

ASSESSING THE IMPACT OF THE DOWNSIZING IMPLEMENTED IN THE
LEBANESE BANKING SECTOR DURING THE CURRENT ECONOMIC CRISIS:
MEASURING EMPLOYEE PERFORMANCE

A Thesis
presented to
the Faculty of Business Administration and Economics
at Notre Dame University-Louaize

In Partial Fulfillment
of the Requirements for the Degree
Master of Science in Business Strategy

by
CHARBEL SALLOUM

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Notre Dame University - Louaize
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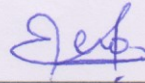
We hereby approve the thesis of

Charbel Salloum

Candidate for the degree of Master of Science – Business Strategy

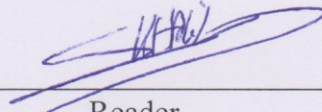
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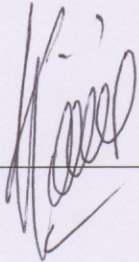
Supervisor

Dr. Sandra Khalil



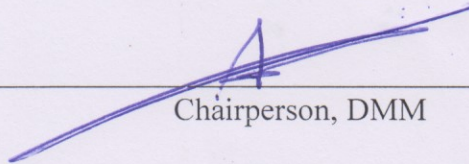
Reader

Dr. Viviane Naimy



Dean, FBAE

Dr. Atef Harb



Chairperson, DMM

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Abstract

The purpose of this paper is to evaluate and describe the effect of the downsizing strategy on the Lebanese Banking sector and how employee performance is affected during this period. For that, primary data is collected and analyzed in order to elaborate and test the hypotheses. To conduct our research, a deductive quantitative research was used using a questionnaire distributed online and answered by Lebanese banking sector employees. The data obtained from 101 individuals was analyzed using SPSS to test the hypotheses and answer the research questions. The findings obtained highlight that employee morale and job insecurity have significant impact on employee performance. Whereas efficiency of communication did not show a significant impact on employee performance. Our results add to the understanding of employee performance during a downsizing period which can help bank managements in charge of integrating related downsizing strategies. Besides, the originality of this study lays in the fact that it is one of the few research studies tackling downsizing strategies that are currently taking place in Lebanon. It fills thereby this gap in the literature and proposes an action plan that can be implemented to overcome the current economic crisis and to ensure an efficient downsizing process.

Keywords - Employee performance, employee morale, job insecurity, Lebanese banking sector, efficiency of communication.

Introduction

General Background

Throughout the years since 2016, a taste of economic crisis started to appear in our country. Many events and accumulations led to the boom of the economic crisis that we are facing today. Lebanon is facing an unprecedented financial crisis and the Lebanese banking sector is in the heart of the crisis. Much worse impairment of trust and increases in the emotional distance between people and governments. The major issue is between the Lebanese citizens and their banks which have been the result of the financial and economic crisis of 2019/2020 (Schellen, 2020). The Lebanese banks working under the supervision of the Lebanese central bank (BDL) were successful in attracting foreign financial inflows due to the high interest rates offered. These inflows generated a huge expansion in the banking sector deposits and in the reserves of the central bank that ensured a continued government financing. However, with the slow economic growth and continuously growing public debt, the main Lebanese government spending was targeted towards servicing that debt and therefore came at the expense of social welfare. This spending could have been done for social reforms. In parallel with the cross border inflows as stated, there were a lot of wrong strategies implemented in the Lebanese economy. These strategies were mainly economic models based on imports that motivated investments to be undertaken in the services areas such as tourism rather than investing in the industrial and agricultural areas (Ajaka, 2019). Financial

engineering strategies played a huge role in the crisis that we are facing today. These strategies were used to attract and collect all foreign currencies from depositors in return for high interest rates on LBP. The aim of this strategy implemented by the central bank was to collect as much as possible foreign currencies to retain its reserves in foreign currencies which allow the BDL to settle Eurobonds and other dues on set deadlines. These financial engineering techniques increased dramatically the LBP creditor interest rates. These rates tackled two main aspects. At one hand, investors became de-motivated to invest in different businesses and sectors. In fact, investors preferred to save their money and get higher returns than what they can get if they invest in their businesses. On the other hand, this dramatic increase in creditor LBP rates created a war between banks. When a bank offers a special rate, other banks are challenged to offer much higher rates. Accordingly, the banking sector was deeply affected from the interest rate war offers. Lebanon is also facing a collapsing currency in addition to all the consequences of such an economic crisis (Economist Intelligence Unit, 2020). Inflation rates are increasing and trust is diminished in the whole economic structure (Youssef, 2020). The Lebanese government in March 2020, defaulted on paying the country's debts mainly Eurobonds (Arnold, 2020). This latter event was the turning point in which the entire economy showed up that it is in danger.

On the other hand, BDL over years played a major role in stabilizing the exchange rate through implementing prudential policies to save the peg (Consultation and Research Institute, 2019). Moreover, since the foreign deposits at BDL started to decrease, a partial unofficial capital control was somehow processed

to save these amounts of foreign currencies. The demand on the US dollar bills started to increase since as previously stated the Lebanese economy rely heavily on imports which led to serious fluctuations in the Dollar to LBP exchange rate. Another important driver of the current Lebanese crisis is corruption. According to Carvajal (1999), “Corruption is a social pathology. It has much the same effect on the development of a nation that cancer has on the life of a biological organism”. Corruption is seen as a cycle composed of intentional and unintentional actions between different parties of the society. These parties are mainly the people, the banks, the central bank, and the government represented through political parties. To explain the cycle, people built up their trust in the banking sector in which they deposited their savings. BDL and through the support of the Lebanese banks provided the government with huge amounts of financing in order to pay different dues such as salaries and Eurobonds without proper monitoring. Consecutive governments were formed by political parties throughout the years which led to corruption cycles in the Lebanese economy noting that no serious accountability and audit measures were ever taken.

All of the above-mentioned factors put the Lebanese banking sector in the face of huge challenges and risks. Nevertheless, the Lebanese banking sector has witnessed a huge success over the recent years and was considered one of the most resilient sectors in Lebanon. The banking sector maintained a solid reputation and was considered as a positive actor for the Lebanese economy (Mantach, 2014). Many local banks expanded regionally and internationally to tackle different opportunities. Countries of interest for the Lebanese banks were mainly: Egypt,

Iraq, Syria, Jordan, Turkey, and some European countries. During these past years, they accounted huge profits and enlarged their businesses through major expansions in the countries stated. The banking sector throughout the years, provided customers with all their needs, abided by the high professional rules and regulations, exercised high due diligence, and implemented a strict regulatory framework for fighting money laundry (Mantach, 2014). Nowadays, we are facing a huge economic crisis that is affecting all sectors and mainly banks. The economic crisis led to several changes that one should consider. At first, the economy is in a stage of depression characterized by a significant contraction in real output. The Lebanese pound is under significant pressure in the black foreign exchange (FX) market, a 50% decline in imports has emerged, and many noticeable driven factors were spotted in the Lebanese economy (Bank Audi Research Department, 2020). Second, corrective decisions must be implemented in the banking sector in order to ensure business continuity. Example of these corrective decisions is downsizing. Downsizing is currently taking different forms such as reducing previously processed expansions abroad, minimizing the number of branches, modifying their investments, reducing their budget, and more precisely reducing the number of employees.

According to Eccles (2009), an employee's performance is a reflection of the institution's ability to realize and understand its objectives; it is a reflection of how an institution combines both human and financial resources and how it exploits them to achieve its goals. The lack of employee satisfaction will lead to the destruction of his/her psychological state. This destruction will also lead to decreasing of employee job morale. Employee morale is defined as the attitude,

satisfaction, and the general outlook of employees when engaging with their organizations. When employees are happy and satisfied with their jobs, they will have a high morale and vice versa (QuestionPro, 2021). This may lead to a decline in employees' commitment to the organization, enhance their intention to quit their jobs and look for better opportunities (Armstrong, 2006). According to Kurebwa (2011), organizational downsizing has considerable negative consequences not only for employees who leave the organization, but for those who remain. The remaining employees are currently facing major stress when performing their job. Besides, when a certain bank has for example 10 employees in a branch and downsizes to have five employees, these remaining five employees will have a task burden and will experience feelings of insecurity. Employees are somehow feeling that they can be fired out in every second with an exit package provided from the banks' management.

In this research, we will be focusing on the impact of the downsizing on the Lebanese banking sector and its effect on the employee performance. The downsizing strategy had been implemented throughout the years by many organizations when dealing with economic pressures.

It should be implemented in a way to avoid potential disadvantages to the organization especially when tackling the workforce downsizing (Tijoriwala & Rousseau, 1998). In accordance to all the points and factors highlighted above, studying the impact of downsizing in the banking sector is ambitious and extremely important. We will present all related findings, abilities, experiences, and all other

factors to efficiently and effectively conduct our research study which will help to identify the major causes and effects of and on our research study.

Need for the Study

For the past few decades, the Lebanese banking system was the backbone of the Lebanese economy. The financial sector played an extremely important role in strengthening and powering our country. Lebanese banks mainly attracted foreign inflows that were injected in the banking system and consequently in the economy. The Lebanese financial sector contributed to around 9% of GDP. The sector demonstrated a continuous growth of 10% between 2005 and 2010, and 6% between 2011 and 2017. The Lebanese banking sector achieved an average return on equity of around 12% with some banks having ROE reaching 15% (Consultation and Research Institute, 2019). Total assets of the Lebanese commercial banks had witnessed an increase of 13.48% to stand at \$ 249.48B by December 2018. Deposits with the central bank rose by 25.83% in 2017. This is mainly arisen from the financial engineering strategies implemented by BDL. Non-resident customer deposits also counted for an increase of 7.31% in 2018 due to the high interest rates offered by the Lebanese banks (BlomInvest Bank, 2019).

Despite the huge profits earned and the expansion of Lebanese banks, the current crisis has put the banking sector in serious complications and risks. It is important to state that we are experiencing an unofficial capital control in which every bank have somehow its own rules and regulations. This unofficial capital control includes two main forms. First, restrictions on cash withdrawals in foreign currencies; these

restrictions started by setting a monthly USD limit on each account. Lately, cash restrictions in LBP are forced also to minimize the volume of the LBP currency circulating in the market. Second, restrictions are implemented on the cross border transfers since the reserves in the foreign currencies of the local banks started to diminish. These restrictions have put a lot of pressure on the bank front line employees from people seeking to shield their savings from rampant inflation and potential economic collapse (Azhari, 2020). This unofficial capital control has no specific law standards to be used in order to be fair with all customers. Conflicts and tensions are arising especially when some customers are allowed to process some transactions and others are not. First, customers are requesting their money back in forcing, shouting, and yelling. Second, employees are living in this tensed environment even though they are not responsible for the current situation and did not even create it. We will be thus studying and assessing what impact does these tensions and conflicts have on employees and to what extent do these tensions affect employee performance.

The banking sector should be restructured in a way to regain the trust and confidence of people. BDL will play a major role in the restructuring process which will rebuild confidence in this sector. The banking system restructuring strategy will probably involve voluntary or forced mergers of banks. This trust and confidence could be rebuilt by having some international banks investing and opening branches locally. An action plan should be implemented to help recover the Lebanese banking sector and the economy in an efficient and effective manner. Based on what is presented, we are responding to the research gap regarding this subject since we are

still in the economic crisis and downsizing is occurring in the present time; we could trace some downsizing going into action. Some branches are shutting down in different areas across Lebanon. These branches are mainly those that are on a rent basis. For example, Bank Audi is expected to decrease the number of branches that are on a rent basis from 80 to 50 or 55 branches when completing the downsizing strategy. Other forms of downsizing that are currently traced are the reduction of the number of employees. Banks' management is either forcing employees to enter into an early resignation or granting employees paid leaves. It is important to state that the Covid-19 pandemic incurred severe decrease in banks' operations which consequently led to some further reductions in staff. Labor force scaling down has turned into a well-known procedure done by the executives to decrease costs and increment benefits. Yet, on the opposite side, this procedure impacts deeply the labor force. Going further, we will be assessing employees' job security faced by the downsizing strategies. Job security is the percentage of assurance an employee gets from his employer regarding the continuity of work and employee involvement in the organization (Vithessonthi, 2005). The accumulated number of times employees get threatened in a certain organization affects one's job security (Brockner, 1998). My research will thus tackle all of the above mentioned challenges that are currently faced by the Lebanese banks' employees and how these challenges are affecting their performance which is not yet well explored within the current literature.

Research Questions

The Lebanese banking sector is experiencing serious fluctuations and risks arisen from the current economic crisis. The sector is facing a huge decrease in profits, budget reductions, losses in their lending portfolios, retrenchments, and many other threatening factors. Accordingly, there is a must and a need to downsize the Lebanese banking sector in an efficient and effective manner.

The main research question of our study is: What is the impact of the downsizing strategy on the Lebanese banking sector? More specifically, what is the impact of such downsizing on the employee performance? In addition, how employee morale and job insecurity are affecting employee performance in organizations? Finally, the study will examine also how efficiency of communication is seen and assessed during the downsizing strategy being processed.

Objectives of the Study

As previously mentioned, the banking sector played a major role in the Lebanese economy throughout the years. Hence, the banking sector endowed a large number of banks. The banking sector in Lebanon is composed of 50 commercial banks and 16 investment banks (Consultation and Research Institute, 2019). Moreover, the banking sector has around 1,079 branches and 26,000 employees. The total deposits in all Lebanese banks have reached 175 billion, of which 120 billion are in US currency. Annual profits range around 1.8 billion USD. Banks in Lebanon financed the government throughout the years for around 31 billion USD (The Monthly Magazine, 2018). The banking sector in Lebanon

developed both regional and international image with around 360 banking units all around the world. The banking sector showed large growth opportunities with ROE around 12% and some banks even reaching 15%. On the other hand, some indicators show that the Lebanese banking sector is somehow overbanked: 32 branches for 100,000 adults versus 21 globally or 81,000 people per bank versus 720,000 regionally (Consultation and Research Institute, 2019). In comparison to the MENA region for instance, the total number of banks in the UAE is approximately 45 commercial banks of which over 50% are foreign banks (Banks around the World, 2017). So as taking the UAE example and comparing it to the number of banks that are available in Lebanon, this figure sounds a little bit high. Following the current economic crisis, downsizing the banking sector is becoming a must. This strategy was also highlighted within the government plan that included a special section focusing on this issue. The government's plan insisted that reforms should be done to restructure first BDL and thereafter to restructure and downsize the banking sector following an adequate and well-structured plan (The Lebanese Government's Reform Program, 2019). This subject is of high importance since it will affect not only the banking sector itself; but also will extend its effects on employees, society, businesses, and the country's economy as well. In this research, we will study the impact of the banking sector downsizing on its workforce satisfaction and performance which is a current novel topic. This study will also provide a series of recommendations, reforms to be taken by BDL, and actions that must be taken in order to put the Lebanese banking sector back on track by protecting both employees and depositors.

Brief Overview of all Chapters

The Lebanese banking sector had witnessed a lot of successes locally, regionally, and even internationally throughout the years. This sector expanded to reach a high number of potential clients all over the world. The Lebanese banking sector is passing in crucial times, facing several problems and risks as a result of the economic crisis. According to different experts and professionals, the banking sector is somehow overbanked and needs to be restructured. After considering all factors conducted in our research, we assume that the economic crisis has big and severe effects on the Lebanese market as a whole and specifically on the banking sector. This research will assess the impact of downsizing and restructuring that must be practiced in a smooth way for all parties involved. The added value of this study is that it will explore a newly emerging and under-studied topic which is the impact of the downsizing and restructuring of the Lebanese banking sector on employee's job satisfaction and performance. This study expresses the importance of the roles and actions to be implemented to put back this sector on the right track. In our opinion, we insist that it is a must to expect adopting such downsizing strategy to ensure the business continuity of the banking sector. On the other hand, the expected practical implications are mainly the forms to be implemented by BDL in order to restructure and downsize the banking sector efficiently and effectively. All banks' managements should hire qualified teams to perform various assessments and studies on how to translate the downsizing strategy from the theory to the practice without harming or affecting the different parties involved.

This study will assess the effect of the downsizing strategy on employees. Specifically, we will measure employee performance during the current period when the downsizing is taking place. Our recommendations are that the downsizing strategy itself should be adequate, consistent, efficient, and effective in order to handle and overcome the current economic crisis. We attest on the role of the Lebanese government for presenting relevant solutions related to the crisis. The Lebanese government plan is an important roadmap to manage the current economic crisis. We will stress on the importance of the central bank role in monitoring and managing the banking sector restructuring and downsizing. By this, we can ensure that all appropriate knowledge and experiences are present to best manage the difficulties that we are facing. Mixing up all efforts, we can ensure that the banking sector will be back on track after implementing all necessary plans and strategies. Future research can focus on the impact of downsizing on the profitability of banks once these strategies are implemented.

Chapter 1: Literature Review

The following section discusses the literature on organizational downsizing and the effect of this downsizing on employee performance. This section will present relevant theories on organizational downsizing and will provide a general overview of the different studies conducted within the literature on this topic and their related findings.

1.1 Downsizing Strategy

Downsizing strategy is a planned set of institutional policies and practices at a certain workplace for the aim of improving the firm performance and reducing its cost. More specifically, downsizing is an implementation of a restructuring program that aims to achieve better chances of survival for organizations. Through the implementation of this strategy, organizations can have the chance towards overcoming the crisis through a well-structured plan and thus if succeeded, organizations will move on into more stability and continuity of their operations. The downsizing strategy once adopted will eliminate any unnecessary expenses in order to help organizations to overcome their financial distress. In the business world, downsizing is seen as reducing the depth of the business itself. It may include a reduction in the number of the organization's departments, operations, sales offices, compensation, workforce, and others. The downsizing can take place after an economic crisis or when a certain company is facing some financial difficulties in running its operations. The main aim of the downsizing strategy is to help

organizations sustain in the best manner in order to overcome a certain crisis. Throughout history, the term downsizing was first introduced in the 1970's after the oil crisis which led to the shift from the use of large American cars to smaller family cars with reasonable performance and economy (Gandolfi and Hansson, 2011). The downsizing strategy has several pros and cons. It may have some positive impact on the ROA, ROE, profit margins, and on other financial indicators (Espahbodi, 2000). On the other hand, downsizing strategies might also have some negative consequences such as on employee productivity, turnover, morale, and competency levels inside the organizations. Downsizing can also cause various psychological effects on employees such as higher levels of stress and anxiety. Major effects and consequences are captured not only on the victims of such downsizing but also on the survivors (Gandolfi and Hansson, 2011). Finally, upon processing the downsizing strategy, these noted consequences can have different impacts on the organization as a whole as will be discussed further in the literature.

1.2 Theoretical Framework

Theoretical review examines the theories related to the research topic being studied. Our study is guided by Maslow's hierarchy of needs theory, Herzberg's theory of motivators and hygiene factors, Holland's theory, and Equity theory. These theories highlight the importance of our topic and the major effects that will be incurred on employee performance.

1.2.1 Maslow's Hierarchy of Needs Theory

The Maslow's Hierarchy of needs theory was published in 1954 and introduced how people satisfy their personal needs in comparison to their work. Maslow identified that people usually follow the same pattern of needs, which is best described in the hierarchy needs. The hierarchy of needs states that one cannot move to the next level unless he/she satisfies and achieves what he/she wants from the current stage (Gawel, 1996). The hierarchy of needs is described in the following pyramid that is divided into five main categories as shown in Figure 1:

Figure 1: Maslow's Hierarchy of Needs



Source: <https://www.simplypsychology.org>

These categories are stated from the bottom to the top where physiological needs are mainly the basic physical requirement needs such as facing thirst and hunger. Moving on to the safety needs that consist of security, stability, and protection. Love and belongingness needs are best described by how an individual can escape loneliness and try to gain a sense of belonging. Esteem is how individuals will

perceive self-respect and the respect of others. The last needs listed on the top of the pyramid are the self-actualization needs. It is where one's potentials are present to be fulfilled (Gawel, 1996). Maslow divides these five types of needs into two main categories: deficiency needs and growth needs. The deficiency needs are mainly composed of the physiological and safety needs. Whereas the growth needs are mainly the belonging, self-esteem, and self-actualization needs (Njoki, 2018). Maslow emphasizes the importance of satisfying the deficiency needs at first in order to move and satisfy the growth needs at a later stage. In other words, and in the context of organizations, we can say that the deficiency needs are a kind of a pre-requisite to the growth needs and that the completion of one stage will lead to the other. In contrast, if the deficiency needs are not met, a sense of deficit of the engaged person to his/her organization will be created, which may lead to stopping his/her professional development. In addition, managers should play a major role in supporting and helping their employees to achieve at least their deficiency needs in their organizations. As a result, creating a proper work environment will make employees fulfill their daily tasks based on their full potentials and thus will make them more satisfied. Failure of doing so will lead to lower job satisfaction, poor performance, and higher employees' turnover rates (Njoki, 2018).

As discussed previously, once the deficiency needs are achieved and satisfied, the ultimate needs of self-actualization are addressed. It is best described as every person's desire to reach his/her potential and growth in their careers. People will employ their best performance and related skills in order to achieve the maximum that they could reach. When a person reaches his maximum output within its current

position in his/her organization, his/her employer should provide related advancement opportunities in order to satisfy his/her needs based on Maslow's hierarchy of needs (Gawel, 1996). In sum, Maslow theory of needs supports career advancement and job security in the workplace.

1.2.2 Herzberg's Theory of Motivators and Hygiene Factors

Herzberg (1959) constructed two-dimensional factors that mainly affect people's attitude about their work: the hygiene factors (the dis-satisfiers) and the satisfiers. Hygiene factors are mainly the company's policies, supervision, working conditions, and compensation. Herzberg emphasizes the important role of the hygiene factors since the absence of these factors could lead to creating a sense of dissatisfaction. Nevertheless, Herzberg concludes that the presence of the hygiene factors does not motivate or even create satisfaction among employees (Gawel, 1996). On the other hand, he recognizes five main drive factors of job satisfaction. These are mainly achievement, recognition, work itself, responsibility, and advancement, that are referred to as Herzberg's satisfiers. These satisfiers tend to last and tend to have long-term effects on job performance. Whereas, the hygiene factors produce little changes in job attitude and performance on the short-run only. In other words, satisfiers best describe what a person does while dissatisfiers relate to the situation in which the person is fulfilling his/her tasks (Gawel, 1996).

1.2.3 Holland's Theory

The Holland's theory stresses that careers are determined through a link between our personality and the environment. This theory highlights the importance

of how people choose their jobs. People usually choose their jobs where they can be surrounded by similar personalities and characters in the work environment. People also choose their work environments where they can use their abilities and skills efficiently and effectively. The central proposition of the Holland's theory is that vocational satisfaction, stability, and achievement depend on the congruence between the personality of every individual and their related work environment (Betz et al., 1989). Behavior is thus determined by an interaction between personality and environment. As per the Holland's theory, people usually fit into one of the six personality types: The first category is the realistic type which likes to work mainly with hands or assembling. It is mainly related to outdoor and technical interests. The second category is the investigative type. In this case, the personality type is intellectual and scientific. Such type usually likes to discover, research, and experiment some new ideas. Moving on to the artistic type which describes individuals that tend to be very creative in their work environment and that like to use words, art, and music to communicate. The fourth type is the social type. Individuals from such type like to work with people and emphasizes the importance of the wellbeing and welfare of others. Moving on to the enterprising type that describes people who like to lead and to influence others and thereby have high interests in leadership. The last type is the conventional type whereby people like to work indoors and on tasks that involve high levels of organization and accuracy. This last type emphasizes a high degree of structure (Careers, 2019). In addition, people of such personality type generally avoid unstructured activities;

they like to deal with numbers and records in a systematic way and they are good at following a well-structured plan in their work environments.

The Holland's theory highlights that people who usually choose a working environment similar to their personality are more likely to be successful and satisfied. In addition, the Holland's theory plays a major role in investigating the personality types of the organization's workforce. This theory can trace if the workforce can handle serious pressures that are currently occurring based on their personality characteristics and if this pressure affects their performance. The Holland's theory is thus an intellectual approach for career planning and has been very influential in career counseling. The theoretical framework provided by Holland's can play an extremely important role in the efficiency of communication between the management and its workforce.

1.2.4 Equity Theory

Equity theory was proposed by John Stacey Adams in 1963. The theory highlights the importance of rewards and punishment distribution in the workplace environment. These rewards and punishments must be distributed in an equal manner and based on each individual's contributions and inputs. The distribution of these rewards and punishments plays a major role in the effectiveness and satisfaction of the workforce (Leventhal, 1980). When workers are equally treated, they are likely to be more motivated and satisfied, which will be reflected in high employee morale and performance. On the contrary, if they feel that there is a sense of inequality among the workforce, this can generate feelings of demotivation and

dissatisfaction. Every employer must thereby have adequate and suitable systems of rewards and punishments in order to create fairness in the workplace. Finally, when employees are laid off, the theory affirms that the retained members will be demoralized, and their performance will consequently decline (Njoki, 2018).

1.3 Empirical Review

The empirical review will cover and highlight different studies on organizational downsizing and its effect on employee morale, job insecurity, efficiency of communication, and performance. At a later stage, an explanation and analysis of the Lebanese economic crisis will be introduced to spot the light on how this crisis is affecting the downsizing strategies conducted by the Lebanese banks.

1.3.1 Employee Performance

Itunga (2017) conducted a survey and found that a big percentage of the respondents clearly indicated that downsizing affects employee performance to a great extent. The author found that 30% of organizations fail to address employee concerns. The absence of the latter in the management's behavior will lead to lower employee performance. In the same line, Kinanga and Cheruiyot (2014) highlighted the crucial role of creating relationships between the organization's management and its employees. These relations once present, will ensure a smooth process of the downsizing and will be reflected in better employee performance.

Ifeoma et al. (2019) found that the end results of downsizing strategies differ from one organization to the other. The authors emphasized that the nature of organizations plays an important role once downsizing is being implemented.

Rehman & Naeem (2012) identified an after-effect module as a result of the downsizing. These are best described as the perceptions of the employees related to their jobs. The authors concluded that these after-effects have a great impact on the employee's performance.

Dwomoh et al., (2016) explored a study on involuntary turnover and its effect on employees' performance. The authors found that involuntary turnover has a positive effect on employees' performance. However, the study did not observe any clear relationship between involuntary turnover and employee performance. On contrast, Alumira (2020) observed a significant effect of the downsizing being implemented on employee performance. In addition, employees' quality work and productivity positively changed after the downsizing being implemented, which was reflected in achieving the strategic goals of the organization.

On another hand, Oluoch et al. (2013) observed that the survivors' performance is affected by the downsizing being processed. The process of downsizing will spot the light on the survivor's future in the organization. This will create feelings of compassion that will reduce employees' commitment to their organizations.

1.3.2 Employee Morale

Njoki (2018) found that job morale was a significant factor that needs to be considered in the context of the downsizing. The author also found that the salary earned and the different compensations have a big impact on employee morale.

Itunga (2017) demonstrated that a sense of demoralization is created as a result of the implementation of the downsizing. The incurred demoralization will lead to a decrease in employee productivity that can generate less satisfactory levels for the employees when conducting their jobs. The author observed that the downsizing strategy has big effects on employee morale. According to Selden (2006), downsizing creates a discouraging environment for the best productive and talented employees. Consequently, the highly productive employees will end up leaving their organizations. The author observed that once employees are unhappy in their jobs, organizational commitment and employee morale will be affected to a great extent. The author found that restructuring can have big effects on employee morale as related to the loyalty and feelings of their employees. In addition, trust between different parties involved in a certain organization is observed as decreasing as a result of the restructuring process.

Appelbaum et al. (1999) observed that when downsizing is not managed in an efficient and effective manner, then employees who remain will suffer a survivor syndrome. This survivor syndrome is best described in the mentalities of the remaining employees. This includes frustrations, anger, stress, unfairness, and disappointment as a result of the mistreatment that might be caused by the implemented downsizing.

Iverson & Zatzick (2011) investigated the value of showing consideration for employees' morale and welfare during the downsizing process. The authors found that there is no right way for implementing the downsizing process. The downsizing process should be implemented in a way to mitigate its negative effects

on victims and survivors. The authors observed that the greater the consideration of employee morale and welfare, the greater results of productivity are achieved. Harney et al. (2018) emphasize the important role of consultation during the downsizing process. Consultation requires a little investment, but can help to a great extent in making the downsizing process less severe on employees' well-being.

1.3.3 Efficiency of Communication

Mishra et al. (2009) found that the downsizing should take place through well-organized action plans. By applying such action plans, the process of the downsizing will take place in a smooth manner. The authors observed that communication is a base for building strong and trustful relations between managers, supervisors, and employees at all times and especially during the downsizing period. These relations once established, it would create shared values between all parties involved.

Davis (2006) investigated the importance of human resource interventions and trainings during the downsizing being processed. The author found that specific human resource interventions and training programs correlate with employee productivity and morale. The more these trainings and programs are present, the smoother the downsizing will be taking place and the better employees will be feeling.

Jennings (2016) observed the importance of the communication factor between management and employees. The author also found that all participants in their conducted questionnaire, agreed that transparency and honesty are the most

important factors during the downsizing to know what will happen to their positions i.e., whether their jobs will be saved or will be eliminated. In the same line, Chaddha (2016) observed through a study on corporate restructuring that restructuring can affect employees adversely if it is not implemented with proper communication with the employees. The author observed that it may be possible to rebuild the trust factor if and only if the communication phase is transparent throughout the process.

Murphy (1994) investigated the perceptions of downsizing for which he observed that communication efforts have beneficial effects on professional efficacy. Going further, the author highlighted the importance of active communication. The use of such communication techniques during the downsizing has a positive effect on employee behaviors and attitudes.

Tourish et al. (2004) found that a massive attention to communication is needed during the downsizing. The authors emphasized the importance of applying the communication patterns while the downsizing is taking place. By this, all harmful consequences on the surviving employees will be reduced to a great extent.

Aggerholm (2014) investigated the communication of organizational change reactions during the downsizing. The author highlighted the difficulties in communicating and discussing the organizational changes based on understanding the whole process as a homogeneous unit. The author also found that a mutual process of communication has to occur before, during, and after the downsizing in order to create a common understanding of the whole downsizing process.

1.3.4 Job Insecurity

Myrna (2009) investigated the impact of implementing workforce reductions. The author found that employees are the major company's strength where their competencies can create an intellectual equity. Besides, organizations must take their time once implementing a downsizing strategy in order to avoid serious complications to their environments.

Esuh, Mohd and Rahman (2013) studied the effects of job security on the organization's performance. The economic pressure was seen as the main factor that has a great effect on employees within an organization. The authors observed that another key factor in affecting job security is the cultural diversity of the workforce within an organization.

James (2012) emphasized that job security affects not only the individual performance but also the overall team performance. The individual and team performance combined, will affect the continuity and success of organizations.

Aurangzeb & Shah (2015) observed declines in loyalty, job insecurity, and increased stress levels caused by the unplanned phases of the downsizing. The authors concluded that organizations should develop effective strategies regarding the downsizing in order to maintain their workforce.

Waraich & Bhardwaj (2012) studied the perception of workforce reduction scenario and coping strategies of survivors. The authors found that when motivation

is affected due to the nontransparent implementation process of the downsizing, this led to high levels of insecure feelings within organizations.

Cascio (1993) investigated peoples' perception and knowledge related to the downsizing strategy. The author observed that lower employee performance was present due to job insecurity. In addition, the survivors experienced a decrease in their organizational commitment as a result of the job insecurity feelings.

Burke & Singh (2016) observed in their study that feelings of secure employment will produce both individual and organizational benefits. The authors highlighted that there is a need to change the way the downsizing strategy is dealt by implementing a new modern plan. This new implementation plan will play an important role in preventing the employee's loss of jobs.

The subsequent section will discuss the different challenges and risks faced by the Lebanese banking sector.

1.3.5 The Lebanese Banking Sector

The Lebanese banking sector has witnessed a huge success over the recent years and was considered one of the most resilient sectors in Lebanon. This sector maintained a solid reputation and was considered as a positive actor for the Lebanese economy (Mantach, 2014). Many local banks expanded regionally and internationally to tackle different opportunities. Countries of interest for the Lebanese banks were mainly: Egypt, Iraq, Syria, Jordan, Turkey, and some European countries. During the past years, banks accounted huge profits and

enlarged their businesses through major expansions in the stated countries. The banking sector throughout the years, provided customers with all their needs, abided by the high professional rules and regulations, exercised high due diligence, and implemented a strict regulatory framework for fighting money laundry (Mantach, 2014). Nowadays, Lebanon is facing a huge economic crisis that is affecting all sectors and mainly banks. The economic crisis led to several changes that one should consider. At first, the economy is in a stage of depression characterized by a significant contraction in real output. The Lebanese pound is under significant pressure in the black foreign exchange (FX) market, a 50% decline in imports has emerged, and many noticeable driven factors were spotted in the Lebanese economy (Bank Audi Research Department, 2020). Therefore, corrective decisions must be implemented in the banking sector in order to ensure the business continuity. A major example of corrective actions taken by Lebanese banks was the implementation of downsizing strategies.

Downsizing of banks is currently taking different forms. The main form is the reduction in the number of branches. Some branches are shutting down in different areas across Lebanon. These branches are mainly those that are on a rent basis. For example, Bank Audi is expected to decrease the number of branches that are on a rent basis from 80 to 55 branches when completing the downsizing strategy. Another form of downsizing is the reduction of the number of employees.

Banks' management is either forcing employees to enter into an early resignation or granting employees paid leaves. On the other hand, the remaining employees are currently facing major stress when performing their jobs due to the task burden and

the increasing feelings of job insecurities. Employees are somehow feeling that they can be fired out in every second with an exit package provided from the banks' management. It is important to state that in addition to all of the problems and complications that we are facing today as a result of the economic crisis, the Covid-19 pandemic incurred additional problems and risks to the banking institutions which we should spot the light on. The Covid-19 pandemic forced a severe decrease in banks' operations which consequently led to further reductions in staff.

An additional form of downsizing that the banks are applying nowadays is the reduction of the banks' international presence through selling different units in the MENA region. These reductions will provide different banks with fresh money in hand in order to overcome the current economic crisis and save their presence locally in the Lebanese market.

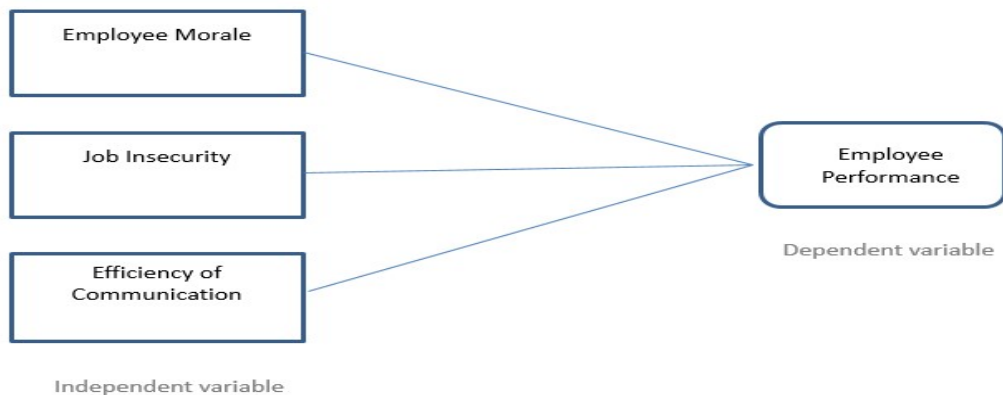
1.3.6 Research Questions and Conceptual Model

Despite the continuing studies about the downsizing strategies being implemented, some studies tackle the causes of downsizing and its effect on the employees. From the studies that are stated above, some argued that downsizing has a positive impact on organizations specially on some financial indicators such as ROE and ROA. Others consider that downsizing has negative implications on employee performance and morale. We noticed a lack of studies that assess the impact of downsizing that is currently occurring in the Lebanese banking sector. This thesis aims to tackle this gap by assessing the effect of the downsizing strategy on employees' performance.

The Lebanese banking sector is experiencing serious fluctuations and risks arisen from the current economic crisis. The sector is facing a huge decrease in profits, budget reductions, losses in their lending portfolios, retrenchments, and many other threatening factors. Accordingly, there is a must and a need to downsize the Lebanese banking sector in an efficient and effective manner. The main research question of our study is: What is the impact of the downsizing strategy on the Lebanese banking sector? More specifically, what is the impact of such downsizing on the employee performance? In addition, how employee morale and job insecurity are affecting employee performance in organizations? Finally, the study will examine also how efficiency of communication is seen and assessed during the downsizing strategy being processed.

The figure below illustrates the relationship between the dependent variable and independent variables related to my study.

Figure 2: Conceptual Model



Chapter 2: Methodology

This chapter presents a detailed description of the methodology used in the study. The research methodology includes the hypotheses and variables, the research design, the ethical considerations, the sample size, the data collection tools and procedures. In addition, a small summary of the questionnaire design will be presented. Following the literature review chapter, this chapter will include details of the research design and will highlight the different procedures that will be followed in order to conduct our study.

2.1 Hypotheses and Variables

As shown in the conceptual framework, the independent variables are captured using different measures. Each variable has its relationship with the employee performance that is mainly our dependent variable. Employee performance measures to what extent are employees productive. In addition, it involves all direct and indirect aspects related to the work of employees. Employee morale is a psychological feeling of motivation towards work. Employee morale is best assessed through involvement and recognition and can impact the employee performance. Job insecurity is faced when the continued engagement of work is in serious risk. When employees are insecure about their work, this will create a sense of absenteeism, turnover, and dissatisfaction. In addition, efficiency of communication during the downsizing can play an important and major role in

saving the organizations' best performers and this will affect employee performance to a great extent.

The hypotheses related to my study are as follows:

- H1: Employee morale while the downsizing being processed affect negatively employee performance.
- H2: Increased feelings of job insecurity following the downsizing strategy has a negative effect on employee performance.
- H3: Efficiency of communication during the downsizing has a positive effect on employee performance.

2.2 Research Design

2.2.1 Philosophical and Reasoning Approach

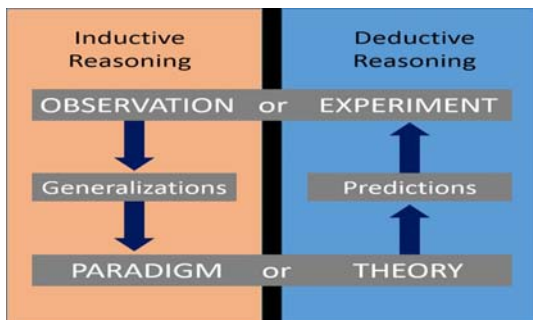
Research design is the set of methods and procedures that are used to collect and analyze the related variables in a specific research (Your Article Library, 2015). There are different types of research designs that are used in academic studies. This include descriptive, correlational, experimental, exploratory, and explanatory research designs.

Besides, there are different patterns that could be used in a certain study. Some examples are the positivism paradigm and the constructivism paradigm. It is important to state that there is no right or wrong paradigm; the researcher will

choose the best approach to conduct his/her study. In our study, we will be using the positivist approach that will indeed make the research purely objective. Looking into details, a positivist pattern provides a reality in which claims can be compared. Throughout this stage, hypotheses are generated and tested. The positivist approach will observe an objective reality and will be independent from the researcher. The main characteristics of a positivist paradigm are: Tangible reality, objectivity, generalization, causality, and deductive reasoning in which we will discuss in the next paragraph (Kaboub,2008).

In order to answer the research questions related to our study, we will focus on the deductive approach. The aim of a deductive approach is to test an existing theory. This theory will start from an expected pattern and test it against observations (Trochim, 2020). This consist of hypotheses development based on existing theories and then developing a research strategy to test related hypotheses. The below figure highlights the main difference between deductive and inductive research methodology:

Figure 3: Deductive and Inductive Reasoning



Source:https://danielmiessler.com/images/The-flow-diagrams-of-inductive-and-deductivereasoning.ppm_.png

2.2.2 Research Method

Research methods can be either quantitative or qualitative. A quantitative research includes statistics, numbers, and closed ended questions. Qualitative research includes open ended questions such as interviews (Creswell, 2014).

To highlight the difference between the quantitative and qualitative approaches, a summary of the major characteristics is illustrated in the below table:

Table 1: Characteristics of qualitative and quantitative methods

	Qualitative	Quantitative
Objective	Discovery of new relationships and ideas	Validation of relationships
Type of research	Exploratory	Descriptive and causal
Type of questions	Mostly open ended	Mostly structured with the use of scale
Representativeness	Small sample	Large sample, can represent population
Generalizability	Limited	Very good
Data	Mainly words	Mainly numbers
Analysis	Interpretation	Statistical

Source: Adapted from Hair et al., 2008

Since the aim of this research is to study the effect of the downsizing strategy implemented in the Lebanese banking sector on employee performance, we will follow a descriptive and quantitative research in order to be able to analyze the data without changing the environment. According to Hair et al. (2008), both the descriptive approach and quantitative data is best used once the following factors are being met: The nature of decision problem calls for a description of particular characteristics of a current market condition. Second, the research question highlights the what, who, when, and how. Third, the research goal is to identify

significant and meaningful relationships. So by this, the goal to be reached is to identify meaningful relationships through the use of both descriptive and quantitative research methods.

2.3 Ethical Considerations

Ethical considerations and all related ethical aspects will be taken into consideration before and during the study to ensure that confidentiality exists. Besides, all collected information will be used only for academic purposes.

2.4 Population Description and Sampling Technique

Population is defined as the number of people in a country or specific region. It includes a group of people, events, and other factors that are being researched and investigated. The data for this study is derived from a variety of banks in the Lebanese banking sector. The target population will tackle 150 employees from selected banks in Lebanon. Regarding the sampling techniques, there are different types that are used in the literature. The two main types are the probability and the non-probability techniques. The probability sampling technique includes the simple random sampling. Whereas the non-probability techniques are composed of the snowball and quota sampling (Taherdoos, 2016). This study will be using the random sampling technique in which the target population will be selected on a random basis from variety of selected banks in the Lebanese banking sector.

2.5 Instrumentation and Questionnaire Design

Questionnaire is defined as getting necessary information from people usually by asking direct and indirect questions (Gillham,2008). The questionnaire accommodates a large sample with ease of distribution and on a low cost strategy. The survey can help in assessing different aspects of a study such as: demographics, attitudes, behaviors, and many others. Moreover, through the difficult times we are passing through due to the Lebanese economic situation and the Covid-19 pandemic, online assessments can provide the option to reach the needed sample without physical interference.

The survey is based on a 5 item Likert scale where 1 represent strongly disagree, 2 represent disagree, 3 represent neutral, 4 represent agree, and 5 represent strongly agree. Besides, primary data are collected by means of a questionnaire. This survey will be distributed to employees of the Lebanese banking sector. The questionnaire of the study was created on Google forms and distributed through different social media forms such as: WhatsApp and email. MS excel and statistical package for social sciences SPSS will be the main tools that will be used in this study. These applications will help the researcher to analyze the data collected out from this survey by applying descriptive statistical techniques.

The questionnaire is composed of 15 questions that tackle the main research questions related to my study. A pilot test is distributed to a sample audience in order to make sure that all vocabulary and questions are very well understood. The questionnaire is designed in a way to analyze all related hypotheses and to answer the research questions. The survey is designed and developed based on the literature review presented. In addition, content and construct validity were taken into

consideration throughout designing the questionnaire. The survey is composed of three main parts. The first part is a general part that describes the respondent gender, age, education, and experience. The second part uses a five point Likert scale that comprises four main questions to the respondents related to the independent variables and their effects on employee performance. The third and final part gives a final glance of how the respondents see the downsizing strategy being implemented and how do they perceive it.

Conclusion

This chapter highlighted the importance of the research methodology that will be used in our study. In addition, it provided a detailed summary of the research design that will be used in order to conduct the study in an effective manner. This study will be descriptive and quantitative by nature to express the different relationships between independent and dependent variables. Besides, a positivist and deductive reasoning approach will be followed in our study. Moreover, a survey questionnaire is used as a primary data collection method in order to assess and test the relationship among variables related to this study.

Chapter 3: Results and Analysis

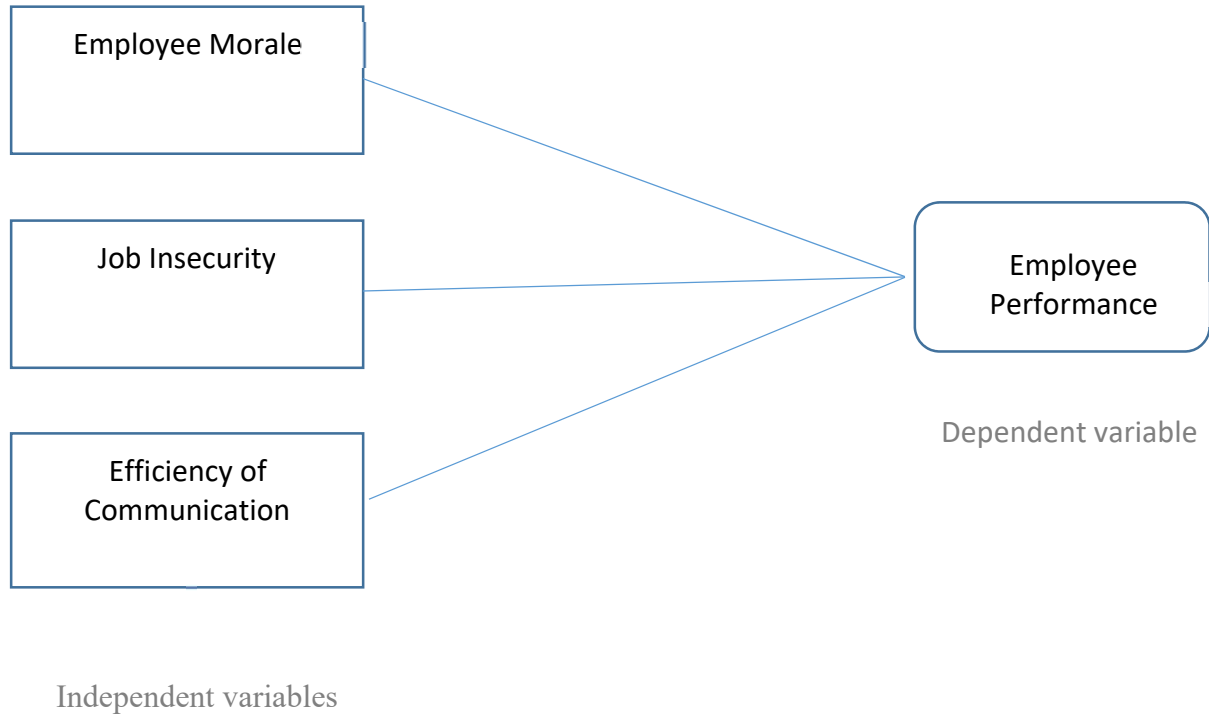
Introduction

After highlighting the main theories related to the effect of the downsizing strategy on the Lebanese banking sector and how it affects employee performance, Chapter 3 presents the results and the related analysis of the primary data collected from the elaborated questionnaire. Research framework will be first highlighted. Next, the findings will be presented as follows: General information, descriptive analysis, Pearson correlation, and Multiple Linear Regression Analysis. A conclusion of the chapter will be presented in the last part of this chapter.

3.1 Research Framework

Based on our literature review, we have developed a research framework in which the independent variables are captured using different measures. We focus on employee morale, job insecurity, and efficiency of communication as independent explanatory variables. Each variable has its relationship with the employee performance that is our main dependent variable. Our conceptual framework is illustrated below:

Figure 4: Conceptual Framework



Source: Own Author Elaboration (2022)

3.2 Output and Analysis

3.2.1 Reliability and Validity of the Test

Reliability test is used to assure the validity and reliability of the questionnaire used. The reliability test is conducted using the Cronbach's alpha that measures the consistency between variables. This consistency is captured through a reliability coefficient where it is recommended to be ≥ 0.7 . As shown in the below reliability statistics table, we can conclude that the entire questionnaire with 15

questions has an overall Cronbach alpha score of 0.772 which is strongly reliable and valid with high internal consistency.

Table 2: Reliability Statistics

<i>Reliability Statistics</i>	
Cronbach's Alpha	N of Items
.772	100

Source: Own Author Elaboration (2022)

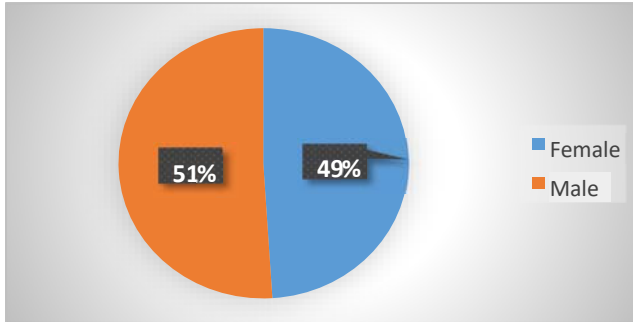
3.2.2 General Information

The study targeted 120 respondents of the Lebanese banking sector employees out of which 101 filled out the desired questionnaire making a response rate of approximately 84%. The response rate was satisfactory to make conclusions for the study since based on Mugenda and Mugenda (2003), a response rate of 70% or above is adequate for analysis and reporting.

Respondents' Gender

Respondents' gender was sought in this study. Results as per figure 5 shows that the gender distribution of the respondents was 48.5% female and 51% male. This shows a fair distribution of respondents in terms of gender.

Figure 5: Gender Distribution

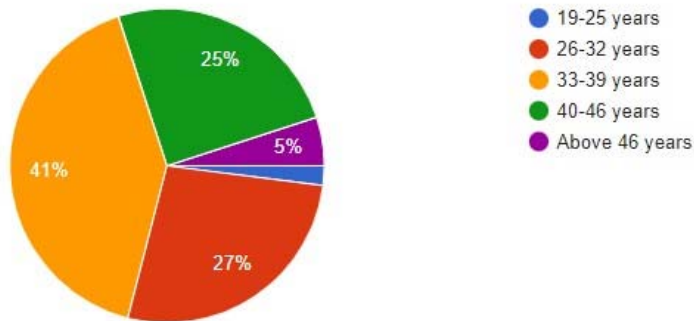


Source: Own Author Elaboration (2022)

Respondents' Age

The respondents' ages tackled in our study shows a variety of ranges as shown in figure 6 below.

Figure 6: Respondents' Age



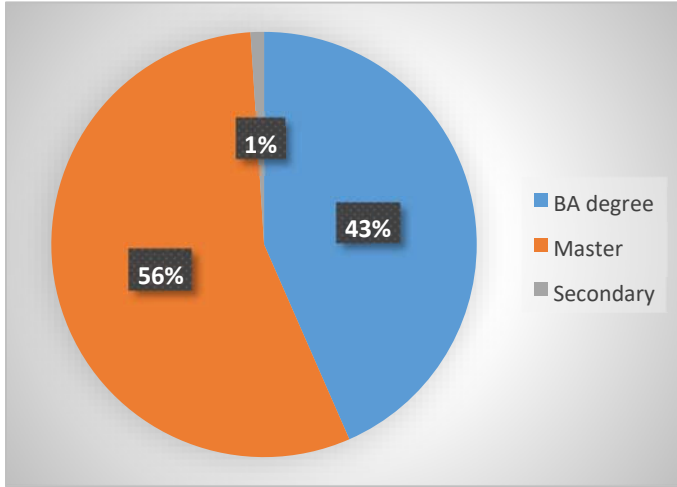
Source: Own Author Elaboration (2022)

Education Level

Figure 7 investigates the level of education of the Lebanese banking sector population used in our sample. Majority of the respondents are shown to hold a BA

degree or a Master's degree, which indicates that data was collected from experienced and skilled respondents.

Figure 7: Level of Education

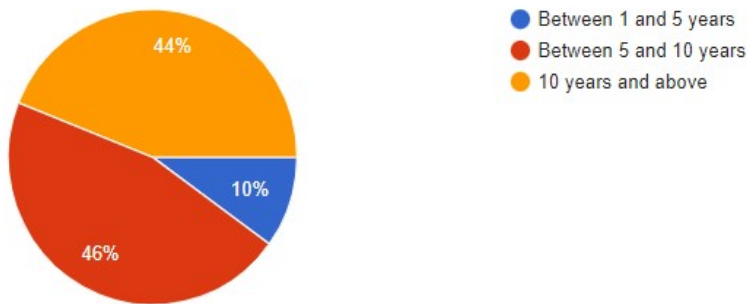


Source: Own Author Elaboration (2022)

Working Experience

Majority of the respondents have a working experience greater than 5 years as shown in figure 8 below. This is an indication that the data was collected from experienced knowledgeable people, which helps better achieve the objectives of this study.

Figure 8: Years of Experience



Source: Own Author Elaboration (2022)

Source of downsizing information

Table 3 illustrates how employees knew about the downsizing strategy being implemented, which can show to what extent the management ensured proper communication channels with their respective employees. The results show that 37.6% knew about the implementation of the downsizing strategy from the bank's management, whereas 52.5% were informed by their colleagues.

Table 3: Source of Downsizing Information

	Frequency	Percent
Valid	1	1.0
Colleagues	53	52.5
Management	38	37.6
Social Media	3	3.0
TV News	6	5.9
Total	101	100.0

Source: Own Author Elaboration (2022)

Management Transparency

Table 4 shows to what extent was the management transparent when applying the downsizing strategy. 53% of the respondents stated that their management were transparent regarding communicating the downsizing strategy being implemented whereas 43% clearly stated that their respective management were not.

Table 4: Management Transparency During the Downsizing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	5.0	5.0	5.0
Not transparent	43	42.6	42.6	47.5
Transparent	53	52.5	52.5	100.0
Total	101	100.0	100.0	

Source: Own Author Elaboration (2022)

3.2.3 Descriptive Analysis

Employee Performance

The study sought to stress the importance of employee performance in the current downsizing being implemented. To illustrate the results, the following scales were used in our questionnaire where 1=Strongly disagree and 5=Strongly agree. The results are shown in Table 5. Going through our analysis, 20.8% of the respondents' state that employees are achieving their set targets. Around 44.6% of the respondents either strongly disagree or disagree that employees are achieving their set targets. A minority of 5% strongly agrees that employees are achieving their set targets. Thus, we can say that the majority of the respondents disagree that employees are achieving their set targets during the downsizing that is currently taking place.

37.6% of the respondents disagree that employees are at the same level of productivity during the downsizing. 42.6% of the respondents agree that employees fulfill their job duties and execute their required tasks effectively. 27% of the respondents have a neutral opinion about the subject. A minority of 6.9% strongly disagree that employees are being able to fulfill their job duties and related tasks effectively. In addition, a majority of 62.4% of the respondents either strongly disagree or disagree that employees are able to meet their goals during the downsizing while only about 8.9% of the respondents either strongly agree or agree that employees are being able to meet their goals. Opinions regarding career advancement goals were somehow different as 52.5% of the respondents either strongly disagree or disagree that employees' career advancement goals remained unchanged during the downsizing being implemented; while 28.7% of the respondents agree that employees' goals remained unchanged even during the downsizing being implemented.

Table 5: Employee Performance

To what extent do you agree with the following statements on employee performance during the current downsizing.						
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Employees are achieving their set targets	23 (22.8%)	22 (21.8%)	33 (32.7%)	16 (15.8%)	5 (5%)
2	Employees has been at the same level of productivity during the downsizing	15 (14.9%)	38 (37.6%)	36 (35.6%)	9 (8.9%)	2 (2%)
3	Employees fulfill their job duties and execute their required tasks effectively	7 (6.9%)	18 (17.8%)	27 (26.7%)	43 (42.6%)	5 (5%)
4	Employees are able to meet their goals during the downsizing	13 (12.9%)	50 (49.5%)	28 (27.7%)	8 (7.9%)	1 (1%)
5	Employees' career advancement goals remained unchanged even during the downsizing being implemented	21 (20.8%)	32 (31.7%)	17 (16.8%)	29 (28.7%)	1 (1%)

Source: Own Author Elaboration (2022)

Employee Morale

The study sought to assess the effect of job morale on employee performance as a result of the downsizing strategy implemented in the Lebanese banking sector. The results of the respondents' responses are displayed in table 6. We can spot that 23.8% of the respondents strongly disagree that they have a sense of belonging to the bank; while 13.9% of the respondents agree that they have a sense of belonging to their banks. In addition, a majority of 72.3% of the

respondents either strongly disagree or disagree that they are satisfied with the salary they get. On the other hand, only 7.9% of the respondents agree that they are satisfied with their salaries. Regarding bonuses and rewards, a majority of 75.2% of the respondents either strongly disagree or disagree that they are receiving bonuses and rewards as for the work done during the downsizing being implemented. On the contrary, only 4% of the respondents' state that they are receiving such bonuses and rewards during this period. Besides, 41.6% of the respondents either strongly disagree or disagree that their institutions value their contribution to the company's well-being. We can say that a majority of the respondents either disagree or have a neutral opinion about this statement. The results related to employees being overloaded in their assigned tasks due to workforce reduction came as follows: 22.8% of the respondents strongly disagree that they are not overloaded in the tasks assigned due to workforce reduction while 24.8% of the respondents agree that they are not being overloaded following labor force reduction.

Table 6: Employee Morale

To what extent do you agree with the following statements on employee morale during the current downsizing.						
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I feel a sense of belonging to the bank	24 (23.8%)	16 (15.8%)	44 (43.6%)	14 (13.9%)	2 (2%)
2	I am satisfied with the salary I get	51 (50.5%)	22 (21.8%)	19 (18.8%)	8 (7.9%)	0 (0%)
3	I receive bonuses and rewards as for work done	37 (36.6%)	39 (38.6%)	16 (15.8%)	4 (4%)	4 (4%)
4	My institution values my contribution to its well-being	18 (17.8%)	24 (23.8%)	43 (42.6%)	11 (10.9%)	4 (4%)
5	I am not being overloaded in the tasks assigned due to workforce reduction	23 (22.8%)	20 (19.8%)	28 (27.7%)	25 (24.8%)	4 (4%)

Source: Own Author Elaboration (2022)

Job Insecurity

The responses regarding the effect of job insecurity on employee performance in the Lebanese banking sector are presented in table 7. A majority of 71.3% of the respondents either strongly agree or agree that they are putting high efforts to secure their jobs while only 5% disagree that they are putting high efforts to secure their jobs. We can trace that a large percentage of participants are putting high efforts and are doing their best to secure their jobs during the downsizing period. In addition, a majority of 81.2% of the respondents either strongly agree or

agree that job security is a threatening factor for employees during unstable economic conditions. A majority of 81.1% of the respondents either strongly agree or agree that the reduction of employees makes them insecure in their jobs and that they are anxious of getting fired at any time. Besides, a majority of 63.4% of the respondents either strongly agree or agree that they fear a salary cut during the current downsizing taking place. The final statement in this section highlights if employees are searching for a new job at another company. We can deduce that a majority of 63.4% of the respondents either strongly agree or agree that they are searching for new jobs while 20.8% are not looking for new jobs. As derived from the results, we can spot that job insecurity in unstable economic conditions is a threatening factor to employees.

Table 7: Job Insecurity

To what extent do you agree with the following statements on job insecurity during the current downsizing.						
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I put high efforts to secure my job	2 (2%)	5 (5%)	21 (20.8%)	35 (34.7%)	37 (36.6%)
2	Job security is a threatening factor for employees during unstable economic conditions	0 (0%)	1 (1%)	16 (15.8%)	34 (33.7%)	48 (47.5%)
3	Reduction of employees makes me insecure in my job and I fear I can get fired at anytime	2 (2%)	6 (5.9%)	10 (9.9%)	46 (45.5%)	36 (35.6%)
4	I fear a salary cut during the current downsizing	2 (2%)	7 (6.9%)	26 (25.7%)	30 (29.7%)	34 (33.7%)
5	I am constantly searching for a new job at another company	4 (4%)	17 (16.8%)	14 (13.9%)	25 (24.8%)	39 (38.6%)

Source: Own Author Elaboration (2022)

Efficiency of Communication

This section highlights the importance of the efficiency of communication between management and their employees while the downsizing being effective. Thus, we aim to assess whether different bank managements are using good and efficient communication with their employees during the implementation of the downsizing strategy. The results are displayed in table 8 and described as follows: 24.8% of the respondents strongly disagree that banks provide career advancement opportunities after the downsizing phase being processed. Only 10.9% of the

participants agree that banks provide such opportunities to their employees. Moreover, 29.7% of the respondents disagree that banks encourage employee participation in deciding their career path while only 7.9% of the respondents agree with that statement. Besides, 26.7% disagree that the management clearly communicated the downsizing. In contrast, 14.9% of the respondents agree that a clear communication of the downsizing strategy was ensured. On the other hand, 19.8% of the respondents strongly disagree that good and effective communication is present in their institution while 30.7% of the respondents agree that good communication is present. In the same line, 42.6% of the respondents express that their management was not transparent about communicating the downsizing strategy while 16.8% of the respondents agree that transparency was present during the downsizing implementation period.

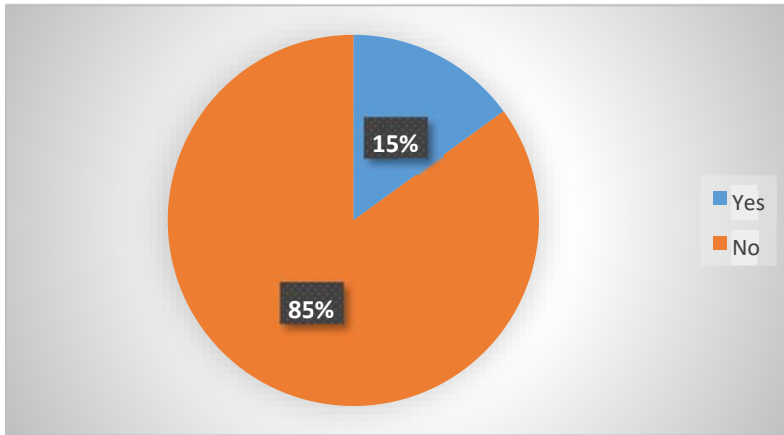
Table 8: Efficiency of Communication

To what extent do you agree with the following statements on efficiency of communication during the current downsizing.						
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The Bank provides career advancement opportunities after the downsizing phase being processed	25 (24.8%)	20 (19.8%)	42 (41.6%)	11 (10.9%)	2 (2%)
2	The Bank encourages employee participation in deciding their career path after the downsizing being processed	20 (19.8%)	30 (29.7%)	40 (39.6%)	8 (7.9%)	2 (2%)
3	The management communicated clearly the downsizing strategy being implemented	21 (20.8%)	27 (26.7%)	33 (32.7%)	15 (14.9%)	4 (4%)
4	Good and effective communication is present in my institution	20 (19.8%)	17 (16.8%)	27 (26.7%)	31 (30.7%)	5 (5%)
5	The management is being transparent about communicating the different stages of the downsizing	22 (21.8%)	21 (20.8%)	36 (35.6%)	17 (16.8%)	4 (4%)

Source: Own Author Elaboration (2022)

As related to extending working hours during the implementation of the downsizing strategy, 85% of the respondents state that they did not get their working hours extended while only 15% of the respondents had extended workdays. Results are shown as below in figure 9:

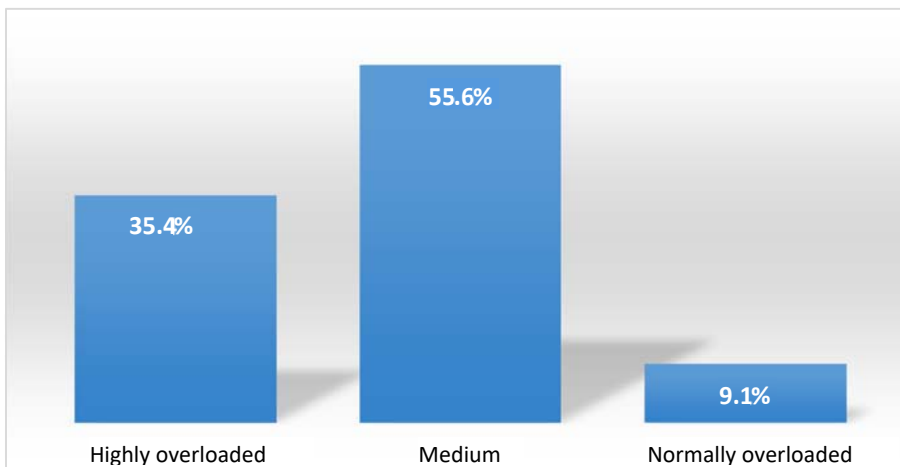
Figure 9: Extending Working Hours



Source: Own Author Elaboration (2022)

On the other hand, 54.5% of the respondents state that they were moderately overloaded with the tasks assigned especially after branches and employees retrenchments were implemented. 34.7% of the respondents think that they are highly overloaded while 8.9% of the respondents are normally overloaded. Results are shown in figure 10.

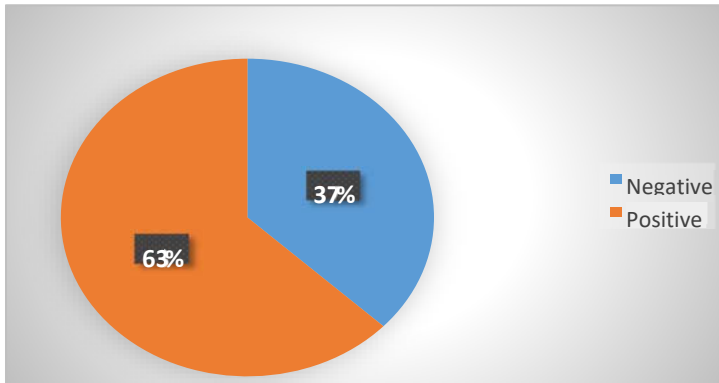
Figure 10: Being Overloaded Following Workforce Reduction



Source: Own Author Elaboration (2022)

Assessing the perception of the downsizing strategy in terms of business continuity of the banking sector is crucial. Results of the respondents' opinions as displayed in figure 11. A majority of 63% of the respondents assess the downsizing to be positive while 37% of the respondents foresee downsizing as a negative event.

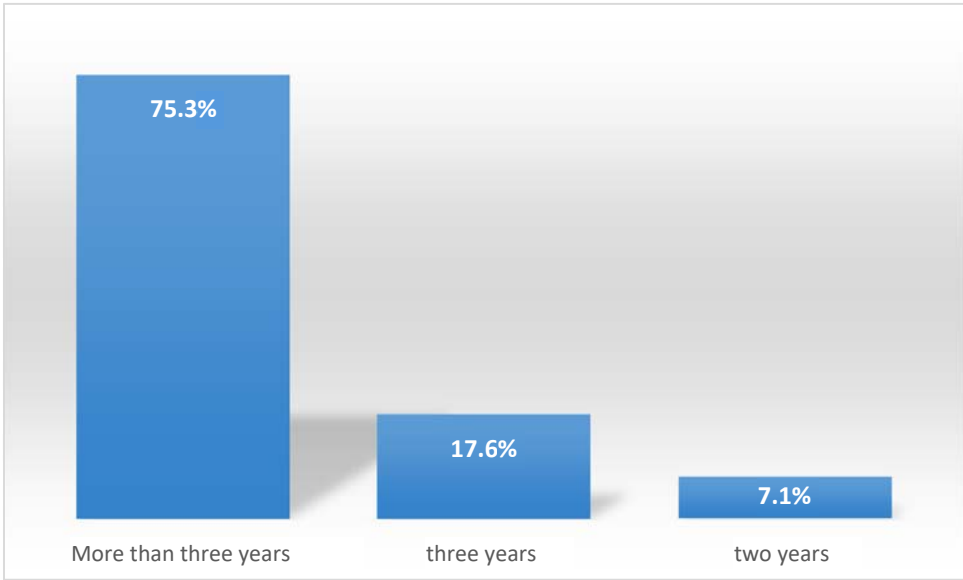
Figure 11: Assessment of the Downsizing



Source: Own Author Elaboration (2022)

In addition, a majority of 64% of the respondents see that the banking sector can overcome the economic crisis on the long term i.e., in a time frame of more than three years. Results are shown in figure 12 below.

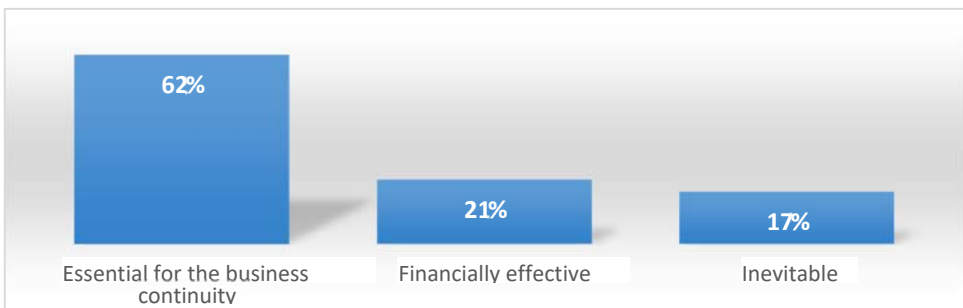
Figure 12: Time Frame of Overcoming the Economic Crisis



Source: Own Author Elaboration (2022)

Finally, and not last, a majority of 62% of the respondents see that the downsizing is essential for the business continuity. 21% of the respondents evaluate the downsizing as financially effective while 17% of the respondents mention that the downsizing as inevitable. Results are shown in figure 13.

Figure 13: Perception of the Downsizing Strategy



Source: Own Author Elaboration (2022)

3.2.4 Cross Tabulation Analysis

In the following section, we highlight some important relationships between variables using cross tables. We can spot through Table 9 that 18.18% of the respondents strongly disagree that employees are achieving their set targets and have a neutral opinion about feeling a sense of belonging to the bank. On the contrary, only 3.03% of the respondents strongly disagree that employees are achieving their set targets and strongly disagree that they feel a sense of belonging to the bank. Moreover, the relationship between employee performance and job insecurity are addressed in Table 10. We can deduce that 17.17% of the respondents strongly disagree that they are achieving their set targets and on the other hand they agree that reduction of employees makes them insecure about their jobs. In addition, we can spot that 13.13% of the respondents disagree that employees are achieving their set targets and strongly agree that they fear a salary cut during the current downsizing being implemented. Hence, when talking about the relationship between fearing a salary cut and employees' achievement for their set targets, we can spot through table 11 that 15.30% disagree that employees are achieving their targets and they strongly agree that they are fearing a salary cut during the downsizing. Moving on to the relationship between employee performance and efficiency of communication, we can see that 13.13% of the respondents strongly disagree that employees are achieving their set targets and agree that good and effective communication is present in their institutions as illustrated in table 12.

Table 9: Employee Performance and Morale-Crosstabulation

Employees are achieving	I feel a sense of belonging to the bank					
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
their set targets	Strongly disagree	3.03%	1.01%	18.18%	1.01%	0%
	Disagree	12.12%	3.03%	5.05%	2.02%	0%
	Neutral	7.07%	10.10%	11.11%	4.04%	1.01%
	Agree	1.01%	2.02%	8.08%	4.04%	1.01%
	Strongly agree	1.01%	0%	2.02%	2.02%	0%

Source: Own Author Elaboration (2022)

Table 10: Employee Performance and Job Insecurity- Crosstabulation

Employees are achieving their set targets	Reduction of employees makes me insecure in my job and I fear I can get fired at anytime					
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Strongly disagree	0%	0%	0%	17.17%	6.06%	
Disagree	0%	1.01%	1.01%	7.07%	13.13%	
Neutral	0%	2.02%	3.03%	17.17%	11.11%	
Agree	1.01%	3.03%	4.04%	3.03%	5.05%	
Strongly agree	1.01%	0%	1.01%	2.02%	1.01%	

Source: Own Author Elaboration (2022)

Table 11: Employee Performance and Job Insecurity- Crosstabulation

Employees are achieving their set targets	I fear a salary cut during the current downsizing					
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Strongly disagree	0%	0%	2.04%	14.28%	7.14%	
	Disagree	0%	6.12%	0%	1.02%	15.30%
	Neutral	1.02%	8.16%	5.10%	6.12%	12.24%
	Agree	2.04%	3.06%	6.12%	2.04%	3.06%
	Strongly agree	0%	0%	1.02%	2.04%	2.04%

Source: Own Author Elaboration (2022)

Table 12: Employee Performance and Efficiency of Communication-Cross Tabulation

Employees are achieving their set targets	Good and effective communication is present in my institution					
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Strongly disagree	2.02%	1.01%	7.07%	13.13%	0%	
Disagree	8.08%	4.04%	6.06%	3.03%	1.01%	
Neutral	6.06%	8.08%	10.10%	9.09%	0%	
Agree	2.02%	3.03%	3.03%	5.05%	3.03%	
Strongly agree	2.02%	1.01%	1.01%	0%	1.01%	

Source: Own Author Elaboration (2022)

3.2.5 Pearson Correlation

Pearson Correlation measures the relationship between two or more variables in order to analyze whether these variables are positively or negatively related. Two variables are correlated if the modification in one variable affects the second variable accordingly. Thus, correlation coefficients are used to measure the relationships between variables used in our study. Results are derived in Table 13 where average method is used. Through the average method, we combined the five sub-questions of each variable into one question. We can trace through the Pearson correlation table that there is a positive significant correlation between employee performance and employee job morale with a correlation coefficient of 0.576. This means that if employee morale increases then employee performance will also increase, and this result is statistically significant at 1% level. The latter result is in concomitance with H1. Regarding the relation between job insecurity and employee performance, the below table indicates that there is a negative correlation between employee performance and job insecurity with a correlation coefficient of -0.354 that is statistically significant at 1% level. This means that if job insecurity increases then employee performance will decrease and vice versa. We can also conclude that job insecurity has thus a negative impact on employee performance, which confirms the statement of H2. Moreover, we can trace that there is a positive correlation between employee performance and efficiency of communication with a correlation coefficient of 0.348 that is statistically significant at 1% level. Therefore, the efficiency of communication has a positive and significant impact on employee performance, which is in line with H3.

In sum, the Pearson correlation analysis indicates that employee job morale and efficiency of communication has a significant positive effect on employee performance. In contrast, job insecurity and employee performance are significantly negatively related.

Table 13: Pearson Correlation

		Employee Performance	Employee Morale.	Job Insecurity	Efficiency of Communication
Employee Performance	Pearson Correlation	1	.576(**)	-.354(**)	.348(**)
	Sig. (2-tailed)		.000	.000	.000
	N	99	99	96	99
Employee Morale	Pearson Correlation	.576(**)	1	-.362(**)	.621(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	99	100	97	100
Job Insecurity	Pearson Correlation	-.354(**)	-.362(**)	1	.084
	Sig. (2-tailed)	.000	.000		.413
	N	96	97	97	97
Efficiency of Communication	Pearson Correlation	.348(**)	.621(**)	.084	1
	Sig. (2-tailed)	.000	.000	.413	
	N	99	100	97	100

** Correlation is significant at the 0.01 level (2-tailed)

Source: Own Author Elaboration (2022)

3.2.6 Multiple Linear Regression

The multiple regression analysis is a strong statistical technique that is used to provide information about levels of variability within a regression model and form

a basis for tests of significance. In addition, we can apply multiple comparisons of several population means through using the multiple regression analysis (Rutherford, 2001).

Table 14 below shows the regression model and expose out of impact factors influencing employee performance. The model summary suggests that R Square value of 0.363 which means that there is 36.3% of variance that the given model including three variables jointly explains the employee performance. In addition, the model reported Adjusted R Square value of 0.342 which means that 34.2% of goodness-of-fit measure for linear regression models.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603(a)	.363	.342	2.93343

a Predictors: (Constant), Employee morale, Job Insecurity, Efficiency of Communication

Source: Own Author Elaboration (2022)

The ANOVA table indicates that the regression model is globally significant with $F = 17.493$ and p-value of 0.000 which falls within the acceptable significance level of 0.05.

Table 15: ANOVA

Anova(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	451.577	3	150.526	17.493	.000(a)
	Residual	791.662	92	8.605		
	Total	1243.240	95			

a Predictors: (Constant), Employee morale, Job Insecurity, Efficiency of Communication b Dependent Variable: Employee Performance

Source: Own Author Elaboration (2022)

The last table of regression is the coefficient table which shows to what extent the variables are significant predictors of employee performance. The below table shows that employee morale is a significant predictor of employee performance with a significance level value of 0.000 which is less than 0.05 and a positive beta value of $\beta= .426$. This infers a positive association between employee morale and their performance, which is in line with H1.

Findings also suggest that job insecurity is a significant predictor of employee performance with a significance value of 0.044 which is less than 0.05 and with a negative beta value of $\beta= -. 238$. This finding follows the statement of H2 whereby the increase in job insecurity induces a decrease in employee performance.

In addition, results show that efficiency of communication is not a significant predictor of employee performance, having a p-value of 0.480 which is greater than 0.05 significance level. This suggests that there is non-significant relationship between efficiency of communication and employee performance.

Table 16: Coefficients

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.171	2.744		4.435	.000
	Q8	.426	.117	.455	3.640	.000
	Q9	-.238	.117	-.202	-2.041	.044
	Q10	.065	.092	.083	.708	.480

Dependent Variable: Employee Performance

Source: Own Author Elaboration (2022)

The below equation shows the linear equation for the proposed model:

$$= 12.171(\text{constant}) + 0.426 * \text{Employee Morale} - 0.238 * \text{Job Insecurity} + 0.065 * \text{Efficiency of Communication}$$

3.3 Discussion of the hypotheses and conceptual model

In order to test the proposed hypotheses, the results obtained by the questionnaire were thoroughly studied and analyzed. Going into details of our analysis, the results obtained from Cronbach alpha states that our questionnaire is reliable. Besides, the Pearson correlation analysis shows that both employee morale and efficiency of communication are positively correlated with employee performance; whereas job insecurity is negatively correlated with employee performance at 1% statistical significance. Our results are confirmed when conducting the regression analysis.

The latter indicates that both employee morale and job insecurity have positive and significant impact on employee performance. Nevertheless, the efficiency of communication does not show to have a significant impact on employee performance (having a p-value of 0.48 which is greater than 5%). According to the results mentioned above, H1 and H2 are confirmed whereas our analysis led to the lack of support of H3. In sum, we can say that our results came in coherence with Spreitzer & Mishra (2002) who indicated that the way employees perceive the reduction of workforce will have a strong influence on their performance in a downsizing context. Our findings are also in line with Silverthorne (2004) who state that job satisfaction positively affects employees' productivity, and it is highly related with workers' turnover.

In addition, Itunga (2017) highlights that employees feel insecure about retaining their jobs, which might lead to unsatisfactory work environment. The author states that organizational downsizing discourages the most talented productive employees, and this will lead them to leaving up their organizations. Finally, and not last, our results concur with Wagar (1998) who indicated that workforce reductions were associated with number of negative consequences particularly on employee satisfaction which led to affecting their performance in their organizations.

Conclusion

As per the results obtained through studying and analyzing the different components of the questionnaire, we can conclude by the end of this chapter that

employee morale and job insecurity have a significant impact on employee performance while implementing the downsizing strategy in the Lebanese banking sector. The results of the study will play an important and major role to policy makers while designing related downsizing strategies. In addition, policy makers should be aware of how and when to implement such downsizing strategies in a way not to affect employee performance in which will be definitely reflected on the business success and continuity.

Conclusion

Summary of Findings

To conclude, this study was performed to investigate the impact of downsizing strategy on the Lebanese banking sector and more precisely on employee performance. A total of 101 questionnaires were distributed on the Lebanese banking sector employees. Data was extracted from related questionnaires and have been analyzed using Statistical Package for Social Sciences (SPSS).

Respondents from different backgrounds have been targeted in this study. The respondents' profiles were as follows: 51% of the participants are male. 41% of the respondents belong to an age group between 33-39 years old. 56% hold a master's degree in their educational profiles. 46% of the respondents have a work experience between 5 and 10 years.

Going further in the analysis performed, we used different analysis techniques such as Pearson Correlation and Multiple Linear Regression Analysis to test related hypotheses and their related impacts. The results showed that employee morale and job insecurity have significant impact on employee performance. Whereas, efficiency of communication did not show significant impact on employee performance. In sum, we can say that H1 and H2 are confirmed while our analysis led to the lack of support of accepting H3.

Limitations

Although this study followed a quantitative methodology using questionnaires distributed to a target sample, it still bears some limitations. Indeed, the sample that is obtained was based on randomly chosen people working in the Lebanese banking sector operating on the Lebanese borders. In addition, time and situational limitations was faced due to Covid-19 pandemic. The current pandemic caused all of the questionnaire's answers to be collected over a short period of time with no physical intervention. Further, all data was collected through online channels. In addition, all of the study conducted was in a period that the pandemic caused economic complications worldwide and especially on the Lebanese economy. All of this situation may have led to different opinions regarding the subject.

Future Perspectives

At first, future research could target larger number of banks and their respective employees to decrease the possibility of a data bias. This will create a larger sample that could be a base to understand more the current problems and their related solutions. In addition, studies could tackle the effect of downsizing strategies on employee performance on other sectors different than the banking sector such as the medical sector, industrial, and other sectors. This can track if and how downsizing strategies differ between sectors. In addition, other research methods could be used in future studies such as the Chi-Square method to get more insights about the study

and have more variety of outcomes and results. Another suggestion for future studies is to investigate additional variables related to the study. One example is to investigate how the downsizing strategies affect banks' performance during unstable economic conditions. The performance variables that can be used are the ROA and ROE ratios and we can thereby assess how these ratios will affect employee performance as well.

Managerial Implications

Managerial implications summarize in general what the results mean in terms of actions i.e., what actions could be implemented in order to solve the current problematic situation. This study reveals that both employee morale and job insecurity are significant predictors of labor performance. These variables have a significant impact on employee performance as derived and conducted throughout our analysis. Banks' management should at first be aware of employee morale and job insecurity levels especially while experiencing an economic crisis. While downsizing, management teams should identify employee concerns such as the salary cuts, the reduction in bonuses and rewards, and the sense of belonging to their banks. Iverson & Zatzick (2011) observed that the greater the consideration of employee morale, the greater results of productivity are achieved in which will be reflected in the organization performance as a whole.

On the other hand, banks' management should keep an eye on job insecurity. Job insecurity is a crucial and important factor to almost all of the banks' employees. Moreover, James (2012) emphasized that job security affects not only the individual

performance but also the overall team performance. The individual and team performance combined, will affect the continuity and success of organizations. Related management should always ensure an environment free of any threatening factor related to employees' overview of their jobs. Moreover, and especially during a downsizing period, banks' management should be always cautious and vigilant while designing and implementing their strategies. Strategies should be designed in a way that keeps employee morale at high levels. In parallel, they should ensure that employees are not fearing any kind of job insecurity issues while the downsizing is taking place. By implementing such strategies, banks' management can ensure that employee performance will be kept on acceptable levels in order to sustain the organization performance as a whole and to ensure the business continuity of its operations.

Policy Makers and Government Interventions

In order to overcome the economic crisis that we are currently facing in our country, an action plan is needed to be implemented. This action plan is composed of three layers which will be addressed shortly: At first, on the upper managerial level of the country, corruption must be stopped. Corruption is a social pathology as stated by Carvajal (1999). It has much the same effect on the development of a nation that cancer has on the life of humans. All parties people and the government representatives must face and stop corruption in order to build a strong economy. On the middle level, the central bank is urged to transfer the unofficial control to an

official capital control. This official capital control will reduce a lot of pressure on the bank employees which will be reflected on employee performance levels (Azhari,2020). At the final layer, the banks' management must be aware of their employees and their concerns. More specifically, banks' management should solve the major issues as a result of the downsizing strategy such as: Fear of salary cuts, fear of losing jobs, overload concerns from tasks assigned, and all related job insecurity issues. We must always keep in mind that the lack of employee performance will lead to the destruction of the organization as a whole. Besides, once employee performance levels are down, then this will lead to a decline in employees' commitment to the organization and will enhance their intention to quit their jobs (Armstrong, 2006). All of this action plan, if implemented will definitely lead to overcoming the current economic crisis and related downsizing that we are facing.

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Appendices

Appendix 1: Questionnaire

The questionnaire is part of a Master's degree in Business Strategy. It is prepared for research purposes only. The research aims to investigate the impact of the downsizing strategy implemented in the Lebanese Banking sector on the employee performance during the current economic crisis. The success of this work depends on the extent of your cooperation and your dedication. Confidentiality will be maintained, and your personal information will be anonymous. All your responses provided will be treated with care and credit.

1. What is your gender?
 - Male
 - Female
2. Indicate your age
 - 19-25 years
 - 26-32 years
 - 33-39 years
 - 40-46 years
 - Above 46 years

3. What is your education level?
 - Secondary school
 - BA degree
 - Master's degree
4. How many years of working experience do you have in the banking sector?
 - Between 1 and 5 years
 - Between 5 and 10 years
 - 10 years and above
5. How did you know about the implementation of the downsizing strategy by the bank?
 - Management
 - Colleagues
 - TV News
 - Social Media
6. If the management was the first to communicate downsizing, to what extent they were transparent in communicating the downsizing strategy?
 - Transparent
 - Not transparent
7. From a scale from 1 to 5, rate the following statements regarding the employee performance during the current implementation of the downsizing strategy.

<i>Statement</i>	<i>1 Strongly Disagree</i>	<i>2 Disagree</i>	<i>3 Neutral</i>	<i>4 Agree</i>	<i>5 Strongly Agree</i>
Employees are achieving their set targets					
Employees has been at the same level of productivity during the downsizing					
Employees fulfill their job duties and execute their required tasks effectively					

Employees are able to meet their goals during the downsizing					
Employees' career advancement goals remained unchanged even during the downsizing being implemented					

8. From a scale from 1 to 5, rate the following statements related to the employee morale during the current implementation of the downsizing strategy.

<i>Statement</i>	<i>1 Strongly Disagree</i>	<i>2 Disagree</i>	<i>3 Neutral</i>	<i>4 Agree</i>	<i>5 Strongly Agree</i>
I feel a sense of belonging to the bank					
I am satisfied with the salary I get					
I receive bonuses and rewards as for work done					
My institution values my contribution to its well-being					
I am not being overloaded in the tasks assigned due to workforce reduction					

9. To what extent do you agree with the following statements regarding job insecurity felt during the current implementation of the downsizing strategy?

<i>Statements</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
I put high efforts to secure my job					
Job security is a threatening factor for employees during unstable economic conditions					
Reduction of employees makes me insecure in my job and I fear I can get fired at anytime					
I fear a salary cut during the current downsizing					
I am constantly searching for a new job at another company					

10. In this section, please rate from 1 to 5 how do you assess the efficiency of communication between the management and employees during the current implementation of the downsizing strategy.

<i>Statement</i>	<i>1 Strongly Disagree</i>	<i>2 Disagree</i>	<i>3 Neutral</i>	<i>4 Agree</i>	<i>5 Strongly Agree</i>
The Bank provides career advancement opportunities after the downsizing phase being processed					
The Bank encourages employee participation in deciding their career path after the downsizing being processed					

The management communicated clearly the downsizing strategy being implemented					
Good and effective communication is present in my institution					
The management is being transparent about communicating the different stages of the downsizing					

11. As a result of the downsizing, has your management extended the working hours for present employees?
- Yes
 No
12. To what extent do you feel overloaded with the tasks assigned especially after branches and employee's retrenchments are implemented?
- Highly overloaded
 Medium (Or Moderately) overloaded
 Normally overloaded
13. In general, how do you assess the downsizing strategy in terms of the business continuity of the banking sector?
- Positive
 Negative
14. If positively assessed, in what time frame can the bank overcome the economic crisis?
- One year
 Two years
 Three years
 More than three years
15. How do you perceive the downsizing strategy being implemented?
- Inevitable
 Financially effective
 Essential for the business continuity

End of the Questionnaire

Thank you for your Participation

Appendix 2: IRB Approval



University Institutional Review Board

To: Mr. Charbel G. Salloum

From: Dr. Christine Sabieh, IRB 2021-2023 Chair *Christine Nollie Sabieh*

Date: December 15, 2021

Subject: UIRB Approval - Reference # IRB 202110

IRB Reference #: IRB 202110

Researcher: Charbel G. Salloum

Researcher status: Graduate Student - FBAE

Researcher Faculty Advisers: Dr. Barbara Abou Tanos

Proposed Research Title: Assessing the Impact of the Downsizing Implemented in the Lebanese Banking Sector during the Current Economic Crisis: Measuring Employee Performance.

IRB decision: Accepted

The University Institutional Review Board (IRB) has reviewed your proposed research. Accordingly, as stated in your proposal and discussed by the committee, the research risks are minimal and the potential benefits to your research topic outweighs the risks. The submitted IRB proposal Appendix 2 & 3, describing your research intention is approved to use human subjects for data collection in this research study.