TALENT MANAGEMENT IN LEBANON IN RELATION TO REGIONAL AND GLOBAL PRACTICES

by

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A project submitted in partial fulfillment of the requirements for the degree of Master of Human Resources Management to the Suliman S. Olayan School of Business at the American University of Beirut

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I would also like to thank my parents and brother,

I couldn’t have done this without your support!
AN ABSTRACT OF THE PROJECT OF

Farah Mohamad Shami  for  Master of Human Resources Management
Major: Human Resources Management

Title: Talent Management in Lebanon in Relation to Regional and Global Practices.

This study explores the kind of Talent Management practices that companies in Lebanon are implementing. A thorough literature review has been conducted to examine and understand recent Talent Management practices and challenges on a global scale and in the Middle East, specifically the growing GCC market. A series of ten interviews with HR Managers working in Lebanon were conducted to know more about current Talent Management practices in the country. Challenges in Lebanon were also interrogated and our thematic analysis proved that these challenges appeared to be critical and highly related to the context of developing and implementing a Talent Management system. In between the dominance of SMEs’ traditional management practices in Lebanon and the migration of a large portion of the workforce abroad, we observe that Lebanon brings a lot of obstacles to the table for HR Managers who plan to manage their talents.
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To

My Beloved Family
CHAPTER I

INTRODUCTION

To win the war for talent, companies must elevate Talent Management to a burning corporate priority (Chambers et al., 1998). But first, what does it mean to have “talented employees”? According to Stahl et al. (2007), talented employees are a pool of employees who “rank at the top in terms of capability and performance and are therefore considered potential leaders either at present or some point in the future.

Many have asked the question: Does designing and implementing a talent management system give firms competitive advantage? Or could it be other factors such as a focused response to the specific context of a country? Tarique et al. (2006) believe that the goal for many organizations is to treat a specific region as a single labor market and customize their HR practices to best serve the needs of the region.

On another note, as Stahl et al. (2007) discuss in their article, competitive advantage comes from the proper internal alignment of various elements of a company’s talent management system, as well as their embeddedness in the value system of the firm, their links to business strategy, and their global coordination.

Before considering managing talent, companies need to know what their top priorities are in regards to their employees. They should also decide how they will address those priorities. In their article "Institutional and corporate drivers of global Talent Management: Evidence from the Arab Gulf region", Sidani and Al Ariss discuss how companies implement Talent Management programs within the Gulf Cooperation Council context (Sidani & Al Ariss, 2013). Their article goes over how companies strive to create a balance between their legal obligations and managing their employees'
Talent Management in Lebanon

There is some evidence to suggest that Talent Management practices—for the most part—do not exist in Lebanon (Afiouni, 2013). The reason behind choosing this topic is the interest to extend this finding first, to corroborate it, and second to uncover how companies are managing with the unique Lebanese situation. Comparing Lebanon to the GCC would be interesting as Lebanon, at a macro level, is an exporter of talent, mainly to GCC, while the GCC is mainly an importer of global talent, including Lebanese people.

The Middle East has had its fair share of coverage in academic literature and current news. In their article *HRM in the Middle East: toward a greater understanding*, the authors state that the last seven years have witnessed a significant increase in the volume and breadth of relevant publications and that HRM scholars’ interest in the region is clearly gaining momentum, focus and rigor (Afiouni et al., 2014). Moreover, there are other studies that were done on management practices of multinationals operating in the Middle East, such as the article *Multinationals in the Middle East: Challenges and Opportunities* (Mellahi et al., 2011). Some of the companies in that study included Nestle, Haier and LG Electronics...etc. Yet, there is still little research at hand on Talent Management practices in the Middle East and we are particularly interested in further exploring these practices in Lebanon. That is why we felt a need to conduct a thorough research to identify if companies in Lebanon have adopted or are willing to adopt institutionalized Talent Management programs. And if some companies have adopted these systems, we intend to find out what are their current practices to retain Lebanese employees.

Basically, the plan is to find out what companies’ top priorities are in regards to their employees and what aspect of Talent Management do they define as crucial for
their business. This is important for companies to know why they would want to implement Talent Management practices and what would be the greater benefit from them. Some of these intentions could be defining career paths of employees, or training and developing certain skills in them or even retaining them for a longer period of time. The purpose for any company, in the end, is to enhance job performance and make profits. Furthermore, there is a need to uncover what it would take for Lebanese companies to implement a serious Talent Management process.
CHAPTER II
LITERATURE REVIEW

Broad Findings

Definitions of Talent Management

Global Talent Management

Based on a narrative review of articles, there are several broad observations regarding the state of the field. The first observation is that until today, there is still a lack of clarity regarding the definition of Talent Management. Many authors in the field have different views and each has different explanation for the term. Aston & Morton (2005) noted that there isn't a single consistent or concise definition of Talent Management. Others agree and add that there is a disturbing lack of clarity regarding the definition, scope and overall goals of Talent Management (Lewis & Heckman, 2006). Furthermore, in the article Talent Management: A critical review, the authors Lewis and Heckman discuss the nonexistence of a clear Talent Management definition. Considering other aspects, some say it is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions and encourage individual advancement (Rothwell, 1994). Others say Talent Management is to ensure the right person is in the right job at the right time (Jackson & Schuler, 1990). All of this also leads to some more extensive research and debate that also done by Scullion & Collings (2006) was to identify the conceptual and intellectual boundaries of Global Talent Management.

Talent Management in the Region

Making the research more relevant to the Middle East, we needed to find data
about the region, and more importantly recent information. Only a few scholars have
dug into Talent Management in the Middle East. For example, Shaemi et al. (2011)
discussed the impact of Talent Management strategies on employees’ emotional
intelligence in Iran. Moreover, there are a number of case studies that have explored this
topic, such as Talent Management: A Research Based Case Study in the GCC Region
(Singh et al., 2011).

There are also some scholarly articles specific to the GCC that exist, such as
the article Gaining legitimacy through hiring local workforce at a premium: The case of
MNEs in the United Arab Emirates (Forstenlechner & Mellahi, 2011) and the article
Institutional and corporate drivers of global Talent Management: Evidence from the
Arab Gulf region, where Sidani & Al Ariss (2013) researched the institutional context
of Talent Management practices in companies operating in the GCC. Their study
observed some unique characteristics of the GCC in regards to religion, hereditary
systems, history and natural resources, which lead to a number of problems and
disadvantages for companies operating in that region. Moreover, it was observed how
these companies try to maintain efficiency whilst abiding by regulatory authorities in
these countries. Upon that, companies in the GCC have to know how to set HR
practices, especially Talent Management initiatives to ensure sustainability.

- Recent Practices in the Region

In regards to practices, there has been a great increase in the number of firms
whose main purpose is training and development in the MENA region. According to a
recent study by Deloitte, Learning and Development was an above average priority area
for companies in the Middle East (Global Human Capital Trends Report, 2014). Many
corporations, for example, have set their own training and development centers such as
the National Bank of Kuwait (Ali, 2011). Additionally, Saudi Arabia for instance, has
invested billions of dollars in the recent years to advance skills in the region (Ali, 2008).

Furthermore, MNCs in the GCC, are now rethinking their talent needs which are leading them to changing their recruitment practices. Some companies, like Alghanim Industries in Kuwait, states that its talent management department is interested in attracting productive individuals who are fully comfortable with the corporate world (Ali, 2011).

Also, Casico (2006) and Stahl et al. (2007) stated that companies in emerging markets, such as those in the Middle East, manage talent indirectly based on performance appraisals are the most commonly used data for corporate decision making on whom to include in talent pools.

_Talent Management in Lebanon_

University graduates in Lebanon, and more generally the Middle East, face the daunting task of finding their skills compatible to the actual demands of the labor market (Nasser & Abouchedid, 2005). This draws a lot of stress for companies that want to retain their good employees. Many companies in Lebanon may have begun to implement strategic HR practices, but few have begun to design Talent Management systems. One of the leading banks in Lebanon, Audi Bank, established the Talent Assessment Center to nurture a pipeline of future talent (Bank Audi CSR Report, 2013). The system attaches great importance to training, mentoring and coaching processes and to leveraging those successfully in developing in their employees.

In the GCC, companies that implemented Talent Management programs faced more difficulties in recruitment and selection, compensation differences between locals and expatriates, and training and development (Sidani & Alariss, 2013).

Some of what was mentioned by Sidani & Alariss (2013) could be similar to Lebanon, given that both areas are in the Middle East, but there may be some forces that
Talent Management in Lebanon

will be delved into throughout this study that may be affecting the institutional context
of Talent Management practices in companies operating specifically in Lebanon. Some
of these forces that affect Talent Management practices in Lebanon are identified
below:

- Brain Drain

During the past decades, Lebanon has suffered from a great deal of brain drain. A parliament speaker of Lebanon once said that brain drain is the "biggest problem we face in Lebanon" and called emigration of graduates a "transmitted disease among the youth" (Daily Star, 2010). This issue is having a great detrimental effect on companies operating in Lebanon. Lebanon does not have a rich economy and its growth potential is insufficient. It is said that high skilled individuals often stand to multiply their income by immigrating out of low income countries (Gibson & McKenzie, 2011). Hence, the return to human capital is likely to be small and thus, would lead to partial incentives to acquire education, which is the main source of growth. Brain Drain in Lebanon is caused by three major factors: Political Instability, Economic situation and University – Industry Linkage.

  - Political Instability

  Lurking beneath the surface of the problem of brain drain is mostly the political instability in Lebanon. The country went through 15 years of civil war and that had a great effect on the political situation afterwards. Political parties were created, and until today, there is still fear of another rising civil war. Moreover, the dramatic events induced by the assassination of former Prime Minister Rafiq Hariri in February 2005 caused a lot of internal conflict in the country (Barak, 2007). In addition to that, being situated near Israel, Lebanon suffers, at any point in time, from risk of another Israeli attack similar
to the one that took place in 2006. This causes a lot of fear for graduates who want to start their careers in Lebanon and for good performers who want to advance themselves but feel they are stuck in a politically poisoned region. That is why many Lebanese people are choosing to immigrate to sustain a better life abroad, specifically in countries with political stability. Moreover, the possibility of abrupt political change has implications for economic performance as well, by raising the risk premium on investment in the region and impeding the development of deeper ties with the global economy (Noland & Howard, 2008).

– Economic Situation

The Lebanese Civil War (1975-1990) placed the country in a state of extreme financial and economic stress, including high unemployment levels, very low salaries and poor living conditions (Tlaiss & Kauser, 2011). Not only that, with the recent economic downturn in 2007, cost of living in Lebanon rose tremendously, inflation rates skyrocketed and wages are still set at a very low level. This difficult socio-economic situation in Lebanon encouraged the heavy migration of highly educated Lebanese males to those neighboring countries, especially those of the Gulf Cooperation Council, in pursuit of better living conditions and job prospects (ILO, 2006).

– University- Industry Linkage

University graduates in Lebanon are facing a lot of trouble finding the right job in the Lebanese market. The transition from the university to the work place is viewed as an exploratory period in which the budding graduate tries to see what best suits his/her career goals (Nasser & Abouchedid, 2003). However, in Lebanon, graduates are finding it difficult to attain these career
goals. University graduates often match their vocational interests with available career opportunities; however, socially constructed perceptions of gender social roles, ascertain preference for particular sex-type occupation to attain status (Hughes & Lowe, 1993). With increased competition in the labor market and a growth of private universities in Lebanon, all have hindered the opportunities for graduates to access high status jobs in a bare labor market (Al-Amin, 2000). This in fact, is why many graduates are immigrating to find more suitable and fulfilling career options.

**The Case of Lebanon vs. GCC**

Lebanon presents an odd case in Talent Management because of its institutional and contextual differences. One would not expect that understanding and practicing Talent Management in Lebanon will be quite different from the GCC. However, the table below represents major differences in different areas between Lebanon and the GCC. They both are Arab countries in the Middle East, yet we notice a huge difference as per below:
Table 1

*Comparison between Lebanon and the GCC*

<table>
<thead>
<tr>
<th></th>
<th>GCC</th>
<th>Lebanon</th>
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<tr>
<td><strong>Education</strong></td>
<td>The government is placing huge investments in the education sector which include bringing outstanding universities and research projects to the region (Sidani &amp; Alariss, 2013).</td>
<td>Lebanon has only one public university, the Lebanese University. There are 39 officially recognized private universities (Al-Amin, 2000).</td>
</tr>
<tr>
<td><strong>Politics</strong></td>
<td>The GCC’s political situation is stable. Arab Spring movements were seen to stall business operations and projects in countries like Egypt, but not in the GCC countries (Sidani &amp; Alariss, 2013).</td>
<td>Lebanon is known for its political instability. The state and the political society in Lebanon have both refrained from dealing with the war and with the question of who did what to whom in its course (Barak, 2007).</td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td>The GCC’s economy is growing. Since the discovery of oil in the early part of the twentieth century, the region’s economies witnessed structural changes (Sidani &amp; Alariss, 2013).</td>
<td>Lebanon’s economy is in a downturn with increasing inflation rates. The Syrian conflict continues to weigh heavily on Lebanon, with intensification of sectarian violence, hampered confidence and added pressures to a deteriorating fiscal position - leaving growth flat in 2014 (IMF, 2014).</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>The GCC population constitutes of Nationals and Expatriates. The expatriate number rose from about 9 million in 1990 to an estimated 21–24 million in 2013 (about 14 million are workers) or about 48% of the total population and 73% of the working population (Dito, 2008; Hyslop, 2012; Najjar, 2013).</td>
<td>Lebanon’s population constitutes mostly of Nationals. However, according to the World Bank’s estimates, around one million Syrians had fled to Lebanon by the end of 2013, which is equivalent to 22% of the existing Lebanese population. The substantial and quick rise in labor supply will further put pressure on existing jobseekers, adversely affecting working conditions and pushing down job-finding rates (ILO Global Employment Trends, 2014).</td>
</tr>
<tr>
<td><strong>Legal</strong></td>
<td>Legal compliance is very important for all people and companies. Companies abide by (or conform to) localization rules to sustain their “legal” legitimacy (Sidani &amp; Alariss, 2013).</td>
<td>Legal compliance is still not embedded in all companies and authorities. While regulations may successfully coerce firms to respond to an issue, it is difficult to ensure that they are applied equitably (Pratima, 2002). Moreover, regulations are reactive in nature, leaving little opportunity for the firms to be proactive. Laws therefore attempt to circumscribe the limits of tolerable business behavior, but they neither define ethics nor do they “legislate morality” (Solomon, 1994)</td>
</tr>
<tr>
<td><strong>Talent</strong></td>
<td>The GCC is an importer of Talent. The region will probably remain a major importer of foreign talent by 2020, but competition for such talent will become even fiercer (Sidani &amp; Alariss, 2013).</td>
<td>Lebanon has traditionally been a source for providing the Arab Gulf with needed labor. This country has educated and skilled personnel who have been instrumental in building the GCC economy (Ali, 2011).</td>
</tr>
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</table>
Drivers and forces behind Talent Management

Competition

Much of the literature is also focused on the drivers and forces behind Global Talent Management. One driver is the increase of competition between companies for talent which considers Talent Management mechanisms. In order to remain competitive, organizations are demanding increasingly high skill levels amongst their staff, and are becoming more specific about the qualities that really differentiate effective international managers (Dickmann, Sparrow, & Brewster, 2008). Moreover, issues such as market-mapping and employer-branding to assist in the attraction and retention of high-performing employees have become increasingly high on the corporate agenda (Farndale et al., 2010).

Other authors mention that there are additional factors that influenced the emergence of Talent Management as well. Some of these factors are growing recognition of the critical role played by globally competent managerial talent (Ghoshal & Bartlett, 1990) and competition between employers for talent shifting from the country level to the regional and global levels (Sparrow, Brewster, & Harris, 2004).

In Lebanon, people are known to be perseverant, innovative, risk taking individuals who compete aggressively in the marketplace and are driven by a need for autonomy (Zgheib & Kuwatly, 2011). However, to be able to compete successfully in the global economy of the next century, Lebanon, like any other nation, must have a modern state with legitimate institutions that provide for effective government, secure property rights, and a reliable legal framework (Denoeux & Springborg, 1998). Today, companies in Lebanon are facing competition not only inside Lebanon, but also abroad. This competition is creating great concern for the HR departments of those companies where they must think of how to retain their talents.
New Forms of International Mobility

Another driver is new forms of international mobility, which measure how much employees are willing to move internally and externally in the market and how companies can manage this talent. In Lebanon, many graduates, in addition to currently employed individuals, are willing to leave the country to pursue job opportunities mostly in the GCC and Europe. This is causing corporate HR to consider facing a number of challenges in the future.

Generational Gaps

Moreover, Millennials are now entering the market, with managers in their late fifties and sixties still in the workforce. This is creating huge generational gaps and shortage of required competencies. In Lebanon, most companies are family businesses that are still run by these older managers. With Millennials joining these companies, it appears that the rate of change is accelerating rapidly as new knowledge, idea generation and global diffusion increase (Chan Kim & Mauborgne, 1999). This is causing companies to reconsider how to attract, train and develop their talents that are from different age groups.

Exogenous and Endogenous Drivers

Other authors preferred to classify drivers of Talent Management into two categories: Endogenous and Exogenous drivers. Endogenous drivers are based on how companies imitate each other and refer to forces or drivers that are internal to the firm including competitive or strategic position, headquarters’ international orientation, organizational structure, and workforce capability (Schuler et al., 1993). They can include national culture, economic conditions, political system, legal environment, and workforce characteristics. From Table 1, we can observe that Lebanon is quite different from the GCC regarding each of those drivers.
On the other hand, in the context of institutional theory, exogenous drivers are forces or drivers external to the firm that are largely beyond management’s control but can create challenges that can affect an organization’s IHRM system (Schuler et al., 1993). To be specific, exogenous drivers include Regiocentrism, internal strategic alliances and set of required competencies. Strategic Human Resource Management research suggests that the design of a Global Talent Management system may be influenced by the characteristics of the challenges within the exogenous/endogenous environments (Tarique & Schuler, 2010). In Lebanon, a big exogenous driver could be the demand and supply gap due to the misfit or mismatch between the training adequacy and employment structure (McGuinness & Bennett, 2006).

**Challenges Facing Human Resource Practitioners in Lebanon**

**Lack of Clarity of Talent Management Definition**

The wide variation in how Talent Management is defined raises two key challenges which apply equally to global Talent Management (Scullion & Collings, 2006). The first challenge entails that scholars need to detach Talent Management from practical, conceptual, and theoretical perspectives. Scholars in this area need to gain clarity and build consensus regarding the meaning of global Talent Management from these perspectives in order for companies to know how to implement Talent Management practices. The second challenge is to differentiate Global Talent Management from International Human Resource Management. Global Talent Management has been defined in broad terms as an organization’s efforts to attract, select, develop and retain key talented employees on a global scale (Stahl et al., 2007). This is quite different from what IHRM is; it is part of it, there is no argument there.

In Lebanon, Strategic Human Resource Management itself is still a new concept to a vast number of companies. Thus, not a lot of them understand what is exactly
meant by Talent Management, nonetheless its practices, which hold back on Talent Management implementation.

**Talent Shortages and Surpluses**

Human resources practitioners now have to think more strategically, and specifically in regards to managing talent. By doing so, they will face a lot of challenges like talent shortages and surpluses. A demand for talented employees that far surpassed the supply is thus creating a global talent shortage (Chambers, Foulon, Handfield-Jones, Hanklin, & Michaels, 1998; Michaels, Handfield-Jones, & Axelrod, 2001). Ready & Conger's (2007) study of 40 global firms found that virtually all of them identified a failure to develop a sufficient talent pipeline to fill strategic position within their organizations as a key constraint on their ability to grow their business. Regardless of the size of the gap between the available and desired pool of talent globally, however, human resource location and relocation, and cost reduction through lower compensation levels are likely to become major global talent challenges over the next several years (The Economist, 2010a; The Economist, 2010b).

Lebanon, being an exporter of talent to the GCC and many other countries, is suffering from massive talent shortage. Human resources specialists in Lebanon need to help companies successfully address today's skills and talent shortage by looking beyond the traditional channel strategies that have focused on providing partner training and programs.

**Anticipating Change**

Talent Management practices that have been done prior to the 21st century seem to be dysfunctional in companies operating today. At its heart, Talent Management is simply a matter of anticipating the need for human capital and then setting out a plan to meet it (Cappelli, 2008). Lebanese companies have not reached that level yet, but are
trying to coordinate with their HR departments to set plans for recruiting the best talent, training them and retaining them.
CHAPTER III

RESEARCH QUESTION

Now that we know Talent Management could be highly affected by a country’s context and its internal factors, we found it interesting to go one step further and see if Talent Management practices could be dissimilar in between two areas from the Middle East. Thus we propose our main research question below:

In what respect will Talent Management practices in Lebanon differ from those implemented in the GCC?

Specific Research Propositions

- In regards to managing talent, what are the top priorities of companies in Lebanon? And do they differ from top priorities of companies the GCC?
  - What are the Talent Management Practices implemented in Lebanon?
  - If Talent Management practices do not really exist in Lebanon, why should companies start considering adopting them?
- How can Lebanese companies start adopting and implementing Talent Management programs?

Unit of Analysis

Individuals who are current HR practitioners in Lebanon
CHAPTER IV
RESEARCH METHODOLOGY

Approach

A qualitative approach was applied to collect the needed data for the purpose of understanding and interpreting social interactions (Lichtman, 2006). In order to maintain consistency, while at the same time allowing a higher degree of flexibility to gather additional insights from the research subjects (Robson, 1993), we conducted semi-structured interviews with open-ended questions. Semi-structured interviews are often the sole data source for a qualitative research project (DiCicco-Bloom and Crabtree, 2006). The questions (framework in Appendix I) examined the respondents’ opinion regarding Talent Management practices in companies in Lebanon. In addition, these questions helped us in exploring meaning and perceptions and gaining a better understanding of the Talent Management practices. The main research question was sufficiently focused so that the interviewees will be able to share their experience about the topic.

Setting

Through my online network contacts, I carried out a search for ten (10) HR Managers currently working in companies from different industrial sectors operating in Lebanon (Table 2). The sampling size was ten interviewers as we felt that the study had reached a fine level of saturation and that further interviews would not add new data for our framework. The selected HR Managers were from both genders. Also, the ten HR managers were representative elements for the research focus and through them I was
able to generate detailed and subjective understanding. I also ensured that they must have an understanding of what Talent Management practices are and they must exhibit at least 5 years of experience in the HR field. Moreover, I made sure that the selected HR Managers have current jobs that entail deep operational involvement in the process of recruiting, selecting, developing, and retaining talent. After selecting them, I initiated contact with them via email. The emails of the participants are found in the public domain such as Linked-in profiles or on their respective company website. From an organizational hierarchy perspective, the samples were similar in that both will consist exclusively of individuals holding upper-middle management positions in the HR field.

Table 2

*Interviewee Profile*

<table>
<thead>
<tr>
<th>Pseudo name</th>
<th>Years of experience</th>
<th>Industry</th>
<th>Company Type</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julie</td>
<td>15</td>
<td>FMCG</td>
<td>Multinational</td>
<td>&gt;330,000</td>
</tr>
<tr>
<td>Ahmad</td>
<td>14</td>
<td>Advertising</td>
<td>Multinational</td>
<td>6000 - 7000</td>
</tr>
<tr>
<td>Anthony</td>
<td>17</td>
<td>Banking &amp; Finance</td>
<td>Regional</td>
<td>4000 - 5000</td>
</tr>
<tr>
<td>Randa</td>
<td>14</td>
<td>Banking &amp; Finance</td>
<td>Regional</td>
<td>4000 - 5000</td>
</tr>
<tr>
<td>Mirna</td>
<td>10</td>
<td>Contracting</td>
<td>Regional</td>
<td>900 - 1000</td>
</tr>
<tr>
<td>Layla</td>
<td>11</td>
<td>FMCG</td>
<td>Regional</td>
<td>1500 - 1600</td>
</tr>
<tr>
<td>Sophia</td>
<td>11</td>
<td>Pharmaceuticals</td>
<td>Regional</td>
<td>150 - 200</td>
</tr>
<tr>
<td>Sarah</td>
<td>30</td>
<td>Mailing Services</td>
<td>Local</td>
<td>900-1000</td>
</tr>
<tr>
<td>Sandy</td>
<td>27</td>
<td>Banking &amp; Finance</td>
<td>Local</td>
<td>500-600</td>
</tr>
<tr>
<td>Lina</td>
<td>13</td>
<td>Hospitality</td>
<td>Local</td>
<td>150-200</td>
</tr>
</tbody>
</table>

All interviews were conducted in English, which is a widely spoken language in Lebanon. The interviewees were allowed, however, to resort to code-switching, which is switching back and forth from English to Arabic. Code-switching allows people to choose terms that facilitate the flow of speech and communication (Feghali, 1997).
Any spoken Arabic words were translated back from Arabic into English by a sworn translator and double-checked by the research team.

Interviews were conducted according to a specific protocol (Appendix I), and were also recorded and transcribed. Questions were inspired by the earlier review of the literature about Talent Management in the GCC region (Sidani & Alariss, 2013).

**Data Analysis**

This study used thematic analysis, which is a qualitative research approach (King, 2004). The method was applied in order to develop a template through which the textual data set can be analyzed and interpreted. Based on the literature, we started with an initial template based on the topic of Talent Management and a preliminary analysis of part of the interviews. The analysis of the entire data set was then aimed to develop the final template that was used to draw the research themes.

Interview questions present the best starting point in template analysis and serve as higher-order codes (King, 2004). The conducted interviews were used to match, support, or replace those higher-order codes. I used NVivo through which the textual data set was coded and interpreted.

All interviews were coded and two methods have been suggested in earlier research to improve the quality and reliability of the coding process: quality checks and reflexivity (King, 2007).

I conducted quality checks by coding a sample of the data separately, sorted out differences and then adjusted the initial template accordingly. Then I performed the reflexivity process. Reflexivity means that the researcher assesses his or her own perspective and association in the research questions and research topic and the way it impacts research outcomes (Al Ariss & Crowley-Henry, 2013; King, 2007).
Four main themes were developed from the interviews. We present them below in addition to some sub themes that were mentioned by the respondents in Table 3 below and then we elaborate on each theme by itself.

Table 3

Thematic Template

<table>
<thead>
<tr>
<th>Theme</th>
<th>Sub-themes</th>
<th>Source</th>
<th>Mentions</th>
<th>Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebanon still lags in Talent Management processes</td>
<td>SMEs are behind with regards to Talent Management</td>
<td>5</td>
<td>7</td>
<td>Mirna, Sarah, Lina, Sandy, Layla</td>
</tr>
<tr>
<td></td>
<td>MNCs are leading the Talent Management race</td>
<td>4</td>
<td>6</td>
<td>Anthony, Julie, Ahmad, Randa</td>
</tr>
<tr>
<td>Traditional management practices hinder HR processes</td>
<td>Wasta</td>
<td>2</td>
<td>2</td>
<td>Anthony, Layla</td>
</tr>
<tr>
<td></td>
<td>Nepotism</td>
<td>2</td>
<td>3</td>
<td>Sandy, Layla</td>
</tr>
<tr>
<td></td>
<td>Political Affiliation</td>
<td>2</td>
<td>3</td>
<td>Anthony, Sandy</td>
</tr>
<tr>
<td></td>
<td>TM is not being strategic</td>
<td>3</td>
<td>5</td>
<td>Mirna, Sandy, Lina</td>
</tr>
<tr>
<td></td>
<td>TM is not a priority</td>
<td>5</td>
<td>8</td>
<td>Lina, Sandy, Randa, Sophia, Layla</td>
</tr>
<tr>
<td>Attracting Talent Challenges in Lebanon</td>
<td>Attracting Talent is a main problem for SMEs</td>
<td>5</td>
<td>7</td>
<td>Rand, Mirna, Sarah, Layla, Lina</td>
</tr>
<tr>
<td></td>
<td>Talent Attraction is not a Problem When it is Strategic</td>
<td>2</td>
<td>2</td>
<td>Julie, Ahmad</td>
</tr>
<tr>
<td>Lebanon brings challenges in attracting, training, developing and retaining talent</td>
<td>Competition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Within Lebanon; In-between industries</td>
<td>8</td>
<td>10</td>
<td>Anthony, Julie, Mirna, Lina, Sandy, Randa, Sophia, Layla</td>
</tr>
<tr>
<td></td>
<td>Outside Lebanon</td>
<td>8</td>
<td>9</td>
<td>Anthony, Julie, Mirna, Lina, Sandy, Randa, Sophia, Layla</td>
</tr>
<tr>
<td></td>
<td>SMEs cannot afford giving high salaries</td>
<td>6</td>
<td>7</td>
<td>Mirna, Sarah, Lina, Sandy, Randa, Layla</td>
</tr>
<tr>
<td></td>
<td>Political situation and instability</td>
<td>5</td>
<td>7</td>
<td>Anthony, Ahmed, Mirna, Sarah, Lina</td>
</tr>
<tr>
<td></td>
<td>High expectations of university graduates are not met</td>
<td>2</td>
<td>3</td>
<td>Anthony, Randa</td>
</tr>
<tr>
<td></td>
<td>Syrians competing with Lebanese especially in Blue Collar Jobs</td>
<td>2</td>
<td>2</td>
<td>Mirna, Sarah</td>
</tr>
<tr>
<td></td>
<td>Young generation in Lebanon is bringing some challenges to HR Managers</td>
<td>8</td>
<td>10</td>
<td>Julie, Ahmed, Mirna, Sarah, Lina, Sandy, Sophia, Layla</td>
</tr>
</tbody>
</table>
Lebanon Still Lags in Talent Management Processes

SMEs Are Behind with Regards to Talent Management

When asked about their Talent Management practices, six out of ten interviewees declared that their processes are somewhat infantile or even non-existent as Lina had mentioned. Another respondent, Sarah, said: “We have a long way to go before we can even think of launching a Talent Management Program”. Others, like Layla and Sandy, also mentioned that they actually do have a huge interest in starting a Talent Management program at their companies, but this was a long term plan; they still want to enhance their HR structures and processes first.

Still struggling to adopt and implement a solid Talent Management program, some did not set it on their agendas. For example, one respondent said:

Currently we do not have a Talent Management program as it is not a priority right now. It is a very costly initiative and a very high investment. There is a financial crisis in country and we are trying to put our money in the right places. If we had larger budgets, we would definitely invest in a Talent Management program. (Sandy)

MNCs Are Leading the Talent Management Race

On the contrary, our study showed that multinationals seemed to be far ahead in managing talent because they have come to operate in Lebanon with already well-established HR processes. MNCs consider Talent Management is an essential practice, as one respondent indicated the below:

Our company has a very advanced focus on growing the people they have and developing them. We set plans for each employee who is working for us to develop their skills and advance in their career (Ahmad).

This is giving those MNCs competitive advantage over their rivals. They feel that their practices are incomparable to other players in the market. However, it is the other way around for SMEs. The interviews showed that employees working for SMEs
in Lebanon are willing to leave their companies as one respondent mentioned:

_Lebanese people want to work for MNCs because they have better procedures and renowned professional cultures. They are willing to leave their companies or even change industries just to join a well-known MNC (Julie)._ 

The data collected from the interviews proves that there is a big divergence in practices between SMEs and MNCs operating in Lebanon, which made it easier for MNCs to attract and retain talent. In addition, Julie mentioned that their great Talent Management processes go back as well to their strong reputation in the market, well-known package offerings and the high exposure they offer their employees once they enter the workplace.

Thus we witness that Lebanon still lags in Talent Management processes, and that SMEs still have a stretched road ahead.

**Traditional Management Practices Hinder HR Processes**

Many interviewees, precisely HR Managers who worked at SMEs like Lina, Sandy and Sarah, were not so optimistic of having a bright future for Talent Management in Lebanon. This was a result of many factors, as mentioned by many interviewees.

**Wasta**

Wasta, which is a word of Arabic origin meaning connections or pull, is a force in many significant decisions in companies in the Arab world (Cunningham & Sarayrah, 1993). Anthony and Sandy mentioned that Wasta has gotten in the way of professional HR practices, especially recruitment, training and development and impeded their strategic plans.
Nepotism

Moreover, most SMEs in Lebanon are being family owned; thus, many HR Managers who work in such companies discussed facing the troubles of nepotism on a regular basis as well. One respondent even mentioned:

\[
\text{I was once forced to recruit a nephew of one the owners of the company. Even though this person was completely unqualified for the role, there was nothing I could do about it. Sometimes, the power of decision making could be taken out of our hands by the owners within a glimpse of an eye. (Layla)}
\]

Political Affiliation

Furthermore, Lebanon has high political turbulence and it happens that many SMEs are affiliated with political parties. For example, one HR Manager from the banking sector declared:

\[
\text{Banks in Lebanon have political associations. We sometimes have to hire a certain quota from selected political parties or even some religious sects. (Anthony)}
\]

In the Arab World specifically, political boundaries and government policies are surface phenomena compared to the deeper infrastructures of belief, family, kin, and obligation (Weir, 2003a). This, as our collected data confirmed, hinders the implementation of proper HR decision making frameworks and does not promote levels of fairness within the company.

Talent Management is Not Being Strategic

On another note, HR Managers at SMEs have shared that their Talent Management practices, including training and development processes, are neither linked to their company's strategy nor to a set of core competencies. One respondent declared:

\[
\text{In our company, trainings are given on a haphazard basis. We don’t really set a training calendar or a plan. If we get a request, and it happens that we have the budget for it, we let the employee attend the training. If not, they have to wait for the next year or the one after that. (Lina)}
\]
Other HR Managers like Mirna mentioned that they only focus on technical trainings that are linked to the job. They don’t give much attention to soft skills trainings. This made it difficult for the HR managers to define and structure a solid Talent Management program that helps in attracting, developing and retaining talent.

**Talent Management Is Not a Priority**

In addition, seven out of ten interviewed HR Managers indicated that their number one focus these days is on enhancing their HR practices and making them strategic. Building a good performance management system with a good reward and recognition program comes afterwards. They have put this as a priority over adopting a Talent Management program.

The only few respondents who showed concrete Talent Management practices were Julie and Ahmad. They have already established and maintained programs, curriculums, academies and have set concrete definitions of talent pooling. They have set criteria for those who excel and have distinctive measures to identify their best performers. They usually integrate their talent review processes closely with the more established practices of performance management. Furthermore, they link talent identification with recruitment, investments in training and development, and compensation and rewards.

Thus the collected data indicates that traditional management styles have negative consequences for Talent Management both in terms of talent attraction and development. Managers are sometimes forced to look for a specific talent among a certain religion or political party and are then more likely to develop talent that fits a certain category. Talent development thus becomes a sort of self-fulfilling prophecy in SMEs.
Attracting Talent Challenges in Lebanon

Attracting Talent Is a Main Problem for SMEs

In Lebanon, and more than ever before, finding the right talent seems to have propelled companies to the top tier of competitiveness. Data collected from the interviews shows that SMEs are having difficulty attracting the critical-skill and talented employees needed to help them rebound and prosper especially during the serious economic crisis that Lebanon is going through.

The interviews showed us that HR Managers at SMEs have set different techniques to face the struggles of getting the best talent in their companies. One respondent mentioned:

*In order to get people into our company, we rely a lot on word of mouth. We make sure our current employees are happy to work here, and then they will tell people to come work for us. We also have trust that the good reputation of the company and its owners in the market will be attractive to candidates.* (Mirna)

Other HR Managers discussed ways to advertise the achievements of their companies. For instance, Sarah provides much attention to promoting the company’s image to business people and key market players. They also affirmed that it was one of their strategic goals to get people to perceive them as the best employers. One HR Manager at a bank even revealed:

*We are quite credible, reputable and reliable in the market. We are a well-known bank that is not blacklisted or deals with money laundering. And that reputation is sometimes good enough for people to want to work with us.* (Randa)

From the research interviews, we also deduced that some SMEs are really trying to get on track and enter the high level of competition in the market including competition with MNCs in order to attract talent. Some of the additional new methods that were stated include:
Talent Management in Lebanon

- Participating in job fairs at universities
- Investing in HRIS programs and having a specific section devoted for careers on the company’s website so that candidates can apply online
- Having plans to go out more on social media in order to attract a larger pool of talent

**Talent Attraction Is Not a Problem When It Is Strategic**

On the other hand, the interviews also indicated that the grass is actually greener on MNCs’ side with regards to talent attraction. These companies have proper and strategic practices when conducting their recruitment processes and thus barely face any challenges getting talent into their premises. One HR Manager at a recognized MNC declared the following:

*To be honest, we don’t really face that much trouble because we are very organized from the beginning; from studying a profile to building an offer and giving a competitive package for talents in the market. We do take into consideration their preferences. We have competency based interviews for each position that makes sure we get the right people. We don’t face a problem with neither getting them into our company nor making them stay.* (Julie)

Moreover, Ahmad stated that the name of the company or brand the company represented was sufficient yet HR had to work the extra mile to achieve even better results. There are a set of practices that they conduct including relying on university data about students and graduates and sponsoring programs at universities. This helps bring in top-notch university students into their companies.

Not having to be burdened with talent attraction gives MNCs a double advantage. The first benefit is the time this gives to put energy and focus on improving other HR practices. Another benefit is that they become a talent hub and that ultimately places them on top of the competition in the market.
Lebanon Brings Challenges in Attracting, Training, Developing and Retaining Talent

If it is one theme that all our interviewees agreed on, it was that Lebanon passes on to companies at least some difficulties in attracting, training, developing and retaining talent. In fact, data collected disclosed that these challenges go back to many factors that are not only focused, as we presumed, in demographics and politics. The two main struggles in losing talent are linked to competition between companies, within Lebanon and overseas, and migration of the Lebanese workforce to find jobs abroad. We elaborate each of these challenges below:

Competition

Within Lebanon; In-Between Industries

Some industries in Lebanon, such as the banking, hospitality and FMCG industries, are highly competitive. Talented employees nowadays, as most of our interviewees indicated, are in high demand. They are well known in their respective markets and could be easily tracked and headhunted. “We steal their employees and they steal ours”, Anthony pointed out. Over and above, employees now have access to data and industry reports and can know which companies are offering better packages. Thus, the power of choosing where the best place work is in their hands.

In addition, Lina, an HR Manager working in the hospitality industry mentioned that in one case, seven people quit on the same day. Hence, we noticed that when rivalry is so strong and fierce and an employee leaves, they are able to convince their friends and team members to leave with them. This competition is driving companies to set a lot of focus on retention programs and reward management.

Outside Lebanon

Aside from the close completion within the Lebanese market, companies
operating in Lebanon also face competition within companies abroad. Nine out of ten interviewees mentioned they face high rivalry with companies operating in the GCC specifically. With wages almost triple than what employees are being offered in Lebanon, the Lebanese workers cannot help but consent to leave the country. This also brings us to the second major challenge that Lebanon faces in Talent Management: the migration of the Lebanese workforce.

**Migration of Lebanese Workers Abroad**

**SMEs Cannot Afford Giving High Salaries**

So far our composed data has proven that there is a big divergence in HR practices between MNCs and SMEs operating in Lebanon. In addition to that, we discovered that MNCs are giving higher packages and superior benefits to their employees than SMEs, which is posing a problem for the latter in terms of attracting, training and retaining employees.

Our interviews with Julie and Anthony exhibited that their companies are well financed are thus able to give multinational, interesting and competitive packages. In contrast, our other interviews with SMEs showed that they are facing difficulty competing with such high packages and are unable to attract talent to their companies because of a possibility of budget breaks and profit loss.

Ostensibly, with low minimum wages and average industry salaries, working in SMEs does not really provide a good living. “Attracting blue collar workers is difficult, but even more difficult for white collar workers”, says Sarah.

Moreover, we were informed by Randa and Sandy, who worked in banks that the banking sector has on average a low salary scale. Packages offered to junior and mid-level employees are low in Lebanon and that is posing a challenge for the banks as their employees are leaving to join banks outside of Lebanon. HR managers try to cope
with this by counter offering or giving promotions, but are now focusing on having retention strategies that are proactive and that prevent people from reaching the point of resignation at an early stage.

Nevertheless, we found out that there are a few SMEs that do look at the glass half full and don’t mind their employees leaving to other companies, even if they are competitors. One respondent adds:

*Our employees get the most exposure while working with us. They get good experience and excellent training to enhance their skills. So this makes them more wanted in the market, and other companies are willing to offer them higher packages and higher positions just to have them at their banks. We feel sad to lose them, but at the end of the day we are proud, it is like they graduated from our bank.* (Randa)

**Political Situation and Instability**

As we have mentioned in the beginning of our paper, due to war and political situation, many Lebanese citizens have immigrated or at least have strong will to immigrate outside of Lebanon. Our interviews, indeed, also proved that HR Managers are facing this same problem with their employees. Most of our interviewees confirmed this, as one even mentioned:

*The political turmoil in Lebanon makes it difficult for people who want to grow and build their career. The only people who are staying are those who have obligations towards their families.* (Sarah)

Moreover, most companies that operate in Lebanon have built their head offices and operations in Beirut and its suburbs. Few of our interviewees mentioned that they face difficulty in getting residents living in distant areas in Lebanon to apply to their companies because they distress working in Beirut due to recent safety concerns. As a result, companies operating in Beirut are losing a section of the Lebanese talent pool because of the political instability.
High Expectations of University Graduates Are Not Met

Furthermore, one of the challenges companies have been facing lately are expectations of students graduating from prestigious universities. The students are smart and talented but have more demands, in terms of salary, position and company exposure, than students graduating from other schools or colleges. HR Managers, like Mirna, are finding it easier to hire and handle graduates from less prominent universities because their students are very eager to get a job and their demands are less. Thus, many talented university graduates are not finding jobs in Lebanon and are thus leaving the county for jobs that meet their demands.

Syrians Competing With Lebanese Especially In Blue Collar Jobs

Since the outbreak of hostilities in Syria in early 2012, there has been a massive influx of refugees into Lebanon. By the end of July 2014, the official UNHCR figure for registered Syrian refugees had risen to 1,110,863 individuals (UNHCR, 2014).

Some of the HR Managers we interviewed, especially those who manage blue collar workers mentioned to us that the Syrians are accepting to work for them with lower salaries. One interviewee mentioned:

*The manager of my company once asked me “Why are you hiring a Lebanese worker and making me pay him $500 to operate a forklift, when a Syrian is willing to accept third of this wage and work even longer hours?” (Mirna)*

In the end, most managers are concerned with decreasing costs and increasing efficiency in any way possible. With no government supervision on protecting Lebanese workers from this kind of discrimination, managers have been inclined to replace them with Syrians. This has become a huge disadvantage to many Lebanese workers, as several talented people are now sitting at home with no jobs, searching for a better
opportunity abroad.

Young Generation in Lebanon Is Bringing Some Challenges to HR Managers

Data collected from the interviews showed us common consensus by the HR Managers that handling talent from the young generation is not a walk in the park. There were different opinions in where the difficulty lies in handing the Millennials, as some named them. Sophia mentioned the difficulty in putting time and effort in staying up to date with all the technological advancement:

_We have to be up to date in all terms with technology. We recently decided to adopt an online platform where our employees can access their data from both laptop and phone. This is all costly, but if we hadn’t implemented it, we would have fallen behind in terms of attracting young talent to our company._

Other HR Managers like Julie and Ahmad informed us of the struggle with the requirements and preferences of the Millennials nowadays. MNCs on one hand face this issue once they hire university graduates. They feel that they are just enrolling because of the brand the company represents and not the actual job. Julie, who has been struggling with Millennials who only stay in the company for a short period of time and then leave, mentioned:

_Some of them see that it is enough to have two years of work at a Multinational company as it will look good on their CVs. Thus, we try to give them a taste of the actual job before they join by setting their expectations straight._

Other common phrases to describe the difficulty in managing Millennials we noted during our interviews included “They are very smart and quick” and “They are neither committed nor loyal to the organizations they work for”. And so we had to stop and inquire about the latter phrase and investigate what the reasons for linking Millennials with unfaithfulness are. Ahmad explained to us that the young generation is not so fretful with money or status as much as they are concerned with being in a
company that develops their careers. And if the company does not focus on that area, Millennials leave for a better opportunity to develop elsewhere. One of our respondents supports what we are saying by indicating:

They are concerned with developing themselves, getting higher levels of education and advancing in their careers. Thus, we try to understand and help them so that they won’t leave us. We give them the relevant trainings for their development. And on a case by case basis we help the top performers in continuing their education. (Layla)

Furthermore, Randa and Sophia informed us that they are now focusing on job aspects that particularly intrigue interest of Millennials and increase attraction and retention. Such aspects include flexible working hours, casual dress codes and telecommuting.
CHAPTER VI

DISCUSSION, IMPLICATIONS AND RECOMMENDATIONS

The intention of our paper is to compare and contrast Talent Management practices in Lebanon to those in the GCC and deduce if the context of each country affects those practices. Usually, research conducted on Talent Management practices overlooks the important role of contextual factors in determining these practices (McDonnell, Lamare, Gunnigle, & Lavelle, 2010). In regards to our question “In regards to managing talent, what are the top priorities of companies in Lebanon? And do they differ from top priorities of companies the GCC?”, we noticed that geography, demographics, management traditions, political situation and size of companies, as confirmed by most of our interviewers, supposedly had a big part to play when it came to Talent Management in Lebanon. In the GCC, however, this wasn’t entirely the case. The main contextual factors that HR had to take into consideration when managing talent are population (nationals vs. expatriates) and turnover of local talent. Moreover, in Lebanon compensation was a main problem in managing talent while in the GCC was not a key driver. On the other hand, similarity between countries lies in the divergence of practices of Multinationals vs. local companies in regards to HR practices and Talent Management processes, and in the traditional management practices like Nepotism and Wasta that still exist in companies in both countries.

In fact, recent research does suggest a need for managers with distinctive competencies and a desire to manage talent in countries where these factors play a big role (Bjorkman & Xiucheng, 2002; Li & Scullion, 2006). From our research findings and thematic analysis, we did conclude that the Talent Management process in Lebanon,
in fact, is complex and highly related to the context of the country.

We presented in the beginning of our paper four propositions for Talent Management in companies operating in Lebanon. In response to our first research question “What are the Talent Management Practices implemented in Lebanon?” we realized that Talent Management in Lebanon is still at its infantile stage. Practices and processes within attracting, developing and retaining talent are most competent in MNCs operating in Lebanon as these companies have brought their practices from abroad. Indeed, MNCs are realizing that superior human resources are crucial to their competitiveness, and that these resources may be found in different parts of the world (Bryan et al., 2006). As for SMEs, they were still facing trouble setting their priorities in regards to managing their talent and did not know the best course of action to take in order to attract and keep talent. Jameson & Holden (2000) indicate that SMEs fail to recognize the knowledge and understanding that graduates can bring to their companies. Thus as we also conclude from our collected data, that SMEs’ retention strategies are weak and thus lead to high turnover. Also, training in most SMEs is assessed by the perceptions of the owners/directors who are the decision makers, and not based on proper training needs analysis (Manimala & Kumar, 2012). Such companies are implementing practices that decrease the likelihood that Lebanese talent is attracted, developed, and retained. With this kind of imbalance between MNC and SME practices in Lebanon, MNCs were leading the talent race in Lebanon, and SMEs were still falling behind. Thus SMEs have to set out to turn their HR practices around, and focus more on linking their practices to their companies’ strategies in order to get in and retain the best of the talent from the market.

Moreover, we concluded that all our interviewed companies do acknowledge the importance of having Talent Management programs and many of them, indirectly,
told us why. This answered our second research question “If Talent Management practices do not really exist in Lebanon, why should companies start considering adopting them?” So if SMEs, whom we deduced are facing the most difficulties managing their talents, where to think of reasons to start one, we clarify the solid reasons below.

Return on investment (ROI) has become one of the most challenging and intriguing issues facing the human resources development (HRD) and performance improvement field; thus when companies want to invest in training and developing their employees, they want to make sure they are doing it the right way (Philips, 2003). Almost all interviewees, and especially those working in SMEs, confirmed that with high labor costs, they are trying to ensure the proper investment in their employees to maintain costs and that their talent is properly managed. Other reasons included change in career perceptions and expectations of young graduates, education levels, the increase of diversity of the workforce in Lebanon, employees valuing training and development and requests for more work/life balance especially from female workers.

Moreover, some wanted to start a Talent Management process because of their employees’ job dissatisfaction, discontent of pay levels and low engagement levels. Aziri (2011) declares that job dissatisfaction can lead to low job performance and may eventually lead to high turnover, Thus, HR Managers should tackle each issue by itself in order to manage their talent properly. They need to know that one cannot retain a talented employee if their basic needs aren’t met, or if their job isn’t challenging enough. A company might lose their talented female worker just because she wasn’t given one hour off to pick up her children from school. Sometimes, it is the simple practices that can retain talented individuals, and that is why HR must have set processes to tackle each issue in a strategic way.
On another note, with immigration of Lebanese workers being the biggest challenge for HR managers in Lebanon, we deduced that a lot of focus has been put on retention strategies in companies. Immigration usually occurs, as long as the expected real income differential that is being provided to the employee outside their country is positive (Hagen-Zanker, 2008). Yet, money is not always the reason. Sometimes people leave due to wars, seek of better life conditions (Dercon, 2005). That is why we propose a few effective retention initiatives that companies in Lebanon can implement for all employee levels. For example, HR managers at SMEs who are facing trouble in that area can focus on promotion and advancement, individualized career planning and financial incentives. Other specific suggestions include flexible work arrangements for Millennials and health plans and pensions for employees who are near retirement. As for HR Managers who are not how to deal with the young generation, we propose for them to have teams within companies that follow the interests of the Millennials. Interests of this generation, as drawn from research and from our study, are telecommuting, being able to work not only on their desks but through their mobiles and their pads, flexibility, casual dress codes, related trainings that could help them feel that they are advancing in their careers and going farther in the companies. HR can set regularly meetings to work on suggestions for these issues in order to attract a larger pool of young graduates to their companies and retain them for a longer period of time.

Thus, with companies recognizing the importance of Talent Management programs and the need to implement them, now we can cover our next research question that tackles “How Lebanese companies can start adopting and implementing Talent Management programs”. It is definitely not a one step process; it is rather a series of incremental steps that HR Managers can use as an approach to introduce and implement a strategic Talent Management system.
CHAPTER VII
MANAGERIAL RELEVANCE

We advise HR Managers in Lebanese companies to begin with developing and setting scales directly linked to competencies in order for them to measure and assess the performance of their employees. These scales should include valid definitions for each competency and there needs to be specific behaviors set for each level in order to identify talents properly upon assessment. Moreover, for companies that are already conducting performance appraisals, measurement scales are suggested to be put in place in order to determine results in areas where the employee is accountable and his/her achievement on his/her competencies is linked to the success of the organization. At this point, HR Managers should be able to predict the next steps for their Talented Employee in their company keeping in mind their training needs and achievement levels.

We also advise HR Managers who have a strong and strategic HR base in their companies to develop Training and Development systems that add value to the core competencies of the company. For each core and job related competency, HR Managers should develop trainings tailored to each talented individual that can aid in closing gaps between their actual and targeted performance. These individualized trainings could come in many forms that support each position, level, company, industry…etc. that include, one on one coaching or mentoring, internal and external trainings, job rotation, enriched assignments, specified reading material and so on. Doing all this, HR Managers are now advised to set action plans for each Talented Employee. These action plans need to take into consideration the top talents and holders of key jobs in the
company.

In regards to making HR practices more strategic and professional, HR managers have to better manage the traditional management practices in their companies that are impeding the process of building Talent Management programs. We may have shown a negative image of these practice’s existence in companies in Lebanon, but the situation isn’t actually that bad. Much of what we mentioned does describe facts in many companies, but not all companies and industries in Lebanon are the same. In some companies, these practices exist partially, in others it is rarely. There is, in fact, some change happening out there, and it is positive. But this change to be progressed a lot of work has to come from the macro level, which entails the work of governments, the education sector and social entities. As for decision makers in companies themselves, the process of change starts within themselves. They need to act as influential leaders in their companies and act as role models for their employees. It all starts with knowing themselves well and acting with clear conscious and aiming for the betterment in the company, then everything will transcend down the hierarchy to their employees. The way they solve problems, set strategies and do their daily works ultimately affect the goal the company is trying to achieve.
APPENDIX I

FRAMEWORK

1. What does the word “talent” mean to you? Please explain.
2. What role do you see for the HR manager and the HR team in the process of attracting, developing, and retaining talent?
   • Do you see Talent Management as part of HRM or do you have a different perspective of TM?
3. Does your company currently implement Talent Management programs?
   • If yes, tell me about the program.
   • If no, are there any future plans to implement Talent Management programs?
4. What are the key challenges that face organizations in attracting talent in your business?
   • Are there any hurdles to doing this in your context?
   • Do you find that Lebanon carries some advantages and disadvantages regarding talent retention?
5. How do you keep track of your best performers and what do you do with them?
6. What are your top priorities regarding managing the talent of your employees?
7. Please explain how do performance appraisals at your company meet your goals in identifying and keeping your key talents?
8. How do you handle talent coming from the young generation?
9. Do you witness talented employees moving from one firm to another? Why?
   • How can companies cope with this?
10. Do you see any challenges in managing female talent in your context? How does the company cope with such challenges?
11. How do you ensure that “individual” skills and talents become company competitive points of strength?
12. How can companies ensure that their talented employees will give them competitive advantage?
13. What happens when talents collide (superstar employees have conflicting aspirations, interests, and perceptions)? What is the role of the organization in creating an environment of collaboration not competition? Can you provide specific examples?
14. How would you rate, from 1 (weak) to 5 (strong), the organization in which you work in terms of its ability to
   (1) Attract talent
   (2) Retain talent
   (3) Facilitate talents working together?
15. Do you believe that companies in Lebanon should start implementing Talent Management programs? Why?
REFERENCES


