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HUMAN RESOURCES IN LEBANON: CHARACTERISTIC AND PROBLEMS OF HUMAN RESOURCES MANAGEMENT

The article considers the problems of increasing the efficiency of human resources in Lebanese organizations. There is an analysis of dynamics of macroeconomic indicators: the number of economically active population, the level of involvement of men and women in the economy and labor productivity, refugee crisis influence on human resources and management in the research.

Necessary labor resources, their rational use, and high level of labor productivity are of great importance for increasing the efficiency of any enterprise. The crisis of the modern personnel management system of Lebanese organizations is caused by the general crisis of the established traditional system of man-organization relations. The transfer of emphasis in the management of the organization from purely technical objects to a person requires the search for new methods of human resources management adequate to the modern economic conditions.

The analysis of labor productivity dynamics as the main indicator of efficiency, its connection with labor remuneration and the number of employees in the country's economy by branches and sectors is presented. The study has identified a number of major problems in the management of human resources of Lebanese organizations, in particular: dissatisfaction with working conditions, problems in training and retraining and search for personnel, weak motivation of the employee to self-study, insufficient control, gender attitudes. There are a number of recommendation how to improve human resources management in Lebanon.

Key words: efficiency, human resources, labor productivity, salary, refugee crisis.

Introduction. Organizations in their activities use a lot of resources: natural, material, human. Of all the resources, human resources are the most important and play a crucial role in the management process. Management is seen as a separate process of planning, organization and control. This process involves working with people. All other resources move freely, but people with knowledge, experience and skills need to be involved in the organization because they are an invaluable asset. They are in great demand. Knowledge is the main component of a person's personality, which determines his competence and effectiveness, puts him among others or outperforms others [1]. It is the possession of knowledge that has made human resources crucial and important.

Research and implementation in practice of human resources management methods as key elements of public goods production contributes to optimization of procedures for their effective use in practice. The need to solve the problems of improving the efficiency of human resources use has determined the purpose of the study.

Main part. The purpose of the study is to study the problems of human resources management in Lebanese organizations and develop directions for their solution.

Looking at the specifics of human resources development in Lebanon [2], we will analyze a number of macroeconomic indicators (fig. 1, 2, 3).

The average share of employment in the economy over this period was 45.3%, with a minimum of 43.59% in 1996 and a maximum of 47.19% in 2019.

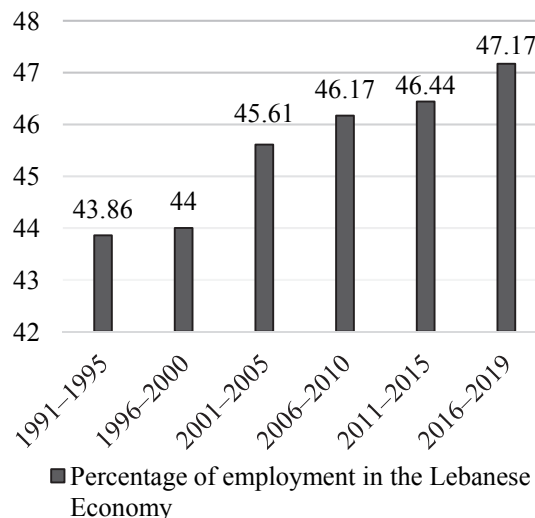


Fig. 1. Average annual dynamics of employed in the Lebanese economy over 1991-2019, %

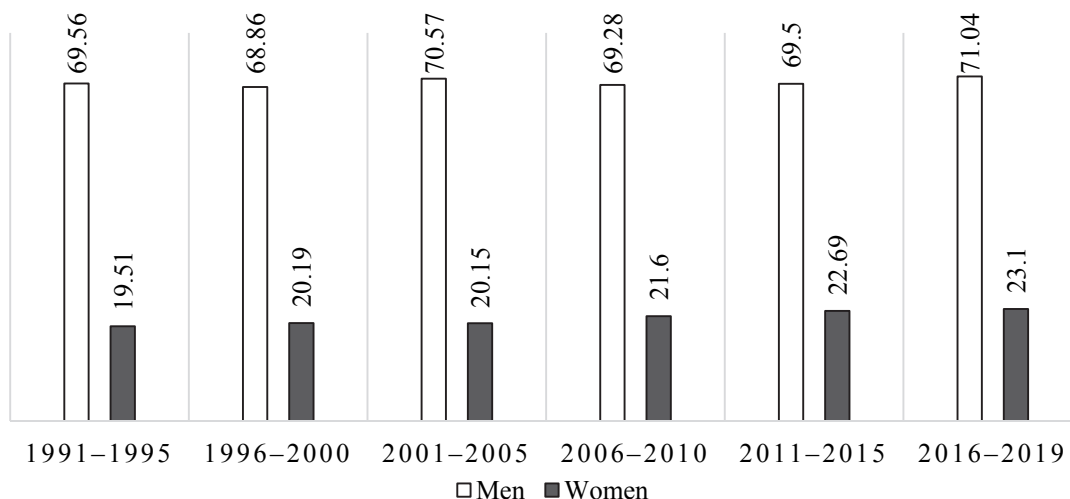


Fig. 2. Average annual dynamics of the proportion of employed men and women to the Lebanese economy over 1991–2019, %

Despite the fact that women represent half of the country's population, only 23.1% were economically active. This is three times lower than for men, whose activity rate is 71.04% (fig. 2). Some of the reasons for the low activity of women are childbearing and household chores [3].

Fig. 2 shows that the proportion of economically active women in Lebanon increased by 3.59% between 1991 and 2019, but remains very low compared to other Western countries. This is due to the traditional way of life of the Lebanese population, where the main role in the maintenance of the family is played by men. Today, women's employment in the Arab world is the lowest in the world as less than 32% according to the World Bank.

There is a distribution of the labor force by sex and ownership of work in table 1.

Table 1

Percentage of distributing the labor force by sex and ownership of work

Sectors	Men	Women
Government sector	13.7	16.2
Private industry	84.8	83.0
Family business	0.9	0.2
Others	0.6	0.6
Total	100	100

The majority of Lebanese workers are salaried workers (50.4%). The majority of female workers (79%) are salaried workers, with only a small proportion being self-employed or employers. However, more than 40% of men are employers or self-employed (42%) and 55% are employees.

The majority of Lebanese workers (50%) are employed in the service sector, and 28% work in

the commercial sector. Lebanon is characterized by a loss of jobs, both in agriculture and industry, and an increase in the proportion of trade and service workers. Over the past four decades, the share of trade has almost doubled, while agriculture and industry have declined (fig. 3).

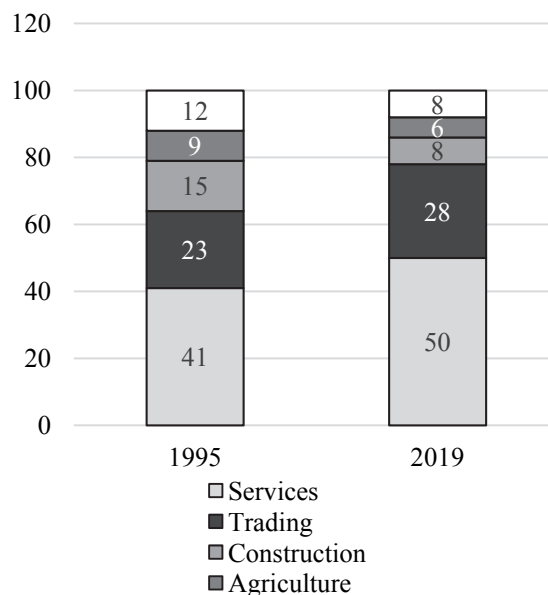


Fig. 3. Distribution of employed persons by sector of the Lebanese economy

Efficient use of resources for the greatest satisfaction of the needs of society, the provision of labor in production serve as an indicator of effective management and regulation of economic processes. The process of assessing the effectiveness of the use of labor resources is quite complex and has many aspects. It can be studied by analyzing the dynamics of labor productivity the constant increase of which is the key to economic growth (fig. 4).

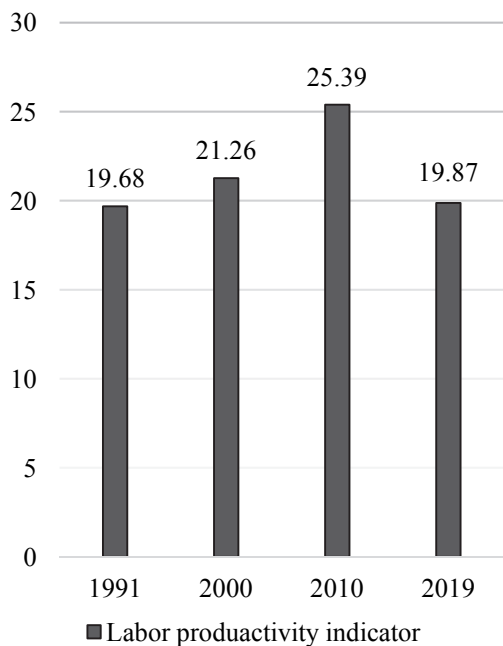


Fig. 4. Labor productivity indicators in Lebanon, thousand USD per person

Labor productivity in the period 2000–2010 was significantly higher than in 2019. This is due to a decrease in the rate of economic development in Lebanon (2010 – 8.4%; 2019 – 1.53%) and a decrease in the share of industry in the economy (2010 – 7.61%; 2019 – 6.45%).

Salaries in Lebanon range from 325.5 US dollars per month (minimum wage) to 10,648 US dollars per month (maximum salary). The median salary is 2332.6 in 2019.

According to wage distribution data, 25% of the population earns less than \$1196 per month, and 75% more than that. 75% of the population earn less than \$6101. In addition, while 25% earns more than this amount.

The Syrian refugee crisis has a great implication on the Lebanese labor market. According to World Bank [4], the Syrian refugees ranged from 27 to 35% of the Lebanese workforce, which largely affects the employment opportunities for women, young people and unskilled workers. They have projected an increase in the unemployment rate from 11 to 20% in the period 2010–2014. Indeed, there is competition between the citizens and refugees, both in the formal and particularly the informal sector.

Syrians generally work for lower wages, have longer working hours and without social security benefits. According the World Bank report, Al-Bekaa and North of Lebanon suffer the most. The host community in Al-Bekaa declared the negative effect of the Syrian refugees which causes a decline in income, worse security conditions and increasing smuggling activities. This effect is caus-

ing a general feeling of resentment in the Lebanese hosting community.

Most Syrian refugees (92% of economically active Syrian refugees) who are in paid work are employed in the informal sector, characterized by low productivity and low pay.

The sectors absorbing the majority of Syrian workers in Lebanon are services (43%), agriculture (27%) commerce (17%) and construction (13%). With the exception of manufacturing, these sectors are associated with low skills and low productivity in the Lebanese context, involving a high degree of informality that contribute to downward pressures on wages and poor labor conditions.

And when we add 42,000 Palestinian refugees previously located in Syria who have moved to Lebanon with the crisis, to the 280,000 Palestinian refugees (around 6% of the Lebanese population) who were living in Lebanon before 2010. We can get a clear image about the big competition that the Lebanese workforce faces, especially with the continuous conflict among the Lebanese political parties regarding the refugees' issue and which has been prevented any real solution to this big problem till now [5].

Lebanese scientific studies identify key issues of low efficiency in the use of human resources in Lebanese organizations (table 2) [6].

The basis for increasing the efficiency and development of the economy is productive work, so the primary task should be considered the creation of economic, technical, organizational, social conditions, as well as building optimal relationships between all participants in the production process: employers and hired workers. In addition to the implementation of a good systematic organizational strategy to increase investment in priority economic development of high-tech and knowledge-based industries, to develop resources and energy saving technologies, to improve pricing and placement optimization system of major products and to solve any issues in implementing these tasks.

The current economic system in Lebanon aims to create a real social background that will allow a new type of society to emerge, based on science and innovation. In this regard, the creation of economic prerequisites for the development of human resources on a permanent and manageable basis is seen as a promising direction. First of all it is important to improve working conditions, the level of salaries, to enforce the self-study, to organize international training and business programs, to involve women to the economy more than now.

It is necessary to create an optimal and integral mechanism for regulating the work of the team, which should unite two key components – the personal and management.

Table 2

**Challenges in improving the efficiency of human resources management
in Lebanese organizations and ways to address them**

Problem	Solutions to the problem
Dissatisfaction of employees with working conditions	Distribute employees according to their individual personality traits. Periodically assess both employees and their workplaces to improve working conditions and increase the competitiveness of the enterprise
Search and selection of staff	Development of human resources marketing. Improvement of the professional recruitment procedure and separation from the employee. Joint work programs with educational institutions
Weak employee motivation for self-study	Use of progressive forms of knowledge-sharing through working groups as one of the conditions for the formation of self-study. Formation of the culture in the organization, which is the basic element of development and effective realization of human resources. Creation of conditions for participation for employees in the development of the organization, decentralization of personnel decisions through the transfer of greater rights to subordinate managers
Training and retraining	Creation of a system of effective interaction between government bodies, employers' associations, business structures and public and private educational institutions. Testing and development of modern European methods, trainings, programs with participation of high level specialists. Organizing and conducting specialized international training and business programs, etc.
Lack of control	Upgrading of controlling forms in the process of human resources development management
Gender installations	Creating the necessary conditions for the involvement of women in the labor market through new training and education programs and overcoming medieval traditions

Conclusion. Unfortunately, Lebanese human resources and the tools to ensure their effectiveness are not currently at an adequate level. This impedes the high level of human self-organization. In addition the Syrian refugee workforce competes severely with the national workforce and affects negatively the wages and labor conditions.

At the micro level, human resource management must be ensured by making a real contribution to strategic decisions on personnel management and on how to achieve the key goals of the

organization. Further research should focus on the analysis of Lebanese Government institutions, which have special responsibilities as "employer models", focusing on human resource management by: optimizing the working conditions of staff; preserving the dignity of the staff member, especially his or her right to participate in and influence decision-making; and enhancing the abilities and talents of all groups of employees – men and women, members of different ethnic groups, etc.

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