



# Working in Iraq and Iraqi Kurdistan



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## Key Talent Considerations for Foreign Corporations Entering the Market

Since the fall of Saddam Hussein and the Ba'athist ruling regime in Iraq in 2003, economic opportunities have begun to open in the country, attracting foreign corporations to enter the still-turbulent state and undertake new operations. These opportunities have attracted primarily energy and construction firms focused on oil extraction and the connected infrastructure and logistical support needed by these industries.

The Kurdish region of Iraq, however, has been able to attract a much more diverse range of foreign corporate investment due to its relative political stability and better infrastructure. For many foreign companies (and for Iraqi companies as well), this economic opening involves many firsts: political realities essentially cut Iraq off from the rest of the world for over 30 years. Prior to the political turmoil, Iraq was considered one of the more advanced countries in the Middle East with respect to business and education. Now, however, foreign companies entering the country find a talent pool that has been deeply isolated from advances in technology and international business norms and one which is, at times, understandably wary of foreign intent.

Beyond the significant infrastructure and security challenges present in Iraq, how can companies successfully engage with talent throughout all of Iraq to build their business in the country? Aperian Global, a leading provider of consulting, training, and web tools for global talent development, has conducted first-hand research into the working culture in both Iraqi Kurdistan and greater Iraq over the past three years and has been working directly with foreign multinationals based in Iraq since 2011 to design and implement targeted talent strategies for their Iraqi employees. This article explores critical talent development challenges faced by companies currently working in the country, as well as best practices derived from extensive on-site research and experience.

### Two Distinct Markets

Aperian Global intentionally differentiates between Iraq's Kurdish region to the north and the rest of Iraq and encourages companies to make this strategic distinction as well. Iraqi Kurdistan, while a part of greater Iraq, has operated under an increasing degree of autonomy since 1991 and its daily affairs are run by its own elected body, the Kurdistan Regional Government (KRG). Since the regime change in 2003, the KRG has been able to increase its service delivery and infrastructure, which has dramatically improved the economic landscape and facilitated a number of investment projects. Because of this, Kurdistan should be considered a completely different business environment from the rest of Iraq due to the region's stability and excellent level of security.

Currently, there are more than 2,000 foreign companies working in the Kurdish region. Kurdistan is also, in general, very pro-West. This is profoundly different from the business environment in greater (southern) Iraq, where opinion of the West is mixed. Foreign business people and expatriates are now common in the Kurdish region but are still rare in southern Iraq. While southern Iraq is relatively quiet in terms of construction and investment due to security and infrastructure concerns, the Kurdish region boasts new roads, well-connected international airports, five-star hotels, cafes, restaurants, and large shopping malls. Southern Iraq is still perceived by many foreign companies as too much of a risk for business investment, outside of the oil industry or large governmental infrastructure projects. Even in these industries, few companies allow international assignees. Most expatriates working in southern Iraq are based in nearby Dubai and fly in, staying on secure company campuses for three to four days of the week.

Challenges around talent also vary significantly because of these different realities. Talent development happens much more quickly if training personnel are able to be on site. This is

possible in Kurdistan but difficult in the rest of the country due to security issues and availability of infrastructure. Infrastructure for on-site staff training, while present in Kurdistan, is less available in greater Iraq. As a result, most staff development for Iraqis in the south has had to take place internationally (although this is slowly changing) and requires a great deal of logistical and financial investment whether in-country or not.

In addition, many Kurds are now returning to Kurdistan from Europe, the U.S., and the Middle East to take advantage of its growth opportunities. These returnees often bring back business acumen, language skills, and global business practices and make for a high-value talent pool for international companies operating in Kurdistan. This is not yet a significant trend elsewhere in Iraq.

### **Common Challenges: Selecting and Developing Talent**

During the conflict years, all of Iraq suffered a “brain drain.” The consecutive wars, followed by the international embargo, meant that Iraqis were cut off from the rest of the world and all the development that took place in it, for almost 30 years. Iraq’s highly educated, intellectually sophisticated, and business-savvy population was isolated from educational and economic opportunity, leaving it ill-prepared for the new opportunities opened by the end of the embargo in 2003 and the foreign investment that has come in since the U.S.-led invasion.

As a result, challenges faced by foreign companies in the areas of identifying, hiring, and developing talent as they start up operations in Iraq and Iraqi Kurdistan are many. Keeping in mind the significant differences that exist between Iraq and the Kurdish region to the north, there are some common talent barriers that companies face when operating in both locales.

### **Talent Pool and Hiring**

The political instability of the region over several decades has resulted in a lack of qualified talent. Even qualified Iraqis were cut off from access to technical or soft skills-training in their respective fields. Companies embarking on new business in Iraq should not assume that qualified professionals will have the latest training. Rather, most companies find that they need to invest heavily in all forms of hard and soft skill development.

When recruiting talent in Iraq, organizations must always test qualifications gained from courses or training programs listed on candidates’ CVs, as these often connote different meanings. Sometimes in Iraq, expertise in an area might be associated with a two-day training course whereas the same expertise in another country might only come with a Master’s degree. Also, it is sometimes difficult for companies to identify good talent because presentation skills or the ability to self-market is not well developed in Iraq, following years of a planned state economy. Companies are advised to undertake an extensive interview process and hire candidates on a trial basis in order to identify the right talent.

Hiring within Iraq is based primarily on connections and networks; the priority for filling an open position is often to gain security for a family member or friend. Whether someone is well-qualified for a job is often a secondary consideration.

For corporations looking to do business in Iraq, an understanding of “fasl” (compensation) is critical. All companies will initially have to obtain a contract or agreement from the relevant ministry in government to operate in Iraq or Iraqi Kurdistan. Additionally, every company will necessarily have an aspect of their business which encroaches on an area to which someone lays claim, whether a tribe or a private owner. In the case where a company’s business uses tribal land in some way to build an office or lay a pipeline, for example, then the company will need to negotiate with the tribal leaders. According to the tribal code of “fasl”, the tribe will expect to get something in exchange for the company’s use of their land. This is true irrespective of whether the company has a national

level contract in place. Often, this compensation comes in the form of job opportunities for local members of the tribe. Because the tribes can and will sabotage a business they consider non-compliant, companies that do not negotiate according to “fasl” may sustain significant losses. However, speaking with the tribe and asking them to be involved in the project (as builders, guards, etc.) can win their loyalty.

Apart from the many challenges, most companies note that the talent pool in Iraq shows an impressive level of resilience, often keeping systems working through unimaginably difficult situations. Iraqi culture also values education highly and the talent in Iraq is generally hungry to learn and develop after thirty years of turmoil. It is very important for western multinational companies (MNCs) to remember that the skills that their Iraqi counterparts bring will often be skills which are essential to the company’s success in Iraq. However, they will rarely be skills that MNCs normally target and use for recruiting. These include navigating complex hierarchies, tribal connections, and bureaucratic structures to accomplish key tasks, and leveraging the right relationships to keep a business afloat and avoid crippling problems. While many Iraqis will need to develop key competencies to work in a multinational setting, MNCs will also need to leverage the expertise of their Iraqi employees to navigate the local environment. Companies that can recognize and value the unique talents of their Iraqi hires will be ahead of the game.

## Training and Development

### **Key Skills Gaps: Training Focus for Iraqi and Kurdish Talent**

Most companies entering Iraq have found that they need to invest heavily in training for their employees to prepare them to work in the context of an international organization. Because Iraq was previously a planned state economy and still retains many elements of this structure, key market economy skills areas such as sales, marketing, customer service, quality assurance, time management, and performance management are not strong. Many professional skills born out of western management paradigms will also not be possessed by Iraqi employees. Companies wishing to operate according to Western management criteria will need to provide extensive training in work style skills such as ownership and accountability, initiative, planning task to time, performance measurement, and expectation-setting.

Iraq’s educational system has historically focused on instructor-led, top-down teaching and rote memorization. In addition, the country’s hierarchical leadership style is often expressed in a strict adherence to roles, wherein lines of authority and processes around decision-making are very clear. In this environment, if someone is not specifically authorized to do something or if they do not have clear instructions on exactly which steps to take, they will often consider it outside their authority to take action. Skills such as critical thinking and problem-solving are often not rewarded in this work environment. As a result, there are skills gaps in key areas such as data analysis, critical thinking, and proactive problem solving. Companies will need to invest in and develop these areas with their employees.

International standards of health and safety awareness and infrastructure are new to the Iraqi business culture and training and awareness-building around standards are generally required. This is sometimes difficult since the majority of Iraqis have faced, and in many cases continue to face, daily dangers of much greater significance than those found on any worksite.

While the Kurdish government is investing heavily in technological training within Iraqi Kurdistan, companies working throughout Iraq will likely need to provide training and up-skilling for employees on computer skills such as PowerPoint® and virtual communications technology. Significant training

will also be required to develop professional presentation and communication skills, as these are typically not taught within the educational system.

Many organizations find that extensive training is required to create a customer service mentality; we identify this as a major gap in the region. The socialist economy and the lack of a service economy provide few models for excellence in customer service. In Kurdistan, many large hotels and restaurants have sought to bridge this gap through apprenticeship programs and/or through hiring staff from Turkey.

A short-term, survivalist mentality has resulted from the years of conflict and uncertainty in Iraq. As a result of this, concepts of quality and detail orientation were not valued or rewarded. Companies often face challenges in finding talent that can produce very high quality work which shows attention to detail.

### **Learning Style**

Because the educational system in Iraq is hierarchical and based on rote memorization, students are typically rewarded simply for pleasing their superiors. As a result, critical thinking and the ability to draw conclusions from data are skills that are often missing. Iraq is primarily an oral culture and Iraqis are often auditory learners. Trainings that include personal stories, incorporate emotions, and go beyond facts or theories are usually highly impactful in this environment.

It is important to remember that Iraqis may be uncomfortable asking questions or showing that they do not understand. Cultural dimensions such as hierarchy, restraint orientation, and indirect communication style often create a work environment wherein lack of knowledge or lack of understanding is perceived negatively. Within this context, many Iraqis will often be reticent to ask questions, raise issues, clarify understanding, or take any other action that might expose a lack of expertise. While such actions are often perceived positively as a “learning posture” and encouraged in a western environment, development of these skills in Iraq will be relatively counter-cultural and therefore recommended for development focus.

### **Effective Training Methods**

Training should focus on providing increased interaction, built-in comprehension checks, and frequent reviews and application of key concepts. Participants are unlikely to indicate their lack of understanding and so the onus must be on the facilitator to confirm that the content has been absorbed. The experience of Aperian Global facilitators working with Iraqis indicates that the pace of the training should also be adapted and the training time extended in order to cover content effectively and ensure meaningful and practical application on the job. The training time will also need to be lengthened to incorporate the need for reviews, repetition of key concepts, translation, and knowledge checks. Unless an organization is certain of the trainees’ language capabilities, all trainings should be held in Kurdish or Arabic or should involve a translator to help convey key concepts.

It is critical to ensure that trainings do not fall during Ramadan or other key Islamic holidays. Training times should also take into consideration prayer times.

### **Challenges**

Many times the correct people are not sent to the trainings. Because trainings—especially international trainings—are seen as a significant privilege, Iraqi managers will often treat them as a perk rather than looking at who will truly benefit. In many cases where there is a multi-part training, different people will be sent to different portions, even though the learning is designed to be progressive for each individual. International trainings are also sometimes viewed as holidays, with employees choosing to skip out on parts of the trainings in order to go shopping or sightseeing.

It is often difficult for women to attend international trainings because of cultural restrictions around women traveling alone or with men who are not from their family. Managers need to ensure that women have a female travel companion from the office or that other safeguards are put in place to ensure female employees are able to take advantage of training opportunities.

When trainings are held in international locations, there are often challenges around providing appropriate food for the trainees. If there is a question whether the meat is *halal* or if the food is not familiar, Iraqis will often not eat it. Training organizers should ensure that the food at the training locations fits the needs of the trainees. Providing a selection of fish, flat breads, and familiar vegetable dishes will usually be sufficient if the Iraqis are not comfortable eating the meat dishes.

## Conclusion

While identifying and developing talent in Iraq and Iraqi Kurdistan will present substantial obstacles, it also has the potential to bring great rewards. Companies that choose to invest heavily in culturally-appropriate training for their Iraqi managers, leaders, and teams have seen great results. At one of Aperian Global's client companies, employees have created a culture of safety and a management training program which have transformed the work site. Part of this has been through investing heavily in leadership training to create a strong partnership and a shared vision for the Iraqi organization. Another client company working in Kurdistan has transformed its training approaches to target the needs of its Kurdish employees, incorporating lengthened timeframe, Kurdish translation, and frequent application and knowledge checks. The organization has experienced an impact on performance as a result.

Understanding and responding to the unique needs of the Iraqi talent market is the key to succeeding in the country. Companies that go into the market must first gain this in-depth awareness and plan their talent strategy accordingly.



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