

Contingency Planning in Traditional and Islamic Banks during the Crisis in Syria Crisis Management Perspective

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Abstract— The Syrian crisis is one of the worst crisis in the world. It has dramatically affected many aspects of life and civilization. It imposed millions of emigration to many countries, and negatively affected the national economy including international companies operating in Syria, and also local.

It imposed on its economic sides the exit of many institutions and companies from the market, and also led to the adoption of different types of retrenchment strategies by companies that could not exit or those who wanted to stay challenged and motivated by the management of its operations and activities in an exceptional manner commensurate with the crisis continues to the present.

Before the Syrian crisis, banking industry (Traditional and Islamic) in Syria was growing rapidly and in a stable pace. The crisis situation has resulted an unexpected conditions that banks were have to deal with. This research highlights the negative effects of the crisis on Islamic and traditional banks operated in Syria, it also indicates some of the responses the banks has employed in order to mitigate or eliminate the crisis bad effects. The applied research has been modified to explore implementation of crisis management literature in Syrian banks (Traditional and Islamic) and the role of that implementation in supporting contingency planning.

The study found three main results. First, there is a positive and significant correlation between the crisis management and contingency planning. Second, the Syrian employees believe that Syrian banks has adapted crisis management practices. Finally, the study indicated that banks' employee believe that their work conditions and job environment was negatively affected by the crisis situation.

Keywords- *Contingency planning, Traditional banks, Islamic banks, crisis management, Syria.*

I. INTRODUCTION

Prior to the start of the crisis, Syria was undertaking a number of structural reforms to liberalize the economy to make it more market-oriented. These reforms included unifying multiple

exchange rates, allowing the opening of private banks and the Damascus Stock Exchange, eliminating controls on interest rate, and raising pricing in some subsidized items.

Nevertheless, in 2010 the economy was still tightly regulated both internally and externally and the process of reform was designed to be very gradual. The largely positive external pictures was reflected in the relative stability of the exchange rate. The Syrian Pound (SYP) appreciated steadily against the US dollar at an average rate of 2 percent per year and at the end of 2010 reached SYP 47 to the US dollar.

The private (Traditional and Islamic) banks entered the Syrian market to meet the needs of economic development and to expand the horizons for foreign and Arabic investments in Syria. It also contributed to both development of the banking sector and the local financial market and attraction of financial savings. It also participated in financing the development projects in order to support the national economy due to the increased demand for banking services. This step was very important to develop the banking sector in Syria due to the importance of the bank's services and the big technical progress that will happen. There were Fourteen private banks entered the Syrian market (Traditional and Islamic).

Islamic banking in Syria has expanded rapidly, witnessing increasing demand since it was first introduced to the Syrian banking sector. There are many evidences ensure that Islamic banks operate amid special care from the government in light to their large customer base and principles of Sharia (Islamic law) that render them less vulnerable to financial crises.

In fact, since the beginning of 2009, Islamic banks' services and products have diversified and developed to meet various loan requirements, including housing and personal loans. Following the uprising the economy started to deteriorate significantly, slowly, 2011 and much more rapidly in 2012. In

2011, official estimates show a decline of real GDP by 2.3 percent.

The full damage to the economy became evident in 2012. Inflation in 2012 jumped ten-fold to over 50 percent and international reserves fell to \$2 billion at the end of 2012. The current account deficit did decline to \$6 billion, but that was because of the dramatic drop in foreign trade. Exports fell by 60 percent to under \$5 billion and import to \$10 billion from \$18 in the previous year.

The combination of spiraling inflation and a rapidly shrinking economy showed up in the behavior of the exchange rate during 2012 and into the first half of 2013. In December 2012, the currency fell to SYP 60 to the US dollar, a decline in value of some 50 percent from the previous year. In early 2013, however, it fell off the cliff, when the currency had fallen to SYP 170 to the US dollar.

In the last two year, the currency reached a low of SYP 500 to the US dollar. It had now become a full-fledged run on the currency and the government did not have the foreign exchange reserve to counter it.

A report published by the UN in March 2015 estimated the total economic loss since the start of the conflict was \$202bn and that four in every five Syrians were now living in poverty - 30% of them in abject poverty. Syria's education, health and social welfare systems are also in a state of collapse.

The direct economic effect comes from the decline in the size and skills of Syria's labor force due to loss of life and refugee outflows, infrastructure destruction, the trade embargo on Syria, cost-of-doing-business increases, and a decline in productivity. The indirect effect captures the opportunity cost of foregone trade integration initiatives aimed at improving trade logistics and liberalizing trade in services in the region.

The indirect effect is important to consider because the war disrupted the intra-Levant trade, which grew seven-fold between the early and late parts of the 2000s. It put an end to plans for deepening intra-regional trade ties further following the signing of the "Levant Quartet" agreement in 2010.

The benefits of deep trade integration reforms were expected to be sizable, reflecting significant economic complementarities, as shown in a recent World Bank study (2014).

II. METHODOLOGY

A. Research Methodology

This study employs the quantitative method to precisely predict the relationship between the selected variables. The sample involved employees of Syrian banks at all administrative levels and departments.

The primary research instrument is a questionnaire that was designed and formatted as an online survey form. It is

designed and translated into Arabic to meet the samples' understanding.

A unique survey link was created and distributed to E-mail and Facebook addresses. An approximate of five days' time was spent to gather the 58 responses. The research asks the respondent about what they think about 14 statements and Likert scale was used to collect the answers.

B. Research Problem

During the Syrian crisis, Traditional and Islamic banks are seeking to avoid and mitigate the outcomes of the crisis on their performance and results. And those banks were always seeking to keep their financial profits in order to meet the stakeholder's expectations.

The financial statements of the traditional and Islamic banks studied before conducting this research, showed an aggregate 28% decline in loans extended to the last two years to the end of 2012 and a 29% decline in costumers' deposits. The assets and liabilities have fallen dramatically since the end of 2012.

As the crisis has deepened, traditional and Islamic banks studied in this research, have been converting foreign currency loans into local currency loans in the hope of improving their borrowers' ability to repay.

Little have been written about how the crisis has affected the traditional and Islamic banks in Syria. This research is designed to inspect the relationship between the contingency planning and the crisis management implementation.

The research asks a question about what the effect of crisis management is on planning in some traditional and Islamic banks were still operating during the Syrian crisis.

The research aims to find out if Syrian banks (Traditional and Islamic) implement the methodology of crisis management, and what is the level of that implementation. And to define the impact of the crisis situation on employee's organizational behavior.

C. Research Hypothesis

Crisis management has improved Contingency planning efficiency.

Syrian banks have used crisis management to overcome the crisis situation.

Crisis situation has affected the employee's organizational behavior.

III. BACKGROUND

A. The Banking Sector During The Crisis In Syria

The Banks put its own strategy. Then they manage limits and perform control on the concentrations of credit risk wherever

they are identified. In particular, whether this risks located at individual, counterparties, Banks, industries, and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. In this way the bank can control the credit risk. Such risks are monitored on an ongoing basis and are subject to an annual or more frequent review and at any time it is considered necessary by the Board of Directors. Limits on the level of credit risk by borrower/group, product, industry, sector, and by country are approved quarterly by the board of directors.

Credit limits for any borrower including banks are divided by sub-limits covering on- and off balance sheet exposures. Actual exposures against limits are monitored daily, this monitoring is important to make sure that the bank works within the plan. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers.

That is what the Banks do in a regular working environment. The banks put its strategy and the board of directors approve it. This strategy changes when the environment changes, that's what happened in the Financial Institutions during the six years of the crisis in Syria.

All financial Institutions that remained in Syria have changed their strategies and policies and practices in order to be consistent with the business continuity plan. And of course some of these changes were in accordance with the instructions of the Central Bank of Syria and the resolutions of the Syrian Currency and Credit Council.

B. Banking Sector Performance and Risk Responses

We will bring a spot light on some working Banks in the Syrian market (Three are traditional and two are Islamic). We can consider those banks as a statistical sample. And we will compare their financial statements before the Syrian crisis and after the six years of the crisis.

The three traditional Banks are (1) Bank Audi Syria (2) Bank BEMO (3) Bank of Syria and Overseas, and the Islamic banks are (4) Cham Bank, and (5) Al-Baraka Bank Syria. We will compare 2016 with the base year 2010.

We noticed that the five Banks have applied a contingency planning to face the multisided aspects of the crisis. In addition, an important provision was taken by each one of the working Banks to ensure the continuity of their business. They prepare for a plan B in case of unusual event scenarios.

Those plans include people, processes, and technology for its headquarters facilities so they can continue working under any

unusual event. They survived this crisis because of the new strategies they have developed.

We will take a quick financial review starting with the first Bank:

Bank Audi Syria			
	2010 (m SYP)	2016 (m SYP)	Change %
Total Assets	93,789	64,441	-31.3
Due to customers	81,813	49,015	-40.1
Loans to customers	39,444	17,822	-54.8
Net Operating Income	2,251	4,629	105.6
Profit of the year	681	2,962	334.9
Net Interest Income	1,501	973	-35.2
Foreign Exchange Gain	65	2,962	4,456.9
Credit Loss Expense	155	438	182.6
Non-Working Credits	3.35%	25.55%	-

Table 1. Annual Disclosures of Bank Audi Syria, Syrian Commission of Financial Markets and Securities, 2017.

At the first look on these above numbers we immediately notice that even though the Total Assets decrease by 31.3% the Net Profit has doubled more than 3 times.

This growth doesn't due to an excellent operative business plan but it comes from the unrealized foreign exchange gains that grows 44 times in the last year due to the fall of the Syrian pound vs.USD, which is reflected in the Net Profit as we saw in the upper table.

The credits also decreased by 54% to reach 17.8 billion SP in 2016 in alignment with the Central Bank of Syria instructions. This decline accompanied with a growth in the credit loss expenses by 182% in alignment with the Bank's strategy. What strategies and risks responses the bank of Audi has implemented during the crisis:

The bank purchased an insurance contract that covers the riots and the unusual events additional to the regular risks. In addition to the above mentioned new insurance contract the Bank took the necessary arrangements to maintain its assets with enough provisions taken into account for any possible loss, so it will be able to confidently face any challenge that the insurance contract doesn't cover. The Bank closed its Mazzeh Branch and deleted this branch from the Banks list.

The bank also changed the location of a branch in Homs to another location in order to avoid the high risk in that area.

The Bank put aside extra provisions to cover the credit risk under credit loss expenses shown in the income statement Audi Bank took the CBS approval to close 4 branches during the current crisis, located in AL Midan, Harasta, Aleppo, and Deir Al Zorr.

The Bank put aside a provision for the 4 closed branches to cover the stolen funds.

We can see from the financial Statements that the Bank stopped crediting the Government but it's still accept the government's deposit.

Due to the economic sanctions, the Banks could not anymore operate with certain countries like USA that's what was reflected in their financial statements.

For Bank Audi we can see that he is investing with the MENA Banks that formed 93% of his total deposits.

This number can be compared with 2010 when USA held the biggest part of the cake forming 82% of the deposits with Banks.

The structure of the customers' deposits also changed during the crisis, they deposit less in foreign currencies, the USD formed 24% of the total due to customers in 2010, noting that the amount is written in SYP in the financial statements and the USD/SYP exchange rate grows 6 times more in 2016 than 2010.

Let's move to analyze Bank Bemo-Syria which is the Bank that holds the biggest part of the deposits in the Syrian market:

Bank Bemo- Syria			
	2010 (m SYP)	2016 (m SYP)	Change %
Total Assets	114,761	138,895	21.0
Due to customers	103,560	118,170	14.1
Loans to customers	36,854	27,439	-25.5
Net Operating Income	2,880	5,826	102.3
Profit of the year	668	2,332	249.1
Net Interest Income	2,000	1600	-20.0
Foreign Exchange Gain	33.8	2,367	6,903.0
Credit Loss Expense	22.9	909	3,869.4
Non-Working Credits	6.89%	36.70%	-

Table 2. Annual Disclosures of Bank Bemo-Syria, Syrian Commission of Financial Markets and Securities, 2017.

We can say that during the Syrian Crisis Bank Bemo has changed his policy regarding the terms and structure of both deposits and credits and even while dealing with other Banks. Bemo invested with non-local Banks before the crisis with

87.5% from the total account with banks. But later in 2016 we can see that the Bank invest more with the local Banks due to the imposed sanctions on Syria.

Loans to customers decreased 25.5% to reach 27.4 billion SP in 2016 due to the instructions of the CBS, accompanied with rise in the deposits as all the customers went back to put their funds in the banks again, which leads the bank to maintain a high liquidity position. Credit to deposits ratio was 35.6% as at end 2010 and fell down to 23% as at end 2016 which was reflected in the Net Interest Income that decreased 20% in 2016 affecting the Profit of the year.

The structure of its credits to customers didn't really change between 2010 and 2016, the biggest part of the credits goes to the enterprises with 83% of the credit portfolio the rest goes to the retail customers, but we can notice the absence of the government and the public sector that was 206 million SP as End-December 2010. Geographically, the credit exposure in 2010 was 68% in the country, 5.5% with other MENA countries and 23% with Europe, as at end 2016 we can see that zero credit exposure with USA and the exposure with Europe fell to 14% the bank went to deal more with other MENA countries with 16% of the total credit exposure.

Sight deposits formed 33% of the deposits as at End-December 2010 versus 66% for the time deposits. This ratio has changed as at End-December 2016 the sight account formed 75% of the Total deposits.

Most of the Bank's Credit exposure was inside the country as at End-December 2010 when it formed 86% of the total exposure followed by 7.4% with Europe and 5% with other Mena countries. The exposure with Euro increase at End-December 2016 to form 15%, this increase doesn't reflect any extra investment in Europe but it reflects the devaluation of the Syrian pound against the euro.

The growth in the Net Operating Income by 102% to reach 5.8 billion SP comes from the huge growth with the unrealized Foreign Exchange Gain that reach 2.3 billion SP.

The risk responses that the Bemo Bank made during the crisis were:

Close 12 branches in Syria, after taking the CBS approval, due to the high risk of the area.

Cut down the credits that lead to a high liquidity position Change the nature of the mortgages, the Bank no longer depends on the cars and the heavy machinery as a mortgages The Bank went for lending the enterprises more than retail lending

Cut off the credit to the government and the public sector Increase the dealing with the local and MENA Banks during the crisis.

Extra provision and expenses to cover the risk.

Finally let's move to the third Bank in our study, let's start analyze the Bank of Syria and Overseas:

Bank of Syria and Overseas			
	2010 (m SYP)	2016 (m SYP)	Change %
Total Assets	92,140	105,420	14.4
Due to customers	83,483	70,179	-15.9
Loans to customers	30,353	6,943	-77.1
Net Operating Income	2,004	3,892	94.2
Profit of the year	712	1,987	179.1
Net Interest Income	1,814	997	-45.0
Foreign Exchange Gain	43	1,949	4,432.6
Credit Loss Expense	21	392	1,766.7
Non-Working Credits	0.95%	46.6%	-

Table 3. Annual Disclosures of Bank Syria and Overseas, Syrian Commission of Financial Markets and Securities, 2017

We can see a decrease in the deposits of customers by 16% at 2016 along with the huge decrease in the loans to customers by 77% at the same year. The Bank lend 36% from its deposits in 2010 that ratio slides to 8% in 2016 which is reflected in the Net Interest Income that decrease by 45% to 997 million SP in 2016 after it reached 1.8 Billion SP in 2010.

Even though the loans to customers has decreased by 77% at end 2016 but the credit loss expenses doubled 17 times because of the provision that the Bank is taking to cover the non-working credit and the doubtful loans. The increase in the Net Operating Income by 94% comes from the unrealized foreign exchange rate that doubled 44 times at end 2016 to reach 1.9 billion SP after it was 43 million SP as at End-December 2010. This gain is unrealized; it comes from the Syrian Pounds collapse against the foreign currencies. This unrealized gain affects the profit of the year that increased by 179% at end 2016 to reach 1.9 billion SP.

The risk responses that the Bank made during the crisis:

6 branches stopped working after taking the CBS approval in Homs, Adra and Aleppo, due to the high risk of the area More provision was taken to cover the cash held in one of the up mentioned branches because the insurance contract doesn't cover the conflicts events, it only covers the robbery and the fire

Absence of USA in the deposits with Banks

Absence of loans for the government and public sector
The Bank tends to invest more with MENA Banks comparing with 2010 when it formed 16% versus 50% as at end 2016
The Bank stopped investing with other sovereign bonds
Increase in the provisions to cover the potential charges in addition to the special provisions to cover the damaged branches also provisions to cover the fluctuations in the exchange rates all of these provisions in line with the banks conservative approach to sustain the crisis strategy.

Moving to the two Islamic banks studied in this research, we can find that their situation not differ very much from the traditional. We have to note that the Islamic banks observed are not listed on the DSE (Damascus Securities Exchange), and this was one of the obstacles to get data relating to these banks.

However, the most obvious threats of the crisis are related to the continuation of the services of these banks, majority of it are physical. The destruction of some of their branches, or security threats that prevent bank restocking their ATMs or prevent their staff from going to work.

The challenges faced by the Syrian Islamic Banks sector, include, the lack of skilled human resources trained and qualified to practice Islamic banking through a modern scientific approach to Islamic principles. Another challenge is promoting and raising awareness of Islamic investment forms and activities.

Al-Baraka Bank Syria (Islamic Bank)

Share Capital (m SYP)	4,541
Branches	9

Table 4. Data collected from Central Bank of Syria, 2012

Al-Baraka Bank Syria is the first Islamic bank in Syria to obtain the certificate of promotion according to the latest version of the international standard for the management of quality systems ISO 9001:2015.

In addition, the Bank has been awarded the Best Islamic Bank of Syria in 2015 as part of the Global Finance Awards, a global banking and finance consortium for international banking and finance institutions.

It is worth mentioning that the main achievements of the year 2016 in Al Baraka Bank Syria entitlement to the degree of credit rating of investment grade BBB, to be the first bank in Syria gets this category awarded by the Islamic International Rating Agency IIRA according to the standard DFRA.

C. Organizational Performance In Banks During The Crisis

Based on our observations and interviews, as a result of the crisis the banks replaced the expansion plans with contingency plans based on caution to follow a policy of retrenchment (Such as marketing campaigns and advertising). As long as that the human element is the most expensive recourse in banks many banks implemented strategies to reduce this cost, those strategies includes:

- Keep only the current staff.
- Employee termination (least efficient staff for example).
- Cancellation privileges granted to employees (bonus – training courses ... etc.).
- Reduce costs on foreign employees.

This, in turn, contributed to a growing sense of anxiety and stress for employees as a result of the feeling of insecurity and the probability of redundancy e.g. like what happened with their colleagues. This policy has led to increasing work pressures on the existing staff and the huge work load and accordingly to more stress.

At the level of senior management, managers also feel the effects and consequences of this crisis on their job. The top management has reduced those managers' allowances, remuneration and benefits in attempt to reduce the operational costs.

These policies have led to the creation of a work environment filled with pressures and interactions that affected the emotions of the individuals negatively (indignation, sadness, fear) and their degree of absenteeism and the desire to recycle. That led to reduce the job satisfaction for the employees in general and to increase the frustration, stress, and high work pressure. In the same time no incentives or rewards system was employed to mitigate negative effects the crisis.

So, under the crisis that is facing that banks, the need for organizational behavior science at the core factor of the organizational performance. the science of organizational behavior and applications presents insights and solutions to different issues and problems that have become the main feature of contemporary organizations environment.

The development and strengthening of feelings of belonging and to labor force behavior by banks of important strategies that careful management to pursue, If it sought to improve the relationship between the banks and the force in order to preserve, or sought to develop creative behavior and move the motives to make more effort.

A press report has mentioned that many employees in banks have faced a new and negative work conditions in some cases they also faced bad management behaviors. Those behaviors sometimes resulted that this employee to receive a formal warning for no reasonable reason. The report also mentioned that many employees and senior employees are suffering from bad management behaviors some of those employees said that management was negotiating to terminate his contract.

IV. LITERATURE REVIEW

A. Crisis Definition

The word "crisis" means different thing to different people in different professions. The term crisis has also been defined and conceptualized by different scholars and authorities in the field of management. British Standard 11200 (2014) defines a crisis as an inherently abnormal, unstable and complex situation that represents a threat to the strategic objectives, reputation or existence of an organization. (Fink, 2002) sees crisis as an abnormal situation, or even perception, which is beyond the scope of everyday business and which threatens the operation, safety, and reputation of an organization. Crisis is also defined as a specific, unexpected, and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization's high priority goals (Boins and Sundelius, 2007).

A change, which may be sudden or which may take some time to evolve, that results in an urgent problem that must be addressed immediately. An event that threatens the strategic objectives, reputation or existence of an organization (Pearson and Sommer, 2011).

In fact, (Dell'Aricecia , Detragiache and Raghuram, 2004) indicated that the differential effects across sectors are stronger in developing countries, in countries with less access to foreign finance, and where banking crises were more severe. Robustness checks include controlling for recessions, currency crises, and alternative proxies for bank dependence.

B. Crisis Management

In all institutions, depending on their size and activities, the type of crisis management applied varies substantially, but in the end they all try to move forward despite the negative effects that are generated.

Crisis management is defined as: The provision of an organization's pre-planned, rapid response capability supported by a leadership, information management and communications capacity in an integrated fashion to enable fast decision making at a strategic level within a structured environment, and thereby allowing for effective recovery and protecting an organization's survival or reputation (Cockram, 2012).

Crisis management is the art of making decisions to head off or mitigate the effects of such an event, often while the event itself is unfolding. This often means making decisions about your institution's future while you are under stress and while you lack key pieces of information.

Consistent with the overall philosophy of crisis management, the key to being able to manage a crisis is doing as much planning as practical before a crisis starts in order to best

position you and your institution to respond to and mitigate such a situation.

Also (Lotte, Stam, Takeuchi and Takeuchi, 2015) studied a sample of 383 middle managers operating in 34 business units of a large multinational corporation indicated that risk propensity weakens the positive relationship between personal initiative tendency and job performance. This negative moderating effect was further amplified when middle managers receive high job autonomy but was attenuated in business units with a strong performance management context.

C. Contingency Planning

Preparing contingency plans in advance, as part of a crisis management plan, is the first step to ensuring an organization is appropriately prepared for a crisis. Crisis management teams rehearse a crisis plan by developing a simulated scenario to use as a drill. The first hours after a crisis breaks are the most crucial, so working with speed and efficiency is important, and the plan should indicate how quickly each function should be performed. When preparing to offer a statement externally as well as internally, information should be accurate. Providing incorrect or manipulated information has a tendency to backfire and will greatly exacerbate the situation. The contingency plan should contain information and guidance that will help decision makers to consider not only the short-term consequences, but the long-term effects of every decision.

Study by (D'Aveni and MacMillan, 1990) focused on the attention of top managers in surviving and failing firms, they indicated that under normal circumstances managers of surviving firms pay equal attention to the internal and external environment and more attention to the output environment than to the input environment. When a crisis of demand decline occurs, they pay more attention to the critical aspects of their external environment. In contrast, managers of failing firms deny or ignore output factors during crisis and pay more attention to the input and internal environments.

Also in other point of view (Fahlenbrach and Stulz, 2011) indicated some evidence that banks with CEOs whose incentives were better aligned with the interests of shareholders performed worse and no evidence that they performed better. Banks with higher option compensation and a larger fraction of compensation in cash bonuses for their CEOs did not perform worse during the crisis.

(Gberevbie, 2010) in his study of Zenith Bank in Nigeria indicated that organizations are likely to experience frequent employee turnover for as long as they fail to put in place appropriate employee-retention strategies, which is capable of preventing enhanced performance.

D. Business Continuity Planning

When a crisis will undoubtedly cause a significant disruption to an organization, a business continuity plan can help

minimize the disruption. First, one must identify the critical functions and processes that are necessary to keep the organization running. Then each critical function and/or process must have its own contingency plan in the event that one of the functional processes ceases or fails. Testing these contingency plans by rehearsing the required actions in a simulation will allow for all involved to become more sensitive and aware of the possibility of a crisis. As a result, in the event of an actual crisis, the team members will act more quickly and effectively.

The related terms emergency management and business continuity management, focus respectively on the prompt but short-lived “first aid” type of response (e.g. putting the fire out) and the longer term recovery and restoration phases (e.g. moving operations to another location). Crisis is also a facet of risk management.

In fact, (Gan, 2004) showed from the Texas real estate crisis in the 1980s that it exploits predictions that when hit by an exogenous shock, the slope of risk with respect to franchise value becomes more negative because thrifts adopt “bang-bang” strategies and choose minimal or maximal risk.

V. DATA ANALYSIS AND DISCUSSION

1) *Sample Analysis:* Below in figure 1 is the sample analysis in graphical representation.

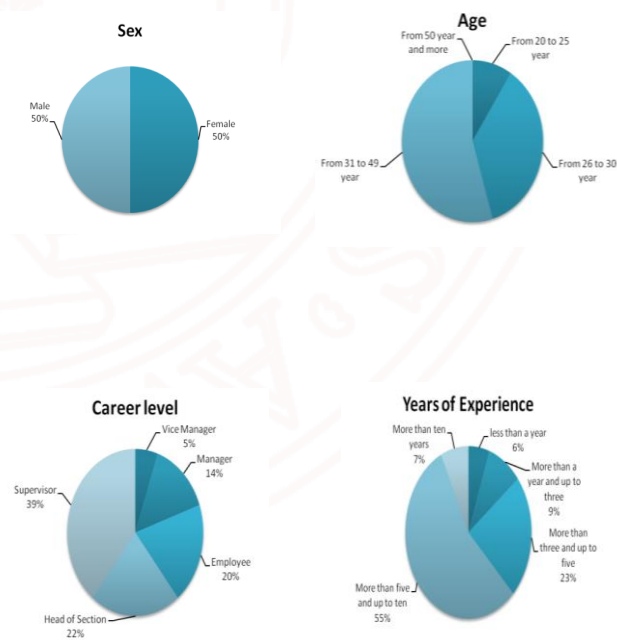


Figure 1. Graphical representation of the Sample.

2) *Data Analysis: The variable contingency Planning was represented in the questionnaire by the questions from 1 to 5. And the variable Crisis Management was represented by the statements from 6 to 9. The last variable is Uncomfortable Work Environment and it was represented by the statements 12,13 and14.*

The results showed that the mean of crisis Management (the calculated variable) is 3.2366 which is higher than the scale mean. A further analysis was conducted to test the statistical meaning of that result as following:

TABLE 5. One-Sample Test

	Test Value = 2.5					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Crisis Management	5.619	55	.000	.73661	.4739	.9993

The test returns a positive result regarding the meaning of the mean. In other words, employees tend to believe that their management employ crisis management practices.

By analyzing the correlation between the Crisis Management and Contingency Planning, the analysis results indicate a strong correlation between the two variables.

TABLE 6. Correlations

	Contingency Planning	Crisis Management
Contingency Planning	Pearson Correlation 1	.529**
	Sig. (2-tailed)	.000
	N	56
Crisis Management	Pearson Correlation	1
	Sig. (2-tailed)	.000
	N	56

TABLE 6. Correlations

	Contingency Planning	Crisis Management
Contingency Planning	Pearson Correlation 1	.529**
	Sig. (2-tailed)	.000
	N	56
Crisis Management	Pearson Correlation	1
	Sig. (2-tailed)	.000
	N	56

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

The responses were positive about the hypothesis H2: Syrian banks has used crisis management to overcome the crisis situation. The mean of the responses related to Statement#7 was 3.28 which is higher than the mean of the scale. In order to test the trust in that mean we apply the one sample t-test analysis.

TABLE 7. One-Sample Test

	Test Value = 2.5					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Management designed procedure to prevent business crisis to happened.	22.232	56	.000	0.7807	0.4851	1.0763

The table shows the mean difference is statistically significant.

Also analyzing the answers for statement#8.

TABLE 8. One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Management pre-plan to deal with expected crisis	21.161	56	.000	3.21053	2.9066	3.5145

The results also show that the responders are positive towards the fact that the bank management plans in advance for the expected crisis.

Let's move to analyze the variable of Uncomfortable Work Environment. The mean of this variable is: 4.2917 which is higher than the mean of the scale, this result represents that there is a positive trend among employees to think that their work environment is not comfortable. Table below support that result.

TABLE 9. One-Sample Test

	Test Value = 2.5					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Uncomfortable Work Environment	18.150	55	.000	1.79167	1.5938	1.9895

VI. CONCLUSION AND RACOMMENDATIONS

In general, we can say that despite the flight of many industrial companies outside Syria, the companies that remained, including the financial institutions, especially the commercial and Islamic banks, played a large role in preserving the manifestations of economic life and tried at the same time not to deteriorate the national currency and control Currency exchange with foreign currencies and commensurate with the financial and monetary transactions in the country.

The banks studied showed that the managers focused on crisis management plans by expanding the planning to involve more departments and more bank employees.

Although the financial results in banking industry is badly affected by the crisis, and the inflation and foreign exchange rate fluctuation leads misleading results when analyzing the

financial results of the banks through the crisis period, but good preemptive policies are efficient in relieving the risks of crisis.

The challenges faced by the Syrian Islamic Banks sector, include, the lack of skilled human resources trained and qualified to practice Islamic banking through a modern scientific approach to Islamic principles. Another challenge is promoting and raising awareness of Islamic investment forms and activities.

The research showed that there is a significant correlation between the crisis management and contingency planning, especially when the managers attempt to put a well-articulated Operational intervention mechanism to enable the processes of the effective decision making, and when the banks also went to the short term funding like the financing the working capital and stopped financing the investments projects as a precaution in the light of the crisis.

From the employee's perspective, although the crisis situation has badly affected the work environment, but they tend to believe that their management employ crisis management practices, and they did not neglect the human element which considered one of the most key factor in success and development of the Syrian banks even in bad crisis.

Worth to mention, there are few recommendations to overcome the bad effects of the continuing crisis, the bank management should revise their strategy vision every time a new significant environmental variable appears, and create long, medium and short term crises management plans, and it should strengthen the role of supervisory departments (internal audit, risk management, control and compliance).

In order to perform a correct financial analysis, financial statements should be adjusted in order to eliminate the inflation effect and foreign currency price changes. Banks management should be minimizing the liquidity level to ensure the business continuity.

Islamic Banks should comply with Basel II requirements in terms of risk management and capital adequacy. The Basel accords are recommendations on banking laws and regulations that seek to align regulatory capital requirements more closely to the risks that face.

Banks should strengthen the customer trust, and they should create new products and services that fit customers during crisis conditions.

Islamic banks should be closer to the customers, and consider them one of the main stakeholders, achieving their needs, despite of the bad effects of the crisis.

Banks management should increase employee's awareness of crisis management plans and conduct training to identify the likeliest to happen crisis, it should focus on the employee's

loyalty and commitment to ensure that they won't leave the institutions during the crisis. They must have trained on alternative plan in case of emergency, also train the staff how to deal with the riot and the cases of theft and looting.

However, there were a few limitations in this study, regarding the sample questioned which was small, and it was not easy at all to convince the managers to be cooperative. The data collection obtained from the Syrian commission of financial markets and securities depending on the annual disclosures of the banks registered in DSE, and there was lack of data regarding the Islamic banks, because they are not registered in the DSE, and was difficult to obtain the annual disclosure as the traditional banks.

Moreover, future research should concentrate on the post – crises analysis comparing the Islamic and commercial banking industry, and the new reforms of the Syrian central bank.

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