DECISION MAKING AMONG LEBANESE EXECUTIVES

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TITLE OF RESEARCH TOPIC: Decision Making among LEBANESE Executives.

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DECISION MAKING AMONG LEBANESE EXECUTIVES
CHAPTER I

INTRODUCTION

Decision making is an executive skill that can be developed.

This does not mean that the route to sound decision-making is easy to follow. Nor does it mean that every one can learn to apply this skill with an equal proficiency.

The fact is decision-making is an art just as playing golf is an art. Some people take to it naturally and become proficient with seemingly little effort; others remain comparative hacks for years, even though they love the sport and are fascinated by its challenge. It is an art of making sound judgement. It is a choice between alternatives. It is rarely a choice between wrong and right. It is at best a choice between "almost right" and "probably wrong" but much often a choice between two courses of action neither of which is provably more nearly right, than the other.

Most books on decision-making tell the reader: "First find the facts." But executives who make effective decisions know that one does not start with facts. One starts with opinions. These are, of course, nothing but untested statements and as such, worthless, unless tested against reality.

Thus, the effective decision does not, as so many texts on decision-making proclaim, flow from a consensus on the facts. The understanding that underlies the right decision grows out
of the clash and conflict of divergent opinions and out of the serious consideration of competing alternatives.

PROBLEM AND PURPOSE

The main concern of this work is to investigate the Lebanese Executive's decision making styles, and the Extent to which he shares his decision-making power with his subordinates.

The reasoning behind this research emanates from the social values and norms that seem to have significant influence not only on his decision making but also on the power tactics he uses in the management of conflict. Still Remain THE LEBANESE INTERPERSONAL STYLE and his attitude towards time and change which have significant effects on the Decision-making approach; but they both are left for further research, and are beyond the scope of this work.

The issue I explore is, therefore, of concern not only to Lebanese Executives, but also to ARAB and NON-ARAB businessmen and expatriates, to consulting and management development organizations, and to social scientists interested in international business and comparative (cross-cultural) management.

The study is clearly non-exhaustive in its coverage of topics relating to the Lebanese executive; also this study does not attempt to compare the Lebanese executive with his neighbor in other - ARAB societies. Thus the reader is left to compare
the Lebanese with whichever society he or she is most familiar. This study is exploratory and the single focus limits the complexity of Cross-cultural comparisons.

PROBLEM QUESTION

However, one important question remains to be asked:

IS THERE ONE PERFECT METHOD THAT CAN BE APPLIED TO ALL DECISIONS IN ALL SITUATIONS?

Even though, elements of decision-making vary from country to country and from a textbook to a different one; Conclusions, Recommendations and findings will be drawn in the next two chapters as set up by the Questionnaires and statistical analyses and testing.

PERFORMANCE OBJECTIVE

The Executives recognize, however, that deeprooted values and norms are slow to change. Their efforts at changing the environment are further hampered by the ambivalent feelings they have towards certain social changes which usually accompany modernization. They find themselves in the uneasy situation of introducing into their environment modern and scientific methods and adapting them to their new, yet traditional, work and life styles. In short, Lebanese executives are agents of social change in a society which itself is undergoing modernization.
Indeed, the Lebanese executives are taking a leading part in shaping a critical period in their history.

So the approach used in this study is to view the Lebanese executive as an integral part of a business-oriented social system (his organization) which itself is inextricable from the larger social system, its social structure, and in a specific period of time.

ORGANIZATION OF THE STUDY

Finally the approach of this study did not attempt to make a conceptual comprehensive model, but rather to make the investigation easier; it has utilized various perspectives on selected managerial issues along with empirical investigation of executive's attitudes and practices. The bulk of the data were collected from interviews with top Lebanese executives; also managers with intensive work experience and no university degrees, were also considered.

Moreover, available literature on the topic in addition to some personal observations were observed throughout this paper.

The research's individual binomial probability distribution table is relegated to an appendix, as also is the full English version of the interview schedule.
CHAPTER II

PRESENTATION AND ANALYSIS OF RESULTS

Description & Criteria of decision making:

Before we turn to the analysis; I find it indispensable to introduce few concepts concerning Decision-Making in general since the literature in this field is wide and immense. The often-made statement that decision making is the organizational activity has motivated researchers from a variety of social science disciplines to its study.

The useful and well-known model proposed by HERBERT A. SIMON will be considered as the basis for describing the Decision-making process. It consists of three Major phases:

I- Intelligence: It consists of searching the environment for conditions calling for decisions. Raw data is obtained, processed, and examined for clues that may identify problems.

II- Design: Inventing, developing, and analyzing possible courses of action. This involves processes to understand the problem, to generate solutions and to test solutions for feasibility.

III- Choice: Selecting a particular course of action from those available. A choice is made and implemented.

However; other models of decision making place more emphasis on feedback of results of the decision. For example
Rubenstein and Haberstroh proposed the following steps:

I- Recognition of problem or need for decision
II- Analysis and statement of alternatives
III- Choice among the alternatives.
IV- Communication and implementation of decision.
V- Follow up and feedback of results of decision

The two models are not contradictory. The Simon Model essentially says that execution is decision and that another is required for follow up and so to describe decision making in terms of models; it is important to differentiate between the two:

A Model of decision making which tells the decision maker how he should make a decision is normative or prescriptive. A Model which describes how decision makers actually make decisions is descriptive.

The normative models have generally been developed by economists and management science; Linear programming, game theory, capital budgeting and statistical decision theory are examples of normative Models. The descriptive Models attempts to explain actual behavior and therefore is my main concern throughout this work.

Impact of cognitive style on Decision making by Individuals:

The strategy by which Lebanese individuals or any other
individuals operates to reach a decision or solve a problem is termed cognitive style. There is evidence that Lebanese individuals differ in their cognitive styles. One researcher characterizes individuals by their communication Mode (How they acquire data) and by their appraisal manner. Lebanese individuals are not research oriented nor too much involved in data collection and its organization into beneficial method. Therefore, the communication mode ranges from preceptive (uses data to generalize about the environment) to receptive (Builds image of environment from specifics within the environment). The appraisal manner ranges from systematic to intuitive. Individuals can be classified by combination of these two dimensions of cognitive style.

COMMUNICATION MODE

<table>
<thead>
<tr>
<th></th>
<th>perceptive</th>
<th>intuitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manner</td>
<td>Systematic</td>
<td></td>
</tr>
<tr>
<td>Appraisal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The two extremes of cognitive-style decision approaches have also been termed "analytic" and "Heuristic". The analytic or systematic individuals relies upon organized information and
planned, organized approaches to decision making; the heuristic or intuitive individuals relies upon analogies and let the situation guide the decision making.

Lebanese individuals are not necessarily at the extreme in terms of this classification but of course may tend toward one over the other.

The followings are a summary by Barret of the two approaches 7:
<table>
<thead>
<tr>
<th>Problem Solving dimension</th>
<th>Heuristic</th>
<th>Analytic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approaches to learn</td>
<td>learns more by acting than analyzing the situation and places more emphasis on feedback</td>
<td>employed a planned sequential approach to problem solving, learns by analyzing and places less emphasis on feedback.</td>
</tr>
<tr>
<td>Search</td>
<td>uses Trial and error and spontaneous action</td>
<td>uses formal national analysis</td>
</tr>
<tr>
<td>Approach to analysis</td>
<td>uses common sense, intuition and feelings</td>
<td>Develop explicit, often quantitative models of the situation.</td>
</tr>
<tr>
<td>Scope of Analysis</td>
<td>views the totality of the situation as an organic whole rather than as a structure constructed from specific parts.</td>
<td>Reduces the problem situation to a set of underlying causal functions.</td>
</tr>
<tr>
<td>Basis for inferences</td>
<td>Looks highly visible situational differences which vary with time</td>
<td>Locates similarity or commonality by comparing sets of objects.</td>
</tr>
</tbody>
</table>
The research on cognitive styles is directly relevant to the design of management by its support to the kind of decision making.

Can a decision making process be learned?

Quite number of people ask themselves whether decision making can be taught or whether it is innate. For me I think that the decision making is acquired from the environment in which individuals live and practice their usual life. Also decision making is influenced by the factors whether internal or external which surrounds the particular individual. Also as I mentioned at the very beginning that decision making can be learned and developed. There are guidelines which help improve a person's decision making ability. Some are no more than points of view or mental quirks which predispose a person to make decisions; some are techniques which groove his procedures into patterns which have proved workable.

Factors conducive to sound decisions!

Suppose you know that the president of your company feels he does not have enough decision-makers in the organization. He has implied that the man who demonstrates this trait in an effective way will have a bright future in the company. On the other hand, you observe that the president is seldom satisfied with the decisions made by men in the company, many of whom we re-
gard as having the intelligence and the necessary training to make reasonably good decisions. In such a situation, are you, as a potential decision maker, in an enviable position or even or questionable one?

Naturally, there are not enough facts given in this situation to answer the question with any degree of certitude. But the odds are that conditions in the company are such that effective decision making is being discouraged. And so it is important to note here some of the possible reasons why the company may not be healthy for a decision-maker:

a- Company policies and objectives are not spelled out. When this happens, executives who must guess at the direction the company is suppose to be going are bound to make conflicting decisions; that have no common goals, no specific target, no team effort.

b- Problem-Solving and decision-making are resisted by management. It sometimes happens that executives, without even realizing it, resist change, this is natural, especially as people get older and more aware of the troubles and internal conflicts that result from change. Nevertheless, such an attitude can atrophy a company and hold it back from realizing its full potential.

c- An atmosphere of threat may exist. Buck-passing is another natural human trait that tends to discourage effective decision-making.
When things go wrong, some organizations look for or scapegoat. If such an atmosphere exists, people are discouraged from making decision.

Only a man of uncommon courage is willing to stick his neck out when he knows that his superiors are standing around waiting for the opportunity to chop off his head. If decision-making is going to be effective, the environment should be one in which the decision maker is rewarded, not threatened.

d- There may be a lack of interdepartmental communication. Problems and solutions in a business milieu tend to leapfrog over departmental boundaries. But if a company discourages freedom of communication, problem-solving at best will be watered down and inaffectual.

e- The organization man rather than the maverick may be encouraged.

Some companies seem to encourage conformity among their executives. They want what is known today as organization men—men who think, respond, and make decisions in predictable patterns, superficially, this may appear desirable; actually, it stifles creativity. "It also opens the executive doors to apple polishers and "yes Men".⁸

What companies really need are the maverick thinkers—men who can look at long-standing company practices with critical eyes.

f- There may be a lack of time for problem-solving. Some companies want their executives to look busy with the end
result that everyone is burdened down with details. This is
deadly to decision making; men must be free of harassment be-
fore they can think creatively.

WHAT TO DO IF ENVIRONMENT IS WRONG!

I have explained above that the environment in an organiza-
tion may be such that decision-making is discouraged. Does this
mean that an ambitions person, finding himself in this situation;
should quit his job and find one with a more tolerant atmosphere?

Not necessarily. A company riddled with problems may offer
opportunities than one which has already solved its major prob-
lems. Therefore, if one find himself in a company with obvious
problems created by management, he may be in a perfect position
to take a giant step forward in his career. He has to proceed
with tact and make haste slowly, but this is just part of the
challenge. On the other hand, a man may find himself in a situ-
ation which looks hopeless. If his management is firmly entrench-
ed and steadfastly discourages decision-makers, he should
find another position. No one should gamble his career on the
wistful hope that things he cannot control may somehow change
for the better, fortunately, the great majority of organizations
encourage decision makers. If they have a problem it is to find
people willing to make decisions and capable of making them.

METHODOLOGY:

In this particular work; the Lebanese executives intervie-
wed, were purposefully selected to meet a number of requirements. First they came from the Banking sector only; and this was simply done in order to facilitate the work... Second an attempt was made to select executives from financial institutions whom so far proved to be very successful in this area and thereby have been in this kind of business for so many years.

Third, from each bank I attempted to select by no means the top executive. However; this would have been impossible without the help of friends, relatives and some business associates.

Luckily enough, in all cases the executives interviewed have showed a great interest in the subject and willingness to provide all necessary informations. The typical semi structured interview lasted no more than 20 minutes. Most of the interviews took place in the executive's offices, but a few were conducted through correspondance.

Finally due to the Exploratory nature of this study, most of the Data collected were based on nominal scales. The simple statistical theory of frequency distribution table and polygon were used on such data.

Decision making styles:

As the research objective was defined, certain data needs emerged.

First, in the previous pages I have discussed the decision
making concept, methods of decision making and how to learn to make sound decision. Now, I will discuss the Lebanese executive as an organizational leader, viewing him as the prime agent of influence and Central within his own organization. The ability as well as the capacity to exert influence and control over the actions of others is one of the more common definitions of the power concept 9.

I shall be discussing the Lebanese executive's use of decision making in a very reality of organizational life, since I am interested in the extent to which the Lebanese executive shares his power of decision making with his subordinates under various situations, but for simplicity, involving one type of business sector using different types of business decisions. In short my aim here is (a) to draw a profile of the decision making styles of Lebanese executives; (b) to isolate those variables which provide the best explanation of the variation in decision-making styles; (c) to provide support of the findings by using a variety of statistical techniques.

Decision-making profile:

The style of decision-making is defined and measured by four equal interval scale reflecting the various degrees of power sharing between the executive and his subordinate. The style and the sharing continuum is illustrated in the figure below:
In the decision making section of the semi-structured interviews, each executive was presented with a description of four alternative decision styles. Each was then given seven decisions and was asked to describe which of the alternatives he would normally use to arrive at the decision. In order to minimize bias I would code each decision right after the interview is over. The four alternatives styles are:

I  The decision is made by you, no consultation or discussion with subordinate.

II  Prior consultation with subordinate; he /they may or may not influence your decision.

III  You and your subordinates together analyze problems and come to a decision - subordinates have as much influence as you have on final decision.

IV  Ask subordinate to make decision on his own.

The seven decisions are:
The decision to promote one of the employees directly supervised by one of your subordinates.

The decision to discipline one the employees directly supervised by one of your subordinates.

The decision to terminate the services of one of the employees directly supervised by one of your subordinates.

The decision to reduce workforce by 20%.

The decision to increase the workforce in a subordinate's department.

The decision to introduce a new product, or enter a new market, or take on a new project, or expand existing work facilities (whichever is applicable).

The decision to alter/modify the formal organization chart (changes in job and/or responsibilities, re-organization) in your subordinate's department/division.

The approach I started with to analyze the data; uses the frequency distribution of responses for each of the seven decisions; this approach is meant to emphasize and draw attention to the fact stated earlier: that executives rarely employ only one decision-making style irrespective of the type and nature of the decision. Indeed, executives vary their in accordance with the problem at hand as logic suggests:
Distribution of decision styles for each decision.  
(N = 11) (Expressed as %)

<table>
<thead>
<tr>
<th>Decision</th>
<th>Style I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>73</td>
<td>27</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td>36</td>
<td>27</td>
<td>27</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>36</td>
<td>44</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>19</td>
<td>45</td>
<td>36</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>28</td>
<td>36</td>
<td>36</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>10</td>
<td>63</td>
<td>27</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>7</td>
<td>18</td>
<td>64</td>
<td>18</td>
<td>-</td>
<td>100</td>
</tr>
</tbody>
</table>

All decisions 14 50 31 5 100
Proportion of Responses for all decisions by all people interviewed (N = 11)

<table>
<thead>
<tr>
<th>Style</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(own decision)</td>
<td>(consultation)</td>
<td>(Joint Decision)</td>
<td>(Delegation)</td>
</tr>
</tbody>
</table>

Percentage of Responses

50
40
30
20
10

TEST OF HYPOTHESES ABOUT A
POPULATION PROPORTION

Depending on the situation, there are two procedures that may be appropriate for testing a hypothesis about a population proportion. If the sample size is such that a table of the appropriate binomial distribution is available, the most direct method for testing the hypothesis is to find the required conditional probability value directly from the table. If this is not the case, and if, for the hypothesized value of \( \pi \), both \( n(\pi) \) and \( n(1-\pi) \) are at least five and \( n \) is at least 30, the normal approximation to the binominal may be used. Hence, the first method is the one to be used and the procedures for testing are illustrated below:

for style I; if I take the number of sucess x to be 6 out of the 7 decisions for the selected values of \( n = 11 \) and \( \pi = 0.14 \)

\[
P(x) = \frac{n!}{x!(n-x)!} \pi^x (1-\pi)^{n-x}
\]

The level of significance is set at \( \alpha = 0.10 \) from the binomial distribution we find:

\[
P(x \geq 6 \mid n = 11, \pi = 0.14) = 0.0023
\]

\( P = 0.0023 \)

\( \alpha = 0.10 \)

\( P < \alpha \implies \text{Reject } H_0 \)
For style II; if I take the number of success $x$ to be also 6 out of the 7 decisions for the selected values of $n = 11$ and $\eta = 0.50$

The level of significance is set at $\alpha = 0.10$

$$p(x \geq 6 \mid n = 11, \eta = 0.50) = 0.2256$$

$$p = 0.2256$$

$$\alpha = 0.10$$

$$P > \alpha \implies \text{Accept } H_N$$

For style III; if I take the number of success $x = 6$ for $n = 11$ and $\eta = 0.31$

$$p(x \geq 6 \mid n = 11, \eta = 0.31) = 0.0566$$

$$p = 0.0566$$

$$\alpha = 0.10$$

$$P < \alpha \implies \text{Reject } H_N$$

For style IV; if $x = 6$ for $n = 11$ and $\eta = 0.05$

$$p(x \geq 6 \mid n = 11, \eta = 0.05) = 0$$

$$p = 0$$

$$\alpha = 0.10$$

$$P < \alpha \implies \text{Reject } H_N$$

Even if I take the number of success $x$ to be 7 out of the 7 decisions for the selected values of $n$ and $\eta$.

$$P(x) = \frac{n!}{x!(n-x)!} \eta^x (1-\eta)^{n-x}$$
level of significance is set at $\alpha = 0.05$ from the binomial distribution we find:

**Style I**

$$P \left( x \geq 7 \mid n = 11, \pi = 0.14 \right) = 0.0003$$

$p = 0.0003$

$\alpha = 0.05$

$p < \alpha$ \quad Reject $H_N$

**Style II**

$$P \left( x \geq 7 \mid n = 11, \pi = 0.50 \right) = 0.1611$$

$p = 0.1611$

$\alpha = 0.05$

$p > \alpha$ \quad Accept $H_N$

**Style III**

$$P \left( x \geq 7 \mid n = 11, \pi = 0.31 \right) = 0.0173$$

$p = 0.0173$

$\alpha = 0.05$

$p < \alpha$ \quad Reject $H_N$

**Style IV**

$$P \left( x \geq 7 \mid n = 11, \pi = 0.05 \right) = 0$$

$p = 0$

$\alpha = 0.05$

$p < \alpha$ \quad Reject $H_N$
Since I am interested in investigating the hypothesis that style II is the most significant; my hypothesis will be:

\[ H_N : \quad \alpha = 50 \% = \text{Most significant} \]

\[ H_A : \quad \text{Not most significant} \]

hypothesis will be tested at \( \alpha = 10\% \) and \( \alpha = 5\% \) results will be interpreted as follows:

\[ P < \alpha \quad \text{Reject } H_N \quad \text{Style II is not most significant} \]

\[ P > \alpha \quad \text{Accept } H_N \quad \text{Style II is most significant} \]

and from above calculations we find that style II with no doubt is the most significant ....

style I \( \Rightarrow \quad P < \alpha \quad \text{Reject } H_N \quad \Rightarrow \quad \text{Style II is not most significant} \)

\( \Rightarrow \quad \text{Results of style I at 14\% is accepted} \ldots \)

Same type of interpretation is done for styles III and IV.

The table and figure above present the results using frequency distribution of responses by style broken down for each decision and for the total of all decisions. It is clear from the table that the four decision styles were utilized on nearly all decisions.

A major exception was: style IV (Delegation) was employed only for decision 2 and 3. It is worthwhile noting that Lebanese Executives do not delegate nor involved their subordinates on Major Decisions concerning the organization. It is also clear that style II, consultation, was predominantly pre-
ferred by Lebanese executives for this specific set of decisions.

Moreover if we look at the proportion of responses for all decisions by all people interviewed we find that consultation comes first by 50% of responses, followed by joint decision 31% own decision 14% and finally and the least preferred of all the delegation style 5% ....

So it seems that Lebanese executive like to consult but not to delegate ... So to make our analysis even more beneficial; let's try to group the decision styles into their proper categories: Such as personnel, departmental, organizational and thus we come up with the following table:

**DISTRIBUTION OF DECISION STYLES FOR EACH CATEGORY**

(N = 11) (Expressed as %)

<table>
<thead>
<tr>
<th>Category</th>
<th>Style I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel (1,2,3)</td>
<td>7</td>
<td>48</td>
<td>33</td>
<td>12</td>
<td>100</td>
</tr>
<tr>
<td>Departmental (4,5,7)</td>
<td>22</td>
<td>48</td>
<td>30</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Organizational (6)</td>
<td>10</td>
<td>63</td>
<td>27</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Weighted average</td>
<td>13</td>
<td>53</td>
<td>30</td>
<td>4</td>
<td>100</td>
</tr>
</tbody>
</table>
TEST OF RESULTS

$H_N = \mu = \eta = 53\%$ is most significant

$H_A = \text{is not most significant}$

$\alpha = 10\%$

Style I

$P( x \geq 6 / n = 11, \eta = 0.13 ) = 0.0013$

$P = 0.0013$

$\alpha = 0.10$

$P < \alpha \text{ Reject } H_N$

Style II

$P( x \geq 6 / n = 11, \eta = 0.53 ) = 0.2308$

$P = 0.2308$

$\alpha = 0.10$

$P > \alpha \text{ Accept } H_N$

Style III

$P( x \geq 6 / n = 11, \eta = 0.30 ) = 0.0566$

$P = 0.0566$

$\alpha = 0.10$

$P < \alpha \text{ Reject } H_N$

Style IV

$P( x \geq 6 / n = 11, \eta = 0.04 ) = 0$

$P = 0$

$\alpha = 0.10$

$P < \alpha \text{ Reject } H_N$
This second table, clearly shows that Lebanese Executives don't like to delegate at all matters concerning the departmental or even the organizational aspect of their organizations... Also as we move from personnel to departmental or even organizational: we notice lesser and lesser power-sharing; Executives become more autocratic; this is due to the behaviour of Executives in analyzing the importance of the decisions related to the organization.

Another major finding that seems to persist all along our analysis: the dominance of style II (consultation) in all 3 categories.

However; since consultation seems to have a very special meaning for all executives interviewed; let's have a closer look at this particular aspect of decision style.

CONSULTATION

Before discussing the special meaning of consultation to Lebanese executives, it is worthwhile mentioning two major findings: first of all 3 out the 11 executives interviewed chose to have the consultation style on all 7 types of decisions. As a matter of fact one them said:

"I LIKE NUMBER TWO VERY VERY MUCH"

Second it seems that one Senior Executive of AL-MAWARED BANK; Mr. FAWZI RAWDA, had a different opinion on the subject matter:
According to Mr. RAWDA; for decisions 4 thru 7: There should not be any differentiation between style II and III; That's why he chose to circle both of them for decisions 4, 5, 6 and 7. The reasoning behind his opinion is that:

- The decision to reduce workforce.
- The decision to increase workforce.
- The decision to introduce new product.
- The decision to modify organization chart.

None of the above decisions would be the right decision at the right time if for any of them we choose to have style II without considering style III or even if we chose to have style III without relying on style II.......

AND NOW WHAT IS CONSULTATION?

Consultation is a norm which is still practiced by the present day rulers of countries in the peninsula.

Senior members of the ruling families, or the community, are consulted on matters of importance.

The final decision, However, is always made by the leader who may or may not adhere to the advice of his senior men 10.

The Lebanese executives rely heavily on the consultation approach in their decisions - making.

What is the reason for this kind of consultative behaviour? and if consultation is indispensable! who is being consulted?

Briefly are some answers to the above questions.
- Most businesses are family business; and if they are not; people working for a particular institution are somehow related to each other; therefore there are strong Expectations among senior managers, partners, and even some friends and relatives to be consulted on daily issues.

- To avoid conflict and therefore unnecessary problems that might arise out of this conflict, to please somebody and to win him over persons that you might be in conflict with them, consultation seems to be a good tool.

- When seeking advice; consultation is necessary especially from older people: as one executive puts it: "one day older, one day knowledgeable".

- Consultation causes no harm, rather reduces conflict and facilitates work; this was the opinion of a number of Executives ...

Before I terminate my analysis few points need to be said about style 3 and 4. Style 3 clearly received a relatively low score due to the absence of truly democratic practices such as pure elections, majority rule and so on ... even though we live in a democratic country; but these rules and practices have been absent and out of practice for more than 15 years for reasons that are beyond the scope of analysis...

Finally a brief word about delegation. This style, receiving the lowest score (5 per cent of total responses); seems to under utilized; especially if we keep in mind that all executives
interviewed are top executives in their respective companies. However, it is generally believed that the higher the executive in the hierarchy of managers, the more likely he is to be informed only on deviations. If indeed delegation is a thing of no value to the Lebanese executive; the likely effect would very harmful when it comes to the growth and advancement of the particular company.
CHAPTER III

CONCLUSIONS, RECOMMENDATIONS AND SUMMARY

Throughout this work; the approach has been to view the Lebanese executive as a part of a business-oriented social system which, in turn, is embedded in his wider environment. Again this environment is made up of a set of norms, values, cultures and roles. In the preceding chapter; I have mentioned how the political and economical instability of the country; was apparent in influencing the Executive's styles of decision making. I also discovered the strong influence of family business and friends on the traditional approach of consultation to decision-making. As a result there is a strong incentive for the Lebanese executive to rely upon family and friends in managing his business.

In short, the environment has a great influence on the Executive's thinking and behaviour; that's why executives value decision styles differently and it is directly one of the reasons that lead decision style 4 to record such a low score.

Consequently there is a relatively low score on decision style 3; because it seems that Lebanese executives dislike group work ... and finally Lebanese executives have scored also relatively low scores on decision style 1.

The executive; viewed by his environment as the sole agent of change toward advancement and modernization is very much likely to be faced with problems to which he cannot find easy
answers.

Should they go on plugging away seeking the key? or, shou-
dl they give up?

When they face this Dilemma -

1- Assess the importance of the problem:

Stick with it if it's a major obstacle. There is no point, for example, in conducting business as usual if a bottleneck is obviously going to wreck chances of filling a major commitment.

On the other hand, don't tie yourself up over a minor ma-
tter while regular operations go to pot.

2- Consult:

As they say: "Two heads are better than one". Take up the problem with your subordinates, the people who are directly con-
cerned, specialists in your staff departments who might be able to help.

However, they may or may not be able to provide great assis-
tance. But it is not unusual for your own thoughhts and ideas to become clarified in the process of discussion. Even if you draw blanks, you have at least multiplied your chance of success.

3- Can you ease up?

If you have a little allow room in terms of time, let the teaser rest a while. Give your mind a chance to cool off.

Relaxation can renew your mental vigor, may give you a new approach and new understanding.
In some cases, time may work for you. For example, an executive found himself with the standard problem of two subordinates who could not get along. They were both key people; shifting either would have meant further complications. After days of futile thinking, he decided there was nothing he could do. Six months later, he observed the problem no longer existed. The two individuals had little by little ironed out their own differences.

4- Review

If the problem is important, you will probably be forced to reconsider it from time to time. Do so in the light of changes that have taken place since you last considered the matter. A change may very well suggest a solution.

Therefore as the findings of chapter two clearly shows that Lebanese executive relies heavily upon consultation and neglects to a large extent the delegation process as well as the joint decision which in turn; proves to be an obstacle for the growth of the organization. Certain recommendations arise out of the inapplicable styles by Lebanese executives; which I feel can be attributed to the development of present as especially future Lebanese executives and their organizations;

- Executive has been seen as an agent of change; having all the skills appropriate to this role; he therefore should bring changes and modernization to his organization; taking into consideration resistance to change as well as the process of change and its consequences.
- Communication is a part of the scape effort that seldom made the headlines: the countless hours of meetings, conferences, discussions, the exchange of memos and reports among the various groups and individuals involved in the space project.

- It is both stimulating and helpful to let the left hand know what the right hand is doing.

- Leadership is an essential ingredient, is continuing direction from the top. With a project involving even a few people - and certainly where larger numbers are involved - a single command center must supervise the effort, keep it moving along, and keep the parts of the project effectively related to one another. This is the ultimate contribution of an executive.

- Last but not least; DELEGATION:

"EXECUTIVES work through others ... " that principal of Executive action is generally accepted, even self-evident. It is true that the executive satisfies his responsibilities by using the manpower at his command, from his secretary to his staff and other subordinates. It likewise follows that many executives operate on marginal levels because they have not mastered the methods by which their manpower can be utilized to best advantage.

Why you must delegate?
Delegation has been called "the secret of executive sanity". No matter how good an executive you are, your responsibilities will always be greater than your personal capacity to carry them out. For example, No one expects the company president to personally purchase, package and sell his product. The Diagram below graphically represents the situation:

The area of Delegation: In the diagram the outer circle represents the limit of your responsibilities. The inner circle marks the boundaries of your human capacity the Shaded ring is the area that you must delegate to others; your secretary, your subordinates, and so on.

Note that the tasks you delegate are not parts of their job. They have their own areas of responsibility. What you delegate are tasks that definitely fall within your job responsibility, but which, for one of several reasons, you prefer to pass along to others.

There are two general problems in this area:
under delegation. The executive tries to push the inner ring (his capacity) outward in an attempt to make the two circles correspond. Then he complains—"I have to be in three places at once."

"I don't dare take a day off."

... of ulcers.

Over delegation. The executive who suffers from this misjudgment has so many tasks delegated that he loses control. His cry: "Why doesn't someone tell me these things!" The skill of delegation is to know how to concentrate those matters that are most important within the circle of the things you handle yourself. Less important tasks can be passed along to others.

Finally, this work is nothing but a beginning; therefore to make it beneficial, future research on the Lebanese executives interpersonal styles as well as their attitudes towards time and change are indeed necessary to complete the work and then extrapolate the analysis to reach ARAB EXECUTIVES and thus take a cross section and compare it with another cross section of foreign EXECUTIVES; so in order for expatriates who want to work in the ARAB world and vice versa... to have a very clear idea on the subject matter.
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DECISION-MAKING QUESTIONNAIRE

Decision making can be considered as a prime factor in management. In fact, some writers go to the extent of defining management and decision making as synonymous terms. There are, however, many ways and methods in which business decisions are made. Rarely is there the one perfect method that can be applied to all decisions in all situations. Below are four alternative methods that apply to relations with subordinates:

I. The decision is made by you, no consultation or discussion with subordinate(s).

II. Prior consultation with subordinate(s), he/they may or may not influence your final decision.

III. You and subordinate(s) together analyze problem and come to a decision; subordinates have as much influence as you have on final (majority) decision.

IV. Ask subordinate(s) to make decision on his/their own.

The above possible alternatives can be applied not only to subordinates, but also to colleagues, superiors, and others. Please indicate which of these alternatives you would normally prefer to use in reaching the following decisions:

1. The decision to promote one of the employees directly supervised by one of your subordinates.

   I   II   III   IV
2. The decision to discipline one of the employees directly supervised by one of your subordinates.

I    II    III    IV

3. The decision to terminate the services of one of the employees directly supervised by one of your subordinates.

I    II    III    IV

4. The decision to reduce the total workforce by 20%.

I    II    III    IV

5. The decision to increase the workforce in a subordinate's department/division.

I    II    III    IV

6. The decision to introduce a new product/enter a new market/take on a new project expand existing work facilities.

I    II    III    IV

7. The decision to alter/modify the formal organization chart (changes in job and/or responsibilities, reorganization) in your subordinate's department/division.

I    II    III    IV
Appendix

BINOMIAL DISTRIBUTION—INDIVIDUAL TERMS

The table presents individual binomial probabilities for the number of successes, \(X\), for selected values of \(n\) and \(\pi\).

\[
P(X) = \frac{n!}{X!(n - X)!} \pi^x (1 - \pi)^{n-x}
\]
| a | X | 0.01 | 0.02 | 0.03 | 0.04 | 0.05 | 0.06 | 0.07 | 0.08 | 0.09 | 0.10 | 0.15 | 0.20 | 0.25 | 0.30 | 0.35 | 0.40 | 0.45 |
|---|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | 0.9277 | 0.9368 | 0.9437 | 0.9514 | 0.9534 | 0.9558 | 0.9582 | 0.9587 | 0.9593 | 0.9598 | 0.9606 | 0.9635 | 0.9656 | 0.9672 | 0.9682 | 0.9694 | 0.9708 | 0.9730 |
| 1 | 0.9346 | 0.9430 | 0.9504 | 0.9528 | 0.9543 | 0.9563 | 0.9587 | 0.9598 | 0.9608 | 0.9618 | 0.9628 | 0.9656 | 0.9675 | 0.9685 | 0.9701 | 0.9723 | 0.9750 | 0.9776 |
| 3 | 0.0001 | 0.0004 | 0.0013 | 0.0029 | 0.0053 | 0.0081 | 0.0113 | 0.0149 | 0.0192 | 0.0239 | 0.0291 | 0.0350 | 0.0413 | 0.0480 | 0.0550 | 0.0625 | 0.0705 | 0.0790 |
| 4 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 5 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 7 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 8 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

continued...