MANAGEMENT'S ATTITUDE TOWARD HUMAN RELATIONS IN LEBANESE INDUSTRY

By

Samir G. Khalaf

A thesis presented to the Department of Sociology of the School of Arts and Science of the American University of Beirut in partial fulfillment of the requirements for the degree of Master of Arts.

June, 1957

LABOR-MANAGEMENT RELATIONS IN LEBANON

S. G. Khalaf

ACKNOWLEDGEMENT

Many of the author's debts of gratitude incurred in the short history of this study defy an adequate expression of appreciation in this short space. This attempt will confine acknowledgement to those persons who have contributed most significantly. Others who have extended their help and advice are assured that they have not been forgotten.

As is normally the case in Masters thesis research, the largest share of the student's gratitude is owed to the individual supervisor of his Thesis Committee and the present instance is no exception. Dr. Lincoln Armstrong, Chairman of the Department of Sociology at the American University of Beirut, has been the supervisor of this work and has given unstintingly and earnestly his counsel and assistance far beyond the call of duty. The author can only hope that his gratitude in this case will be adequately expressed by his future record, both academic and in his professional career, as a sociologist.

Each of the other members of the Thesis Committee have consistently and willingly provided the author with helpful suggestions and general stimulation. Particular mention in this regard is extended to Dr. Thomas Matthews who has given valuable technical and theoretical advice at every stage of the development of this study. Professors Edward Fei, Arthur Mills, David Yaukey, and Frederick Korf have also given advice without which the author would have been lost.

Although they shall remain nameless, it is impossible to express adequately my gratitude to those 68 industrial plant managers and owners and dozen or more government officials who provided the researcher with the information upon which the study is based.

Finally, upon Miss Siham Malak for her secretarial assistance and tireless patience and general encouragement, my heartful thankfulness is duly bestowed.

American University of Beirut — Samir G. Khalaf

June 10, 1957

ABSTRACT

As is the case of underdeveloped areas undergoing industrialization, Lebanon has imported a considerable amount of Western machinery but still lacks the necessary training in human relations needed for their operation. One of the major problems that faces Lebanon today is the proper adjustment of an obsolete social system to the process of economic change underway. Among other things, this calls for a readjustment of social relationships, especially those between managers and workers. Amidst such a dynamically changing social pattern, it becomes of paramount significance to understand the prevalent attitudes of Lebanese managers toward human relations in industry.

The central problem of this research is the study of the attitudes of a sample of Lebanese industrial managers toward human relations in industrial organizations. More specifically, an attempt is made to explore the relationship between "awareness of the human factor" in industrial relations and labor-management conflict. The degree of conflict is measured in terms of the number of disputes brought before the Conciliation Board of the Beirut 'Mohafazat'. The above relationship serves as a major hypothesis of the research. The study, however, is also guided by a set of three subsidiary hypotheses which examine the relationship between "awareness of the human factor" and foreign influence, size of establishment, and age of the managerial group.

The study begins with a treatment of two important historical trends in industrial relations; namely, "scientific management" and the human relations trend. The middle chapters deal generally with the economic and socio-cultural background of Lebanese industry. In the following section the methodology underlying the empirical study that is central to the thesis is presented. Data was collected by scheduled interview. The universe is a selected one representative of seven major Lebanese industries which within the past year have been before the Lebanese Conciliation Board at least once. The sample for the study is composed of 68 plants. These are equally distributed as to size and number of disputes, and are proportionally representative of all the industries in the universe under study.

"Awareness of the human factor" which is the independent variable of the study was measured by two indexes. On the one hand, an "action index" was designed to measure "awareness" overtly in terms of actual physical modifications in the plants and plant programs which gave clear evidence of an interest in the workers' welfare and security on the part of management. On the other hand, an "attitude index" measured "awareness" more qualitatively in terms of the expressed opinions and attitudes of the respondents. These two indexes, separately and in combination were employed all through the research in measuring the different relationships.

In the final chapter, after a detailed presentation of

of descriptive data on the managerial group under study, several empirical relationships are tested and certain qualitative conclusions are drawn. As expected, an inverse relationship was found between the prevalence of progressive attitudes, beliefs, and practices on the part of management and the number of times that labor and management appear before the Conciliation Board to settle disputes and conflicts. Also the results revealed a positive relationship between "awareness of the human factor" and the degree of foreign influence. In other words, for the sample under study in this research, foreign indoctrination has definitely influenced managerial attitudes and practices in industry. A marked positive correlation between size of establishment and the practices and attitudes of management toward human relations was also indicated. Finally, findings revealed that an association between conservatism and age is borne out for the segment of Lebanese industry under study here. In other words, younger managers and owners were found to be more progressive in attitude and practice than the older ones. A central, but more qualitative conclusion, indicates that while the managerial group under study shows some definite minor inclination to "humanize" the work place, there is little evidence that such progressivism extends more than negligibly into the emerging industrial community at large. In short, a sense of social responsibility for the general welfare of the industrial community is not pronounced among these managers.

TABLE OF CONTENTS

LIST OF TABLES

Table | Page

CHAPTER I

INTRODUCTION

I. GENERAL PROBLEM

The primary consideration of this study in the field of human relations in industry has to do with the increasing awareness in recent years of the importance of the "human factor" in the effective functioning of business and industrial enterprises.

In the past, while industrial development and technical knowledge forged ahead, knowledge of the human side of such development failed to keep pace. Experiences during the Second World War and since its end have shown vividly how little Lebanese industrialists understand the human problems of maintaining a high degree of cooperation among workers. The appalling rise of turnover and absenteeism, especially during and after the war, and the more recent bickering and dissatisfaction at all levels of the industrial organization are symptoms of the latent defects in the structure of the human organization.

Recently, however, with increasing contact with Western ideology, there has been a considerable change in the attitude of some managers towards problems of human relations in industry. The whole social structure of industrial relations is being re-shaped, modifying thus the patterns of attitudes and behavior which develop among employers in industry. At this moment of dynamically changing social patterns, it becomes of paramount importance to examine the attitudes of Lebanese managers towards human relations in industry.

II. OBJECTIVE

The general problem of this research is to study the attitudes of a sample of Lebanese industrial managers toward human relations in industrial organizations. The answer to the following question is sought: To what extent are Lebanese industrialists aware of the "human factor" as an underlying principle in industrial relations? It is hoped that the descriptive and comparative data which will be presented will make a contribution to the field of industrial sociology as well as provide some guidance to persons who will assume responsibility for resolving the problems of industrial development in Lebanon.

It is the belief of the author that no research is truly of value unless it is ultimately directed toward action, and to that extent this study is action oriented. Industrialization in Lebanon should be able to avoid some of the hazards historically associated with the process simply by profiting from the experiences of others. The process can be a healthy one, gradually pursued, and many of its outward effects planned for. This will mean building the kind of industrial or business organizations which not only perform their productive and economic functions well but, in the process, provide satisfactory careers and ways of life for their members.

To do this requires especially that those people in the seats of authority, those whose actions and decisions can affect the organizations they direct, understand the total nature of these organizations. They must see the human facets, as well as the technical and economic processes; and they must understand

their proper roles, be aware of the effects of their influence, and foresee the impacts of their decisions and attitudes.

It is only after the situational definitions and attitudes of Lebanese managers are carefully examined and understood, that it will be possible to suggest proper schemes for the development of an effective industrial society.

III. STATEMENT OF HYPOTHESIS

The following central hypothesis provides the focus for the study:

> Awareness of the "human factor" in industrial relations on the part of managers is inversely related to the number of labor disputes and grievance brought before the Lebanese conciliation board.

"Awareness of the human factor" will be measured on two indexes. On the one hand "awareness" will be measured overtly in terms of actual physical modifications in the plants and plant programs which give clear evidence of an interest in the employees' welfare and happiness on the part of management; such innovations to include the introduction of, or an extra emphasis upon, a) labor-saving machinery, b) health and protective mechanisms, c) financial incentives, d) welfare benefits and programs, and e) adoption of policies aimed at enhancing job security among the workers. On the other hand, "awareness" will be treated more qualitatively (but not less objectively) in terms of the expressed opinions and attitudes

of a sample of industrial managers themselves. Data for both measures will be gathered through questionnaire interviews of managers verified whenever possible by actual observation in the field. For the sake of brevity the first scale or measure is to be called the "action index" and the second the "attitude index". These indexes, individually and in combination are designed to measure "employee centeredness" in contrast with "productivity centeredness".

By "employee-centered" managers are meant those who place primary emphasis on the social problems of the workers. They endeavor to build a team of people who cooperate and work well together. On the other hand, "productivity - centered" managers place primary emphasis on pressure for productivity - i.e., on seeing that workers are using the proper methods, are sticking to their work, and are getting a satisfactory volume of work done.[1]

The second variable, evidence of peaceful relations between management and labor, has been chosen for several reasons. While it is widely believed that "progressive" or "liberal" management practices are positively related to higher productivity, such relationship is very difficult to demonstrate empirically. Level of productivity is at least equally conditioned by a host of other factors besides management

---

1. R. Lickert, "Developing Patterns in Management." Reprint from General Management Series No. 178, (American Management Association, Inc., 1955), p. 4.

liberalism. Furthermore, productivity is relative to the specific type of production under consideration making very hazardous any comparison between different types of industries. On the other hand it is entirely logical that, if nowhere else, progressive management should be reflected in the increased good will between labor and management. Also the degree of such good will seems to lend itself quite readily to inter-industrial comparison. Therefore the usual performance for measuring progressive human relations in industry in terms of its effect on productivity has been abundoned in favor of its more measurable relationship to peaceful labor-management relations. These are measured in terms of the number of strikes, disputes and grievances that have occurred within the sample of Lebanese industries selected for this study. A more detailed discussion of these variables will be presented in the chapter on methodology.

A second and subsidiary hypothesis for the study is:

Awareness of the "human factor" in industrial relations is directly related to degree of Anglo-Saxon influence.

Anglo-Saxon influence will be measured in terms of the type of formal education received by the managerial group and other relevant experience in or with foreign countries and cultures and the number of foreign employers and amount of technical assistance from foreign sources.

A third subsidiary hypothesis is:

Awareness of the "human factor" is directly related to size of establishment as measured by number of employees.

The final subsidiary hypothesis to be treated is:

Awareness of the "human factor" is inversely related to age of managerial group.

With these hypotheses serving as a guide throughout the various research operations, the study will begin with a brief examination of two of the most important historical trends that have resulted in significant improvements in industrial performance. This will be followed by a chapter on the general economic conditions that have had a dominant influence in shaping the structure of Lebanese industry. Once the economic background has been summarized, the socio-cultural background of Lebanese industry will be considered in some detail. A chapter will then be devoted to methodology in which the various research procedures employed at different stages of the study will be described. Finally, the results of the project will be analized and interpreted devoting the last section to a statement of generalization and conclusions.

CHAPTER II

HISTORICAL TRENDS IN INDUSTRIAL RELATIONS

This research is concerned with the attitudes of managers toward human relations in industrial organization. It is useful to consider at the outset certain historical trends that have resulted in significant improvements in industrial performance. Two such trends may be distinguished which have in the past and are still exercising a major influence on management practices and attitudes. It will be of value to examine these trends, the character of their contribution and the problems they are creating.

I. "SCIENTIFIC MANAGEMENT" TREND

It is often said that during the early years of the Industrial Revolution, work was gradually disassociated from its social context and that the individual worker was isolated for special consideration and regarded in much the same light as a simple cog, machine or gadget. It has been suggested that machines were better cared for than workers because the latter could be easily replaced. Work ceased to be regarded as an integral part of the worker's life. Instead, theoretically, it became a meaningless, hateful activity, to be evaded whenever possible. It became the fiction of the time that the employer had not bought the worker, but his work and labor, and thus the worker's health and living conditions were

of no significance to the employer. The efficiency of a firm was measured solely in terms of the amount of the goods it produced or the profits it made, and little consideration was given to the cost of health and happiness at which the goods were produced. Not only was the worker considered in isolation, but the scientific view then held that the human body resembled a machine and that every disease was therefore due to breakdown in one of its parts; human nature was explained atomistically and in terms of biological instincts, while society was regarded as a mass of unorganized and unrelated rabble. Elton Mayo has succinctly labeled this whole conceptual scheme "the rabble hypothesis".[1]

Then came Frederick Taylor, the father of Scientific Management, and his successor Frank Gilbreth, and through their researches came the basis of what is known as Time and Motion Studies. Taylor, who stood with his stop-watch over the workers timing their rest-pauses and their every movement, altering the layout of the plant, and changing the traditional ways of doing things, was primarily concerned with the individual worker. This concentration on the individual worker caused him to fail to observe the effect of the other workers of the group on the behavior of the individual worker.

Early during his experiments, Taylor perceived certain principles underlying the practices of management. Through a series of isolated successful experiments on various

---

1. E. Mayo, The Social Problems of An Industrial Civilization, (Boston: Harvard University, 1945), p. 40.

details of factory administration, it became apparent that these underlying principles were subject to classification and generalization. Such classification and generalization being the basis for the development of a science, the term "scientific management" is applied today to refer to the body of principles deduced from those experiments. Scientific Management, therefore, "is distinctively scientific, since it aims to correlate and systematize all the best of modern developments in factory administration, and to push developments further in accordance with the principles discovered."[1]

Behind each Taylor experiment there lies the tacit implication that human nature is possessed of certain fixed properties which decree that most men find work distasteful, are naturally lazy, solely motivated by fear or greed, and always do as little work as possible for the largest possible wage. This conception of "economic man" arrived at by the Physiocrats is fundamental to Taylor's era. Man was seen to be a rational creature who uses his reason primarily to calculate exactly how much satisfaction he may obtain from the smallest amount of effort or how much discomfort he can avoid. Here the conception of "satisfaction" was much more limited than in our modern conception of the term. "Satisfaction" was not seen as including the sense of pride derived in one's job, the feeling of having accomplished something; it referred

---

1. C.B. Thompson, The Theory and Practice of Scientific Management, (New York: Houghton Mifflin Co., 1917) p. 3.

primarily to monetary reward. By the same token "discomfort" refers, not to failing in one's task, or losing the respect of one's associates, but merely to the fear of starvation.

Thus "economic man", as viewed in the traditions of the early classical economists, was naturally competitive, basically self-interested, and in the battle for life strove constantly to outwit every other man; his sole concern was his own survival. "Competition and ceaseless struggle were accepted as the fundamental laws of life. What Darwin's theory was to the biologist, the doctrine of laissez-faire was to the economist".[1] According to this doctrine, originated by the Physiocrats and supported by Adam Smith, Ricardo, and others, free competition was expected to lead to the maximum benefit of mankind through the elimination of the unfit and the ascendance of the successfully competitive.

With such views and doctrines in the background, it is not surprising that Mr. Taylor conceived of workers as economically motivated only, and that a factory had but one major function to perform, namely the economic one of producing goods and services. The assumptions which lay behind his many experiments, as J.A.C. Brown has mentioned in The Social Psychology of Industry,[2] were mainly the following:

1. It was supposed that the worker must be studied as an isolated unit.

---

1. J.A.C. Brown, The Social Psychology of Industry, (Great Britain Perrguin Books, 1954), p. 33.

2. Ibid., p. 69.

2. That in certain respects the worker resembled a machine whose efficiency could be scientifically estimated.
3. That the main factors influencing efficiency were:
   a) wasteful or ineffectual movements in doing his job.
   b) fatigue, which was believed to be only a matter of the depressed physio-chemical state of the body due to the accumulation of waste products.
   c) defects in physical environment, such as poor lighting, inadequate heating, excessive humidity, and so on.

These beliefs, as mentioned earlier, were based partly on the atomistic view of society which arose during the Industrial Revolution. Modern industrial sociologists do not imply that these assumptions are to be regarded as entirely untrue. There are circumstances in which the individual worker may profitably be studied in isolation, and there can be no doubt that poor environmental conditions adversely affect efficiency, and that Time and Motion Studies may be of material aid. But they should never be regarded as the whole truth, or even the most important part of the truth. It is not surprising therefore, that not long after these principles had gained widespread acceptance they received a severe blow from which they have never recovered.

II. HUMAN RELATIONS TREND

This blow came from the researches of the Elton Mayo team particularly climaxed by the famous Hawthorne Experiments. The inadequacy of the earlier assumptions was first shown by the failure of certain experiments carried out at the Hawthorne Works of the General Electric Company in Chicago between 1924 and 1927. And the second trend which is now to be examined can be identified with the results of some of these experiments.

While the original intention underlying the illumination experiments at Hawthorne was to determine the effects of lighting on output, "Unknowingly, the researches at Hawthorne were to discover something far more important than hours, wages, or physical conditions of work - something which increased output no matter what was done about physical conditions."[1] In order to study the influence on work resulting from altering illumination (on the assumption that the better the light, the better the work), two groups of employee were selected. In one, the control group, the illumination remained the same, while in the other the illumination was gradually improved. As had been expected, the output in the latter group showed an improvement, but what was quite unforeseen was that the output in the control group went up also. With this puzzling result, the

---

1. D.C. Miller and W. H. Form, Industrial Sociology, (New York: Harper and Brother, 1951), p. 3.

researchers then proceeded to reduce the illumination for the experimental group. Output continued to rise. Then it became obvious that some completely unforeseen factor was at work which increased output irrespective of the degree of illumination. Further experiments became necessary in order to search for this mysterious unidentified factor. It was obviously a crucial matter because of its significance for a century of assumptions, dogmas, and theories about labor relations whose obsolescence was now suggested.

After five years of keen observation in the Relay Test-Room Experiment, the investigators finally discovered the factor. The responsible factor turned out to be of a socio-psychological nature and was traced to the workers' attitudes toward their work situation. Stuart Chase in his book The Proper Study of Mankind, writes, "The mysterious 'X' was the way the girls now felt about their work. By putting them in a little friendly world of their own (i.e. experimental and control groups), by consulting them often, the scientists had caused a psychological change in these young women and given them a new sense of their status and value."[1] The girls were no longer separate cogs in an impersonal, pecuniary machine; they were helping in their own small way to direct that machine. They had found stability, security, a little niche where they felt they belonged. And so they worked faster and better, and and output went up no matter how specific other conditions might be changed.

---

1. Stuart Chase, The Proper Study of Mankind, (New York: Harper and Brothers, 1948), p. 140.

These results demonstrated that industry has, apart from its economic function of producing goods, also a social function: that of creating and distributing human satisfaction among its workers. It has become widely accepted that if a factory's human organization is out of balance all the efficiency systems in the world will not put it back to order, neither will they improve its output.

This new emphasis on work as a group activity broke down the illusions of the Industrial Revolution. Labor could no longer be regarded as a commodity to be bought and sold like pig iron. Aristotle's ancient dictum that man is primarily a social animal was restored to its proper status. The factory must be viewed as a social system which is part of society. Mayo expresses this in his argument that the "rabble hypothesis", so long held as the basis of economic thinking, could no longer be presumed tanable. The rabble hypothesis according to Mayo, had been built around three postulates of economic theory held by Ricardo:

1. Natural society consists of a horde of unorganized individuals.
2. Every individual acts in a manner calculated to secure his self-preservation or self-interest.
3. Every individual thinks logically, to the best of his ability, in the service of this aim.[1]

---

1. E. Mayo, Op.cit., p. 40.

In summary, therefore, the Western Electric Experiments seemed to Mayo and his followers to be the beginning of "the road back to sanity" in industrial relations. Prior to Hawthorne, we had nothing but guesses and some expert know-how without any underlying theory. But now a new understanding of human motivation and behavior in business organization emerged. As Roethlisberger says:

> "I should like to suggest that the manager is neither managing men, nor managing work, but he is managing a coordinated set of activities; he is administering a social system. That is the "human relations approach" as contrasted with any approach which implies that people at work can be considered separately from their work." [1]

Thus, for the first time it was indicated that the structure of work relation is more a matter of sentiment than a matter of logic. Workers are not isolated, unrelated individuals; they are social animals and should be regarded as such. Such views have received widespread acceptance in the West and their practical application in industrial organization is rapidly becoming the rule rather than the exception.

Now what is the general attitude of Lebanese managers towards their workers? What is their conception of the worker? Do they regard him as an isolated, unrelated individual; or do they treat him as a social animal? In other words, have our Lebanese managers begun to accept or follow the "road back to sanity"? If so, how far have they travelled? Some answers to these questions are sought in the research described in this thesis.

---

1. F.J. Roethlisberger, "Human Relations: Rare, Medium, or Well-Done?", Harvard Business Review, Vol. 26, 1948, p. 94.

CHAPTER III

THE ECONOMIC BACKGROUND OF LEBANESE INDUSTRY

Far from being a universal single-minded drive for profit maximization, the underlying motivation of any type of business or industrial activity represents a complex and changing structure of economic, socio-cultural and personality factors. Accordingly, the motivation of employers and the nature of their attitudes toward work relations will be strongly influenced not only by existing economic conditions, but also by the prevailing socio-cultural scale of values. And since such attitudes vary in time and space, the critical factor in understanding them is the economic, social and cultural group milieu in which they exist.

In this chapter a consideration of the general economic conditions that have had dominant influence in shaping the structure of Lebanese industry will be presented. The analysis will be carried out in a broad sense, geared toward one objective, namely: To disclose some of the economic factors that condition the attitudes of Lebanese managers and influence their behavior regarding human relations in industry. First, the different stages of the industrial development of Lebanon will be briefly surveyed. This will be followed by an analysis of the role that industry plays in the economic development of the country. Finally, a section will be devoted to examine, in a general manner, the main weaknesses of such development.

I. DEVELOPMENT OF INDUSTRY

A. Before the First World War

Lebanon has always been primarily an agricultural country, but during the period preceding the First World War agriculture has ceased to be a profitable occupation mainly due to the prevalence of antiquated methods of cultivation, and to a number of other factors. Commerce, on the other hand, had become more profitable and it became the chief occupation of the urban population. This tendency of making fast profits coupled with Lebanon's favorable geographic location led the enterprising class of the population to pay more attention to commercial pursuits than to the promotion of industrial enterprises.

It becomes quite obvious why in such an agricultural-commercial economy, industry has played only a secondary role. It has been estimated that during the pre-war period only 10 to 15% of the population depended on industry and handicraft.[1] The majority of Lebanese industry before the First World War followed the domestic and handicraft systems. According to Prof. Hakin, the handicraft system may be defined as that in which production is carried out by an artisan who is the owner of a small enterprise, helped by a few other employed artisans or apprentices who are sometimes members of his own family. It is thus characterized by the absence of a capitalist element,

---

1. G. Hakim, "Industry", Economic Organization of Syria, S.B. Himadeh, ed., (Beirut: American Press, 1936), p. 119.

by a lack of differentiation between labor and management, and by a simplicity of the methods of production as well as crudeness of tools. The domestic system, on the other hand, is that in which production is carried on by workers, usually in their own homes, for merchant capitalists who provide the raw materials and sometimes even the tools, and who pay the separate workers a wage per piece of goods produced.[1]

Most of the handicrafts were centralized in cities where the segregation process followed its typical pattern producing specialized streets or "suks" for each type of craft. Cobblers, tailors, carpenters and cabinet-workers, jewelers, and metal workers all developed their "suk". The domestic industries were less numerous but were very important and employed a considerable number of workers. They were scattered throughout the rural areas and specialized in a diversity of manufactures ranging from weaving silk, cotton, and woolen cloth to lace-making, carpet-making and the production of wine and 'araq.

On the whole, factories before the war were generally small and characterized by a very limited use of machinery. In both the handicraft and domestic industries, machinery, in the strict sense, did not exist. The tools used were very rudimentary and most of the factories lacked proper equipment. Even the most developed of these, the silk-spinning industry,

---

1. Ibid., p. 120.

employed no modern machinery with the exception of one French-owned establishment.

There were many factors which were responsible for the perpetuation of such primitive methods of production, of which the following are perhaps the most important:[1]

1. The country's mineral poverty, particularly in coal and iron.
2. The lack of skilled laborers, machines, and engineers.
3. Failure of the legal and administrative system to provide sufficient security for native investors and therefore, the lack of capital investment.
4. Political troubles and intrigues, along with inefficiency of the financial administration also discouraged foreign capital investment.
5. There were heavy internal taxes on all industries, and the absence of protective tariffs made it exceptionally difficult for the infant industries to stand the competition of the well-established foreign manufacturing concerns.
6. Finally, the establishment of an industrial enterprise depended upon a governmental concession which invariably were extremely costly to obtain.

---

1. M. Nsouli, "Lebanese Heritage from Handicraft to Industry." Les Conférences du Cénacle, Vol. VII, Beirut, April 16, 1953, p. 76.

Faced with such difficulties, our enterprising Lebanese either established new commercial concerns or emigrated to other lands.

B. The Period Between the Two Wars

During the First World War, the Lebanese economy suffered a great deal. Cut off from its foreign markets and depleted in its labor force, Lebanon was on the whole deprived of its commerce. All industry suffered a sharp decline, since it depended either on foreign raw materials or foreign markets. To top it all, the local market was severely drained due to the war conditions and due to the market depletion in such sources of income as tourism and emigrants' remittances.

The condition in which Lebanon found itself after the war, had a tremendous effect in shaping and transforming the industrial life of the country. When the war ended its reorganization became essential and the post-war development was mainly characterized by two new tendencies; the gradual disappearance of traditional industries, and the growth of modern factory production. These two aspects may be considered as one general movement in which the handicraft and domestic systems are being gradually replaced by the more mechanized factory system.

The decline of old industries actually started during the war, but after 1927, the downward movement was perceptibly hastened by the World-wide economic depression. The extent

of this decline, however, varied with different types of old industries. In general, handicrafts suffered less because most of them supply local needs. Nevertheless, there was a decrease in the number of independent craftsmen and an increase in the number of artisans employed in workshops or factories.[1] But such a shift should not be conceived as a complete transformation in the industrial structure. The standardization of products was very far from being complete and the division of labor remained at an elementary stage. The most important difference, however, between the traditional handicraft system and the new so-called factory system was the changed status of the worker. With the development of the factory system, the individual artisans could no longer maintain their status as independent producers and became wage employees.

The decline and rapid disappearance of old industries such as, silk-spinning, soap, and tanneries was mainly due to the replacement of old and inefficient methods of production by factories equipped with modern machinery. Some of the causes, however, for the decline of old industries were weaknesses inherent in the industries themselves. Other causes can be traced to the changed conditions in which Lebanon found itself after the war. Among the most important factors, however, that were responsible for the decline of old industries were some external causes which enhanced the structural transformation of Lebanese industry a great deal. A brief survey of

---

1. G. Hakim, op.cit., p. 125.

some of these factors will provide a more complete understanding of the general industrial situation during that period.

1. Foreign Competition

In spite of the general low cost of native labor as compared with that of foreigners, local products had rather crude ~~austere~~ rivals to compete with. Foreign products, because of their low prices made possible by large-scale production, competed very successfully with native products and not a single Lebanese industry could escape the consequences of such competition.

2. Westernization of Modes of Life

The adoption of western modes of life, which gained special momentum during the mandate period, also helped in shifting the demand from local to foreign products. Native industry could not adjust itself quickly to the new western-oriented demands and, as a result, a popular belief grew up that western goods were far superior in quality. Now since these changes in the modes of living were not restricted to Lebanon but were also extended to the other Near Eastern countries, the demand for oriental products were generally reduced, thus severely affecting Lebanese exports of such goods as well as the local consumption.

3. Tariff Barriers

Lebanon and Syria before the First World War used to supply the various parts of the Ottoman Empire with manufactured goods.[1] After the war the open markets of the partitioned

---

1. M. Nsouli, op.cit., p. 76.

Ottoman states were protected by tariff walls which proved very detrimental to the old Lebanese industries. However, tariff barriers should not be overemphasized as a cause for the decline of the old industries, because even with low tariffs, Lebanese products could not be expected to compete with foreign products even in neighboring states.

4. The World Depression

The great economic depression also had its effect on the Lebanese economy. It reduced the purchasing power of the Lebanese people by curtailing such invisible items as tourism and emigrants' remittances. Also the prices of some of Lebanon's visible exports, i.e., agricultural products, dropped considerably. This reduction in purchasing power had its greatest impact on the village peasantry and the lower middle classes who constituted the bulk of potential purchasers of the relatively cheap local products. On the other hand, because of the general depreciation of foreign currency (the sterling and the dollar,) the prices of foreign products fell considerably and thus intensified the competition in the internal market and made it extremely difficult for traditional Lebanese industry to survive.

5. The Rise of Modern Factories

The rise of modern factories played an important part in the further decline of old industries. These new enterprises, as mentioned earlier, being more efficient started to compete with the old establishments and naturally drove a lot of them out of business. The first and most serious effects of

this tendency was the increase in technical unemployment of workers who had been engaged in the older industries.

It was not until 1930 that industrial activity began to manifest itself clearly. Before that date industrial development was rather slow in spite of the different measures that had been taken to aid such development. The first of these measures was in 1924 in which industrial machinery was exempted from custom duties by means of a refund after installation.[1] The second, in 1926, was the raising of the general tariff from 15% to 25%.[2] These two measures were followed in 1928 by a reduction in custom duties on imported raw materials and industrial equipment.[3] All these measures favored a rapid development of Lebanese industry along modern lines, and as a result, new well-developed factories sprang up in urban centers. A rapid development was indicated by the increase in the number of industrial establishments during the thirties. Compared with 400 plants mostly of primitive type in 1930, the figure in 1939 increased to about 900 establishments having modern equipment.[4]

This trend towards modernization was not confined to old industries alone. Entirely new industries were also founded during the period between the Great Wars.

---

1. G. Hakim, op.cit., p. 130.
2. Ibid., p. 130.
3. M. Nsouli, op.cit., p. 77.
4. Ibid., p. 78.

C. During and After the Second World War

With the outbreak of the Second World War, Lebanese industry found new opportunities for further expansion. The sharp curtailment of foreign imports, coupled with an increase in demand for local products brought about by the presence of allied forces, led to further developments in Lebanese industries. Expansion was also promoted by the war-born ease with which necessary raw materials could be obtained from neighboring Arab countries who suddenly had an excessive supply due to restrictions against overseas exports. Also during the war years, the Western powers deliberately encouraged the development of industries to replace foreign commodities blocked from the Middle East by restrictions on sea communication.[1]

This growth however, was handicapped by the political situation in Lebanon between 1941 and 1944 which enervated all opportunities for industrial development during that period. Compared with an increase of 74 new establishments in 1940, there was practically no increase in 1941 and only 28 new plants were established in 1942.[2] This unnatural stagnation of Lebanese industry was presumably imposed by war time conditions, ~~was mainly caused by fear of the risk involved in the importation of foreign machinery.~~ By 1944, ~~when such imports were no longer considered too risky~~ importation of foreign machinery had become possible again and Lebanese industry witnessed an unprecedented growth.

---

1. Alfred Bonné, State and Economics in the Middle East, (London: Kegan Paul, Trench, Trubner and Company Ltd., 1948), p. 302.

2. M. Nsouli, op.cit., p. 78.

But even this revival was soon struck an unexpected blow by the sudden termination of the custom union arrangement between Syria and Lebanon in 1950. Though Lebanon lost one of its primary markets, it was able to recover by adjusting its productive activity in such a way as to compensate for the loss of the Syrian market. What facilitated this process of adjustment was the nature of products in which each country was specialized. While Lebanon on the whole concentrated on manufacturing the more expensive type of products for consumption in both markets, Syria's specialization was more or less in the cheaper type of manufactured goods designed for local consumption.[1]

That the consequences of the termination of the Syrio-Lebanese pact were not too detrimental, is indicated by the findings of the Ministry of National Economy in 1950 in an inventory of Lebanese industry. The figures show that there were about 1285 establishments excluding concessions (such as the Tobacco monopoly), public utilities (such as electric power stations), and handicrafts (that do not use mechanical power), at that time. This sudden rise in industrial activity calls for examination of the importance of such development and the role that industry plays in the Lebanese economy today.

III. THE IMPORTANCE OF LEBANESE INDUSTRY

One of the major problems of the Lebanese economy is that of a rising density of population in relation to the available agricultural land. While intensification and diversification of

---

1. This definition of the situation is the result of a general impression gathered from the writings of such persons as M. Nsouli and G. Hakim frequently cited in other passages.

cultivation and increased production would help to feed the population and provide more gainful occupation, agriculture alone, cannot absorb all the population since the cultivable lands in Lebanon are limited. It is, moreover, recognized today that even predominantly agricultural economies need the support and stimulus of other economic activities if they are to prosper. "An economy which relies entirely on agriculture is at the mercy of the vagaries of world production and lacks the stability provided by alternative and complementary systems of production."[1] It is also widely accepted that if the productive forces and skills of any country are to be given their full potential, much greater diversity of economic activity than is actually provided by the pursuit of agriculture alone, becomes essential.

In this section the role that each the agricultural and industrial sector plays in the economy will be briefly presented. Only by so doing can we give an adequate treatment of the importance of Lebanese industry in general. The trade sector in the economy will only be given passing mention.

A. The Role of Agriculture in Lebanon's Economy

Although commerce and trade form an important part of Lebanon's national income, they provide an occupation for only a small proportion of the population. On the other hand, though her industry is growing in importance, it still plays a

---

1. A. Gibb, The Economic Development of Lebanon, (London: Knopp, Drewett and Sons, Ltd., 1948), p. 17.

rather minor part in her economy relative to that of agriculture. The inescapable fact is that agriculture, which provides today a livelihood for about one half of her population, continues to be the basis of the Lebanese economy.

Table 1 shows the gross and net income derived from the agricultural sector for the years 1948 and 1949. A study of the table reveals some interesting relationships, the most important of which are the following:

1. Agricultural crops and mainly fruit products make the highest contribution to the national income from the agricultural sector. This is because the Lebanese climate as well as its soil is highly suitable for fruit growing. And it is the considered opinion of experts that "the encouragement of this line of agricultural production should perhaps occupy a favorable position in the future development programs of the country."[1] In terms of potential fruit processing industries this may have considerable general industrial growth significance.

2. Animal products as a source of income constitute an important part; it ranks next to fruits. But unfortunately costs involved in procuring animal products are very high, which at present is hindering its development.

3. Forestry, silk and fishing, on the other hand, constitute minor sources of income. However, while silk is inevitably a declining industry, forestry and fishing promise

---

1. A. Badre and A. Altounian, "Income Arising in the Agricultural Sector", National Income of Lebanon, (Beirut, Economic Research Institute, 1951), p. 5.

to have a bright future. With proper technical development, they can lead to a significant increase in the net income from this sector.

4. Finally, the table shows that although physical output had increased in 1949 over the previous year, money income arising in the agricultural sector in 1949 stood at a lower figure than in 1948. This was caused by the decline in the prices of agricultural products. When the product of 1949 is expressed in 1948 prices, net income increases to a higher level than in 1948. It is interesting to note, however, that costs of 1949 show a greater decline than do prices. This may be an indication of a slightly higher rate of profits from agricultural production for 1949.

The foregoing paragraphs have shown the relative importance of each kind of product in the agricultural sector and have perhaps indicated the probable line of future agricultural development. "If one accepts the estimates of the Ministry of Agriculture that about 50% of the population depend on land, the per capita rural income will then manifest a sharply depressed level. It will amount to L.L. 240 per person."[1] Such a low income figure can mean either low productivity or a high density of population on the cultivable land. The likelihood is that the agricultural economy suffers from both over-population and low productivity. In any case, schemes for the agricultural development of the country must

---

1. Ibid., p. 8.

have an increase of productivity as a primary objective and undoubtedly few long term benefits can be realized without the institution of some population controls. The impossibility of greatly expanding the area under cultivation, combined with an increasing population which must be fed and whose standard of living must be maintained, can be met only by producing more from the same amount of land. Increased productivity must therefore be obtained by more intensive cultivation and by the implementation of new techniques. Another part of the solution obviously lies in the transfer of underemployed agricultural workers into the industrial sector of the economy and other more direct population controls.

B. The Role of Industry in Lebanon's Economy

With economic progress and development, the role played by agriculture in any country shows a relative decline as far as national income is concerned. The case is just the opposite when we speak of industry. As the most recent computation of the national income arising from the industrial sector shows, there is a steady increase from about L.L. 113 million in 1948 to L.L. 118 million in 1949, and L.L. 120 million in 1950. Lebanon is taking the road toward industrialization. The difference between the income derived from the agricultural and industrial sectors is decreasing year after year. While the income at factor cost arising in the industrial sector in 1950 amounted to 137 million, that of the agricultural sector amounted to 176 million. "The fact that there is no substantial

difference in the size of the incomes of the agricultural and industrial sectors is indicative of a wide disparity in the per capita incomes arising in each, for it is estimated that approximately 50% of the population derive their main income from agriculture, while probably not more than 10% derive their main income from industry."[1]

Table 2 which gives income arising in the industrial sector, shows the following tendencies:

1. 1950 industrial prices as a whole were higher than those prevailing in the two previous years.

2. Food processing, textiles and non metallic minerals stand out as the most important of the industrial sector. "As is expected in a country which is in its early stages of industrialization, such industries providing for food, clothing and shelter are likely to be of considerable weight in the economy."[2] These three industries alone generate a net income equivalent to about 62% of the total income arising from the industrial sector, excluding handicrafts and concessions.

The above considerations have indicated that Lebanon's rising population density and the numbers that are unable to find occupation on the land make it essential that alternative means of livelihood be found. In response total income derived from the industrial sector is showing a steady increase

---

1. A. Badre and A. Nasr, "Income Arising in the Industrial Sector," National Income of Lebanon, (Beirut, 1953), Monograph No. 3, p. 23.

2. Ibid., p. 24.

year after year, and the number employed in industry is showing the same tendency.

For these reasons we are of the opinion that Lebanon's economy, although it must for the coming few years continue to be basically agricultural from the sociological point of view, will continue to be supplemented and diversified by the development of industry.

TABLE 1

GROSS AND NET INCOME FROM AGRICULTURE[1]

(Unit - L.L. 1000)

Gross Income	1948	1949	1949 at 1948 prices
Agriculture crops	160,412	148,304	167,647
Forestry	1,090	1,213	1,400
Silk	1,143	840	998
Animal Products	28,262	25,158	28,783
Fishing	2,810	2,546	2,670
	193,717	178,061	201,498
COSTS			
Agriculture	10,213	7,365	11,051
Livestock	14,315	11,235	14,262
Fishing (25%)	702	636	668
	25,230	19,236	25,981
NET INCOME AT MARKET PRICES	168,487	158,825	175,517

1. A. Badre and A. Altounian, op.cit., p. 6.

TABLE 2

INCOME ARISING IN THE INDUSTRIAL SECTOR[1]

(In L.L. 1000)

INDUSTRY	1948	1949	1950	1949 At 1948 Prices	1950 At 1948 Prices
Manufacturing Industries					
Food	31,886	36,900	30,123	39,315	31,226
Beverages	5,349	4,591	5,603	4,360	4,998
Textiles	20,702	19,669	17,702	14,898	14,373
Wearing Apparel	1,224	1,305	1,193	1,499	1,098
Wood and Cork	1,191	990	1,640	1,021	1,639
Furniture	5,969	6,050	6,232	6,084	5,910
Paper	286	122	548	121	538
Printing	2,281	2,418	2,720	2,546	2,719
Leather	5,055	5,720	6,229	5,885	6,327
Rubber	668	1,348	1,434	1,597	1,823
Chemicals	8,375	6,270	7,941	7,337	10,101
Non Metallic Minerals	10,148	11,049	13,461	10,958	13,381
Metal Products	2,527	2,885	6,496	2,837	4,402
Machinery	984	1,765	1,939	2,184	1,259
Electrical	655	532	815	751	1,000
Miscellaneous	885	1,639	1,774	1,649	1,755
Concessions and Public Utilities	15,030	14,557	13,862	14,357	13,862
TOTAL MANUFACTURING INDUSTRIES	113,196	117,604	119,712	117,399	116,491
Handicrafts					
Carpenters	8,016	6,177	6,458	7,109	5,976
Shoemakers	5,538	5,334	5,010	6,169	4,586
Tailors	6,227	5,778	5,355	5,666	5,247
Misc. Handicrafts	733	655	806	651	772
TOTAL HANDICRAFTS	20,514	17,944	17,629	19,585	16,581
GRAND TOTAL	133,710	135,548	137,341	136,984	133,072

1. A. Badre and A. Nasr, op.cit., p. 19.

III. MAIN WEAKNESSES OF LEBANESE INDUSTRY

In spite of industrial expansion and the privileged position in which Lebanon has found itself since the last war, there are still certain obstacles that hinder further industrial development. This section attempts to examine in a brief and general manner the main weaknesses or obstacles to such development.

A. Shortage of Capital

Because of the prevailing, relatively high rates of interest compared with more developed countries, there is a general shortage of capital in Lebanon. This situation is mainly due to the competition of investors, such as traders and financiers for short term loans. Moreover, the element of risk which is always present in young and developing industrial enterprises, makes it difficult for entrepreneurs to obtain low interest loans.

It seems, therefore, that despite the potential abundance of short term capital, and despite the relatively well developed money market in Lebanon, there is still a shortage of that type of long term capital which is specifically suitable for industrial investment.[1]

B. Markets

Due to the limited purchasing power of the people in the Middle East, the growth of industry in Lebanon has been somewhat restricted. The internal markets of Lebanon are small

---

1. E. Asfour, "Industrial Development in Lebanon," Middle East Economic Papers, (Beirut, Economic Research Institute, 1955), p. 5.

and external markets are becoming difficult to command for reasons of competition and also because every country now is in the process of developing its own industry.

As mentioned earlier, Lebanon lost a natural market for its industrial products with the break of the customs union with Syria in 1950. In spite of this termination of preferential customs treatment accorded to Lebanon by other neighboring countries, the country's products seem to enjoy an advantageous position in the area as a whole.[3] However, if they desire to compete more effectively with new rival products, a higher quality must be achieved.

C. Skilled Labor

Lebanon has a number of skilled artisans and other workers who have acquired their skill as a heritage from many generations of their forefathers. The fact cannot be denied that these men are efficient in their traditional fields but, on the whole, the labor of the country is inefficient and instable in nature.[1] This fact is reflected in low wages, in a wide wage differential as between skilled and unskilled workers, and in a relatively low quality of many goods produced locally. A wage survey of 1951 showed that average wages of skilled workers for all industries reached L.L. 603 per month compared with L.L. 134 for other male workers and L.L. 54 for women.[2]

That there is a possibility of improvement there can be no doubt, and stability of employment and improved working

---

1. A. Gibb, op.cit., p. 129.
2. E. Asfour, op.cit., p. 5.
3. Ibid, p. 6

conditions, along with technical and vocational training, should in the long run serve as obvious remedies for this situation.

D. Entrepreneurship

Another aspect of skill which is considered by some as a "missing link"[1] in the economic growth of the Arab States and which constitutes a main weakness in the development of Lebanese industry is the absence of a sufficient supply of trained and specialized entrepreneurs or managers.

The ease of making profits during the Second World War encouraged the inexpert and inexperienced to launch out into new enterprises with little sound managerial ability. This inevitably provided uneconomic competition with the better established and more experienced firms. However, the success and shrewdness which some businessmen have already displayed in trade and finance, and the gradual experience they are gaining today in the industrial field itself, leads one to suggest rather hopefully that the Lebanese business man will in due time adjust himself to the changing requirements of industrial enterprise.

E. High Cost Structure

Besides the limited supply of local resources, especially electric power and mineral oil, most raw materials for a number of reasons are maintained at artificially high prices. All

---

1. A.J. Meyer, "Entrepreneurship: The Missing Link in the Arab States," Middle East Economic Papers, (Beirut; Economic Research Institute, 1954), pp. 121-132.

processes of production are costly when compared with other industrial countries. And this high cost structure which characterizes almost all sectors of the Lebanese economy is considered as a major drawback to be overcome if industry is to prosper.

Again the consequences of such high costs will be undermined once the execution of such schemes as the Litani River Power project is actually put into effect. By supplementing the available electric supply, such a project will satisfy a vital need by providing cheap electric power and thus open to industry new possibilities of expansion.

F. Official Policy

~~The absence of an enlightened~~ It appears that existing governments policies during the war had serious consequences for the growth of Lebanese industry. Even in some cases where a particular policy was enacted in the hope of fostering trade or finance (such as the free exchange policy), ~~a relatively backward or immature governmental policy in general has~~ other conditions made it more difficult for local industry to compete effectively with foreign products at home or to expand its exports abroad.[1]

None of the above mentioned difficulties that face Lebanon's industry are insoluable. An enlightened government policy in the form of a reasonable system of protective tariffs, and conclusion of bilateral trade agreements with other countries, should contribute vastly to the healthy growth of ~~infant~~ new industries and lead to a more efficient industry in the future.

---

1. E. Asfour, op.cit., p. 4.

CHAPTER IV

THE SOCIO-CULTURAL BACKGROUND OF LEBANESE INDUSTRY [1]

An inevitable result of group living; indeed, whenever people get together - whether in the workplace or the broader community - there tends to emerge patterns of social sentiments and behavior which have a strong influence on all subsequent attitudes and behavior of the group members. Employers, being members of a social system, acquire certain modes of behavior and certain attitudes and expectations with reference to the workers in general. Since a manager usually carries these sentiments and expectations with him inside the factory, it is important to us, in understanding human relations in industry, to know something about the cultural-normative patterns that an employer acquires outside the factory setting. These attitudes toward work and workers are subject to strong influences from such external factors as class status, changing patterns in the community life, and political and religious differences. Unfortunately, too little industrial research in Lebanon has been directed toward understanding the aspects of culture most critical to the study of industrial relations. Such analysis would do much to highlight changes in attitudes and the socio-cultural factors affecting them.

In presenting a full picture of the background of Lebanese industry it is necessary, therefore, to embrace not

1. The materials in this chapter are admittedly impressionistic in nature.

only the economic aspects, but also take into consideration the socio-cultural background of the prevailing industrial system. The first concern to be taken up here will be the broader sentiments and basic values which characterize the Lebanese culture.

I. THE LEBANESE CULTURE: BASIC VALUES

Although the basic value systems of the Lebanese culture are vague and sometimes ill-defined, they constitute powerful motivating forces in all areas of that society. There has been little values research and consequently little agreement exists among scholars as to the definitive nature of Lebanese values and value systems. The suggested value orientations to be presented below are but general impressions, which may well be, and probably are, colored by the author's personal judgments. But it is hoped that these reflections will obtain some empirical foundation in the forthcoming results of this study; and that they will, therefore, at least provoke serious thought in directions where there has been little emphasis previously.

A. Family Loyalty

Most probably the outstanding characteristic of the industrial pattern in Lebanon is the continuing dominance of the family firm. "Deeply rooted in Eastern behavior, family loyalty has naturally had great effect upon economic life".[1]

---

1. A.J. Meyer, op.cit., p. 125.

Economically speaking, the extended family is sometimes regarded as the basic social unit. And since the average business unit is usually small, employing around eighteen, business is often regarded as a family affair.

This narrow conception of the business as a family affair has led many employers to view their firms in much the same way as they view their private house and estate. Moreover, the focal position that the family occupies in Lebanese culture and its unshaken internal loyalty is also reflected in the lack of any broader sense of social responsibility among many industrialists. "They seldom come to realize that a firm is a social institution in so far as it could not function without employees, customers, local community, and the government which grants it the right to transact its affairs."[1] Foremost, their loyalty is to the family, and since the firm is in most cases the family's primary source of income and social prestige, it must be run in such a way as to give precedence to the family's interests over any other social responsibility.

The research to be reported herein investigates the extent to which family loyalty and associated attitudes affect the process of delegation of authority. It is implicit in the writings of many observers that when business affairs are regarded primarily as family affairs, then naturally the most important decisions are apt to fall within the domain of the family. This in itself is seen to create an underlying resistence to the whole principle of delegation of authority.

---

1. A.E. Mills, "Economic Change in Lebanon", Middle East Economic Papers, (Beirut; Economic Research Institute, 1956), p. 80.

Another derivative effect of family loyalty is the prevalence of nepotistic discrimination which has become an outstanding characteristic of the entrepreneurial pattern in Lebanon.

B. Cosmopolitan Outlook

The favorable geographical location of Lebanon has helped its people develop an international outlook and an extraordinary facility for adjusting to new variant situations and a diverse mixture of cultures.

This facility of adjustment is partially explained by the continuous stream of emigrants that have flowed from Lebanon to all corners of the world during the nineteenth and twentieth centuries. A few of these emigrants return to their homeland after making a fortune; the majority who do not return keep always in touch with their relatives at home. In either case, emigration has served as a route for the flow of money and ideas into Lebanon. This tendency, besides facilitating contact of Lebanese residents with the outside world, has also played an important part in the enhancement of Western education in Lebanon more than in any of the surrounding Arab countries.

As a result of the extensiveness of modern Western education many Lebanese today have developed the skill of communication in English and French with often, and not unusually greater proficiency than they have in Arabic. "This tendency toward bilingualism is perhaps a characteristic of

the Lebanese world outlook, but in turn it is a force which fosters and fortifies such outlook."[1]

This deeply entrenched cosmopolitan outlook has had many effects on the development of Lebanese industry along Western lines. It rendered the whole process of adjustment to the new evolving modes of production more compatible, counteracted though it may be by family loyalty patterns.

C. Mediator Attitude

Another deep rooted value orientation which probably conditions the mentality of Lebanese managers is the persistent survival of the Oriental attitude that the mediator is the "good man" in society, although not necessarily the leader. In industrial activity such an attitude reveals itself in the middleman mentality as opposed to the rational type of leadership that typifies the most successful industrial enterprise. This attitude does little to produce more goods and services from within the society.[2]

D. Mercantile Mentality

The ease of making fast profits during the Second World War has fostered the flourishing of a mercantile mentality. The desire for wide margins of quick profits and the opportunistic desire to take advantage of the prevailing market conditions led many industrialists to pay little attention to

---

1. A. Badre, "The National Income of Lebanon," Middle East Economic Papers, (Beirut: Economic Research Institute, 1956), p. 37.

2. A.J. Meyer, op.cit., p. 129.

the general problems of management, planning, and long-term risk hazards.

That this mentality is still characteristic of Lebanese business men has been indicated by Prof. E. Terry Prothro's recent studies in stereotypes. Among the ten adjectives most frequently assigned by 90 Beirut businessmen to the Lebanese character, "mercantile" ranked highest. Thirty nine percent of the respondents used this adjective in describing Lebanese character, a result which significantly showed considerable similarity to the stereotypes of a sample of university students in the same city.[1]

E. Spiritual Outlook

Many observers have attached even greater significance to the basic and widespread religious attitude of the Lebanese people in general. "The totality of life is permeated with religion which holds supreme sway over the great majority of the population."[2] Religion is considered as a fundamental and guiding force in most aspects of life. Morality, which appears sometimes in the guise of religion, also finds considerable expression in economic and business transactions where the supreme good a man can acquire for himself is of moral

---

1. E. Terry Phrothro, "Studies in Stereotypes: IV. Lebanese Business Men," The Journal of Social Psychology, 1954, 40, pp. 275-280.

2. Raphael Patai, "The Middle East as a cultural Area", The Middle East Journal, Vol. 6, Winter 1952, p. 18.

quality.

There is a direct yet subtle relationship between such a spiritual outlook and the extent of traditionalism in the society. In a way, most customs and traditions are basically religious; for whatever is customary and old is hallowed by religion. Thus the absolute adherence to conventions and the expression of conservative attitudes cannot be divorced from the force of religion.

A fundamental spiritual outlook is also reflected in the deeply entrenched attitude of fatalism which is said to dominate the minds of most members of the Lebanese society. Such an ultimate reliance on fate instead of science and man's efforts to shape and determine his own destiny undoubtedly has many repercussions on the type of attitudes that entrepreneurs and industrial managers adopt.

F. Hierarchical Status-Consciousness

Observers in Lebanon have often noted a general tendency to emphasize hierarchical relationships with special stress on the superior-subordinate type of interaction. In contrast little stress on collateral patterns of association is suggested. Such consciousness will express itself in the working place where the formal and informal structures of any organization depend to a great extent on the volatile nature of face-to-face interaction.

To some extent, "the employer's attitude to his workers is one of superiority, a legacy of the feudal system which still persists, in spirit if not in form, in most Arab countries,

including parts of Lebanon."[1] The effect of this masterserf mentality on the productivity and morale of workers must not be overlooked or underestimated.

G. Hostile Environment.

Another peculiar orientation which is being manifested is nearly all forms of behavior, is the presupposition that the environment is hostile; that people outside one's family or group are generally hostile and may take advantage of one another at any time. The belief in the mysterious power of the "evil eye" is simply a supernatural elaboration of this irrational type of feeling.[2]

As a result a great deal of action and decision making inside and outside of organizations, takes place in an atmosphere of prudent cautiousness. Such an atmosphere often breeds an attitude of suspiciousness which in itself fortifies a sense of alertness in watching for dangers or risks, or cunning in escaping them or protecting one'self. Managers and workers alike have been so embedded in this atmosphere that each group now is often singularly motivated by the intention of looking after its own interests lest the others take advantage of what each has to offer. The outside (extra-national) "boss" is welcomed by all factions because of their belief that he will be at least impartial, unapproachable through religious, familial,

---

1. A.E. Mills, op.cit., p. 10.

2. From lectures on Modern Arab Society presented by Prof. Thomas A. Matthews, American University of Beirut.

political or national ties; and this state of affairs again supports and is supported by the "mediator mentality" defined previously.

H. Personal Liberty

Among the more subtle yet pervasive themes in the Lebanese culture, although there is considerable disagreement on this point, is the development of a strong appreciation of personal liberty. Considering their historical background of persecution and ostracism it would not be surprising if the inhabitants of Lebanon did at times appear obsessed with an appreciation of individual freedom. This historical seeking of personal liberty is a reaction which is not only restricted to religious freedom and the freedom of public opinion, but is manifested in almost all phases of life. In the economic and industrial sphere it has meant a perpetual opposition to the establishment of a strong centralized government for controlling or planning economic activity. The structure of the Lebanese economy is such that it has sustained an increasing number of private enterprises. There are few exchange restrictions, and international trade is practically free from control.[1]

These and many other similar manifestations of this deeply entrenched urge for personal liberty have contributed effectively to the creation of a competetive and free atmosphere conducive to the development of industry in various forms and along different lines.

---

1. A. Badre, op.cit., p. 45.

When the factory is treated as a social system, it is apparent that a major aspect of such a social system is its normative pattern which consists of a series of expectations relative to particular types of action and to the individuals performing roles in the action system. Talcott Parsons feels that the primary integration of the social system is based on an integrated system of generalized patterns of "value-orientations".[1] It is these value-orientations which define the allocation of roles, and to a great extent, condition the attitudes of managers. In the light of these observations important value-orientations of the Lebanese society which are thought to have some bearing on the hypotheses of this study with regard to expected management attitudes in Lebanon have been presented.

II. STATUS DISTINCTIONS

The previous section dealt with basic value orientations which are thought to characterize the majority of Lebanese on nearly all levels of society. Considerable agreement among different managers is to be expected on these orientations although the form of expression may vary. However, differences in attitudes and behavior among the various segments of the population must not be overlooked. Differential class behavior and differences in attitudes of persons belonging to a different

---

1. T. Parsons, The Social System, (Glencoe, Ill.: Free Press, 1951), p. 11.

level of the status hierarchy is to be anticipated. It is apparent also that one of the characteristics of business and industrial organization is that they bring together persons of varying class backgrounds. It becomes of importance in studying the attitudes of managers, to examine briefly the different factors that may bear upon variation in status and class-consciousness in Lebanese society.

A. Type of Work

Most readily observed is the sharp distinction based on type of work, one of the most striking examples of which is the distinction that is clearly made between office, or "white-collar", and factory jobs. Somehow the man who sits at a desk, and who works with pencil and paper, is felt to be superior to the one who works with his hands at work benches or machines. The impact of such a distinction on the attitudes of managers must not be underestimated.

Ever present are the expressions of the feeling of the superiority of the office workers, and the so-often voiced attitudes of employers to the effect that shop workers are "dumb" and "uneducated". Office workers avoid contact with the shop, and try their best to evade being transferred to shop jobs. This tendency to look with scorn at factory workers inevitably results in fixed prejudiced attitudes.

B. Sex Distinction

In addition there is a sharp status difference between men and women in Middle Eastern society. The woman may be

fully respected as wife and mother in the home, but when she ventures into the man's world of industry she must take a back seat. Men still feel themselves superior and it is a severe loss of status to be placed in a woman's job or to have a woman placed in theirs.

Even at home the marital relationship pattern reveals male dominance and female submissiveness. What is surprising, however, is not so much the pattern itself, since male predominance is characteristic of patriarchal societies everywhere, but rather the extreme conformity of individual couples to this ideal pattern.[1] Such a male-oriented mentality even finds expression from the time of birth of a child. In many parts of Lebanon the birth of a boy is greeted with joy, it is the occasion for lavish festivities, and it evokes the feeling in the family that it has been enriched by the addition of an important new asset. The birth of a girl, on the other hand, is still regarded as one of those inevitable evils.

Brought up under strict paternal authority, indoctrinated with these ideas of being more exalted in dignity and of a superior status than members of the opposite sex, it is small wonder why managements' attitudes towards male and female workers should be marked by sharp discrimination.

C. Type of Wage Payment

There are also status differences connected with pay. To an increasing extent money is felt to be the primary measure

---

1. Raphael Patai, "Relationship Patterns Among the Arabs", The Middle East Affairs, Vol. 2, May 1951, p. 181.

of worth in Lebanese society. The more the individual earns, the greater his prestige. Thus the person who is paid 15 Lebanese pounds a day is somehow more important than the one who gets 10 Lebanese pounds a day. Furthermore, distinctions are based on the way one is paid, the factory worker is on the daily pay roll, the office worker on the monthly pay roll and so on.

D. Prestige with Age

Prestige and age are directly related. The old-timer either in years or service with a certain company stands superior to the newcomer and to the young and inexperienced. Age is still considered an asset to be honored in Lebanese society, so that the eldest always stands in a better position regardless of individual merit. The older the person becomes, the more he grows in esteem, and the greater the weight his opinion carries.

As the new generation with its greater degree of specialized training enters the labor market in search of employment, they are often frustrated by the existence of the older conservative people who hold the officerships and authoritative jobs. This clash between the young and old is reaching its highest peak in the present decades. The young who are fresh out of trade schools, colleges and universities are very eager to exercise their knowledge and skills. The old, fearing the competition of ambitious youth, do their best to exert their authority at the expense of the younger generation.

In such an atmosphere it seems very probable that managements' attitudes would reflect the status differences associated with age.

F. Class-consciousness

The most significant differences in attitudes among employers do not only arise from sex and age distinctions. Actually, social class differences within the Lebanese society are far more important in creating differential attitudes and behavior among managers. Although there have been no studies of Lebanese society to delineate the extent of this class-consciousness, any keen observer can readily depict a well-defined class system. In general, the pattern shows some variations especially when one takes into consideration the community structure of Lebanon which ranges all the way from tiny isolated rural villages to quite large urban centers. However, a more specific examination of the urban centers and especially Beirut indicates that social classes follow somewhat similar lines from one community to the next.

At the top of the class hierarchy, are the old aristocratic families - the "blue bloods by birth and wealth". These are the people whose families have occupied positions of power and prestige in the society for generations. In most cases, they inherit their status by birth. They live in large homes or mansions in the most exclusive neighborhoods of Beirut. Altogether, their status and position in the society is assured; although others of lower status may resent them,

they nevertheless recognize such families as the "old aristocracy".

Below them is another small group of people with whom the old aristocratic families are willing to mix, however, not without some reluctancy. These are the persons whose monetary assets are large and of fairly recent origin. They also have acquired the social manners required to live with and act like the old aristocracy, but they have not been in aristocratic society long enough to expect equality. They are, in a sense, the rising "new aristocracy" or "nouveau riche". Both of these groups know full well, that while a certain amount of wealth is necessary, lineage and family background are what really matter. There are several old aristocratic families in Beirut not as financially solvent as the nouveau riche. Economically speaking, they can no longer afford the luxurious obligations formerly owing to aristocracy, but they are still regarded by society as such.

Clearly distinct from this "aristocracy", is another somewhat larger group of relatively well-to-do families which constitute the upper-middle class of the society. Some families in this class are among the wealthiest groups in the community. On the other hand, they usually place very little importance on lines of descent or family background.

The three groups just described represent the top crust of the Lebanese society, or better still, the metropolitan community of Beirut. Although they include only a slight

portion of the total population,[1] they hold the most respectable and powerful positions in society.

Below the top crust is what might be called the "common-man" level, composed of clerks, small tradesmen, and a few skilled workers. Then moving down through the increasingly less "respectable" working classes - the very poor, floating and shiftless workers are found at the bottom. The top of the commonman level is the lower-middle class which represents the largest segment of the Lebanese society. In most cases people belonging to this group like to think of themselves as being like the upper-middle class but lack the money to live and act like members of that group.

The lower class of Beirut communities can be divided into two more-or-less distinct groups. First there are the poor workers - mostly semiskilled and unskilled employees in industry, who work steadily and make a real effort to provide a living for their families. The second group are those at the very bottom of the social hierarchy. They are completely economically insecure and depend mostly on foreign aids for their subsistence. In Beirut the majority of this group are refugees living in camps or tin-houses, and they can hardly be regarded as an integral part of the community as a whole.

All these differences between diverse social strata do not preclude the existence of attitudes which all or most

---

1. No reliable figures available.

citizens share and hold in common. Earlier in this section we have reviewed a number of basic beliefs and value orientations common to the majority of Lebanese from all walks of life. There appears to be a Lebanese pattern which cuts across class lines; and although it can be variously interpreted at different class levels, it is nevertheless sufficiently distinct to bind the society together and provide its value system in terms of which life problems are viewed and solved. At the same time the significance of class distinctions should not be underestimated, for they lend specificity to the type of attitudes and behavior people adopt in the work-place as well as in the community.

III. CHANGING PATTERNS IN THE INDUSTRIAL COMMUNITY

The attitudes of Lebanese managers are also being shaped by changing patterns in the industrial community as Lebanon undergoes the process of industrialization. The early stages of mechanization associated with insipient industrialization are not accepted without some opposition. The traditional modes of behavior are being continuously disrupted and the typical pattern of Lebanese life today is one of conflict between east and west, between the conservative legacy of the past and the radical potential of the present.

A few decades ago, Lebanon as well as the other Middle Eastern countries, was characterized by a fairly autonomous value system. Its heritage of a unique system of life was hallowed by religious faith. But that belief and value system of Lebanon could maintain its grip only so long as no external

values were introduced and competed for support. In the first half of the 20th century Lebanon has been greatly exposed to many external influences which have lead to vast social and cultural change, and the changing patterns in the industrial community are largely a reflection of the impact of what is often called "westernization".

The disruptions in the social system have been numerous, but we shall limit our discussion to those areas that probably have had a definite influence on the attitudes and general outlook of industrial managers. Part of the analysis in this section will be based on the orientation of W.E. Moore in his book Industrialization and Labor.

A. Loss of Socially recognized skills that give security

Some of the most pervasive effects of industrialization result from the loss of traditional forms of livelihood that formerly provided the main sources of prestige and security. "It is typical especially of the first impact of new economic patterns that they threaten or disrupt the previous social relationships, while not immediately supplying new security devices in their place."[1] Prior to the establishment of the factory system a skill hierarchy dominated the lives of independent artisans and helped establish their prestige in the community. The introduction of the machine into most parts of the production process largely destroyed the skill hierarchy.

---

1. W.E. Moore, Industrialization and Labor, (New York: Cornell University Press, 1951), p. 21.

Previously, Lebanese craftsman not only found physical security in their domestic system of production, but also psychological security because of the close integration of the work life with the rest of their social life. Within his work the craftsman acquired virtue, prestige, and respect. As he aged he climbed upward and having reached the top, he taught those who were younger. The younger looked up to him as he had previously looked up to his teachers.

Slowly this way of life has degenerated as the machine has usurped the virtue and respect once held by the particularized independent craftsman. At the same time the traditional skill hierarchy has become obsolete, but this occurs long before the actual skills have become non-existent or the value system based upon the skill hierarchy has been abandoned. The result is considerable and widespread personalized resentment of the demands of mechanization throughout the young industrial economy. This resentment finds little or no constructive outlet and expresses itself impotently largely in the form of absenteeism and an instable labor market. It would be surprising if management did not resent the negativism and incompetence of labor that results from these definitions of the situation.

B. Loss of "freedom" as an Independent Producer

Closely connected with the above problem is another obvious impact of the industrial process which manifests itself in the sacrifice of individual freedom of the independent artisan or craftsman. Not only is decision and policy making

rationalized and bureaucratized, it is increasingly centralized. With advances in technology and the development of big-city factories, and in spite of an ever increasing division of labor, the mobility of the specialized worker has declined. He does not climb a skill hierarchy but rather acquires a skill and builds his life around it.

The productive organization of the rising industrial system rests upon a complex impersonal type of relations, which may give rise to abuses of authority. Moreover, the worker in an assembly line system of production can no longer identify his own contribution with the final product and therefore many lose interest and motivation. He can no longer derive the same pride and prestige in his work as he used to when he was an independent producer. Management usually fails to fully realize these facts, and consequently fails to consider the need for compensating such losses. A tense and hostile atmosphere very easily develops. Such an atmosphere nurtures attitudes of distrust and resentment on both sides.

C. Failure to Appreciate the New Status System

Not only is the type of status system inherently concomitant with an industrial economy not appreciated by the workers in Lebanon, it lies at the root of much that passes as negative political nationalism and "anti Westernism". The power and prestige classes in Lebanon, as no doubt elsewhere, cry out for the physical benefits they assume will come with indus-

trialization while at the same time condemning any tendency it may have to upset the traditional status structure. If the educated managerial class has not learned "it can't have its cake and eat it too", it is little wonder that the laboring class remains bewildered and resentful of a revolution in their work life that leaves them in a more depressed condition status-wise than before.

This is not solely a function of the conservatism and vested interest protective attitudes of the entrepreneurial class for, as Moore points out, in the early phases of industrialization the labor market is only asked to supply an amorphous mass of undifferentiated hands. Much later the need for skill specialization arises. In Lebanon labor resentment runs particularly high when management imports from the outside the required skilled hands rather than cultivating its own. In short, one reason for the failure of labor to appreciate the new status system is that it is both naturally and deliberately not applied to them.

These three factors are among the most serious obstacles or barriers to the rapid spread of the industrial system in Lebanon. Industrialization, like any other innovation means a marked break in established patterns of social and economic life; it destroys established interests; it requires a system of social values and a cultural milieu quite different from the traditional heritage of the long historical past of Lebanon. In short, it is a thoroughgoing revolution, in the full sense

of the word. And revolutions are not easily adjusted to or controlled. A more difficult task for managers becomes implicit and inevitable. A versatile and highly flexible mentality is required to meet the ever-changing patterns in the industrial community.

IV. SECURITY AND RECRUITMENT

Another pervasive problem in less developed economies such as Lebanon, is the extent to which factory workers show that they are not firmly committed to the industrial system. Lack of security in any firm accompanied by inefficient policies of recruitment and promotion are often causes of many tensions and conflicts. In this section some of the factors that seem to endanger the sense of security in Lebanese industry will be briefly presented. Most of these factors are inherent in the socio-cultural system of the Lebanese society, and as such, they may constitute latent forces in structuring the attitudes of managers.

A. Continued ties to non-industrial pursuits

This situation seems to result from the fact that the newly inducted Lebanese worker still considers his family as providing more security than he is afforded by the new industrial organization. One evidence of this feeling of insecurity in the newer forms of employment may be found in the high rate of labor turnover in nearly all types of industrial organization. Another concrete manifestation expresses itself in the frequency

of absenteeism.[1] There can be little doubt that managements' conception of the worker is heavily influenced by these typical responses to persistent frustration.

B. Cultural Differences

Cultural differences regarding the conception of time, working habits and other customary adjustments provide different cognitive orientations to the system of work. Evaluations of methodical work and attitudes toward punctuality characteristically differ from one culture to another. The clash of cultures in Lebanon, not only between East and West, but also between the French and the Anglo-Saxon offer many vivid illustrations.

The Lebanese workers have had much difficulty in coordinating the different steps required in the complex mechanized systems of Western production. Many of Lebanon's native workers still find it difficult to fit into the time-discipline system more or less inherent in the Western economic activity. And although they differ in no innate quality compared with Western workers, the traditional Lebanese social system contained few complex institutions in which the people themselves were given specialized responsibility. Thus the type of experience they have had, provides little background

---

1. Even though there are not reliable figures to support these statements, many Lebanese industrialists have on more than one occasion complained about the seriousness of both turnover and absenteeism of Lebanese labor in general.

for punctuality and precise interdepartmental coordination.[1]

During the "acculturation" process, where the Lebanese culture is under the impact of an external cultural system, and where this system has not as yet been completely integrated with the Lebanese culture, one could generally expect conflicting attitudes regarding human relations in industry. Such differences in customs, habits and work situations are apt to confuse and stiffle the managers thus rendering it more difficult for them not only to adjust to but even to accept any of these systems.

C. Nepotism and Favoratism

Another source of difficulty is likely to be found in nepotism and favoratism as practised by management, which besides violating the workers sense of justice and the equality in competitive opportunity, may very well create differential and biased attitudes on the part of management.

This problem has been most evident in Lebanon where particularistic ties, and family loyalty are essential elements in the traditional social structure and value system. This affects not only the whole policy of labor recruitment, which commonly follows family lines irrespective of the potentialities or merits of the applicant, but also the opportunities and treatment offered within the factory.

Such traditionally widespread practices which are deeply entrenched in the Lebanese value system, cannot be expected

---

1. Carleton S. Coon, "The Impact of the West on Middle Eastern Institutions", Proceedings of Political Science, Vol. 24, 1952, p. 444.

completely to disappear over night, if ever. And as long as the octopus-like operations of a few influential families still monopolizes the key positions in both private and public organizations, "nepotism will not therefore be eradicated, and it will remain difficult to replace loyalty to family and patron by loyalty to the public service."[1]

D. Political Differences

Closely connected with the preceding problem is favoratism based on party membership or other political grounds. Many businessmen and government officials recruit their workers on the basis of party membership or political affiliation rather than on the basis of merit and efficiency. The fact that a person comes from a particular voting district or that he is a "follower" of a certain political leader is often given first consideration in filling government posts or in staffing industrial enterprises.

Such political discrimination often leads to an ethnocentric-consciousness on the part of managers and they become that much more inclined to develop biased attitudes towards "out group" workers. It should be emphasized that this problem does not only affect recruitment policies, but also the possibilities of advancement and many other human relationships within the industrial enterprise.

E. Sectarianism

One of the most pervasive problems that has become ingrained in the Lebanese mentality, and which is still recognized

---

1. A.E. Mills, op.cit., p. 95.

and preserved at all levels of the social structure is confessional segregation on the basis of religion. It is still the practice, in both private and public institutions, to deliberately maintain a sensitive balance between the members of various religious groups. And in most private organizations employers from a particular sect strive to recruit workers of their own religious denomination.

Conflict between Christians and Moslems over who shall be dominant has, within the past few years, taken new depth and urgency. Convinced that they are now in a majority, some of the Moslem leaders have been pressing for a census to prove their point, a move which the Christian leaders have branded as an attack upon the very ideals and foundations of the country.[1]

It is not surprising, then, that in such an atmosphere of religious consciousness and sectarian antagonism that management should be hypersensitive about sectarian aspects of the recruitment process and labor policy in general.

F. Ethnic Discrimination

Perhaps the most difficult, and yet in a way the least common, form of discrimination within industrial establishments in Lebanon is the practice of ethnic or "racial" discrimination. Even though there is little evidence regarding the intensity or extensity of this factor, it is certainly true that some

---

1. J.G. Harrison, "Middle East Instability," Middle East Affairs, Vol. 5, March 1954, p. 75.

discrimination does exist. For one obvious example, an Armenian employer in Lebanon is more likely to employ of his own ethnic group rather than outsiders. And if it so happens that a factory is characterized by an amalgamation of different ethnic groups, as is usually the case, then management may unwittingly form favorable attitudes towards its own group within the industry.

The preceding discussion has been an attempt to disclose some of the socio-cultural factors inherent in the Lebanese value system which may be anticipated to have some influence on the attitudes of managers. Most of these factors, as was indicated, constitute latent barriers to the spread of industrialization. They render the problem of the adoption of an advanced technology, both in industry and agriculture, more complicated. Thus it would be idle to expect the ignorant unskilled worker, to adopt new scientific and complicated techniques of production overnight. Moreover,"a new scientific outlook developed through education and extension work is required not only for the understanding of Western technology but also for its adaptation to local needs and conditions".[1]

Such a consideration leads to the reassertion of the conviction that the liabilities in the economic development of Lebanon spring not from a lack of resources or potentialities,

---

1. George Hakim, "Economic Development in the Middle East," India Quarterly Vol. 8, 1952, p. 213.

but from obsolete forms of organization.[1] It is not only a question of new technique in industrial production. Lebanon has imported a considerable amount of Western machinery but still lacks the necessary training in human relations needed for their operation. Thus the problem that faces Lebanon today is not reconstruction but development, not recovery of lost traditional values but the adjustment of an obsolete social system to the process of economic change which is underway. To do this requires a readjustment of social relationships especially those between managers and workers. And above all it calls for clear thinking and wisdom on the part of those who are in seats of authority, if successful industrialization is to be realized.

---

1. A.S. Eban, "Some Social and Cultural Problems of the Middle East," International Affairs, Vol. 23, July 1947.

CHAPTER V

METHODOLOGY

This pilot study was originally and primarily an attempt to discover the relationship between managerial awareness of the "human factor" and levels of productivity on the assumption that such awareness in industrial relations is directly related to productivity. Two scales were designed to measure the awareness variable; one concrete or substantive, the other attitudinal. Productivity was to be measured by an established and widely used formula.[1] An interview schedule was drafted and a sample relevant for the purpose of the study was picked, stratified on the basis of cultural background and size. As long as productivity was under consideration as the dependent variable, the study was to be limited to three industries only. During the first three pretests however, it was discovered that the necessary information required for the construction of a reliable index of productivity was unavailable. Such an index requires detailed and accurate data regarding the quantity of product in units, the price per unit and the number of employees over a certain period of years. On the basis of the pretest it became obvious that very few Lebanese managers would be able to make such information available. Furthermore,

---

1. See, W. Galenson, Labor Productivity in Soviet And American Industry, (New York: Columbia University Press, 1955) p. 10.

since the nature of the study required observation of several different types of industry specializing in different products, it became very difficult to work out a comparative index which would take into account differences in the value of products. The alternatives of confining the investigation to a single industry by which type of product might be controlled or to a controlled experiment in one firm were rejected because of limitations they would impose on the scope of the study. Also, because of limitation of time and the difficulties involved in pursuing such a project in Lebanon, the productivity variable, though deemed an important one, was considered incapable of reliable measurement and another variable of equal relevance was substituted for productivity.

The substitute variable selected was the degree of peace that characterizes labor-management relations, this to be measured in terms of the number of labor disputes and general grievances that have arisen in Lebanese industry during the last year.

In this chapter a description of the universe and the general procedure followed in selecting the sample will be briefly surveyed. The interview schedule, which is the central research device adopted for the collection of data, will be presented with a few explanatory remarks as to relevance of the questions to the basic hypothesis under consideration.

I. DESCRIPTION OF UNIVERSE

The universe for this study generally consists of all the plants in selected industries represented by recorded

cases of labor disputes and grievances brought before the Conciliation Board in the Ministry of Social Affairs since this board began keeping records in 1956. Though the Lebanese Labor Code of 1946 provided for the formation of an Arbitration Council or labor court in each of the five "Mouhafazat", most labor disputes in Lebanon never reach those councils but are usually solved at some prior stage. The councils are presided over by three paid members; an impartial judge, a representative for the employer and a representative for the employees. A representative of the Ministry of Social Affairs represents the government on the council.[1] These councils have final, non-appealable jurisdiction and for this reason very few cases, relatively, are brought before them in the first instance. In fact, the councils function primarily as final appeal's courts. The vast majority of cases are solved through informal meetings between the representatives of disputing laborers and management. If no agreement is reached in such meetings, the matter is usually taken to the Conciliation Board in the Ministry of Social Affairs. If still no agreement is reached, it is then that the case may be finally brought before the labor court where costs are payable by the losing party.

In the process of defining the universe, a list of all registered disputes brought before the arbitration council in

---

1. Article 77 of the Lebanese Labor Code.

the year 1956 was first examined. However, after a detailed scrutiny of more than 1600 cases, it was discovered that over 97% were simply indemnity disputes. While certainly somewhat indicative, these rather individualized phenomena were not considered in themselves to be a sufficiently reliable index of the general level of dissatisfaction or disorganization in Lebanese industrial relations.

The next step in the process was to inspect the files and data available at the Labor Section in the Ministry of Social Affairs, i.e., the records of the Conciliation Board. These records go back only to July 1955, at which time the Ministry actually started a systematic classification of labor disputes. The method of classification is still rather inconsistent and arbitrary but cases are listed in a general way under the following headings:

1. Concessions and public utilities
2. Commercial activities
3. Financial institutions
4. Hotels, restaurants, cafés and night clubs
5. Educational institutions
6. Hospitals and laboratories
7. Transportation
8. Professions and crafts
9. General services (Painters, barbers, and photographers)
10. Food and beverages
11. Wood and carpentry
12. Mechanics

13. Weaving and textiles

14. Leather and tannery

15. Printing and paper

16. Cement, stones, and glass

17. Miscellaneous - Taxi drivers and others

The uncontrolable heterogeneity of a universe based upon the scope of activities described in the above classification became immediately apparent and the universe was modified in the direction of greater homegeniety. By limiting the universe to only those establishments in which factors of production are directly employed in manufacturing specific physical goods, all categories except the following seven were eliminated. The remaining seven constitute the final universe for this study.

1. Food and beverages

2. Wood and carpentry

3. Mechanics

4. Weaving and textiles

5. Leather and tannery

6. Printing and paper

7. Cement and tiles

Information on disputes in each industry was recorded separately including type or cause of grievance and identification of complainant. Also recorded were the names, numbers and addresses of plants in each of the seven industries. This universe represents 391 plants. A total of 961 disputes

between July 1955 and April 1957 were brought before the Conciliation Board of the Beirut "Mouhafazat".

Initiation of Dispute

In the process of classification, four sources of disputes were identified: (a) management, (b) individual workers, (c) informal or unorganized groups of workers, and (d) unions. Table 3 indicates the distribution of labor disputes according to source or identity of the complainant.

To be noted in Table 3 is the frequency of management initiated disputes in contrast to the relative infrequency of collective action on the part of labor. In the first place the total number of labor initiated disputes is barely greater than that of management. In the second place, the fact that most of the disputes brought by labor are non-union and non-collective reveals the unorganized and undeveloped state of the labor movement in Lebanon in general.

Type of Dispute

A thorough study of the original files was conducted in order to arrive at operational definitions of the several categories into which disputes were classified. This resulted in a certain amount of reshuffling of misplaced disputes and the elimination of duplicated categories, but by and large the original categorization was retained. One category was particularly confusing but ultimately came to be understood; namely, "ultimatums". As indicated in Table 4 ultimatums which management sends to either an individual worker or a group of workers, via the Conciliation Board constitute the largest

TABLE 3

DISTRIBUTION OF LABOR DISPUTES ACCORDING TO SOURCE

Source of Dispute	Carpentry	Textiles	Food	Mechanics	Printing	Cement	Leather	Total
Management	93	83	56	63	62	66	43	467
Individual Workers	68	113	79	50	31	18	23	382
Group of Workers	11	23	1	4	5	11	2	57
Unions	8	14	6	18	3	4	2	55
TOTAL	180	234	142	135	101	99	70	961

single category. The Board records these as disputes on the correct presumption that they represent an underlying state of unrest between the parties concerned. Management uses these ultimatums as a means of formally and legally registering displeasure with workers infringements of plant rules. The ultimatums are essentially warnings. But they are also utilized as evidence in future disputes. They are often used as such in favor of managements' case in subsequent hearings particularly in regard to indemnity petitions before the Arbitration Councils.

In light of the above interpretation of "ultimatums" the demand for indemnification on the part of laborers and the desire to avoid it on the part of management becomes the chief source of disputes between management and labor at this stage of industrial development in Lebanon. As an issue, indemnification finds its importance in the extent to which it reflects quite directly a growing labor demand for job security. This is also true of petitions regarding dismissal procedures, breaches of contract and violations of the labor code. Managements' concern over labor's lack of a sense of job responsibility is reflected in their complaints of negligence, absenteeism and damages to equipment. It is significant that complaints regarding wages, annual leave, allowances, and working hours are still relatively infrequent. These are matters which require collective action and at this stage of development such action has barely begun to materialize as indicated by the very small number of strikes. This is further

TABLE 4

DISTRIBUTION OF LABOR DISPUTES ACCORDING TO TYPE

TYPE OF DISPUTE	TEXTILES	CARPENTRY	FOOD	MECHANICS	PRINTING	CEMENT	LEATHER	TOTAL
Ultimatums	81	72	40	32	50	38	27	340
Indemnities	51	19	34	23	9	6	11	153
Dismissals	14	21	23	20	11	4	10	103
General Grievances	10	10	8	17	4	6	6	61
Wages	16	8	5	11	9	3	5	57
Negligence	11	13	3	4	4	11	5	51
Violation of Labor Code	7	9	13	5	3	5	0	42
Annual Leave	9	3	4	4	1	6	5	32
Allowances	8	8	4	3	1	4	1	29
Breach of Contract	13	4	2	3	1	4	0	27
Working hours	8	5	1	7	2	0	0	23
Absenteeism	0	5	4	2	2	9	0	22
Strikes	7	2	1	3	2	2	1	18
Damages to Equipment	0	0	0	1	2	1	1	5
TOTAL	234	180	142	135	101	99	70	961

evidence that labor-management conflict relations are still largely fought out and resolved on an individual level.

II. SELECTION OF SAMPLE

A. The Size Dimension

In the process of selecting a representative sample from the universe that has been described, several factors were taken into consideration. In the first place, information as to the existence of any major differences that might exist between the selected industries was sought. If present, it was felt that they would show up in a comparison of average number of disputes per industry on the records of the Conciliation Board. Table 5 reveals some interesting differences but nothing so glaring as to require further modification of the universe. In short, the range of means appears to indicate homogeneity in the universe in spite of considerable differences in the number of plants in each industry and in the highly divergent nature of the several industries. The averages also proved to be valuable when it came to defining the dimension of "Good-Bad" labor relations as will be indicated shortly.

The factor of plant size in terms of number of employees also had to be assessed since another important dimension bearing upon the hypotheses of this study is size of establishment. Obviously, a big factory employing some 2000 workers is likely, other things being equal to have more disputes than a small workshop with six or seven workers.

TABLE 5

AVERAGE NUMBER AND RANGE OF DISPUTES PER INDUSTRY IN STUDY UNIVERSE

INDUSTRIES	NO. OF PLANTS PER INDUSTRY	NO. OF DISPUTES PER INDUSTRY	RANGE OF DISPUTES PER INDUSTRY	AVERAGE NO. OF DISPUTES PER PLANT
			Low High	
Textiles	92	234	1 - 21	2.5
Food & Beverage	79	142	1 - 7	1.8
Furniture & Carpentry	66	180	1 - 17	2.7
Mechanics	52	135	1 - 23	2.6
Printing & Paper	41	101	1 - 16	2.4
Shoe & Tannery	34	70	1 - 7	2.05
Cement & Tiles	27	99	1 - 20	3.7

Size of establishment is to a large extent a function of the type of industry involved. Thus a large cement plant in terms of number of workers might equal only a small textile operation. Therefore the size dimension could not be treated in isolation from the type of industry and accordingly is treated consistently in relation to the specific industry being compared. The distribution of the sample by plant size is shown in Table 6.

B. The "Good-Bad" Dimension

Finally all the plants were classified as "good" or "bad" depending on the number of disputes registered at the Conciliation Board. All plants selected as "good" have dispute records falling below the average for the specific industry at large. Since the curves of frequency distribution of disputes in all industries are skewed strongly in the direction of "good" plants there were numerous representative plants, both large and small, for all industries. Accordingly, the selections were performed randomly in the "good" sector of the sample. On the other hand, the selection of "bad" dispute-record cases had to be deliberate. The worst cases in each industry were selected, matching the "good" cases for size to the greatest possible extent. All "bad" cases fall well above the industry-wide averages. Indeed, no case listed as "bad" has fewer than 5 disputes recorded against it. In fact, in selecting the "bad" sample almost every plant in the universe with more than five disputes was chosen. The exceptions

TABLE 6

DISTRIBUTION OF STRATIFIED SAMPLE BY PLANT SIZE [1]

INDUSTRIES	NO. OF SMALL PLANTS	AVERAGE SIZE OF SMALL	NO. OF LARGE PLANTS	AVERAGE SIZE OF LARGE	TOTAL NO. OF PLANTS	OVERALL AVERAGES
Textiles	7	21	7	463	14	235
Food & Beverage	6	10	6	106	12	58
Furniture & Carpentry	5	18	5	130	10	74
Mechanics	3	16	5	142	8	94
Printing & Paper	6	10	4	76	10	36
Shoe & Tannery	2	14	3	100	5	66
Cement & Tiles	5	15	4	55	9	32
TOTAL NUMBERS & AVERAGES	34	14.6 (weighted) 34		178.2 (Weighted) 68		96.4 (Weighted)

1 Stratification of the sample is based on a selection from the universe of an equal number of large and small plants; i.e. 34 of each.

included a few plants that were situated in areas too difficult to reach, i.e., the "Free Zone" area of the Beirut Part and some plants found distantly removed from the Beirut 'Mohafazat'. Table 7 shows the distribution of the sample in cross-tabulation as to size and number of disputes and divided generally on the "Good-Bad" dimension.

In summary, the sample for the study represents a total of 68 plants being equally distributed as to size and number of disputes, i.e. "good" and "bad", and with a proportional representation of all industries based on the number of plants in each industry and the average number of disputes per plant. A reserved sample of 8 plants (2 from each category) was kept aside for replacement in cases of non-cooperation or absence of managers.

III. COLLECTION OF DATA

A. The Interview Schedule

An interview schedule was used as the major tool by which all the relevant information needed for the project was obtained. A copy of the schedule appears in Appendix A. All questions included in the interview schedule are directly or indirectly relevant to the basic hypotheses under consideration. Generally speaking all questions fall under three main headings.

1. Background Data

The first part of the schedule was confined to general background information about the manager himself and the plant he manages. There are included questions regarding age,

TABLE 7

DISTRIBUTION OF SAMPLE AS TO SIZE AND NUMBER OF DISPUTES

INDUSTRIES	GOOD		BAD		TOTAL
	BIG	SMALL	BIG	SMALL	
Textiles	4	3	3	4	14
Food & Beverage	4	4	2	2	12
Furniture & Carpentry	2	2	3	3	10
Printing & Paper	3	2	1	4	10
Cement & Tiles	2	4	2	1	9
Mechanics	1	1	4	2	8
Shoe & Tannery	1	1	2	1	5
TOTAL	17	17	17	17	68

nationality, religion and educational background of managers. Another question has to do with occupational background of the respondents in order to form a picture of their occupational mobility and previous occupational experience, i.e., were they always in the same type of activity, or something related to it, or some other occupation completely different or unrelated? A closely related question concerning the manner in which respondents became managers was necessary to determine the prevalence of closed "family enterprises" as compared with self-established firms and those in which the respondents have been promoted up through the ranks. Relevant training or experience in foreign countries as well as the source of formal education received by the managerial group is of particular relevance to the problem of defining amount of Anglo-Saxon influence. Thus information regarding the opportunities of studying and observing similar businesses in foreign countries and the nature and frequency of such indoctrination is also elicited.

Turning from personal background this section probes with a general open-ended question the historical background of the plant; its growth and development. Among other aspects tabulated here, responses were codified in such a way as to fit one of the following four categories:

a) The plant has remained stable from the time of its establishment.

b) The plant underwent early expansion; now is stabilized.

c) The plant has known constant expansion.

d) The plant was stable until recently, but is currently expanding.

This section closes with questions pertaining to the general picture of productivity in the plant, such as the degree of diversification of production, the number of employees broken down by sex, levels of productivity, and the average minimum wage per worker.

2. Action Index

The second part of the interview schedule was mainly devoted to the quantitative measure of awareness of the human factor by an "action index". This begins with a set of two questions concerning the physical and technical equipment and social and welfare programs that are employed in the factory which give tangible evidence of managements' main interest in the provision of happiness and security for workers. Such questions deal with the introduction of, or an extra emphasis upon a) labor-saving machinery, b) health and protective mechanisms, c) financial incentives, d) welfare benefits and programs, and e) adoption of policies aimed at enhancing job security among workers. Responses to these questions were in the form of checking a list of items under each of the above categories. The availability and conditions of such physical innovations and schemes were noted by direct observation while the researcher inspected the different sections of the plant with the manager. Finally, a rather subjective and subtle question was introduced to depict the level of satisfaction of

the manager with his plant and its productive capacity. It was hoped that such a question would yield a measure of managerial levels of aspiration or ambitiousness thus providing some insight into the often alleged tendency of Arabs to covet leisure for leisure's sake, abhor work for work's sake, and in general to be satisfied with "just enough". Thus when a respondent indicates that he is completely satisfied with his plant and does not suggest any major changes, while the plant's productivity level shows a stable or declining trend and its physical equipment and welfare programs and policies are inadequate relative to conditions in other plants in the same industry; such behavior might be said to confirm the contentions described above.

3. Attitude Index

The attitude index was mainly designed to serve as an objective but more qualitative measure of awareness of the human factor in industrial relations in terms of the expressed attitudes and opinions of the respondents. As such the questions in this section are of a wide variety. Some have to do with the frequency of consultation and the way by which the opinions of workers are taken into consideration. Others, take into account the extent of delegation of authority to members of the rank-and-file and the degree of intimacy between managers and workers, i.e., to what extent do managers encourage their workers to discuss with them their intimate personal problems and grievances: Two questions are devoted to

determining the opinions of managers regarding the importance of unions as far as the general welfare of workers is concerned.

Another question was designed to elicit management's attitude regarding the effect of such factors as security and welfare programs and emphasis on democratic and humanitarian treatment of workers on morale and efficiency of those workers. Respondents either were of the opinion that a) welfare and treatment are more important, b) wages are most important, c) both, but (a) is more important than (b), or d), both, but (b) is more important than (a). A closely related question dealt with management's attitude concerning the impact of modern industrial organization on the ability of the people to satisfy their creative urges within the work situation. If the respondent believed that modern mechanization makes impossible the creative human satisfactions that workers in pre-industrial society derived from their jobs, then he was asked to indicate where responsibility lies for compensating this loss. If, on the other hand, he did not hold such a view, he was asked to defend his position. Such defense was categorized as follows: that a) mechanization enhances sensate satisfaction by providing more leisure and comfort, b) it yields more financial satisfaction and insures a higher standard of living or, c) idealogically, personal creative satisfactions may become more abundant through the development of technical skills associated with the industrial process.

Finally, the last part of this section included questions involving hypothetical cases of choice between different types of workers. Three types of employees with varying qualifications and characteristics were contrasted with their opposites. For each situation the respondent was asked to choose one or the other employee. For example, there was a choice between a worker who is very efficient in his work, but is not a good social mixer; as compared to a worker who is a good social mixer with an average productivity record. It is assumed that such a choice would reveal criteria of employee evaluation of the managerial group in terms of "employee centeredness" in contrast with "productivity centeredness". The section also contained a subjective open ended question regarding the best solution to the problem of providing security and happiness in old-age retirement. Responses to this question varied from those who believed that the solution to such a problem should fall entirely on the government, to others, who proposed social security and group insurance, and the rest, those who preferred to leave such a responsibility with the individual or family. Finally, this part ended with two questions concerning the opinions of managers regarding the most important factors related to high productivity levels. In one question, the subjects were asked to rank the factors suggested by themselves in order of their importance. In a follow-up question four arbitrarily selected factors were

presented and the subjects were asked to rank them.

These indexes as mentioned earlier, individually and in combination have been designed to measure "employee centeredness" in contrast to "productivity centeredness". In the actual interview situation extensive probing was done in order to insure respondent comprehension and to evoke his more thoughtful reflections on many of these matters.

B. Field Work

The respondents (top plant managers and owners) selected for the sample were interviewed during a period of six weeks commencing on March 25, 1957 and ending in the first week of May. Since a fair proportion of the interview schedule entailed a qualitative evaluation of the respondent and his plant on the part of the interviewer, it was appropriate for the author to perform all interviews himself.

As a result of the pretest which was conducted on three respondents not included in the sample, several adjustments and modifications were made in the original interview schedule. When it was mimeographed in its final and revised form ready for administration it became necessary to locate the dispersed sample and classify it ecologically into four groups. Accordingly, to simplify identification, each plant was assigned a code number on the basis of its district,

type of industry, size and number of disputes. Following that, appointments were made by telephoning the managers, explaining to them the nature and purpose of the study and requesting their cooperation. Even though it was more convenient to contact the managers in their offices in the city, due preference was given when possible, to conducting the interviews in the plants which in most cases were situated on the periphery of the city. Preliminary and personal contact by telephone with the managers rendered the whole process more tractable and did much to eliminate a lot of the suspicion. As a result only two establishments refused cooperation, one on the pretense of too much work, and the other on the basis of fear that the interviewer was an imperialist agent. Due replacements were made from the reserved sample originally set aside for this purpose. Eventhough a few respondents were at first reluctant to answer some of the questions and tried to evade any commitment, the sample on the whole was cooperative and willingly responded to all questions.

The time spent on each interview ranged from 40 minutes to as much as 3 hours, all depending on the interest and responsiveness of the managers. Usually, while touring the plant with the respondent or with one of his assistants, it was possible to observe and record impressions concerning the general condition of the factory. The subjects were frequently asked to introduce the interviewer to members of

the rank-and-file, and in the process of conversation it was possible to gather more objective evidence about the actual attitudes of the manager.

CHAPTER VI

PRESENTATION OF RESULTS

Throughout the following presentation of results care must be taken not to misinterpret the levels of generalization at which the various findings are acceptable. The study group is not a representative sample of Lebanese industry as a whole. The Universe from which the samples are drawn is selective in terms of functional content and in the sense that it represents only those industries which have in common a record of disputes before the Lebanese Conciliation Board. However, the separate samples of large and small industries are believed to be representative of their respective categories in Lebanese industry. As no census of Lebanese industry exists at present, it is impossible to ascribe accurate weights to the two fundamental strata that constitute the present study group. Therefore, it will not be possible to draw inferences regarding Lebanese industry as whole from this stratified sample but only for the study group universe for which the relative weights are known.

This chapter will begin with a general description of the relevant background characteristics of the respondent group and their respective plants. The different hypotheses of the study will then be tested. Another section

will be devoted to a presentation of varied qualitative observations that can be derived from the tabulated data as well as those garnered by the researcher in the course of probing beyond the limits set by the questionnaire during the actual interview situation. This chapter will close with a statement of generalizations and conclusions and a few suggestions of the implications of these findings for the development of an effective Lebanese industrial society and for the necessity of further industrial sociological research.

PART I : DESCRIPTIVE CONTENT

I. BACKGROUND CHARACTERISTICS OF STUDY GROUP.

A. Age Distribution

TABLE 8

AGE DISTRIBUTION OF MANAGERS AND OWNERS IN THE STUDY GROUP

Age	Small Sample	Big Sample	Total Study Group
Below 30	1	4	5
30 - 39	7	5	12
40 - 49	15	10	25
50 - 59	8	12	20
60 - 69	2	2	4
70 - plus	1	1	2
Average Age	46.7	47.2	47.0

As indicated in the above table the average age of the whole study group is forty seven years and there is no significant difference in age between large and small plants. Without comparing these figures with similar data from other societies it occurs to the researcher that the group is surprisingly young considering the powerful traditions that underwrite deference to age in Lebanese culture generally.

B. Nationality and Religion

Over 90% of the study group are Lebanese. The exceptions are only four in number; one Syrian, two Europeans and one Mexican of Lebanese extraction. Over 73% of group is christian; the remainder being Muslim with the exception of one Jew.

C. Education

The general level of educational attainment of the study group is not impressive. Twenty five percent had not completed an elementary education and many of these had never been to school at all. The number of industrialists who obtained varying levels of academic degrees are as follows:

18 - No degrees.

15 - Elementary certificate only.

2 - Technical or vocational school degrees (both in mechanics)

14 - Elementary and Secondary degrees only.

19 - Varying types of degrees beyond the secondary level including three French Technical diplomas in textiles, nine in commerce, three Bachelor of Arts in Economics and Anthropology, two in Architectural Engineering, one French license in Journalism, and one diploma in Theology.

Twenty six of those finishing elementary education did so in French schools and seventeen in Arabic private schools. Only one had an American elementary education, another individual went to a government school and the remaining four received their elementary education in foreign countries. This proportional distribution holds throughout higher levels of education with the exception that an American secondary education becomes slightly more common at the expense of private arabic schools, and at the post secondary level arabic educational training disappears entirely. At the latter level the distribution of training involves eleven in French institutions, four in American, two in British and two in other foreign institutions.

D. Prior Occupational Experience, Indoctrination & Training

Almost half of this management group gained their occupational status within the past ten years, namely thirty-two persons. Twenty four hold their present positions for ten to twenty years. The remaining twelve had been managers for over twenty years . As for previous occupational experience, fifty four of

the group, 79.4%, were without any; five had been in closely related enterprises, and only seven had had different or unrelated occupational experience. This lack of diversity of occupational experience is not surprising when it is realized that thirty of the managers, or 44.1%, found their way into family enterprises by way of inheritance; twenty seven, or 39.7% in self-established businesses, and only nine had obtained their managerial status by way of promotion or appointment. And it goes without saying that familial nepotism is far from absent even in the latter categories.

The above picture of relatively low occupational mobility is somewhat compensated for by the rather frequent foreign indoctrination and training that the management group appears to have had. While this finding bears heavily upon one of the major hypotheses of this study a brief description is appropriate here. Thirty one of the managers have studied or observed business similar to their own in western countries. Such indoctrination has been equally divided in kind between formal and casual-informal. By formal is meant that the manager himself or one or more of his employees have participated in a specialized educational curriculum abroad. Managers who have merely visited and casually observed operations in foreign industries similar to their own are considered to have had an

informal indoctrination. Thirty-seven of the managers have had neither formal nor informal training and indoctrination.

II. DESCRIPTION OF THE PLANTS AND THEIR OPERATION

A. Developmental Trend

The majority of plants represented by the study group have been in existence for over a decade. Also for the majority, the recent years have been characterized by constant development and expansion reflecting the conditions prevalent in the Lebanese industrial economy as a whole. Forty six of the plants have been and are today expanding. Of the twenty two that have been stable or declining twenty one fall in the small stratum of the sample. Only one large industry was characterized as having been stabilized for an extended period of time.

B. Diversification and Levels of Productivity

Of the plants represented by the study group forty six, or 67.6% are engaged in the production of one simple product, seven are producing two products, and only three are occupied in the production of three products. The remaining twelve produce four or more different types of products. Eleven plants out of the latter twelve are large ones. Only one small plant in the whole sample is engaged in the production of four or more products.

As might be expected, levels of productivity in the plants of the study group correspond with the general developmental trends described above. Thirty six plants, or 55.3% have witnessed declining productivity levels and thirteen have remained stable for a considerable period. Productivity levels in the remaining five plants have fluctuated and fail to indicate any trend.

C. Plant Conditions: Modern to Antiquated

General conditions in the plants of the study group have been evaluated or measured in terms of modernity of the physical facilities and equipment and plant operational policies and programs. Of the plants represented by the study group twenty five, or 36.7% may be characterized as old fashioned, employing truly obsolete methods, policies and equipment. Another twenty four may be classified as semi-modernized. Many of these present a mixture of the completely"out-of-date" with the ultra-modern. Only nineteen plants are truly new and modern. It is relevant to note here that of the nineteen modern plants, seventeen are large and only two are small.

Concerning the health and protective mechanism employed in the different plants, Table 9 presents a picture of the distribution of such innovations within

the samples of the study group. It should be noted that none of these provisions are required by the Lebanese Labor Code and therefore their use is largely voluntary on the part of management.

TABLE 9

NUMBER OF PLANTS PROVIDING DIFFERENT TYPES OF HEALTH AND PROTECTIVE MECHANISMS

Mechanisms	Small Sample	Big Sample	Total Study Group
Canteens and Dining Halls	5	21	26
Rest pauses	3	11	14
Ventilation and lighting	21	25	46
Protective Clothing	7	21	28
Sanitary conveniences	12	31	43
Baths and lockers	14	32	46
Clinic or dispensary	11	30	41
None	9	1	10

Only twenty six firms out of the whole sample provided their workers with a dining-hall. Such a low figure is partially explained by the absence of any specific regulations in the Lebanese Labor Code which calls for the application of such a scheme. Recently,

however, the Labor Section of the Ministry of Social Affairs has passed new legislation requiring every plant employing more than forty workers to provide a special place for eating. Rest pauses are practically absent. Only fourteen managers indicated even awareness of the existence of such a practice. Many of those who do use rest pauses claim that they do so to rest the machines and not the workers. As for protective clothing the figure is also relatively low but this is probably largely because the nature of production in many of the industries in our samples does not require any protective clothing. The majority of the plants, however, seem to be concerned with providing their workers such indispensable necessities as good ventilation and lighting, sanitary conveniences, baths and lockers, and a dispensary or first-aid equipment. Only ten plants fail to offer any of the latter mentioned conditions and nine of those are small plants.

In comparison with social welfare programs and policies, the respondents seen to be more sympathetic to financial incentives as a means for motivating workers. Tables 10 and 11, respectively, show the types of financial incentives and welfare benefits and programs and the number of plants employing each contrasting the large and small plants in each case. With the exception of indemnification which is required by

law, practical adoption of many of these schemes is still minimal. Many managers expressed a belief that they have no responsibility to the workers beyond that defined by law. Forty two plants, or 61.7% have never applied any of the welfare benefits and programs listed in Table 11.

TABLE 10

NUMBER OF PLANTS PROVIDING DIFFERENT KINDS OF FINANCIAL INCENTIVES

Incentives	Small Sample	Big Sample	Total Study Group
Bonus	10	20	30
Commissions	1	9	10
Profit-sharing schemes	1	3	4
Workmen's compensation	7	15	22
Old-age pensions	-	5	5
Indemnities	34	34	68
Group Insurance	1	20	21

TABLE 11

NUMBER OF PLANTS PROVIDING DIFFERENT KINDS OF BENEFITS AND PROGRAMS

Benefits and Programs	Small Sample	Big Sample	Total Study Group
Hospitalization	5	19	24
Provision of Transport	-	5	5
Community Improvements	-	5	5
Club organization	-	3	3
Sports	-	8	8
Picnics and Excursions	-	4	4
Other Social Activities	-	3	3
None	29	13	42

The same thing can be said about the application of policies concerned with the problem of promoting and maintaining job security of workers. With the exception of widespread acceptance of the open shop policy toward labor unions, notification before dismissal, and a nominal adoption of an equitable promotion scheme all of which are required by the Lebanese Labor Code, there was almost no evidence of adoption of other innovations suggested in the questionnaire. As shown in Table 12, only ten plants out of the whole sample employ written contracts, only eight

carry on general induction programs, and only nine recognize grievance committees. Eventhough it is strictly considered a violation of the labor code, still thirteen plants do not recognize unions and will not employ union members in their plants. The provision of vocational training or the granting of priorities in hiring vocational school graduates is limited to only twenty one plants who actually see to the training of their workers before employing them. Inspite of the fact that a systematic promotion process is narrowly prescribed in the labor code, only twenty seven of the plants evaluate and rate their workers on the basis of merit. Years of service or seniority remain the dominant discriminating criteria in the promotion of workers. Joint consultation in decision making and the provision of a realistic personnel office and staff are barely recognized. Only eleven plants claim that they ever carry on joint consultation meetings with their workers and only seventeen seem to recognize the role of a specialized personnel officer in handling labor problems. Usually it is simply the managers who assume responsibility for supervision of personnel relations in addition to their other duties.

The suggestion box is still a novelty and as with most other modern innovations very few managers are even aware, much less sympathetic, with it. Only four plants out of the whole study group have installed suggestion boxes in their factories.

TABLE 12

NUMBER OF PLANTS PROVIDING DIFFERENT POLICIES AND PRACTICES THAT REFLECT ON JOB SECURITY AND SATISFACTION

Job Security	Small Sample	Big Sample	Total Study Group
Closed shop	-	-	-
Open shop	25	30	55
No Union recognition	10	3	13
Written Contracts	1	9	10
Vocational Training	5	16	21
Merit Rating	9	18	27
Induction Programs	-	8	8
Notification before dismissal	23	32	55
Promotion schemes	13	27	40
Grievance Committee	-	9	9
Suggestion box	-	4	4
Joint Consultation	-	11	11
Personnel Office	1	16	17
None	2	-	2

III. ATTITUDES AND COGNITIVE BELIEFS UNDERLYING MANAGEMENT POLICIES.

In this section the prevalent attitudes and policies of the managers in the study group attitudes and policies of the managers in the study group will be briefly surveyed. The discussion will begin with an analysis of the levels of aspiration or ambitiousness of the respondents. Management-labor relations and particularly management attitudes towards collectivism, democratic relations and delegation of authority will then be examined. Finally, the section will close with a presentation of management's attitudes with regard to worker satisfaction and motivation. It is intended that this section should reveal of the cognitive beliefs which underly managerial behavior toward labor.

A. Levels of Aspiration

Almost half of the study group indicated that they are completely satisfied with the general conditions of their plants and current production levels. Of the thirty two plants that are thus satisfied, fourteen show declining levels of productivity coupled with relatively inadequate or obsolete physical equipment and labor policies. These managers volunteered few, if any, suggestions for future improvements. The writer feels that this group is

characterized by having the lowest level of aspiration. They haven't much and seem satisfied with what they have. Clearly higher on the aspiration scale comes that group which is completely satisfied with their plants which are, as a matter of fact, characterized by increasing levels of productivity and relatively modern physical equipment and labour policies. These managers have many liberal suggestions for future improvements. Eighteen plants fall in this category.

Of those that are dissatisfied, twenty two of them have relatively old physical equipment and they provide their workers few health and welfare services and little job security. For these productivity levels are again observed to be on a downward trend. The remaining fifteen, eventhough they employ relatively modern policies and equipment and their productivity levels have been constantly increasing, nevertheless complain that they are generally dissatisfied with the present conditions in their plants. In the opinion of the researcher this group manifests the highest level of aspiration in the whole study group. The above statement can be tabularly summarized as follows:

Plant Characteristics	Level of Aspiration	No.of Plants
Plant Obsolete - Production declining - Management Satisfied	Lowest	14
Plant fairly modern - Production rising- Management Satisfied	Medium Low	18
Plant out of date - Production declining- Management Dissatisfied	Medium High	22
Plant Modern - Production Rising - Management Dissatisfied	Highest	15

B. Management-Labor Relations and Attitudes Towards Collectivism

1. Consultation and Delegation of Authority

In the planning of changes and improvements in the plants thirty five of the respondents; or 51.4%, claim that they never consult the employees or consider their opinions. Twelve plants rarely consult their workers, fifteen occasionally do so, and only six do so rather frequently. Of those that consult their workers, be it rarely, occasionally, or frequently, only six carry on such consultation through formal meetings. The remaining twenty seven claim only that they take the opinions of their workers in informal discussions with them.

As for delegation of authority, only twelve out of the whole sample systematically or normally delegate some of the organizations decisions to a front line supervisory staff. The remaining fifty six, or 82.3%, prefer to render all decisions themselves and delegate no decision making authority.

2. Degree of intimacy

The degree of intimacy between managers and workers seems to be considerably high reflecting, perhaps, mechanical solidarity in the Durkheimian sense. The managerial group can be divided into three divisions: those who felt considerable intimacy with their workers, those who felt considerable social distance and those who considered their relationships with workers to be rather indifferent, and properly so. In the interview situation a four point scaled question permitted to extremes to stand out quite clearly. At the high intimacy end of the scale more than a quarter of the managers claimed that they were extremely intimate with their workers and felt that it was important that they should be so. At the other extreme, manifesting overt hostility and extreme social distance, were discovered only four examples in the whole study group.

Such a high degree of intimacy is similarly manifested in the extent of personal contacts between the two groups. Fifty three of the managers, or almost 78%, claimed that they personally knew and could name all of their workers. Another group of ten claimed they knew and could name the majority of their workers. Only five admitted that they had little personal contact or acquaintance with their workers. Obviously this

phase of management-labor relations is related to size of establishment.

3. Attitudes Towards Unions

In attempting to comprehend management's attitudes toward unions a difference was found between the evaluation of unions in theory (i.e. management's ideological-conceptual orientation to the Union movement in general but somehow not in Lebanon) and management's evaluation of unions as they actually exist in Lebanon. Frequently a manager would present a favorable attitude toward unions as a means of protecting workers' interests but then he would add that while this is true in other parts of the world it is not the case in Lebanon. Twenty managers gave labour unions a favorable endorsement in theory while only six favorably endorsed the role of labor unions in Lebanon. The responses of the management group were distributed on a five point scale as indicated in the following table.

Size of industrial establishment seems to be related to whether or not managers are favorably disposed toward labor unions both theoretically and in the Lebanese case. It was characteristically the managers of smaller plants who expressed greatest hostility and disdain for labor unions.

TABLE 13

MANAGEMENT ATTITUDES TOWARD LABOR UNIONS[1/]

Management Responses	Theoretical or Conceptual Orientation	Orientation toward Lebanese Unions
Detrimental	26	32
Of no importance	7	16
Of little importance	2	9
Fairly important	13	5
Very important	20	6

1/ As revealed by the question "How well do you think unions serve the interests of labor?"

In probing into the reasons underlying the opinions of the managers toward labor unions, unfavorable attitudes were supported by at least three specific reasons while the favorable rationalization was always generalized. In the latter case, those reacting favorably to labor unions fairly uniformly expressed a belief that unions protect workers from exploitation and help them obtain many benefits to which they are entitled but which require collective action. The three categories into which the responses of those negatively inclined toward labor unions fall can be summarized as follows:

a) Those who feel that unions inevitably promote communism and political interference with industrial government. 26

b) Those who feel that unions inevitably estrange labor-management relations. 24

c) Those who would like the local unions better if they could be reorganized along western lines. 7

Finally the respondents were asked whether they actually encourage or discourage workers from joining unions. In the overall sample twenty eight indicated that they have encouraged unionization while thirty eight said they have actively discouraged workers from joining unions.

C. Management's Beliefs regarding Worker Satisfaction and Motivation

The responses to an open-ended question regarding what managers feel are the most important motivational factors underlying job satisfaction and high morale among workers can be classified into the five following categories. The numbers belonging in each category are indicated in parentheses.

a) Those who felt that humanitarian treatment and modern welfare programs are of utmost importance. 22

b) Those who felt that wages and other purely material rewards are of utmost importance 29

c) Those who felt that both "a" and "b" are of importance but would place the emphasis on "a". 7

d) Those who felt that both "a" and "b" are of importance but would place the emphasis on "b". 7

e) Those who felt that workers deserve no consideration whatsoever and who probably would rely on force if permitted to do so. 3

While it is recognized that the division between the categories "a-c" and "b-d" is relatively arbitrary, it is to be noted that an advantage in favor of emphasizing wage incentives continues to exist when the figures for these categories are grouped together. In brief, thirty-six managers would emphasize wage incentives as opposed to twenty nine who emphasize humanitarian treatment and social welfare.

By and large the managerial group assumes an optimistic point of view regarding the overall promise of industrialization as far as general occupational satisfaction is concerned. Only three of the managers stated explicitly that industrialization itself threatens the creative human satisfactions that workers formerly derived from their work in pre-industrial society. Most stated explicity that they felt the opportunity for creative expression to be potentially greater in the industrial system than in any other.

The reasons for this majority opinion were distributed fairly equally over such observations as the promise of industrialization to provide more leisure in the long-run, less physical exertion, high monetary rewards, a higher standard of living, and perhaps surprisingly, advantages in the realm of ideological and personal creative expression through the acquisition of specialized technical skills.

D. Managerial Criteria of Employee Evaluation

Some of the factors that managers take into consideration when evaluating applicants for employment are revealed by the choices respondents made when forced to choose one or the other type in three sets of opposite pairs of employees exhibiting varying qualifications and characteristics. As indicated in table 14, managers represented in this study were almost equally divided in

choosing between a highly productive introvert and an average productive social mixer. Thirty five of the respondents prefer a very efficient worker whose individual productivity record is higher than others but who is not necessarily a good social mixer, as opposed to thirty three who prefer the highly sociable group-leader type who has but an average productivity record.

Results showed greater contrast when a highly productive leader who makes many creative suggestions but who insists on a written contract was matched against an average worker who simply wants a job and is not particularly interested in contractual security. Only nine managers chose the former and the remaining fifty nine, or 86.7%, preferred the latter.

When the choice situation involved a decision between selecting employees on the basis of a meritorious experience record and familial affinity, fourty four of the respondents indicated that they would prefer a blood relative even without any previous training for the job. The remaining twenty four indicated preference for a vocationally trained worker even without familial connections, i.e., approximately 35%.

Size of industrial establishment does not seem to be significantly related to the type of workers the managers were likely to prefer.

TABLE 14

MANAGERIAL CRITERIA OF EMPLOYEE EVALUATION

Types of workers	Small Sample	Big Sample	Total Study Group
Highly productive introvert	20	15	35
vs.			
Average productive social mixer	14	19	33
Creative Type who demands contract	4	5	9
vs.			
Mediocre passive type	30	29	59
A vocationally trained stranger	7	17	24
vs.			
Untrained blood relative	27	17	44

E. Managerial Opinion on Responsibility for Providing Security in Old-age.

When respondents were asked to express their opinion concerning the best solution to the problem of providing security and happiness in old-age the majority felt that such responsibility should fall entirely on the government. Fifty managers, or 73.6% of the whole sample held such a view. Fourteen suggested a social security program in which employer, employee and government participate as a more liberal and equitable scheme. The

remaining four were convinced that the matter is purely a personal problem and that the worker himself should provide for his own security in old-age.

F. Crucial Factors Underlying Productivity

Two final questions directed at the respondents covering the same subject concerned managerial opinion as to what are the most important factors responsible for high and efficient levels of productivity. The first of these questions was entirely open-ended. The second was a closed-type question and required the respondent to rank in order of importance four generalized factors arbitrarily defined by the researcher.

When the managers were left on their own to prescribe responsible factors underlying productivity, a wide variety of suggestions were made. For example the range included such factors as "more government protection", "perseverance of workers", "snobishness of Lebanese people", "better advertising", "the human element", and "unmarried workers". If there is any pattern at all, it would seem to be a tendency on the part of managers to single with greater frequency such factors as: (a) modern machinery; (b) government protection; and, (c) foreign markets.

In the controlled situation the forced choices included:

a) Most modern type of machinery and a pleasant physical working environment

b) Individual characteristics of workers, such as, intelligence, manual dexterity, speed, and other aptitudes.

c) Team-work and organization of work groups in line with friendship patterns.

d) Monetary rewards and financial security of the workers.

The following table presents the rank order in which the above factors were evaluated by the respondents.

TABLE

RANK ORDER EVALUATION OF FACTORS BELIEVED TO UNDERLY HIGH PRODUCTIVITY

Underlying Factors	First Choice	Second Choice	Third Choice	Fourth Choice	Weighted Total 1/
Machinery and work environment	42	18	7	0	236
Individual characteristics	13	28	24	3	187
Monetary Rewards	4	13	24	26	129
Team Work (Human factor)	8	8	12	38	118

1/ First choice = 4 points, Second Choice = 3 points, etc.....

An overwhelming emphasis on mechanization, individual characteristics and monetary rewards in costrast to a relatively low level of recognition of what might be summed up as the "human factor" in industrial organization is clearly indicated in the above table. At the same time it is of some interest to note the relatively low level at which management evaluates monetary rewards and other financial incentives.

PART II. ANALYTICAL CONTENT AND ITS MEASUREMENT

In the following section the major problems and related hypotheses which provide the "raison d'être" of this study will be presented along with relevant answers and statistical measurements of several important relationships.

I. THE RELATIONSHIP BETWEEN LABOR-MANAGEMENT CONFLICT AND MANAGERIAL AWARENESS OF THE "HUMAN FACTOR" IN INDUSTRIAL RELATIONS

In this study the major dependent variable has been considered to be conflict that exists between labor and management as reflected in the number of disputes which are taken before the conciliation Board. The rationale underlying the selection of this dependent variable and a discussion of its measurement and construction has been presented previously.[1] As with all other material used in the following analyses, related raw data and summary tables are presented in Appendix B.

The independent variable in the major hypothesis of this study is made up of two parts or indexes which will be treated separately and in combination. One is the "action

---

1. See chapters I and V, particularly pages 77 and 78 including tables 5 and 7.

index" and the other is the "attitude index". When used together these will be simply referred to as the "combined index". The general rationale underlying the construction of these indexes has been discussed previously on pages 82 and 83. However, details regarding their construction are presented here.

The "action index" was constructed by attributing one point apiece for each of the following items that were found present in the plants of the study groups.

Health and Protective Mechanisms

1. Canteens and dining-halls
2. Rest pauses.
3. Ventilation and lighting.
4. Protective clothing.
5. Sanitary conveniences.
6. Baths and lockers.
7. Clinic or dispensary.

Financial Incentives

1. Bonus.
2. Commission.
3. Profit-sharing schemes.
4. Workmen's compensation.
5. Old-age pensions.
6. Indemnities.
7. Insurance.

Welfare Benefits and Programs

1. Hospitalization Plan.

2. Provision of transport.

3. Community improvements.

4. Club organization.

5. Sports.

6. Picnics and excursions.

7. Other social activities.

Employment Protection: Collective Job Security

1. Union recognition[1]

   a) closed shop.

   b) Open shop

   c) No union recognition at all.

2. Employment protection : Individual Job Security

   a) Written contracts

   b) Vocational training

   c) Merit rating

   d) Induction programs

   e) Notification before dismissal.

3. Systematic promotion

4. Grievance Committees

5. Suggestion Boxes

6. Joint Consultation

7. Personal Office

The "action index" frequency distribution for the whole study group had a mean of 10.5 and a range of 1 to

---

1. This obvious error in evaluating all three of these items equally has been noted and in future analysis of the data will be properly accounted for.

29 points. The possible range was 1 to 34 points.

The scoring of the "attitude index", representing opinions and beliefs on the part of the managerial group with regard to labor motivation and labor-management relations follows in tabular form. After each item the number of points attributed to it by the researcher is given.

Questionnaire Source	Summary of item	Point Value
16	Consultation of Employees:	
	Frequently	2
	Occasionally and rarely	1
	Never	0
17	Delegation of authority:	
	Does	1
	Does not	0
18	Degree of intimacy:	
	Very close	2
	Somewhat distant	1
	Very distant	0
20	Managerial evaluation of Unions-Theoretically:	
	Detrimental	0
	Of little importance	1
	Very important	2

Questionnaire Source	Summary of item	Point Value
20	Mgr. evaluation of Unions - As they function in Lebanon:	
	Detrimental	0
	Of little importance	1
	Very important	2
21	Mgr. response to workers contemplating joining unions:	
	Encourage	1
	Discourage	0
22	Mgr. opinion on what motivates and provides job satisfaction among workers:	
	Humanitarian treatment is most important....	4
	Wages are most important	1
	Both, but "a" is more important than "b"....	3
	Both, but "b" is more important than "a".....	2
	Neither is important	0
24	Mgr. criteria for preferential evaluation of employees:	
	Highly productive introverts vs,....	1
	Average productive social-mixer.....	4
	Creative type who demands written contract vs.....	3
	Mediocre passive types	1
	Vocationally trained strangers vs...	3
	Untrained blood relatives.....	0

Questionnaire Source	Summary of item	Point Value
25	Responsibility for Security in Old-age:	
	Government's responsibility	1
	Social security programs	3
	Individual and family	0
27	Opinions regarding factors underlying productivity:	
	Modern machinery	1
	Individual characteristics.....	0
	Monetary rewards	0
	Team work (Human factor).....	3

The mean score on the above "attitude index" for the whole study group is 12.8. The range is from a low of 3 points to a high of 30 points.

The attribution of point values to the factors in both indexes is admittedly arbitrary. Indeed, it is recognized that validity might be greatly increased were the opinions of impartial judges utilized in making evaluations. It is felt, however, that the research will serve its purpose if broad tendencies are revealed and more rigorous analytical studies in the area under consideration are encouraged. The researcher has consciously attempted to minimize excessive evaluation of any specific

traits and, in fact, has only differentiated weights for the so-called "attitude index". The reader is of course urged to look for any bias which may have crept into the evaluation due to factors of which the researcher is not aware. By the same token, the "combined index" is a result of a simple summation of the absolute values in the separate indexes. Means and amounts of dispersion in terms of standard deviation are presented for subgroupings of the raw data in Appendix B as well as in connection with the several tests that are to follow. It should also be noted that levels of confidence are regularly presented and that, in general, the 0.01 level of significance has beeh adopted as the standard of acceptability.

A. Major Hypothesis

Awareness of the "human factor" in industrial relations on the part of managers is inversely related to the number of labor disputes and grievances brought before the Lebanese Conciliation Board.

The primary test to be made of the above hypothesis seeks to determine the degree of relationship that exists between the "combined index" of the "awarness" variable and the index for labor-management conflict. The scores on the "combined index", with a range of 4-56 and a mean of

23,3 were divided into two groups of 31 and 37 apiece. The cutting point was taken at "20 and above". With regard to the dispute scale, it had a range of 1-23 points and a mean of 5.9. However, as explained in the chapter on methodology the sample was divided equally in terms of number of disputes. The cutting point actually falls at "5 and above" yielding 34 subjects in each category. The chi square for the relationship revealed between these variables as indicated in table 16 is significant at 0.01 level. Furthermore, the contingency coefficient stands at .439 which is considered respectable by the researcher.

TABLE 16

RELATIONSHIP BETWEEN NUMBER OF DISPUTES AND MANAGERIAL AWARENESS OF THE "HUMAN FACTOR" IN INDUSTRY: TOTAL STUDY GROUP

No. Of Disputes	Combined Index			
	Below 20		20 and Above	
	N	%	N	%
5 and above	24	77.4	10	27.0
1 to 4	7	22.6	27	73.0

N = 68

X^2 = 16.3

Significance level = 0.001

C = .439

It is apparent then that the major hypothesis is confirmed. There is an inverse relationship shown between the prevalence of progressive attitudes, beliefs, and practices on the part of management and the number of times that labor and management appear before the Conciliation Board to settle disputes and conflicts.

B. Relevant Considerations

The question suggests itself as to whether the above finding is merely a function of size of the plants under study. In other words, was it the fact of smallness of size of one half of the study group (and therefore the irrelevance of some of the "action" items evaluated in the "combined index") that caused the inverse relationship? This ought to be able to be answered by eliminating the size between "awareness" and conflict among the large strata of the sample alone.

However, when size is thus eliminated it is found that little significant relationship between the "combined index" and amount of conflict remains.[1] But this finding does not necessarily force a complete rejection of the hypothesis because it is also apparent it is primarily the failure of the "action index" to realistically differentiate between high and low dispute plants similar in size that is causing the "combined index" also

---

1. $X^2 = 2.98$. Significant at better than the .10 level only.

to fail to do so.[1] This suggests that the relationship between number of disputes and "awareness" (with the size factor eliminated) is better measured in terms of the "attitude index" alone than in terms of the "combined index" which incorporates the "action index". As indicated in Appendix B the difference between the means of the two frequency distributions on the "good-bad" dimension (i.e. number of disputes) within the strate of large plants was found to be significant at 0.01 level. It can be seen in Table 17 that even with size held constant, the attitudes of management are definitely related to the number of disputes between labor and management.

TABLE 17

RELATIONSHIP BETWEEN NUMBER OF DISPUTES AND MANAGERIAL ATTITUDES ("ATTITUDE INDEX") TOWARD THE HUMAN FACTOR IN INDUSTRY: LARGE STRATA ONLY

No. Of Disputes	Attitude Index			
	Below 11		11 and above	
	N	%	N	%
5 and above	9	81.8	8	34.6
1 to 4	2 1/	18.2	15	65.4

N = 34 Significance level = 0.01

$X^2 = 6.59$

1. In attempting to apply chi square to the relationship between number of disputes in large plants and the "action index" one

1/ A minimum estimated frequency of five has been adopted in this analysis as the standard of acceptability. The Yates correction for this quadrant is 5.5

II. AWARENESS OF THE "HUMAN FACTOR" IN INDUSTRIAL RELATIONS AS A FUNCTION OF FOREIGN INFLUENCE

A question that constantly arises in recently industrializing areas is concerned with the extent to which characteristics of industrialization are influenced by external factors often designated as "Western". The current study was designed to test the impact of such external factors upon the attitudes and practices of industrial managers in Lebanon. This required the creation of a scale or index of foreign influences that could be related to the indexes of "awareness". The construction of this scale involved the following evaluations:

a) If management had received formal technical education abroad. (4 points)

b) If management had been educated in Lebanon in foreign sponsored institutions (3 points)

c) If management relied heavily upon foreign trained technical and "front-line" supervisory staff (3 points)

---

quadrant was found to have a lower than acceptable frequency, (according to Yates correction technique), i.e. fewer than five cases, the minimum limit adopted for the analytical purposes of this study. The "t" test of the difference between plants rated as "good" and those rated as "bad" within the "big" strata on

d) If management had had frequent but casual business visits to foreign countries thus providing informal indoctrination (2 points)

e) If management had had no foreign indoctrination whatsoever (1 point)

f) Replacing evaluation "b" above; for management raised to maturity in foreign lands (3 cases only) (3 points)

A. Hypothesis:

Awareness of the "human factor" in industrial relations is directly related to degree of Anglo-Saxon influence.

Table 18 presents the frequencies of the two variables under consideration here and establishes the significance of their relationship in terms of chi square. In regard to the "combined index" for "awareness", in deference to consistency the cutting point is again established at "20 and above". On the foreign influence continuum a cutting point is established at "5 and above" in a range of 1-12 points. The mean for this distribution is 3.7 but since only one score of four was encountered, a cutting point of five seemed justified.

---

the "action index" yielded a value of "t" = 1.05, significant at less than the 0.30 levels.

TABLE 18

RELATIONSHIP BETWEEN COMBINED INDEX OF AWARENESS AND ANGLO-SAXON INFLUENCE

Degree of Anglo-Saxon Influence	Combined Index			
	Below 20		20 and above	
	N	%	N	%
5 and above	3 1/	9.7	22	59.4
Below 5	28	90.3	15	40.6

N = 68

$X^2 = 17.9$

C = .453

Significance level = 0.001

1/ Yates' correction indicates an expected frequency of 8.4 here which is better than the adopted standard of 5.

The hypothesis is confirmed as indicated by a chi square significant at .001 level possessing a contingency coefficient of .453. In other words, for the sample under study in this research, foreign indoctrination has definitely influenced managerial practices in industry. Casual observation of the materials in Appendix B will indicate that elimination of the size factor would decrease the level

of significance in the case of the "combined index" but probably not in the case of the "attitude index".

B. Relevant Considerations

Since both the amount of conflict and degree of foreign influence are related to the "combined index for awareness", it is suggested that foreign influence and the number of disputes are themselves related. And this is the case. A comparison of these variables revealed a chi square of 4.99 which is significant at the .05 level. In other words, those managers who have had a greater amount of western indoctrination have been involved in fewer disputes with labor than those not so indoctrinated.

III. AWARENESS OF THE "HUMAN FACTOR" IN INDUSTRIAL RELATIONS AS A FUNCTION OF SIZE OF PLANT.

Another subsidiary hypothesis of this study was to test the influence of plant size upon managerial awareness of the "human factor" in industrial relations. As discussed previously in the chapter on methodology such a test required the stratification of the sample into large and small categories based on the number of employees per establishment. Such categorization bore in mind that relative size is partially a function of type of industry. Appendix B shows plant size distribution in terms of the

absolute number of workers in each plant. The mean size of the "Big" category of plants is 187.3 employees while that for the "Small" category is 15.2

A. Hypothesis

Awareness of the "human factor" is directly related to size of establishment as measured by number of employees.

The following table shows the frequency distribution of the two variables under consideration, namely, size and "awareness of the human factor". The cutting point of the size variable is based on the "big-small" dimension, and for the "combined index of awareness" variable, the cutting point remains at the "20 and above" level adopted throughout this analysis.

TABLE 19

RELATIONSHIP BETWEEN COMBINED INDEX OF AWARENESS AND SIZE OF ESTABLISHMENT

Size	Combined Index			
	Below 20		20 and above	
	N	%	N	%
Big	8	25.8	26	70.3
Small	23	74.2	11	29.7

N = 68

X^2 = 8.62

Significance level = 0.01.

As indicated in the above table, the hypothesis is confirmed by a chi square significant at more than the 0.01 level. In other words there is a marked positive correlation between size of an establishment and the practices and attitudes of management toward human relations in industry as measured by the "combined index".

B. Relevant Considerations

It will be recalled that the "combined index" is simply a summation of the separate "action" and "attitude" indexes. It is of some interest to inquire into the relative contribution of the "attitude" and "action" indexes separately to the above relationship between the "combined index" and the size variable since it is obvious that type of equipment is definitely a function of the size of operation. One can anticipate that big plants will offer more elaborate physical and technical equipment and social welfare programs than small sized plants. Therefore, a highly significant relationship between the "action index" and size is to be expected. The important question concerns how much, if any, relationship exists between size and the "attitude index". Tables 21 and 22 present these relationships.

TABLE 20

RELATIONSHIP BETWEEN THE ATTITUDE INDEX OF AWARENESS AND SIZE OF ESTABLISHMENT

Size	Attitude Index			
	Below 11		11 and above	
	N	%	N	%
Big	11	37.9	23	59.0
Small	18	62.1	16	41.0

N = 69

X^2 = 2.94

Significance level = 0.10

C = .203.

TABLE 21

RELATIONSHIP BETWEEN THE ACTION INDEX OF AWARENESS AND SIZE OF ESTABLISHMENT

Size	Action Index			
	Below 11		11 and above	
	N	%	N	%
Big	10	25.6	24	82.8
Small	29	74.4	5	17.2

N = 68

X^2 = 21.7

Significance level = 0.001

C = 0.493

As anticipated the level of significance of the relationship between the "action Index" and size is greater than that for the "attitude index". The .10 level of significance in the latter case, however, does not permit a rejection of the hypothesis. It is still possible that the very existence of factors in the plants measured on the "action index" have had some influence upon and been influenced by the attitudes of managers of large scale industrial operations in contrast with those in small-scale operations. If this is the case, a significant difference between the overall attitudinal means of large scale as

opposed to small scale managers is to be expected. The absolute means were found to be 14.8 and 10.9 respectively. And in point of fact when subjected to the "t" test these means are found to be significantly different at the .05 level. Therefore, it can be concluded that size of enterprise is not only positively related to the "combined index of awareness" but also to the separate parts of that index independently.

IV. AWARENESS OF THE "HUMAN FACTOR" IN INDUSTRIAL RELATIONS AS A FUNCTION OF AGE OF THE MANAGERIAL GROUP

It is often suggested that managements' attitudes with regard to general labor problems and policies reflect different orientations that are associated with age, per se. In Lebanon, where the clash between the young and old generation has obtained a high peak in recent decades, this contention is widely held. The new generation with their liberal and specialized training are often, as indicated in a previous chapter, thwarted by the existence of the conservative and traditional mentality of the older people who hold most of the authoritative positions in the society. The present subsidiary hypothesis is designed mainly to test whether managers belonging to different age groups reflect a difference in the combined index for "awareness of the human factor" in industrial relations?

An age frequency distribution was constructed with a cutting point drawn at "55 years and above" for the purpose of dichotomizing between old and young. The mean age of the "old" strata is 58.1 and that of the "young" is 39.2.

A. Hypothesis

Awareness of the "human factor" is inversely related to age of managerial group.

The above hypothesis is subjected to a chi square test of significance in the following table. Although the relationship is not as significant as previous ones, the 0.05 level indicates that the association between conservatism and increasing age is borne out for the segment of Lebanese industry under study here.

TABLE 22

RELATIONSHIP BETWEEN COMBINED INDEX OF AWARENESS AND AGE OF MANAGERIAL GROUP

AGE	Combined Index: Below 20 N	Below 20 %	20 and above N	20 and above %
55 and above	14	45.2	12	32.4
Below 55	17	54.8	25	67.6

N = 68

X^2 = 3.32

Significance level = 0.05.

B. Relevant Considerations

Once again it may be pertinent to determine whether managerial attitudes, uninfluenced by "action index" factors as they are in the "combined index", are more significantly a function of age. Table 23 shows the relationship between the "attitude index" of "awareness" and age of managerial group.

TABLE 23

RELATIONSHIP BETWEEN ATTITUDE INDEX OF AWARENESS AND AGE OF MANAGERIAL GROUP

Age	Attitude Index			
	Below 11		11 and above	
	N	%	N	%
55 and above	15	50.0	11	28.9
Below 55	15	50.0	27	71.1

N = 68

X^2 = 4.09

Significance level = 0.05

It is evident from table 23 that the "attitude index" is slightly more significantly related to age than the "combined index". The above relationship has a somewhat higher chi square value than the previous one suggesting that the two managerial age groupings differ more in their attitudes than they do in their actions and policies regarding the "human factor" in industrial relations.

This concludes this section which has been devoted to statistical analysis and measurement of the quantitative variables established by the research design for this study. Statistical tests of many other obvious relationships are appropriate and could have been performed but those selected seemed to the researcher to be the most significant and relevant. In the next section qualitative observations suggested in both parts I and II of this chapter will be drawn together and summarized.

PART III. QUALITATIVE CONTENT

In part I of the present chapter many objective characteristics of the managerial group under study were revealed. Dominant patterns were suggested as well as low frequency characteristics. In part II relationships between the more quantitative characteristics of the subject matter were set forth and measured. However, those findings that have been presented thus far have included only the most direct and specific responses by the respondent group. It is the purpose of the present section to supplement some of the patterns that have been revealed with some of the qualitative or more subjective observations and commentary that seem to underlie those patterns. In more colloquial terms, some meat is to be provided for the bones.

Many specific findings have suggested what may be described as a relatively low level of progressiveness in the typical approach to labor relations on the part of the managerial group under study. It is well known that exploitative recruitment and employment practices such as systematic firing of employees just short of the time-limit for indemnity qualification are common in Lebanese industries. Written contracts are the exception and generally are thought of unfavorably by management in

spite of the fact that high-turnover and absenteeism of labor are considered by management to be a serious hindrance to industrial development. The obvious relationship between low job security for which management is largely responsible and low worker morale and efficiency seems not to have dawned on many Lebanese managers. Lebanese labor legislation, as is true in many newly industrializing areas, is far more progressive than management would have it be or show any marked tendency to abide by. At the same time it is far beyond a point at which Lebanese labor can realistically comprehend it or bring about its enforcement. The frustrations on both sides are undoubtedly great. The present study has been able to throw some light only on the frustrations of the managerial side.

From the outset of this study it was conceived that a most appropriate and adequate supplemental means for reflecting general patterns of Lebanese managerial mentality would be through the collection of opinions and attitudes verbatim. While the ideal method of tape-recording was not utilized, an alternative method appears to have provided some valuable insights. The alternative was one by which the researcher in the course of interviewing jotted down separately as many direct quotations of off-hand remarks as time and the situation would allow. These

have been gathered together and categorized quite arbitrarily by the author and his supervisor. Selected examples for each category are herewith presented.

In category A are responses which reveal a definitely hostile opposition to humanitarian or progressive treatment of workers, and which even considered such treatment as harmful.

Examples:

> "Good treatment would never work with workers who have the intention of instigating trouble and disorder. This is what their unions teach them. All they care for is to make Lebanese industry fall apart so that communists will come and take over."
>
> "If you treat workers democratically, they all think you are weak and afraid of them and so they take advantage of yourkindness. You should be very strict with them."
>
> "If a worker is a good social mixer, then all the other workers will form one "clique" or one team against me. This becomes very difficult to manage. On the other hand, the productive worker who is disliked by the rest will be an example for the other workers. They will compete with him and they will strive to work better - all because they hate him."

Category B was reserved for those responses which claimed a humanitarian or progressive approach to be impossible (even if theoretically a good idea). The impossibility is variously ascribed to the visciousness, simple-midedness, radicalness and gullibleness (particularly in the face of communist or other political demagogery) of workers qua workers.

Sometimes it is not clear whether managers consider such traits to be inherited or not.

Examples:

> "The (unions) are the evil and enemy of every owner and manager. The workers are illiterate and simple and they are easily bribed by wrong ideas of communism."
>
> "If you treat workers nicely, they think you are doing it to cut their wages."
>
> "How am I supposed to treat them democratically and offer them welfare when they regard me as a devil."

Category C. Humanitarianism as Useless.

Closely related to category B but more general and less derogatory are certain comments which reflect on managerial assumptions about Lebanese mentality generally. In these cases the emphasis seems to be on the uselessness of treating workers humanely because of several imagined conditions assumed to preclude success. Three examples which cite Lebanese mentality as the limiting factor are:

> "Team work is the most important fact. Once you have this all goes well. But here in the Middle East every man wants to be the boss. They work as individuals and not as a team."
>
> "You cannot heed the "human factor" unless you change the underlying Lebanese mentality."
>
> "Welfare programs might work in foreign countries but money is everything to the Lebanese worker."

Many managers simply support the notion that it is useless on the basis of an alleged inability of workers to understand what is going on.

Examples:

> "My workers are not educated and most of them have led a rough life. They are not used to gentle and humanitarian treatment. They don't feel the need for it, and they don't appreciate it."
>
> "How can I provide welfare for a worker who does not look after either his own, or my welfare."
>
> "I run a factory and not a public garden. These things work alright in universities and Tapline but not in a factory."

Others state the case for the uselessness of a humanitarian approach more positively when they insist that it is only money or power that motivates laborers. In support of the "Economic Man" theory are the following examples:

> "I give workers what they want. They can always find social and welfare programs outside the factory, but they can never find money outside."
>
> "Financial incentives are most important. Once a worker is satisfied financially, he will work better. With financial satisfaction workers will be socially satisfied. They will buy their own welfare."
>
> "If I ask workers to choose between a half pound raise a day or running cold water in Summer to drink, they will all choose the former. This is the mentality of the Lebanese worker. They are too poor to care for welfare programs. Everything to them is in terms of money and I give them what they want."

In support of the Ricardian "rabble hypothesis" and the belief that workers only understand power are these examples:

> "You have to be authoritative and strict with workers - this is the only way by which you can get work out of them."
>
> "The worker is a machine. He has to be ordered around. This is the way to get work out of them. If you treat him democratically, he thinks you are weak and he will oppose you action and orders."

Note that the second example given in category A also equated kindness with weakness. Finally, there are those belonging to category C who base the claim of uselessness on the notion that the Lebanese workers is not ready for humanitarian treatment.

Examples:

> "Such factors are very important but still the Lebanese worker is not socially equiped to enjoy welfare programs. These should be planned step by step. If you give them all at once, the workers will react unfavorably."
>
> "The Lebanese worker in general needs basic economic security. Once he gets this, then he will become aware of the social sphere. So if we provide our workers with social welfare, they will not appreciate it. They are not used to it."
>
> "These factors have an effect on morale and efficiency in a society where democratic treatment is widely practiced. I cannot be democratic with my workers inside my factory when in their homes and environment they are treated differently. They just are not aware of such schemes, and they don't feel the need for it."

Category D is reserved for those who have apparently progressive treatment as an obligation but conceive of it as someone else's responsibility.

Examples:

> "I have enough to worry about the young vicious workers. Let somebody else take care of the retired. Besides, no body is helping me provide my own security."
>
> "When government starts improving the district, then I will think of improving workers' conditions."
>
> "Efficiency and productivity is the most important thing and not sociability. They can be sociable outside my factory."

Category E: The Progressive.

All is not negative. There are even some ultra-progressive comments to be found which have an almost platitudinous ring. For instance:

> "Humanitarian treatment gives the worker a sense of importance. It compells him to work better and increases his morale, regardless of the wage he gets. Once the worker is satisfied psychologically and socially, he loses his monetary consciousness."
>
> "The psychology of the Lebanese worker demands and appreciates good treatment, especially the Christians. Their background has always been one of ostracism. Thus they naturally demand democratic treatment. It is the very most essential fact in industrial relations."

Others specifically cite the benefits of team work.

> "Team work is the most important fact. Once you have this all goes well. But here in the Middle East, every man wants to be the boss. They work as individuals and not as a team."

And still others reveal a mental hygienic orientation.

> "If you treat the worker in a democratic way and respect his opinion, he will feel more important and of value to the firm. He works as if it is his own. This gives him confidence and self respect."

"With good treatment you win the trust and respect of workers. This is the key to success. You cannot do this with money alone."

"Democratic treatment is what makes the whole organization tick and work with coordination. You have to delegate authority and consult the workers. They feel more important that way."

No attempt has been made in the above presentation at precise representativeness. However, the more quantitative analyses previously presented indicates that the proportional distribution of opinion among the several categories is at least roughly in the appropriate direction.

PART IV: CONCLUSION

The central purpose of this study was to obtain some insight into the level of development of a progressive and humanitarian practices and ideologies within the Lebanese industrial system. From the outset it has been realized that no inter-cultural comparisons would be possible since no standardized and comperable variables exist. Neither labor-management conflict, levels of productivity, or degree of awareness of the "human factor" in industrial relations are comparable from one society to another or indeed, even between specific industries. The evidence that has been presented tempts the writer into the belief that the "awareness factor" is at a low stage of development in Lebanon. However, for the above reasons such temptation must be resisted and the subjective nature of the belief recognized.

On the other hand, this research has demonstrated very definite differences in levels of "awareness", and in amounts of labor-management conflict within Lebanese industry itself. It has also demonstrated significant relationships between those variables as well as between those and many others. Therefore, sufficient empirical evidence has been presented to justify the claim that Lebanese industry is differentiated, that it is undergoing rapid change, and since progressive managerial practices and attitudes are ~~are~~ "paying-of" in terms of more peaceful labor relations, that the trend of change may well be in the direction of increasing progressivism in management-labor

relations in Lebanese industry. Final empirical proof of the latter contention can be obtained only through follow-up studies similar in nature to this one. Such studies are not only considered eminently worthwhile but of practical urgency.

The practical urgency of the matter, in the author's opinion, stems admittedly from values that he holds to be worth persuing. Democracy is not merely a political ideology; it is a way of life. It has undergone long development in Lebanese village society and must not be lost in the transition to urban-industrial society. The democracy of the agricultural village harvest must be transferred to the industrial work place. Industry must not deny the worker the physical and psychological security which have characterized his long folk-cultural existence.

This study has demonstrated that some managers have recognized the urgency of the situation and have promoted and are concerned about industrial democracy. But the extent of this recognition is very slight and usually limited to the work place situation only. A broader recognition of social responsibility which will be reflected in a concern over such things as housing, schooling, health protection, security in old-age for the vast industrial labor force which is steadily growing in Lebanese cities is practically non-existent. It seems to the writer that the embryonic social responsibility that is to be found within Lebanese industrial management must

be encouraged; its horizons broadened to encompass the welfare of the whole industrial community.

Acceptance of a position in management should entail acceptance of the social responsibilities which go with it. In the long run the future of any Lebanese industry will ultimately depend upon the kind of people in management more than on any other single factor. If Lebanon is to build a liberal industrial society, then each and every man in management must be aware of the impact of every industrial policy upon society.

Management's high pride must be in the contributions it makes to the lives of people working under its roof.

The position taken above places an exceedingly heavy burden upon management. Essentially they have been conceived as pioneers. But as such they need not proceed blindly. Industrial research, particularly of a sociological nature, is able to provide guides to policies for which the risk hazard may be known and warnings given against pitfalls and blind alleys. It is hoped that the research reported in these chapters will set an example and bear witness to the value of approaching problems in the sphere of industrial relations scientifically.

APPENDIX A

INTERVIEW SCHEDULE INTERVIEW NO.__

Background Data

Before we start asking you the more specific type of questions, there is certain general background information about you and your firm which we would like to know.

1. What is your age?

_____years.

2. What is your nationality?

_____

3. To which religious group do you belong?

_____

4. From what type of elementary and secondary school did you graduate?

	Elementary	Secondary
a) Arabic government school	_____	_____
b) Arabic private school	_____	_____
c) French	_____	_____
d) American	_____	_____
e) British	_____	_____
f) Others: What?_____	_____	_____

5. Did you have any college education?
___a) Yes
___b) No

5.1 If yes, ask: In what type of school and where did you take your college education?
type of school_____, where_____

6. What certificates or degrees do you hold and from where?

Degrees	Specialization	Where
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. For how long have you been the manager of this firm?

_____

8. What was your previous occupation or occupations?

9. How did you happen to become a manager?

10. Have you had any opportunities to study or observe business like your own in foreign countries?
___a) Yes
___b) No

10.1 If yes, ask: Where and when?

Where	When
____	____
____	____
____	____
____	____

11. Could you briefly tell me something about the history of the plant; its growth and development?
Probe: How did it start out and where?

12. Now that we know a little about your background, can you give me a general picture of productivity in this plant?

Types of products | No. of Employees | Levels of productivity | Avg. Wages

13. What physical and technical equipment are employed in this plant?

A. Machines

No.	Type	CONDITION Old	Average	Modern
___	____	___	___	___
___	____	___	___	___
___	____	___	___	___
___	____	___	___	___
___	____	___	___	___
___	____	___	___	___
___	____	___	___	___

B. Health and Protective Machanisms

___ 1. Canteens & dining-halls	___	___	___
___ 2. Rest pauses	___	___	___
___ 3. Ventilation and lighting	___	___	___
___ 4. Protective clothing	___	___	___
___ 5. Sanitary conveniences	___	___	___
___ 6. Baths and lockers	___	___	___
___ 7. Clinic or dispensary	___	___	___

C. Others

14. Are you completely satisfied with this plant and its productive capacity?
___ a) Yes
___ b) No

14.1 If not, what major changes would you like to make?

15. What social and welfare programs and policies are employed in this factory?

Financail Incentives	Welfare Benefits & Programs
__1. Bonus	__1. Hospitalization Plan
__2. Commission	__2. Provision of transport
__3. Profit-sharing schemes	__3. Community improvements
__4. Workmen's compensation	__4. Club organization
__5. Old-age pensions	__5. Sports
__6. Indemnities	__6. Picnics and excursions
__7. Insurance	__7. Other social activities

Job Security

__1. Union recognition
- __a) Closed shop
- __b) Open shop
- __c) No Union at all

__2. Employment protection
- __a) Written contracts
- __b) Vocational training
- __c) Merit rating
- __d) Induction programs
- __e) Notification before dismissal

__3. Promotion schemes
__4. Grievances committee
__5. Suggestion Box
__6. Joint consultation
__7. Personnel office

Probe: How are these working out?
Do you have any suggestions for future improvements along this line?

16. When you plan changes and improvements in your plant, do you consult the employees or consider their opinions?
- ____a) Frequently
- ____b) Occassionally
- ____c) Rarely
- ____d) Never

Probe: How?

17. Do you delegate some of the organization's decisions to other personnel in the organization, or do you prefer to make these decisions on your own without any delegation of authority?
- ____a) Yes, I do delegate
- ____b) No, I dont

18. Generally, how close or intimate are you with your workers, that is, to what extent do you encourage them to discuss with you their intimate personal problems and grievances?
____a) Very distant
____b) Somewhat distant
____c) Close
____d) Very close

19. How many of your workers do you know personally? About what percent do you think you could name?

20. Some managers think that unions are not essential for the protection of the interests of workers. In your opinion, how important are unions regarding the general welfare of your workers?

	Theoretically	As Applied in Lebanon
a) Detrimental	____	____
b) Not important at all	____	____
c) Of little importance	____	____
d) Fairly important	____	____
e) Very important	____	____

Probe: Why?

21. In general, would you say that you so far encouraged more workers to join unions, or have you been more inclined to discourage them?
____a) encouraged
____b) discouraged

22. Some managers feel that such factors as security and welfare programs and emphasis on democratic and humanitarian treatment of workers have little or no effect on morale and efficiency of those workers - what really matters, they say, is only the wage you pay them. What is your opinion regarding this matter?

Probe: Why?

23. Do you believe that modern industrial organization makes impossible the creative human satisfaction that workers in pre-industrial society derived from their jobs?
____a) Yes
____b) No

23.1 If yes, whose responsibility is it to compensate for this loss?

____a) Managements' responsibility
____b) Union's "
____c) The Community's "
____d) Individual "

23.2 If no, how do you defend your position?

24. Supposing as a manager you were given a choice to select one of each of the two different types of workers described below. Other things being equal, which would you prefer in each case?

A. __a) Worker X is very efficient in his work - individual productivity record is higher than others; but he is not a good social mixer - he cannot fit well into the group.
__b) Worker Y is a good social mixer - he is very liked by his colleagues; but his individual productivity record is average and not as high as X.

B. __a) Worker X brings a letter of recommendation that says he is a leader highly productive, and makes many creative suggestions but insists on demanding a written contract.
__b) Worker Y brings no letter of recommendation, has a reputation as an average worker, and has never been known to assume any leadership or to complain or make suggestions. He simply wants a job and is not interested in a written contract.

C. __a) Worker X has a certificate from a well-known school in Tripoli, he has no relatives in the plant or Beirut.
__b) Worker Y is the cousin of the foreman in your plant and has had no training for the job.

25. What do you think is the best solution to the problem of providing security and happiness in old-age retirements?

26. It is perfectly natural that you as a manager shall be highly interested in productivity. In your own personal opinion what do you think are the most important factors related to high productivity levels in your type of industry? I wish you would try to rank these factors in order of their importance.

27. Some other managers that I have interviewed have mentioned the following factors. How would you rank them?

____a) Most modern type of machinery and a pleasant physical working environment.

____b) Individual characteristics of workers, such as, intelligence, maual dexterity, speed, and other aptitudes.

____c) Team-work and organization of work groups in line with friendship patterns.

____d) Monetary rewards and financial security of the workers.

TABLE 1

SUB-GROUP: "GOOD-BIG" STRATA

Absolute No. of Workers	Age (Mid Points)	Foreign Influence Index (1-12)	No. of Disputes (1-23)	Action Index (1-34)	Attitude Index (2-30)	Combined Index (1-64)
105	55	2	2	13	8	21
125	55	3	3	13	11	24
60	25	12	1	29	27	56
65	35	12	2	16	17	33
65	45	1	1	9	11	20
500	55	5	1	20	20	40
100	55	3	1	9	14	23
45	65	3	1	16	20	36
300	35	8	2	16	20	36
35	45	5	1	10	22	32
41	25	5	3	17	25	42
135	45	5	4	28	26	54
35	65	12	2	14	27	41
35	55	1	2	6	5	11
100	45	9	1	19	20	39
75	35	12	2	24	20	44
58	45	8	1	16	18	34
$N = 17$	$N = 17$	$N = 17$	$N = 17$	$N = 17$	$N = 17$	$N = 17$
$\Sigma x = 1878$	$\Sigma x = 785$	$\Sigma x = 106$	$\Sigma x = 30$	$\Sigma x = 275$	$\Sigma x = 311$	$\Sigma x = 586$
$\bar{x} = 110.5$	$\bar{x} = 46.2$	$\bar{x} = 6.2$	$\bar{x} = 1.6$	$\Sigma x^2 = 5107$	$\Sigma x^2 = 6383$	$\Sigma x^2 = 22482$
				$\bar{x} = 16.2$	$\bar{x} = 18.3$	$\bar{x} = 34.5$
				$\sigma = 6.61$	$\sigma = 6.7$	$\sigma = 10.9$

Table 2

SUB-GROUP: "BAD-BIG" STRATA

Absolute No. of Workers	Age (Mid Points)	Foreign Influence Index (1-12)	No. of Disputes (1-23)	Action Index (1-34)	Attitude Index (2-30)	Combined Index (1-64)
340	25	8	7	18	23	41
300	55	9	6	14	9	23
65	55	1	23	5	4	9
40	75	1	17	12	4	16
78	55	1	6	2	4	6
65	25	3	16	20	14	34
60	55	5	20	14	8	22
200	45	12	5	25	24	49
120	45	5	6	16	15	31
45	45	1	20	7	4	18
120	35	3	20	15	13	28
350	55	2	5	10	6	16
2000	55	8	21	23	15	38
360	45	1	9	15	15	30
84	45	5	20	6	9	15
145	35	5	17	25	8	33
120	55	1	5	5	5	10
$N = 17$ $\Sigma x = 4492$ $\bar{x} = 263.0$	$N = 17$ $\Sigma x = 805$ $\bar{x} = 47.3$	$N = 17$ $\Sigma x = 71$ $\bar{x} = 4.2$	$N = 17$ $\Sigma x = 223$ $\bar{x} = 13.1$	$N = 17$ $\Sigma x = 232$ $\Sigma x^2 = 3984$ $\bar{x} = 13.6$ $\sigma = 7.36$	$N = 17$ $\Sigma x = 187$ $\Sigma x^2 = 2665$ $\bar{x} = 11.0$ $\sigma = 6.02$	$N = 17$ $\Sigma x = 419$ $\Sigma x^2 = 12707$ $\bar{x} = 24.6$ $\sigma = 11.8$

Table 3

SUB-GROUP: "GOOD-SMALL" STRATA

Absolute No. of Workers	Age (Mid Points)	Foreign Influence Index (1-12)	No. of Disputes (1-23)	Action Index (1-34)	Attitude Index (2-30)	Combined Index (1-64)
12	45	5	1	12	20	32
14	35	1	1	6	17	23
15	45	1	1	5	15	20
10	25	1	1	9	11	20
15	55	5	2	10	11	21
7	65	1	1	5	11	16
10	55	7	1	4	7	11
14	55	1	1	4	6	10
15	35	3	1	15	20	35
2	45	1	1	3	11	14
6	35	3	1	15	30	45
8	45	6	1	16	25	41
18	35	2	1	9	11	20
20	35	1	1	7	8	15
40	55	9	2	15	22	37
8	45	1	1	3	16	19
12	75	1	1	7	14	21
$N = 17$ $\Sigma x = 226$ $\bar{x} = 13.3$	$N = 17$ $\Sigma x = 785$ $\bar{x} = 46.2$	$N = 17$ $\Sigma x = 49$ $\bar{x} = 2.9$	$N = 17$ $\Sigma x = 19$ $\bar{x} = 1.1$	$N = 17$ $\Sigma x = 145$ $\Sigma x^2 = 1571$ $\bar{x} = 8.5$ $\sigma = 4.42$	$N = 17$ $\Sigma x = 255$ $\Sigma x^2 = 4529$ $\bar{x} = 15.0$	$N = 17$ $\Sigma x = 400$ $\Sigma x^2 = 23.5$

Table 4

SUB-GROUP: "BAD-SMALL" STRATA

Absolute No. of Workers	Age (Mid Points)	Foreign Influence Index (1-12)	No. of Disputes (1-23)	Action Index (1-34)	Attitude Index (2-30)	Combined Index (1-64)
13	45	1	5	4	7	11
20	45	1	7	5	5	10
13	55	1	7	2	4	6
11	45	1	5	3	5	8
12	55	1	5	4	13	17
20	45	2	18	4	4	8
13	45	1	6	2	8	10
23	55	1	6	1	3	4
7	45	1	6	1	5	6
10	65	1	7	2	9	11
13	35	1	13	2	9	11
35	55	3	6	10	7	17
32	45	1	13	6	8	14
12	35	1	9	3	6	9
7	45	5	7	6	6	12
30	45	4	8	7	12	19
20	45	1	5	5	6	11
$N = 17$ $\Sigma x = 291$ $\bar{x} = 17.1$	$N = 17$ $\Sigma x = 805$ $\bar{x} = 47.3$	$N = 17$ $\Sigma x = 27$ $\bar{x} = 1.6$	$N = 17$ $\Sigma x = 133$ $\bar{x} = 7.8$	$N = 17$ $\Sigma x = 67$ $\Sigma x^2 = 355$ $\bar{x} = 3.9$ $\sigma = 2.07$	$N = 17$ $\Sigma x = 117$ $\Sigma x^2 = 935$ $\bar{x} = 6.9$	$N = 17$ $\Sigma x = 184$ $\Sigma x^2 = 10.8$

Table 5

SUMMARY OF RAW DATA ACCORDING TO SIZE DIMENSION

Dimension	No. of Workers		Age		Foreign Influence		No. of Disputes		Action Index		Attitude Index		Combined Index	
	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$
Big-Good	1878	110.8	785	46.2	106	6.2	30	1.6	275	16.2	311	18.3	586	34.5
Big-Bad	4492	263.0	805	47.3	71	4.2	223	13.1	232	13.6	187	11.0	419	24.6
Total	6370	187.3	1590	46.7	177	5.2	253	7.3	507	14.9	498	14.8	1005	29.5
Small-Good	226	13.3	785	46.2	49	2.9	19	1.1	145	8.5	255	15.0	400	23.5
Small-Bad	291	17.1	805	47.3	27	1.6	133	7.8	67	3.9	117	6.9	184	10.8
Total	517	15.2	1590	46.7	76	2.2	152	4.5	212	6.2	372	10.9	584	17.2
G. T.	6887	101.1	3180	46.7	253	3.7	405	5.9	719	10.5	870	12.8	1589	23.3

Table 6

SUMMARY OF RAW DATA ACCORDING TO "GOOD-BAD" DIMENSION

Dimension	No. of Workers		Age		Foreign Influence		No. of Disputes		Action Index		Attitude Index		Combined Index	
	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$	Σx	$\bar{x}$
Good-Big	1878	110.5	785	46.2	106	6.2	30	1.6	275	16.2	311	18.3	586	34.5
Good-Small	266	13.3	785	46.2	49	2.9	19	1.1	145	8.5	255	15.0	400	23.5
Total	2104	61.9	1570	46.2	155	4.5	49	1.4	420	12.3	566	16.6	986	29.0
Bad-Big	4492	263.0	805	47.3	71	4.2	223	13.1	232	13.6	187	11.0	419	24.6
Bad-Small	291	17.1	805	47.3	27	1.6	133	7.8	67	3.9	117	6.9	184	10.8
Total	4783	140.1	1610	47.3	98	2.9	356	10.4	299	8.7	304	8.9	603	17.7
G. T.	6887	101.1	3180	46.7	253	3.7	405	5.9	719	10.5	870	12.8	1588	23.3

BIBLIOGRAPHY

BOOKS

1. Bakke, E. W., Bonds of Organization, (New York: Harper and Brothers, 1950).

2. Bakke, E. W., and Kerr, C., ed., Unions, Management and the Public, (New York: Harcourt, Brace and Company, 1949).

3. Barnard, C.I., The Foundations of the Executive, (Cambridge: Harvard University Press, 1938).

4. Bonne, Alfred, State and Economics in the Middle East, (London: Kegan Paul, Trench, Trubner and Co., Ltd., 1948).

5. Brown, J.A.C., The Social Psychology of Industry, (Great Britain: Penquin Books, 1954).

6. Chase, Stuart, The Proper Study of Mankind, (New York: Harper and Brothers, 1948).

7. Drucker, P.F., The End of Economic Man, (New York: The John Day Company, 1939).

8. _____, The Practice of Management, (London: William Heinemann Ltd., 1956).

9. Dubin, R., ed., Human Relations in Administration, (New York: Prentice-Hall, Inc., 1951).

10. Galenson, W., Labor Productivity in Soviet and American Industry, (New York: Columbia University Press, 1955).

11. Gardner, B.B., and Moore, D.G., Human Relations in Industry, (Chicago: Richard D. Irwin, Inc., rev. ed., 1950).

12. Gibb, A., The Economic Development of Lebanon, (London: Knopp, Drewelt and Sons, Ltd., 1948).

13. Himadeh, S. B., ed., Economic Organization of Syria, (Beirut: American Press, 1936).

14. Hoslett, S.D., ed., Human Factors in Management, (New York: Harper and Brothers, 1946).

15. Mayo, Elton, The Social Problem of an Industrial Civilization, (Boston: Harvard University, 1945).

16. _____, The Human Problems of an Industrial Civilization, (Boston: Harvard University, 1946).

17. Miller, D.C., and Form, W.H., Industrial Sociology, New York: Harper and Brothers, 1951).

18. Moore, W.E., Industrialization and Labor, (New York: Cornell University Press, 1951).

19. Parsons, T., The Social System, (Glencoe, Ill.: Free Press, 1951).

20. Patterson, S.H., Social Aspects of Industry, (New York: McGraw-Hill Book Company, Inc., 1943).

21. Peters, R.W., Communication within Industry, (New York: Harper and Brothers, 1949).

22. Richardson, J.H., An Introduction to the Study of Industrial Relations, (London: George Allen and Unwin Ltd., 1954).

23. Roethlisberger, F.J., Management and Morale, (Cambridge: Harvard University Press, 1941).

24. Roethlisberger, F.J., and Dickson, W.J., Management and the Worker, (Cambridge: Harvard University Press, 1938).

25. Tead, E., The Art of Administration, (New York: McGraw-Hill Book Company, Inc., 1951).

26. Thompson, C.B., The Theory and Practice of Scientific Management,(New York: Houghton Mifflin Co., 1917).

27. Tipper, H., Human Factors in Industry, (New York: The Ronald Press Company, 1922).

28. Tredgold, R.F., Human Relations in Modern Industry, (London: Gerald Duckworth and Co., Ltd., 1949).

29. Whyte, W.F., ed., Industry and Society, (New York: McGraw-Hill Book Co., 1946).

REVIEWS AND PERIODICALS

1. Asfour, E., "Industrial Development in Lebanon", Middle East Economic Papers, (Beirut: Economic Research Institute, 1955).

2. Badre, A., "The National Income of Lebanon", Middle East Economic Papers, (Beirut: Economic Research Institute,1956).

3. Coon, C.S., "The Impact of the West on Middle Eastern Institutions", Proceedings of the Academy of Political Science, v. 24, (1952).

4. Donato, J., "Lebanon and Its Labor Legislation", International Labour Review, (January, 1952).

5. Eban, A.S., "Some Social and Cultural Problems of the Middle East", International Affairs, v. 23, (1947).

6. Hakim, G., "Economic Development in the Middle East", India Quarterly, v. 8, (1952).

7. Harrison, J.G., "Middle East Instability", Middle East Affairs, v. 5, (1954).

8. Lampan, R.J., "The Lebanese Labor Code of 1946", Labor Law Journal, (July, 1954).

9. Likert, Rensis, "Developing Patterns in Management", General Management Series, No. 178, (1955).

10. Meyer, A.J., "Entrepreneurship: The Missing Link in the Arab States", Middle East Economic Papers, (Beirut: Economic Research Institute, 1954).

11. Mills, A.E., "Economic Change in Lebanon", Middle East Economic Papers, (Beirut: Economic Research Institute, 1956).

12. Nsouli, M., "Lebanese Heritage from Handicraft to Industry", Les Conferences Du Cenacle, v. 7, (1953).

13. Patai, R., "The Middle East as a Cultural Area", The Middle East Journal, v. 6, (1952).

14. _____, "Relationship Patterns Among the Arabs", The Middle East Affairs, v. 2, (1951).

15. Prothro, T.E., "Studies in Stereotypes: IV. Lebanese Business Man", The Journal of Social Psychology, v. 40, (1954).

16. Roethlisberger, F.J., "Human Relations: Rare, Medium, or Well-Done?", Harvard Business Review, v. 26, (1948).

PUBLICATIONS AND REPORTS

1. Badre, A., and Altounian, A., "Income Arising in the Agricultural Sector", National Income of Lebanon, Economic Research Institute, Beirut, 1951.

2. Badre, A., and Nasr, A., "Income Arising in the Industrial Sector", National Income of Lebanon, Economic Research Institute, Beirut, 1953.

3. The Lebanese Labor Code, September 1946.

UNPUBLISHED MATERIAL

1. Matthews, T. J., Lecturer on Modern Arab Society, American University of Beirut, (1956).

2. Records and Files of the Conciliation Board, Labor Section, Lebanese Ministry of Social Affairs.

3. Registered Labor Disputes, Files of Arbitration Council or Labor Court, Lebanese Ministry of Justice.