

# **THE CURRENT SITUATION OF THE TRAINING INDUSTRY IN LEBANON AND ITS EFFECT ON THE DEVELOPMENT OF THE LEBANESE ECONOMY AND ON NEIGHBOURING COUNTRIES**

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In Lebanon, in recent decades, we have witnessed several events that affected the business environment both positively and negatively. Sometimes, these events acted as a stimulus for change and therefore pushed for more knowledge development and training. At other times, these events acted as an obstacle to improvement.

Nowadays, after the war is over, we have managed to cope, to some extent, with what is happening in the world around us. Training has shifted from being of a general educational nature such as accounting, secretarial, typing, and so on, to being of a more specific, practical and tailored nature, such as management, sales, human resources, conflict resolution, and so on.

However, there are still major problems facing the training industry in Lebanon. These problems are a direct consequence of the political, economic and overall business infrastructure of the country.

## **I- The current situation of the training industry**

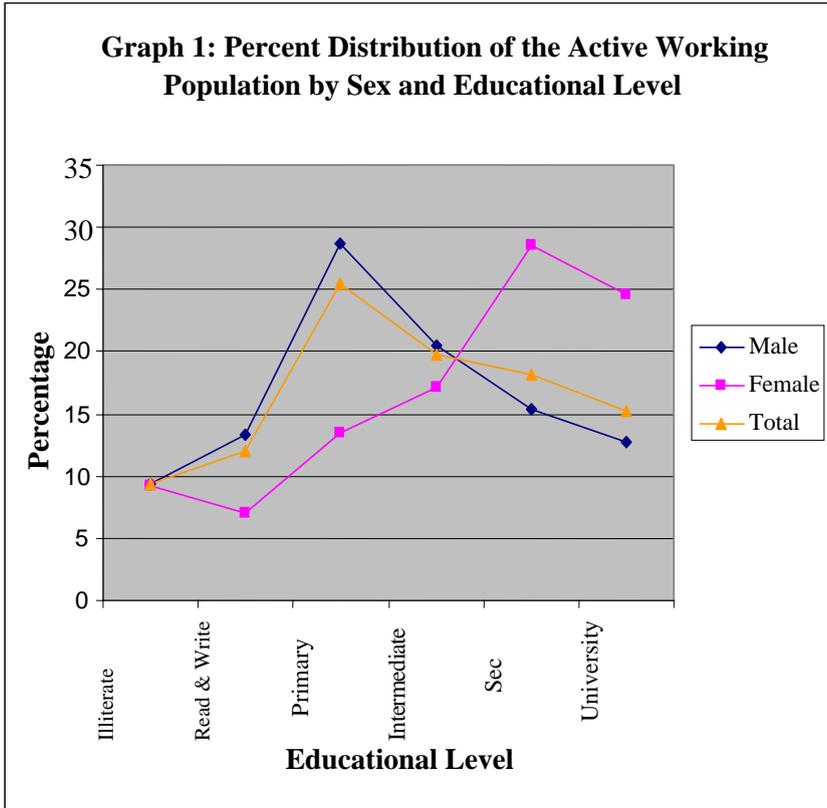
### ***I-1- Introduction to the section***

There are several factors that affect the history of the training industry in Lebanon. Some of these factors actually influence training in all contexts and some are specific to the Lebanese people.

In this section, we will discuss educational factors, economic factors; political factors, sectarianism; demographic factors (internal and external migration), globalization, lack of professional trainers.

### ***I-2- Educational factors***

In the early seventies, parents pushed for more education for their children. Nevertheless, the war and post war periods changed this fact a lot.

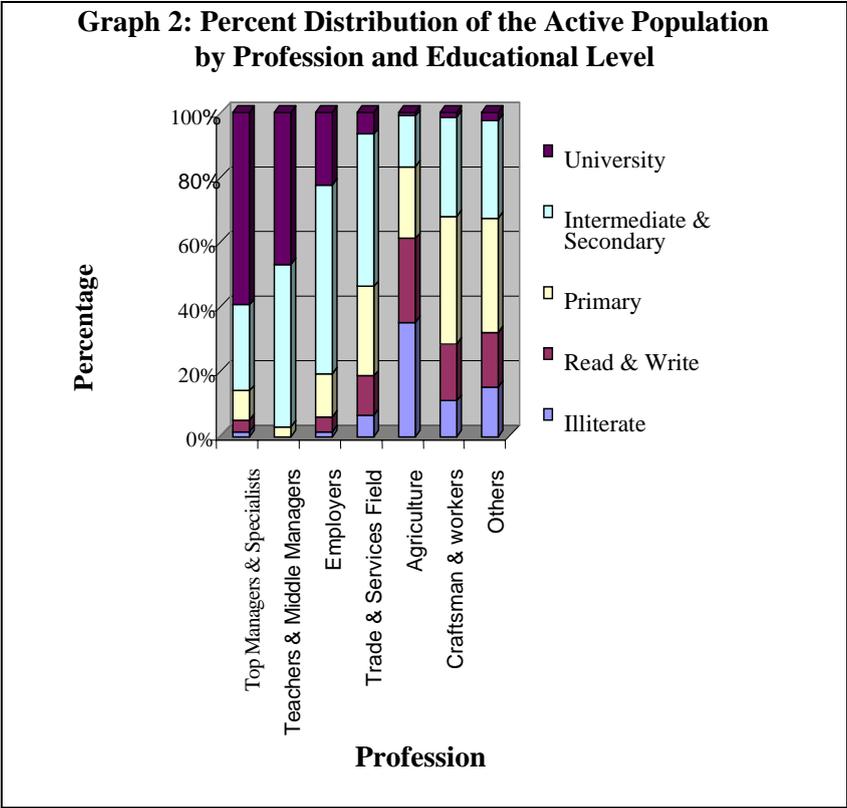


**Source: Economical, Educational and Environmental Situations in Lebanon, 2000 - Page: 114 table 61**

This trend and change in educational levels among men and women may have been the result of the civil war in Lebanon which has led to emigration. In effect, this significant movement of especially the young generation outside the country affected greatly the distribution of educational level by sex. In fact, due to the “oriental mentality” in the region, the male had a higher opportunity and right to travel: indeed, men traveled mainly to work abroad and

send money back to their family. Consequently, women had to stay with parents in Lebanon. This imbalance has had a positive impact on the education of females, resulting in a significant increase of female employees among the active working population and an often higher educational level than males who stayed in the country.

After having discussed the distribution of the active working population by sex and educational level, let us take another look at the same population by profession and educational level.



**Source: Economical, Educational and Environment Situations in Lebanon, 2000 - Page: 116 table 63**

Top managers and specialists have the highest percentage of university degrees; however, despite that, only 60% of them have reached university levels. The rest have either a secondary and

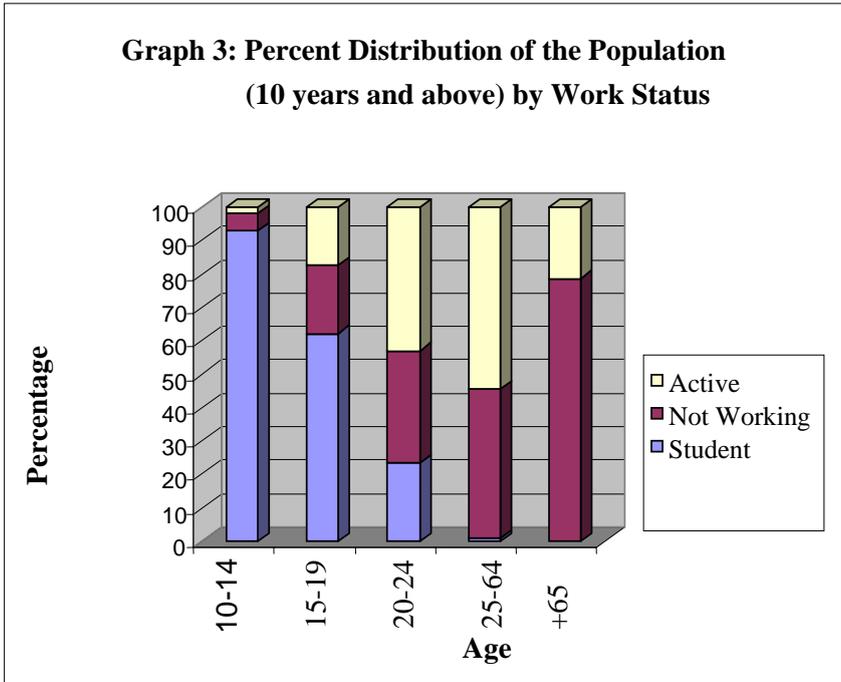
intermediary education (26.43%) or a primary education (9%). Surprisingly, some are illiterate (1.5%) or can only read and write (3.61%).

How can we accept the fact that some top managers in the 21<sup>st</sup> century, responsible for the professional fate of a number of human beings in their company, do not have a reasonably high level of education? How can we accept the fact that some of them are even illiterate?

The data in the graph shows an equally alarming side of the story. Among the Teachers and Middle Managers, only 46.85% of them have university degrees, whereas 50.08% have only intermediary or secondary degrees; not to mention the 2.95% who only have a primary level of education.

What should we expect from such a working managerial population? How much are they able to answer the increasing demand for change? Can they and will they learn from their better educated subordinates? Would they allow improvement and offer better opportunities to their subordinates or that would threaten them? A logical and alarming consequence of these issues is that training strategies of many companies are either not thought about, or are very wrongly thought about, because many decision makers of these strategies do not even know what these strategies are really about.

The percent distribution of the population - 10 years and above - by work status is shown in graph 3.



**Source: Economical, Educational and Environmental Situations in Lebanon, 2000 - Page: 112 table 59**

The older population, aged 65 and above, is, in its largest majority (78.73%), retired as expected. However, a substantial percentage is still enrolled in the workforce.

Since the Phoenicians, we are proud of being good traders. In the sixties and seventies, the services we offered were among the best in the region. But we cannot build castles from sand. Those old days do not exist anymore. Our problem is that we still live under the impression of being number one, thus thinking that we can afford to sleep on our laurels, and neglecting to prioritize the necessary training that would allow us to understand and adapt to the numerous changes happening around us. A much higher prioritization and deeper thinking about training has largely contributed to make some surrounding countries (i.e. Dubai, Qatar, Oman, ...) ever more competitive. In effect, the latter countries had analyzed their problems in a deep fashion and are consequently

more and more able and ready to handle change and progress more efficiently.

### ***I-3- Vocational education***

The level of vocational education and technical education has a lot to do with the training process. Indeed, the background of employees will determine the degree of assimilation of new concepts and their readiness to develop and improve their knowledge and skills.

In Lebanon, the major problem stands in the quality of both the material taught and the teaching body in vocational education and technical training centers. In fact, many institutions still use traditional teaching methods; they almost disregard any progress and development brought by new technologies. This is mainly due to the old teaching body available: actually, many of the teachers in this field have not been able to follow the new educational wave. Many instructors still fear change and stick to old-fashioned teaching methods.

This situation has been changing in the last couple of years ....

### ***I-4- Economic factors***

This crisis has had direct repercussions on the business environment in general, and more specifically on the Small and Medium size Enterprises (SME). These companies had many difficulties in finding external finance for growth and development. This was one of the reasons why they thought it difficult or non-profitable to invest in their personnel and in their continuous training.

Moreover, what often happened is that SMEs started to hire people for a certain period of time, without subscribing them in the social security for instance, because they were convinced that these employees will leave them or even the country as soon as they get a better-paid opportunity. Consequently, SMEs thought that it did not make sense to spend effort or money in training these employees.

### ***I-5- Political factors***

Due to regional and political reasons, Lebanon had to face one of the fiercest civil wars in the region. The civil war in Lebanon started in 1975 in a clash between Christian militias and Palestinians. Soon, this war was transformed into a Lebanese-Lebanese war, this time between Christians and Muslims. The Syrian intervention was requested first by the Christians and rejected afterwards.

Apart from being a regional center for traders from east to west and vice versa, Lebanon was a strategic point of attraction for foreign politics especially for its natural resources in water. This still existing problem with surrounding countries is being dealt with on an international scale.

The effects of war on Lebanon and its population were dramatic. The war in Lebanon resulted in destroying many firms. People were thus hardly able to think of progress in their companies. Their main interest was how to survive. Therefore, the training requested was basically about fundamental working needs like secretarial tasks, accounting and so on.

Foreign companies were relocating their regional offices in the Arab Gulf countries and local firms were devastated. It was a chaotic situation. Few people were aware of the evolution of foreign policies, foreign strategies, or foreign skills. There was no progress in terms of training. For Lebanon, it was a freezing period, which lasted about 15 years!

### ***I-6- Sectarianism***

It is very important to highlight the heterogeneous environment in Lebanon because it may be one of the leading factors that will affect the training industry in Lebanon both positively and negatively.

In fact, this has had and may still have a major impact on the employment strategies mainly in the public sector where they have

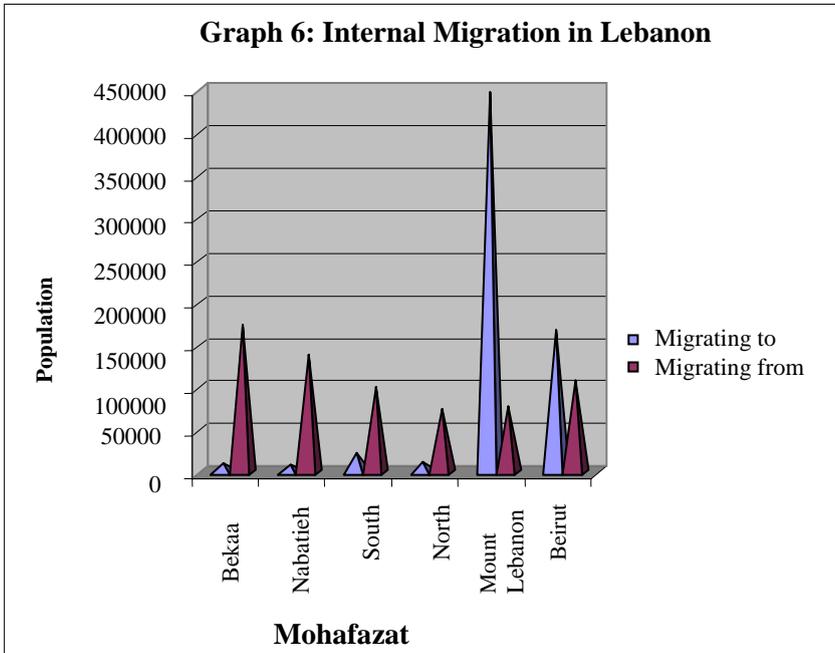
to maintain a cosmetic balance between Muslims and Christians. Consequently, this did affect greatly the promotion inside the organization and thus the training of the personnel.

It has been said that Lebanon is often ruled by an elite who by “rite” has the right to access top positions regardless of their qualifications. Also, as was written in the Lebanese business magazine “The Executive” - June 2001, page 23: “Ownership and Management are tightly entangled, which in a way serves as a glass ceiling for talented employees who cannot hope for a decision-making position within a family-owned and family-managed organizational structure. So the more ambitious choose to either leave the company to establish their own business or consider escaping the country altogether”.

In summary, what often counts in Lebanon is not what your qualifications but rather who you are, whom you know, of which religious rite you are, and in which political party you are.

### ***I-7- Internal Migration***

The economic situation in the various regions surrounding Beirut and Mount Lebanon was bad. These regions were either rural areas still depending on agriculture and controlled by big families and clans managing them in an archaic and primitive way, or non-secure areas like the South which was a continuous victim of Israeli aggressions. Therefore, just before the war started, Beirut and Mount Lebanon became the center of internal migration: the population of both regions ballooned by more than 50 percent ([www.ghazi.de/populat.html](http://www.ghazi.de/populat.html), page 3).



**Source: Population Changes and Internal Migration in Lebanon, 2000 Page: 7 table 1**

This internal migration affected greatly the education and the training sector. This was due to the non-readiness of companies to integrate the high number of people coming mainly from totally unrelated professional backgrounds. Also, what has added to the problem was that the vital needs of the community were no longer about how to progress and get promoted in the business environment but rather how to survive the war. One of the twisted consequences of the latter issue is that, even when some companies tried to develop and conduct training programs, the quality of the material taught or the quality of trainers was pretty poor.

***1-8- External Migration***

The people escaping from poor and/or non-secure areas either migrated “en masse” to Beirut or migrated out of the country. Moreover, the people who migrated to Beirut and who were not confident of making a good living there also migrated out of the

country if they had the necessary resources to do that. Those persons were mainly males, thus leaving, as said before, the local labor market for female working occupancy.

Many other factors had a direct effect on the dramatic increase of external migration:

First, people were driven out of the country for survival and safety purposes. However, many of them stayed in the country of emigration in order to get a new nationality such as Canadian, Australian, or American.

Second, the civil war raging in the country resulted in, on the one hand, the development of unfair, wild and weakly controlled competition in most markets, including the labor market, and, on the other hand, in a rapid deterioration of the economic situation, starting with the devaluation of the national currency.

Third, schooling as well as university fees have become so high that many parents were no longer able to cope with these charges. Sometimes, sending children abroad cost much less than keeping them in Lebanon.

Last but not least, the purchasing power weakened and little employment opportunities were being offered, thus leaving place to a “brain drain” phenomenon.

Two major problems need to be tackled at this stage concerning the Brain Drain phenomenon. The first problem is the absence of common grounds and of coordination between the Lebanese government and the universities to guide graduates to specific labor markets and to potential job vacancies. The second problem is inherent in the weakness of the public and technical schools in Lebanon. The degrees offered are often not up to the standards because the program is too theoretical and needs reshaping, or students did not attend enough hours of studying due to repeated strikes.

### ***I-9- Globalization***

Even when external investments and cultural exchange took place sometime in the past before the war, there was still little awareness of the need for training or little motivation from top management to invest money in it. Training was mainly done on the highest Management levels. The ongoing way of thinking at the time (i.e. about 10 years ago) is that employers were not interested in investing money in the learning process of their employees before learning intensively themselves, for fear of falling “victims” of a situation where subordinates become more knowledgeable than them.

This was (and often still is) the case in family-managed companies (the overwhelming majority of companies in Lebanon) where there is the added issue that family members think that they should benefit from training programs much more than employees who are not family members. The fact that the current generation of old-established family-owned and family-managed companies is much more educated than the older generation that founded the business is a mixed blessing for the general training situation in these companies: either, on the positive side, the current family-members-executives consider that training is a necessity and not a divine right of blue-blooded rulers, or, on the negative side, their higher education has the twisted effect of making them more arrogant and more detached from the non-family-members-employees, thus jealously guarding the access to knowledge to themselves even more than their forefathers.

This reminds us of the Lexus and the Olive Tree, a book written by Thomas Friedman that talks about globalization and the difference between the old generation hereby referred at as Olive Tree and the new generation referred at as the Lexus. In the book, Friedman makes a small comparison between the cold war era and the new globalized world of today. In the past, the question that you would ask yourself was how big was your missile; today, the same question has been transformed into how fast is your modem. This clearly shows the desire of the new generation to acquire more knowledge and be updated with all information and events taking

place in the world, having at the same time the old generation still hanging on their deeds and on the technicalities of their work.

This philosophy can be applied to the training needs in Lebanon before and after the war. In the past, companies were mainly interested in having a very focused and technical type of training. For instance, employees concentrated on studies in accounting, secretarial fields, translation, languages and so on. Therefore, few training firms were established at that time. These companies acted also as head hunters to find jobs for people inside and outside Lebanon.

The majority of the SMEs in Lebanon are family-based without a tradition of seeking advice or support from outside. Knowledge is applied and forced only “by doing”, i.e. through working in the daily job rather than through formal training.

### ***I-10- Lack of professional trainers***

One of the annoying problems facing the training industry in Lebanon is the lack of professional trainers. As we shall discuss later on, this problem is being corrected recently at a fast pace.

More specifically, you can still find on the Lebanese market people who promote themselves as being “trainers” but you then find out that their main qualification for that purpose is that they have read a book or two about training and that’s it. Worse, they would claim that what is written was their idea in the first place.

With this “cosmetic” consultancy, employees and managers are being guided in the wrong direction, thus making the job of the real trainer afterwards very difficult: in effect, when the company finds out that the trainer they have hired is just a shallow talker which had yielded no utility at all, management may then very easily curse not only at that trainer, but at all trainers, treating them as just empty talkers or the sort, and swearing that they will not fall into their “trap” anymore. So much for boosting top management’s motivation to invest in the learning process of their employees!

The blame is to be equally shared between the false trainer and the client company. Usually, that trainer does not ask for a lot of money: he just wants to get the job; his price may be as low as 50 percent less than the cheapest among the more serious trainers. Consequently, and as one of the results of the economic situation in Lebanon, top management may be very tempted to hire the cheap trainer who assures you that he will lead you to the “promised land”.

Real and false trainers tend to offer trainings and seminars with attractive subjects. Top management looks at them and sends whomever they want, not taking into consideration if this specific course or seminar satisfies the need or is compatible with the culture of the company. Furthermore, they do not check if the training program is given to the appropriate employees. Last but not least, they completely neglect the importance of follow-ups, assessments and evaluation.

## **II- What is changing?**

Nowadays, i.e. in the last 3 years, things are changing fast:

- Increased competition among trainers and increased awareness from companies of the urgent needs for continuous training have contributed significantly to filter out “bad” trainers (nevertheless, many of the latter are still there alive and kicking, for how long?).
- The ever increasing number of international events of all kinds being organized in Lebanon and the ever increasing frequency in which businessmen and managers of all kinds go on business trips to all parts of the world are making training clients and trainers alike more and more aware of the latest and most useful training techniques and training topics.
- Pedagogic concepts like “cooperative learning”, “interactive teaching” and “instructor’s active listening” are becoming more and more widespread throughout our universities, quickly phasing out out-fashioned teaching techniques.

### **III- Training strategies applied and training topics provided today in Lebanon**

#### ***III- 1- Introduction to this section***

Generally, as a direct result of the appraisal of the performance of employees, the management of a company will have a practical tool to determine whether an employee:

- Deserves to be promoted,
- Deserves to be granted a given type of bonus,
- Needs to be shifted to another job,
- Needs to be sanctioned (or, in extreme situations, to be fired),
- *Or needs to be trained or coached* on specific topics and in a specific way, in order to let him/her be up to the required standards of his/her job.

The results of the performance appraisal systems will be the main and most used basis for the training decisions regarding each employee.

#### ***III-2- Training of managers and other employees of the customer service and of the sales departments***

##### ***III-2-a- Training on technical skills***

In general, an employee always needs to be quickly trained on specific “technical” topics (product knowledge, material recognition, brands knowledge, etc ....), when the knowledge on those topics is the only barrier between him and his capacity to provide a highly satisfactory work.

This training can either be done in groups if many people need the same kind of training in a similar time frame, or individually (in which case it will be called “coaching”) if this employee is the only one, or one of the very few, who needs the training in a short time frame.

This type of training is usually provided by the operational management of the company, or by the corresponding supplier of the company, if one executive of this company is in Lebanon for, also, other purposes. It is usually prohibitively costly to bring in this executive to Lebanon on purpose, unless a very large number of employees need to be trained on similar issues, or unless we need to train the employees on a uniquely important and strategic topic or set of topics.

The coaching should be always done by the company's management.

### *III-2-b- Training on behavior skills*

What is usually meant by behavior skills is:

- Customer service
- Selling skills
- Negotiation skills
- Communication skills
- Team spirit and team work
- Conflict resolution management

Employees should be regularly trained on those topics (ideally twice a year) because no employee ever knows enough about optimal behavior, especially with clients (clients' behavior are always changing), but also with colleagues, and because dealing with people is always a challenge and a source of surprises. Behavioral training has proven many times that it is an efficient tool to confront this challenge.

### *III-2-c- Who should train on behavioral topics?*

External trainers are useful for that purpose because of their objectivity and because they are usually perceived by trainees as not having the typical bias that managers have (a bias naturally created by hierarchy and authority).

However external trainers should only be used sometimes, not always. Because, if they were always invited to be trainers for all the training programs, employees will end up perceiving managers, and particularly the Human Resources Manager, as not wanting to share knowledge with them. Therefore, employees will start to be increasingly suspicious about managers, and will have an increasingly negative perception about them. The explanation of that is that managers have to be always perceived as being “part of the team”, even though employees perceive that they have an authority bias. One efficient way of proving to really be a member of a team is to take time to teach things.

Another possible type of trainer would be the employee who has proven to be the most successful in one or more of the mentioned behavioral topics. Therefore he should be asked to train his colleagues on those particular topics, explaining to them what made him successful in them.

If one particular employee has, at a given time, a particular problem in communication or in the providing of customer service, or in any selling activity, and this problem appears to need an urgent and/or a quick solution, then it is up to the employee’s direct manager to coach this employee.

### *III-2-d- How should they be trained on behavioral topics?*

There is no doubt that the interactive and practical training has proven many times to be the best way to train on behavioral topics. Case studies should be used and role play exercises should be included.

### ***III-3- Other departments***

#### *III-3-a- Technical skills*

The need for technical training for these other departments is, usually, quite easily apparent, when the company is informed, by its suppliers, of new marketing tactics to be used, or when it knows of new accounting techniques (e.g. the V.A.T), or of a new

computer and/or software technology that are apparently useful for the upgrading of the current information technology of the company, etc... Actually, in most cases, training the mentioned departments on the mentioned topics is unavoidable.

It will not be necessary to send people abroad to train them on those topics. Many of these topics can be learnt through written documentation and/or through coaching from the direct manager, and/or through local experts.

### *III-3-b- Behavioral skills*

Even if the overall staff in these departments is much less numerous than the sales staff, there is always a need for behavioral training among themselves, and between them and the sales staff. Therefore the same reasoning applies here than in the case of the sales staff.

### *III-4- Middle management*

#### *III-4-a- Management skills*

Middle management has to be trained intensively, and at least twice a year, on up-to-date management skills. This training, contrarily to what we analyzed for the behavioral skills of sales and customer service staff, should be done by external experts, and, still, in a practical and interactive way.

### *III-5- Limitations and other recommendations*

- Whenever a given training program can be provided only through the study of written documents, and with a satisfactory value, it should then be provided in that way. This is mainly the case of some training programs related to technical skills, because it is quite difficult and counter-productive to train on behavioral skills only through studying written texts.

- All employees and managers need to become good at learning and teaching. The criteria related to those concepts should also be important evaluation criteria in the performance appraisal systems.
- The Human Resources Manager is a kind of “wild card” when it comes to behavioral training. This means that when a particular middle manager has not yet learnt how to teach his subordinates in a satisfactory way, and when the services of external trainers have already been used too often over a given period, then the HRM can and should provide the training himself.
- The “after-training” can be at least as important as the training program itself. This means that management has to determine a series of indicators meant to measure whether each employee is applying what he has learnt during the training or not. These indicators may already be included in the overall performance appraisal system. This after-training follow-up is particularly important in the case of behavioral training, because the indicators to measure the learning value are mainly qualitative and difficult to measure.
- The employees should be asked to fill an evaluation form at the end of each training program, where they would mainly judge:
  - whether they learnt much from the training;
  - what are the strengths and weaknesses of the training program;
  - what are the strengths and weaknesses of the trainer; whether they think that they can easily apply what they have learnt;
  - and which other ideas related to the training topic they would have liked to learn, or they would like to learn in the near future.

- Sending people to be trained outside Lebanon should only be done when no valuable training on the topic needed can be done in Lebanon in the near future. This is so for the obvious cost reason.
- General management should make motivational 30 to 60 minute speeches once or twice a year to all employees on the company's vision, ambition, and growth plans. These speeches are always a booster of people's motivation to learn and to develop themselves.
- A useful reference measure of how much could be spent on training, is to let the company invest, overall, on training and on a yearly basis, an amount which, when divided by the total "salary and other personnel expenses", would yield the same percentage as the "Salary and personnel expenses" divided by Total company expenses.

#### **IV- Effects of the changing training situation on the Lebanese economy**

The main and obvious effect of the positive and accelerated developments of the training industry and of the determination and implementation of adequate training strategies is that, on the one hand, employees will become better and better "knowledge workers" with more initiative, creativity and capacity to react effectively to crises and other unexpected occurrences, and, on the other hand, managers will manage better, learn to respect their employees more and, give more importance to the investment in their human resources.

#### **V- Effects of the changing training situation on neighboring countries**

The positive effects of our healthier training industry and of our much more competent trainers on neighboring countries are already happening:

- An increasingly higher percentage of the time of, mostly, the best Lebanese trainers, is spent in training missions out of Lebanon, mainly in Syria, Jordan, and the Gulf countries (GCC), .i.e. the UAE, Saudi Arabia, Kuwait, etc...
- The latter issue has not only the direct effect of increasing the export part in our global training turnover, but our trainers, while on foreign missions, are often asked to play the role of catalysts for business deals between the people they are training in the foreign country and the Lebanese connections of the trainer. This is so because our trainers are more and more respected in the countries where they provide their services.
- More and more companies from the mentioned neighboring countries are sending their executives to be trained in Lebanon, thus actively contributing to develop what was mentioned in the previous issue, namely catalyzing business deals between neighbors.
- It is important to say here that our trainers are more and more asked to fulfill training missions in other countries than our traditional neighbours, such as, in France, Switzerland, and in Eastern European countries.