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RESEARCH ARTICLE

Leadership and Human Resource Management during Crisis

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Abstract

The present paper investigates the role of leadership and human resource management (HRM) in times of crisis. The analysis is situated within the context of Lebanon which is facing the challenges of the COVID-19 pandemic whilst undergoing a devastating economic crisis and downturn. Based on 23 interviews with managers, the paper recognizes attributes of effective leadership in a crisis management approach, as well as the role that the HRM plays in driving employee and organizational performance despite external challenges. In this context, several leadership and HRM practices in response to crisis are identified and discussed.

Keywords: Leadership, Human resource management, COVID 19 pandemic, Crisis, Lebanon

1. Introduction

ontemporary organizations are operating in an age of great uncertainties. Natural catastrophes, humanitarian, economic and social crises are just a few of many unpredictable conditions that have been fundamentally affecting businesses making them more vulnerable than ever.

Although each crisis is unique in scope and nature, they do share a common point: they do not give much time to the individuals and organizations for preparation (Rault et al., 2022). This poses substantial challenges to Leadership roles and HRM practices and what used to be considered as drivers of performance and engagement may no longer apply.

Throughout history, several crises generated by the external environment occurred that had lasting impacts on businesses, e.g., the 2007–2008 Financial Crisis, the 2011 Tōhoku earthquake and tsunami of Japan, Hurricane Ida in the US in 2021, the AIDS

epidemic that started in Africa in the 1990s, and recently the global COVID-19 pandemic. The later has been threatening every aspect of our daily lives, adding pressure on business leaders and professionals to engage in creative ways to economically survive and to sustain their business.

Research shows that the human element like effective leadership, coordinated teams and motivated employees can have a great effect on averting and affecting crisis (Bhaduri, 2019). Despite the pertinence, crisis management has received attention, relatively recently with the seminal paper. Hutchins & Jia, 2008, who called for crisis management research from an HRM and leadership perspective. However, previous studies tend to focus on developed Western countries, where the governments and public bodies have been very active in helping organizations overcome the repercussions of external crisis such as Covid-19. The present paper provides a developmental perspective from the Global south, notably from Lebanon, which currently also undergoes a massive economic

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and institutional decline, characterized by hyperinflation and devaluation of the national currency that led to an erosion of the banking system and caused the majority of citizens to fall below the poverty line (Nuwayhid & Zurayk, 2019). In this situation, many Lebanese companies are forced to shut down their business and jobs are being suspended, leading to drastic changes in organizations.

The aim is to understand the role of leadership and HRM during these times of extraordinary crisis. In particular, we are interested in the question of what characterizes effective leadership, and what roles does HRM play to support employees and organizations in times of crisis?

Our paper is structured as follows: a literature review is presented regarding the core constructs of the study. Based on this, a conceptual model of effective leadership and HRM in times of crisis has been developed. After providing a relevant introduction about Lebanon allowing the reader to gain a better understanding of the context, the methodology and main findings are presented, followed by a discussion of the results and how they are linked to the presented model. The article ends with a final conclusion.

2. Literature review

Leadership and human resource management complement each other: Leadership plays a pivotal role for organizations to deal with crisis; it provides guidance and focused action (Kaushal & Mishra, 2020). In a crises situation characterized by volatile environment, HRM supports leadership (Wooten & Hayes James, 2008) by developing and harnessing employees (McCracken & Wallace, 2000a, b). In the following, we draw on previous literature and identify major elements of leadership and HRM in crisis.

3. Leadership

Savanevičienė et al., 2014, grouped leadership competences into three main categories: people, self-management, and business management competences. During crisis, people development and maintaining the trust and empowerment of individuals is central (Bastian, 2017; Demiroz & Naim, 2012; Wooten & Hayes James, 2008). It requires personal integrity (Avolio & Gardner, 2005) as well as certain a level of self-reflection on behalf of the leader, that acknowledges fear, provides a focus on learning and development and accounts for the energy and emotions for those who are involved (Koehn, 2020). Management of people during crisis equally requires emotional intelligence where leaders understand employees and

motivate them to be effective and responsive to crisis (Holt & Adam, 2017). However, for leaders to be considered as worthy role model by their followers, they need to be inspirational with exceptional ability to affect the group's beliefs and values, not only reflecting on their current role but also their future perspective (Gibson, 2004).

3.1. Communication

Communication is considered a critical component of leadership in crisis (Coombs, 2007, pp. 5-6; MacKenzie et al., 1999). It includes disseminating emergency messages to decision making crisis team (Vaughan & Tinker, 2009). Okoye (2004) states that the psychological transmission is beyond the reception of message but understands the feedback. Therefore, the problem of mismanaging organizational crisis is rooted in the breakage of communication (Lee et al., 2003; Scott, 2004). Alto n ö z, 2009 asserted that exchange becomes a top priority when the crisis hit, and it is extremely important to transmit reliable information. Employees have been found to have certain needs regarding communication during crisis, which involves the sharing of transparent information, the provision of counselling that help dealing with stress related to the severity of the situation (Orangefiery, 2020).

3.2. Training & capacity building

Moreover, instead of coping with crisis by cutting down jobs or replacing existing employees with cheaper labor, a more contemporary approach to HRM suggests investing in training and capacity building to enable flexibility and ease the transition among duties (Beesley & Shebby, 2010; Danowsky & Poll, 2005). HRM plays a major role, not only in minimizing losses and reducing employee turnover rate, but also in retaining the highly talented employees in the organizations (Zaidi, 2005) through the provision of assistance plans to psychologically support employees with regard to motivation. This includes coaching and mentoring programs to maintain employee morals and motivation (Zaidi, 2005).

4. Relation between the employee and the workplace

4.1. Employee engagement

Definitions of employee engagement refer to positively fulfilling work state of mind that involves vigor, dedication, and absorption (Giurge and Bohns, 2002), where employees develop emotional ties and commitment to the organization, which in return increases their involvement and participation in the workplace (Dernovsek, 2008, p. 58; Harter et al., 2002). Arnetz and Blomkvist (2007) argued that during crisis, healthy organizations are those that maintain the mental and physical wellbeing of their employees to promote effective performance. Therefore, the analysis of employee engagement during crisis defines HRM's role in enhancing a positive working mindset revolving around high energy, resilience, and strong desire to work hard, inducing dedication through fostering enthusiasm and pride and absorption through boosting wellbeing during work (Baker et al., 2008; Leiter & Maslach, 2003). In this context, Wei Zheng (2020) surveyed 187 people working in a variety of industries and occupations in New York and New Jersey, the two states most impacted at the outset of Covid-19 in the U.S. The author found that involving workers in the decision making improved their engagement since workers feel trusted, needed, and treated as insiders in the organization.

4.2. Supporting mental and physical health of employees

Mental health of employees is considered as substantial as its opposite; poor mental health can lead to serious physical illness including hypertension, diabetes, and cardiovascular conditions, amongst others (World Health Organization, 2005). Furthermore, psychologically, poor mental health can cause burnout among employees reducing their ability to contribute effectively both in their professional and personal lives (World Health Organization, 2005). It could also lead to increased absenteeism and adverse effect on productivity profile and employee morale (Newsletter European Network for Workplace Health Promotion, 2010). Grawitch et al. (2006) argue that driving enthusiasm and commitment amidst of crisis cannot be handled without emphasizing physical and mental health and therefore workforce needs to be nurtured. Numerous empirical studies highlight the importance of supporting employee mental health (Smith and Lim (2020); Giorgi et al. (2020)). Smith (2020) analyzed the effects of the pandemic on mental health in the US and found that 75% of people feel increasingly socially isolated, 67% reported higher stress, 57% were feeling greater anxiety, and 53% felt emotionally exhausted. Smith (2020) concludes that leaders paying attention to mental health is pivotal in times of crisis.

4.3. Job design

Yukl and Becker (2006) recognized job design, which encompasses job enrichment and job enlargement, as a primary motivator of employees (Molleman et al., 2001). Job enlargement implies additions of some operational tasks that enhance multi-functionality, efficiency and (Hackman & Lawler, 1971). While job enlargement includes increasing the scope of works, job enrichment calls for delegation of tasks, autonomy, and decision-making authority (Mintzberg, 1979). In this respect, Cunningham et al., 1990 recognized job enrichment as a reconsideration of operational tasks to allow more control functions. Based on his research, Spreitzer (1995) introduced some characteristics of job design to include less role ambiguity, knowledge of workflow, and access to information. Job redesign was found to be most effective when it enhances workers' skill development (Russo, 2017).

4.4. Flexible work measures

Jeffrey Hill et al., 2008 have identified workplace flexibility as essential for performance outcomes under all circumstances since it helps reduce workfamily conflicts (Allen & Kristen, 2009, pp. 265–284; Byron, 2005; Gajendran & Harrison, 2007; Mesmer-Magnus & Viswesvaran, 2006). Hill et al. (2004) find that work-from-home and perceived schedule flexibility are generally related to less work-life conflict and employees with workplace flexibility tend to work longer hours before reporting work-life conflict. Workplace flexibility is beneficial both to individuals (in the form of reduced work-life conflict) and to businesses (in the form of capacity for longer work hours) (Hill et al., 2004).

5. Rewards

5.1. Positive reinforcement/appreciation of work

Positive reinforcement is used to strengthen behavior by adding rewards and incentives instead of eliminating benefits (Catina & Joja, 2001, pp. 111–119), and it can serve as extrinsic as well as intrinsic reward (Gohari et al., 2013; Zani et al., 2014). From the perspective of authors like Nawab et al., 2011, positive reinforcement is viewed as a reward that can be either intrinsic or extrinsic. The intrinsic reward refers to intangible things such as praise and acknowledgment while extrinsic reward refers to tangible things such as salary and compensation. It has been argued that when employees are rewarded for their achievement, they

are more likely to exhibit work morals and performance. With regards to the current crisis, particularly health is of critical importance as a holistic state of wellbeing and not just absence of illness (World Health Organization, 2005). In this respect, employees will be confident that they are safe when critical efforts are made to safeguard their health in compliance with the national and internationally adopted guidelines (Heponiemi et al., 2011). A research study conducted by R & D professionals of Huawei (Taiwan) in the technology sector revealed that monetary reward has a positive correlation with employee performance (Liu, 2010). Notably, the reward strategy adopted by Huawei, enhanced the performance of the company, and increase employee's alertness and attentiveness. Equally, research on the United States postal service showed that the pay for performance approach successfully impacts organizational performance (Schuster et al., 2006). In 2013, Google was ranked as the best company to work in due to the benefits and rewarding strategy the company adopted with respect to its employees (Kuntze & Matulich, 2010). In this regard, several studies highlighted the role of leaders and HRM in fostering a climate of motivation including creating positive reinforcement and self-driven interest to work hard. The importance of motivational and hygiene factors has been identified and defined already in the 1950s by Herzberg (1959) who introduced the well-known Two-factor-Theory "Motivation and Hygiene factors theory". Herzberg (1959) argued that motivational factors are intrinsic factors that enhance job satisfaction while hygiene factors are extrinsic factors to prevent any employee dissatisfaction. Furthermore, he asserted that the complete supply of hygiene factors does not necessarily enhance employees' satisfaction while employees' performance and productivity are only enhanced by addressing the motivational factors. Previous research shows that extrinsic or hygiene factors will only prevent employees from being dissatisfied, however, they do not encourage them to improve their performance so that companies are better advised to focus on intrinsic motivational factors Robbins and Judge (2009). Our conceptual model (see Fig. 1) based on the above literature review refers to the main building blocks of effective leadership and HRM during crisis.

6. Context

Located at the Eastern Mediterranean Sea, Lebanon borders Israel and Syria and is part of the MENA region, which inhabits 440 million people (World Bank, 2018). Despite a lack of official census data, the population is estimated at 6.8 million in 2018 (World Bank, 2019). With more than 6 million inhabitants, Lebanon remains the host to the largest number of refugees per capita in the world. UNHCR estimates that in addition to 600,000 Palestinian long-term refugees and 20,000 refugees from other countries, about 1.5 million Syrians have recently settled in Lebanon due to the war at home. Since October 2019. Lebanon has suffered from a social and economic crisis that the World Bank has ranked as one of the most severe deadlocks since the mid-19th century; in 2020, the GDP per capita fell by 40%, the Lebanese Pounds depreciated by 129% and inflation in the country averaged 84% (World Bank, 2021). Consequently, more than half of the population lives now below the poverty line (up from 28% in 2019) as they are paid in Lebanese Pounds and due to currency depreciation, have suffered from a loss in purchasing power (World Bank, 2021). The economic situation has been aggravated as a result of the Covid-19 pandemic and policy as well as the lock down measures imposed to contain the outbreak. The unemployment rate, which was estimated at 11% in 2019, has reached over 40% in 2021 with 60% of youth unemployment (GIEWS Country Brief, 2020). With steep increases in poverty and unemployment, most Lebanese households are having difficulties accessing bare living necessities and services, such as gasoline, electricity, education, medication, and healthcare (World Bank, 2021). In addition, the Beirut port explosion in August 2020 added to the Lebanese misery: the catastrophe which is considered as the 3rd largest non-nuclear explosion in history has killed almost 200 people, injured more than 6,000, and left 300,000 people without shelter. Economic damages (excluding public infrastructure) stand at over \$3.1 billion. Rebuilding the public infrastructure (including the port, roads, and water infrastructure) is estimated to cost around \$15 billion.

7. Methodology

The present research uses a qualitative, naturalistic approach (Denzin & Lincoln, 2008) that allows to better situate the behavior of interviewees in their socio-cultural context. Since we base our analysis on the Lebanese context, a qualitative lens was also considered the most useful as it permits the analysis to be more precise about the particular circumstances and situation of companies that may challenge assumptions based on US and Eurocentric experiences, which are typically underlying prevalent literature (Bansal & Kevin Corley, 2011). We conducted 25 semi-structured interviews with

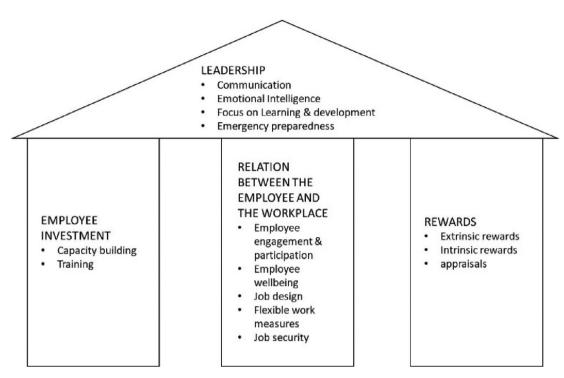


Fig. 1. Effective leadership and HRM in crisis, source authors.

decision-makers and managers and emphasized participants' experiences and practices regarding leadership and human resource management during the pandemic crisis. Aligned with principles of qualitative research, we focused on data saturation whereby when no additional data was being found during the collection process and conceptual categories for certain phenomenon could be developed (Corbin & Strauss, 2008; Miles & Michael Huberman, 1994). Interviewees were selected based on purposeful sampling, in order to generate cases rich in information (Patton, 2002) and with a profound depth of understanding (Miles & Michael Huberman, 1994). Through this sampling approach, we identified interviewees who are particularly relevant for the characteristics of the research, because they are highly experienced and knowledgeable about the research phenomenon in question (Creswell et al., 2013, pp. 541-545). To identify and recruit participants to this research, we connected with the university's alumni office and informed them of our research aims and objectives. Via the alumni office, we obtained initial contacts with our interviewees. Participants' companies belong to diverse sectors and have different business operation histories, the oldest company is 73 years, and the youngest company is 5 years old. (See Table 1).

Interviews concentrated on several areas: impact of the crisis on the company; managerial interpretations and perceptions of the crisis; company's general strategy in response to the crisis; perceived effects of the crisis on employees; human resource approaches in response to the crisis and leadership during crisis. Each interview lasted about 1 h and was digitally recorded as well as transcribed, coded, and analyzed thematically. We followed Haney's et al. (1998) coding approach. First, a set of broad codes was initially developed by two researchers who identified key recurring themes derived from the literature review. Second, specific codes were derived during the transcription of the interviews, when researchers read the material independently from each other and marked relevant text passages. Third, researchers would compare their note and must agree on a consolidated list of codes. Researchers would have to find agreements if there were any differences in codes. Researchers would make sure to check the reliability of their coding and attain complete agreement. Third, data was imported into QDA software and consolidated codes were applied including broad and specific codes. Fourth, in some cases, additional codes were developed throughout the analysis, which were shared among involved researchers to assure content validity and reliability throughout the assessment.

Table 1 gives an overview regarding the participants' profiles, their respective companies and industry sectors. All interviewees hold leadership positions and/or human resource management positions.

Table 1. Respondents profiles.

	Manager Info	Industry/sector	Gender	Time on the job	Organization size	Year of establishment	# of Employees
P1	Spare parts manager	Automotive/Retail	Male	Since 2019	Small	1962	48
P2	Team Leader	Maintenance and Repair	Male	Since 2020	Small	2018	30
P3	Founder and CEO	Medical software	Male	Since 2006	Small	2006	20
P4	Marketing department manager	Medical equipment	Male	Since 1991	Small	1985	70
P5	Manager	F&B	Male	Since 2006	Large	1969	600
P6	Owner & Founder	Medical retail/Pharmacy	Female	Since 2011	Small	2011	3
P 7	Owner	F&B	Female	Since 2015	Small	2015	15
P8	HR Manager	Tourism and Hospitality	Male	Since 2015	Small	1994	120
P9	HR generalist	Financial services	Female	Since 2014	Large	1962	6200
P10	GM	Electrical services/Retail	Male	Since 1990	Small	1990	10
P11	Operation Manager	Distribution	Male	Since 2011	Large	1947	800
P12	Assistant Manager	F&B	Male	Since 2006	Large	1984	650
P13	Floor Manager	F&B	Male	Since 2012	Small	2005	70
P14	Restaurant Manager	F&B	Female	Since 2016	Medium	2011	15 branches
P15	Owner and Manager	Retail Apparel	Female	Since 2011	Small	2011	4
P16	HR Manager	Retail Food	Male	Since 2013	Large	1953	1700
P17	Senior Partner	Financial Services	Male	Since 2002	Small	2002	15
P18	Floor manager	F&B	Female	Since 2015	Medium	1997	Not mentioned
P19	Assistant Branch Manager	Financial Services	Female	Since 2014	Large	1963	60branches
P20	COO	Airline	Male	1988	Large	1985	4500
P21	Owner and GM	Hunting/retail	Male	Since 2001	Small	1995	10
P22	GM	Education	Female	Since 2011	Large	1970	12 schools
P23	Key Account Manager	Manufacturing	Male	Since 2016	Large	1956	5200

The data drawn from the interviews was organized in the 4 themes identified in our conceptual model (see Fig. 1), which include leadership — employee investments — workplace relations — rewards. In the following, the findings will be illustrated with samples from the interviews to present a thematic analysis.

8. Findings

Based on the results of our analysis of 23 interviews in this study, we made observations that can be grouped into 4 main topics, notably, leadership, communication, concern for employee well-being and training and development. All topics are reflective of effective leadership and HRM approaches as defined in our conceptual model (see Fig. 1).

8.1. Leadership

In a crisis, such as the multi-faceted one that Lebanon is facing, most Leadership styles appeared to be transactional rather than transformational where the leader understands the change that needs to occur. Leadership relied on the management of uncertainty, adopting an exploratory, action-oriented approach for business survival, and for creating alternative business procedures and systems. Leaders saw themselves engaged in a lot of supervision, and organization seeking to set in place control mechanisms when the team is working remotely. Sample answers include the one of P19 that specifies that the "Instructions come from headquarters". P10 shares that "every task is explained step by step and slowly to make sure the employee is enjoying his job and not making him feel like we are forcing him to do certain things". P17 adds, "They require a clear path to make the whole company more focused and motivated". While P18 shares an example, "We witnessed managers and supervisors doing the work of waiters and hostesses. It was like a family coming together as one". COVID-19 changed the focus of most organizations; with the need to bring back employees and welcome customers on premises, working conditions that include strict safety and health measures are the flagship for installing trust. The strategic focus of organizations revolved around financial stability via either cost-cutting measures or diversifications. Sample answers came as follows: P1, P12, and P14 had their strategic focus revolve on "Cost Cutting". P3, in particular, wants to maintain "Financial Stability; All we can do is come up with punctual strategies to adapt as best as we can to the constant changes brought by Covid-19." P10 adds "we cannot afford expensive payments and other unnecessary liabilities". While P6 focused on "Diversification of Products" and P10, P15 and P16 focused on price and alternative offerings: "replacing high quality products with cheaper ones".

For many interviewees, the main organizational goal has been to secure the needed cash for survival. Consequently, existent strategic plans were put on hold and priorities shifted to firm survival. In this perspective, the leader's role is to set in place these new priorities and to provide focus as mentioned by more than 50 percent of the respondents. Several managers attempt to lead by example: P22 explains that "people will be lost without a leader modelling their way" and P10 adds that it is "important to show employees the good example, what the environment vibes are and how to communicate with each other."

8.2. Communication

Communication was an element in crisis management that received quasi unanimity among respondents. Whether on a personal level or an institutional one, several managers relied on frequent meetings and calls to stay connected with their teams. Much attention was paid to the use of technological tools for both internal and external communication (e.g., Microsoft Teams, Zoom, Skype, and Social Media channels among others). Several respondents pointed out that the quality of communication improved, and that the content of conversations had gained in depth as well as interactions were characterized by more interpersonal care and more team engagement. Communication has been vital for most managers to make sure that people are working in the same direction; it also helped reducing ambiguity and supported their efforts to continuously assess the situation as a form of control mechanism. For example, for P8, "communication plays a huge role in motivating employees and engaging them in work because it is the only way to know what they are concerned about, and it also creates trust between employees and their employer. " P9 mentions that: "In these days, we have more communication, and we should be more connected with employees to see if they are in good health and to care about them. Also, we use more the communication tools such as social media networks". P12 clarifies that "Our communications with our employees had changed positively. We communicate more about our problems more than before; we care about them and their safety". P15 mentions that "communication (with staff and suppliers) paid off and our sales increased by approximatively 500%"

In line with the previous point, "Listening" was adopted by managers and peers who made sure to

dedicate time to the team members and to embrace their active listening skills. Engagement was also implemented as means to showcase empathy. In general, all respondents recognized the fear of uncertainty that was witnessed and tried to account for the emotions of their team members. Flexibility was further granted with the implementation of new HR policies and procedures as well as tools to facilitate remote working and work-life balance. For P18 "emotional support was finally given importance in our company"; P22 pinpoints that" our communication with our employees, especially in this crisis, is more emphatic" while P8 adds that" employee's emotional stability and wellbeing is important for the organization progress". P3 tries to "be very close to our employees and take the time to listen to them and understand their constraints, which have become numerous in general and especially during the Covid period". Respondents also tried to manage the situation of uncertainty and related fears on behalf of employees; P8 explains: "we tried to let them feel that their jobs are secured, and their wages will be paid" and P10 "provide them with a part of their salary before the end of the month; this will help them become relaxed and dealing better with the hard economic conditions". P19 confirms that employees "thought that the reason behind the company making them stay home for consecutive weeks is that they are going to be fired. They were worried and demotivated."

8.3. Concern for people/empathy on the personal level

Although in certain instances, the concern is from a pure business point of view, several respondents showed empathy and apprehension for employees' emotional, mental, or physical wellbeing. Several statements focused on the role of empathy as a key element to deal with the present situation. P3 mentions: "I also constantly encourage them to communicate their worries so they feel surrounded at work: they should have a sense of solidarity and should support each other in whichever way possible". P13 explains: "I am truly interested in who they are and what they are doing" and P1 adds that they focused on "showing understanding of employees' needs, preferences, and circumstances when it came to work arrangements".

8.4. Workplace relations

Hygiene factors dominated the motivation strategies of managers; in the case of our respondents, it included job security, salary, work conditions, and

paid insurance among others, and had priority for managers. Because of the hyperinflation and the related deterioration of the Lebanese currency, the purchasing power of employees had been substantially diminished and poverty rates across the country had increased. In this situation, managers considered that providing employees with job continuity and sustainability of salary as the best motivational tool. Typical statements from the interviews include P2 who pointed out "There should be no change in salary especially in the current economic situation in Lebanon"; P3 states "We also reassured everyone about their future, and we kept everyone's salaries intact". In fact, most interviewees mentioned that they were sensitive to the economic struggles and survival of their employees and that it took a centerpiece in their motivation approaches during crisis. P7 emphasizes "The initial support we are offering to them is to help them not lose their job because of the situation." The majority of respondents revealed that their HRM approaches were driven by concern about business continuity and concern for efficiency and performance. P17 explained that their overall HR strategy during crisis was driven by the need to cut costs "We laid off 15 employees and gave the remaining employees a raise to stay motivated and properly engaged"; P16 provided bonuses at the end of the month to incite employees to increase their performance; P12 mentions "In terms of motivation, we challenge them in order to create a good atmosphere for them to work by giving them compensation for their good work and achievement."

8.5. Concern for Employee's wellbeing

COVID 19 policies have been rigorously put in place across all the organizations subject to this study. The ultimate goal is to create a safe environment and to protect people and communities. Investments in Covid-related tools and systems were done by all respondents. These included the use of sanitizers, facemasks, social distancing as well as PCR tests and temperature checks. Most organizations worked on securing vaccines for their teams hoping to be able to resume normal operations shortly. P11 mentions that "our company offered yoga sessions and sports activities" and P7 states "Working mothers and people with chronic disease are working 100% from home. It's safer for them and their families". P9 engaged in "awareness session related to fitness and nutrition to help employees remain healthy." P11 confirms "many policies such as creating a committee for the senior managers and the HR to follow up closely on the COVID situation such as the working from home policy and the full precautions took by our teams at the stores by managing the numbers of customers present". Several other respondents like P20, P22, and P23 tried to introduce new safety regulations in the context of customer interaction and complied with recommendations of the Lebanese Ministry of Public Health.

8.6. Employee investment

Training and development were not perceived as a priority by a large number of respondents; training programs were mostly related to coping with COVID-19 rather than personal and career growth. The novelty of the situation changed managerial focus: efforts were effectively geared towards business survival and the generation of cash. While P10 mentions that "we have awareness session fitness and nutrition session to help the employees be healthy", P22 confirms that "virtual trainings for our teachers were done to help them understand the technique of online education". However, other respondents such as P14 explains that "training was related to COVID" and P1, P2, P4, P15 among other simply stated that no training programs were offered during this period.

Moreover, several respondents addressed team building as an important element. Yet, responses in this regard were mixed: Several managers replied that their organizations had no plans or action in place towards reinforcing teamwork, whilst others recognized its importance and attempted to create synergies between team members to overcome the individualistic work that the online world has imposed. For instance, P1 mentioned that they "Designate Time and Space for Team Bonding; examples included virtual coffee breaks, happy hours, lunches, etc." and P15 asserted that "yes - teamwork has actually intensified" and P22 recognizes that "teamwork is the essential of a good organization." On the other hand, P10 states "Team building was not really a priority-although there is awareness about the role of the team" and P2, P12, P16, P17, P18 and P19 confirmed that Team building was not a priority for them and thus was not addressed.

9. Discussion

The leadership and HR management in the Lebanese sample has been reflective of the current situation, which is characterized by continuous economic and social decay, aggravated by the Covid-19 pandemic. In this situation, leaders emphasized business continuity and efficiency. Factors, such as the importance of "leader's selfawareness" and "leader's self-reflection" regarding their own role and emotions, which are considered as pivotal in previous literature (see also Avolio et al., 2005; Savanevič ien ė et al., 2014), do not receive much attention. It seems that leaders in Lebanon do not have the "luxury" under the current conditions to engage a lot with their own roles and to develop self-awareness and self-insights that could be inspirational for followers and help them to also promote a people-centered approach, which is one main category in crisis management (Savanevič ien ė et al., 2014). To date, there are no studies available about the Lebanese context and self-reflection that could inform us whether managers in leadership roles have practiced self-reflection or techniques such as mindfulness. Literature has shown that practicing self-reflection and awareness is a way to mitigate stress and to enhance resilience in the face of adversity (Van Wietmarschen et al., 2018). However, leaders and managers in our sample seem to be more deeply affected by the systemic crisis like their employees and clearly focus on survival at business and personal levels. Exception is a medical imaging company, which was founded in Lebanon but operates from France as well. Here, the leader is focused on people's development during crisis rather than just managing human resources in the most efficient way. It also appears that a leader's capacity to be inspirational is dampened under the present circumstances – few were able to project themselves in better future or to provide employees with alternative, inspirational future perspectives. In fact, for the most part, leader activities were transactional, reactive, and aimed at increasing business efficiency in light of the economic constraints; it also aimed at health protective measures against Covid in order to reduce exposure to health risks for the employees. Companies have not been prepared for different kind of risk, which is surprising, given that uncertainty and volatility have been inherent parts of the Lebanese macro-environment. It also raises questions as to the ability of small and medium sized firms in the country to exercise organizational agility, which has been conceptualized in previous literature as capability to quickly recognize opportunities and threats, change strategic direction, avoid risk and benefit from change (Jamrog et al., 2006). As recent literature shows, leadership and diverse leadership styles affect company agility in substantially (Akkaya & Tabak, 2020). In fact, it seems that in a context where companies and individuals alike struggle for survival, the lack of agility capabilities seems a handicap; on the other hand, the severity of the crisis

makes it impossible for organizations to invest and to develop into such capabilities since they are constantly reacting to economic and pandemic challenges and there is no support provided by governmental institutions. In the light of COVID-19 lockdowns coupled with economic challenges of hyperinflation and the deterioration of the LBP value, leaders focused on pricing strategies to improve their profitability.

Equally HRM activities in our sample prioritized efficiency considerations, where for example immediate actions in salary adjustments became a major concern. The poverty rates in Lebanon increased substantially during this period and finding the right combination to cope with the new market realities is really challenging for both leaders and employees. In a highly volatile market, even a 100 percent increase in salary appears inadequate when organizations are striving to survive, retaining their key talent has become a pivotal challenge. Moreover, HRM activities related to training, team building, or increased employee engagement were clearly submitted to the needs of the pandemic, instead of using crisis as an opportunity to cultivate learning and to develop employees (McCracken & Wallace, 2000a, b). For example, employee engagement through participation and decision making, received a lot of verbal attention from our respondents, but only the minority introduced organizational processes that would include employees in more decision making or provide them with more job responsibilities. Equally, talent management during crisis for example, through investment into employee training and capacity building, was shown to reduce employee anxieties and mentally support talents as well as to retain them (Hutchins & Jia, 2008). Again, respondents in our sample did not perceive such points as priority - training programs were rare to begin with and mainly focused on coping with COVID-19 rather than personal and career growth. The reason why companies may have not considered talent development could be explained by their fear to lose the talent rather than to retain it. In fact, because of the crisis, brain drain is immense; nearly 80% of youth are actively trying to leave the country, more than 20% of the doctors and approximately 40% of the university professors have already left (Foreign Policy, 2021), and many foreign embassies reporting record highs in visa applications for Lebanese citizens. An interesting Lebanese case is a manufacturing company (Bastian et al., 2021) that was able to open dependencies in the EU and managed to retain human resources by transferring them to different European offices and production sites. This, however, is not an option for

most companies in our sample where the novelty of the situation changed the priorities and efforts entirely geared towards business survival and the generation of cash. In the same vein, concern for employee well-being was mainly focused on physical welfare and providing collaborators with a healthy environment. Much less attention was paid to mental health or work-life balance during the pandemic, only one company based in Europe and Lebanon alike addressed the issue through concrete offers such as relaxation classes. The crisis context of Lebanon seems to turn our common derstandings of employee motivation and employee satisfaction upside down. Notably, Herzberg's Two-Factor theory has received great attention in organizational psychology and behavior (Herzberg, 1959). He argues that factors related to job satisfaction are different from factors that cause job dissatisfaction; the two are not simply opposite of one another. Herzberg separates motivation factors, such as professional recognition, job purpose, advancements etc. from hygiene factors, such as work conditions, salary, job security etc. Motivational factors are of intrinsic nature and lead to job satisfaction; hygiene factors, if suboptimal or unfulfilled, lead to dissatisfaction. The professional and private realities of Lebanese employees in the current crisis context do not seem to support these claims, since extrinsic elements such as salary and job security seem to work as effective motivator used by leaders in these crisis times. This raises questions to what extent established theories on motivation and leadership apply in crisis context. Moreover, such theories like Herzberg's were developed in a US centric context, but they may not apply in a similar vein to other cultural contexts, where the appreciation of salary and job security for job satisfaction might be a completely different one.

10. Conclusion

This paper has addressed leadership and HRM in Lebanon. Our research findings contradict in many ways prevalent understandings of leadership and HRM during uncertain and unpredictable situations. The Lebanese crisis has been a health crisis, amplified by a massive economic decline in the country. It represents a systemic existentialist threat and reveals how established theories regarding effective leadership and motivation loose explicatory power in such contexts. However, such existentialistic threatening environments seem to be more frequent in the global context than they seem to be the exception. Many countries, especially in the Global South, are confronted with a health crisis

due to the pandemic and at the same time they are battling with fundamental economic and institutional failure. Moreover, these countries are often culturally different, for example most countries in the Global South are collectivist (Wood et al., 2021). There is a great need for scholars to identify and examine interventions that can be applied in different cultural contexts (Wood et al., 2021) with fundamentally different risk and uncertainty environments. Firms in this context have tried to respond with different leadership and HRM practices but have been overwhelmed by the everdeteriorating conditions. Often, firms were only able to react to the crisis, since the room for maneuver for concerned companies has been very limited. Future research needs to pay more attention to contextualization of crisis management, because crisis management approaches developed in Western cultural and institutional contexts may not be as applicable in developmental environments with weak state institutions, where the origins of crisis may be the same (e.g., Covid-19), but the nature of crisis is very different and also experienced very differently by companies.

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Conflict of interest

The authors report there are no competing interests to declare.

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