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*Article*

# Examining the Dual Effects of the Pandemic-Induced Telework and Financial Liquidity Crisis in Lebanon on Performance Appraisals in the Banking Sector: A Case Study

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**Abstract:** The Covid-19 health crisis and its related confinement measures and policies has had a significant impact on the telework adoptions rates, where many businesses were affected abruptly without being prepared, resulting in numerous ad-hoc applications especially while assessing employee's performance and productivity while working remotely. The difficulties that have emerged with the pandemic have revealed the fragility of the traditional performance appraisal process and the unintentional existence of proximity bias. The Lebanese liquidity crisis is an ongoing financial crisis affecting Lebanon that became fully apparent toward late-2019 when large demonstrations erupted amid acute political instability and economic challenges. In light of the compounded simultaneous occurrence of recurring episodes of COVID-19 outbreaks and the ongoing country's financial liquidity crisis, the standing of the Lebanese banking sector – who played key roles in the Lebanese economy and were long considered as financially sound and stable – has drastically changed. Faced with such a situation, Lebanese commercial banks started contracting both their branch network and human capital base, and thus they been forced to rethink their human capital strategies by implementing new practices allowing them to adapt to this context of crisis. It is in this perspective that the present research work is inscribed, where we explore the main managerial practices and processes implemented within top Lebanese banks to assess their employee's performance during the compounded simultaneous crises. A thematic qualitative analysis method of an exploratory nature was adopted, and semi-structured interviews were conducted with senior managers from top Lebanese commercial banks. Results were processed using a deductive approach for themes identifications. Accordingly, it was concluded that in such times of acute crisis, Lebanese banks have altered the purpose of their Performance Appraisal Review (PAR) process and have implicitly or explicitly adopted a Forced Ranking method to primarily focus on retaining just the top performers, while placing those at the bottom on probation with the risk of termination.

**Keywords:** performance appraisal; management; financial crisis; covid-19; banking sector; Lebanon

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## Overview

### *Performance Management and Performance Appraisal Review*

Performance management is an essential process that occurs in all organizations, whether formally through an official process or informally through daily dialogue. According to Brown, O'Kane, Mazumdar, & McCracken (2019), this process can take many forms, but it is important for organizations to assess employees' competence, enhance their performance, and distribute rewards.

Formal Performance Appraisal Reviews (PAR) conducted by supervisors are considered one of the most important human resource management practices. Murphy & Cleveland (1995) suggest that the PAR process involves assessing employees' performance and developing their competence to distribute rewards, such as promotions, pay raises, and career development moves.

Performance appraisal is a well-studied topic in the human resource management field. A scoping review of the Performance Management literature shows that scholars and practitioners often focus on the process-driven aspect of performance management, namely performance appraisal

reviews (PAR). According to Brown, O'Kane, Mazumdar, & McCracken (2019), this process aims to evaluate and enhance employees' performance.

Designing an effective performance appraisal process is a challenging task due to the multiple agents involved and the various dimensions to consider. Bayo-Moriones, Galdon-Sanchez & Martinez-de-Morentin (2020) suggest that important decisions, such as future promotions, pay raises, and career development moves, depend on the results of the PAR process. To control and motivate employees to manage and improve their future performance, several dimensions characterize the performance appraisal process, including the measures or criteria of performance, the frequency of appraisals, and the person who evaluates the performance.

Over the years, scholars and practitioners have suggested several models and approaches for performance appraisal. Based on existing literature and discussions with senior managers during interviews, Brown, O'Kane, Mazumdar, & McCracken (2019) mention select models and applications of the PAR process, to name a few:

One essential application of formal PARs is Performance-Related Pay (PRP) systems, which align employees' objectives with those of the firm and motivate and reward employees. Kampkötter (2017) notes that PARs linked to monetary outcomes are a powerful management tool that is appreciated by employees.

Another related application of PARs is the Management by Objectives (MBO) method. This method has remained a classic and effective managerial approach because it has evolved and grown into a process-oriented evaluation. MBO involves goal setting, action planning, self-control, and periodic reviews, and includes three interrelated processes: object formulation, execution process, and performance feedback. (Islami, Mulolli & Mustafa, 2018; Ingham, 1995; Wu, 2005).

Also, another PAR method is the 360-degree analysis, which allows for anonymous evaluation from anyone who interacts with the employee, including customers and suppliers, to provide a more comprehensive evaluation and critical feedback. (Waldman, Atwater, and Antonioni, 1998).

Likewise, the balanced scorecard is a PAR evaluation tool that links an organization's strategic goals to the activities of individuals within the organization, which helps employees understand how their work affects the organization's overall vision, strategy, and individual roles in the organization. (Yemeshvary & Palo, 2013; Sasse, 2005).

On the other hand, a bottom-up approach is a way of making corporate decisions that starts from the bottom of the hierarchy, rather than at the top. This approach can be integrated into the PAR process, and based on the Procedural justice theory that suggests involvement in decision-making processes enhances the employee's relationship quality with the authority figure, it can potentially improve productivity and lead to better results. (Pichler, 2012; Jagoda, Lonseth & Lonseth, 2013).

Finally, the Forced Ranking or Stack Ranking or Vitality curve. Pioneered by GE's Jack Welch in the 1980s, this method is also a PAR process of rating the employees based on their performances and against their peers or other departments. So basically, those who are included at the top are given rewards while those at the bottom are placed on probation with the risk of termination. Both proponents and critics agree that forced ranking isn't for every organization. The impact on employees individually and as teams, as well as on management and the organization can be significant. Numerous companies practiced this method and it's difficult to gauge how prevalent forced ranking is still used. Nevertheless, it has been notably observed when companies struggling with poor results tend to use this method, providing a way to weed out poor performers. (Hazels & Sasse, 2008 ; Chillakuri, 2020).

During a crisis, the main goal for decision-makers consists in restoring a stabilized nominal mode. The stakeholders face considerable pressure and drastic constraints in response time and coordination. (Rongier, Lauras, Galasso & Gour, 2013).

Although the use of performance appraisals is widespread, it is well established that it has numerous shortcomings. These shortcomings include issues associated with many aspects of the entire appraisal process. These issues range from the design of the performance measurement systems, the design of the appraisal form and the criteria used for the assessment of individual

performance, to the difficulties associated with the expectations employees vis-à-vis the actual execution of appraisals. (Maley, 2013)

A fundamental limitation of performance appraisal during a crisis involves the purpose of the appraisal. This purpose has been found to be one of the most important aspects of appraisal, yet it is frequently poorly articulated and misunderstood by the participants in the process. (Chiang and Birtch, 2010).

In fact, the performance appraisal process may achieve some stated purposes but may fail to achieve unstated purposes when there is a cultural distance between head office and the subsidiary employee and when there is an economic downturn or global crisis. (Maley, 2013)

During hardships such as economic crisis and recessions, companies implement different set of performance management metrics for the critical period. The restructuring and possible downsizing might be inevitable – this means that only the highest performing employees might be retained at organizations. Hence, in such periods, the purpose of the Performance Appraisal Review (PAR) is altered and it is thus highlighted in its process and metrics set. (Bidya, 2009) (Maley, 2013).

#### *Teleworking during COVID-19 pandemic*

Telework is not a new practice, and it was generally agreed that it is essential that teleworkers' performance is managed explicitly to achieve any projected organizational performance improvements of teleworking. Further, supervisors were largely believed to evaluate telecommuters – employees who are full-time employees, but work off-site using electronic communication device several days per week – not much differently than their on-site co-employees. (Klayton, 1994) (Limburg & Jackson, 2008).

The COVID-19 pandemic has changed the world order: suddenly, the fear of the unknown overwhelmed societies that, despite the volatility and complexities of a changing work environment (e.g., developing technology, globalization, and increasing competition, etc.), were beginning to confront and adapt to those contemporary developments. (Tziner & Rabenu, 2021)

The health crisis and its related confinement measures and policies has had a significant impact on the mass-telework adoptions rates and on the definition of telecommuters – who are now working all week remotely. As a result, many businesses were affected abruptly without being prepared, resulting in numerous ad-hoc applications and practices. (Lodovici et al., 2021).

In fact, COVID-19 has made it evident that many organizations do not implement state-of-the-science performance management systems and, instead, have just performance appraisal systems that typically involve a once-a-year evaluation and review, little effort to provide feedback and coaching on an ongoing basis, little alignment between employee performance and the organization's strategic goals, a focus on past performance only. This turned out to be quite challenging while assessing employee's performance and productivity while working remotely. (Aguinis & Burgi-Tian, 2021).

Given that the lockdown and restrictions of social distancing have significantly increased the number of people working from home through virtual/digital interactions, the difficulties that have emerged with this practice have revealed the fragility of the traditional performance appraisal process and the unintentional existence of proximity bias. Further, this pandemic-induced mode of working generated several challenges to the domain of performance management and most notably served as an accelerator of stress in the process of performance appraisal. (Aguinis & Burgi-Tian, 2021) (Rudolph et al., 2020).

These include Managerial stress rooted in managers that needs to achieve objectives via employees working remotely, as well as the challenges of appraising their performance while not being at proximity. For instance, managers who were used to overseeing their employees in both a centralized fashion and close physical proximity, were suddenly required to achieve their job assignments with work conducted by distant workers, without close supervision. On another hand, workers' stress also arises from contemplating that their work from home might be underappreciated. When managers cannot see their employees' work, they tend to undervalue it and appraise it severely. (Murphy & Cleveland, 1995) (Tziner & Rabenu, 2018) (Rudolph et al., 2020).

Hence, this COVID-19 pandemic has brought a tremendous challenge in completing performance appraisals to the point that it has also been questioned whether formal appraisals are needed in the middle of the COVID-19 crisis. (Aungsuroch, Gunawan & Fisher, 2022). As a result, in order to tackle this uncertainty various organizations have taken measures to cut down the expenses and like deferment in the appraisal cycle or for muted salary increments. (Nitika & Poonam, 2020).

#### *Lebanese Banking sector amid compounded crises*

Banks and other financial institutions in Lebanon fall under the jurisdiction of the Bank of Lebanon (BDL), the country's central bank, which is the bank regulatory authority. The Bank of Lebanon controls entry into the banking industry, defines the scope of banking activities and sets prudential regulations and codes of practice for banks. (ABL, 2019).

With a history dating back to the nineteenth century, the Lebanese banking sector was famous for being among the most dynamic and specialized banking sectors in the Middle East. In fact, the Lebanese banking sector was perceived as a safe haven, and used to attract international entrepreneurs and depositors, especially from the Gulf countries and the Lebanese diaspora spread all over the world. (El Achi & Sleilati, 2016)

For years, the Lebanese banking industry – most notably the top commercial banks with more than US\$ 2 billion in deposits, also known as Alpha group of banks – maintained financial stability and considerably expanded their branches' network as it played an important role in the country's economy and was the major provider of credit for individuals and businesses. (ABL, 2019).

Since October 2019, Lebanon has been assailed by simultaneous compounded crises—specifically, an economic and financial liquidity crisis, shortly followed by COVID-19 and, then, the explosion at the Port of Beirut.

The Lebanese liquidity crisis is an ongoing financial crisis affecting Lebanon. Its preliminary signs started towards mid-2019, due to various financial hardships especially the growing probability that the Lebanese government will default on maturing debt obligations. However, it did not become fully apparent until large demonstrations in October 2019. The outbreak of the protests was attributed to accumulated disputes within the preceding weeks in Lebanon. (The Economist, 2019)

During these protests and amid acute political uncertainty, Lebanese commercial banks closed for an unprecedented two-week, and when they reopened, the banking sector informally adopted strict capital controls, ceased lending, and no longer attracts deposits. Instead, it endures in a segmented payment system that distinguishes between older pre-October 2019 foreign currencies deposits and new inflows of “fresh money.” (France 24, 2019) (The World Bank, 2021).

According to The World Bank, Lebanon's economic and financial liquidity crisis likely ranks in the top ten, possibly top three, most severe crises episodes globally since the mid-nineteenth century. In fact, Lebanon's GDP plummeted by 63 percent within just three years, while real GDP per capita fell by 37 percent. Such a brutal contraction is usually associated with conflicts or wars. (The World Bank, 2021).

To maintain competitive, Lebanese banks used to heavily invest in their main assets and source of competitive advantage: their human capital. In fact, banks were considered as the most attractive employers in the country and were praised for having well trained, highly qualified, and experienced human resources. (El Achi & Sleilati, 2016) (ABL, 2019).

Yet, faced with such a situation, the standing of Lebanese banks has drastically changed. As a result of these compounded crises and following the aforesaid significant shifts in operational practices, banks started contracting their branch network, and eventually they had to rethink their human capital strategies by implementing new procedures allowing them to adapt to this context of crisis.

## **Literature Synthesis and Theory Formulation**

### *Synthesis*

The literature synthesis suggests the following underlying observations in relation to Performance Appraisal Review (PAR) process during crisis:

The intended purpose of the PAR process is to assess employees' productivity to develop their competence, enhance their performance and generally encourage the development of human capital. It typically involves distributing rewards / promotions to the best performers.

There appear to be functional relationships between the crisis and hardship working environment and the likelihood of altering the purpose of the PAR process to become a tool for identifying the most performing versus the lowest ones, rather than encouraging the development of human capital.

It seems evident to suppose that such practice mainly serves the practice of cost reduction, organizational restructuring and downsizing of human capital during a crisis.

The once-prosperous Lebanese banking sector is facing a harsh compounded simultaneous occurrence of the COVID-19 pandemic and the financial liquidity crisis in the country. Faced with such circumstances, banks were forced to rethink their human capital strategies.

Therefore, it is reasonable to expect that the Forced Ranking method is probably the most used tool during such times – whether implicitly or explicitly – given that the core purpose of this method is mainly based on rating employees by comparing their performances against their peers so as to identify top and bottom performers.

### *Basic Theory*

The outcomes of the aforementioned observations suggest the following proposition / belief statement:

**P1:** In time of acute crisis and within the context of Lebanese banking sector :

(a) the purpose of the Performance Appraisal Review (PAR) process is altered to mainly focus on retaining the top performers; and

(b) a tendency to adopt a Forced Ranking approach is observed to carry out the aforesaid altered purpose.

### *Research Question*

Both the conditions present in the Lebanese banking sector and the literature indicate valid research areas and for the key element of this research which is to explore the extent to which the Performance Appraisal Review process was impacted by the simultaneous occurrence of pandemic-induced telework and the financial liquidity crisis in Lebanon. Therefore, the research question adopted for the analysis section of this research is:

What was the impact of the compounded simultaneous occurrence of pandemic-induced telework and the financial liquidity crisis in Lebanon on the Performance Appraisal Review (PAR) process within the Lebanese banking sector?

## **Methods**

### *Design and Approach*

This study was based on a qualitative research design, drawing on an in-depth interview approach with conversational style to reduce errors and improve responses accuracy as described by Schober and Conrad (1997). Given its exploratory nature, this study did not use a conceptual framework, yet our data analysis draws on the Braun and Clarke's thematic qualitative analysis method described below (Braun & Clarke, 2006) and involves a deductive approach for themes identifications.

### *Participants*

A purposive sampling approach was used to select participants from the Alpha group of commercial banks in Lebanon (*a.k.a. the top Lebanese banks with more than \$2B in deposits*). We

approached senior managers and executives through existing personal relations and connections in the sector. We explained the purpose of the study, the process of data collection, and that the identity of their affiliated bank as well as their own identity will be masked during data analysis, and all answers will be treated and reported anonymously. We interviewed 3 executives and 1 senior director from 3 different banks.

#### *Interview Approach*

We used a semi-structured approach for the interviews using the script in Table 1. The interviews were conducted between December 2021 and January 2022 by the researcher. The in-depth conversational-style interviews lasted between 30-40 minutes and covered the bank senior management experiences from an organizational perspective in dealing with the simultaneous crisis in Lebanon with respect to their employee performance appraisal and assessment process.

**Table 1.** Interview Script.

As an executive working within the Lebanese banking sector, can you please describe the typical performance appraisal review (PAR) process prior to October 2019 uprisings?

Shortly after the aforesaid events and prior COVID-19 emergence in Lebanon, was the PAR process affected?

Upon the emergence of COVID-19 and subsequent imposed lockdowns in the country, did the typical PAR process further change?

Upon the intensification of the ongoing financial liquidity crisis and the persistence of COVID-19 measures in Lebanon, can you elaborate on the challenges encountered with respect to the PAR process?

Do you think the PAR process was influenced more by the COVID-19 pandemic or by the financial liquidity crisis in Lebanon?

#### *Data Analysis*

All in-depth interview discussions and conversations were conducted via Zoom Video Communications software in Lebanese Arabic dialect, transcribed verbatim, and then translated into English by the researcher – who is proficient in both English and Arabic.

The analysis used a thematic approach as described by Braun and Clarke (2006) which consist of six phases: Phase 1, the researcher was immersed in the data by transcribing audio, reading through the text transcript and taking initial notes in order to get familiarize with the information provided; Phase 2, initial descriptive coding was performed to gain a condensed overview of the main points and common meanings that recur throughout the data; Phase 3, the list of codes was refined in order to identify the links and patterns among them so as to generate initial themes; Phase 4, the generated themes are reviewed and assessed with themes that emerged from the literature ; Phase 5, the final themes are defined, formulated and named; and Phase 6, a complete narrative of the findings was provided - including examples from the data as evidence - so as to explains the main takeaways and shows how the analysis has answered the research question.

#### *Ethical Considerations*

We obtained verbal approval from the participants before proceeding with video recording the interviews. Further, confidentiality and anonymity were maintained limiting access to data to only the researcher, storing it in a secure location and by using encrypted identification for participating individuals as well as for the affiliated banks. As a result, the following corresponding initials were used to refer to participants responses: "P1-a", "P2-a", "P3-b" and "P4-c".

## **Results**

Our 4 participants varied by gender (n = 1 female, n = 3 males), age (range 47–54 years), educational level (n = 4 master’s degree), and years of experience (range 17–24 years as bankers of which 7–12 years within a senior management position).

Based on the interview data and the previous literature, three main themes emerged, each with its own subthemes. Theme I, the Performance Appraisal Review (PAR) process at Lebanese banks prior the financial crisis and the Coronavirus pandemic, as described by senior managers; and Theme II, the impact of the financial crisis on the PAR process and assessment criteria; and Theme III, the impact of the Coronavirus pandemic on the PAR process and assessment criteria.

The main three themes and their corresponding own subthemes are summarized in Table 2. The following is the detailed description of the aforesaid themes and subthemes:

**Table 2.** Themes and Subthemes.

- I. The Performance Appraisal Review (PAR) process at Lebanese banks prior the financial crisis and the Coronavirus pandemic.
  - i. Management by Objectives
  - ii. Bottom-up approach
  - iii. Constructive Feedback
  - iv. Balanced Scorecard
  - v. Promotions and Financial Incentives
- II. The impact of the financial liquidity crisis on the PAR process and assessment criteria at Lebanese banks.
  - i. Ranking employees based on efficacy and resilience
  - ii. One-sided evaluation
  - iii. Service Termination
  - iv. Stressed out and exhausted employees
- III. The impact of the pandemic-induced telework on the PAR process and assessment criteria at Lebanese banks.
  - i. Proximity bias

**Theme I:** the Performance Appraisal Review (PAR) process at Lebanese banks prior the financial crisis and the Coronavirus pandemic, as described by senior managers

In Theme I, when asked about the PAR process prior to the compounded crisis in Lebanon, some indicated that in recent years, “a significant investment was made by the top management to deploy a modern performance management system largely based on the Management by Objectives concepts, that automatically tracks each employee’s achievements vis-à-vis their individual sales targets” (P3-b & P4-c)

“Our PAR process was an engaging bottom-up constructive feedback approach, that begins with employees assessing their own performance, to be then jointly revised with their direct supervisor, then department manager, all the way till senior management” (P1-a & P2-a).

In terms of frequency of appraisals, the process usually starts towards the last couple of months of the year, and typically ends in January. “All financial rewards, bonuses and grade promotions were typically announced and finalized towards the end of the 1<sup>st</sup> quarter”. (P1-a, P2-a, P3-b & P4-c).

Training and development also played an important outcome of the PAR process. Based on the constructive feedback, employees’ difficulties were identified, and appropriate coaching seminars and workshop were planned accordingly. “After all, when an employee is unable to conduct a sale, that doesn’t mean he or she is not good, it might simply be that this person needs a bit more guidance and coaching.” (P3-b).

Strategic organizational goals were linked to the activities of each employee at the bank. This is why we adopted the balanced scorecard approach and integrated within the management by objectives, to allow employees to see how their work directly impact the bank as a whole.” (P4-c).

**Theme II:** the impact of the financial crisis on the PAR process and assessment criteria

In Theme II, senior managers voiced the impact of the financial crisis on the daily activities in general and eventually the PAR process. They cited fatigue, burnout, and depleted employees both on the individual and professional levels. Devaluation of salaries and purchasing power greatly affected employee's resilience and motivation to work. The shift in the Lebanese banking sector from a sales-oriented and customer-focused business development setting, towards a largely defensive and merely basic operational environment, translated into lower profitability, a shortage in resources and an evident altered vision towards the human capital.

"We were no longer looking to attract any new local deposits and we completely ceased lending; these were the basics of the bank for years. Suddenly, many tasks and job functions are now useless and simply not needed. We are operating in survival mode!" (P1-a, P2-a, P3-b & P4-c).

In light of such a situation, revising the organizational structure of the banks to limiting expenditure and merely maintain the basic operational ability to continue was the norm. "First, we started offering early retirement packages for older employees with relatively high salaries, along with voluntary exit protocols for relatively newly recruited employees who still lacks adequate experience" (P1-a, P2-a, P4-c).

Nevertheless, given the shift in daily activities, further restricting was needed. The major impact of this on the PAR process was the fact the annual evaluations are now conducted unilaterally at the managerial level. "Direct supervisors and managers no longer sit with employees to discuss their performance and needs." (P1-a, P2-a, P3-b & P4-c).

"We just stopped doing whatever we use to do before to conduct the PAR". (P3-b). In fact, the impact of the financial crisis on banks with respect to the PAR process was so similar to the point that all seemed to have shifted to nearly the same practice. For instance, P3-b and P4-c stated that they are asking direct managers to group their employees into different categories, such as the "top performers" – being the ones are more resilient and hardworking than their peers, the "poor performers" – being the ones that work can somehow proceed without them, the "potentials" – being the ones that can potentially replace the top performers in case of resignation or immigration or departure for better opportunities. Similarly, P1-a and P2-a stated that they are also asking managers / supervisors to rank their department / branch / section staff, from most critical to daily tasks to the least critical – in terms of efficacy, resilience and ability to operate under pressure.

Furthermore, most participants noted that following the crisis; if any rewards, promotions, or other incentives are to be allocated, it is not to encourage employees to work hard to help the bank succeed, nor as a part of planned career path development; but rather an attempt to persuade top performers to stay at the job. "Almost all employees, especially the good ones, are now looking to get out the banking industry and are trying to find jobs outside the country or at least jobs that could pay in fresh money with less stressful environment". (P1-a, P2-a, P3-b & P4-c).

"This year we are going to distribute bonuses and grade promotions. We haven't done that since two years. Yet, this time is so different, we are just focusing on the best ones that we really can't afford them to quit." (P3-b & P4-c).

**Theme III:** the impact of the Coronavirus on the PAR process and assessment criteria.

In Theme III, while all participants admitted that the workload during Coronavirus decreased due to the consecutive lockdowns and eventual temporary closure of branches, most agreed that assessing their staff productivity and performance while teleworking was a bit complicated, but not quite significant. In fact, the most notable tangible impact on employee's appraisal from this new pandemic-induced practice seems to be mostly related to the unconscious tendency to give preferential classification to those who are more present at the work premises.

"ATMs needs to be replenished; branch staff used to do so on daily basis upon opening / closure of their respective branches. Now, only few who lives nearby can come into the location and ensure cash replenishment of the ATMs. Those employees are obviously critical now." (P1-a & P2-a).

The fact that Lebanese banks closed for an unprecedented period of two weeks during the uprisings of October 2019 and this was followed by several recurrent closures, before the emergence of the first cases of COVID-19 in the country and the subsequent related lockdowns, greatly diminished the operational impact of the pandemic-induced telework. (P1-a, P2-a, P3-b & P4-c).

"We already had an optional work-from-home protocol, and although it required pre-approval from direct managers; we were somehow used to managing staff work away from office. (P3-b).

## Discussion

Lebanon was exposed to a compounded simultaneous crisis, which severely impacted its economic status, and profoundly altered its banking sector strategies, approaches, and practices at various levels. In this study, we qualitatively explored the impact of these simultaneous protracted crisis on the Performance Appraisal Review (PAR) process at Lebanese banks.

Our participants indicated that the PAR process significantly changed throughout the last couple of years following due to the compounded crisis. Yet, the financial liquidity crisis which preceded the Coronavirus pandemic and related measure took its toll much more on the human resources management in general, of which performance evaluation and appraisal review process.

Prior to the crisis and as described by the participants, the PAR process at banks in Lebanon was generally designed to embrace a constructive assessment environment that foster human capital development. The process principally aimed at optimizing career path of employees so as to motivate them into delivering enhanced performance and productivity, which in turn would ensure success and growth of the bank as a whole.

However, throughout the crisis, the participants highlighted noticeable fatigue, burnout, and devaluation salaries and purchasing power triggering lack of motivation to work among employees. The shift in the Lebanese banking sector from a sales-oriented and customer-focused business development setting, towards a largely defensive and merely basic operational environment, translated into lower profitability, a shortage in resources and an evident altered vision towards the human capital development.

Given this shift in standing and daily operating environment of the sector, the new adopted strategies mainly focused on minimizing cost, optimizing human capital to merely handle critical tasks and functions for day-to-day operations. As such, the tendency among bank management was to identify the top performers vis-à-vis the worst performers. Those who included at the top were retained and occasionally given rewards so as to motivate them to stay, while those at the bottom are placed on probation with the risk of termination.

As such, Lebanese banks have altered the purpose of their Performance Appraisal Review (PAR) process and have implicitly or explicitly adopted an evaluation approach that shares very similar criteria of the Forced Ranking method.

## Conclusion and future research

Performance Appraisal Review (PAR) process was clearly affected by the compounded simultaneous occurrence of the pandemic-induced telework and the financial liquidity crisis in Lebanon. Accordingly, the suggested belief statement does answer the research question that was assumed for analysis in this research.

Therefore, it can be hereby affirmed that the impact of the compounded of acute crisis in Lebanon on major players within the Lebanese banking sector was the purpose alteration of the PAR process to adopt a Forced Ranking approach which would primarily focus on retaining the top performers, while placing those at the bottom on probation with risk of termination.

For future research, one may wonder whether the same practices would be observed at other bank groups categories in the country within the Beta group of middle-sized banks or the Gamma group of small banks.

Further, it would be also interesting to contemplate the impact of this compounded simultaneous crisis on the PAR process from the employees' perspective.

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