to be considered the main source of increasing productivity and a kind of assent (Afjeh and Esmaeel Zadeh, 2008). Here the main point is that the social security system has to complete so that it can answers the human needs which are developing continuously and becoming complicated (Moridi, 1998) and fundamentally, retirement is considered one of the main processes in management system of human resources (Ronagh, 2005). In fact, if we know human resources as the main factor of national production and economic development of each society, it is obvious that incidents resulting from the work, treatment and the other supportive services, provide the security of burnt human capital (Panahi, Bahram 2005) and by implementing insurance programs, retirement and providing different needs, tranquil employee's minds from the future anxieties related to senility, disease, paralysis and death and by feeling economic security, mind tranquility, and without any disturbance, they put all their effort in doing all turned over duties (Ronagh, 2005).

## **2-2 Retirement and social capital theory**

Elderly people are not disabled but are a treasury of knowledge and should not be set aside as unused people. They are like a big flowing stream (Singh, 2001) and Retirement should not cause the complete break of employees relationship with an institute who have spent whole their life in it. Relations between people are like breaks of social buildings and social ties lap more in functionality of society (Field, 2003) and participation, social and group cooperation is the other aspect, that social security can be effective. Lack of cooperation and group contribution is one of obvious deficiency in third world and also in Iran (Nemat Zadeh, 1992). Confidence is the result of social capital and confidence and interaction fulfill in special atmosphere of social communications. Social capital creates resources for people and groups and also causes the increase of functionality in achieving the goals. Communication poorness may also help privation and Focusing on relations and values as important factors in description of structures and behaviors is something that social capital causes solidarity between people and widespread social structures by focusing on social intermediate level structures like family, neighborhood, voluntary associations and public institution. Sometimes poor and powerless societies can use their social capital resource for compensating the lack of position and wealth (Field, 2003).

## **3. Describing scenarios of promoting standard level and improving life quality of Iran retirees**

Here strategies and politics in the frame work of empowerment scenarios were presented for retirees' empowerment and promoting their life level in three economic, social and health realms which are decision making choices of this research. Considering the importance of structural empowerment and retirement funds, the scenario of structural reforms was allocated to this issue and is received as an urgent and essential condition in retirees and pensioners empowerment of those funds. Also the presentation of micro-financial services scenario is among the actions which retirement organizations and social security do for resolving funds problems and increasing the present financial power of retirees. Our aim for putting this between decision-making choices of research is for measuring the amount of its effectiveness.

First scenario- Systematic Reforms ( $A_1$ ): In front of parametric reforms, a group of experts believe that parametric reforms are not responsive in long-term and actually it's a kind of difficult delay. Therefore social insurance and retirement system should be changed. They follow systematic reforms, especially privatization policy and making individual accounts based on capital investment. These accounts are individual and optional /obligatory and saving culture increase between people by creating and spreading these funds (Nikoo pour, 2004).

Second scenario- Rules Revision ( $A_2$ ): Several decades pass by the time of legislating Iran social security inspiring western countries rules. In their opinion, the law-maker definitely considers all the aspects and economic and social conditions of that time. But regarding the conditional change, there isn't any ever-lasting rule without requiring amendment. Retirement has different economic, social and psychiatric aspects and most economical aspects have been considered in the law of Iran social security and the important thing is providing the possibility of lasting some one's life after special age and at an appropriate social level by considering all aspects. This revision of rules can include lack of merely economic attitude towards the retirement issue and more considering of its social and psychiatric aspects, promoting the level of retirement benefits and coordinating it with life truths (Araghi and Badini, 2004).

The third scenario- The increase of presenting micro financial security services ( $A_3$ ): One of strategy for poor empowerment and access creation is to financial capitals for them that according to definition of Asian development bank, micro financial security contains a wide range of financial services like deposits, loan, payment services, money transfer and insuring the poor and families with a low income (Negin, 2004).

The fourth scenario- Promoting the quality of health and treatment services for retirees and the elderly ( $A_4$ ): health and welfare systems are effective in quality of happiness and satisfaction of world population from the birth till death (Hasan Zadeh, Fakhim Ali Zadeh, 2004) and creating health social insurances in each country depends largely to political, economic and social environment of that country (Hagh Parast and Kia Daliri, 2004).

The fifth scenario- Increasing the level of knowledge via education and purposeful advertisement ( $A_5$ ): Most of people and even Iranian educated people do not have enough information about rules, regulation and social security benefits (Fadakar, 1992) and by giving education and knowledge to people with the help and support of government and private organization, we can try in achievement of development goals (Yazdani, 2005). In fact, the goal of this kind of advertisement is further education and notification. Film-making, producing TV educational programs and including items and definitions of rules and social regulations in text-books are among the possible actions in this aspect (Fadakar, 1992).

The sixth scenario- Creating the social strong networks for elderly and retirees ( $A_6$ ): Retirement should not cause complete break of employees relations with an institute who have spent all their life in it. Relations between people are like the breaks of social building and connections between people from the warp and woof of wide spree society and Social connections are a help in further functionality of society, and these social networks form the fundamental of social correlation. Confidence and interaction implement in special atmosphere of social connections, sometimes poor and powerless societies can use their social capital savings for compensating the lack of position and wealth.

#### 4. METHODOLOGY

##### 4.1 The TOPSIS method

Group decision-making (GDM) is a way to draw inference from varying degrees of experience, ideas and motivations. (Gupta, 1991) and Multi criteria decision making (MCDM) may be considered as a complex and dynamic process (Opricovic and Tzeng, 2004). TOPSIS (technique for order preference by similarity to an ideal solution) was developed by Hwang and Yoon (Hwang and Yoon, 1981). Indeed, based on the concept that the chosen alternative should have the shortest distance from the positive ideal solution (PIS) and the farthest from the negative ideal solution (NIS) for solving a multiple criteria decision making problem. Briefly, the PIS is made up of all best values attainable of criteria, whereas the NIS is composed of all worst values attainable of criteria (Jadidi et al., 2008)

The TOPSIS procedure consists of the following steps:

(1) Calculate the normalized decision matrix. The normalized value  $r_{ij}$  is calculated as:

$$r_{ij} = \frac{f_{ij}}{\sqrt{\sum_{j=1}^J f_{ij}^2}}, \quad j = 1, \dots, J; i = 1, \dots, n, \quad (1)$$

(2) Calculate the weighted normalized decision matrix. The weighted normalized value  $v_{ij}$  is calculated as:  
 $v_{ij} = w_i r_{ij} \quad (2) \quad j = 1, \dots, J; i = 1, \dots, n,$

where  $w_i$  is the weight of the  $i$ th attribute or criterion, and  $\sum_{i=1}^n w_i = 1$ .

(3) Determine the ideal and negative-ideal solution.

$$A^* = \{v_1^*, \dots, v_n^*\} = \{(max v_{ij} | i \in I'), (min v_{ij} | i \in I'')\}, \quad (3)$$

$$A^- = \{v_1^-, \dots, v_n^-\} = \{(min v_{ij} | i \in I'), (max v_{ij} | i \in I'')\}, \quad (4)$$

Where  $I'$  is associated with benefit criteria, and  $I''$  is associated with cost criteria.

(4) Calculate the separation measures, using the dimensional Euclidean distance. The separation of each alternative from the ideal solution is given as:

$$D_j^* = \sqrt{\sum_{i=1}^n (v_{ij} - v_i^*)^2}, \quad j = 1, \dots, J \quad (5)$$

Similarly, the separation from the negative ideal solution is given as:

$$D_j^- = \sqrt{\sum_{i=1}^n (v_{ij} - v_i^-)^2}, \quad j = 1, \dots, J \quad (6)$$

(5) Calculate the relative closeness to the ideal solution. The relative closeness of the alternative  $a_j$  with respect to  $A^*$  is defined as:

$$C_j^* = \frac{D_j^-}{(D_j^* + D_j^-)}, \quad j = 1, \dots, J \quad (7)$$

(6) Ranking (Opricovic and Tzeng, 2004).

##### 4.2 The TOPSIS model of research:

In this study we used the TOPSIS method, to rank the scenarios of promoting standard level and improving life quality of Iran retirees. For this research, we used 5 criteria included: Life expectancy ( $C_1$ ), Physical, mental and behavioral health ( $C_2$ ), Sense of security ( $C_3$ ), Sense of fairness ( $C_4$ ), and Attention to the retirement community ( $C_5$ ), and we forwarded our questionnaire to 15 experts. The relevant data was collected by questionnaire and for

this research a questionnaire was designed that included a section for general data of experts and a section for decision making matrix. All these experts were senior consultants and teachers of universities, that they were experienced in retirement and social security systems. Since we are using TOPSIS method to analyze the data, the results are not influenced by small sample size. According to TOPSIS algorithm's Activities, below results are obtained. In table 1 we observe decision making matrix that completed by 15 questionnaires were responded from experts.

Table1- Decision making matrix

Criteria	$C_1$	$C_2$	$C_3$	$C_4$	$C_5$
<b>benefits</b>					
$A_1$	5.67	4.20	6.08	5.98	4.67
$A_2$	5.54	4.69	5.73	6.26	5.95
$A_3$	4.03	3.74	4.25	3.59	4.87
$A_4$	7.37	7.98	7.06	6.02	6.77
$A_5$	5.15	5.21	5.16	4.34	6.15
$A_6$	6.32	6.71	6.19	5.46	7.75

## 5. RESULTS

### 5.1 calculations of weights of criteria

The key to accuracy in the TOPSIS method is to obtain accurate weights and based on completed questionnaires, we calculated the weights of criteria that are shown in table 2 and the weights arranged and ranked in table 3. So, we can see that the weight of five criteria are as follows: Life expectancy (0.22), Physical, mental and behavioral health (0.21), Sense of security (0.20), Sense of fairness (0.18), and Attention to the retirement community (0.19).

Table 2- weights of sub-criteria

Criteria	$C_1$	$C_2$	$C_3$	$C_4$	$C_5$
<b>Total</b>	98	94	90	79	82
<b>Weight</b>	0.22	0.21	0.20	0.18	0.19

Table 3- ranked weights of sub-criteria

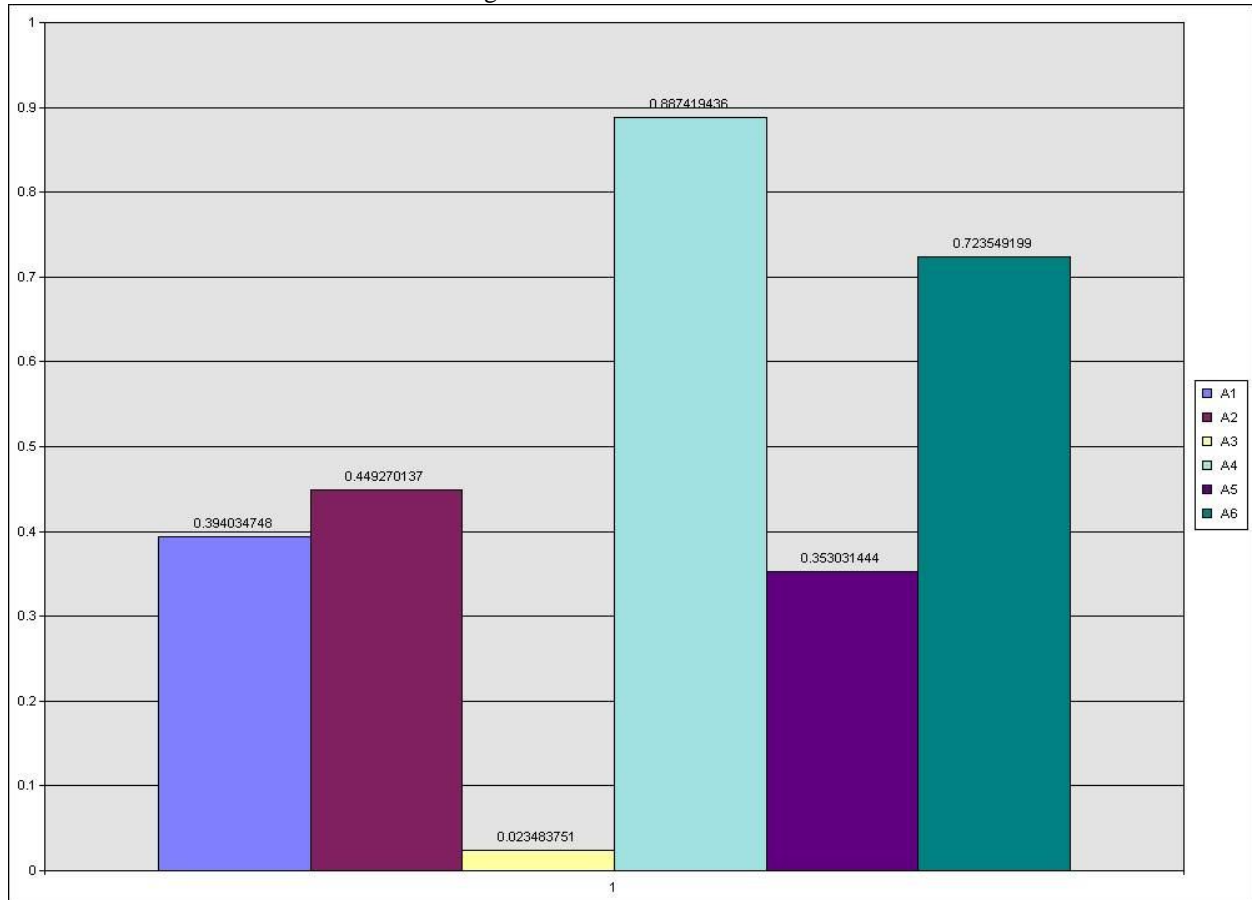
Criteria	$C_1$	$C_2$	$C_3$	$C_5$	$C_4$
<b>Weight</b>	0.22	0.21	0.20	0.19	0.18

From the weights obtained, it can be concluded that the most important of the criteria is Life expectancy (weight = 0.22) and the least important is Sense of fairness (weight = 0.18). So, Life expectancy is very important for promoting standard level and improving life quality of Iran retirees.

### 5.2 Ranking the scenarios

In this article, we used a methodology to provide a simple approach to assess alternative and help decision maker to select the best one. TOPSIS is a practical technique in dealing with multi criteria decision making and the basic principle of the TOPSIS method is that the chosen alternative should have the shortest distance from the ideal solution and the farthest distance from the negative-ideal solution. Based on the weights of criteria and data were shown in table 1, the scenarios are ranked, and this scenarios were explained in this article. For this calculation and ranking, we used TOPSIS 2005 and finally, we ranked scenarios of promoting standard level and improving life quality of Iran retirees that is shown in figure 1.

Figure 1- The ranked scenarios



From calculations were obtained, the ranking of scenarios based on relative closeness to the ideal solution are as follows: Promoting the quality of health and treatment services for retirees and the elderly (0.887), Creating the social strong networks for elderly and retirees (0.723), Rules Revision (0.449), Systematic Reforms (0.390), Increasing the level of knowledge via education and purposeful advertisement (0.353), and The increase of presenting micro financial security services (0.023). So, we concluded:

## 6. DISCUSSION

Retirement is considered one of the main processes in management system of human resources and social security is one of the important and essential prerequisites of economic, social and cultural development and is considered as an essential instrument for implementing social justice in civic societies, therefore it always contains special position and widespread covering in the programs of countries national development and maybe can be regarded as one of the most humanistic branches of social science because it has aimed humans directing and immediately. Over the last few decades, an unprecedented increase in life expectancy has occurred and during the last decades, planning for retirement is at the core of the current concerns of governments and citizens due to its great impact on well-being during retirement. Developing retirement plans as a social right is one of symbols of society's development and retirement planning showed a strong effect on life satisfaction after retirement and employees without a retirement plan find that decreases in job satisfaction. Our main interest is to explain how we can improve the life quality of Iran retirees and by proposing our scenarios relating to improving life quality of Iran retirees, we hope to improve the gap in the retirement literatures. Thus, the present study had two goals. Firstly, identification and definition of scenarios relating to improving life quality of Iran retirees and Secondly, Determining the priority of scenarios relating to improving life quality of Iran retirees. In this study, we used the TOPSIS method, to study about scenarios relating to improving life quality of Iran retirees and to find out the

ranking these scenarios and the implications and usefulness of the technique and scenarios are clear and managers are able to determine what action needs to improve life quality of Iran retirees and we also can use this method to rank any program, plan, strategy and Etc. Thus, TOPSIS has been applied to a number of applications and we have seen this approach flexible and useful for ranking of scenarios relating to improving life quality of Iran retirees.

This study aims to explore and analyze the scenarios relating to improving life quality of Iran retirees and the main contribution of this study is to recognize the scenarios and identification of these scenarios permits managers to acquire a better understanding of social security and retirement systems and follow academic researchers to proceed with the task of developing and testing theories of these issues. The analysis of our research had 2 main conclusions. First, our findings highlight that the empowerment and improving life quality of Iran retirees is necessary. Second, based on our research, we find the ranking of scenarios relating to improving life quality of Iran retirees are as follows: Promoting the quality of health and treatment services for retirees and the elderly, Creating the social strong networks for elderly and retirees, Rules Revision, Systematic Reforms, Increasing the level of knowledge via education and purposeful advertisement, and The increase of presenting micro financial security services. Thus, based on our research, we concluded that the "Life expectancy" is the most important criteria and the best scenario is "Promoting the quality of health and treatment services for retirees and the elderly".

Despite the strengths of this research, we had some limitations in our research and as the main contribution of this study are to recognize the scenarios relating to improving life quality of Iran retirees, the identification of these scenarios are very important. One limitation was the variables of this study and the variables of this research are not many and other researchers can use more variables in their study. Other limitation was sample size of experts and since we are using TOPSIS method to analyze the data, the results are not influenced by small sample size but it is better other researchers use larger sample size of experts. The next limitation was, much effort required for the research about social security and retirement systems, because these issues are very complex.

This research suggests further studies in order to extend the scope of this study. For example: other criteria or scenarios can be added or such research can boost more awareness of social security and retirement systems. Other researchers can also use and develop our scenarios for other studies and this study provides a significant step into further research in social security and retirement systems and our observations may be completed over time with the same case study and other researchers can also use fuzzy TOPSIS or other Multi criteria decision making methods in their future researches.

## **7. The suggestion strategies to Iran social security and retirement organizations**

- a) Developing insurance and retirement services to subscribers.
- b) Reforming the retirement rules.
- c) Conforming variety of insurance and retirement services (increasing new but reserving services to present services).
- d) Non-conforming variety of insurance and retirement services (increasing new but irrelevant services to present ones).
- e) Improving the quality of insurance and retirement services.
- f) Developing information technology.
- g) Compiling and performing multi-foundational.
- h) Empowering retirement funds via profitable economic activities.
- i) Further financial and specialist support from creation and the activities of retirement cooperatives.

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