Human Resource Development and Management Practices in the Lebanese Banking Sector

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Abstract

The purpose of this study is to explore human resource development (HRD) and human resource management (HRM) policies and practices in five banks in Lebanon, and investigate whether these practices lead to strategic performance improvements (Arthur, 1994) using a qualitative approach and the systems theory as the main theoretical framework. In specific, this study provides a better understanding on how HR departments operate to become key source for creating a competitive advantage and adding value to the organization (Becker & Huselid, 2000). Research findings confirm the importance of HRD and HRM practices and their value not only for their role in implementing a given competitive scenario, but also for generating strategic capabilities.

Keywords: international HRD, HRM, performance improvement
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With the advancement of human resource management (HRM) and human resource development (HRD) theories, research, and practice, it is evident that the management of people is strategic to organizational success (Boxall & Purcell, 2003). Thus, both HRM and HRD have an evolving role of aligning human resources with the organizational mission, to meet strategic objectives, and to impact organizational performance. The problem is that much of the literature that espouses the alignment qualities of HRM and HRD is almost exclusively derived in the West. The purpose of this study is to explore the HRD and HRM practices in the Lebanese context and investigate whether these practices are affected by contextual factors on one hand, and whether they lead to strategic performance improvements (Arthur, 1994) using a qualitative approach.

We will first introduce the specificities of the Lebanese context and the Lebanese banking sector. We will then articulate the link between HRM and HRD using open systems theory as a framework and explore HRM and HRD practices in five major Lebanese banks in order to understand the impact of HRM and HRD initiatives on organizational performance. In-depth interviews were conducted with five HR managers in five “alpha” banks. Findings suggest that the corporate culture and organization policies are major in providing for strong HRD/HRM activities. Findings also suggested that HRD/HRM managers in the five banks are strongly supportive of and committed to formal and on-the-job training and career development. However, the measurement systems to assess the effectiveness of HRD initiatives are still embryonic. Moreover, other aspects of HRM, pertaining to job analysis and design, communication, employee
championship and change management roles are still emergent and need further
development

The Retail Banking System in Lebanon

The banking industry in Lebanon is considered to be the most important source of
the country’s gross domestic product (40% GDP) and as a significant income-generator
(Bilanbanque, 2006). The Western-style education of Latin and Anglo-Saxon institutions
enhanced the Lebanese recipients’ prestige and improved their earning power (Barakat,
1993).

Improvements in social indicators such as equality, human development index
and literacy levels had seen Lebanon recover from the worse effects of 1975-1990 civil
war. However, Lebanon still has a long way to recuperate from its economic, political,
and social challenges. Problems facing the public sector in particular reflect weaknesses
in human resource management and development. In the context of the above problems,
and the impact of globalization on businesses in general, there is a need for effective
HRM and HRD research and practice in Lebanon, thus the importance of this study.

The advent of technology and the imperatives of globalization coupled with an
increasingly competitive industry necessitated the need for a more efficient and educated
staff.

HRM and HRD Disciplines

HRM and HRD disciplines are widely recognized in the West (Swanson & Holton, 2001), but not very well differentiated in international contexts. Lebanon is no
exception (Dirani, 2006). The most apparent connection between the two disciplines is
through human resources (HR). HR can be conceived as an umbrella term having two
components: (a) the HRM component with goals and activities including hiring, compensation, and personnel compliance issues, and (b) the HRD component including training and development, career development, and organizational development. A category of practices such as performance improvement, process effectiveness, and strategic planning, might be managed under either HRM or HRD titles. In Lebanon, both HRD and HRM are not well defined, not well differentiated, and most organizational practices, if applicable, fall under the HR title (Dirani, 2006).

**The Need for HRM and HRD**

It has been recognized that technological advancement and financial capital are not enough to provide companies with the competitive edge. Rather it’s the human element that provides such an advantage. Organizations need to attract, retain, and align the right people, with the right skills and training, in the right jobs, else they will not succeed. HRM and HRD play a vital role in such alignment. Alignment means to integrate the decisions about human resources with the decisions about organizational outcomes. Research studies have shown a strong correlation between increased quality HR practices and increased business success (Delery & Doty, 1996; Huselid, 1995; Huselid, Jackson, & Schuler, 1997; Youndt, Snell, Dean, & Lepak, 1996).

HRM and HRD models of best practices are well documented, well praised, but also well critiqued (Boxall & Purcell, 2003). A major limitation of HRM/HRD best practices is the effect of the outside environment. The argument that HRM and HRD best practices are universal prescriptions is “highly undermined by the impact of organizational contexts, market conditions, and institutional forces (Marchington & Grugulis, 2000; p. 922). Such criticism holds true in the Lebanese context. Social norms
and economic legislations and requirements need to be accounted for. For example, researchers have shown that different legislations and taxation systems impact intended HRM and HRD activities (Truss, 2002). Therefore, HRM and HRD may be crafted rather than designed or adopted and this is particularly the case in terms of managing and developing human resources in the Lebanese context (Dirani, 2006; Harney & Dundon, 2006).

Dominant Western theoretical models adopt rational systems perspective and thus might not capture the complexity of HRM and HRD activities in an international context. Although organizations exhibit formalized policies with clear objectives and goals, they are unique, dynamic and continuously changing and far from being closed entities (Scott, 2003). Thus, HRM and HRD practices vary across organizations, groups, and even individuals. Current approaches to understanding HRM and HRD in international contexts, in general, and in Lebanon in specific, show two fields with short term inadequate prescriptions, short on descriptive data, and thin in analytical research (Dirani, 2006). Thus HRM and HRD are shaped by, and very responsive to, the external contextual contingencies. In order to capture the complex nature of managing and developing human resources in the Lebanese context, this research follows an open systems approach which may better accommodate the contextual determinants of HRM and HRD.

Rationale for Open Systems Theory

Organizations are embedded in social and economic networks. They operate in a world of systems and subsystems that are ever changing. They are viewed as interdependent parts that interact and affect each other. They are collectivities that depend on and are
influenced by flows of personnel, resources, and information from the outside (Scott, 2003). Organization interactions are drawn from internal tensions and from external factors. Analyzing organizations without considering contextual factors is simplistic. Open systems theory captures both, the existing organization internal structures and processes, and organizational openness and environmental conditions in which the organization operates and competes (Scott, 2003; Wright et al., 2001). It is well documented that the complexity of interactions between the internal organizational factors and the outside contextual factors shape HRM and HRD activities in organizations. Therefore, open systems theory and systems thinking are key to understand HRM and HRD operations.

We investigate both internal and external factors to explain the impact of HRM and HRD on firm’s performance. We refer to open systems theory to capture the organizational interaction with the environment and we refer to resource-based view (RBV) to reflect the importance of organizational internal resources to secure sustainable competitive advantage.

**Systems Theory**

Systems theory was first described by Boulding (1956) and Bertalanffy (1968). Three perspectives of systems theory shape this framework, general systems theory, chaos theory, and futures theory (Swanson & Holton, 2001).

Boulding (1956) described general systems theory, and informed us on how open systems, as opposed to closed systems, operate in a course of inputs, processes, outputs, and feedback. Bertalanffy (1968) discussed the inability of a single system in explaining human dynamics and argued that single personality theories are limited in predicting
human behavior. Senge (1990) defined systems thinking as a “conceptual framework, a body of knowledge and tools that has been developed … to make the full patterns clearer and to help us see how to change them effectively” (p. 7).

Gleick (1987) described chaos theory as the study of predicting the behavior or the outcomes of a specific system if given the approximate knowledge of the initial conditions of that system. Chaos theory suggests that individuals and organizations are always influenced by their environment and thus do not follow a linear dynamic system (Kellert, 1993) or Newtonian logic (Swanson & Holton, 2001).

Schwartz (1991) described futures theory as liberation of human insights to predict different outcomes for the future. Futures theory enables individuals and organizations to think of different scenarios or alternative futures and prepares them to cope with inevitable change. Based on the above frame, systems theory provides us with the following propositions: (a) Organizations are formed by subsystems interconnected with other subsystems and connected to higher systems that often overlap, (b) organizations are affected by their environment that is anything but systematic or predictable, (c) organizations make decisions that are influenced by the surrounding environmental conditions, and (d) competitive organizations, through utilizing their human resources, are creative and strategic in their thinking and can cope with different future alternatives.

The Resource-based View

Initiated by the work of Penrose (1959), the resource-based view was articulated into a coherent statement of theory by Wernerfelt (1984) and largely popularized by the seminal article of Barney (1991). It states that organizational resources and capabilities
that are rare, valuable, non-substitutable, and imperfectly imitable form the basis for a firm's sustained competitive advantage. This resource-based view of organizational strategy and competitive advantage engendered a great deal of theoretical and empirical efforts (Barney, 1991, 2001; Boxall, 1996, 2003).

The resource-based approach rests on the assumption that individual firms are unique and composed of distinct bundles of resources (Barney, 1991). According to the resource-based perspective, firms attempt to develop and exploit distinctive competencies based on the physical, organizational, and human capital resources under their control. Ultimately, these distinctive competencies may lead to sustainable competitive advantage and superior performance. The emphasis on human capital resources leads to understanding the role of strategic HRM and HRD in gaining competitive advantage; a dedicated and talented workforce may serve as a valuable, scarce, non-imitable resource that can help firms execute an appropriate positioning strategy (Lado and Wilson, 1994). Thus, the resource-based view has provided an excellent platform for highlighting the importance of people to competitive advantage.

**Resource-based View and HRM**

Within the field of human resource management, the resource-based view (RBV) has made important contributions in the rapidly growing areas of strategic human resource management and development (Wright, Dunford & Snell, 2001). Wright, McMahan, and Mcwilliams (1994) were the first to apply RBV ideas to the field of HRM. Since then, the emphasis on people as strategically important to a firm's success has contributed to the interaction and convergence of strategy and HRM issues (Wright et al., 2001).
More specifically, the resource-based view suggests that human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, produce complex social relationships, are embedded in a firm's history and culture, and generate tacit organizational knowledge (Barney, 1992; Wright et al., 1994).

From this perspective, we can argue that HRM practices and HRD initiatives can improve organizational performance as they elicit and reinforce the set of role behaviors that result in employee effectiveness and satisfaction, organizational commitment and customer satisfaction. This is what we seek to demonstrate in our research.

The main challenge remains in identifying, developing, protecting and deploying resources and capabilities in a way that provides the firm with a sustainable competitive advantage, and, thereby, a superior performance. In order for any characteristic of a firm’s human resources to provide a source of sustained competitive advantage, the firm must be organized to exploit the resource. Organizations require having in place the systems and practices that allow human resource characteristics to bear the fruit of their potential advantages (Barney and Wright, 1998). Lado and Wilson (1994) hypothesized that the more complex the HR system, the more likely it would be to serve as a source of sustainable competitive advantage. We believe that it is the interaction of HR practices, organizational culture and policies, organizational structure and IT systems, within a given national context that help developing resources that are rare, valuable, imperfectly imitable, and non-substitutable. In resource-based terms, HR policies and practices may be valuable because they are socially complex (competitors may not be able to replicate the diversity and depth of linked processes that sustain them) and historically sensitive (it
takes time, for example, to build high levels of workforce trust) (Barney, 1991; Wright et al, 1994).

**Dimensions of Performance in Retail Banking**

Performance is a multidimensional construct. In a retail-banking environment, a number of major categories of performance are evident, including financial outputs, customer satisfaction, and employee job satisfaction (Brown & Michell, 1993). Output measures may include number of and dollar values of accounts such as savings or loans, or the number of new customers. In terms of services, each bank may develop its own measures, including: number of errors, number of formal complaints, average customer waiting time, or client satisfaction (Zeithaml et al., 1990). Indirect costs associated with job dissatisfaction may include training, recruiting, and learning curve inefficiencies, as well as reduction in the client base. All these linkages are viewed as performance indicators for service organizations (Brown & Michell, 1993). The main question remains in finding the appropriate HRD and HRM strategies in order to increase performance outcomes. Figure 1 illustrates the conceptual model we developed for our study, based on the system’s theory framework and RBV.

Three areas comprised the basis of this inquiry: (1) HR managers’ perceptions of organizational culture in their respective banks, (2) HR departments’ support for employees’ training and development needs, and (3) banks’ policies and practices regarding employee development.

Based on previous research studies related to the functions of HRM and HRD managers (See Bacon et al., 1996; Harney & Dundon, 2006; Mclagan, 1999) this research identified 32 functions that contribute to both HRM and HRD activities (See Table 3).
These functions fall within the framework guiding this study. It is important to note that while these functions follow Western HRM and HRD models, our aim from this research is to confirm the applicability of such functions in the Lebanese context and the degree of influence of the internal and external factors on the way these functions are carried.

Figure 1 illustrates the conceptual model we developed for our study, based on the system’s theory framework and RBV.

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**Figure 1.** Conceptual model of HRM/HRD inputs-processes-outputs (Harney & Dundon, 2006, Hoque & Noon, 2001).

**Research Questions**

The research questions guiding this study are: (a) What are the main HRD and HRM practices in the Lebanese banks? (b) What are HRD/HRM managers’ perceptions
of organizational culture effects on HRD/HRM practices in their respective banks? And, (c) What are HRD/HRM departments’ support for employees’ training and development needs?

**Methodology**

This research used in-depth interviews as the most appropriate method to yield information about the HRM and HRD practices in the Lebanese context. The data were collected from five participant alpha banks in Lebanon. Interviews were conducted with the intention to elicit a holistic and contextual view of the HRM and HRD practices within each of the five banks. Guidelines for creating interview questions and triangulating multiple data sources for analysis were used (Merriam, 1998). Interview questions were guided by the conceptual framework in Figure1 and focused on the extent to which internal dynamics and external factors shape organizational decisions with respect to HRM and HRD practices. Data were transcribed and analyzed by looking for emerging themes and categories.

The directory of Association of Banks in Lebanon (2005) lists 48 national banks as its constituent members. The banks were classified based on the size of their deposits. They were divided into four categories with the following specifications: Alpha group included banks with deposits over 2 billion USD (10 banks); beta group included banks with deposits between 500 million and 2 billion USD (9 banks); gamma group included banks with deposits between 200 and 500 million USD (14 banks); and delta group included banks with deposits under 200 million USD (15 banks). As of 2005, alpha banks in Lebanon accounted for 65% of all banking services. Organizational size has been shown to influence various HRM and HRD practices. Usually, large firms dedicate HRM
and HRD professionals organized into a human resource department who are likely to be involved in the different processes as compared with smaller firms where senior managers and administrators assume such duties (Barber, 1998). Given that the focus of this study, only banks with alpha classification were included in the population for this study. The list of banks and their rankings are summarized in Table 1.

Table 1.

*Ranking of Alpha Banks by Staff Employed*

<table>
<thead>
<tr>
<th>Alpha bank rank</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1(^a)</td>
<td>1,903</td>
</tr>
<tr>
<td>2</td>
<td>1,358</td>
</tr>
<tr>
<td>3(^a)</td>
<td>1,160</td>
</tr>
<tr>
<td>4(^a)</td>
<td>1,078</td>
</tr>
<tr>
<td>5</td>
<td>1,027</td>
</tr>
<tr>
<td>6</td>
<td>976</td>
</tr>
<tr>
<td>7(^a)</td>
<td>950</td>
</tr>
<tr>
<td>8</td>
<td>698</td>
</tr>
<tr>
<td>9</td>
<td>630</td>
</tr>
<tr>
<td>10(^a)</td>
<td>556</td>
</tr>
</tbody>
</table>

*Note.* Data adopted from Bilanbanques (2005).

\(^a\) Banks that agreed to participate in the study.
All ten alpha banks were initially invited to participate in this study. Five agreed to participate. An overview of these five alpha banks is provided in Table 2.

Table 2.

*Overview of the Five Banks*

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Bank A</th>
<th>Bank B</th>
<th>Bank C</th>
<th>Bank D</th>
<th>Bank E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>4</td>
<td>1</td>
<td>10</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Capital in billion LBP</td>
<td>315</td>
<td>304</td>
<td>72</td>
<td>210</td>
<td>10.6</td>
</tr>
<tr>
<td>Branches</td>
<td>52</td>
<td>73</td>
<td>32</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,078</td>
<td>1,903</td>
<td>556</td>
<td>1,160</td>
<td>950</td>
</tr>
<tr>
<td>ATM</td>
<td>56</td>
<td>111</td>
<td>37</td>
<td>51</td>
<td>57</td>
</tr>
</tbody>
</table>

*Note.* Data from Bilanbanques (2005).

In-depth face-to-face interviews were conducted with five HR managers. In three of the interviews, repeat visits were conducted and the managers were interviewed more than once. For the two remaining interviews, only one visit was permitted.

Responses gathered from the interviews were transcribed and coded for themes. The researchers selected the sentence as a coding unit of analysis. All sentences within the qualitative data were rigorously reviewed in search for emerging themes. Categories were tested for clarity by coding a small sample of text (Weber, 1990). The primary approach to data analysis was content analysis. Content analysis provides classification of textual material and reduction of information to more relevant and quantifiable data (Denzin & Lincoln, 2003; Merriam, 1995; Weber, 1990).

**Results**

Analysis of the range of practices reported by HR managers in the five banks suggested consistency in terms of the types of HR practices in use (Table 3). Still, the degrees of practices reported varied considerably. Of the main HRM and HRD practices in the five banks, some practices were nonexistent, such as the Quality Circles, Team
Briefing, and Culture Change Program. On the other hand, all participant banks exhibited a range of sophisticated practices such as Employee Orientation, Training Programs for All Employees, and Customer Quality Schemes. A rationale for practice variance in these functions whether in range (Yes, Exist vs. No, Does not Exist) or in degree (High, Moderate, & Low) is related to the banking industry itself. Table 3 provides a summary of the different HRM and HRD functions.

**HRM/HRD Processes**

In terms of the link between HRM/HRD processes in the five banks, three guiding questions were asked of each respondent. The first question inquired about the organizational culture(s) in the banks and the effect of these culture(s) on HRM and HRD practices. The second question was asked to investigate the different HRM and HRD perceptions toward employees’ training and development and about the factors they considered affect the training process in their banks. The third question was asked to investigate the HRM and HRD departments’ support for the development of HR performance measurement tools.

The interviews revealed corporate cultures in the five banks strongly supportive of and committed to formal and on-the-job training. All HR managers believed that the current organizational cultures in their respective banks provide “stable and consistent environment[s] to executing the strategies [of the banks]” (B1). They also dwelled on having “well trained employees in order to provide quality services and being competitive in an aggressive market” (B2).
Table 3.

Thirty Two-point Profile of HRM/HRD in the Alpha Banks (Based on Bacon et al., 1996; Harney & Dundon, 2006; McLagan, 1999)

<table>
<thead>
<tr>
<th>Practice</th>
<th>Alpha Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank A</td>
</tr>
<tr>
<td>Organizational structure and design</td>
<td>No</td>
</tr>
<tr>
<td>HR manager’s profile (level of professionalism)</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>HR planning</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Employee Recruitment</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Job Analysis</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Employee selection</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Employee orientation</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Communication</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Goal setting</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Career management support</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Individual learning support</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Job design/Team working</td>
<td>No</td>
</tr>
<tr>
<td>Benefits</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Pay/reward systems</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Individual assessment</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>HR information systems</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Culture Change Program</td>
<td>No</td>
</tr>
<tr>
<td>Devolved Management</td>
<td>No</td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>A mission statement</td>
<td>No</td>
</tr>
<tr>
<td>Team Briefing</td>
<td>No</td>
</tr>
<tr>
<td>Quality circles</td>
<td>No</td>
</tr>
<tr>
<td>Harmonized terms and conditions</td>
<td>No</td>
</tr>
<tr>
<td>Psychometric tests</td>
<td>No</td>
</tr>
<tr>
<td>De-layering</td>
<td>No</td>
</tr>
<tr>
<td>Increased flexibility between jobs (Job rotation)</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Customer quality schemes</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Training programs for all employees</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Staff suggestion schemes</td>
<td>Yes (High)</td>
</tr>
<tr>
<td>Company-wide meetings</td>
<td>No</td>
</tr>
<tr>
<td>Staff-attitude surveys</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Employee welfare and counseling</td>
<td>No</td>
</tr>
<tr>
<td>Family-friendly working</td>
<td>No</td>
</tr>
<tr>
<td>Social events</td>
<td>Yes (Low)</td>
</tr>
<tr>
<td>Outsourced practices</td>
<td>Yes (Moderate)</td>
</tr>
<tr>
<td>Succession planning</td>
<td>Yes (Low)</td>
</tr>
<tr>
<td>HR measurement tools</td>
<td>Yes (Moderate)</td>
</tr>
</tbody>
</table>
HR managers also agreed that their respective banks require all employees
undergo different training activities. Training starts with new employees, usually during
the first week on the job, and continues at relevant intervals throughout a person’s entire
career. According to one HR manager, “these training activities have uniform and
excellent levels of proficiency that enable employees to achieve performance levels far in
excess of average” (B4).

It was evident throughout the five interviews that the participant banks strongly
support career development through formal learning programs. The five banks adopted
policies of supporting employees who wanted to pursue higher levels of education. This
support varied from “assisting employees with getting easy loans and providing special
arrangements and schedules while attending school” (B2) to “paying full tuition” (B4).
According to one HR manager (B4), her bank had the option of supporting a limited
number of outstanding employees who wished to continue their education outside
Lebanon. In return to these services, all banks required their employees to sign an
extended contract with the bank that ranged from two years (B2) to five years (B4) after
completing their degrees.

In addition to formal education, all HR managers indicated that they outsourced
some of their training activities. All respondents praised the “excellent collaboration”
between their respective banks and the Association of Banks of Lebanon (ABL), an
institution that “provide excellent training services and development programs, among
other services” (B3). Most of these trainings result in some form of certification. ABL
collaborated with, and provided different services to all banks in Lebanon. These services
fall under two domains: (a) Professional development seminars for bank employees; and
(b) workshops that provide in-depth-analysis of Lebanese financial laws and regulations (Bilanbanque, 2005). These programs were offered in the form of courses taught in Arabic, English, or French.

Aside from formal education and learning classes, the participant banks conduct comprehensive training programs for employees from all ranks and from all branches. All five banks had established their own state of the art training centers and equipped them with the necessary tools to facilitate training seminars and workshops. These training centers provided training programs and workshops on a variety of topics based on each bank’s training needs analysis. Interviewees named some the training workshops they provide including: Leadership development, introduction to new products, products overview, new employees’ orientation, customer satisfaction, and training the trainer to name a few. One HR manager elaborated on one leadership development training her bank provided:

We provide a management training program (MTP) in our bank, where employees are intensely trained for a period of five years in order to be able to be in charge of high positions. (B2)

In 2005, service employees in the banking sector attended 25 hours of formal training (Bilanbanque, 2005). Conventional wisdom would support the notion that alpha banks provide above the average training hours to their employees. These workshops were facilitated by three types of trainers as illustrated by one HR executive:

We have internal facilitators, such as senior managers or HR personnel who had the competencies and expertise to deliver certain workshops. We also bring in external consultants who know the Lebanese banking sector or specialized in
certain fields. And there are international consultants who provide training mainly to [leaders and] top managers. (B4)

All participant banks had evaluation programs to assess the training programs and the transfer of learning back to the job. One HR manager (B3) said that her bank followed Kirkpatrick’s “level one” evaluation model where employees are asked to evaluate the training they took. Another HR manager (B5) said that her bank used paper-and-pencil tests on regular bases to measure the employees’ knowledge:

The management works always to keep the bank employees knowledgeable about the bank operations at all times through testing them and this makes the employees study and keep themselves updated with the latest improvements and changes. (B5)

Besides formal education and formal training workshops and seminars, HRD managers provided information on how their respective banks utilized different forms of on-the-job training. For example, all banks provided mentoring programs where older experienced employees were assigned to assist newer employees with their daily challenges and to “provide direction and advice while keeping an eye on them for a certain period of time” (B3).

The participant banks adopted job rotation for all employees. This process helped employees understand different banking operations. Two banks (B2 and B3) provided internship programs where potential college students get invited to spend a full summer working in a branch and be introduced to the financial operations in the respective banks.
The above ideas and views were the comments and responses of the HR managers of the participant banks on the banks’ policies and practices regarding training and how these HR managers perceived the organizational culture in their banks. Major shortcomings identified in all five banks are related to communication, team work, employee championship and HR tools.

In terms of communication and teamwork, all five banks don’t conduct company-wide meetings, don’t emphasize teamwork and don’t engage in any culture change programs. Communication in these banks is mainly vertical, both upward (staff suggestion schemes) and downward to communicate main banks policies and objectives. Lateral communication and cross-functional teams are not common in all five banks.

In terms of employee championship, all five banks conduct employee satisfaction survey and organize social events. However, they don’t provide counseling and don’t engage in any initiative to ensure work-life balance.

In terms of HR tools, the main shortcomings lie in the absence of appropriate HR measurement tools to assess the impact of HRM/HRD initiatives on the bottom line and in the absence of a HRIS. Bank B5 seems to be better positioned in that regard, followed by bank B1. This might be explained by the high level of professionalism of the HR manager in those banks.

Major strengths identified in all five banks are related to recruitment, selection and HRD practices. All five banks attribute high importance to recruitment and selection (except for bank B2 and B3 that seem to have some deficiency in selection.

How strongly these perceptions are practically supported in the different banks, and whether the different policies are put into practice are yet to be tested.
**Recommendations and New HRD Knowledge**

Although this was an exploratory study, the open system framework provided a valid rationale to understand the contextual determinants of HRM and HRD that have practical implications for practitioners. In particular, the findings point to the importance of organization culture that provide an excellent medium for guiding HRM and HRD decisions. In addition, the findings link HR practices to the broader societal influences and contextual factors that guide such practices. Understanding such factors that shape HRM and HRD provides better expectations as to the forms and types of HRD and HRM policies and practices most effective in the Lebanese organizations. This provides practitioners vital information to develop a unique people management approach that fits their organization in its unique context.

This study provides evidence on the HRM and HRD practices in the Lebanese context and how they can be valued not only for their role in implementing a given competitive scenario, but also for generating strategic capabilities (Barney, 1991), for their potential to sustain firms be more intelligent and flexible than their competitors over the long haul, and firms which exhibit superior levels of co-ordination and cooperation (Grant, 1991). The most important contribution of this research is explore the field of HRD and HRM in Lebanon, a field of study that has been hardly explored in this country and provides evidence on the importance of HRM/HRD activities can be critical to an organizational performance.

**References**


Review the APA 6th edition for changes in crediting sources (pp. 169-224). This reference list has NOT been updated to reflect the significant changes in reference guidelines.


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