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DEDICATION

To my father and mother,

for their Love and support
ACKNOWLEDGMENTS

I would like to thank Dr. Yusef Shibli and Dr. Tarek Mikdashi for their assistance and advice throughout the project.

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ABSTRACT

Corporate culture expresses the values and beliefs that members of the organization share. It ties people together and gives meaning and purpose to their day to day lives as well as it makes distinction between one organization and another. Culture is considered a motivational tool as it affects satisfaction and performance of the employees. In addition, strong culture does not only increase employees cohesiveness and commitment but it also facilitates communication and decision making, reduces absenteeism and turnover, and shortens time between problem and solution.

The purpose of this project is to discuss and analyze corporate culture at UB, study its effect on UB management as well as its implication on performance, satisfaction, and motivation of the employees. It is also a guide to Management to see whether there is a discrepancy between the real culture and the perceived one.

For more elaborated knowledge about the historical background of the Bank, published materials were reviewed. In addition, interviews were conducted with the management level to describe management policy followed by UB. UB is a Lebanese Commercial Bank established in 1978 whose shareholders are diversified businessmen engaged in various business field. Although UB worked in a difficult situation, it had a rapid growth in all directions. It is quite selective in its clientele, personnel, and it tries to adapt up to date technique.

For a better understanding of UB's culture a questionnaire with fifty questions was addressed to a sample of 62 employees from the different branches. The questionnaire was divided into different subjects such as feeling of belonging,
motivation, dedication...etc. The positive attitude of the employees was taken after getting the result computerized by using the frequency and cross tabulation method. Furthermore, each question was divided according to total number of employees, branches, age, education, position, and period of work.

According to the findings, employees at UB are proud of the Bank but when it comes to the group there is lack of spirit of unity. The majority of the employees are motivated because of the company image and not because of the extrinsic reward offered. They do not feel fairly evaluated for the time and effort exerted at work. In addition, UB does not encourage its employees to participate in decision making.

The degree of job happiness at UB is appropriate. This is shown by the commitment and the dedication of the employees. There is no discrimination at UB, what they care about is the person's outcome and loyalty. Employees are encouraged to be responsible, innovative, initiators, but are not encouraged to take risk.
UB values are widely shared by the employees who know their organization goals and work to fulfill them. Moreover, only a small percentage of the employees consider the social activities offered appropriate.

If management do not take steps to satisfy their employees, they will face less productivity. UB should make its internal environment more appealing through offering better financial rewards, more enriched social activities, more involvement in decision making, more enriched and varied job, improving the physical appearance of the Bank, increasing cooperation between Management and employees, and improving its evaluation procedure.
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHAPTER I: THE PROBLEM</strong></td>
<td></td>
</tr>
<tr>
<td>A- Introduction</td>
<td>1-2</td>
</tr>
<tr>
<td>B- Purpose</td>
<td>3</td>
</tr>
<tr>
<td>C- Methodology, Scope of the Study and Data Limitation</td>
<td>3-6</td>
</tr>
<tr>
<td><strong>CHAPTER II: REVIEW OF LITERATURE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ON CORPORATE CULTURE</strong></td>
<td>7-26</td>
</tr>
<tr>
<td>A- Definitions of Corporate Culture</td>
<td>7-9</td>
</tr>
<tr>
<td>B- Dominant Culture and Subculture</td>
<td>9-11</td>
</tr>
<tr>
<td>C- Elements of Culture</td>
<td>11-14</td>
</tr>
<tr>
<td>D- How Employees Learn Culture?</td>
<td>15-16</td>
</tr>
<tr>
<td>E- Origin of Culture</td>
<td>16-22</td>
</tr>
<tr>
<td>F- Some Concepts Related to Culture</td>
<td>22</td>
</tr>
<tr>
<td>G- Effect of Culture</td>
<td>23-26</td>
</tr>
<tr>
<td><strong>CHAPTER III: HISTORICAL BACKGROUND</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OF UNIVERSAL BANK</strong></td>
<td>27-43</td>
</tr>
<tr>
<td>A- Banking Environment</td>
<td>27-30</td>
</tr>
<tr>
<td>B- Historical Background of UB</td>
<td>31-39</td>
</tr>
<tr>
<td>C- Identity, Image, Objectives and Role of UB</td>
<td>39-41</td>
</tr>
<tr>
<td>TABLES</td>
<td>42-43</td>
</tr>
</tbody>
</table>
CHAPTER IV: CORPORATE CULTURE AT UB 44-80

A- Relation Between Branches 45-47
B- Management Policy Towards Employees. 47-56
C- Employees Views Towards UB Culture and Management Policy 56-80

CHAPTER V: CONCLUSION 81-86

APPENDICES:

UB CHART
QUESTIONNAIRE
RESULTS
BIBLIOGRAPHY
Chapter I
The Problem

A- Introduction

Corporate culture as a concept may look too simple and easy; however, very few businessmen are aware of its meaning and content as they look at it as something vague and abstract.

The term "culture" covers much more than the meaning ordinarily held by most people. Culture is an intangible matter which one cannot feel but can describe. It has a major effect on the success of the business, as it is just the characteristic that individuals in the group have in common such as language, value, belief, and patterns of behavior. Culture includes the way things are done and the feelings about interpersonal relationships. If one is asked to describe the organization one is working in, he/she will describe the culture of the organization (office appears friendly, peers approachable,...etc).

Businessmen need to understand culture because it has a powerful effect on their firms success. People starting their careers may think that a job is just a job, but when one chooses a company, then, it is a way of life. Culture plays an important role in the lives of the organization members. For example, those who have worked for different organizations know that the type of culture varies from one organization to another. Once one works in a company for several years, one will be conditioned by the culture in a way that this person will not recognize it unless there is a change of job.

Numerous articles and books published in the past few years have dealt with corporate culture. More and more managers around the world want to improve
their corporate culture. Therefore, it is a recent approach to stress corporate culture in an organization. Organizations have internal cultures which influence the behavior of their members. Fifteen years ago, organizations were considered rational means that coordinate and control a group of people through departments and authority. However, organizations are more than that; they have personalities, just like individuals since they can be unfriendly or supportive, rigid or flexible. "Corporate culture is more than just a business buzzword in 1980s". (Reiman and Wience, 1988, p.36). Businesses are primarily human institutions, not merely buildings and five years plans. The company's real existence lay in the hearts and minds of its employees. People are wondering how much corporate culture will last, and whether it will fade and a new business concept will emerge. However, strong culture is not built up overnight; it evolves over considerable periods of time. Organizations spend effort, time, and money to keep their cultures. Even great corporate cultures had humble beginning.

Once senior executives have understood their corporate culture, they can determine whether the company is succeeding or failing. By ignoring culture, they miss the chance to achieve continuous success. The topic of corporate culture is too important to be dismissed by managers and considered as a fad. "Culture is the social energy that drives or fail to drive the organization" (Kilman, Saxton and Serpa, 1986, p.92). Most of what goes on in an organization is guided by the cultural qualities of shared meaning, hidden assumptions and unwritten rules; therefore, business firms should not ignore culture, but improve their understanding of this important concept. In this way, they will be able to maintain corporate culture and contribute to its growth and success.
B- Purpose

The purpose of this project is to discuss and analyze corporate culture at Universal Bank in Beirut, and to study its effect on the organization and the management of the Bank as well as its implication on performance, satisfaction, and motivation of employees in addition of giving a detailed explanation and definition of corporate culture concept.

This study has to be applied to management and employees of Universal Bank, taking into consideration Bank branches, employees' age, education, position, and period of work.

The purpose of this paper is not only to define the term "Corporate Culture" and to conduct a field study at UB, it is also a guide for the management of the Bank to see whether there is a discrepancy between the real culture and the perceived one. Therefore, employees will know whether or not they have a dominant culture that pull all the organization in the same direction.

C- Methodology, Scope of the Study, and Data Limitation

1. Methodology

Methodology of study consisted of interviews with management of UB in addition to formulation of a questionnaire addressed to the Bank's employees.

Three interviews were conducted with the management of UB in addition to a questionnaire addressed to the employees. This was undergone in order to acquire more accurate information on the culture of the Bank.
Interviews proved to be an important tool to know and understand the culture of Universal Bank as culture is not specified in written statement. One interview was conducted with the Chairman and General Manager who defined the objectives, goals, and image of the Bank. Another interview was held with the Assistant General Manager and Credit Division Head who presented an overall picture about the Bank's culture and historical background. The third and last interview was conducted with the Operating and Personnel Manager who explained the way of recruiting, training, evaluating, and rewarding that is followed by Universal Bank.

A questionnaire has been prepared and presented to UB employees of different positions, age, education, and seniority in order to test whether or not the culture is properly transmitted. Another objective behind the questionnaire is to test if there is a relationship between culture, motivation, job satisfaction, and effective performance. As once the culture is transmitted properly, employees will feel satisfied, motivated, and therefore will have better performance.

2. **Scope**

This project is composed of five chapters:

Chapter I presents the problem. It starts with an introduction on corporate culture, explains the purpose behind the project, presents the scope and methodology, and finally puts limitation to the project.

Chapter II is a review of literature on corporate culture. This chapter presents the definitions of corporate culture, the way culture is learned, its origin, element, and effect. It also takes into consideration the open door policy and the impact of unclear contract language on culture.
Chapter III presents Universal Bank by giving a review of its historical background, objectives, identity, and image, in addition to a summary on the political and economic environment that prevailed during the life of UB.

Chapter IV describes UB management policy by taking into consideration recruiting, orienting, training, evaluating and rewarding procedure followed by the Bank. It also describes the way employees view UB culture, whether or not they accept it, understand it, and how much it affects motivation and performance. This is obtained by studying carefully and in details the questionnaire fulfilled by the sample.

Chapter V is the concluding chapter. It is a comparison between the way Management view culture, and the way employees view it. It tests if the actual culture coincides with the perceived one as well as it consists of recommendation to Management to improve their actual culture and to hold the organization together in a way that culture will be shared by all Universal Bank employees.

3. Data Limitation

Universal Bank has 5 branches in Lebanon with 135 employees. Only 77 employees are situated in Hazmiah while the remaining ones are divided between the four other branches. In this questionnaire, the aim is to get a large sample of employees and specially to stress on Hazmiah's branch as it is the largest. Unfortunately, Hazmiah employees were not cooperative and didn't care to answer the questionnaire as from 77 employees only 18 answered it. Therefore, as for the total the sample consisted of 62 out of a total of 135 employees.
Moreover to get a more complete study, a study on UB offshore representative office in Athens, Greece should have been made, but it is difficult to gather data from abroad.

Therefore this study will concentrate on Lebanon, and the sample will consist of 62 employees. In addition, all Bank financial data mentioned reached only the year 1992 as 1993 annual report is not yet available.
Chapter II
Review of Literature on Corporate Culture

A- Definitions of Corporate Culture

Organization Culture of a certain firm has a marked influence on employees. In every organization, there are common understanding and points between members as to what is the organization and how its members should behave (rites, rituals, myths...etc.).

"Organization is a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals". (Robbins, organizational behavior, p.5). Culture as Webster's New Collegiate Dictionary defines is "the integrated pattern of human behavior that includes thought, speech, action, artifacts, and depends on man's capacity for learning and transmitting knowledge to succeeding generations".
Culture by definition is elusive, intangible, implicit and taken for granted. According to early authors culture includes knowledge, belief, art, and customs. Other definitions of culture refer to it as "the dominant values espoused by an organization," "philosophy that guides an organization's policy toward employees and customers", "the way things are done around here", "basic assumption and beliefs that are shared by members of an organization", "shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knit a community together", "patterns of behavior and expectations shared by the organization members", "central norms that may characterize an organization", "the set of important assumption that members of a community share in common".
From the previous definition one can say that culture is the social glue that holds the organization together. It is a learned way of living transmitted socially from one person to another down through the years. Corporate culture expresses the values and beliefs that members of the organization share. These values are manifested by symbolic devices such as rituals, stories, language, etc. Corporate culture is a cohesion of values, myths, heroes symbols that has come to mean a great deal to people who work in the same organization.

Culture is very important since it ties people together and gives meaning and purpose to their day to day lives. In general one says that culture exists and not culture is good or bad. It increases employees commitment to the organization. The committed individuals accept their organization's goals as their own and pursue these goals in a persistent manner.

Culture is shown by the physical appearance of the organization, building or office decoration, language, mode of dress, but sometimes the physical appearance does not show the real picture. Culture reduces ambiguity and tells employees how things are done, and what is important. Sometimes, the organization encounters more than one culture especially if the organization consists of different divisions. Culture can make friendly or tough managers as well as it can make fast or slow workers, since cultural systems impose internal and external forces on employees. For that reason, the company will select employees who will fit more with the culture of the organization than others. The deeper the culture is and the more culture there are in the organization, the more difficult and time consuming the culture changes process. Management must reinforce organizational members to know and share a common set of expectations. Managers may miss their companies success by ignoring the influence of culture on corporate success and their role in shaping it.
Culture influences organization life in seven basic processes: cooperation, decision making, control, communication, commitment, perception, and justification. It is a social control system and is considered as the traditional way of thinking and behaving that is shared by all members, and that the new members must learn and accept to be accepted in the firm. Since culture is a system of shared meaning, individuals within the organization with different background and position will describe organizational culture in similar terms. This is what distinguishes one organization from another.

B- Dominant Culture and Subculture:

**Dominant Culture**: "Expresses the core value that are shared by a majority of the organization's members". (Robbins, organization theory, p.359). When one talks about organization's culture, it means dominant culture. Organizations can be characterized not only by a central corporate culture but also by many subcultures; they may contain a dominant culture and various subculture arrangements.

**Subculture**: Its definition is the same as that of a corporate culture except that the focus of analysis is either on organizational units or on cross organizational groupings. Subculture includes core values of dominant culture plus additional values unique to the members of a certain department. Subcultural meanings are localized and specific to a particular unit, department, or segment of people within an organization. "Subculture are found in large organization to reflect common problems, situations or experience that members face". (Robbins, organizational behavior, p.469). The subculture is defined by departmental designations and geographical separation. The subcultures can be formed vertically or horizontally. When a division in an organization has a culture unique from another division, a
vertical subculture exists. When a specific set of functional specialists have a set of common shared understandings, a horizontal subculture exists.

The absence of unifying central culture can pull the organization in different directions. When central corporate culture and individual units subculture exist in an organization, the likelihood of conflict is small. Whenever various units have different cultures, there is no problem since the organization's members share similar core values. However, when there is no dominant culture and only numerous subcultures exist, the influence of culture will be ambiguous. The greatest problem in subculture is in counterculture in which management have one set of values, and the rank and file have another set of beliefs. This is especially found in mergers and acquisition. "Counterculture is one whose central values directly conflict with the core values of the dominant culture". (Randall, 1988, p.161).

There are many types of culture such as entrepreneurial, strategic, chauvinistic, and exclusive culture. The following is a description of each:

a) Entrepreneurial culture depends on the charismatic leader. The founder's initial value orientation tends to be functional. It is quick and unstable.

b) Strategic culture is a rational one without excessive dependence on charismatic leadership. Values are rooted in organizational traditions.

c) Chauvinistic Culture consists of a blind loyalty to corporate leadership and concern to institutional superiority.

d) Exclusive culture is anchored in well entrenched organizational traditions. Firms work very hard to protect an image of superiority and exclusivity by hiring only top graduates.
Finally one can say that organization culture depends on 10 mixed characteristics which are: "Initiative, risk tolerance, communication, conflict tolerance, reward, identity, management support, control, integration, and direction". (Robbins, *organization theory*, p.357).

**C - Elements of Culture**

1. **Values:** It is the most important element of culture and the basic concepts and beliefs of an organization. A company's values, what it stands for, what its people believe in, are crucial to its competitive success. Values drive the business as they are the heart of corporate culture and the foundation for understanding attitudes and motivation. Values provide a common language for aligning a company's leadership and its people. Strategy and values should guide people in the organization.

Individuals have preconceived notion while entering the organization about what "should be" and "should not" be done. "Values define success to employees in concrete terms and establish standards of achievement". (Bennis and Nanmun, 1982, p.14). Values are not written but express a lot about the company. Values should not only be understood but believed in so they become incorporated in every single person working at the institution. They provide a sense of common direction for all employees and guidelines for their day to day behavior. Once the employee can identify, embrace, and act on the values of the organization, the company will succeed. If strong values attract attention, but if weak, they are ignored.

Management shape values to conform to business and economic environment of the company and communicate them to employees. These values will be known and shared by the company's employees. Values create a sense of
identity for those in the organization and come from experience and from testing what works and doesn't work in the environment. The stronger the culture, the richer the value that produces results. In strong culture, management talk about values openly and do not tolerate deviance from company standards.

When values are anchored in one powerful charismatic leader, their acceptance by members is determined by personal identification with this leader. When values are rooted in tradition, these values are transmitted from one generation of employees to the next. Therefore, these values are more stable since they depend on multiple role models and not on one powerful leader. If values support appropriate goals and strategies, the culture will be an important asset as wrong values make the corporate culture a major liability.

2- Environment: It is composed of forces that affect the performance of the organization, but the organization has little or no direct control over them. General environment has impact on the organization, but their relevance is not clear, while specific environment is the environment that is directly relevant to the organization in achieving its goals.

Each company faces realities in market place such as customers, product, competitors...etc. Environment has great influence in shaping corporate culture and in determining what the company should do to be successful.

3- Heroes: Some are born and some are made in day to day corporate life. "These people personify the culture's values and provide tangible role for employees to follow". (Bennis and Nammus, 1982, p.14). In a strong culture, one finds many heroes. They are the leader, they do things others are scared to do, and they motivate others.
4- Rites and Rituals: These are the programmed routines of day to day life in the company. Rituals show employees the kind of behavior that is expected of them and give examples of what the company stands for. "It serves as an important vehicle for informal communication and intermix across groups". (Bennis and Namnus, 1982, p.11). Strong culture spells out in detail the rites and rituals that the employees should follow. When an organization has lots of rules, it is described as bureaucratic, rigid or mechanistic. Those with fewer rules are non bureaucratic, flexible or organic.

5- Rewards and Punishment: Rewards lead to high employee performance and satisfaction. They should be equitable, tied to performance, and required by the employees. Usually, all employees prefer positive reinforcement rather than negative ones. If employees perceive that their effort is appraised, and that rewards are linked to appropriate evaluation, they will be strongly motivated. Rewards in most business organization take the form of (pay, bonus, fringe benefits, promotion...etc). However, the way rewards are applied depend on the culture of the organization. Also, the meaning of mistake and how those responsible for are penalized varies from one organization to another.

Monetary rewards is not the most important consideration. There are rewards as recognition and approval which are given more frequently than money. These rewards focus on the intrinsic aspects of the job. Sometimes, recognition by a boss is more important than annual bonus. "Trick is to catch someone doing something and to reward it on the spot". (O'Reilly, 1989, p.22). People do what they are rewarded for, not what they are punished for; however, it is preferable that managers create an environment where employees are rewarded, not because money is tied to the end, but because they feel it is right, and they want to do it.
6- Teamwork, Participation and Commitment:

a- Teamwork: Enables all parts of an organization to work toward the same goal. It improves the effectiveness of the work of the member and makes the employees work of better quality and quantity. In teamwork, an employee will feel that management care more about his/her interest and this makes him/her committed to organizational objective.

b- Participation: encourages people to be involved, make choices, and take responsibility. The manager has to negotiate goals with his/her group rather than to set them himself/herself.

c- Commitment: A person is committed to an organization when he or she identifies with it and experiences some emotional attachment. A variety of incentives (salary, prestige...) ties the individual to the organization. The strongest the culture, the strongest the employee identification. "Organization commitment: It is individual's psychological bond to the organization, job involvement, loyalty, and a belief in the values of the organization". (O'Reilly, 1982, p.17).

There are three stages of commitment:

**Compliance**: Accept the influence of others to obtain something from others as pays.

**Identification**: Accept the influence to maintain a satisfying relationship. People feel proud to belong to the firm.

**Internalization**: Find the values of the organization to be intrinsically rewarding and congruent with personal values.

For one to be fit with the organization is important because it will play a major role in one's effectiveness and satisfaction in the organization. One's fit with the organization can improve or become overtime worse because both organization and individual can change. The strongest the attachment of employees to the firm is, the more the chances of success of the organization are.
D- How Employees Learn Culture?

Culture is taught by many means such as orientation and training, but the most important means are stories, language, rituals, and material symbols.

**Stories:** They are used as a support and explanation for current practice since they tie the present to the past. The lessons of the early leaders are passed down from generation to generation of managers, and circulate through many organizations. "Stories are narrative of event about the founder of organization and key decision that affect organization's future course". (Robbins, *organization theory*, p.366).

**Language:** Members of each culture or subculture use a specific language. When the language is used by organization members, it means that they have accepted the culture. Organization may develop a unique term about equipment, office, personal...etc. New employees face difficulty in understanding the new organization terms, but after six months they become fully aware of the language. "The terminology unites members of a given culture". (Robbins, *organization theory*, p.367).

**Rituals:** Are activities to reinforce the key values of the organization such as picnics, award, ceremonies...etc. Rituals reinforce organization values and goals, as well as they are means for transmitting culture.

**Material Symbols:** It is the design and physical layout of the building, offices, furniture, dress. This conveys to employees who is important, and the degree of egalitarian that is required by the top. The higher the position of the person in the organization, the best is his office, furniture...etc. When all offices have a good look even those that belong to people with the lowest position in the organization, it gives a better image to the company.
Disadvantage of Having Unclear Contract Language

It is of great importance for employees to have a clear contract language. Unclear contract leads to misunderstanding between workers and management. In this case, employees have to depend on management and union to explain what they can do, what they can be punished for, and what their job rights are. When they feel frustrated because they do not understand the contract, they may slow down the work and be unconcerned about quality and productivity. They also may avoid responsibility and let management take the initiative even for the simplest problems. The management are obliged to provide contract that should be understandable and readable by the average employee. The readable contract is a symbol about management attitude toward rank and file; beside that a clear contract saves the management money by avoiding unnecessary grievances and work stoppages.

Finally, a clear contract provides a climate of trust and an environment free from workers suspicion. "It is a reminder that management views workers as a valuable human resource". (Suchan and Scott, 1986, p.25).

E- Origin of Culture

Organizations are created because someone takes a leadership role to accomplish something from the action of a number of people. The founder of the organization creates the vision and mission of the organization which pass from one generation to another. Therefore, the founder is the source of the organization culture. The smaller the organization, the easier for the founder to impose his/her vision to all the members. The founders are the most potential people in fulfilling their ideas. Organization culture is an interaction between what the original members learn from their own experience and the founder's biases and assumptions.
Usually, in the firms, the history differs, but the steps are the same. It starts with a single person who has the idea of opening a new enterprise. Since the idea is worth running, a founding group is created. This group begins to create the organization through raising funds...etc. Others are brought into the group that begins to function developing its own history.

Each founder views his/her company according to his/her belief. For example, Thomas Watson views at IBM are still dominant. These views focus on R & D, product innovation, employees dress, and compensation policies. Since the founder had the original idea, he/she knows the most how to fulfill it, therefore, will have impact on how to solve the organization internal problem and external survival.

**Keeping the Culture Alive**

The most important is not to create culture but to maintain it. Once the culture is appropriate, the organization will do its best to keep it. There are many ways to keep culture, but the most important ones are:

1) **Selection, Recruiting and Training:**

Selection and recruiting is to choose and hire the individual who has the required skills and knowledge to fit in the position and to successfully perform the job. The one chosen will fit the most, and its values will be very close to the values of the organization. The selection process gives the candidate information about the organization. If the candidate sees that the organization values conflict with his/her values, he/she will withdraw immediately. Selection is rigorous since it often discourages individuals rather than encourages them to take the job. Selection process gets rid of inappropriate candidate, and "it is a
two-way procedure that approaches both employee and candidate if their values match". (Robbins, *organization theory*, p.364).

Therefore, selection process maintains culture by selecting those that accept and believe in organization values and gets rid of those who might attack the values. "Sony Corp's Rancho Bernardo encourages family atmosphere by selecting applicants who lack experience, recent high school graduates, and housewives to indoctrinate their employees in their values without unfreezing their previous experience". (Robbins, *organization theory*, p.364). Selection determines who gets hired, identifies competent candidates and matches them to the job. Therefore, proper and careful selection of candidate is a must. Selection will be filling the right jobs with the right people because hiring unqualified candidates will lead to dissatisfaction in the job. The right person should be in the right place.

New employees follow an orientation program about how things are done in the organization; they are led by a senior colleague; then the orientation program is followed by a training program. Although selection is to recruit the right individual for the job, the individual cannot remain competent all the time since there is always up to date knowledge, technology, innovation that is demanded; for that reason training exists.

After selecting, recruiting carefully, and orienting, the fourth stage will be training. Training improves individual's skills to successfully complete the job and increase employee's self-efficiency. Recruiter's skills are developed by intensive training. There are two types of training:

One-site training: The employee learns the specifics of a job through training in the actual work environment (field work).

Off-site training: It is any form of training that takes place away from the individual's work place.
The training procedures usually used in a bank are the following:

On the job: Job rotation is used to develop managers at middle and supervisory levels.

Off the job: University courses and conferences are attended.

2- **Top Management:** Behavior of top management affects organization culture and is considered by employees as norms to follow such as freedom, appropriate dress, rewards, risk taken, and performance evaluation.

3- **Socialization:** Organization should help the new employee to adapt to its culture; this is called socialization. Socialization is most important at the entry of the candidate at work and is also considered during the entire career of the individual.

Socialization process is made up of three stages that affect employees’ choice to stay and to be committed to the organization.

*Pre arrival:* It is the learning that new members get before they enter the organization.

*Encounter:* The new employee will know what the organization is like, and he/she may find that expectation and reality may conflict. It covers the first few weeks and months of his/her entry into the organization.

*Metamorphosis (setting in):* The new employee masters the skills for his or her job and adjust to his/her group values and norms.

An individual's early experience influences his/her contribution and advancement in the organization. The first weeks are the most difficult period to the newcomer. New employees are faced with unfamiliar faces, titles, and work. What is considered a routine day to day work for old members is considered a problem to the new ones. A new employee considers oneself at disadvantage relative to old ones. Some employees may help the new comer and others may feel threaten by them. In general, all have a wait and see
attitudes. Therefore, in order to improve the new comer has to understand socialization process and produce good results at work. Organization socialization is the process by which people in the organization teach the new comer the organization culture as well as the appropriate behaviors and the required skills. "Socialization encompasses the process of being made a member of a group, learning the ropes, and being taught how one must communicate and interact to get things done". (Pascale, 1985, p. 27).

The most important step is the foundation of trust between the organization and the individual. There are those who resist socialization because they are suspicious about the amorality of the corporations and their members, and once they are socialized, they all pursue inappropriate goals. Placing one's self "at the mercy" of an organization imposes real costs. There are long hours of work, missed weekends, bosses unfair criticism, inconvenient job assignments, and rotation. For that reason, an organization needs to honor its values and continually reaffirms their importance "how we do things around here". (Pascale, 1985, p.29). "The aim of socialization is to establish a base of attitudes, habits, and values that foster cooperation, integrity and communication". (Pascale, 1985, p.37).

**Open Door Policy:**

Open door policy and communication play an important role in organization culture. Most organizations talk about open door policy, and the manager seems to believe in it, but sometimes managers open their doors, and no one enters. This is when management create a defensive rather than a supportive atmosphere. Supportive climate invites openness, but defensive climate leads to lack of communication.
"Open door policy is a willingness to listen to employees concern on a one to
one basis". (Beck and Beck, 1986, p.15). Managers become frustrated when
they open their doors and no one enters. This is due to communication climate
within the organization. Communication between supervisor and subordinate is
of major importance. It determines employee motivation and satisfaction
besides productivity and profits. Good communication is a result of the work of
good leaderships. The supervisor should recognize each worker's individuality
and respect each as a person. If a supervisor asks for alternatives, this means
openness to new ideas, and it may create cooperative atmosphere. Open door
policy is meaningless if the supervisor does not take time to listen to the
subordinate. What happened to the employees when they went home at the end
of the day was their business, but today the worker's sick child is the business
of the manager.

The manager should not only set goals by himself/herself but negotiate them
with his/her group. Beside that he/she should serve as a coach when things get
bad. Employees have to take responsibilities, make initiative, be accountable of
their own success and of that of the company as a whole. "The more you
encourage people to take initiatives the more you multiply your own
effectiveness by the effectiveness of other people". (Howard, 1990, p.135).

They have to communicate more frequently and more effectively with their
colleagues and the customers.

People miscommunicate daily in organization because of distortion between the
point where a communication starts out and the point where it is received.
Therefore, the role of culture in the organization is to reduce
miscommunication. This is done because shared assumptions go without saying
and are considered as guidelines to interpret messages that are received. Many
communication problems can be attributed directly to misunderstanding and
inaccuracies, so to avoid this, one uses culture and feedback. The less distortion
in the communication, the more the message will be received as intended.
Honest and straightforward communication shows that the supervisor recognizes each worker individuality and respects each as a person. Face to face contact makes it easier to get more complete data when trust has been established.

F. Some Concepts Related to Culture:

The most important concepts related to culture are:

a) **Image.** It is considered the community's identity of the organization as seen by people in other organizations and communities. To build a strong image one should take into consideration:

- Quality: Good pricing, quick response of demand, competent product...etc.
- Capacity: Accommodate increase of needs due to growth of business.
- Reliability: Furnish customers during period of financial and economic stress.
- Credibility: Worthy of belief. Entitled to confidence and trustworthy.

If the image study is performed periodically, it may help indicate the company's progress and standing within the community.

b) **Climate:** It is the trend of fundamental attitudes prevailing in the organization. How clearly employees understand goals, policies and personal responsibility toward work in the organization.

c) **Identity:** It is the sameness and unity that members share with each others in the organization.

d) **Ideology:** It is the dominant set of interrelated ideas that explains to members of a community how the important assumptions they share fit together and make sense. It is the intellectual pattern of any widespread culture.

These four concepts usually exist in any organizational culture.
**G- Effect of Culture**

The culture of the organization becomes very strong if every one knows the organization's goals and work together on a common ground to fulfill these goals. The reason for the success of the Japanese is that they have a strong and cohesive culture throughout the entire country. Strong culture helps employees to do their job in a better way because it spells out how they have to behave. Young organizations as well as those that have frequent turnover will have weak culture because they do not have enough experience to create common meaning. Therefore, the stronger the culture, the less there is need for rules and regulations since they will be internalized in employees, and this will reduce the level of control. “The more members accept the core value and are committed to it the stronger the culture”. (Robbins, *organizational behavior*, p.470). Strong culture is shown through shared values which influence behavior. What makes a culture stronger than the others is the number of employees in the organization, their geographical dispersion, and the level of commitment by members. The stronger the culture, the more powerful its effect and the richer is its value system. Finally strong culture leads to high effectiveness on the organization, and the firm will be proud on the quality of treatment of all its employees.

Culture is considered as a motivational tool which is the result of the interaction of the individual and the situation. When performance evaluation appraises fairly job performance, and the employee is rewarded effectively, then the employee will be motivated. The organization might optimizes the motivation through setting right evaluation, rewards procedure and policies. Employee's performance depends on knowing what he/she should or should not do. The result of the appraisal of an individual's performance is affected by
how well the person fits into the organization. For instance in some jobs, employees will be evaluated positively if they are aggressive, outwardly and ambitious while on other jobs they are evaluated negatively.

An organization will provide high level of motivation to its member if all its staff feel that the culture is alien to them. They feel that their values match with the organization values, and this increases their motivation. However, if their values confront with those of the organization, they will leave quickly to join other organization. Here, the selection process plays an important role by choosing those candidates that fit the most. So culture has implication on individual, corporate performance, and at the end motivation.

Shared value is a motivational force because it makes employees more committed and facilitate communication. Beside that, it provides guides for corporate goals, policies, strategies, and actions. The organization image of superiority creates a sense of pride in the organization "we are number one", this makes the employees more committed and motivated to maintain their organization position. As a result, satisfaction of individual need will lead employees to exert high levels of effort towards organization goals; this is motivation. Values, needs, and expectations explain why individuals are motivated and why they try to satisfy themselves.

Work plays a dominant role in the lives of human beings. It occupies most of their time. Most people hold strong and well established attitudes, known as job satisfaction, toward their work. Wages which are very important in job satisfaction, should be fair and used as incentives to satisfaction. Occupational level as well as the atmosphere of the organization are also related to job satisfaction. Job satisfaction and morale are positively related to productivity on the job.

Organization culture should convey to employees how much effort they should exert and what the company stands for. Once the employee knows what is
requested from him/her and what the company stands for, he/she will be satisfied and will reduce his/her chance of leaving the organization. This means that absenteeism and turnover are related to satisfaction. Strong culture reduces employees turnover and leads to agreement among members about what the organization stands for. This will result in increasing cohesiveness, loyalty, organizational commitment, and reduce absenteeism, and turnover. There is strong relation between culture and satisfaction. Satisfaction is highest when organization satisfies individual needs, rewards, orientation, degree of autonomy, warmth and support. Organization culture is different from satisfaction in the organization since individuals with different backgrounds or different levels will describe organization culture in the same way while each one of them will have a different description of their job satisfaction.

Culture plays an important role in communication. It can avoid distortion and misunderstanding since the employees have common values and speak the same language. This will lead to better communication and make employees act more as a teamwork. Shared value in the organization is important because it prevails in case of conflicting interest and makes all members of the organization move in the same direction. Culture can serve as a substitute for centralization (similar decision, unique action...). "Culture creates a homogeneous set of assumptions, when they are invoked on a decentralized basis preserve coordination and centralization". (Weick, 1987, p.124). Not only does culture coordinate action at a distance by several means, but it also conveys to employees how much effort they should exert. This will affect their performance and their output. As well as performance appraisal once done effectively will motivate them and make them more productive. Therefore, culture also affects productivity on the job.

"The nature of the value system is a crucial factor in the impact of culture on organizational effectiveness". (Reinman and Wiener, 1988, p.36).
Culture has provided the link between corporate success and effective organization. The member of any group must share a common view if the group is to act effectively. The real test of the effectiveness of a corporate culture comes when the organization's environment changes requiring an entirely new strategy.

As one has already seen culture affects motivation, job satisfaction, job performance and organizational effectiveness. In addition, culture makes distinction between an organization and another, gives a sense of an identity to the organization, leads to commitment to something beyond self-interest, increases social system stability, holds the organization together by appropriate standards, and controls mechanism that guides and shapes the attitudes and behavior of employees. Culture is also a response to problems since it facilitates decision making and shorten time between problem and solution.

Culture can be an asset as well as a liability. Culture has positive impact when it points behavior in the right direction, and negative impact when it puts behavior in the wrong direction. Culture is an asset when it facilitates decision making, communication, control, cooperation, and commitment with the least time and money. It is considered a liability when values and beliefs interfere with the needs of the company and the people working for it. A strong culture is an asset to an organization if it is right for the mission and strategies, if not it can create myopia for managers that want to map new directions.

To conclude, one can say that "at its deepest level, culture is the collective manifestation of human nature. The collection of human dynamics, wants, motives and desires that make a group of people unique". (Kilmann, Saxton and Serpa, 1986, p.90).
Chapter III

Historical Background of Universal Bank

A-Banking Environment

Banking activities is linked to the general risk existing in a country particularly political, economic, and business risk. The situation in Lebanon had a tremendous effect on the banking sector. The situation that prevailed all along the years lead to a change in the attitude of customer and in the need of employees. Therefore, UB had to cope with the situation and the environment to maintain its employees and to attract new customers. The following is a summary of the political and economic situation that prevailed in the country all along the life of Universal Bank.

Between 1974 and 1982, the number of banks in Lebanon increased from 78 to 87 and branches from 311 to 585. The Lebanese civil war started in April 13, 1975, but at the end of 1976 peace was restored, the economy started, and reconstruction was undertaken again. "The investment in banking grew and the faith in Lebanon future was prevailed by the opening of number of new banks". (Osseiran, 1989-1990, p.55).

Since 1977, several inactive banks were purchased and reactivated while others raised their Capital by increasing the original shareholding. The majority of shareholding in other banks was acquired by private groups. Between 1978 and 1979 commercial bank placements with non-resident banks rose 79% from LL 2,788 million to LL 4,740 million.

In the year 1979, commercial bank credit activity during the year was seriously affected by the ceiling on its growth imposed by the Central Bank in June 1979. Camp David Agreement in this year affected the Arab World. Between
1977, when the moratorium on the creation of new banks was lifted and September 1980, 12 new banks were authorized. One of them was Universal Bank which started in 1978.

The year 1980 was a good year for the Lebanese banking sector despite the circumstances in Lebanon. The banking sector was proven to be the least affected. "Total deposit with banks in Lebanon increased by 30% from LL 20 billion in 1979 to over LL 26 billion in 1980". (UB Annual Report 1980, p.5). Several new banks were licensed and many branches had also opened in Lebanon. The 1980 BS footings of banks increased by over 30%.

The year 1981 was another turbulent year in Lebanon. The unstable security situation, the political disputes, the social unrest, and the economic uncertainty resulted in a very difficult business environment.

The evolution of Lebanese Commercial Banking in 1982 was almost positive, but at the end of 1982 the Israeli invasion paralyzed the banking activities for the second semester of the year. There was a lower interest rate and an increase in the dollar rate. In the year 1983, the Lebanese economy was affected by a prolonged and deteriorating security situation. It witnessed a recessionary environment for the Lebanese goods, the local and exports barriers, and a chronic public deficit. "Deposits in foreign currency have increased by 25.5% compared with a decrease of 22.41% in 1982 due to the deterioration in the economic and political situation". (UB Annual Report 1983, p.13).

The year 1984 witnessed a decrease in the economic activities, increase inflation, more deficit, reduction in confidence, depreciation of the Lebanese currency vis a vis Foreign Exchange market...etc. The banks faced difficulties due to the economico-polities of the country. Some banks which were bankrupt in 1984 obliged the Central Bank to interfere.
In the year 1986 the world economy could be judged as satisfactory which brought real economic growth. The economy of the Arab world witnessed more retrenchment. Economic depression in Lebanon was the outcome of 12 years of war which resulted in the breakdown of the service sector, and the retrenchment of business and economic activities. Lebanon faced a state of severe economic recession, poverty and a sharply accelerating inflation rate. Depreciation of the Lebanese Pound against all major currencies also occurred. 1986 was not easy for the banking sector.

In the year 1987, the continuing political instability and the absence of any government action for a resolution caused falls in the value of the Lebanese Pound to the dollar. The collapse of the currency boosted the catastrophic inflation rate 624%, and led to more use of US dollar for domestic transactions. This led to wage increases. There was also a dispute between the Central Bank and the Banker's Association but an agreement was reached which satisfied both parties.

Between 1988 and 1990, the banks suffered terribly from the deterioration in both political and economic situations which marked their operating conditions. This period was characterized by political instability, and by uncertainty with respect to the solution and the country's political future.

The year 1988 witnessed the change of regime, up hold of the Aoun Government, harmful form of dualism in power, and fall of all economic activities (Port closed, industrial export dropped... etc). 1988 was characterized by the supplementary depreciation of the Lebanese currency. The banking sector was influenced by political risk which led certain number of foreign banks to cease their activity in Lebanon. In the year 1989 the liberation war, eight months of fighting and destruction, was followed by the election of a new president. The year 1990 faced dualism in power. The unification war in
October was a third one which worked on the eviction of general Aoun. The analysis of the monetary situation in 1990 reveals that money supply increased in real terms by 13.5% against 16.8% in 1989.

In the year 1991, Lebanon witnessed the beginning of stability and a slight decline in general political risk. The first half of 1991 was characterized by a normalization of the situation, the consolidation of the security of the crisis, and the improvement in the economic activity. The rehabilitation of the basic infrastructure and the higher level of investments especially in the construction sector resulted in the rise in exports, the improvement of the Lebanese Pound on the FX market, and the drop of inflation rate. Banking activities were influenced by these developments. Activity of banking grew by 44.3% in 1991. Positive economic developments affected all sectors of activities in 1991 especially banking activities since a large number of banks strengthen their financial structure.

In the year 1992, Mr. Rafic Hariri's nomination as Prime Minister in September 1992, increased the confidence favorably affecting the country's main economic and monetary aggregates. After a recessionary phase in the second and third quarters, an upswing was visible in the fourth quarter following a growth in investment, an increase in GDP and in import volumes. During the first nine months of 1992 affected by conflicting GDP and money supply factors and compounded by an unfavorable political situation, both domestic and FX values plummeted. Restored confidence during the fourth quarter of 1992, allied to positive project of key economic indicators, brought strong demand for the Lebanese Pound. These developments had a positive effect on the banking sector as a whole.
B- Historical Background of UB

This section presents historical as well as financial data that show the steady growth of UB all along its young age.

Between 1977 and 1978 a team of professional bankers with diversified experience in banking field, headed by Mr. George Haddad hoped war was over and decided to set up a commercial bank named "Universal Bank". The reason behind the choice of the name was the reflection of the original intention upon the Bank's establishment.

UB started with a capital of $ 5 million (LL 15,000,000). The authorized, issued and fully paid share capital comprises 150,000 shares of LL 100 each. Under the Legislative Decree Number 77, every Lebanese bank licensed after May 9, 1977 must have a capital of $ 5 million (LL 15,000,000).

UB was the first to get a new license for the opening of a commercial bank after the freeze that was imposed on banking industry since the crash of Intra Bank. UB s.a.l. was incorporated in Lebanon on August 18, 1978 and in commercial banking operations on September 1, 1978. Universal Bank shareholders are a selective group of Lebanese businessman engaged in various business activities.

Universal Bank opened its first branch and head office at Verdun in Beirut City on September 1, 1978. At this time, people were worried to secure their daily necessities and everything reflected a gloomy future but Universal Bank staff despite the situation struggled for growth and survival. They faced professional difficulties under the crisis and the environment unstability, but they learned a lot through the experience they had.

All along the years, UB had a rapid growth in all directions, more branches, more work and therefore more staff. In the first year of operation, UB
management made the Bank Manual. They started with 15 employees and started to contact other banks to have correspondent banks. Most of UB team didn't face main difficulties because of their previous experience in City Bank.

In the year 1979 for a new Bank starting in difficult market it achieved satisfactory results. The Balance Sheet of 1979 represented a solid and healthy growth. The total asset had grown from $ 7,161,464 (LL 21,484,393) in 1978 to $ 37,293,587 (LL 121,577,094) in 1979. Total deposits had grown from $2,000,000 (LL 6 million) in 1978 to $ 17,484,663 (LL 57 million) in 1979. No commercial bank is expected professionally to make money in the first few years of operations. UB became an established and recognized bank locally and abroad and was able to handle any type of banking operations in a very professional way. It opened its first branch in April 1979 in Jal El Dib and expanded its main office at Verdun. The total staff headcount increased from 23 in December 1978 to 35 in December 1979.

The year 1980 had been a successful year to UB as well as to the Lebanese banking industry despite of the Lebanese circumstances. The second year of operation had been profitable in every respect despite that the income and expense accounts had been affected by a narrow interest spreads due to severe market competition coupled with conservative credit policies, high inflation, expansion of branches, and increase in staff and in operating costs. The total asset had reached $ 60,314,303 (LL 219,988,704). Total deposits reached LL 129 million ($ 35,439,560) as compared to LL 57 million ($ 17,484,663) in 1979. Of the LL 100 million ($ 27,472,527) total loans, LL 85 million ($23,351,648) are fully secured (63.3% general trade sector, 13.8% services sector, 11.3% real estate sector, 8.4% contracting sector, 3.2% light industry sector).
Universal Bank ranked as number 57 out of a total of 77 banks affiliated to the Bankers Association of Lebanon.

It also expanded Verdun offices, Jal El Dib branch had grown and it started developing a new branch in Achrafieh. The man power had grown, and it implemented on the job training programs to achieve more production. In addition it expanded the correspondent bank relationships worldwide. UB total headcount increased to 58 in 1980.

The year 1981 was a successful year to the Bank both in terms of growth and profitability. UB total footings reached $ 89,370,933 (LL 412 million) in December 1981 reflecting a growth of 87% over that of 1980. The growth rate of UB compared to the growth in the aggregate banking sector in Lebanon in 1981 was as follows:

<table>
<thead>
<tr>
<th>Growth 81-80 in %</th>
<th>UB</th>
<th>Banking Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total asset</td>
<td>87.9 %</td>
<td>42.4%</td>
</tr>
<tr>
<td>Total deposits</td>
<td>103.1 %</td>
<td>45.7%</td>
</tr>
</tbody>
</table>


The net income of 1981 increased by 80% over 1980. In 1981 UB opened its third branch in Ashrafieh which remained a cost center throughout the year due to the deterioration of the security situation in the area.

Universal Bank's management policy is to maintain a very high liquidity position at all times. It has been a net lender in the interbank market. 45% of its total assets are in liquid form as cash, treasury bills and due from banks. Moreover 87.8% of its total deposits are savings.

UB emphasizes on management quality and professionalism. It created a special division for international banking. Its chain of correspondent bank was
increasing day after day. All credit and professional manuals were kept up to
date. The staff number increased to 60 in December 1981. At the general
management level, they created a separate division to handle financial control.

In the year 1982, despite the effect of June events on all economic sectors and
the depreciation of the Lebanese Pound, the Bank had been able to maintain
and develop a steady growth. UB total asset had reached $ 165,636,918
(LL 631,076,660) from $89,487,113 (LL 412,533,593) in 1981. It increased its
human resource. Its total staff headcount reached 86 of which over 33% were
University graduates. The Bank had generated a net operating cash of
($3,678,740) (LL 14,016 million) ending with a net increase in its quick assets
of ($ 15,300,262) (LL 58,294 million). UB upgraded the computer system to
cope with its growth. It also established a separate division for marketing.

In the year 1983, UB maintained a steady growth at a reduce pace due to
recessionary environment. The Bank had realized the same net interest revenue
as in 1982 reaching ($ 3,620,735) LL 13,795 million. UB used a strategy of
diversification and gradual branching. The branch in Hazmieh had been
constituted during the fourth quarter of 1983 and had become fully operational
in August 1984. It had a commitment on December 31, 1983 to subscribe and
pay for 100% of the share capital of a bank in Geneva. This amount had been
paid in full in February 1984 and the bank in Geneva became a wholly owned
subsidiary of Universal Bank s.a.l. A Swiss commercial bank incorporated
under Swiss law in February 1984 with a capital of SF 10,000,000 fully paid
up. It is a wholly owned affiliate of UB s.a.l. The affiliate Universal Bank
(Suisse) had been established on March 2, 1984. It was capitalized at SF 10
million and engaged in all types of commercial banking and funds management.
The choice of Geneva was because of the stable economic and political
situations which Geneva shares with its confederated cantons. The city offers
the visitors a welcome and understanding which is unique. It is the most
international city in the world.

Between 1984 and 1985, UB developed its offshore banking in Athens-Greece.
On June 13, 1985 UB capital increased through new cash subscription to
(LL 30,000,000).

In the year 1986 the Lebanese Pound was depreciated by 385% against the
dollar, but UB growth trend in real terms excluding FX factor, compare
favorably with the banking sector.

<table>
<thead>
<tr>
<th>Real growth 85-86 in %</th>
<th>Banking sector</th>
<th>UB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total footings</td>
<td>4%</td>
<td>33.6%</td>
</tr>
<tr>
<td>Total deposits</td>
<td>17%</td>
<td>41.6%</td>
</tr>
</tbody>
</table>

(UB s.a.l. Annual Report 1986, p.3).

Due to continuous control and the implementation of a conservative policy with
respect to liquidity management, a high liquidity ratio was regularly
maintained. UB quick assets increased by 364%. It gave loans to industry,
contracting real estate, trade and services, and others. It had a selective process
for high security in granting loans, since more than three quarters of the loans
were covered by real guarantees. Development of the human resources is on the
top of Management priorities. This helped them to cope with the unusual
turnover that the market had experienced (such as immigration of well trained
human resources). UB experienced a low turnover compared to local market
due to its continuous training programs and selective recruitments. Geneva
which started its operations during 1984 progressed professionally.
In the year 1987 despite the economic deterioration, the Bank had been able to grow. 52.95% of its total assets were in liquid form and only 1.79% of its total deposits base were demand deposits. This reflected a high liquidity position and a low volatility feature of its deposit structure. Its earnings were retained and ended in 1987 with a figure of LL 99 million ($21,758,24) bringing its total retained earnings to LL 110 million ($24,175,82). UB had a prudent and conservative process in credit extension. The breakdown of its portfolio of loans and advance by economic sector revealed other concentration on trade and services which entailed high turnover and better profitability prospects. 93.31% of its total loans and advances are supported by real guarantees and only 6.69% are extended against personal guarantees. This reflects the selective, very prudent and conservative process in credit extension.

The Swiss bank affiliate "UB Swiss SA" Geneva progressed professionally in the local market and international markets. The banking presence in Athens-Greece achieved encouraging results and provided all marketing and operational support to all the network particularly in the European and Middle East markets. In addition to improving network of the correspondent banking relationships worldwide. On December 31,1987, the total headcounter stood at 130 compared to 117 at the end of 1986.

The year 1988 for Lebanon was a year of struggle for existence at all levels, except for UB as on May 3,1988 its capital increased from LL 30,000,000 to LL 100,000,000 by fresh cash subscription. UB developed and advanced its automation program, so managers had immediate access to reliable up to date data which led to professional and spontaneous responses.

In the year 1990 it opened its 5th branch in Zouk Mosbeh.
On the other hand in 1991, it affected another capital increase of LL 900 million in fresh cash injections which has been constituting the third capital increase since 1978.

Also it has developed a good chain of correspondent banks worldwide and is expanding these relationships. From 1991 UB has no more shares in UB s.a.l. Geneva. UB management emphasized on hiring University graduates and highly qualified personnel. They improved on the job training and international training session and requested their staff to attend to professional training seminars. UB total asset in 1990 and 1991 decreased from 1988, but it could boost its total asset again in 1992 to LL 157,205,199 ($85,530,576).

In the year 1992 according to the last financial data found, UB total asset reached LL 157,205,199,000 ($85,530,576) from LL 21,484,393 ($7,161,464) in 1978. Its rank according to total footing is 24 and it has 135 employees. All these figures show us the steady growth of UB all along its young years. The depreciation of Lebanese currency affected the growth of the total asset of UB. Universal Bank ranking in 1992 by customer deposits is 25; by total assets is 21; by capital is 32; by profit is 33. Its capital adequacy ratio in 1991 is 1.05 while in 1992 is 1.67.

In 1992 its chain of correspondent Bank consisted of New York, London, Paris, Tokyo, Brussels, Amsterdam, Zurich, Geneva, Hong Kong, Singapore, Milano, Bulgaria. In addition UB is from Beta group. Beta group deposits is between 50 and 200 million USD.

According to UB Assistant General Manager and Credit Division Head, "All along the years, they could resist bank failure and bank crisis because of their policy of customer choice as well as personnel choice". (Interview with Liyan, August, 1993).
They have severe criteria to select customers. They like to know the type of business of the customers depositing large amount as it might affect the image of the Bank. In addition, they have preference for large accounts.

UB Management follow this strategy because the small savers will be in panic in case of rumors attacking the Bank and will rush to take back their deposits. UB management team believes that one of the reasons for their survival during the crisis is their proper choice of client. The niche of the institution is that they are quite selective in their clientele, personnel and try to adapt up to date banking technique. Instead of a counter system they have an open area where the client is better served, feel welcomed and more at ease since UB's employees respond to his/her needs with speed, power and precision. In addition, the customer doesn't have to wait for hours as in the counter system.

The recent phenomena that UB has faced in 1993 is the signature of an agreement with Saudi American Bank which is one of the largest in Saudi Arabia. It is 40% owned by City Bank. UB has signed an agreement to become an exclusive agent of Saudi American Bank in Lebanon for Electronic Banking called Speed Cash.

Electronic Banking product: Whereby somebody transfers money banking, it is received in Lebanon by beneficiary door to door. This is a major event in banking industry. Therefore, UB aims to help promote electronic banking service, helping Lebanese capital to return to Lebanon and increase the investment in Lebanon.

The structure of UB is based on rules and regulations that every branch and employees is required to adopt and follow. Banking activities at UB are controlled by written procedure and charts as well as by credit policy and operation manual.
UB provides many facilities for customer both in terms of currency and geographical risk as well as diversified incentive and internal program for employees. In addition, it plays an active role in the reconstruction and development of the country by providing many sponsorship.

**C- Identity, Image, Objectives and Role of UB**

**Identity of the Bank**

It is a Lebanese Commercial Bank whose shareholders are diversified businessmen in various business field ranging from industry service, engineering, law...etc.

**Image of UB**

The logo of the Bank is "the friendly bank that links the Middle East to the Occident".

UB image is the friendly bank that welcome customer niecely with smiling face and politeness. Employees do not underestimate a person and his/her account. They are good listeners and see things from the other person's point of view. As well as one doesn't have to wait for hours to be taken care of.

The image that they are working to provide is an institution which offers a field of up to date technique to encourage young graduates not to leave Lebanon to find technical opportunities abroad.

**Objectives:**

Long term objective of UB is as every profitable institution profitability to shareholders but by following clean means. The other objectives are:
1) To set up a national bank on the most solid professional ground which can cope with the challenges of the present and the future.
2) To be a major local bank that can compete with foreign banking industry in Lebanon and abroad.
3) To become Universal in its geographical locations. To have more banking presence abroad hopefully in Europe, North, and South America.
4) To expand in existing values and services as well as locations locally.
   - To expand its activities in Lebanon through opening new branches and being found in the right region.
5) To extend new services and introduce new products to cope with up to date system.
   Introduce full range of banking service to reach and develop better future. This is done through introducing electronic, private, and merchant banking and council services.
6) To be an institution that offers up to date techniques and good opportunities in order that no new graduate will leave the country to get better opportunities and techniques abroad.
7) To help to maintain national economy.

**Role of UB**

- Participation in the reconstruction of the country through giving loans for industry, real estate...etc.
- Participation in public activity.
- Helping new graduates by giving them loans to start new project.
- Choosing the right way of investment.
- Introducing new products and up to date technique.
Plans to Fulfill the objective

- Reach efficient coordination and communication at all levels of the group.
- Try to cope with the turbulent environment faced all along UB years of operation.
- Develop motivated and competent staff in the managerial and technical field. Staff is a major and most important factor for UB to fulfill its objective.
- Prepare staff for every new project. Get the idea, prepare the staff to do it, be ready to go, then launch it.
- R & D unit is a key element in the structure. Plan for the growth, analyze it, and then recommend it.
### Table 1
**Total Number of Employees at UB (1988-1992)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>128 employees</td>
</tr>
<tr>
<td>1989</td>
<td>125 employees</td>
</tr>
<tr>
<td>1990</td>
<td>138 employees</td>
</tr>
<tr>
<td>1991</td>
<td>136 employees</td>
</tr>
<tr>
<td>1992</td>
<td>135 employees</td>
</tr>
</tbody>
</table>

(Baz, Bilanbanques, 1988-1992)

### Table 2
**Ranking of UB by Total "Footing" (1981-1992)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ranking by Total Footing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>51</td>
</tr>
<tr>
<td>1982</td>
<td>42</td>
</tr>
<tr>
<td>1983</td>
<td>34</td>
</tr>
<tr>
<td>1984</td>
<td>40</td>
</tr>
<tr>
<td>1985</td>
<td>36</td>
</tr>
<tr>
<td>1986</td>
<td>24</td>
</tr>
<tr>
<td>1987</td>
<td>18</td>
</tr>
<tr>
<td>1988</td>
<td>17</td>
</tr>
<tr>
<td>1989</td>
<td>14</td>
</tr>
<tr>
<td>1990</td>
<td>21</td>
</tr>
<tr>
<td>1991</td>
<td>24</td>
</tr>
<tr>
<td>1992</td>
<td>24</td>
</tr>
</tbody>
</table>

(Baz, Bilanbanques, 1981-1992)

Total Footing = Total Asset + Total Contra Accounts
<table>
<thead>
<tr>
<th>Year</th>
<th>Total asset in LL</th>
<th>Foreign Exchange rate</th>
<th>Total asset in $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>21,484,393</td>
<td>3.00</td>
<td>7,161,464.33</td>
</tr>
<tr>
<td>1979</td>
<td>121,577,094</td>
<td>3.26</td>
<td>37,293,587.12</td>
</tr>
<tr>
<td>1980</td>
<td>219,544,065</td>
<td>3.64</td>
<td>60,314,303.57</td>
</tr>
<tr>
<td>1981</td>
<td>412,535,593</td>
<td>4.61</td>
<td>89,487,113.45</td>
</tr>
<tr>
<td>1982</td>
<td>631,076,660</td>
<td>3.81</td>
<td>165,636,918.64</td>
</tr>
<tr>
<td>1983</td>
<td>820,996,553</td>
<td>5.49</td>
<td>149,543,998.72</td>
</tr>
<tr>
<td>1984</td>
<td>971,007,206</td>
<td>8.89</td>
<td>109,224,657.59</td>
</tr>
<tr>
<td>1985</td>
<td>1,407,474,403</td>
<td>18.10</td>
<td>77,761,016.74</td>
</tr>
<tr>
<td>1986</td>
<td>6,060,412,938</td>
<td>87.00</td>
<td>69,659,918.83</td>
</tr>
<tr>
<td>1987</td>
<td>46,370,779,207</td>
<td>455.00</td>
<td>101,913,800.45</td>
</tr>
<tr>
<td>1988</td>
<td>70,029,643,025</td>
<td>530.00</td>
<td>132,131,401.93</td>
</tr>
<tr>
<td>1989</td>
<td>77,270,596,000</td>
<td>505.00</td>
<td>153,011,081.19</td>
</tr>
<tr>
<td>1990</td>
<td>59,290,571,000</td>
<td>842.00</td>
<td>70,416,355.11</td>
</tr>
<tr>
<td>1991</td>
<td>74,460,660,00</td>
<td>879.00</td>
<td>84,710,648.46</td>
</tr>
<tr>
<td>1992</td>
<td>157,205,199,000</td>
<td>1,838.00</td>
<td>85,530,576.17</td>
</tr>
</tbody>
</table>


(Baz, Bilanbanques, 1984-1992)
Chapter IV

Corporate Culture at Universal Bank

The concept of culture is hard to understand; therefore, in order to know the real culture of UB, the following methodology was used. The first step was to get an elaborate idea about the historical background of the Bank, its objectives and goals as well as information about the problems that UB faced and solved all along its years of operations. Then, the political, economic, and working environment that prevailed during all the life of the Bank was studied. UB's Annual Reports and Magazine was used to know what the Bank says about its culture. This gave an idea about the Bank rituals, customs, beliefs,...etc. Afterward to describe management policy followed by UB towards its employees, interviews were conducted with different management levels.

To get enough information, interviews had to be made with the management level, and published materials concerning the Bank were reviewed. One will conduct all the above as an outsider who is eager to know about the culture of the Bank. However, to go deeper and deeper into the heart of the Bank, a questionnaire was presented to employees. This questionnaire showed how employees are treated, whether they are motivated or not, and how they perceive UB's culture.

UB aims to provide a good quality service for its customers, community, and employees. In addition, it is eager to fulfill all the objectives using legitimate means. For a more elaborated understanding of UB's culture, different perspectives are taken into consideration:

- A- Relation between branches.
- B- Management policy towards employees.
- C- Employees' view towards UB culture and management policies.

A- Relation Between Branches:
Universal Bank is composed of 5 branches in Lebanon which are situated in Verdun (head office), Zouk, Jal El Dib, Achrafieh, and Hazmieh (General Management). The network outside Lebanon is composed of an offshore in Athens, Greece. Furthermore, UB used to have an affiliate in Geneva but it no more owns share in it.

According to UB management, the objective cannot be met unless all UB levels and branches have clear procedures and systems about how these objectives will be fulfilled. Because of the previous experience of UB management team in banking industry, rules and regulations as guidelines to employees are used in order not to shift outside the organization frame. Although the structure of UB is based on rules and regulations that every branch is required to adopt, UB's structure is flexible enough to allow any innovation and growth of the institution.

UB adopts the strategy of "centralized branches". This means that each branch provides its client with services of all types of banking transaction (self satisfaction), but the branch manager makes decisions to a certain limit, above this limit he/she has to refer to the General Management (in Hazmieh).

Therefore, branches of UB are decentralized from the main branch, but the main objective, goal, capital, strategy, credit limit is set by the General Management branch and followed by all others. (See Appendix A).

According to the Chairman of the Bank, "UB functions as a team with decentralized structure and harmony at all levels". (Interview with Haddad,
September 1993). The organization chart and various policies clearly reflect the decentralization aspect and power sharing responsibility both vertically and horizontally throughout UB’s pyramid structure.

UB has one Board of Directors that runs all the institution and sets the overall objectives that is translated to all the branches and the offshore. Thereafter, it is translated to each branch operating unit to start working on it. Once the objectives are set, they need plans to fulfill them. To achieve these plans properly each branch should set its need of human, technical, and financial resources. UB systems and procedures help to follow up the development of the operating unit as well as appraise the result. Coordination and cooperation between branches is a must because it makes them all act as one unit and achieve better results. Each branch or unit should be aware of the environment in which it operates, and of the services that it can render to the client. Also, each branch should know its strength and weakness and should diagnose the problem before it occurs.

Effective communication is a vital means of successfully attending to matters of company concerns. Proper communication is a must between branches to achieve more efficient result and better coordination. Also, downward and upward internal communication in each branch helps decrease absenteeism, grievances, turnover, and increase job satisfaction, productivity and profits. When employees receive appropriate downward communication from management, they can be better motivated and become more efficient. Employees want and need honest information about their company’s current business problem and success that concern them. Likewise upward internal communication has become increasingly significant. Many executives seek frank feedback from employees and shareholders.
Each branch has its weaknesses and strengths as well as its ups and downs. Therefore, one should take into consideration the whole unit at large in order to benefit from the opportunities and make a balance between the strength of one and the weakness of the other.

**B- Management Policy Towards Employees**

Universal Bank emphasizes a lot on the personnel system as well as on the quality of staff it recruits. It has its special system of recruiting, hiring, orienting and training. According to UB Personnel Manager "It is very important for Universal Bank to have the right candidate at the right place". (Interview with Mezher, August 1993).

The Selection process starts with an application form filled by the candidate. The application form consists of minimum information required from the candidate (biographical information, reference, previous position occupied, education...etc). The personnel office may take the application for employment in advance of actual hiring requisitions to fill future vacancies. After the application is submitted to the personnel office, the Personnel Manager meets the candidate for few minutes and puts his/her remark with his/her first impression on the application form. The latter is then put in the file until there is a vacancy. The application form with the best remark on it is chosen, and the candidate is called for an interview and asked to pass a free medical examination done by a physician designated by the Bank.

If a clerical job is required, the applicant undergoes two interviews with middle and senior managers to assess whether he/she possesses the necessary qualifications. Both managers have to approve on the candidate. However, if a branch manager or a middle level manager position is required, the candidate has to undergo three interviews with different senior managers to see whether
he/she will fit into the right place in the department or division. The final
decision is collective under the approval of the General Manager.

Universal Bank cares about the quality of personnel since senior managers
spend part of their time analyzing and interviewing every potential applicant.
Not all candidates that apply and follow the selection process are recruited at
the end as Universal Bank has a strict selection procedure. The Personnel
Manager says "that favoritism does not exist at all at UB". (Interview with
Mezher, August 1993).

For each job in UB there is a job description. The candidate chosen should
possess the qualification mentioned in the job description in addition to the
positive impression given to the interviewers. "In order to hire personnel on a
scientific basis, one should establish in advance a standard of personnel with
which application can be compared". (Flippo, 1983, p.147). Beside the right
qualifications, the candidate should have values, attitudes and behavior that
match with Universal Bank culture.

While interviewing the candidates, the interviewer presents difficulties to them
by giving them the worst of circumstances that they might face. This seems
designed to discourage the individuals to take the job, but the aim is to hire
those candidates that are the most willing to work with UB.

Universal Bank looks for young employees because the Bank is still young, and
employees should develop with it. It is important for the employees to be young
on customer service because they are usually more patient than old ones to deal
with the customers. Moreover, Universal Bank stresses on new blood injection;
each year there are at least two new employees. Experience for candidates
applying for middle management position and below is not required by the
Bank, but it is essential for senior manager position.
The Personnel Manager believes that UB stresses on the quality of employees as it is very careful in its selection process. The proper behavior required from the employee is:

- Ability to work with others.
- Self discipline.
- Loyalty.
- Creative.
- Hard work to accomplish the objectives of the Bank.
- Need to remain with the Bank for career purposes.

As soon as the appropriate candidate has been selected and recruited, he/she has to follow an orientation program. "Orientation provides new employees with general information that they need about the organization. This information should be communicated in a way that can help them feel at home in their new work environment as quickly as possible". (Pigors and Myers, 1985, p.281).

Each candidate with or without experience has to know how things are done around at Universal Bank; therefore, the orientation program is followed by most employees till the middle manager position.

The first phase of the orientation program is that the employee starts as a trainee in the "Audit and Control Division" which is considered as the school of the Bank. There he/she might get some general knowledge about the Bank and information about the definition, philosophy, objectives, structure, system, hierarchy, and departments of the Bank. Then he/she might learn the "technical operation" according to Universal Bank policy. This takes one month after which the employee will know what is applied in the Bank, how it operates, and how things are done there.
After this month, each new employee will follow the second stage of orientation program which depends on the position and kind of job that he/she will occupy. Each one will go to his/her specialization in the department that he/she is expected to work in. There he/she has to start from zero in his/her area.

Each individual stepping in the orientation program is evaluated. This evaluation will continue from a period of 3 to 6 months which is considered his/her probation period. According to the result of the evaluation (feedback), the candidate is accepted as a permanent member or rejected.

The Personnel Manager sees that UB employees help and direct the new commer since the employees feel that they are growing with the Bank, and that there is a vacancy for each one of them; no one is afraid that the other may take his/her position. Moreover, UB encourages old employees to help the new ones by taking into consideration in the periodical evaluation of the employee, the training provided by the employee to his/her colleague (the new one). Later, the employee who has passed through the stages mentioned is considered a regular one accepted by his/her colleagues as well as by his/her superiors.

**Training** is an essential part in the policy of UB. It is important to develop highly competent staff in the technical and managerial skill. Therefore, emphasis on training is essential.

The objective behind training for UB is the following:

- Improve performance of the employee and improve the competency level. In that way, the individual will better serve the organization.
- Be up to date at Universal Bank.
- Be aware of new services and techniques. This helps the organization keeping up with technological developments.
- Build friendship with other banks through seminars. This will facilitate transactions between banks.

The training effect on the employees is:
- Increase his/her responsibility in the job, and make him/her advance more easily and fastly.
- Make the employee feel that Management cares about his/her interest.
- Provide the employee with current technological developments.
- Improve employees relationship
- Help new employees to adapt to the organization and learn its values and beliefs.

The training program followed at UB is offered to all employees with no exception and depends on each one's specialization. UB offers two kinds of training:

1) **Indoor** training presents a yearly training program which consists of a school in the Bank that offers courses in accounting, marketing, banking operations...etc. When Management see that the offered course might help an employee, they invite him/her to attend the class. This is done for all the different branches of UB.

All these courses are offered between September and November in the afternoon. This period is usually convenient as it falls after the summer vacation where the weather is suitable for the employee to be willing to stay in the afternoon; moreover, during that period, there are no tests for employees who follow University courses. The courses offered by the management of the Bank (senior managers), are policy and banking ones presented to all employees every year until middle management position. These courses give employees new information as well as they refresh their memory. Although
they are not obligatory most employees usually attend the one they are asked to follow. There are no quizzes and no evaluation at the end of the course.

2) The other **indoor** training is job rotation. "Staff rotation is encouraged whenever it is planned and organized to serve: the career development of the employee, and the best interest of the institution". (Interview with Haddad, September 1993).

The other kind of training is the **outdoor**: UB sends the employees to attend seminars such as in the "Association des Banques de Liban", or in the "United Arab Bank". They may also attend Seminars outside Lebanon. UB sends its employees to follow courses as banking studies at Saint Joseph University and computer courses in Brain-Power. Also outdoor training can be given to secretaries until the top management positions.

**Evaluation** procedure is an important step to UB for both Management and employees.

The objective behind evaluation appraisal according to the management of UB is:

- To have a regular record on the performance of the staff.
- To get a reliable source of information to offer proper promotion.
- To identify staff weakness and strength.

The benefits that the employees might get are:

- To have better planning for their career
- To get regular feedback from Management.
- To assess their strength.
- To improve their work.
Evaluation appraisal is done once or twice per year at Universal Bank. An evaluation report is usually submitted by the direct supervisor to the department or division manager. After each supervisor has put his/her remark on the evaluation, it is submitted to the personnel committee which will review it.

At Universal Bank there are two kinds of evaluation. One is made to evaluate a manager or a senior in the Bank. It is a report which includes: performance during period of work, duties, personal characteristics, performance related to the goal of the Bank, steps for improvement, and so forth.

The other kind of evaluation is done for staff or senior staff which includes information on value of work, accuracy, initiative, organization, ability to work without supervision, making decision, training staff, health and energy, delegating duties, new idea, communicating with people, public relation with customers, absenteeism, technical knowledge, interpreting policy...etc.

The direct supervisor and department manager will put their remark on the evaluation report, and the final remark is put by the Personnel Manager.

**Rewards** are given according to the evaluation done. The Rewards offered by Universal Bank are:

1) Congratulations memo in individual personnel file. This is presented with a feedback about employee's performance.

2) Promotion in grade or tile.

3) Merit in promotion increase (salary increase).

The Personnel Manager stresses that promotion depends on many criteria such as the qualification of the employee. (Promotion for educated employee may be beside the increase in salary a better title, improved job description and responsibility. While promotion for a chauffeur is an increase in salary).
UB offers his/her employees incentive programs to increase their motivation. UB took into consideration all the employees who used to work during the bad days of work and who were very devoted in the worst of circumstances by giving them better salary and titles.

In Universal Bank there is a staff committee to make plans and prepare activities for employees. Social activities at Universal Bank are:
- Match or tournament with other banks (such as tiro).
- Picnics or Outings (for example trip to Laskoul).
- Regular yearly invitations such as:
  - A Christmas party for the children of UB employees.
  - A dinner at New Year for employees and their partner (husband and wife).

Furthermore, there is an internal newsletter through which the staff can communicate. There is a magazine, "Shadow", which is a means for exchanging information and a channel through which ideas, talents, and opinions will be expressed.

Management see the Bank as a family and expect all employees to have a family feeling. Universal Bank cares more about the loyalty of the employee than his/her tasks; especially in a bank, work loyalty is one of the most important characteristic of the employee. The employees that are mostly attracted to UB are young and fresh graduates.

There are high percentage of educated employee approximately 71%. (It includes high school education, institute (specialization), BS degree, MBA and Ph.D.).

Universal Bank encourages new blood injection, each year there are approximately two to three new employees. This is shown by the continual increase of the number of employees in the organization. It cares a lot about
choosing the best candidate for the right place. It had a low turnover during the period of war. Absenteeism without reason is rare but once found is treated by a warning.

According to Management, the ideal employee is one with the following traits:
- Good background and good education
- Creativity and innovation
- Efficiency
- With personality and charisma
- Discipline and loyalty
- Love to Universal Bank.
- Willing to remain with the system for a career.

The Personnel Manager considers "the relationship between employee and employee friendly, while the relation between employee and Management is respect, admiration and friendliness" (Interview with Mezher, August 1993).

In Universal Bank culture, there is more or less informality in dealing with people. Therefore, Management encourage open door policy. Employees come with two kinds of problem: career or personal problem which is solved by the manager; work related problem where manager listens to the problem and refers the employee back to his/her direct supervisor.

The physical appearance of a bank (desk, office...etc) gives the customer a feeling of welcome, improves the image of the bank, and leads to more prestige. In addition, employees work in a better atmosphere and feel more at ease. For these reasons UB has a committee to look for the decorum of the Bank. It even meets to decide on the color of the desk.
Another policy in the culture of Universal Bank is the way of payment given to UB employees which is by bonus. The salary is divided into approximately three bonuses. The employee will present whenever he/she wants one or all the bonus cards to the Bank cashier to get the sum mentioned in each bonus. This is done in such a way that no employee is jealous from his/her colleagues; in other words, the one who gets a low salary is not embarrassed form his/her colleagues; moreover, it is easier to pay by bonus than by cash. It is preferable that UB offers a more open policy by giving the employee his entire salary by cash.

UB culture has no sex discrimination since there is no preference between male and female. Females have holding positions in the Bank as well as signing powers on behalf of the Bank. According to the Chairman of the Bank "the preference is only for those that perform better", he says that "UB employees are young, well educated and dynamics". (Interview with Haddad, Sep. 1993).

UB's culture, Management policy and the way of treating the employees increase the employee commitment to the organization. This leads to better coordination and increase effort to achieve organization's objectives.

C- Employees Views Towards UB Culture and Management Policy

Employees perception of UB is very important since it might give a better image on UB corporate culture. For this purpose, a questionnaire with fifty questions was prepared (see Appendix B). These fifty questions were divided into subjects related to feeling of belonging, uniqueness, motivation in the job, happiness with the institution, dedication to UB, fairness and satisfaction, security, encouragement to take initiative, assistance and support from management, cooperation, commitment, identification with UB, strength of
culture, management practice, bank image, and appropriateness of social activities.

The sample consists of sixty-two employees from the five branches of UB in Lebanon. These branches are Hazmiah, Verdun, Zouk, Jal El Dib, and Achrafieh. Below is a comparision between total number of employees in each branch and number of employees who answered the questionnaire.

<table>
<thead>
<tr>
<th>Branches</th>
<th>No. of employees who answered</th>
<th>No. of employees in each branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashrafieh</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Jal El Dib</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Zouk</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Hazmiah</td>
<td>18</td>
<td>77</td>
</tr>
<tr>
<td>Verdun</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>62 employees</td>
<td>135 employees</td>
</tr>
</tbody>
</table>

The positive attitude of the employees was taken into consideration, so the percentage of positive response was taken after getting the result computerized by using the frequency and cross tabulation method. All the figures mentioned are rounded. (see Appendix C). The findings were not subject to statistical independant test.

Each question was divided into six categories as follows:
The first category is taken relative to the total number of the employees.
The second one consists of the branch that the employee belongs to. It is divided into five branches: Hazmich, Verdun, Zouk, Jal El Dib, and Achrafich.

The third category is taken relative to the age of the employees. This category is divided into young (Below 25), Medium (Between 25 & 40 and 40 & 50), and old (from 50 till retirement age).

The fourth category is taken relative to the education of the employees. It is divided into elementary education, below University (which consists of high school and institute degree), University (BS), graduates (consist of MS & Ph.D.).

The fifth category is the position that the employee holds at UB, and it is divided between juniors and supervisors.

The sixth and last category consists of the period of work of the employees at Universal Bank. This category is divided into less than 5 years, between 5 and 10 years, and over 10 years.

**According to Total Number of Employees:**

(94%) of the employees are proud of their institution and of working for it. (84%) say that there is a family atmosphere, but the spirit of unity between employees is (53%) which is not enough (see Appendix C). Employees are happy in their work, and they feel that there is a family atmosphere but when it comes to the group there is lack of spirit of unity. Therefore, Universal Bank has to encourage teamwork.

Employees believe in the uniqueness of UB values and beliefs (66%), but the uniqueness felt depends on many criteria. (18%) of employees say that the
organization is unique because of the reward offered. This shows that employees are not satisfied from the reward. (47%) believe that they get proper evaluation. The greatest positive percentage was (71%) where the employees felt unique because of the way they were treated. Uniqueness because of the way employees have been selected and trained is the most shared by old employees and supervisor as UB had tougher program than nowadays.

According to motivation (79%) of employees are motivated. Approximately most of the employees are motivated because of the company image (81%) and because the values of UB match with their values (87%). Employees didn't feel motivated because of rewards neither intrinsic (45%) nor extrinsic one (31%). Management of UB say that they give extrinsic rewards as much as they can offer, and that rewards are adequate but the high cost of living and the depreciation of the Lebanese Pound has led all kinds of rewards to become inadequate and insignificant. In addition, employees feel that they are not fairly evaluated for the time and effort exerted at work. Motivation from participation in decision making was (44%) which means that there is no encouragement from Management to employees to participate in decision making. Also UB has to stress more on the intrinsic rewards offered by providing more job enrichment, responsibilities and promotion to employees.

In any way, employees are still motivated (79%), but only (66%) of the employees are happy in their job, and (77%) find the climate of the organization attractive. Eventhough management of UB say that they stress on the physical appearance of the bank only (48%) of the employees find it appealing.

Employees are highly dedicated to their work at UB since only (18%) are willing to leave the Bank, to get another job in Lebanon and (27%) are willing
to leave the Bank to work outside Lebanon as there are better opportunities abroad.

Most employees do not feel satisfied by the reward offered as (31%) see reward equitable and (32%) say that they do not get their rights. (87%) of UB employees feel secure. They are the most secure because of the insurance offered (86%), (87%) because they feel that their employment is stable, and because they count to a certain degree on UB to keep them in their job whatever the circumstances are (74%). However, employees do not feel at all financially secure as only (15%) of the employees are positive in this respect. According to syndicate support only (36%) believe in it.

In general there is no discrimination at UB; what Management care about is the person outcomes and loyalty. Only (13%) of UB employees feel discriminated. Four employees are discriminated because of sex, one employee because of religion, and three employees because of geographical location.

Employees are encouraged to be innovative and initiators but not aggressive. UB encourages its employees to take responsibility (87%). UB encourages also the employees to take initiative (73%) and innovation (79%). Management of the Bank tolerate employees to bring new ideas (77%). While risk taking is not easily allowed at the Bank as only (31%) says that Management encourage risk taking. As UB is a centralized bank and the final decision is done by the top, people are not too encouraged to take risk.

There is assistance and support from Management to employees as (77%) feel that they are assisted by managers. Therefore, (82%) of employees believe that they are offered training programs to improve their job.
UB has an open door policy where each employee with a problem can go directly to his/her superior. (87%) of the employees believe that they have an open door policy and that they practice it. (90%) of the employees believe that Management encourage teamwork and participation. (66%) of employees feel that they are treated as individuals and not as a group.

Employees at UB cooperate with each others (84%), but there is lack of cooperation between Management and employees (60%).

Loyalty and commitment is present in most employees since (74%) of UB employees feel committed to the organization and go to work whatever the circumstances are, and (82%) are willing to work overtime.

UB values are widely shared by employees, since (76 %) of the employees know their organization goals and work to fulfill them, and (79%) feel that their values match with UB values. (90%) of UB employees believe that they have strong culture. This is obvious since employees know what is expected of them, and see that they have appropriate selection and recruiting program. Also (79%) feel that their orientation program is appropriate as UB helps the new employees to adapt easily.

The employees feel (68%) that they have rules and regulations that control their behavior. No matter how independent one is at UB, everything has still to be approved by top management at the end. (40%) believe that Management talk more than act and (57%) believe that the time between problem and solution is short. Management have to choose better means to promote culture and transmit it effectively in each employees.

(79%) of employees say that UB image is friendly, (19%) say it is neutral and (2%) say it is non friendly. This means that UB is seen as the friendly Bank.
Eventhough management of UB considers that they offer enough social activities to their employees, only (32%) of the employees see that the social activities offered are enough and appropriate. This means that (68%) of the employees need more and better social activity.

**According to the Branches of the Bank:**

Hazmieh and Verdun employees are more positive in relation to the Bank because they are more close to Management as Hazmieh is the General Management and Verdun is the Head Office. Those that are close to the top believe more in what Management is doing.

Approximately all employees of all branches without exception are proud of their institution especially Hazmieh employees as their branch is the General Management (100%). In Verdun, there is the least spirit of unity between employees since only (20%) of the employees are positive in this respect. The best feeling of unity is found at Zouk as this branch is smaller than the other both in terms of size and number of employees.

Employees at Hazmieh and Verdun feel unique because of the selection procedure, and training program offered. However, at Zouk, Jal El Dib and Achrafieh the feeling of uniqueness is felt by employees because of UB values and beliefs, and because of the way they are treated. In general the feeling of uniqueness because of the reward offered and the proper evaluation has low percentage to all branches.

Most employees have approximately the same percentage of motivation regardless of the branch that they belong to. The branches are not motivated because of extrinsic and intrinsic reward, except Zouk which is motivated (80%) by the intrinsic rewards as it is a newly opened branch. Most employees are motivated because of the company image and because their values match
with UB values. Motivation because of performance evaluation is low expect for Zouk (60%). The reason is that Zouk is a new branch and has small number of employees.

The employees that are the happiest in their job are in Zouk (80%) because everything is new and attractive to them. This is also the case in Hazmieh (78%) and Achrafieh (73%) but with a lower percentage. All employees of all branches say that the organization has an attractive climate except Verdun (53%). Only (47%) of Verdun employees feel happy, and consider their office appearance and organization climate unattractive. Therefore, Management have to stress more on Verdun branch to make it appealing. Since the General Management was in Verdun and it transferred to Hazmieh, this leads to lower interest in Verdun branch.

Hazmieh and Zouk employees feel more than the other branches that the Bank has an attractive climate and presentable office. The reason is that Management stress on Hazmieh and Zouk office as Zouk is new and Hazmieh is the General Management. The physical appearance at Jal El Dib is inappropriate (0%) according to its employees.

In general most employees in all branches are not willing to leave UB to work in another one, specially in Zouk no single (0%) employee is willing to leave his/her work and to work in another institution in Lebanon. The reason is that most employees are new since Zouk is the newest branch. In general UB has a high level of dedication from its employees. This proves the low turnover that UB has been witnessing in Lebanon.

Most employees without exception perceive that rewards are not equitable and that they do not get their rights. Here, the percentage is close among the branches.
All employees at UB feel secure specially at Hazmich where security is felt (100%) by the employees as the closer they are to Management, the more secure they feel. All branches do not feel secure financially specially Jal El Dib with (0%). The insurance gives good security to all employees of UB without exception. Since Hazmich is the General Management, and Verdun is the main office, the employees feel the most secure there because their employment is stable (100%). Between all branches, only Verdun employees feel secure (73%) because of syndicate support. All UB employees count on the Bank to keep them in the job except for Jal El Dib which has the smallest percentage (44%). According to all branches there is no discrimination at UB, this is specially shown at Verdun and Jal El Dib which has a (0%).

Verdun employees feel the most that they are encouraged to take initiative and Responsibility as they are the head office, but Hazmich percentage of taking initiative is lower than other branch (50%). In general Universal Bank does not encourage risk taking.

While Hazmich has the most cooperation (94%) between employees and employees, Achrafieh has the greatest (93%) cooperation between employees and Management. In Verdun there is low cooperation between Management and employees (33%). In general at UB there is more cooperation between employees and employees than between employees and Management.

In addition all employees have very close level of commitment, but Verdun and Achrafieh employees are the most willing to work overtime (93%). In general all employees are willing to work whatever the circumstances are. Even during the bad circumstances employees used to attend.

There is a high degree of rules and regulations that control employees behavior because as much as independent one is, still everything has to be approved by
the top. Employees of all branches and specially Hazmieh (100%) since it is the closest to Management consider that they have a strong culture. When top management is always by employees’ side, these tend to believe more in what Management is doing and how it is doing it. (78%) of Hazmieh employees consider that the Bank language is a tool that transmits culture to all branches and employees. Verdun employees believe the most (73%) that Management talk more than act while other branches have lower percentage. Hazmieh believes the most (78%) that time between problem and solution is short since it is closer to Management. Hazmieh and Verdun branches believe in the socialization process followed by UB more than the other branches.

According to the Bank image, the dominant image for all branches is the friendly Bank. The majority of the branches believe that UB does not offer enough social activities but only in Verdun (67%) of employees have positive attitude in this respect which differs a lot from the other branches. In general UB has to try to enrich its social activities program.

According to the Age of Employees:
All employees regardless of their age are proud of their institution. In general, most of the employees without exception lack the spirit of unity specially the young ones (47%) middle (56%). Medium age employees have an overall feeling of belonging because they are supposed to spend greater time with UB, and this increases their feeling of belonging and lead to better spirit of unity (56%).

Old employees believe the most that the values and beliefs of the Bank make it unique (100%). They feel (100%) that the Bank is unique because of the way they have been selected and trained as the training process was most appropriate and tougher than nowadays. Young employees feel unique because
of the way they are treated (87%) more than medium (67%) and old (50%) because they are young and do not require those treatments that are required by old and medium employees.

The employees that are the most motivated (100%) are the old employees because they might be close to the top. Their values match (100%) with the value of the Bank and are (100%) proud of the company image. Employees and specially the young ones (20%) feel that they are not evaluated fairly. Eventhough all employees whether young, old, or medium age do not participate in decision making, the old ones still have greater percentage (50%). Young and medium employees are motivated because their values match with the Bank value and because of the company image but not because of the rewards offered. Medium age employees feel better evaluated than others as they might have better position in the Bank. In general, those employees that are motivated the most are the old ones.

The percentage of happiness is approximately the same for all employees eventhough old ones have lower percentage (50%). Middle aged employees are the happiest (69%) since they are the most associated to the organization. Young employees feel that the climate of the organization is attractive (93%) medium (73%) and old (50%). Also, (87%) of the young employees believe that they have presentable offices. They like the climate and appearance of the organization more than the others because they are new and are still attracted by such matter while the others (old and medium) are attracted by other criteria.

UB employees whether young, old and medium aged feel the same degree of loyalty. Old employees are not willing (0%) to leave the organization and to
work in another job in or outside Lebanon. They usually stick to the job because they might not find opportunities elsewhere due to their age. Middle aged also would not like to leave the job and start from scratch in another institution. Young employees are the most willing to leave the organization specially to work outside the country and find better opportunities while medium age employees have a percentage that range between young and old ones.

Old employees have the greatest percentage (50%) in perceiving rewards equitable and in getting their rights. Because of their age, they are more willing to accept the work since it is more difficult for them to find work elsewhere. But medium (36%) and young employees (13%) have lower percentage because they have greater perspiration. Young employees are usually more ambitious and try to prove themselves.

Most employees feel secure but the percentage of security for medium age (91%) and old (100%) is larger than young employees (73%). The financial security is (0%) for young employees while for medium employees it is (18%) and old ones (50%). Medium and old employees have been working for greater period of time, and this made them more secure in their job. Old employees are (100%) secure because they are insured and their employment is stable and because of syndicate support. They find that UB is willing to keep them in the job whatever the circumstances are. Medium (80%) and old (100%) employees count on UB to keep them in the job more than young employees (53%) because time has proven that they can count on UB no matter what the circumstances are. Young employees are afraid of losing their job since they lack experience and seniority.

Old employees believe the most that UB encourages employees of taking initiative, responsibility, and innovation because time element made
Management believe more in their work. Medium age employees believe (80%) that UB tolerates new ideas.

Medium and young age employees feel that Management provide them assistance and believe more in open door policy than old employees since they are more willing to knock at the door of their superior.

Medium and young age employees feel that they are treated as individual, but old employees say that they are treated as groups and not as individuals (0%).

Young employees believe more in the cooperation between employees, and between employees and Management while old and medium have lower percentage as young employees are more open than older ones.

Old and medium employees are more committed to the organization than young ones because of the position they hold, the security they get, and because they are closer to Management than young ones. Old employees (100%) are the most committed to the organization and are willing to work overtime whatever the circumstances are. Medium employees have lower percentage (78%). This means that old and medium employees are more devoted to their work than young ones.

All employees with no exception sees that UB has strong culture. The old employees (100%) know the most their organization goals, and their values match with UB values. The time element has a major importance and make old employees associate themselves more with the values. Because out of experience they know better what is expected of them. While young ones are required many small tasks (rotation). Culture has been effectively transmitted to old employees. The appropriateness of the selection and recruiting program is (80%) for young ones, (73%) for medium ones and (50%) for old ones as now the selection and recruiting program is more studied than before. According to
medium and old age employees Management talk more than act (49%) and
(50%), relative to young employees (13%). This makes medium and old
employees more frustrated because they require more action from the part of
Management. The majority of employees believe that UB helps new employees
to adapt.

Whether social activities are enough, the percentage was young employees
(20%), medium (36%), old (50%). This is because young and middle ones
require more social activities than the old ones.

**According to Employees Education**

All employees without exception are proud of their institution. Below
university (BU) and above feel the family atmosphere more than elementary
ones (50%), because they might be more in contact with Management and
colleagues. Feeling of belonging is the most found with University student (U,
82%) as well as the spirit of unity (67%). They tend to develop a stronger
family feeling than below University employees and associate themselves
better with others.

Uniqueness of values and beliefs of UB is more found with elementary (E)
employees. Those with elementary education consider themselves unique
because of the selection procedure and because of the way they have been
rewarded. Uniqueness because of training program is believed the most by
University employees (67%), and graduates (G) employees (50%). This is the
case because the more educated the employees, the more training they need to
be up to date. They also feel unique because of the way they are treated
(U100% and G 67%). Uniqueness because of the reward offered is not believed
by University and graduate employees.
All employees without exception have a low percentage for their participation in decision making. However, University and graduate employees are eager to participate in decision making and feel that they should be more appreciated because they have a lot to offer. Elementary employees are the most motivated because they do not require lots of incentive for their motivation. They are the most motivated (100%) because of their company image as they feel proud to work in the Bank. But graduate (67%) and University (48%) employees are motivated more by intrinsic rewards than other ones because they have more chance to get better promotion, title and responsibility, since highly educated people have high capabilities and are usually ambitious as well as their values match with UB values. Graduate employees are motivated because their performance is evaluated fairly as they have high standard of education. Therefore, Management evaluate them better in order to keep them in the organization. Most employees and regardless of their education are not motivated by the extrinsic rewards offered.

The happiest in their job are those with elementary education (100%). They are happy since they have found a job in a bank that has a good image. They might not find this vacancy elsewhere. Graduate and University employees feel the most (G 100%, U 82%) that the climate of the organization is attractive. BU, U, and G feel that the office is more presentable than elementary ones. That is as one's position in the organization is higher, its office will appear more presentable. The less educated employees even if unhappy stick to their job.

Elementary employees are not willing to leave the Bank to work in another institution neither in nor outside Lebanon since it is a chance for them to work and cannot find work everyday (0%). It is difficult to find a job elsewhere as education is becoming a primary requirement. Graduate employees are not willing to leave the Bank (0%) to work in another institution in Lebanon, but
they are willing to leave the Bank (17%) to work outside Lebanon. They might have reached a position that makes them stick to the Bank.

BU and U are willing to leave the Bank (BU 44%, U 19%) but all the above percentage is too low. In general, the majority of employees are not willing to leave the Bank. In addition, graduate employees get their rights the most (67%) compared to others.

The majority of the employees feels secure, but not all of them feel secure financially. The percentage of security is high because they are insured, and their employment is stable as well as they count on UB to keep them in their job. Elementary employees feel secure because of syndicate support (100%) while the graduate ones do not give attention to this support (0%). The reason is that less educated employees know that they are dispensable and need someone to protect their rights.

Graduate employees is given the most encouragement by Management to take initiative (100%) and responsibility (100%) since Management believe more in their work than others and can count more on these people. But University employees have lower percentage (78%) responsibility and (67%) initiative. So Management have to encourage them more because highly educated people have high capabilities and are ambitious. Most employees believe that UB does not encourage risk taking but encourages innovation.

The majority of the employees believe that managers provide assistance specially graduates ones since they might be closer to Management, but elementary employees have lower beliefs (50%) in open door policy and in problem solving than BU, U, G because they do not communicate enough with Management and are not close to them as well as they are afraid to lose their job.
Elementary employees say that Management do not encourage teamwork (50%) and participation while BU, U, G believe that Management encourage teamwork and participation. Because of their education, they will be given better participation.

All believe to a certain degree in the cooperation between employees but graduates believe more than the other (83%) that there is cooperation between employees and Management. Educated employees might be more open and believe that cooperation lead to better productivity.

Those that are the most committed to the organization are those with elementary education because they want to stick to their job in order not to lose it. All employees are willing to work overtime, but BU has lower percentage than elementary, University and graduate employees.

Most employees know what is expected of them; there is no difference between educated and non-educated one. Elementary (100%), BU (92%), U (82%), G (100%); E and BU know what is expected of them because their task is more specialized.

All employees alike consider UB to have strong culture and consider the selection and recruiting program appropriate. Elementary employees consider that Management talk more than act but this is not believed by graduate employees (0%) because they are closer to Management and accept less the discrepancy between what Management do and talk.

The majority believe that UB helps new employees to adapt specially educated employees because they are more open minded and are offered seminars.

Elementary employees believe (75%) and BU (44%) that social activities are enough while (U 19% and G 17%) they believe that social activities are not enough. The reason is that BU and E ones accept easily any kind of social
activities, while U and G ones require more social activities and of better quality because they were more subject to such events at the University.

**According to the Position of the Employees**

All employees whether junior (J) or supervisor (S) are proud of their institution and feel that there is a family atmosphere, but the family feeling developed by supervisors is stronger than the one felt by junior employees (S 76%, J 62%) as they are closer to Management and associate themselves more with the Bank.

Supervisors feel unique by the way they have been selected (72%), trained (76%), and treated (76%). While juniors have lower percentage, none of them feel unique because of the reward offered. Supervisors because of their position participate more in decision making (60%) while junior (32%). Supervisors are more motivated (80%) than juniors (78%) because of intrinsic rewards (52%) as Management give them more responsibility and more promotion than junior ones as well as their performance is evaluated more fairly than junior 64%. What makes the junior motivated is the company image and values. Because supervisors are better treated and rewarded, they tend to be motivated more than junior staff.

Both juniors and supervisors have close percentage of happiness in the organization. The juniors as well as supervisors have appropriate happiness in their job (J 68% and S 64%) but supervisors feel (80%) that employees have presentable offices more than juniors (68%). Because of the position they occupy in the Bank, supervisors might have more presentable offices than juniors.
Juniors are more willing to leave the Bank and work somewhere else in or outside Lebanon. This is because supervisors are more secure and might stick more to their position while juniors search for better salary and position. Therefore, supervisors are more dedicated because of their position and beliefs in the company. Supervisors get their rights more than the juniors but with a low percentage.

Juniors are not secure financially at all (0%) and supervisors (36%). Both are secured because they are insured, and their employment is stable, and they count on UB to keep them in the job. Both do not count a lot on the syndicate support. Supervisors due to the title they hold, the reward offered, experiences acquired, feel more secure in their jobs.

Supervisors believe more than juniors that UB encourages taking initiative, (S 84%, J 65%) responsibility (S 92%, J 84%) innovation (S 88%, J 73%) and tolerate new ideas (S 80%, J 76%), but both believe that UB does not encourage risk taking. Supervisors because of their position have a higher degree of independence, initiative, and responsibility than juniors. Also Management can rely more on them. Therefore, supervisors have larger opportunities to exercise initiative.

Both believe in the assistance and support of Management, but supervisors have higher percentage as it is closer to Management. In addition, supervisors believe more that Management help them in case of problem (S 80%, J 76%) because they might have easier access to top management. Juniors believe more in the cooperation between employees and employees, while supervisors believe more in the cooperation between employees and Management. The reason is the closeness of supervisors to top management. In general, both
believe that the only way to get things done effectively is through cooperation among employees.

Supervisors are more willing than juniors to go to work whatever the circumstances are (S 88% J 65%) and to work overtime (J 76% S 92%). The reason is that supervisors want to strengthen and improve their position in the organization.

Supervisors (84%) know more than juniors (70%) what is the Bank goal and how to fulfill it. Due to their position, they are more in contact with Management. Juniors know more what is expected of them (92%) than supervisors (84%) because juniors have more specialized task and know better what to do while supervisors have more responsibility and tasks, and it is sometimes difficult to know what is expected of them.

Both believe that UB has strong culture, and they feel that there are rules and regulations that control employees' behavior. But supervisors at UB are more embedded in the culture of the organization than junior employees. Supervisors (48%) believe more than juniors (35%) that Management talk more than act. This is because supervisors have been with the Bank for a longer period and had more contact with Management. They know better the Management strength and weakness. As the general attitude towards Management practice is not very positive, this leads to frustration of employees.

Supervisors believe more than juniors that there is enough social activity (S 36% J 30%) even with a low percentage because supervisors work with Management team and believe more in what Management offer. Management have to increase social activities as most employees are not satisfied with the ones offered as they lower the promotion of culture at UB.
According to the Period of Work

All employees whether new or senior ones are proud of their institution. However, the senior ones are prouder because of the length of time that they have been working with the Bank which made them feel a part of it. They are better molded to the values of the Bank. New employees feel more the family atmosphere than old ones. Overall feeling of belonging is the most felt by those who have been working between 5 and 10 years (77%).

All employees of UB consider that the values and beliefs of the Bank make it unique. The senior employees feel unique because of the way they have been selected (83%) and because of their training program (67%), as Universal Bank had tougher training and selection procedure. Most employees are not impressed by the reward and evaluation procedure, but the senior ones tend to accept more the reward offered (44%) because of seniority. Those that have been working for less than 10 years consider themselves unique because of the way they are treated (<5 (77%), between 5 and 10 (77%), >10 (56%)).

Those that have been working over 10 years participate in decision-making process more than the other ones because of their seniority, and because the time element increased Management trust in their work. Most of the employees are motivated specially the senior ones (89%). The senior ones are motivated by the intrinsic rewards, and feel that their performance is evaluated fairly. They are better treated and rewarded because of their seniority. All employees without exception are motivated by the company image and because their values match with UB values. Those that have been working between 5 and 10 years are the most motivated because their performance is evaluated fairly. They might be the most productive one. They have already experience and are improving their career.
All employees have the same degree of happiness. Although the degree is not very high, the new employees and those that have been working for a period between 5 and 10 years consider that the organization climate is more attractive <5(87%), between 5 & 10 (77%) than the senior ones. Also the new ones consider the physical appearance of the Bank (61%) and office (84%) more suitable than the other. This means that the new employees are more fascinated by the organization climate than those that have been working for greater period of time. The new employees are more attractive to such matter while the senior ones do not put great emphasis on such criteria.

Approximately, most employees are not willing to leave the Bank to work in another job in Lebanon. However, those that have been working for less than 5 years are more willing to leave the job to work in another job outside Lebanon (39%). Because of their short period of work with the Bank, they are not too much attached to the Bank and didn't reach a high position. They will not lose a lot by leaving the Bank while those that have been working for a greater period have to start from scratch in another job. In addition, senior employees are more attached to the Bank and are not willing to sacrifice their position and seniority. The new ones are the most willing to find opportunities outside.

Most employees do not perceive rewards equitable and feel that they do not get their rights, but those that have been working for longer years have greater percentage than the others (44%). Because of their seniority, they get more rights and rewards.

Most employees feel secure, but the new ones feel the least secure (77%). The new ones are secure because they are insured and because their employment is stable, but they don't rely on UB to keep them in the job whatever the circumstances are. In general, employees do not feel secure financially.
Those employees above 5 years of work feel secure because they are insured, their employment is stable and because they can count on UB to keep them in their job whatever the circumstances are. Because of their long period of work with the Bank, they are sure that they can count on it. They consider themselves a part of the Bank as they developed with it all along the years.

Taking initiative is the most allowed for those that have been working for a period above 5 years <5(68%), between 5 and 10 (77%), > 10 (78%) because Management see that they have more experience than the new ones and the time has proven that UB can count on these employees. Those that have been working for a period above 10 years are given more responsibility (100%) because Management have more confidence in them and because they are closer to Management. In general, employees at Universal Bank are not encouraged to take risks. Management encourage new employees to innovate (81%) because they offer new ideas and techniques that they might get from a previous work or from their University studies; in addition, they are more dynamic than the others.

All believe that Management provide assistance, specially the senior ones (83%), as they are closer to Management and are more comprehensive with them than new ones. Those that have been working for less than 10 years believe more in open door policy (92%) as they are more willing than senior ones to knock on the door of their superior.

New employees believe that Management encourage teamwork and participation as well as they believe the most about cooperation between employees and employees, and between employees and Management because they are more fresh and more open-minded. Those that have been working for more than 5 years feel that they are treated as individuals. This is not the case
for the new ones because Management are more in contact with seniors and know better their strengths and weaknesses.

Those that have been working for over 10 years feel more committed than the new ones because they grew with the institution and feel that they became a part of the system. Since the senior ones are more committed to the organization, they are more willing to work overtime and to come to work whatever the circumstances are. Even those that have been working for more than 5 years are more willing to make sacrifices for their work since they feel more committed and closer to Management and to UB goals.

The majority of employees regardless of their seniority know their organization values and goals, but the senior ones through experience know better than the others what is expected from them. All employees believe that UB has strong culture. New ones consider (84%) more than senior ones that rules and regulations at UB control employees’ behavior, because they are new and not accustomed to UB yet. UB might exercise more control over them. The senior employees consider that Management talk more than act because along the years and along their experience with UB they have been aware of this fact more than the others. They are more frustrated than new ones.

Those that have been working for a period over 10 years say that UB helps new employees to adapt (94%) and those that have been working for less than 5 years (74%). The senior ones consider the socialization process of UB more appropriate than the new ones.

All employees believe that there is a lack of social activity. However, this is less shown with the senior employees (50%), between 5 & 10 (39%), and < 5 (19%). New employees require more social activities than senior ones to be
more in contact with their colleagues and Management and to increase their feeling of belonging to the Bank. New employees require social activities to motivate them and transmit culture to them.
Chapter V

Conclusion

According to the Management, they not only believe in what they are doing but also in UB's objectives, role, quality of work, nature of service, choice of customer and personnel, and its commitment to the country. Therefore Management should work hard to translate these beliefs into culture and to convince their people of these beliefs.

According to the findings of this project, approximately three quarters of the employees feel that the values of UB are widely shared since the branches of the Bank are situated in Lebanon and are close to the General Management and to UB objectives. Shared value is a motivational force since it makes employees more committed and moving in the same direction.

At UB, the majority of the employees are proud of the Bank and of belonging to it as it has proven to have quality service, could resist bank failure faced by other banks, has a welcomed atmosphere, responsible to its community, and has proper choice of customer. Employees are motivated because of the Bank's image. In addition, most employees feel unique because of the way they are selected and treated.

The degree of job happiness at UB is appropriate. This is shown by the commitment and the dedication of the employees who are not willing to leave
the Bank but are willing to work overtime and to come to work whatever the circumstances are.

It is difficult to make the Bank culture alien to the environment and the society which it belongs to. UB, all along its years of operations worked in a difficult political, economic, and business environment which has affected the Bank and its employees. Therefore, UB management tried to offer their employees a better working environment through offering attractive climate and presentable office. However if the culture is positive in a depressed environment, one will affect the other. Although UB tried to make the office as attractive as possible, this is not sufficient as, at the end of the day, employees have to go back to the environment they live in. There is a diversion between what is found in and outside the company, and it is very difficult to bridge the gap between the two.

Now the situation is ameliorating and this has affected the Bank positively since it started new projects namely the "electronic banking". This increased employees hope and positive attitude towards UB's future.

The percentage of cooperation between Management and employees at UB is lower than that between employees themselves. Even though managers provide assistance and support to their employees and encourage open door policy, there is still a certain degree of separation between Management and staff because of Management inability to satisfy their staff basic concern which
is a financial one. Employees feel that they do not get their rights and do not perceive rewards equitable (neither intrinsic nor extrinsic ones). This issue leads to the dissatisfaction of the employees and make them financially unsecure.

According to UB management, they cannot offer more than they already offered. In addition, the deterioration of the Lebanese Pound made all kinds of fringe benefits and salaries inadequate. The Bank cannot afford these changes. Even the competitors didn't solve this problem, so UB cannot afford appropriate extrinsic rewards. It has to satisfy its employees by emphasizing on the intrinsic rewards through improving employees job, title, promotion, and responsibility.

UB employees trust their Bank since they feel secure about the stability of their employment and count on the Bank to keep them on the job whatever the circumstances are. This feeling has to be transmitted to young and new employees to increase their productivity as they present the future of UB.

Individuals need to be attached to the organization as well as to something stable they believe in and that gives meaning to their day to day work. To encourage the individual to stay in the job, the organization should increase employee attachment to it by increasing the incentives. If the employees feel insecure in their jobs, they become distant towards their organization. UB should consider its employees as individuals who have needs
and expectations, thus, the Bank will become a valuable source for them. This will increase employees commitment and will make them stick to the job and look at it as a source for their personal satisfaction.

When an employee joins a firm, he/she hopes to satisfy his/her needs and builds friendship in addition to social status. If the organization does not satisfy individual need, this will lead to the demotivation of employees who will search for opportunities elsewhere.

More than half of the employees consider that UB evaluation procedure is inappropriate and unfair. Employees feel that their performance is not evaluated fairly, therefore, they are not getting their rights. This leads to the frustration of the employees and the resentment towards the Bank and its values. As most of the employees feel insecure financially, they will be on an unsolid ground with UB. The Bank can optimize motivation through setting right evaluation, rewards procedure and policies.

One of the most important factors to improve UB culture is to enrich its social activity program as a large percentage of the employees consider it inappropriate. UB, by improving its social activity program might increase employees satisfaction, cooperation, motivation, and commitment to the Bank.

UB has to work hard to offer an appealing internal environment as it is within its control. It should give its employees more responsibilities, encourage
taking initiative and teamwork, and make them more involved in decision making. Employees should be offered more enriched and varied jobs. Moreover, UB must make its job environment more appealing by improving the physical appearance of the Bank. UB has to improve its evaluation procedure in order that the employees feel that their performance is fairly evaluated. In addition it should make its possible to offer better financial rewards and benefits. Finally UB has to increase cooperation between Management and employees; this can be achieved by more meeting and more social activities.

Once Management satisfy employees need, this will motivate them, improve their productivity, lead to greater cooperation between Management and employees, and make employees more eager to fulfill UB objectives and goals. If everyone knows the organization’s goals and works on a common ground to fulfill these goals, the culture of the organization will become very strong. In addition, Management should always try to fulfill their promise to the employees; this will make employees believe in what Management are saying, hence, increase their trust in them.

Till now what Management are facing is a one part of the problem. However, if Management do not take steps to satisfy their employees as soon as possible, they will face less productivity from the part of their employees who will be reluctant to work. This will affect the Bank operations as well as the achievement of its objectives.
Management know that their people are their strongest asset, for that reason they should work hard to fulfill employees needs and expectations. Since satisfaction of individual needs will lead employees to exert high levels of effort towards achieving organization goals.

Although UB employees are facing difficulties, they should not forget that UB is providing them stable job, experience, assistance, security, belonging, and prestige which they might not find in another institution. For that reason they should be patient as the situation in the country is becoming better and UB is expanding its business. This will have an overall positive effect on all UB team.

As a conclusion, in order to maintain a strong culture, UB has to offer the best to its employees and vice versa employees should be willing to accept UB values and beliefs. Employees should feel proud as they really belong to one big family which is the Bank.
Appendix B

CORPORATE CULTURE
AT
UNIVERSAL BANK

Questionnaire To Employees

Please Indicate

AGE

____ Below 25
____ Between 25 and 40
____ Between 40 and 50
____ From 50 till retirement age

EDUCATION:

____ Elementary
____ High School
____ University degree
____ Institute degree
____ MS and Ph.D

Period of Work at Universal Bank

____ Less than 5 years
____ Between 5 and 10 years
____ Over 10 years

Position (title) You Hold in the Bank

______________________________

BRANCH

____ Hazmieh  ____ Verdun  ____ Zouk

______ Jal el Dib  ___________ Achrafieh
**CORPORATE CULTURE** expresses the values and beliefs that members of the organization share. It is the way things are done around here. It encounters the relation between management and employees as well as between employees and employees. So culture ties people together, gives meaning to their day to day lives, and tell them how to behave.

**CROSS THE CORRECT ANSWER**

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<td>3) Is there a family atmosphere in the Bank?</td>
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<td>4) Is there an overall feeling of belonging?</td>
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|   |   | 5) What is the Bank image?  
|   | friendly | neutral | non friendly |
| YES | NO | 6) Do the values and beliefs of Universal Bank make it unique? |
| YES | NO | 7) Are the values of the Bank widely shared? |
| YES | NO | 8) Do your values and beliefs match with Universal Bank values? |
| YES | NO | 9) Is the climate of the organization attractive to work? |
| YES | NO | 10) Do stories circulate in the Bank about the founder and the past? |
| YES | NO | 11) Do you know what is expected from you? |
| YES | NO | 12) Is there a Hero in the organization that all follow? |
YES NO 13) Is the physical appearance of the Bank (office, desks, ... etc.) reposing and represent the real culture of the Bank?

YES NO 14) Do all the employees have presentable office or only the top ones?

YES NO 15) As we know banks have unique terms that all employees are aware of. Do you consider them as a tool that unite all the members and transmit culture to you?

YES NO 16) Do you feel committed to the organization?

17) If yes, what are the elements that make you committed to the organizations?

YES NO 18) Do you feel secure to work in the Bank (UB)?

19) Do you feel secure: (Please give an answer to each of the following:)

YES NO a) financially

YES NO b) because you are insured

YES NO c) because your employment is stable

YES NO d) because of syndicate support

YES NO 20) Do you consider Universal Bank to have strong culture?

YES NO 21) Do you think that there are high degree of rules and regulations that control employees behavior?

YES NO 22) Do you consider that Management talk more than act?
23) For Management, time between problem and solution is it short?
24) Do Managers provide assistance and warmth when needed?
25) Do you think of leaving the Bank to work in another bank or Company in Lebanon?
26) Do you think of leaving the Bank to work in another bank or company outside Lebanon?
27) Do you count on Universal Bank to keep you in the job whatever the circumstances are?
28) Do you come to work whatever the circumstances are?
29) Do you work overtime willingly?
30) Do you believe that the Bank has an open door policy? Open door policy means whenever you have a problem you go directly to the manager.
31) Once you enter to your manager with a problem, does he help you?
32) Do managers treat you as a) Individuals or b) group
33) Do Management encourage teamwork and participation?
34) Socialization process is when the organization helps the new employee to adapt to its culture. As new employee, Universal Bank helped you to adapt to its culture?
35) Do you participate in decision making?
36) Is there cooperation and coordination between:
a- Employees and employees (colleagues)
b- Employees and Management
YES NO 37) Do you perceive rewards equitable?

YES NO 38) Do you take initiative?

39) Does Management encourage:
   YES NO a- Responsibility
   YES NO b- Initiative
   YES NO c- Risk taking
   YES NO d- Innovation

40) Do you consider yourself as Universal Bank's employee unique because of:
   YES NO a- the way you have been selected and recruited
   YES NO b- training program
   YES NO c- rewards offered
   YES NO d- proper evaluation
   YES NO e- the way you are treated

YES NO 41) Are you motivated in your work?

42) Are you motivated because:
   YES NO a- of intrinsic rewards (promotion, title, more responsibility)
   YES NO b- extrinsic rewards (salary increase, fringe benefit, merit increase)
   YES NO c- image of the company
   YES NO d- because your performance is evaluated fairly
   YES NO e- value of Universal Bank match with your values

YES NO 43) Do you know your organization's goals and work to fulfill them?

YES NO 44) Does the training program help you to improve your job?

YES NO 45) Selection and recruiting program, is it appropriate?

YES NO 46) Do you consider there is enough social activities offered?

YES NO 47) Do you get your rights?
48) Is there discrimination because of:
   ______Sex      ______religion      ______geographical location

   YES  NO  49) Do they tolerate new ideas?

   YES  NO  50) Do you feel that there is a spirit of unity between all employees of Universal Bank (Hazmeh, Verdun ... etc).

ANY COMMENTS :

(N.B.: Be sure your answers will be kept strictly confidential)
## Appendix C

### Feeling of Belonging

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### FAIRNESS & SATISFACTION

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Haddad, G. (1993, Sep 17), Personal interview. (Haddad is the Chairman and General Manager at UB).

Liyan, F. (1993, Aug 13), Personal interview. (Liyan is the Assistant General Manager and Credit Division Head at UB).

Mezher, G. (1993, Aug 17), Personal interview. (Mezher is the Operating and Personnel Manager at UB).