THE DEFICIENT CUSTOMER SERVICES IN THE LEBANESE BANKING SYSTEM

by

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Introduction

Banking is a vital subject whose importance is increasing day after day as it becomes more and more a helpful tool for people, firms, exporters and importers through the various existing and rapidly expanding services offered by commercial banks. The role of the banking system is gaining even more importance since it involves financing of trade, projects, companies and states. This in turn coupled with the taxation on profits from operations is returned into expansion and enhancement of the economic growth of the country. On the other hand, banks do not achieve profits only from risky investments or newly invented products but also from the degree of continuous trust between employees, management and customers and from the flexibility of the work procedures to best fit the situation.

This piece of research will investigate the banking services in Lebanon and will account for the apparent and hidden reasons possibly behind the slow rhythm of business transactions.

Inspite of the severe deficiency in literature on this subject, I have managed to get my information primarily through my job in the British Bank, through statistical data, interviews with people of different ranking positions, seminars, and publications such as books, magazines, etc ......

Chapter one will start with a general review of literature in banking, specific about Lebanon.

In chapter two we will deal with the current banking services in Lebanon which
expose employees and customers face to face and in which the risk of delays and slowliness of transactions is doubtful to exist.

Chapter three will account first for the reasons of delays that could be depicted by observation and which I call apparent, and second for the possible structural and operational defects that could threaten any system and hinder any organization no matter how generous resources are in their hands. These reasons are hidden to the eye and are depicted only through a deep search into the organization.

Chapter four will focus on the work environment in Lebanese banks including a summary description on the banking features in relation to applicants motives, an interpretation of the general problems found to cause delays in serving customers and finally selected relevant hypothesis discussed through the analysis of «hidden» reasons found to be the most responsible in contributing to problems of delays, using the results of the statistical survey.

Chapter five will cover the nature of the current study with a description of the sample of survey, the methodology followed and the limitations encountered.

Finally chapter six concludes the study and proposes some policy recommendations.
I - General review of literature on the Lebanese banking sector.

In Lebanon, as well as Arab countries, the banking sector, emanated as a foreign sector owned and managed by foreigners and this was mainly due to the colonization of the region. After world war one and following the agreement between France and Britain by which Lebanon was put under the French mandate, there were some 20 Lebanese banks with limited number of employees operating on a very narrow scale. There were no specific regulations concerning the banking sector in Lebanon. The state regulations which apply to the commercial and industrial enterprises were also applied in the banks and the central bank which was established in 1919 by a French decree and renamed in 1937 «Banque de Syrie et du Liban» was more or less as any other commercial bank with the exclusive privileged right to produce paper and coin currency¹. In 1963 the new monetary law came to widely separate between the central bank and the commercial banks which were from now on to be organized and regulated by the new «Banque Du Liban».

In 1966, the banking sector in Lebanon suffered dramatically due to the «Intra Crises», when Intra stopped its payments to depositors. The result was a huge state of panic which was reflected on the other banks because banks depend primarily on the trust of people and on the safety image which they are supposed to represent². The

«Intra Crises» indicated that more supervision and wiser control need to be applied on banks operations. This in fact, led to some amendments in that direction of some articles of the 1963 monetary law. After the October war of 1973 and the Arab oil embargo, the price of the barrel increased tremendously from $2.5 to $20 and a big portion of the cash flow was invested in Lebanese banks. The result of growth showed itself in the increase in the number of banks, both national and foreign operating in Lebanon. Beirut was regarded as the first financial center in the Middle East due to its open economy on one hand and to the role it plays in attracting foreign investments and foreign depositors on the other hand. But despite the growth of operations and services offered, the development of personnel practices was limited. Following the Civil strife in 1975 and as a consequence of the open economy, a wide capital flight to more secure countries took place. The Lebanese economy has been greatly damaged and largely fragmented and this has to a large extent slowed, if not stopped the pace of development of the Lebanese banking sector which operated during that period just for survival. The civil strife has also destructively affected the human element and has deprived him from developing existing skills and acquiring new ones. The result was a banking sector lagging behind modern innovations and new standard services. This in fact has caused inefficient banking services which were reflected by a slow pace of business transactions and delays in offering prompt banking services.
II - Current banking services

The theme of the following thoughts is an attempt to investigate the current banking services in Lebanon which bear the reasons behind the slow rhythm of business transactions. It is though useful to start by defining what is a «bank». A bank is any chartered institution which accepts deposits and give loans. At the beginning these were the only two services offered to customers in Lebanon. Later on banks have experienced little change in their basic structure, i.e. their role as intermediaries between savers and investors has remained more or less the same. But the real power of change lies in fact, in the development of our society and our needs. Over the time there has been therefore a gradual demand for more advanced and much more various services from the banking sector which has witnessed over the past few years a substantial increase in the number of operating banks. The number in 1993 was 93 banks and 590 branches with more than 17,000 employees⁹.

Unfortunately, this increase in quantity did not match an increase in quality of managers, employees and services rendered. This mismatch at different ranking positions has caused bottlenecks and delays in the typical services rendered to customers through our Lebanese banking system. In general, these services include (enumerating only those pertinent to our study i.e. customers face to face related services):

1 - Deposits and withdrawals in local and in foreign currencies.

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These are the simplest and the most frequent classical daily transactions for which the specified employee(s) fills in the necessary slip(s) for the customer either manually or through the computer depending on the bank. The customer then goes to the cashier and wait to get his money.

2 - **Deposit into customer's account of cheques drawn on house or cashing their amounts.**

Here, the customer will have to wait for the employee to check the signatures and endorsements of the cheques. He will also have to present his identity card and write a reference address in case of receiving its face value. The process is longer if the cheque is drawn on another branch since then, the paying branch will have to communicate (sometimes difficult) with the drawee branch to reserve the amount of the cheque before any further action is taken.

3 - **Collection of cheques drawn on other banks, for customers of a specified bank.**

This part is usually moderately time consuming since no action takes place on the spot into the customer's account and since there is no direct responsibility on the bank concerning the validity of the cheques. A receipt voucher is given to the customer indicating that the cheque is to be collected at a specific future date.

4 - **Opening accounts in various currencies and sometimes in branches that are not located in Lebanon.**

At this point, it is necessary to distinguish between two types of customers:

- Personal customers: who can be sole or joined.
- Non-personal customers: who can be sole proprietorships, partnerships, or
companies.

Usually opening a bank account takes longer time than other services. It requires many legal documents to be presented, specific to each type of customers.

Such documents include:

_ For personal customers:
  a - An account opening form.
  b - An identity card.
  c - A minimum amount allowed to open the account.

_ For impersonal customers:
  a - An account opening form.
  b - A trade licence.
  c - A registration with the chamber of commerce.
  d - A partnership agreement (if it is the case).
  e - An «Association» document (in case of a non profit organization, a clear state of mission should be authenticated).
  f - A «Resolution» document (Also in the above case a clear statement of authority to act on behalf of the organization should be submitted).

It is obvious then that in the case of an impersonal account, the process takes longer time because the documents will be subject to an in-deph case-study by the department's manager for any irregularity. However in both cases (personal and impersonal accounts), a statement of full name(s) and address(es) will have to be written on computer sheet forms, checked and signed by an officer and then feeded into the computer. At this stage the account is
opened and is now ready to receive any deposit (denominated in same currency of the account). On the other hand the process of opening an account might be more lengthy in case of:

A time deposit account:

Such account necessitate to lock up the amount at the going rate of interest for a given period of time. The rate and the maturity date will also be entered into the computer after manager's signature.

A current account:

Before opening the account, the manager communicates with the references stated by the customer (usually other banks or institutions) to collect information about the financial position and the «conduct» of the customer.

5 - Offering facilities (loans) to customers.

No time delays or customer's complaints are usually involved here since such service is offered in a friendly environment through direct interviews with the department manager. In a preliminary interview mutual information about the facility terms and conditions are negotiated, If an agreement is reached, the manager and the department's employees study the financial statements of the customer. If satisfactory, the customer will be called out by the department and a contract is signed by both parties.

6 - Assisting commercial customers in import / Export:

Here again, it is very rare to notice delays during transactions since this service is reserved to commercial customers who wish to benefit from the bank's assistance in settling an import / export transaction. Most of our Lebanese
commercial customers recurring to this service are importers with outstanding credits who request a letter of credit from their bank after the initial agreement of the sale of goods is reached.

The customer won't suffer in this case since, upon approval of the request, the rest of the work is done between the importer's bank and the exporter's bank.

7 - Paying the face value of traveler cheques.

This service requires from the customer to present the purchasing bill of the cheques in order to prove the absence of any fraudulent acquisition of such cheques, to sign them one by one in front of the employee who will then place them for collection from the issuing foreign bank and finally payment to customer is made after the necessary slips are passed to be checked and signed by the department or the branch manager. Delays during such transactions are abundant and the reason is that many banks are very reluctant to pay the face value of traveler cheques for persons who might be nonresident in Lebanon but just passing through in transit.

8 - Inward remittances.

These are daily frequent transactions which fall into three categories:

a - Remittances for a bank's customers:

These are directly credited to their accounts after deducting a commission and there is no need for the presence of the customers.

b - Remittances of relatively small amount (usually less than $1,000 or equivalent) for non bank's customers:

These are very similar to withdrawal transactions. The customers will have only to sign on a receipt and a withdrawal vouchers including the details of their
c - Remittances of large amounts (usually more than $1000 or equivalent) for non-bank's customers:

Some banks hesitate in this case to pay the total amount of the transfer in cash because of unplanned provision for large amounts and prefer therefore to give only a portion of it and the rest will be in the form of a bank's cheque. This is a relatively lengthy procedure since the customer has to wait now for two business transactions involving more debit and credit voucher entries, and more managers' signatures. A major reason behind delays here is that, according to central bank monetary regulations, any bank's cheque issued in Lebanese Lira (drawn on central bank necessarily) should be signed by an A and a B officer jointly. For cheques in foreign currencies (drawn on the bank's correspondent in the country of the currency) a sole signature of a B officer is sufficient, but up to a certain amount only where again two signatures A and B are required.

9 - Outward Remittances.

These are demand drafts (bank's cheques), mail or telex transfers which are relatively time consuming operations since demand drafts follow the above regulations and need to be registered by serial number on a special register and since mail and telex transfers may need finding test keys with banks receiving the payment instruction. Some countries where the transfer is addressed require an identification of its reason (whether commercial, periodic allowance etc ...). Further investigation to locate such countries is needed causing more suffering for the customer.
Problems arising from offering this service are many but the result is one. The transfer did not reach its destination. This is mainly due to incomplete address of the recipient. Customers will be back to discuss their problems where others may be hoping to have their transaction started.

The slow rhythm caused during the course of action in rendering such services has forced customers to lose faith in the system and to lose precious time waiting for their transactions to end or sometimes to begin. To spare time, many customers are preferring to leave the site and return later on to the bank hoping that their business will be finalized. The points of view about the issue are totally contradictory. Managers blame the employees for their negligence, carelessness and routinism and employees blame «everything». And while the customer's complaints are ignored and his suffering is bypassed by beautiful future promises, the whole system is at stake and accused of these shortcomings.
III - Assessing the performance of the Lebanese banking system

As it was said earlier, the Lebanese banking sector lags far behind banking developments worldwide even though recently Lebanese banks are getting into new kind of services (already known outside Lebanon) such as automated teller machines, cashless cards and underwriting in stocks. However the problem lies not only in the diversification of services but mainly in the resources used to offer them. Among the most powerful resources, the human element comes first. However the abundance of problems and difficulties facing this prime resource renders performance weak.

The points of strength of any particular system can be lost with time if the organization adopting it does not identify and realize its points of weakness and learn how to alleviate their damages and turn them to its advantage. For any organization to do so, it must first recognize that defects exist in its operational system, and then it should pursue the reasons behind such defects before adopting a remedy. Among the reasons behind the illness of our Lebanese banking sector, we thought it would be better to differentiate between two categories of possible reasons.

The apparent reasons

These are the main potential reasons that could be detected by careful sight. They include:

1 - Shortage of officers, employees and messengers (office - boys).

Lately commercial banks in Lebanon, have known an increasing amount of daily transactions requiring an adequate number of enthusiastic employees, of
qualified operations officers and of active messengers to handle the extensive workload. On the other hand, management may be striving to reduce expenses to a minimum working level and extracting the maximum out of the current employed staff. Sometimes this pursuit blinds the top management from seeing and evaluating the damages that may be caused by shortages of personnel. Alternatively top management may some other times ignore shortages because of allowing great room for nepotism (i.e. keeping provisional vacancies for future private interests).

2 - Social visits at the office.

Managers are sometimes annoyed by this custom of close friends or close customers who would drop in for nonbusiness chats over coffee or tea. Even if it is for a business work, the visit frequently exceeds largely the usual time for the business transaction(s) wanted by the visitors. Managers find it difficult for them to discourage such customs since it stem from the heart of our strong societal norms of hospitality on one hand and from the fear of dissatisfying «close customers» on the other hand. The result will often be delays in signing accumulated slips for counter customers.

3 - Nepotism.

In many of our Lebanese organizations and commercial banks we see hiring based on a minimum level of qualifications for a relative or a friend. Most of these persons are not orientated toward a particular job and are not commited to a serious business mentality since they feel that they are backed up and covered by one or more of the important persons in/ to the bank. Frustration, dissatisfaction and anxiety may result when competitive employees are kept in subordinated positions
with minor tasks while others who may be short of competence and qualifications are given challenging responsibilities.

4 - Geographical disturbances.

Sometimes due to the organizational and government regulation, a multistep business transaction might be prepared and signed in different places while the customer may lose track of his transaction.

5 - Top-man syndrom.

This is a persistent feature that characterizes our Arab culture in general. There is a strong feeling among the personnel in their various ranking positions that the one with the direct authority on each rank can best get things done the right way, while they are only intermediaries between the higher authority and the lower rank on which the instructions will be carried. This may be true in the absence of any form of delegation of authority and instead, the presence of a rigid and strong hierarchical structure.

6 - Non-appreciation of time value.

This trait also stems from our Arab culture and seems to apply to many people in local banks: Employees and sometimes even managers. The aspects of such poor mentality can be revealed in the daily work life in the form of nonbusiness marginal conversations with customers, or between employees themselves, or in the form of lack of punctuality in time schedules and in the general «tomorrow» attitude. This results in low productivity and inefficiency of work in rendering services to customers.

7 - Undesirable work attitude.

Lack of integration and loyalty toward the group and the organization as well
as dislike of the job are the major reasons behind such attitude and the consequent poor performance. This results in slow motion work and even in mistakes that necessitate corrections or may be repetition of the complete business transaction. The typical symptom for such attitude would be reflected in the persistent leave in a hurry as soon as the official time for work is terminated.

8 - Absenteeism and tardiness.

Since this problem affects group efficiency and stability, it should therefore be carefully dealt with. When a potential absenteeism for the next day(s) is reported in the previous day, this would indicate a responsible and a serious job attitude and would allow management the time to take action and fill in the vacant place. Such planned action will prevent the work from being disturbed in the following day and will minimize delays in serving customers. (excluding emergency absenteeism).

9 - Lack of teamwork.

Basically the teamwork is the spirit of every organization especially those pertaining to the service sector and the general interest of customers such as commercial banks. This necessitates working side by side employees and management toward a common goal, putting aside all rivalries and personal disputes and investing all possible efforts and cooperation to get «things» achieved in the most efficient ways. The lack of a team spirit could have destructive effects on the group and the work when daily complaints and accusations from employees and supervisors on / between each others, magnified mistakes and mutual blame are reported to the higher authority not as evidence of loyalty to the organisation as it is pretended to be, but for self interest and personal «show-up».
10 - Inadequate communication.

This is a major problem found almost in every organization suffering from low productivity, inefficiency and personnel related problems. In Lebanon this is revealed to be a serious shortcoming since irregularities and difficulties stem not only from the psychological system but also from the mechanical one. Where the decentralized network system in most of the local commercial banks necessitates more frequent inter-branch communication, we find that there is little control over the transmission-reception channel due mainly to the telephone technical network problems in Lebanon. To overcome this imperfect control, wireless links have been employed; but unfortunately this also did not solve the complete problem since different departments in separate branches may need to communicate at the same time. The result will be more delays for the category of customers dropping on one branch to effect a business transaction where their account was opened in another branch.

On the other hand the psychological communication system in our Lebanese banks may be also running into deep problems.

In its broadest sense, communication is «the transmission, reception and evaluation of messages»⁴. Its main components include a sender, a message, a channel of transmission and a reacting receiver. An ideal illustration is as follows⁵:

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Fig. 1 - The communication process.

However, problems are revealed when the above system is not fully carried in the daily business transactions in commercial banks. The possible reasons behind such disruption can be:

a) Noise.

This is unplanned distortion resulting into deviation of the received message from its original intended meaning.

This could be a phone call during the transmission of the message or an interruption by another customer or another employee or manager or even any outside stimuli causing a moment of disruption of the message.

b) Selective distortion.

__________

Different receivers have different attitude, leading to different expectations and interpretations of what they hear. A typical example would be when a counter clerk executes a transaction which is dissimilar to what the customer requires. To prevent such «crossed» transaction, a receiver is urged to listen carefully to the sender's message and then simplify it by extracting its intended meaning and repeating its main points before encoding a reply.

c) Selective recall.

All people do not retain in memory the entire message. They may only recall from it a fraction representing the stimuli(s) at which they will react.

Transactional Analysis (T.A.) explains and illustrates how different attitudes of senders and receivers may dispose during the communication process to give the message an interpretation which can be identical to or different from the meaning intended by the stimuli. T.A. therefore depends on the man's three states of nature he is supposed to develop with age. But given the influence of the culture, education, integration in the family, peers and work and of the personnel traits on the development of the three psychological states, it is unpredictable whether a certain message will activate the state it is intending to.

Man's three states of nature are7:

a) Child ego state.

      It is a state of aggressiveness, impulsiveness, contradiction, confusion, hyper-sensitivity, capriciousness and all what characterizes the childhood life.

      Behavioral clues include: sulking, lapling, spontaneous hand gestures and enfantile

facial gestures.

b) Parent ego state.

This state is characterized by a set of moral values, ethical standards, rules of conduct, family roles expectations and what relates to authority and direction. Behavioral clues include: orders, serious facial expressions, strong opinions and fixed principles.

c) Adult ego state.

This state of man's nature reflects moderate and wise behavior. A tranceiver through his adult ego state is usually a cautious and a responsible person who goes deeply into the message to reach its intended meaning. He is also an analyzer, a thinker, a self-controller enjoying a flexible attitude which allows him to adjust his behavior according to the requirements of the situation and the new conditions of the environment.

Behavioral clues include: keeping eye contact, ability to follow-up subjects with great attention, raising relevant and pertinent questions to clarify ambiguities, showing courtesy, friendliness and skill in controlling conversations.

Transactional analysis explains how people addressing each others can find themselves at cross purposes leading to the blockage of the communication process or both tranceivers can effect a complementary transaction creating a successful and clear communication set up.

Under T.A. a communication is successful when a message emanates from a sender's ego state and reaches the same state in the receiver side. The transaction is then said to be «complementary». When the message activates a dissimilar ego
state in the receiver, both tranceivers will find themselves at cross purposes. The transaction is called then crossed. The two transactions are diagramed as shown below\(^3\):

\[\text{Sender} \quad \text{Receiver} \quad \text{Sender} \quad \text{Receiver}\]

\[P \quad P \quad P \quad P\]

\[A \quad \text{---}\rightarrow\quad A \quad A \quad \text{---}\rightarrow\quad A\]

\[C \quad C \quad C \quad C\]

Complementary transaction \hspace{1cm} Crossed transaction

\text{Fig. 2 - Transactional analysis}

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3. Ibid, p. 93.
All the above stated possible reasons can constitute a serious problem hindering efficiency and productivity of service offerings in our Lebanese commercial banks and the result will be a sterile system causing delays and psychological suffering for customers. These reasons were classified as apparent because if one or more of them exists in a bank, they can be depicted by an experienced observer. The other set of «hidden» reasons are more related to the infrastructure of the bank: personnel policies, personnel strategies and the characteristics of a rigid operational banking system in work.

Personnel policies-related problems

Personnel policies are written guides to action for the employees. They help to ensure that all units in the organization operate within the boundaries of its philosophy with the maximum of coordination and communication to achieve common objectives and build a favorable ground for developing and implementing strategies. Policies stem from an organization's culture and without them an employee may feel demotivated and lost because he will be working without synchronization with the rest of the group.

Personnel Policies should designate: recruitment, training and development, compensation, benefits and services, employee relations, employment and miscellaneous regulations. Personnel policies in banks should be stated closely in relation to a policy statement about the quality of services offered. To be effective such statement should specify the tasks required from each individual, to meet the quality demands of customers and to perform these tasks right. When policies are vague,

missing or not used as guides to performance, inefficiency results in the long run causing delays in servicing customers. However there are some symptoms of inefficiency due to the lack of written, clear and broad term policies. These include:

- Employees repetitive complaints about not knowing what is expected from them and about their role in the system.
- Poor communication and week teamwork.
- Customers complaints about the quality of services offered.
- Employees complaints that management decisions and instructions are contradictory.
- Poor interdepartments cooperation.
- Employees ask periodic questions about policies, benefits and services.
- New employees feel frustrated from the little quantity and quality of information they have received.

Despite the importance of the policies for what they represent from definitions of roles, expectations, responsibilities and means of evaluating performance, they can be fatal if not allowing flexibility according to conditions imposed by the severity of the situation and by the external environment.

**Personnel strategies-related problems**

Personnel strategies are methods to determine the quantity and quality of human elements needed to achieve objectives. They are developed for: Recruitment, hiring, training, promotions, wage and salary programs, Benefit programs, incentive plans and communication. The real power of an organization does not lie in its physical, but in its

human resources possessing skills, talents and experience to exercise control over material elements and lead the organization to development and growth. The problems pertinent to personnel strategies can emanate as follows:

1 - Recruitment.

Whereas this step is finalized whenever a certain person is brought to apply, sometimes oversel promises about the features of the potential future job may create dissatisfaction and low morale if employment facts differed later on from these promises. Job requirements should be honestly specified to allow the applicant to evaluate his preliminary fitness to the job from the very beginning.

2 - Hiring.

This process is composed from progressive steps:

a) Requisition.

Calling for an applicant should be done only after a deep comparison by management of the specifications of the job (job content) and of the qualifications of the applicant. Dissatisfaction may result, when the person is hired, if job actual requirements show dissimilarity from the job content.

b) Selection.

This step starts with a preliminary interview about the applicant's qualifications for the job and should conclude with a conditional placement or a final rejection. In case of suitability, the interviewer should inform him about the tests he will be going through. Such initiative will make the interviewee, in case of hiring, stress his personal advantages to achieve a better performance. The employment officers are thus the first human contact that an applicant has with a
bank and this frequently leaves a lasting positive impression to stay or a negative one to look for a better opportunity outside.

During the end-interview, the precise position requirements should be used as criteria for hiring and for matching the level of competencies. It is the responsibility of the job analyst helped by line managers to prepare the job specifications list to serve as basis for selecting qualified applicants according to the bank's policies and staffing needs. Any failure in the selection process will result in demotivating the newly hired employee and in having persons placed in unsuitable positions.

c) Placement.

This is a probationary period during which both the bank and the new employee are on trial. Here management should exercise careful orientation and introduction to the bank's policies, rules, working conditions, lines of authorities and the teamwork members. Next, the new employee should be informed about what he is expected to do on the job.

Again this step is crucial for the employee to know the bank as a whole and to feel familiarized with its global structure and culture.

3 - Training.

The efficiency of any bank depends primarily on the training of new employees and officers and retraining old ones. The learning process and the ability to reduce expensive mistakes are developed through training programs.

The benefits for the staff are unmeasurable and so are for the bank. Retraining current existing staff is also of vital importance because of our changing
environment and nowadays every employee should have a basic knowledge of the use of computers, the available new operational methods and the new jobs and skills for potential future promotions and for increased services efficiency.

Training should not be regarded by banks as a major capital expense but as a major capital investment for what it brings of benefits: High morale, better adaptability and adjustment, self confidence, motivation and increased productivity which all can be considered as assets for the bank. Training is not an easy task. It is a system built around the bank's needs according to various situations, the assignment of quantity and quality of trainees to different training programs and techniques, and finally around the various methods used to evaluate and assess the benefits from the training sessions so that to keep or to bring modifications to the programs (feedback).

It is the responsibility of top management to plan, design, allocate budgets and coordinate with line managers and personnel administration the training programs to be followed. Poorly tailored programs can never achieve its expected objectives and will only result of loss of time, money and of depriving the trainees from the benefits they could gain and from the chances they could have to demonstrate better abilities to serve the bank and its customers.

At this stage, it is important to identify the alternative training methods that can be used in banks:

a - Orientation / Induction.

These are two complementary steps constituting a form of training. Where the orientation is to acquaint the new employee with the different facets of the
job, the induction is to tell him what he is expected to perform. To the extent the new employee feels satisfied of the quantity of accurate information he has received about policies, regulations, job requirements and expected tasks, he will be an efficient and a cooperative member who will quickly adjust to the bank's culture.

b - On-the-job.

This form of training involves assigning a new employee (or a rotating employee) to learn from an older experienced one and / or expose him to the latest information in the field (through seminars, projections, etc ...).

On-the-job training is essential for new employees, regardless of their skills level, to help them maintain their interest in the work and to provide them with a major opportunity for self development. This technique is widely used in banks because of the benefit of quick learning and the advantage of a deeper exposition to the job.

However it will be of minor benefit if the more experienced employee is not brought to comply and to have him willing to teach honestly.

c - Off-the-job.

This form of training takes place away from the job site. It is sometimes called classroom training and can be performed in-house (in the bank) or in an outside banking school. The best classroom training establishes explicit goals, breaks down the subject into small sequenced logical parts, formulates conclusions and evaluates feedback. Off-The-Job training can be supplemented by organizing class discussions to expose innovative ideas and correct wrong

assimilations and by giving the new employee home readings about the bank's departments and their interrelations.

d - Programmed instruction training.

This type of training was first developed in the U.S.A. during the second world war. It depends solely on the trainee because the learning material is assigned in the form of texts screened out through computer terminals, and of subsequent questions for feedback. This technique recognizes individual differences by allowing each trainee to learn through his own pace.

4 - Promotions.

It is the upgrading of an employee's position, responsibilities and salary. To prevent frustration among employees, it should be clear to all of them that a promotion is the result of a continuous performance appraisal and job posting. Off-course performance can be sharpened in banks that engage in extensive training programs. The bank's personnel strategy related to promotion should give priority to available inside talents before inducing outsiders. This shall alleviate the feeling of dissatisfaction and encompassment.

5 - Wage and Salary Administration programs.

These include performing position evaluations, conducting salary surveys, writing job descriptions, assigning grades and establishing salary ranges and guidelines for salary increases. It is crucial that salary matches position, skill and performance rating in order to convey rewards into higher responsibilities and

better financial conditions.

6 - Benefits programs.

Benefits are broadly defined as all nondirect or noncash compensation provided to employees\textsuperscript{14}. They are intended to satisfy the hygiene needs of the employees and to keep them motivated at work. Such programs have little impact on the quantity and quality of output of employees and thus they are awarded to all of them irrespective of their performance. However poor competitive tailor programs may demotivate certain employees and render them «turned off». These people will stay in the bank because of some hygiene benefits, although they are mentally retired from work. Other ambitious employees will soon seize valuable opportunities outside where there is more appealing program.

7 - Incentive plans.

These plans are directly related to performance and reward increased productivity financially. However due to the nature of the banks operations, such plans are enhanced in higher management level because its members are directly responsible of the success or failure of their bank.

Incentive plans can be addressed on the basis of the level of output produced or of sharing the profits or of distributing profits made by cost reductions.

As it is noticed from the above personnel strategies, motivation comes to play the major role in judging their aptness to be implemented for increased productivity and efficiency. Only when subordinate drives are met and high level needs are satisfied, employees can be devoted to work and strive to enhance the image of

\textsuperscript{14} Donald B. Summers, \textit{op. cit,} p. 468.
their bank.

**C - The characteristics of a rigid operational banking system.**

First of all, a banking system is a group of interdependent units forming a separate and identifiable entity from the people operating within it. It is designed to maintain through time its existence in serving customers. If a change is brought about in one part, there will be an effect on the other parts. It is obvious then that the pillar of the banking system is: The degree of serving the most vital monetary needs of human interaction in the most efficient way. This depends primarily on the environment which can impede a system, the employees readiness for coping with changes and the management style in banks.

The characteristics of a rigid banking system revolve around the above areas.

**1 - The External environment.**

Banks need to scan the external environment and to update its systems accordingly. An important influence underlying much of the dramatic change in the banking environment is that of new technology. With the development of computers, banks need to recognize the amount of data they need to process and to install the hardware correspondent to their needs. On the other hand banks should take advantage of the benefits offered by a management information system (M.I.S) which can speed the means of reporting for monitoring performance and making resource allocation decisions for a specific department or for the bank as a whole\(^\text{15}\). Another area of benefit is the operation technology which results in

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eliminating the need to input the same data manually several times a day and instead automating the process of different kinds of transactions. This type of automation will improve performance by increasing speed and decreasing error rates. Finally, financial institutions can make use of the technological distribution channels. These are mainly the automated teller machines (A.T.M.) which open 24 hours a day to customers wishing to withdraw or deposit of a limited amount of money. The problems associated with this kind of technology are the high level investment required and the security risk of the country.

2 - **Employees readiness to cope with changes.**

Employees may feel victimized by a constantly changing environment affecting them as part of the bank's structure. They tend to resist change and to fear it. It is therefore a managerial responsibility to prepare the personnel to receive changes by first convincing them about its necessity, its benefit for them and encourage them to cooperate through the performance - reward system.

Change is a mean to an end which is bringing in a more efficient way for serving customers and it is successful to the extent that it gains support from the subordinated level. It is then inevitable to stimulate cooperation, understanding and security between a change and the people involved. This is only possible through «Organizational development» which is a process to bring change to the structure of the bank and to the attitude of the personnel. The steps usually involved in O.D. are:

- **Identifying inconsistencies and gaps.**

  The change to be introduced has to be based on valid information about the
status-quo of the current problems that inhibit effective goal achievement. Therefore O.D. starts with diagnosing all wrong matters (efficiency of operations, decision making, communication flow, conflicts, etc...), collecting data using various techniques (questionnaires, surveys, interviews, Delphi technique) and then analyzing this collected data to come out with alternative solutions of either adopting changes from the external environment or modifying the internal structure of the organization.

b - Planning to introduce the change.

Effective planning requires advanced knowledge of reasons for resistance to change. Some of these reasons are:

- When the purpose of change is not clear.

  The manager should never say: «we are going to introduce a computer system in this department». Anxiety will result at once if the purpose of this step is not justified.

- When persons affected by the change are not involved in planning.

  Studies showed that when people are asked to perform what they did not share in setting, they fell under pressure and stress.

- When communication is poor vis-a-vis the change.

  If people concerned are not informed about every detail in the change, they tend to lose the opportunity of adaption.

- When there is a big gap between the employees and management.

  Here, the persons affected by the change do not trust management motives.
A level of performance or a current understandable working procedure generating satisfaction from the work done is very difficult to «orchestrate» with the steps leading to the renewal process.

In order to lessen resistance outcomeing from these and other reasons, a number of measures should be undertaken to keep the change process away from jeopardy:

- Involve employees in planning for change.

  This step is very beneficial to both parties since resistance will be less intense and participation will ensure the employees' self-integrity within the bank. Management will benefit also from new ideas generated by those who will mostly deal with the change.

- Provide accurate and complete information.

  To the extent that this step is ensured, the employee will be able to relocate himself in the new process and to setup for himself a new level of performance on the basis of the change process requirements.

- Give employees a chance to express their feedbacks.

  Communication is the key point here. The employee will listen only when he is heard. Sometimes implementing a change in the field is not as deciding for it on a table. Therefore employee suggestions should have sound if decision is to be implemented at best.

- Make only essential changes.

  A change will gain trust to the extent that the employee trust management who will only select those changes which will be beneficial to the bank and to
the employee as well. Here it should be made clear by the top officials that the only basis for advancement will be the willingness to work combined with the ability to perform and that the new decided upon change will not bring new people from outside but it will develop those from inside.

_ Provide adequate motivation._

Adequate rewards should be given on the basis of competence only in order to match individual's drives and needs with organizational goals from undertaking the renewal process.

c - Initiating change.

A change stems from the need of the bank to manage a current work with less efforts but with more efficiency.

Initiating a change involves a detailed shaping of the goal of the change, clarifying all its elements through detailed specific information, using and organizing support from potential top management executives. In this phase physical and psychological resistance are highly revealed but they are minimized to the degree that the precedent step (planning) has been stressed.

d - Implementing change.

This period starts with the adoption of the change and ends with its realization. It tends to be shorter whenever the initiator (if not management) supported by management has succeeded in stimulating the interest of employees in the benefit of the change, in providing detailed information about the new process, in making sure that all questions and ambiguities have been clarified and finally in establishing the boundaries for each employee's work.
within the renewal process. Effective implementation depends in addition to its precedent phases, on the following step.

**e - Feedback.**

Any system or process to be implemented requires a kind of results evaluation in order to check whether things worked as expected or not. In the first case adequate motivators should be given to reward a level of performance and in the latter case a complete deep revision and reevaluation of the steps should be undertaken to launch the appropriate action.

Directing employees to cope with change will bring efficiency in serving customers and will improve fulfilling their needs.

**3 - Management style in banks.**

The nature of the banking operations requires much control and excessive feedback. Many banks see that this is best possible through strong regulations and inflexible orders down the pyramid. These banks often suffer from rigid procedural operations resulting in delays during serving customers. In fact too much control will dissipate initiatives and dissatisfy the employees. Communication should be opened at all levels, participation in decision making should involve at least those who will be affected most and authority should be delegated sometimes to reduce the burden of work on high managers and increase the sense of responsibility of those who will be granted authority. Unfortunately giving up some power will hurt the prestige of high managers in Lebanon and inviting participation means for them, running out of corrective actions.
IV - The Work Environment

Banks in Lebanon are the primary recruiters for job applicants, whether these were fresh graduates or previously experienced people. The fact for which banks are the most targeted can be attributed to the following main reasons:

- The limited opportunities to find challenging new jobs because the number of various different jobs is very remote compared to the one in developed countries not to mention the continuous process of creating new jobs there as a result of industrialization.

- Our environment is too small that almost any one of us has a parent or a peer who works in a bank and who will soon represent an inspiration for the job seeker.

- Many universities do not help in shaping a career for the student because they do not offer specialization in the field of business major.

The graduating job seeker will soon be attracted by banking because in this refuge he won't be judged on the basis of what he has learned.

- Banks ensure a stable income and offer a diversified package of fringe benefits (medical care, transportation, family allowances, scholarship allowances, sixteen months payments, personal loans, housing loans, etc...).

- Banks allow a regular and flexible working hours (8:00 to 2:00).

These reasons seem to attract a big number of job applicants desiring to work in banks. This has unfortunately made banks disregard many of the physical and psychological needs of the hired employees.
the dramatic increase in the cost of living.

Here comes the importance of the job motivators such as how each employee is perceiving his job, how has he been prepared to fulfill his mission and how he communicates and interacts with his superiors, colleagues and clients.

It seems that many problems exist in all these fundamental job attributes and the primary victim of all these anomalies is the longly waiting customer.

It should be recognized that some of the delays in banks can be reduced substantially if management invests efforts more than money trying to solve some of the apparent reasons found in the current study to be contributing to the slow rhythm in banking transactions.

**General reasons for delays**

Perhaps the most important apparent reason was that slips are prepared, processed and signed in different places in the bank. This was approved by 45% of the respondents whereas other frequencies distribution appear in table 1 below:
### Table 1
**Attribution of transaction delays**  
*N = 101*

<table>
<thead>
<tr>
<th>Description</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers preoccupation by visitors</td>
<td>16</td>
</tr>
<tr>
<td>Absenteeism of one or more of the members</td>
<td>12</td>
</tr>
<tr>
<td>The completion of a transaction necessiate that a customer goes to different places in the bank</td>
<td>6</td>
</tr>
<tr>
<td>Slips are prepared, processed and signed in different places in the bank</td>
<td>45</td>
</tr>
<tr>
<td>People involved are not found in their places</td>
<td>1</td>
</tr>
<tr>
<td>All of the above</td>
<td>21</td>
</tr>
</tbody>
</table>

101%

* Percentages do not add up to 100 due to rounding.

About the issue interviewed managers said that as the ranking position is higher, the number of managers is smaller and these have to be installed to control and sign for different departments, the fact which will increase the burden of work for them. The problem is further amplified due to a shortage in all categories of personnel (see table 2). Shortage is not meaningful in itself unless we consider it vis-a'-vis the daily workload which often overburdens employees as well as signing officers especially that daily work circumstances may force employees to quit their places going after
transaction slips. 46% of the respondents located shortage in all categories of personnel, 30% said that there is an employee shortage while 22% believed that the number of supervisors is not enough. Table 2 shows:
Table 2
Location of shortage in personnel
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical</td>
<td>30</td>
</tr>
<tr>
<td>Supervisory</td>
<td>22</td>
</tr>
<tr>
<td>Messengers</td>
<td>3</td>
</tr>
<tr>
<td>All of the above</td>
<td>46</td>
</tr>
</tbody>
</table>

101*

* Percentages do not add up to 100 due to rounding.

Despite the apparent human resources shortage in the understudied banks, increasing the number of personnel would be doubtful to solve the problem of delay. Respondant's thinking about quantity reflect unawareness of the importance of organizing tasks, dividing labors, developing self capacities, cooperating with colleagues and avoiding routine. Unfortunately these important job facets are not always done the proper way so that one may see a crowd of customers on one counter with enough number of serving employees versus another almost empty one. In one bank exchange department was found to be handling all savings, current accounts and outward remittances in foreign currencies, while in Lebanese currency there were separate departments for savings and current accounts. Employees in the first category tend to become restless while others tend to lose self capacities. So in reality the question of personnel is a double edged sword. Under-numbered staff will cause stress and
pressure on existent personnel while over-numbered staff may underestimate their potentials.

The second apparent reason behind delay lies in the transactions being done sometimes the wrong way. 66% of the respondents blame customers while 33% attribute it to the limited time which can be devoted to each customer. Table 3 shows:

<table>
<thead>
<tr>
<th>Attribution of improper transaction</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers do not know what they want</td>
<td>38</td>
</tr>
<tr>
<td>Customers express what they do not desire</td>
<td>28</td>
</tr>
<tr>
<td>Time cannot be devoted to fully understand their wants</td>
<td>33</td>
</tr>
<tr>
<td>All of the above</td>
<td>2</td>
</tr>
</tbody>
</table>

|       | 101 |

* Percentages do not add up to 100 due to rounding.

Most of the employees tend to forget that banks are profitable financial institutions which depend totally on customers. They sometimes get engaged in severe disputes with customers instead of cooling their anger. They consider their critics for the system as if personally addressed to them. On one hand this generally vexes other customers and incites them to revolt, and on the other hand this renders the serving employees
more aggressive vis-a'-vis other people.

Employees should be aware that most of the customers do not know about banking and should help them to express their ideas and their desires by repeating to them courteously the key points of their wants in order not to loose excessive time. Helping customers to express their needs will impress them positively and will prevent cross-purposes leading to wrong transactions and its subsequent delays.

When the target sample was asked about what may interrupt a given transaction 55% of the answers accused phone calls, serving a friend or a relative and superiors commands to execute another transactions. Table 4 represents the pertinent frequencies:

| Table 4 |
| Attribution of transaction interruptions |
| N is 101 |

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A phone call</td>
<td>27</td>
</tr>
<tr>
<td>A superior's command to execute another transaction</td>
<td>16</td>
</tr>
<tr>
<td>A relative / friend asking you to serve him/ her</td>
<td>3</td>
</tr>
<tr>
<td>All of the above</td>
<td>55</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100 due to rounding.

These inside/ outside interferences seem to exist in every bank but they cause
severe problems in front of a crowd of customers. An employee may be embarrassed by the presence of his friend or relative. He feels controlled by the ethics to serve him first, from the minute he enters the site to the minute he leaves it. To do so the employee may leave his place causing anxiety and delays for other customers who were waiting to be served. Also inside phone calls as well as interbranch phone calls are found to be delaying transactions especially that many can be postponed till after the regular end time to serve customers (12: 30 P.M).

Interbranch communications namely those related to serve customers of a given branch in another branch can be unjust to the waiting customers because little control can be exercised on the channel of transmission in order to settle up the status of their account(s). Finally employees are frequently urged to execute on the spot a superior's instruction in favor of an important customer, a friend or a relative (to the superior). Arab executives like to be heard and obeyed at once in order just to reflect their influence and to keep their brilliant image in front of the persons they wish to serve. However, delays caused by such acts can be easily prevented sometimes if the superior executes the transaction by himself.
Extent of job gratification

The attitude of personnel toward their work and toward their colleagues strongly reveals their view of the role they play in the system and indicates the problems encountered during the cycle of work. Two group of questions were formulated to investigate the internal environment of banks and to conclude whether the current status - quo gratifies personal efforts to handle various jobs. The first group ported on the nature of the job and its surrounding conditions which were identified by five questions.

The first one was asked to show differences in the frequency of pressure met on the job. 92% of the answers indicated relatively frequent pressure as seen in table 5 below:

Table 5
Frequency of job pressure
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>46</td>
</tr>
<tr>
<td>Sometimes</td>
<td>46</td>
</tr>
<tr>
<td>Rarely</td>
<td>8</td>
</tr>
<tr>
<td>Never</td>
<td>1</td>
</tr>
</tbody>
</table>

101

* Percentages do not add up to 100 due to rounding.
The major sources of strain include the structure of the job (workload, amount of stimulation, the scope of client contact, autonomy etc...), outside interferences (telephones, sudden management instructions, current problems stemming from previously executed work), inadequate training and personal life problems.

The structure of a job is often difficult to change due to a strong tradition going back to many years. However some changes to alleviate the level and frequency of stress should be allowed under certain possible flexibility in the job structure. Overload can be decreased by hiring more staff (requiring financial and political support), delegating some authority, allocating transferable tasks to other members and assigning some responsibility to customers (a laudable event under careful planning). On the other hand jobs should be redesigned to reflect a great deal of stimuli to personal interest. (intrinsic rewards through job enrichment and / or job enlargement). Furthermore external stimuli such as financial rewards are deferred payments, and the time span is so long that employees loose sight of their relationship to performance. Pressure may also be the result of a wide exposition to customers in days of rush or of a lack of autonomy and excess of supervision on every detail governing the job. Deregulated outside interferences causing disruption in communicating with customers are also major source of stress in the daily work of an employee. Inadequate training programs which do not respect the conditions to success (cited later in the study) are behind the feeling of insecurity and instability resented by the employee. The individual's personal circumstances could have an important effect on work since by satisfying outside commitments and activities, positive career development can be fostered. Adversely, disruptions, difficulties and traumas that occur in one's personal life can affect the attempt to adapt to the work situation.
The second question tests the feeling of achievement on the job whereby 88% of the respondents show to be having a sense of accomplishment when they perform their tasks. Table 6 contains pertinent results.

Table 6
The frequency of sensing personal accomplishment
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>46</td>
</tr>
<tr>
<td>Sometimes</td>
<td>42</td>
</tr>
<tr>
<td>Rarely</td>
<td>9</td>
</tr>
<tr>
<td>Never</td>
<td>4</td>
</tr>
</tbody>
</table>

101

* Percentages do not add up to 100 due to rounding.

Employees in banks perceive the efforts they invest in work as much greater than rewards they get from the system. They feel frustrated because they execute what they are told to and perform the functions that they handle. They resent that doing their job, in a climate of pressure internally and inflation externally is a triumph in itself. Coming to their feeling about the importance of their jobs to the success of their departments, 66% of the employees feel it is always important whereas 25% find the jobs only sometimes so. Table 7 shows:
Table 7
The frequency of job importance to department
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>66</td>
</tr>
<tr>
<td>Sometimes</td>
<td>25</td>
</tr>
<tr>
<td>Rarely</td>
<td>6</td>
</tr>
<tr>
<td>Never</td>
<td>3</td>
</tr>
</tbody>
</table>

Jobs in banks range from the very complex challenging tasks to the very simple routinial ones. Here, it is vital to distinguish between job importance and the sense of importance doing a given job even though a strong relationship is existent between the two. Any job is important to the success of a department otherwise it wouldn’t be created. The simplest case is those who work on filing and keeping the documents and the copies of transactions for potential future referral when possible problems or needs arise. Messengers whose primary function is to handle paper movements between various departments are essential for the system since inefficiency in that function may cause serious defects and delays. The majority of the respondents are thus aware of the importance of their jobs irrespective of the level of complexity embedded. However those who perform simple, routinial and unchallenging jobs are easily depicted when asking a fourth question on how often they get a feeling of importance while doing their jobs. 26% of the respondents fell in this category since they show no self esteem but
dissatisfaction and dislike for what they do in the bank. Table 8 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>45</td>
</tr>
<tr>
<td>Sometimes</td>
<td>30</td>
</tr>
<tr>
<td>Rarely</td>
<td>15</td>
</tr>
<tr>
<td>Never</td>
<td>11</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100 due to rounding.

The sense of importance stems from 3 sources:

- The job.
- The clients.
- The management.

The job in itself may include the stimuli needed to prompt the interest of the employee and to spur his feeling of importance. Such stimuli are usually the results of careful job posting after evaluation of personal talents, knowledge and skills and of enrichment of daily simple and routinial jobs. On the other hand customers may have a major influence on the psychology of the employee especially when these praise his work and his way of dealing with them or when they offer their services and their friendship resulting in fruitful relationships. Finally, the management style and the
attitude of management in dealing with the personnel affect greatly the feeling of appreciation of the job and the sense of importance since these can facilitate communication, initiatives and promote «the like of work» attitude.

The final criteria studied on the job was done through a question about whether employees were delegated authority to decide on the way they will perform their own tasks. 41% of the respondents have sometimes chances for such decisions, 7% only were always free to move within the boundaries drawn by management and 53% felt it was not permitted for them to intervene in any kind of decisions. Table 9 contains pertinent frequency distribution of answers.

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>7</td>
</tr>
<tr>
<td>Sometimes</td>
<td>41</td>
</tr>
<tr>
<td>Rarely</td>
<td>20</td>
</tr>
<tr>
<td>Never</td>
<td>33</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100 due to rounding.

Any style of management is a chain that goes from the very top to the very low level and since the current style in Lebanese banks allows minimum participation every manager irrespective of his rank is held directly responsible for what his subordinates
achieve in carrying up top management decisions. Every manager then prefers to have excess control over his lower level employees, thus restricting their movements and depriving them from any kind of authority.

As stated earlier the internal environment in a bank will be judged through one group of five questions on the setting of the job and which was just discussed, and through another group of four questions concerning the teamwork and which will represent the next subject for the study. The first question about whether members have mutual concern and care shows that only 5% of the respondents exercise continuous interest for one another, whereas 55% do not almost find affection and recognition between peers. Results appear in table 10 below:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great</td>
<td>5</td>
</tr>
<tr>
<td>Some</td>
<td>41</td>
</tr>
<tr>
<td>Little</td>
<td>30</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
</tr>
</tbody>
</table>

101*.

* Percentages do not add up to 100 due to rounding.

As will be noted later on in the current study, members learn not to trust each others. They acquire the idea that the inside setting is a wide place where everyone

50
has to prove himself, sometimes guided by unfair competition and jealous incentives in order to gain superior's support and safeguard against their anger. This is why the majority of the personnel do not care one for another even though some external fake appearances may show the opposite. On the other hand insufficient concern hinders the efficiency of a teamgroup in getting a job done as reflected by results in Table 11 when only 6% of the respondents seem to believe greatly in the current joint action to handle works with success and efficiency whereas 55% suspect the discipline of the present team groups that rely mainly on individual skills rather than on efficiency achieved by cooperation and orientation toward common goals. Table 11 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great</td>
<td>6</td>
</tr>
<tr>
<td>Some</td>
<td>40</td>
</tr>
<tr>
<td>Little</td>
<td>36</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
</tr>
</tbody>
</table>

101

* Percentages do not add up to 100 due to rounding.

As an effective team, members are required to generate practical ideas for improving quality of services and productivity or for reducing costs. However employees concern for efficient work is dissipated in a climate where each one of them
persuades his own interests and cares to end his share of the job without keeping in mind the enhancement of the interests of the institution of which he or she belongs. In one bank members were asked to start staying late in the afternoon according to scheduled rota by personnel names in order to rearrange the transaction slips of the day in a certain predefined order.

Daily problems rose when members were leaving upon finishing their part of the job forgetting that the aim was a collective work toward a specific problem solving. Add to this the irresponsible behavior of certain persons who were doing the arrangement blindly in order to leave soon knowing that the responsibility of mistakes will be disseminated among other members of the day rota.

To conclude on efficiency, the management therefore should provide the team with a process which itself provides necessary structure and discipline for effective team operations as well as the needed education, methods and techniques for effective problem solving17.

The previous example can be used also to illustrate the extremely little willingness that employees have to help one another, to get the work done. In fact only 5% of the respondents agree that this willingness is great whereas 52% find that individualism at work is dominating the members of a group. Table 12 shows:

17. Ralph Barra, op. cit, p. 32.
Table 12
Level of willingness to help achieving a work
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great</td>
<td>5</td>
</tr>
<tr>
<td>Some</td>
<td>44</td>
</tr>
<tr>
<td>Little</td>
<td>30</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
</tr>
</tbody>
</table>

101*

* Percentages do not add up to 100 due to rounding.

In addition to mistrust, there are other obstacles and barriers to coordination and assistance which in fact impede the productivity and efficiency of a work group. Conflicts and hostility constitute a major negative factor that reduce the level of help and collegiality between personnel members. Obviously, when people work together, there are many possibilities for friction, jealousy and conflict. Competition for scarce positions can turn colleagues into combatants. Any perceived difference in treatment can lead to frustration and bitterness. Thus apparent favoritism by management soon becomes the focus of much envy and rivalry. Of all the interpersonal conflicts affecting an institution, those related to tension between old staff and new seem to be among the most severe. In many cases, the older staff has already developed relatively stable and fixed social relations and the new staff, although he may be gradually absorbed, will not find acceptance easily. The new may be viewed as an intruder into already
established social groups bringing in different interests, needs and concerns. The interests and needs of a new are learning, acceptance, security and equal opportunities whereas those of an older staff are safeguarding, promotions, benefits and gaining support.

Another barrier for assistance may be built into organizational roles such as heavy workloads or competing obligations that take older staff away from their work group, and leave them little time and breath to give hand and provide help.

By all means, little support may be at the origine of isolation from peers and supervisors should be readily accessible physically and psychologically to alleviate and disconcert such anomaly whereas it is a managerial obligation to provide the social conditions necessary to facilitate and support interaction between personnel members.

A final question in the investigation of the conditions surrounding the work groups in banks was about the level of contribution to the system as perceived by every respondent. 55% of the answers on that question affirm a great level, 36% assess their role monderally and only 9% view very little personal contribution. Table 13 shows:

<table>
<thead>
<tr>
<th>Level of personal contribution to the system</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>N is 101</td>
<td>100</td>
</tr>
<tr>
<td>Great</td>
<td>55</td>
</tr>
<tr>
<td>Some</td>
<td>36</td>
</tr>
<tr>
<td>Littley</td>
<td>7</td>
</tr>
<tr>
<td>Never</td>
<td>2</td>
</tr>
</tbody>
</table>
In fact it is difficult for one to admit that he has minor influence on the perseverance and functions of the current system. However answers provided on the various conditions of the job and the team settings reflect awareness of the defects governing the social relations and the job-employee relations which certainly contradict any great contribution of group work members unless it is a great negative contribution to a collapsing system.

The analysis of the setting of the jobs and of the work groups in banks shows then litte stimulation for productivity and efficiency and asserts the frustration, the resentment and the demotivation of the sample employees who thus perceive little gratification for their efforts especially when this is combined with the low salaries paid and with the high cost of living. The end result will be either a category of employees mentally retired from work and only remaining because of hygiene needs or a high turnover namely among the newly hired staff who were waiting eagerly to seize an opportunity elsewhere. In one reputed bank six new employees who have not completed their first year in work have left knowing that other new colleagues are waiting their chances. Once again recruitment talks were different from employment facts.

As the quality of persons joining banks has changed over time, so have their expectations from their work. In general employees expect to

18 - Donald B. Summers, Personnel Management in Banking, p.67.
* Use their minds.
* Continue their educations.
* Balance job responsibilities and outside interests.
* Be recognized as individuals.
* Be treated as mature persons.
* Have flexible rules.
* Have work that is worthwhile.
* Have rewards geared to individual accomplishments.
* Be informed.
* Have equal opportunities.
* Have a voice in decision making.
* Be challenged.

Unless these expectations are met and reinforced by designed and tailored guiding policies handling the employee-relations, employees will not perceive their work as gratifying their aims and their efforts.

At this stage, some proposed hypothesis will be the subject of the next topic.

These are thought to be the most relevant to the problem of delay in servicing banks customers. They will be strengthened or weakened by the results found in the frequency distribution of answers provided on pertinent questions of the survey. Cross-tabulation with independent variables such as working department, gender or level of education revealed no important relationship with the dependent variables of the study.
Proposed relevant hypothesis and findings:

Delays in business transactions constitute a serious daily problem in reputed banks.

Personal experience, careful observation, written literature and discussions with some personnel lead to the preparation of the questions asked in the survey test with four objectives in mind:

The extent and efficiency of training received, the clarity of assigned responsibilities, the adequacy of the present system and the attitude of customers toward involvement in the system as seen by the banks personnel

- A - The extent and efficiency of training received.

Much of the delay in serving customers is due to the employees training programs and to the effect of problems encountered during the learning process. This brings hypothesis number one:
(H1) - EMPLOYEES DO NOT RECEIVE PROPER TRAINING.

When the target personnel was asked about the style(s) of training which was/ were followed, answers came below in table 14:

Table 14
Styles of training followed
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-the-job</td>
<td>10</td>
</tr>
<tr>
<td>On-the-job</td>
<td>44</td>
</tr>
<tr>
<td>Both off and on</td>
<td>25</td>
</tr>
<tr>
<td>I was not trained</td>
<td>22</td>
</tr>
</tbody>
</table>

101^*  

* Percentages do not add up to 100 due to rounding.

On-the-job-training is the most frequently applied style in banks. During interviews held to identify the on-the-job methods used to acquaint employees with banking procedures and rules, it has been found that training is mostly addressed informally by assigning a new entrant to an old employee for a given time and after a period the new one is rotated in different departments applying the same principle. This kind of training is frequently jeopardizing the self confidence of the trainee because of the size of problems encountered. 45% of the trainees said that older resident employees are unwilling to teach newly entrants while 35% of them said that they felt isolated from
other work groups while rotating. Only 11% believed that the time spent on each rotation was not enough to learn properly. Table 15 shows:

Table 15
Problems of rotation
N is 101

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unwillingness of older resident employees to teach</td>
</tr>
<tr>
<td>Feeling of isolation from other work groups</td>
</tr>
<tr>
<td>Time was not enough</td>
</tr>
<tr>
<td>All of the above</td>
</tr>
</tbody>
</table>

101%  

* Percentages do not add up to 100 due to rounding.

Assigning a new employee to an ancient one, often results in failure to achieve training objectives within a short period of time. This is due to the indifference or even hostility of the latter toward the former because he or she views in him or her a new competitor threatening his future on the job, especially if the new entrant has received higher education. So in fact it is not really that the time spent on a rotation which is short but the extent to which a new employee can gain trust and change the attitude of the older resident toward friendliness within that given period which affects the learning process. Often, this is hard to achieve and the ancient employee will be soon offering a demonstration of superiority to management.

The feeling of isolation from other work groups is also an important problem faced
during rotation since a rotating new employee will perceive how other ancient employees get together and are willing to teach sometimes each others because their potentialities are already known. He may see during his rotation how ancient employees in different departments organize trips or visits to friends and a feeling of alienation is further developed in him. Unless the bank has a team, a committee or a club to sponsor and organize entertainment activities, a new employee will be longly a stranger in the bank. On the other hand he may also feel isolated from what is going on in other departments if he was kept long in a given one.

10% only of the respondents seem to have received off-the-job training programs. (See table 14). Further investigations show that these people have attended certain classroom lectures but which were described by many of them as too broad in the sense that it only offer general information on a given subject. In fact this method is a one way communication direction and its effectiveness depends on the degree it is used to supplement another specific training programs. The Programmed Instruction Technique was found to be used in one bank only but in a very limited way, since only few people were selected to pursue a short training program on one computer and which revolved about the work of a specific one department.

Whereas this method should recognize individual learning differences and provide immediate feedbacks, it has not been very effective. The reason is because only one terminal was used for all trainees and tests to answer the questions asked in the program were passed collectively failing to show individual learning differences. On the other hand banks are reluctant to use it for its high costs (computer programs tailored to fit a particular organization). Other techniques used off-the-job (simulations, case studies, role playing, etc...) were not mentioned.
On a question about the extent training has helped performance on tasks, 51% of the respondents perceived great benefits, 40% were moderate and only 9% viewed training received as unhelpful. Table 16 illustrates:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>To a great extent</td>
<td>51</td>
</tr>
<tr>
<td>Moderately</td>
<td>40</td>
</tr>
<tr>
<td>It did not help</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Training programs received are then fundamental to help in one way or another an employee doing his job because they give the basic information and provide for general familiarization with work procedures for 76% of trained personnel. This is shown in table 17 representing distribution of answers on a question about whether training provided proper background.
Table 17
Training provided proper background
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>76</td>
</tr>
<tr>
<td>False</td>
<td>24</td>
</tr>
</tbody>
</table>

100

However results show that various methods should be used in combination even though this may increase banking costs. Such costs will much contribute to the creation of an efficient and a productive workforce.

On a question asked to see whether training helps coordination with various departments, 69% of provided answers agreed positively whereas 31% denied the fact. Table 18 shows:

Table 18
Training provided interdepartmental coordination
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>69</td>
</tr>
<tr>
<td>False</td>
<td>31</td>
</tr>
</tbody>
</table>

100

62
Obviously all departments in a bank are interrelated in one way or another and whether through lectures or through their jobs, employees learn about the basic relationship between their department and other ones. On this subject, one manager said that sometimes he intends to expose his subordinates to certain tasks which are not directly related to their regular work in order to show them how specific transactions may be handled.

The present training programs applied in banks are therefore beneficial for the elementary information they represent. However, results confirm that the training methods used are very limited and could not give the desired effects in the long run. Training then, has to be based on a solid foundation if it is to improve the operations within a bank. To permeate the entire organization deeply the process is to satisfy the following conditions:

1 - To be built upon specific objectives and needs.

2 - To use correspondent method(s) as well as needed visual or auditory equipments as demonstrative tools.

3 - To inform employees before any potential changes (in technology, increased authority, job content, etc...)

4 - To strengthen the banks policies.

5 - To inform managers about the intent and content of the training program so that they will be able to see where their subordinates stand.

6 - To be an ongoing and continuous process in that it is to be applied in daily work.

7 - To provide reinforcements (such as rewards and feedbacks).
- B - The clarity of job assignments.

Often employees are worried, stressed and under pressure. They feel victimized by not knowing exactly what the superiors expect from them to do on their work since the scope of their jobs was not exactly and clearly defined. This suggests hypothesis number 2.

(H2): EMPLOYEES ARE NOT GIVEN CLEAR JOB ASSIGNMENTS.

When employees were asked whether personnel policies were written and given to all personnel, more than 50% of them were found to be not familiar with the guiding policies of their banks as table 19 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>46</td>
</tr>
<tr>
<td>False</td>
<td>54</td>
</tr>
</tbody>
</table>

Table 19
Written and given policies
N is 101

Three of the surveyed banks were exposing employees to some of their policies by written memorandums and circulars. They did not have handbooks about broad term policies in rights and duties, compensations, salary administration, benefit administration, incentive plans, employee relations, employment laws and regulations, recruitments, training and promotions. Some of the related information were addressed informally sometimes after the regular end time of work where employees are called to
assist to what management had to say. These informal meetings were usually held when repetetive violations of the bank policies were present. However these violations are often not intended because the employee does not have in mind clear guides to action. The forth bank which is a foreign bank had policies handbooks but these were inefficient enough to guide employees in their work due to two main reasons. First, these handbooks were not updated by changes and additional policies over the years even though policies are administrated for a long run period. Again the changes and additions were either supplied by memorundums and circulars or held in informal meetings. Second, the handbooks were not given to all personnel.

Most of the employees in the surveyed banks even those who had written and given policies whether in handbooks, memos or circulars have vague ideas about policies contents because these were not reinforced and emphasized by management during the daily work. New entrants seem not to be knowing about policies. These people are left to learn through their colleagues, their aptness to raise pertinent clarifying questions and their own mistakes. However, they will soon be guided by routine and lose their interest in following up their jobs when they feel that others know what they ignore and also when they hear other ancient employees, who are in secret conflicts with their management as well as their institution, always critisizing policies, managers, colleagues and the system as a whole.

Policies in the surveyed banks were then addressed in informal oral or unorganized written ways. This fact detracts from the power of a bank to have efficient managers, personnel departments and employees with clear and precise roles, responsabilities and expectations.
In order to investigate the clarity of job assignments in the light of management decisions, a question was asked about whether instructions to act contradict decisions to be carried. 58% of the respondents refuted this suggestion reflecting that these people do not find procedural problems in handling tasks pertinent to their jobs whereas 42% of the respondents face such difficulties. Table 20 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>42</td>
</tr>
<tr>
<td>False</td>
<td>58</td>
</tr>
</tbody>
</table>

100

Although inconsistencies between management commands and management decisions seem not to be existent for the small majority of the personnel, they create a serious gap for the big minority of them. Each of the surveyed bank had for example a list of important customers who are not subject to bank charges when they perform business transactions and another list attributing charges percentages as well as fixed amount charges according to the business transaction to be done and according to the category of customers.

Since charges are considered a source of fund for banks they are thus set by high management. Whereas ancient employees are acquainted to the violations of these lists through their long contact with customers and are initially guided by superior's
instructions, new employees are given those lists but often are bypassed by instructions to alter charges or even repeat the transaction, if it was already done according to the list. Another example is when one bank decided to distribute fixed bonuses according to the ranking position, to employees who do not cost their bank any medical and drug fees during the year. Unfortunately one employee was absent for one day and has sent a messenger to notify the bank along with a medical report from a «famous» doctor of his state of health. However responsible manager requested a medical report from a specialist of the bank which then necessitates a medical covering costs on the bank.

Furthermore, assigning a clear job should entail thorough and accurate information about new events when they become necessary to be introduced. Often people fear the unknown and feel that their roles in the organization are disturbed as a result of new improvements decided by management. Therefore these have to be secured and guaranteed clarity and preciseness of their roles and of their rights and obligations by informing them in detail and candor about the new anticipated measures. For the purpose one question on the thoroughness of explanations given about new institutional programs, introduced changes and new job assignments and another on the accuracy of information about related topics, were asked. Answers provided on each of the two questions for each of the three topics revealed relatively similar frequencies, which allow thus the grouping of the answers in interval ranges. Results show that 20 -27% of the respondents said that informations and explanations provided were very thorough and very accurate, 38 - 48% said that they were satisfactorily adequate whereas 14 - 22% and 14 - 21% confirm inadequacy and poorness respectively. Results are grouped in table 21 and table 22 below:
Table 21
Thoroughness of explanations
N is 101

<table>
<thead>
<tr>
<th></th>
<th>Very much so</th>
<th>Adequate</th>
<th>Inadequate</th>
<th>Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>New institutional programs</td>
<td>23</td>
<td>45</td>
<td>19</td>
<td>14</td>
<td>101*</td>
</tr>
<tr>
<td>Introduced changes</td>
<td>25</td>
<td>48</td>
<td>14</td>
<td>14</td>
<td>101*</td>
</tr>
<tr>
<td>A new job assignment</td>
<td>27</td>
<td>38</td>
<td>15</td>
<td>21</td>
<td>101*</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100 due to rounding.

Table 22
Accuracy of explanations
N is 101

<table>
<thead>
<tr>
<th></th>
<th>Very much so</th>
<th>Adequate</th>
<th>Inadequate</th>
<th>Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>New institutional programs</td>
<td>21</td>
<td>42</td>
<td>22</td>
<td>16</td>
<td>101*</td>
</tr>
<tr>
<td>Introduced changes</td>
<td>22</td>
<td>41</td>
<td>22</td>
<td>16</td>
<td>101*</td>
</tr>
<tr>
<td>A new job assignment</td>
<td>20</td>
<td>42</td>
<td>22</td>
<td>17</td>
<td>101*</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100 due to rounding.

The provided information about new events that are going to affect the organization are thus found to be helping in redefining the expected roles and reclarifying the jobs of the personnel in the light of interventions. However a considerable part of the respondents doubt the impact of such information on productivity. In fact, to the extent that informations are complete and accurate,
resistance to change will be less intense and the employee will be able to relocate himself on the job.

On the other hand, management should anticipate such negative judgements on the information about new processes by simply ensuring that the persons affected by changes are involved in setting what they will perform, that the purpose of the new changes is well defined and understood, that the management motives are trusted by the staff, that employees are given chances to express their feedbacks and finally that adequate motivators and rewards are geared on the new basis of performance and competence.

Thus when policies are inflexible, informal and restricted to few people, they limit initiative and when this fact is combined with conflicting inconsistent decisions and unplanned explanations on new processes affecting the organization they miss to provide clarity and boundaries for the job especially for the new entrants. Old resident employees are accustomed to treat with clients, colleagues and superiors and have learned but blindly to perform their assigned jobs.

- C - Adequacy of the present system.

A system is a group of interdependent components functioning together and interacting with their internal as well as external environments to serve common human purposes in the most efficient of ways. However the banking system in Lebanon seem not to be following this definition in offering services to customers, which suggests wonderings on its adequacy. This leads to hypothesis number 3.

(H3): EMPLOYEES DO NOT FIND THAT THE PRESENT BANKING SYSTEM IS ADEQUATE.

69
A business is successful to the extent participants dedicate their loyalty to the organization which they feel that it is from them and to them. From this point of view, a bank which is a financial institution selling services for profit through its personnel is competent to the extent management succeeds in spousing human resource abilities with the bank’s available capabilities. The best way to do so is to motivate personnel from the inside through the use of participative management.

On a question asked about whether supervisors are better problem solvers than subordinates, 71% of the respondents answered by confirmation whereas 29% rejected the suggestion. Table 23 shows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>71</td>
</tr>
<tr>
<td>False</td>
<td>29</td>
</tr>
</tbody>
</table>

Table 23
Supervisors solve problems better than employees
N is 101

The confirmation is due to the loss of self-confidence that employees have gained over their years of work in the bank. This loss is itself due to a rigid banking procedures which rarely allow flexibility of actions at lower levels and which concentrate decision making at upper levels only. Decisions vary in nature from the very high strategic to the very routine day-to-day decisions. Depending on the importance of the decision, management can choose the most appropriate style of
decision making. However two styles are found in the surveyed banks:

- **A top down style:** Decisions are initiated at upper level and circulated to lower levels.

- **A consultative style:** Upper management launch tentative decisions and evaluate results.

Irrespective of their importance, decisions in the surveyed banks follow these two styles. Occasionally, the maximum extent of delegation of authority can go to the lower level managers only to perform the procedures which they think are the best to carry on upper level management decisions. As to subordinates, they do not have control over decisions concerning even how they should organize and manage their daily jobs. It is a one way downward flow of instruction and communication. In one bank, one subordinate executed a complex transaction for a customer and passed the slips to the signing supervisor but could not convince this latter of the shortcut he has followed and which respects all banking regulations. The supervisor could not find any logical, financial or regulatory error and still, he insisted that the transaction should be repeated the old routinial way because it is «better». As a result of this rigidity of actions, employees have chosen to withdraw mentally from involvements and suggestions that will never find listening ears and their presence is strictly reduced to the carry of instructions and commands from their superiors. Furthermore when employees face decisions to problems with customers who are inquiring a given item or subject, they often refer to their supervisors asking for help not because these people know what they don't but because experience taught them the lesson of «you should always protect yourself by transferring the responsibility of action to others».

Viewing the present system from another side we find that 55% of the employees
persue objectives which are dissimilar from those of management. Table 24 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>55</td>
</tr>
<tr>
<td>False</td>
<td>45</td>
</tr>
</tbody>
</table>

Table 24
Dissimilar objectives between management and employees
N is 101

Referring to how it was initially defined, a system has to serve common objectives. However facts show different reality. The concern of management is to promote the bank's reputation in profits and services using affordable costs whereas the concern of employees is to protect their jobs from newly hired people, cash their salaries, claim their rights for maximum benefits and leave the premises as soon as possible after 2:00 PM, the normal regular leave time. Each party has gone far in his pursuit for his purposes jeopardizing the entire system for lack of efficiency. This dissimilarity of objectives is reflected in the daily worklife of a majority of employees. For instance when they retaliate to customer's critics forgetting that this goes against the interest of their institution, or when they lose precious time in marginal talks, or when they do «fake» work to keep themselves busy, etc... Different objectives often result from the management's failure to secure, recognize and motivate its personnel, to orient, induct and train them, to assess, gratify and reward good performance and to inform them about their shortcomings without any kind of discrimination. Management
has also the obligation to settle up inner conflicts and disputes, to build in them the spirit of teamwork and to show them that only by joining efforts, the bank can progress. The teamwork is rarely found in Lebanese banks according to questions on interpersonnel trust and on disparity of workload between employees. 59% mistrust other personnel and 64% feel overloaded with work while others are relaxed. Table 25 and table 26 illustrate pertinent results.

Table 25
Existence of interpersonnel trust
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>41</td>
</tr>
<tr>
<td>False</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Table 26
Disparity of workload between employees
N is 101

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>64</td>
</tr>
<tr>
<td>False</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

The question of trust is always a problem in major institutions such as banks. The
major reason for this is that some people perceive dishonesty and hypocrisy as shortcuts to success in gaining the sympathy of the employee and the loyalty to superiors by reporting others mistakes. While this fact diverts attention from improving the state of services, it also creates a hostile climate within the bank and destabilize the efficiency of a system. Keeping the employee always alert against some specific persons as he was told by the «trustworthee», will soon demotivate him and make him direct efforts to nail them instead of concentrating on his work. However an honest person will not be easily victimized by such tricky alerts even if he was for a short run, because he will realize thereafter that «the one who will steal for you will steal from you». Newly hired persons are the most subject to such perils since they enter an institution and they meet people who are totally strange to them. Some ancient employees with «unclean» past record may try to gain «points» over others by attracting the newly hired staff with their kind of advices so that in the future these latters won’t believe what others may tell them about the past record of their «advisors». One employee was hired in a bank and was privately called by his supervisor, telling him to guard himself against two tellers who will preserve no effort to report mistakes that he may do. Later on many hostile disputes were made with the tellers before he discovered that he was manipulated for self interest against people who meant no harm to him.

Such hypocrit people should not be encouraged by upper management but at the contrary should be sentenced and instructed to solve disputes instead of creating them and to inform others about their own manageable mistakes instead of reporting them.

On the other hand efficiency is detracted when there is no concern for one another. One may be reluctant to help his colleague because of potential previous
unforgotten disputes and/or mistrust. Again much of this hostility is created by other personnel members, irrespective of their rank, who wish to benefit from inside rivalries in order to approach the employee with affection and report him to upper management at the same time. This hypocrisy in dealing, in addition to the possible management preoccupation to allocate work fairly between employees especially during customer crowds, will kill the feeling of fellow-care and will keep the spirit of teamwork prematures. Much of the delay when serving customers is due to a crowd of customers in a given department vis-a-vis an almost empty one. No one denies that in the latter department (such as the letter of credits), there may be excessive inner paper work, but much of it can be done after the regular time of serving customers (i.e. 12:30 PM) even if these people are to stay late to end their own work for extra payments or they are to be assisted by other employees.

The system's crach may not only be attributed to negative personnel interrelationships but also to the technology used and to the qualified skills needed to manipulate it. The question whether personnel perceive changes in our present banking system as inevitable for achieving progress was answered with confirmation by 65% and with denial by 35%. Table 27 shows:

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>65</td>
</tr>
<tr>
<td>False</td>
<td>35</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>65</td>
</tr>
<tr>
<td>False</td>
<td>35</td>
</tr>
</tbody>
</table>

100
Employees are in majority aware that the present system contains many pitfalls because they feel and live the daily problems between themselves, between them and the machines used and between them and customers. They know that the procedures are rigid and lengthy and if they cannot influence the highly regulated procedures they can with full assistance of management render them shorter in time to be able to satisfy the needs of their customers. An organization therefore can't exist apart from its environment and it has to modify its system periodically in order to maintain efficiency. However adopting changes and adapting people to these changes need to be carefully planned by the bank for it directly affects the employees achievement.

Interviewing a supervisor about the changes, that he would like to see in his bank he said: «Our typing machines are old and should no more be used to issue bank cheques which should be printed by a lazer printer, our teller machines are old and they are causing frequent mistakes and many customers are revolting against such machines which have damaged their saving books forcing them sometimes to lose precious time in replacing it by a new one».

Discussing the matter with another supervisor in another bank, he was furious about the physical lines of communication between the bank and its branches which sometimes cause a serious delay problem for customers drawing in a branch and having their accounts in another branch. Furthermore the alternative of having a centralized computer mainframe accessible to all branches to update the status of the customer's account irrespective of its location is not yet present. Lately a third bank has adopted new system changes in a way that counter employees have become both the cash tellers and the processors of the transaction itself. In addition the bank has installed a unique ATM to ease some customer transactions. A supervisor commenting
on the new changes said that the capacities of the adopted machines are far beyond the abilities of the personnel but in the near future he added, the bank will organize training sessions specific to how the computers can be exploited at best in their whole work and also to show all personnel how the ATM is handeled. Changes he said, have reduced customer complaints, allowed better employee-customer relationship and enhanced the bank's image.

Changes are then successful to the extent they gain support from top management but more from the subordinated level.

The 35% of the respondents opposing to changes as means to progress represent in fact, the category of ancient employees, longly kept with routinial jobs, who are afraid from a future that will contravene their role in the organization. They suspect the necessity to introduce changes and they feel that if this happens new people will come to replace them exactly as new machines and new strategies come to replace the old ones. Management therefore should work to elimenate their fears and abstinations, enlight hope and strengthen faith in a better future only if they maintain their abilities and willingness to cooperate with the new updated system.

The present banking system seems to be inadequate enough to satisfy the needs of the customers and to handle their transactions with minimum time spent.

- D - Involving Customers.

One may think that engaging customers in fullfiling part of their transaction is an efficient step toward reducing delays in banks. Although this may sound beautiful but this may be very difficult to apply on the ground especially in a culture like the lebanese culture. Investigating the contribution of customers in the present banking
system, suggests the fourth hypothesis.

(H4): EMPLOYEES DO NOT FEEL THAT INVOLVING CUSTOMERS IN COMPLETING TRANSACTIONS WILL REDUCE DELAYS.

On a question asked about whether employees perceive customers to be willing to get involved in the business, 68% of them versus 32%, think that customers refuse any engagement from their part and 54% versus 47% affirm that this will not help banks much. Results figure in table 28 and 29 below:

Table 28
Employees perception of customers as willing to get involved
N is 101

<table>
<thead>
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<td>True</td>
<td>32</td>
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<td>False</td>
<td>68</td>
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</tbody>
</table>

100

Table 29
Employees perception of involvement as beneficial to banks
N is 101

<table>
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<tr>
<td>True</td>
<td>47</td>
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<tr>
<td>False</td>
<td>54</td>
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</tbody>
</table>

101

* Percentages do not add up to 100 due to rounding.
The Lebanese people are not yet accustomed to the principle of «Self service». Everywhere they go, in restaurants, gas stations and drugstores, they are always served by the working staff unlike what happens in foreign developed countries. In banks also they are served by the staff because they are not prepared by their society to accept any self - involvement in their own transactions. One bank has put for a testing period over a separate counter, debit and credit slips in Lebanese currency and encouraged its customers to fill their own slips and go directly to the cashier. However this has shown later on a severe failure mainly because of repetetive complaints favoring the treatment of other banks. Another cause for failure was due to a childish and irresponsible behavior of some customers when they take with them the whole book of the debit or credit slips and even the pen which were put over the separate counter. A third cause was due to the slips themselves, because they carry a box where the maker (who should be a staff) is supposed to put his initials and no change in the form of the slips was made at time when customers were to be involved. A fourth reason was because of the bad location of the separate counter which was not clearly noticed by entrant customers and also because these counters were not holding any visual examples as to how the slips are filled. A fifth reason was attributed to the language the bank has adopted in its businesses and which may be unknown to certain customers. A six and a final cause was due to the proportion of illiterates who were totally ignorant about any kind of the simplest banking transactions even if they have only learned to sign their names in writing.

Banks therefore will not benefit much if they get customers to be engaged in completing their own transactions. However the 47% of personnel believing so, did not think of the mentality and culture of the target customers they are facing. They may be
right if management within the limit of its control on customers, reinforce the benefits of such involvement by special visual illustrations serving as examples, by locating the separate counter where it is clearly noticed, by controlling the separate counter and by explaining to them as much as possible that this serves their own interest in order to reduce complaints.
V - The nature of the study

The preceding parts of this study focused on the various reasons causing transaction delays and inefficiency in serving banks customers and also on the selection and analysis of certain hypothesis thought to be the most relevant to this study. Much of the problems that lead to slow pace transactions and to its consequent delay in offering services, can be avoided by recognizing that the current disposition of staff, and the current organization of tasks need to be altered and rectified. Other problems are related to the societal norms and values of our society and which are difficult to change. Finally, problems related to a weak infrastructure in building qualified personnel and fruitful interrelationships, together in an integrated working system, are the most important to recognize and solve since the human element involved is the most powerful resource in any organization.

A - Methodology

The study is conducted on four Lebanese banks, names of which will not be disclosed. These banks are major financial institutions in Lebanon in terms of reputation, number of customers and level of services, yet available in the Lebanese banking sector. They are located in Beirut district and were chosen to conduct the survey and to serve as a representative sample for the population of the working banks in Lebanon. One hundred and twenty questionnaires were prepared and distributed in four equal lots among employees in the four banks (i.e. 30 questionnaires per bank). In each bank five of the questionnaires were destined to officers B and C (the latters are supervisors) but for lack of compliance among the B officers, the five
questionnaires were then given to C rank officers. The strong control over the questionnaires through some people working inside the four banks minimized the number of unreturned questionnaires to two only but another seventeen were disregarded from the statistical analysis due to unanswered questions or more than one answer for the question.

The questionnaire consists of two sets of questions, most of which are multiple choice type. Whereas set number one of 25 questions ported on the general problems delaying a business transaction, those hindering training programs efficiency, weakening management-employee relations, causing cross-purposed communication and endangering effective customers involvement, the set number two of 2 broad questions investigated the personnel - job relationship and the adequacy of teamworks. Since the current study is mainly dealing with attitudes, the main technique that is used to analyze the distribution of answers is a descriptive analysis (frequency measures) for each question used to justify the general problems leading to delay and the suggested hypothesis related to that subject. The relative frequency distribution found in the tables is the ratio of the number of observations in a particular category to the total number of observations (effectively reduced to 101 observations).

During this study, some interviews were conducted with a number of counter employees and C rank officers (supervisors). These interviews helped clarifying some of the questions asked, and examples of the daily work life, and of the inside problems were unveiled.

In the interviews, it was made clear that no names will be mentioned and the management of each of the four banks authorized the distribution of the questionnaires
on the basis that the bank's name will not be uncovered. All this, made personnel believe, as it is intended to be, that the information given is strictly confidential, will only be used for statistical purposes and will not by any mean be accessed to superiors.

B - Limitations

The study incorporates some limitations which result mostly from the sampling procedure used to conduct the study. These are identified to be as follows:

First limitation

This study does not pretend to draw a similar image for all Lebanese banks and to reach common conclusions for all of them. Some banks have relatively small number of depositors and do not suffer much from problems of delays and slow pace working systems because the number of daily transactions is manageable by the current skills and capabilities and yet, they still survive. Thus the sample may be considered representative only in respect to the population of banks in Lebanon, with a strong reputation and trust and with a high level of average daily business transactions.

Second limitation

Many interviews with key employees and high level managers could not be held because these latters pretend to have little time to talk, namely about information on subjects that they do not want to get involved in.

Third limitation

Many questionnaires were rendered within minutes after being distributed which raise doubts on whether respondents were serious and interested in assimilating the questions and providing accurate answers.
Fourth limitation

The present study is relatively deficient in statistical analysis due to the small size of the sample and to the scarce information in literature on the subject; the fact which has turned the presentation of materials of the study to be a descriptive - analytical rather than a statistical - analytical, thus making it more difficult to analyze information and to draw conclusions.

Fifth limitation

One of the four banks refused to allow any sort of interviews due to its consideration as outside interferences to convey secret informations into public ones. Nevertheless, one C rank officer in that bank revealed some pertinent information in an informal way outside the bank due to personal parenthood relationship.
VI - Concluding the study

It has been established throughout the study that banks are a service sector of which success and progress depend beside many financial factors, on the quality and efficiency of offered services. To start, a bank has to recognize that there is a problem of slow pace working system leading to delays and then identify areas of deficiency and major factors or reasons for the shortcomings. Some of these reasons can be detected by the sight of a careful observer and necessitate investment of great efforts more than big sum of money to «manage» them, in order to overcome their defects.

Nevertheless reasons stemming from the surrounding societal norms and values are very difficult to eliminate but reducing their impacts is a laudable event by a greater closeness and understanding between management and personnel. Other reasons deal with the infrastructure and the inner layer of a bank. The human element is the most valuable asset in an organization and the only appreciating one by using correspondant training programs and techniques and by rehabilitating members to work in an efficient teamworks. The current training programs do not satisfy the conditions needed for its success; the proof is in the weak current performance of personnel. In addition to tailoring strong training programs corresponding to various members, management has the obligation to approach the employee with sympathy and trust rather than encourage reporting their minor mistakes and feeding their feelings of resentment and frustration. It is also a managerial task to provide employees with credible job requirements, policies and later on orientation based on job requirements and personal qualifications and education. Unfortunately high turnover, namely among
the new employees, is due to a weak orientation and job posting that fit only the needs of the bank, rather than mutual needs. In addition to training programs formulated on a given job, the results of the study, show that training has to focus also on the benefits of communication between employees and customers, between them and superiors and between themselves.

By learning how to govern a conversation and control its direction courteously much of the misunderstanding and hostile behavior leading to loss of time for all parties is prevented.

It has also been argued in this study that changes are inevitable in a fast changing environment and unless a careful planning to overcome natural resistance of certain people is done, the benefits of any change to be introduced in the organization will fall short. On the other hand management should encourage teamworks, support its members and induce motivators to strengthen attachments to jobs and lessen the impacts of problems that may be encountered when different people get together to achieve a common work.

Finally, it was found that customers' involvement in their own transactions has failed to reduce delay in the bank but adversely has raised customers complaints and frustration, mainly due to the Lebanese social environment. Once again it may be beneficial if such a change has been introduced gradually under management control using all needed means to lessen the power of some bad habits drawn by the societal norms and values. However this is a very complex task for a limited benefit and the institution's first choice remains to invest in human resource development and activates the reward system without any kind of discrimination and favoritism.
- Recommendations

Following the thoughts, discussions and the analysis of the hypotheses of this research, the banking sector in Lebanon is recommended to try to reduce delays in the daily business transactions by directing efforts to:

1. Overcome unessential movement of slips by having the supervisor(s) or manager(s) needed for signatures near the counter employee and always under the sight of the customer.

2. Increase the number of staff when assignments are fairly allocated between existing personnel members and delays are still persistent.

3. Avoid improper transactions by encouraging the counter employee to repeat quickly the key wants of the customer before starting the transaction.

4. Reduce interruptions and outside interferences such as phone calls or superiors sudden instructions to execute other transactions by preparing one or two staff members to deal with such issues.

5. Discourage social visits and nonbusiness conversations between employees and customers and between employees themselves during service hours.

6. Use a combination of training methods, allow classroom discussions and tailor the training programs to satisfy the conditions of success cited in the study (p.63).
7. Bring the ancient employee to cope with the interests of the institution by holding him/her clearly responsible to acquaint the new employee with the job and encourage the latter to approach the former with sympathy and friendliness before reporting persistent nonserious willingness to teach.

8. Encourage self-initiatives and delegation of authority in particular circumstances where the employee have learned earlier from his superior how to deal with similar cases.

9. Encourage participation in decisions from those who will be affected at most.

10. Activate the reward-performance system not only through material rewards but also through words of praise. Reasons for negative performance should be depicted by friendly talks with the employee before corrective actions are undertaken when symptoms of anomalies are not removed.

11. Ensure that policies and regulations are clearly written and are readily available to new entrants. Policies should be strengthened each time an employee behavior is not conformed with it.

12. Management should provide a climate of trust between him and employees and between employees themselves from the very beginning of the hiring process. Job posting should be the result of a careful matching of job contents with recruited talents. Management should treat all employees fairly without discrimination and favoritism and
should instruct employees to cooperate by correcting rather than reporting minor mistakes of each others.

13. Use modern technologies to provide quicker services to satisfy customers and reflect an image of progress.

14. Do a competitive analysis to identify what are the recent services offered in other banks in Lebanon in order to deal with the points of strength and weakness and the opportunities for and threat to the institution.

15. Always inform the personnel of the objectives and expectations under a given change in the system before its introduction in the bank.

16. Avoid engaging the customer to get involved in his own transaction because he/she is not yet ready to the principle of "self-service".
Questionnaire-Appendix
Part One

Please Circle your chosen answer(s):

1 - Gender
   a - Male
   b - Female.

2 - Education
   a - Intermediate
   b - High School
   c - University graduate
   d - Graduate Studies

3 - Years of experience in banking:
   a - Less than 1y.
   b - more than 1 but less than 5.
   c - more than 5 but less than 10.
   d - more than 10.
   e - less than 5.

4 - In which of the following departments are you working now:
   a - credits
   b - facilities
   c - current A/C
   d - exchange
   e - accounting
   f - others (specify)

5 - Transaction delays in your bank are may be attributed most to:
   a - Managers preoccupation by visitors.
   b - Absenteeism of one or more of the members.
   c - The completion of a transaction may necessitate that a given customer goes to different places in the bank.
d - The completion of a transaction may necessitate that its slips are prepared and signed in different places.

e - People involved in the completion of the transaction are not found in their places.

6 - When serving customers, transactions are sometimes interrupted by:

   a - A phone call.
   b - A superior's command to execute another transaction.
   c - A relative or a friend asking you to serve him/her.
   d - All of the above.

7 - Transactions are sometimes done the wrong way because:

   a - Customers do not know what they want.
   b - Customers express what they do not desire.
   c - Time can not be devoted to fully understand what the customer wants.

8 - Where you are working now, have you been trained to transact business in your current job?

   a - Off-the-job    c - Both a and b
   b - On-the-job    d - I was not trained.

9 - What problems were faced during rotation:

   a - Unwillingness of the employees to teach me.
   b - Feeling of isolation from other work groups.
   c - Others (Specify) ...........

10 - To what extent did training help your performance on the job:

   a - To a great extent
b - Moderately

c - It did not help

11 - Do you think your bank suffers from shortage in personnel?

   a - Yes                     b - No.

12 - If yes, in which category of employees?

   a - Clerical
   b - Supervisory
   c - Messengers
   d - All categories

13 - Do you generally trust other personnel?

   a - Yes                     b - No.

14 - You feel overloaded with work while others are relaxed:

   a - Yes                     b - No.

15 - Management objectives and employee objectives are one and the same:

   a - Yes                     b - No.

16 - Mistakes should always be reported to higher management:

   a - Yes                     b - No.

17 - A supervisor knows how to solve problems better than a subordinate

   a - Yes                     b - No.

18 - Little progress can be made without changes in our system:

   a - Yes                     b - No.

19 - No one cares much about what happens to you:
20 - Customers are not willing to accept changes that involves them in completing business transactions:
   a - Yes           b - No.

21 - It is better for your bank not to involve customers in taking partial action for their transactions:
   a - Yes           b - No.

22 - Training (assuming you have been trained) has provided you with the proper work background:
   a - Yes           b - No.

23 - Has your training (assuming you have been trained) helped to coordinate with other departments:
   a - Yes           b - No.

24 - Personnel policies in your bank are written and are given to all personnel:
   a - Yes           b - No.

25 - Management decisions and management instructions are often contradictory:
   a - Yes           b - No.

Part Two

Please circle one answer for each statement:

1 - On the job, how much do you: Always Sometimes Rarely Never
a - Experience pressure
b - Get a sense of personal accomplishment
c - Have a feeling that your job is important to the success of the department
d - Have a chance to make decisions that affect how you do your job
e - Feel that your job gives you a sense of importance

2 - As part of a work group:

a - How much concern do members of the group have for one another.
b - How much willingness do members of the group have to help one another to get to the work done
c - How much concern do people have about getting the work done efficiently
d - How much you assess your contribution to the system

3 - How thorough are the explanations given to you about:

<table>
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<th></th>
<th>Very much so</th>
<th>Adequate</th>
<th>Inadequate</th>
<th>Poor</th>
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<tbody>
<tr>
<td>a - New institutional programs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>b - Introduced changes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>c - A new job assignment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

4 - How accurate is the information you receive about:

<table>
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<th></th>
<th>Very much so</th>
<th>Adequate</th>
<th>Inadequate</th>
<th>Poor</th>
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<tbody>
<tr>
<td>a - New institutional programs</td>
<td>1</td>
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<td>4</td>
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<td>c - A new job assignment</td>
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