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## **Exploring the Societal Impact of the Economic Crisis in Relationship with Employee Psychological Wellbeing and Employee Performance**

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# EXPLORING THE SOCIETAL IMPACT OF THE ECONOMIC CRISIS IN RELATIONSHIP WITH EMPLOYEE PSYCHOLOGICAL WELLBEING AND EMPLOYEE PERFORMANCE

*Research full-length paper*

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## Abstract

*Employees have a crucial role towards the successful functioning and growth of organizations. Several studies highlighted on the importance of psychological wellbeing in influencing both personal and professional performance. Such studies were further developed with the breakthrough of COVID19 pandemic that completely transformed working environments and had a panoply of positive and negative effects on employees' general wellbeing, especially in countries suffering from economic burdens. Using the Lebanese economic crisis as a case study, this research explores how crises may have an impact on the relationship between psychological wellbeing and employee performance. This study employs a quantitative approach. It relies on data collected from a sample of 286 employees working in local and multinational organizations and is analyzed using SPSS. Results show that self-acceptance and personal growth has a positive impact on employee performance; also positive relations at work has positive relation on contextual performance.*

*Keywords: employee wellbeing, employee performance, social exchange theory, crisis*

## 1 Introduction

Employees play a significant role in creating the organizations competitive advantage to outperform competitors and sustain a successful presence in the market. This is due to the fact that employees are the resource that enhance the value of the organization, and their importance is much higher than any other capital present (Poornima, 2015). Recent research assert that companies characterized by their inclusivity and their respect towards their employees will most likely be able to meet or even exceed financial targets, yield high levels of performance among their workforce, generate innovative solutions, and lastly generate better overall business results (Tavares et al., 2021; Dixon-Fyle et al., 2020; Volini, 2020). This reflects how crucial it is to have an engaged workforce that will assist in maintaining high levels of performance throughout the company.

Lately, most countries around the world encountered periods of continuous stress, downturns, and frustration. The corporate world suffered immensely during these exhausting periods of war, reduced essential living resources, and economical burdens. A report by Price Waterhouse Coopers (Burrowes, and Shannon, 2021) stated that around half a billion full time employees lost their jobs in 2020, also noting that the global GDP has decreased by 4.3%. These drastic numbers reflect on the challenges the

whole world have been facing. The COVID-19 epidemic, the conflict in Ukraine the ensuing food security and energy problems, the rising inflation, the restricting credit, and the climate disaster are all severe and serious shocks and events that damaged the global economy in 2022 (United Nations, 2023). These tough times not only affected businesses but also employees' psychological well-being. One of the key factors of organization's success is employees' wellbeing. Well-being improves employees' performance and helps organizations to remain sustainable (Olaniyi, 2022). In fact, the connection between psychological well-being (PWB) and employee performance (EP) shows to be a topic of inquiry. Quite a few studies have examined this relationship and emphasized that companies should create environments to foster employee personal growth and belonging if they are to enhance their psychological wellbeing and performance (Bayhan Karapinar, et al., 2020; Turban and Yan, 2016; Sharma, et al., 2016). However, a gap in the literature is noticed when it comes to the dynamics of this relationship during a period of crisis.

Lebanon, is one of the Middle Eastern countries that has reflected the declining state of the world and faced the biggest economic and financial catastrophe the world has ever witnessed for almost three years (Al-Saeed A. and El-Khalil, 2022). Lebanese enterprises faced challenges not only from the pandemic, but also from the consequences of the August 4, 2020 blast (Kebede, et al., 2021). Safety, financial, political, and economical challenges have brought huge changes in how businesses operate in Lebanon since 2019. According to World Bank report (Mroue, 2021), the crisis Lebanon is encountering is expected to be among the worst the world has ever witnessed in the past century and a half; it is more likely to be sinking among the most top three terrible crises ever witnessed worldwide. The same report (Mroue, 2021) states that more than half of Lebanese people live in poverty. This suggests that Lebanese individuals are likely to be living on bare minimum necessities, and desperate to witness a positive change while accumulating stress as they witness how life is becoming tough, and unbearable in Lebanon.

Recent researchers incited the investigation of how psychological well-being influences workers' work performance and the role of psychological well-being in encouraging work-related attitudes and behaviors (Huang, et al., 2016; Devonish, 2016; Hewett, et al., 2018; Ismail, et al., 2019). This fact motivated the authors' interest to contribute to the body of knowledge of this field specifically in the presence of crises. Lebanon is taken as an area of exploration, given that individuals will report exciting results about their psychological wellbeing and performance amid this devastating crisis. Results show that self-acceptance and personal growth has a positive impact on employee performance; also, positive relations at work have positive relation on contextual performance. This study concludes that employees in Lebanon might have reached a state of adaptability in which can be viewed as positive, since some employees are adapting to these tough times and overcoming such obstacles by performing better, giving more to their organization, and sustaining their presence within the companies. Still, this adaptability could be viewed as if employees are suppressed; they are performing their basic duties in favor of surviving this challenging cycle Lebanon is facing.

## **2 Objectives**

With Lebanon facing what is probably the most stressful time in history, the Lebanese institutions are having their share of negative repercussions too; accordingly, analyzing employees' PWB and their performance level throughout this time is becoming essential. The objective of this study is to explore how a crisis can affect the relationship between Psychological Wellbeing (PWB) and Employee Performance (EP). In summary, the objectives of this study is to address the following questions:

- 1) What is the current status of employees' performance during the Lebanese crisis?  
An overview of the actuality of a certain topic will put us more in context and could give us a starting point to building potential solutions.
- 2) What are the current levels of PWB among employees living in Lebanon?  
Studying the levels of well-being in employees during the crisis before implementing fixing strategies will help us highlight the decline of overall mental health in Lebanon, and the necessity to take corrective measures.

- 3) How is the relationship between employee PWB and EP being affected during the Lebanese crisis?

The relationship between well-being and performance in a workplace has always been discussed, however, this work will explore the dynamics of said relationship during a period of crisis, whether it will be affected and to which extent.

### **3 Literature Review**

#### **3.1 Employee performance**

Employee performance is one of the significant factors that companies rely on to increase their income, accomplishments, and achieve their main objectives. It is the capacity in which employees accomplish their required tasks while aiming to develop and contribute to the firm's growth (Leonard, 2019; Mohd Nasurdin, et al., 2020). The higher the employees perform the more competitive advantage companies can gain (Vosloban, 2012). In this research employee performance is defined as the degree to which individuals fulfill and execute their job requirements according to standard quality. This work adopts Mohd Nasurdin, et al (2020) three indicators of employee performance: (1) task, (2) contextual, and (3) counterproductive performance.

#### **3.2 Task and contextual performance**

Task performance is when employees perform all the required work and deliver the essential and basic outcomes required from them. Harrison, et al. (2006) defines task performance as performing the activities that were officially noted down on the job description. Contextual performance, on the other hand, is when employees feel intrinsic to be more involved in overtime work not listed on the job description, and to become proactive, and volunteer to assist other projects and colleagues (Sonnentag and Frese, 2002). In general, employees engage in task performance to carry on their jobs and reach their objectives; still contextual performance is claimed to differentiate the organization from the competitor and give it an overall added value.

#### **3.3 Counterproductive performance**

According to Van den Broeck et al. (2014) counterproductive performance (CPP) is a set of behaviors that are intentionally executed by employees to harm the business and its members and affect the operational activities of businesses. Several researchers studied CPP and agreed that counterproductive behaviors are tremendously expensive for organizations and are considered as an indication for business failures (Fox, et al., 2006; Bennett and Robinson, 2000). Indeed, it is to be mentioned that most of these studies approached employee performance within a static environment and employees' internal factors like personality, giving little insight into external factors that are out of anyone's control, like crises periods.

#### **3.4 Psychological Wellbeing**

Ruggeri, et al., (2020) defined Well-being as how someone feels about different aspects of their life, their home, their health, their association with others, their work and other activities. Well-being is of great significance in individuals' lives, since it can lead to higher levels of performance, productivity, and efficiency along with boosting their mental and physical health. In time of crisis, the wellbeing of employees is not usually stable, since they may suffer from losing their job, daily stress, and new restrictions at work that might impact their commitment to the organization (Adam, et al., 2023). Previous research affirmed that cheerful individuals generate higher incomes, are much more creative and socially involved, and have attributional styles that are more self-enhancing and enabling than those who are unhappy (Diener, 2000; Judge, et al., 2001; Deci, et al., 2001). Happy employees with positive feelings have a more favorable opinion about themselves and others and act in interpersonal settings with greater confidence, optimism, and generosity (Forgas, 2002; Sedikides and Strube, 1995).

Employee well-being has always been a considerable issue for organizations and society (Deloitte, 2017; REBA, 2019; Ke, et al., 2022). It is one of the main factors that assists organizations to achieve a competitive advantage since employee well-being is associated with several performance metrics, like productivity, employee turnover, job satisfaction, stress and work–life balance (Keeman, et al., 2017). Employee wellbeing is achieved at workplace when employees' work is of purpose and employees experience positive emotions in which the complete concept of employee well-being can be endorsed and supported in a well-established environment (Gedikli, et al., 2023). Healthy and happy employees positively affect work-related behaviors and attitudes resulting in reduced absenteeism, less work-family conflicts, improved performance, and increased voluntary commitments (Kundi, et al., 2021; Salas-Vallina, et al., 2020).

## **4 Theoretical Framework and Hypotheses**

### **4.1 Wellbeing Theoretical Foundation**

This work adopts the psychological wellbeing model proposed in (Ryff, 2014). The model is grounded on nine theoretical foundations (Allport, 1961; Bühler, 1935; Erikson, 1980; Frankl, 1959; Jahoda, 1958; Jung, 2001; Maslow, 1968; Rogers, 1961; Neugarten, 1973; Ryff, 1989) and is composed of the following six dimensions: autonomy, positive relation, self-acceptance, environmental mastery, purpose in life, and personal growth.

**Autonomy and Positive Relation:** Autonomy is a critical factor in determining overall psychological well-being of adolescents and young adults, and it is negatively linked to loneliness and self-perceived separation throughout this period of life (Inguglia, et al., 2015). Positive relation on the other hand, relates to how closely individuals are connected to their close relationships at work (Ryff, 2014).

- **Personal Growth and Purpose of Life:** People that emphasize personal development are receptive to new information and experiences; they will feel more determined to reach their full potential (Ryff, 1989). When employees consider their life as meaningful, and their presence in this life has a purpose then they are experiencing a purpose in life (Ryff, 2014).
- **Self-Acceptance and Environmental Mastery:** Self-acceptance entails keeping a high perspective towards oneself, including both positive and unpleasant qualities, as well as having positive thoughts for one's past. On the other hand, environmental mastery refers to the ability to handle the surroundings while also feeling competent and in control.

In fact, Ryff model of well-being is rooted back to Aristotle's formulation of the highest human good-eudaimonia (Case, 1925). His writings claim that the highest of all human goods is not happiness, feeling good, or satisfying appetites; rather, it is about activities of the soul that are in accord with virtue. Eudaimonia thus captured the essence of the two great Greek imperatives: first, to know yourself, and second, to become what you are.

### **4.2 Hypotheses formulation**

Based on the overall literature, and the theoretical framework adopted, hypotheses formulation will be presented.

- 1) **Self-acceptance and Employee Performance:** Individuals with high self-esteem place a high value on individual competence, try to develop their organization, believe they are important, meaningful and valuable in the organization they work for, and want to achieve high-performance (Bellou, et al., 2005). As a result, people with these personality qualities will improve their task performance on a first level and strive to achieve contextual performance. And it will be unlikely that they would do anything to sabotage their working environment and thus are less likely to engage in counterproductive performances (CPP) (Whelpley and McDaniel, 2016).

- a) H1: self-acceptance is positively related to Employee Contextual Performance
  - b) H2: self-acceptance is positively related to Employee Task Performance.
  - c) H3: self-acceptance is negatively related to Employee Counterproductive Performance.
- 2) Personal Growth and Employee Performance: Personal growth has been linked to career identity, decisiveness, career exploration, problem-focused management, and goal setting (Shorey, et al., 2007). It is also viewed as a function of employees' personal efforts and the organizational support that focus on the outcomes (Weng, et al., 2010). Personal growth demonstrated positive association with assertiveness, and subjective well-being, mostly in the counselling and educational settings (Shorey, et al., 2007; Robitschek, 1998), but little research focused on counterproductive performance. Accordingly, we posit the following hypotheses:
- a) H4: Personal Growth is positively related to Employee Contextual Performance
  - b) H5: Personal Growth is positively related to Employee Task Performance
  - c) H6: Personal Growth is negatively related to Employee Counterproductive Performance.
- 3) Positive Relation and Employee Performance: According to Bell and Menguc (2002), favourable relationships in an organization lead to increased employee performance and positive individual outcomes. Positive relationship between employee relations and employee performance is also found significant in several studies (Dlamini, et al., 2022; Samwel, 2018). However, lack of information exchange through channels between peers happens to be insignificantly related to job performance in different sectors (Tran, et al., 2018). Given these considerations, we hypothesize that relationships in the office between employees or with employers have ramifications for both organizational and individual results from both parties' perspectives:
- a) H7: Positive Relation is positively related to Employee Contextual Performance.
  - b) H8: Positive Relation is positively related to Employee Task Performance.
  - c) H9: Positive Relation is negatively related to Employee Counterproductive Performance.
- Figure 1 illustrates all of the above hypotheses.
- 4) Environmental Mastery and Employee Performance: The power to choose or alter the environment by physical or mental acts, as well as having control over occurrences, is described as environmental mastery (Ryff, 1989). In a recent work, Nutchajarin Lohapan (Lohapan, 2018) found that environment mastery is does not have the influence on job involvement as a corse variable of performance. This will limit the possibility of encountering pressures that can diminish expertise and positive advantages in the work field, like a greater pay, a better job, and work autonomy (Singh-Manoux, et al., 2002). We hypothesize:
- a) H10: Environmental Mastery is positively related to Employee Contextual Performance.
  - b) H11: Environmental Mastery is positively related to Employee Task Performance.
  - c) H12: Environmental Mastery is negatively related to Employee Counterproductive Performance.
- 5) Autonomy and Employee Performance: Through the years, theorists have highlighted autonomy as a critical interest for employees that organizations need to address (Budd, 2004). A workforce will probably feel less pressured when given autonomy and, as a result, more confident. We hypothesize:
- a) H14: Autonomy is positively related to Employee Task Performance.

b) H15: Autonomy is negatively related to Employee Counterproductive Performance.

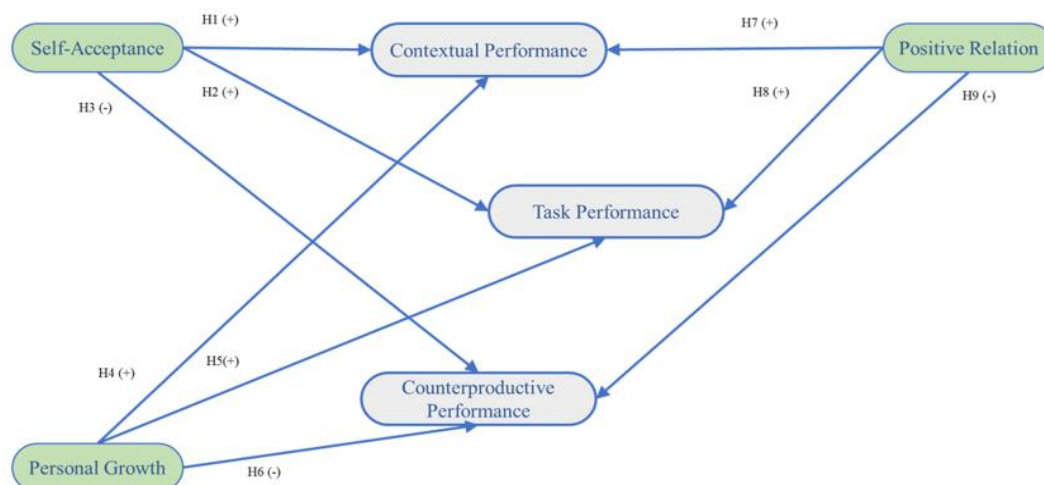


Figure 1. Hypothesized Self-Acceptance, Personal Growth, and Positive Relation on Contextual, Task, and Counterproductive Performance.

6) Purpose in Life and Employee Performance: Finally, by enhancing the work-to-life balance, finding meaning in one's employment may improve one's wellbeing. According to the CIO research (Wool, 2021), increasing employees' sense of purpose at work may boost productivity by 22%. This is because motivated employees are more eager to work longer hours and generate more income for the company. So, correlations between purpose in life and employee performance can be hypothesized:

- a) H16: Purpose in Life is positively related to Employee Contextual Performance.
- b) H17: Purpose in Life is positively related to Employee Task Performance.
- c) H18: Purpose in Life is negatively related to Employee Counterproductive Performance.

Figure 2 illustrates the above hypotheses. The overall research model is illustrated in Figure 3.

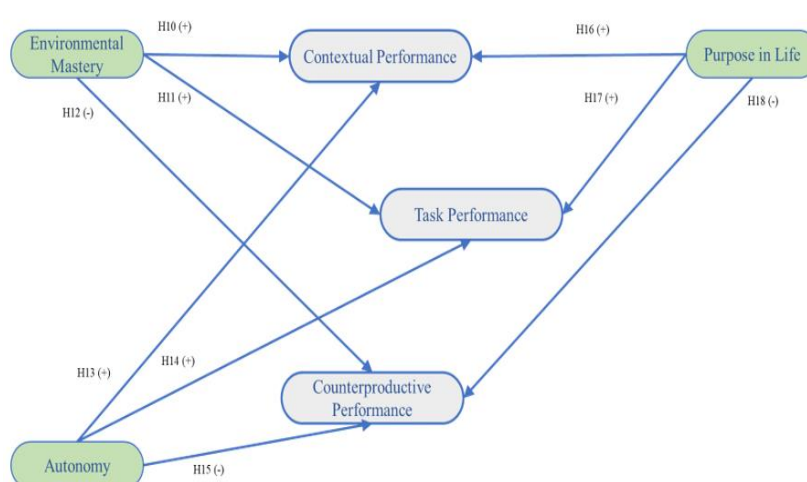


Figure 2. Hypothesized Environmental Mastery, Autonomy, and Purpose in Life on Contextual, Task, and Counterproductive Performance.

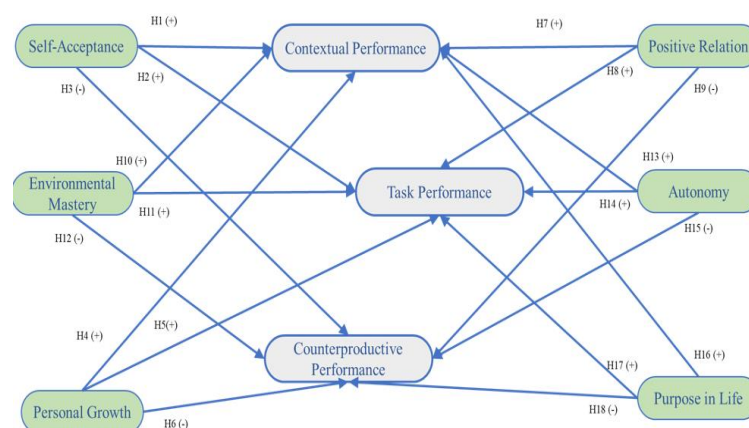


Figure 3. Hypothesized PWB Sub variables on employee performance Sub variables.

## 5 Research Methodology

To test the proposed conceptual model a quantitative approach was used, and a survey questionnaire was developed. The survey was composed of constructs that were previously studied and validated. Furthermore, the measures were adapted to fit this research context. The survey was voluntarily shared with employees in English language. The questionnaire of this study consisted of 41 questions in total. All the questions within the survey were close ended questions, in which some included multiple choice questions (MCQ), and others were a Likert type scale (5 point scaled).

The questionnaire included a consent form, a set of MCQ about demographic information. Also, the survey included variable related questions, starting with employee psychological wellbeing section, which was adopted from (Ryff, 2014) study, and incorporated to address each sub variable mentioned earlier. The purpose of such questions was to assess participants psychological wellbeing based on those six subscales. Furthermore, the last survey pages were focusing on the variable employee performance, which was adopted from Koopmans, et al. (2014) research. The scales adopted by Ryff (2014) and Koopmans, et al. (2014) were examined for their validity and reliability. Based on earlier research studies, the scale by (Ryff, 2014) was performed on several experiments (Fahami, et al., 2018; Khanjani, et al., 2014) in which it showed internal consistency, reliability, and validity of the constructs. Nonetheless, the EP scale that was utilized from Koopmans, et al. (2014) in which various research papers adopted (Saeed, et al., 2022; Sadovyy, et al., 2021) also showed reliability and validity of the constructs. The survey was posted on several social media platforms. The total number of participants collected was 304, however after removing incomplete information and discrepancies, the total that was obtained and used for analysis was 286 participants. The data gathered was exploited for analysis through SPSS software to formulate findings and test the proposed hypotheses. The data describing the respondents' demographics is represented in Table 1 found in Appendix A.

## 6 RESULTS and FINDINGS

### 6.1 Reliability measure

Internal reliability, discriminant validity and convergent of the measurement items were included in the model examination. Table 2 demonstrates the internal constancy reliabilities. All constructs expect two scored above the required threshold 0.7 Cronbach's alpha (Hair, et al., 2019). Yet, the composite reliability for all items exceeded the required threshold of 0.7 (Fornell and Larcker, 1981).

Acceptable measures were displayed for convergent and discriminant validity. When the average variance extracted (AVE) of each construct is higher than 0.5, Convergent validity is attained (Fornell and Larcker, 1981).



In the Table 2 all constructs scored an AVE greater than 0.5. Moreover, when the square root of the AVE of each construct in the diagonal is greater than the variance of all the other constructs, this is when the discriminate validity is satisfied (Barclay, et al., 1995). It is worth noting that Environmental Mastery construct was dropped from the analysis because of low Cronbach's alpha (below 0.7), and low AVE (below 0.5). As well, Autonomy and Purpose in life subscales were also dropped from analysis because of low Cronbach's alpha (below 0.7), low composite reliability (below 0.7), and low AVE (below 0.5).

Constructs	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Personal Growth	0.707	0.871	0.772
Positive Relation	0.592	0.827	0.706
Self-Acceptance	0.579	0.778	0.539
Task Performance	0.833	0.882	0.599
Contextual Performance	0.881	0.914	0.68
Counterproductive Performance	0.797	0.866	0.618

Table 2. Reliability measures.

## 6.2 Discriminant validity measures and outer loading:

Discriminant validity measures are illustrated in Table 3. Lastly, further testing was done on discriminant and convergent validity in the loadings and cross-loadings.

Usually, item loadings that record higher than 0.6 on their associated factors are believed acceptable. The outer weights of the model are displayed in Table 4.

The loading in the constructs met the required threshold as expected, and they were greater than the loading across constructs. Thus, acceptable convergent and discriminant validity were shown across the psychometric properties and scales. In general, the outer loading of each item may affect the overall model. In the data analysis, several items as CP1, CP2, CP8, CPP1, PG1, and PR2 had an irrelevant outer loading since they scored below 0.5, therefore were withdrawn from the research. Seven of the nine hypothesized relationship were supported by the structural model.

Discriminant Validity	CP	CPP	PG	PR	SA	TP
CP	0.824					
CPP	0.5	0.786				
PG	0.491	0.332	0.879			
PR	0.249	0.304	0.289	0.84		
SA	0.412	0.291	0.393	0.34	0.734	
TP	0.656	0.555	0.447	0.261	0.368	0.774

Table 3. Discriminant validity measures.

Outer Loading	CP	CPWB	PWBPG	PWBPR	PWBS	TP
CP3	0.813					
CP4	0.868					
CP5	0.859					
CP6	0.746					
CP7	0.831					
CPP2		0.728				
CPP3		0.869				
CPP4		0.782				
CPP5		0.76				
PG1			0.898			
PG2			0.859			
PR1				0.892		
PR3				0.785		
SA1					0.747	

SA2					0.716	
SA3					0.738	
TP1						0.786
TP2						0.807
TP3						0.751
TP4						0.814
TP5						0.708

Table 4. Outer Loading Testing Results.

### 6.3 Structural Model and Hypothesis Validation:

The coefficient determination ( $R^2$ ) and path coefficients are usually predicted by the structural model. The ( $R^2$ ) is the amount of variance encountered by independent variables, while the path coefficient measures the strength of the connection between dependent and independent variables. The paths and the prediction level of the model is illustrated in Figure 4. Note that 30.1% of Contextual Performance is accounted and explained by the combined explanatory power of self-acceptance, personal growth, and positive relation. 25.1 % of Task Performance is accounted and explained by the combined explanatory power of self-acceptance, personal growth and positive relation. 17.3 % of Counterproductive Performance is accounted and explained by the combined explanatory power of self-acceptance, personal growth and positive relation.

As indicated in Figure 4, Self-acceptance has a significant positive effect on Contextual (H1:  $\beta = 0.244$ ,  $p < 0.001$ ) and Task performance (H2:  $\beta = 0.203$ ,  $p < 0.001$ ), while a significant negative influence on Counterproductive performance (H3:  $\beta = -0.139$ ,  $p < 0.05$ ). Personal Growth has a significant positive influence on Contextual (H4:  $\beta = 0.379$ ,  $p < 0.001$ ) and Task performance (H5:  $\beta = 0.34$ ,  $p < 0.001$ ), while a significant negative influence on Counterproductive performance (H6:  $\beta = -0.221$ ,  $p < 0.001$ ). Positive Relation has a significant negative influence on Counterproductive performance (H9:  $\beta = -0.193$ ,  $p < 0.05$ ). However, it showed no significance on Task performance (H8:  $\beta = 0.203$ ,  $p < 0.112$ ), and on Contextual performance (H7:  $\beta = -0.139$ ,  $p < 0.377$ ).

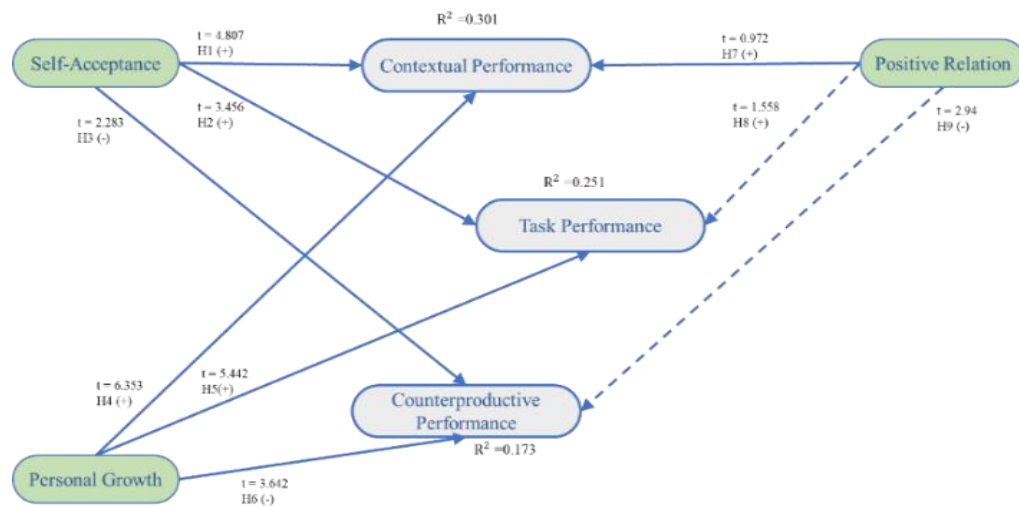


Figure 4. Structural Model that illustrates the variable relationship in this study.

## 7 Discussion, Implications, and Conclusion

### 7.1 Discussion

- 1) *Self-Acceptance and Employee Performance:* H1, H2, and H3 were supported by the findings of this study. Thus, high levels of Self-acceptance in which assume that participants show a positive attitude towards themselves, accept their qualities despite good or bad, and feel optimistic about their life will more likely engage in extra efforts of performance. This confirms the work of (Mihaela, et al., 2022) who indicated that for a mental wellness and a better job

performance, employee's self-acceptance plays a major role. In fact, our results show that when workers accept their self, and don't have issues with it, they will directly feel more satisfied and happier, and consequently much more performant. This goes with the literature of Jio (2022), which highlighted that it has been discovered that workers with high self-acceptance have more self-esteem and consequently become more engaged, goal oriented, persistent, and involved than those with low self-acceptance and little self-esteem. To summarize, workers with high level of self-acceptance and self-esteem, work with positive attitudes, better performance, and high productivity.

- 2) *Personal Growth and Employee Performance*: H4, H5, and H6 were validated by the findings of this study. When employees believe in themselves as they are able to grow, and achieve more, they will definitely be performing better. This finding corresponds with Zoellner and Sulikova (2022) and Jia-Jun and Hua-Ming (2022) works: tasks that are extremely motivating for empowered employees will help to boost their personal growth and consequently their performance at work. As per (Joo, et al., 2021), when individuals feel empowered in their work and that they fit with the organization, they displayed a high degree of personal growth, career growth, and job performance. In fact, as long as employees feel that they are able to improve their self and as long as the organization ensure an environment that encourages their growth, they will automatically enhance their performance at work.
- 3) *Positive Relation and Employee Performance*: H7 was confirmed by the findings of this study, while H8 and H9 were not validated. The insignificance of H8 and H9 may imply that having a positive relation at work would not necessarily increase individual's task performance nor decrease counterproductive performance. Positive relation among employees might be an indicator of performance, however in an indirect way, and that is why the relationship might show to be insignificant. This result matches with other studies that positive relation does indeed improve employee job satisfaction, while also having a positive impact on their turnover, as they will experience a belonging among their colleagues and will tend to remain in the company for a longer while (Hodson, 2004; Moynihan and Pandey, 2008). This might imply that when employees have a positive connection with their surroundings, they may tend to be more comfortable and satisfied with their work, in which will lead to better performance; Yet this linkage is not always the case, since employee performance does not rely on one simple variable, but on several variables that may contribute to its improvement. Nonetheless, the validation of H7 implies that positive relation is positively related to employee contextual performance. So, when relationships at the workplace are considered trusting, friendly, and supportive; members within the organization would feel more committed to perform better.

The hypotheses H10 to H15 were not validated, since the sub variables (environmental mastery, autonomy, and purpose in life) of PWB were not reliable and removed from the overall analysis. In a nutshell, the data collected had revealed that employees with high levels of self-acceptance, personal growth and positive relation result with high levels of task and contextual performance. This entails, that PWB shows a somewhat strong relationship with employees' performance despite the presence of a crisis.

## 7.2 Literature Contribution

The current study makes contributions to the literature on employee psychological well-being and job performance. This study responds to recent requests for research to better understand how psychological well-being influences workers' work performance (Huang, et al., 2016), and it contributes to a growing body of work that demonstrates the role of psychological well-being in encouraging work-related attitudes and behaviors (Devonish, 2016; Hewett, et al., 2018; Ismail, et al., 2019). Nonetheless, this research contributes to reflecting that the positive PWB relationship with employee performance still exists during the presence of a remarkable crisis. In times of crisis employees lag in keeping their performance levels, however with these present findings, it is suggested that employees are still showing some adequate levels of PWB in which it assists their performance.

### **7.3 Practical Implications**

First, this study will assist managers in understanding the significance of employees' psychological well-being for work-related attitudes. Managers must realize that psychological well-being in employees acts as good indicator to their overall performance and thus yielding to organizational success. As we can see that the psychological wellbeing among most employees is above the neutral level, as well as their performance, and this can prove to managers that employees in tough times are willing to keep their performance levels adequate to sustain their lives.

This gives back to the social exchange theory that first appeared towards the end of the 1950s and has since grown into a significant corpus of social behavior study (Davlembayeva and Alamanos, 2022) and in which employees will exchange their efforts in favor of receiving security and belonging. Nonetheless, managers should not ignore the PWB of individuals even if it is above neutral levels, indeed they should take advantage of such PWB especially during these times of crisis and promote it, since employees are in need of such encouragement and will yield significant results. Song and Tao (2022) indicate that workers who are performant, productive, and fruitful because of a positive work environment are more likely to have positive relation at work. Moreover, a pleasant working atmosphere and a satisfying environment help people do their duties in a more effective way, which improves both individual performance and organizational production (Wang, et al., 2021).

According to Hosie and Sevastos (2009), numerous human resource-based interventions could promote employees' psychological well-being, such as selecting and placing individuals in appropriate positions, establishing a welcoming work environment, and offering training that improves employees' mental health and helps them manage their perspectives constructively. In brief, it comes to the management of the company in which they can be the initiators of developing a workforce that is committed to the organization and performs better on the job when fostering well-being at the workplace. At the end of the day, having positive or negative relation and consequently high or low performance, depends on the physical circumstances that exist in the workplace.

### **7.4 Conclusion and future research**

This study suggested a paradigm for understanding the relationship between employee psychological well-being and performance amid a crisis. The researcher of this study concludes that employees in Lebanon might have reached a state of adaptability in which can be viewed as positive, since some employees are adapting to these tough times and overcoming such obstacles by performing better, giving more to their organization, and sustaining their presence within the companies. Still, this adaptability could be viewed as if employees are suppressed and numb; they are performing their basic duties in favor of surviving this challenging cycle Lebanon is facing. Maybe this is why the people in Lebanon are not revolting against the system, they have been adapting all the hardships they are facing during the past years.

On another note, this research only considered PWB of employees in relation to their performance, without including any other variables that may have been affected by the crisis. Hence, future research is recommended to tackle how employee engagement, satisfaction, motivation, and productivity in relation to their PWB was affected during the crisis. In conclusion, the researcher believes that there is light at the end of this dark gloomy tunnel, and will always hope for a better tomorrow, a better Lebanon.

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## APPENDIX A.

Demographic Variables	Respondents	
	Number	PERC
Gender		
<i>Male</i>	128	44.8%
<i>Female</i>	158	55.2%
Age		
<i>18 – 24</i>	109	38.1%
<i>25 – 34</i>	92	32.2%
<i>35 – 44</i>	54	18.9%
<i>45+</i>	31	10.8%
Company Type		
<i>Multinational</i>	112	39.2%
<i>Local</i>	174	60.8%
Work Type		
<i>Office Based</i>	174	60.8%
<i>Remotely</i>	31	10.8%
<i>Hybrid</i>	81	28.3%
Salary Types		
<i>LBP</i>	94	32.9%
<i>Fresh US Dollars</i>	88	30.8%
<i>Bank US Dollars</i>	9	3.1%
<i>mix of LBP and Fresh USD</i>	88	30.8%
<i>mix of LBP and Bank USD</i>	2	0.7%
<i>mix of LBP, Bank USD, and Fresh USD</i>	3	1.0%
<i>unpaid</i>	2	0.7%
Company's Industry		
<i>Audit/Consulting/Legal</i>	13	4.5%
<i>Banking/Finance</i>	20	7.0%
<i>Const/Real Estate/Planning/Design</i>	8	2.8%
<i>Energy/Environment/Utilities</i>	1	0.3%
<i>Engineering/RandD</i>	7	2.4%
<i>Events/Tourism/Hospitality/Culture</i>	7	2.4%
<i>Industrial/Food Industry/Chemistry</i>	27	9.4%
<i>IT / Telecoms</i>	37	12.9%
<i>Media/Digital/Publishing</i>	15	5.2%
<i>Medicine/Pharmaceutical/Health</i>	50	17.5%
<i>Public/Social/NGO/Education</i>	70	24.5%
<i>Retail/Consumer Goods/Luxury</i>	27	9.4%
<i>Service/Transport</i>	4	1.4%
Marital Status		
<i>Single</i>	190	66.4%
<i>Married</i>	86	30.1%
<i>Divorced</i>	8	2.8%
<i>Widowed</i>	2	0.7%
Educational Level		
<i>High School</i>	13	4.5%
<i>Bachelor's degree</i>	162	56.6%
<i>Master's degree</i>	100	35.0%
<i>PhDs</i>	11	3.8%
Years of service in current organization		
<i>less than 1 year</i>	85	29.7%
<i>1 - 3 years</i>	93	32.5%
<i>4 - 5 years</i>	31	10.8%
<i>5 + years</i>	77	26.9%

Table 1. Summary of demographics, n = 286.