THE ROLE OF STRATEGIC FLEXIBILITY IN ENHANCING CRISIS MANAGEMENT IN THE COMMERCIAL BANKING SECTOR DURING THE COVID-19 PANDEMIC

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Abstract

It is important that strategic management ensure programs flexibility and continuous assessment to deal with the changes in strategies when dealing with other crises (Taymouri, Eslami, Fadaei, Delfan, & Ghasemi, 2014). Empirical findings are still lacking, specifically in the strategic flexibility-crisis management relationship (Yawson, 2020). The primary aim of this study is to examine crisis management among the commercial banks, during the COVID-19 pandemic and to conduct an empirical examination of the relationship between strategic flexibility and crisis management. The study data was gathered using a questionnaire survey, which was distributed to 242 Jordanian commercial bank branches managers. Out of the total (242) distributed questionnaire copies, 163 were returned and considered valid for analysis. Accordingly, data were analyzed using IBM SPSS Version 22 and the findings indicated that strategic flexibility significantly affected crisis management dimensions, namely prior to the crisis stage/crisis plans and during the crisis stage/crisis response. The statistical results supported statistically significant differences between each pair in light of experience level and education level of managers, in a manner that differences favored the highest experience category of over 10 years and the highest category of education of Ph.D. On the basis of the results, it is recommended that Jordanian commercial banks focus on strategic flexibility when planning their strategies in order to mitigate influences on crisis management.

Keywords: Crisis Management, Strategic Flexibility, COVID-19, Jordan

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1. INTRODUCTION

The origin of the COVID-19 crisis can be traced back to mid-December 2019 in China, after which the majority of countries were thrown into a frenzy on how to tackle the pandemic challenge. By March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic, considering its extensive spread throughout the countries of the world in a short time (Yawson, 2020). The pandemic brought considerable shock to companies and governments, with the latter imposing economic procedures to treat the pandemic in the form of physical and social distancing, remote working, and distance education.

Many organizations found it difficult to deal with the crisis and searched for strategies to lessen its effects. Notably, organizations opted for optimal turnaround strategies in order to carry out business as usual during the crisis (Kazozcu, 2011). The majority of them opted to adopt strategic planning as a tool to face the crisis based on Ahmad, Kahwaji, Durrah, and Allil (2016), strategic planning and flexibility are needed for carrying out organizational operations in the face of complexity and uncertainty in the environment. More specifically, strategic flexibility is a must for organizations that want to continue surviving in the 21st century (Gómez-Gras & Verdú-Jover, 2005). This is because organizations, that display resiliency, are more ready and flexible during crisis handling, while their less resilient counterparts are less prepared (Al-Khrabsheh, 2018). The entire strategic management process should be adopted to adopt flexibility of programs and ongoing assessment in order so that the strategies can be tweaked when necessary during the crisis (Taymouri, Eslami, Fadaei, Delfan, & Ghasemi, 2014).

Literature dedicated to strategic flexibility lack a particular focus when it comes to the empirical overview of the field of research. Empirical findings are still lacking, specifically in strategic flexibility-crisis management relationships. Prior studies generally reported a positive and significant relationship between the two constructs (Ahmad et al., 2016; Al Shobaki, Amuna, & Badah, 2016; Al-Khrabsheh, 2018; Deverell & Olsson, 2010; Grewal & Tansuhaj, 2001; Taymouri et al., 2014; Yawson, 2020). Prior reviews of the literature on strategic flexibility lack certain specific factors — a specific focus in the field, a clear empirical research overview, or they are confined to definitional focus in the field. Notably, a review of the literature revealed that empirical works are still needed to provide insight into the relationship between strategic flexibility and crisis management as recommended by prior studies (Ahmad et al., 2016; Grewal & Tansuhaj, 2001; Taymouri et al., 2014), and as such, this study attempts to minimize the literature gap by contributing relevant information.

In the context of Jordan, the COVID-19 repercussions appeared in the government's imposition of economic limitations through the closure of sectors, affecting their profitability and income; for instance, in the tourism sector and aviation, the suspension of businesses led to declined revenues for the Jordanian government as with other countries all over the globe. The government was forced to incur more costs on the health sector and social safeguards, which produces an additional deficit, and as such, banks had to provide liquidity for the bonds issuances of the government in addition to balancing financing (Association of Banks in Jordan, 2020).

In consideration of the dynamic developments around the globe brought on by the COVID-19 impact, challenges to the national economies have become overwhelming. In Jordan, banks are the top sector affected by the crisis, and based on the Central Bank of Jordan (2020) report, providing expected credit losses for commercial banks has increased in the first half of 2020 by 171% in comparison to the same period in the year prior. Additionally, pressures brought on by lower interest rates are expected to culminate in decreased profits for the sector — this may be exemplified by the net interest and commission income decreased by 3.5% in the first half of 2020 among commercial banks, with profits after tax also decreasing by 66.5%. Thus, the Central Bank of Jordan had to adopt precautionary measures to limit the negative impact of the pandemic on the local economy, through the following ways: enabling banks to restructure loans of individuals/companies, particularly SMEs, which are the top enterprises affected, inject over 550 million dinars to the national economy by decreasing the compulsory reserve, and reducing financing costs and increasing existing and future advances maturity to the economic sectors extended based on the Central Bank program for financing and supporting economic sectors. Lastly, the Central Bank of Jordan had to support the procedures laid down by the Jordan Loan Guarantee Corporation by reducing the program commissions of companies and increasing insurance coverage rate through the local sales guarantee program (Central Bank of Jordan, 2020).

Based on the literature reviewed, empirical studies on the examination of the relationship between strategic flexibility and crisis management are still few and far between and thus, this served as the impetus for the present study to explain the crisis management process that Jordan can adopt. The study is expected to have implications for scholarly and practitioner circles regarding methods to increase the process of crisis management in the country, specifically in the commercial banking sector.

The structure of this paper is as follows. Section 2 focuses on the relevant literature review and hypotheses development. This section is followed by Section 3 indicating the methodology of the study, sample, the measurement of variable, in addition to the equations implied for the analysis. Section 4 presents the results of this study. Section 5 provides a discussion of the results. Finally, Section 6 focuses on the conclusion, along with limitations, and recommendations for future research.

2. LITERATURE REVIEW

2.1. Crisis management

Weaknesses in the global economy have, time and again, led to crises, encouraging the identification and development of understanding among organizations of their capabilities to manage and lead the overcoming of crises (Grewal & Tansuhaj,

2001). Generally speaking, a crisis reflects a low probability, high impact event that is viewed by critical stakeholders as a threat to the organization's viability (Pearson & Clair, 1998). The crisis is described as contractions signaling the decrease of real output and a period of slow growth. It is thus not surprising that the economic crisis impact is quite difficult to predict and measure (Grewal & Tansuhaj, 2001). According to Dalain (2021), that crises have become a distinctive attribute for the present-day firms and countries in coming decades within a dynamic environment, in that all organizations are insecure to the effect of crises.

In relation to the above, crisis management is a process used to identify warning signals to prevent a potential crisis, along with its termination at the organizational level through the development of protection and prevention mechanisms, or the identification and adoption of activities that rectify the damage with the least incurred losses (Yamamoto & Sekeroglu, 2011). Crisis management is a distinct administrative process represented by a group of procedures that tackles more than the usual description of administrative tasks in different crisis stages, prior to its occurrences, throughout its occurrences, and after the culmination of the crisis, aiming to reduce the losses and restore normal organizational activities (Al Shobaki et al., 2016).

In the same study line, Al-Khrabsheh (2018) revealed three elements that are included in the majority of crisis management definitions, namely management of serious threats to the continuing organizations' prospects, management of elements of uncertainty, and making brief decision intervals for responses. In this regard, crisis preparedness or susceptibility is among the top theorized business failures aspects (Pearson & Clair, 1998), which led Sheaffer and Mano-Negrin (2003) to classify crisis management into crisis preparedness and crisis proneness. In particular, crisis preparedness refers to the corporate readiness to predict and inflict a multi-dimensional crisis through the recognition and proactive preparation for its sure occurrence, whereas crisis proneness is the antithesis event, where none or some of the above-mentioned elements are included, leading to unconscious/negligent corporate susceptibility to business downturns (Sheaffer & Mano-Negrin, 2003).

Moreover, Evans and Elphick (2005) generally defined crisis management as involving 4Rs in a four-staged process involving reduction, readiness, response, and recovery. Contrastingly, Taymouri et al. (2014) proposed a crisis management model of three main stages namely, prevention and planning, implementation, and assessment and feedback. Also, crisis management was classified by Al-Khrabsheh (2018) into before crisis (crisis plans), during-crisis (crisis response), and after-crisis (crisis analysis and learning). Another take on the crisis management process came from Yamamoto and Sekeroglu (2011), who classified it into five stages; receiving crisis signals, preparing and protecting against the crisis, gaining control of the crisis, returning to the normal situation, and lastly, learning and assessing. Furthermore, four phases were proposed by Taymouri et al. (2014) which involves identification of the symptoms of crisis, preparation and prevention, inhibiting crisis destruction, and lastly, improvement and learning.

In the present study, the crisis management stages involving before-crisis (crisis plans), during-crisis (crisis response), and after-crisis (crisis analysis and learning) are adopted as it is deemed more suitable for the study context. The third stage, which is after-crisis, is dropped from the analysis as COVID-19 is still present at the time of conducting the study.

2.2. Strategic flexibility

Several studies were highlighted by Yawson (2020) in the literature to focus on the effectiveness of strategic flexibility in the environmental dynamism and uncertainties context, similar to the COVID-19 pandemic. Organizations generally develop reactive strategic flexibility by developing more resources, liquid resources, and their agility and versatility (Grewal & Tansuhaj, 2001). Malekakhlagh, Safari, Beigi, and Rokhideh (2022) indicated that flexible organizations have the ability to recognize new knowledge, the technology used to develop products/service. To this end, Taymouri et al. (2014) stressed on the importance of implementing the entire strategic management process for flexibility of programs, coupled with ongoing assessment in order to ensure that changes are made in the strategies when needed. Hence, strategic planning is one of the elements of strategic management and one of the most important and guiding principles (Alqhaiwi, 2021). According to Yawson (2020), strategic flexibility is a new management approach that organizations can adopt, which is counterfactual to the traditional strategic management objective, which is to select the best plan of action. This is because choosing a single best plan of action is unrealistic when plunged into an uncertain environment, which calls for strategic flexibility to be incorporated to as a core concept of management.

In addition to the above studies, Grewal and Tansuhaj (2001) described strategic flexibility as the ability of the organization to manage economic and political risks by reacting proactively or reactively to the threats and opportunities in the market. Their definition is aligned with that provided by Eppink (1978), which described strategic flexibility as a reactive ability involving responsiveness and adaptation to environmental changes surrounding the business. Similarly, Ahmad et al. (2016) referred to the concept as the organization's quick response-ability to changes and opportunities, and Evans (1991) described it as the capacity that enables the company's mutation and its potential to transform itself. On the whole, organizations are inclined to adopt strategic flexibility to maximize their maneuvering extent and speed. Meanwhile, strategic flexibility was described by Gómez-Gras and Verdú-Jover (2005) as flexible practices, financial flexibility, and meta-flexibility, which is distinct from operative, structural and strategic flexibility.

Viewed from the resource-based approach, Kazozcu (2011) referred to strategic flexibility as the firm's ability for reallocating and reconfiguring its resources, processes, and strategies in order to handle changes in the environment, while Wei, Yi, and Guo (2014) indicated that firms may manage

their resources in a dynamic manner in order to change with the environment through resource flexibility and coordination flexibility development.

Therefore, from the above definition, it becomes clear that strategic flexibility is the capability of the organization to determine major external environment changes, to appropriate resources for new action courses to respond to the changes, and to acknowledge and proactively work towards reversing such commitments when the time is right (Kouropalatis, Hughes, & Morgan, 2012). Additionally, definitions of the concept in literature and the studies dedicated to it can be classified into opportunities and threats (Grewal & Tansuhaj, 2001). In Eppink's (1978) pioneering study, the author concentrated on examining the dimensional changes of the concept of predictable and unpredictable changes. Wei et al. (2014), on the other hand, categorized the strategic flexibility dimensions into resource flexibility and coordination flexibility.

In this study, a uni-dimensional concept of strategic flexibility is used on the basis of prior studies as it is considered more suitable to the study context and objective. Strategic flexibility measurement items developed and used by Grewal and Tansuhaj (2001) and later by other studies (Nadkarni & Herrmann, 2010; Kouropalatis et al., 2012; Thoumrungroje, 2015) are adopted in the study.

2.3. Strategic flexibility and crisis management

The relevant studies reviewed show that strategic flexibility, on its own, is not sufficient to make sure that the product-market strategy is successful (Kouropalatis et al., 2012) and as such, it becomes a must to determine and develop an understanding of organizational capabilities that can assist in the management of crisis handling and overcoming (Grewal & Tansuhaj, 2001). In other words, it is important that strategic management ensure programs flexibility and continuous assessment to deal with the changes in strategies when dealing with other crises (Taymoouri et al., 2014).

Studies conducted of late, concerning the relationship between strategic management and crisis management, have generally presented a positive and significant relationship between the two constructs in various contexts. For instance, Ahmad et al. (2016), Al Shobaki et al. (2016), Al-Khrabsheh (2018), Deverell and Olsson (2010), Grewal and Tansuhaj (2001), Taymouri et al. (2014), and Yawson (2020) reported a positive significant relationship. Notably, empirical works of this caliber are still lacking (Ahmad et al., 2016; Grewal & Tansuhaj, 2001; Taymouri et al., 2014), and therefore, this study attempts to minimize the gap in studies and contribute to the literature.

Studies dedicated to examining the relationship include Ahmad et al. (2016), who found a positive and significant relationship between strategic flexibility and bank performance by focusing on the banks' ability to handle war crises, involving 50 top-level managers in 5 private Syrian banks. This finding was supported by Grewal and Tansuhaj (2001) in the case of Thai 49 middle managers and owners in SMEs. The authors found a direct positive effect of strategic flexibility on the enterprises' performance following a crisis, and a negative effect on the same prior to the crisis, moderated by demand uncertainty.

In the context of Iranian university, Taymouri et al. (2014) reported a significant positive relationship between the use of strategic management among managers and crisis management, on the basis of gathered data from 120 medical sciences personnel at the University of Shahid Behesthi.

Based on the discussion of findings in the literature, the present study proposes to test the following hypotheses:

H1: There is a positive relationship between strategic flexibility and crisis management.

H1a: There is a positive relationship between strategic flexibility and crisis management (before crises stage/crisis plans).

H1b: There is a positive relationship between strategic flexibility and crisis management (during-crises stage/crises-response).

H2: There are no statistically significant differences between experience levels with regard to crises management before the cirses (Br) and during the crises (Dr).

H3: There are no statistically significant differences between males and females with regard to crises management before and during the crises (Br/Dr).

H4: There are no statistically significant differences between educational levels with regard to strategic flexibility (SF).

H5: There is a statistically significant effect of strategic flexibility on crisis management.

H5a: There is a statistically significant effect of strategic flexibility on crisis management (before-crises stage/crisis plans).

H5b: There is a statistically significant effect of strategic flexibility on crisis management (during-crises stage/crises response).

2.4. Research model

In the development of crisis management, strategic flexibility plays a key role, particularly in the banking sector during the current COVID-19 pandemic. The above explanation and discussion were made the basis of the development of the proposed research model in Figure 1.

Figure 1. Research model
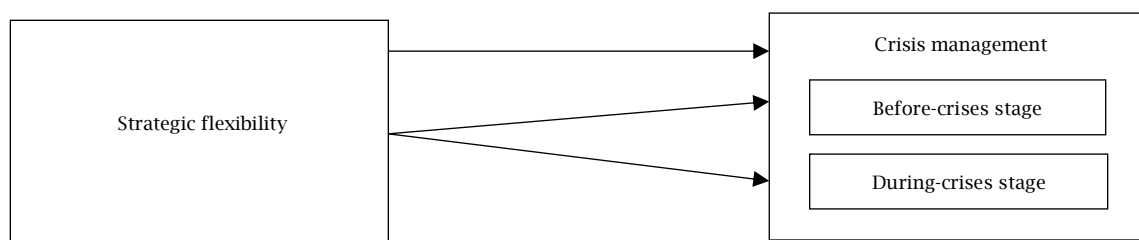
3. RESEARCH METHODOLOGY

This section displays the methodology that was applied in this study during the process of designing and carrying out the research under three subsections: sampling, measurements of variables, and data analysis technique.

3.1. Population and sampling of the study

The population of the present study comprised commercial banks in Jordan provided by the Association of Banks in Jordan (2020). The list included 13 commercial banks, that branched out into 639 branches (Association of Banks in Jordan, 2020), which were selected as the study population. Based on Krejcie and Morgan's (1970) table of sample determination, 242 branches were selected as the study sample through random sampling. Accordingly, 242 questionnaire copies were distributed to commercial bank branches managers (Table 1). The questionnaire was close-ended and developed for data collection, with items adopted from literature.

Out of the 242 questionnaire copies distributed, 163 were retrieved and deemed for data analysis, which achieved a rate of response of 67.3%. The respondents to the study comprised commercial banks branches managers.

Table 1. The number of branches of commercial banks in Jordan

No.	Bank	Number of branches (N)	%	Number of distributed questionnaires (S)
1	The Housing Bank for Trade & Finance	115	18%	44
2	Arab Bank	81	13%	32
3	Cairo Amman Bank	78	13%	32
4	Bank of Jordan	77	12%	29
5	Jordan Kuwait Bank	64	10%	24
6	Jordan Ahli Bank	52	8%	19
7	Bank Al-Etihad	48	7%	17
8	Jordan Commercial Bank	34	5%	12
9	ABC Bank	26	4%	10
10	Societe General — Jordan	19	3%	7
11	Arab Jordan Investment Bank	19	3%	7
12	Capital Bank	14	2%	5
13	Invest Bank	12	2%	4
	The number of branches of Jordanian commercial banks	639	100%	242

Source: Association of Banks in Jordan (2020).

3.2. Measurements

The items in the questionnaire were measured along a 5-point Likert scale that ranged from 1 (strongly disagree) to 5 (strongly agree). Strategic flexibility had four measuring items adopted from Grewal and Tansuhaj (2001), Nadkarni and Herrmann (2010), Kouropalatis et al. (2012), and Thoumrungroje (2015). Meanwhile, the stages of crisis management (before-crisis and during-crisis) were measured by 12 items adopted from Sheaffer and Mano-Negrin (2003). The items of measurements are displayed in the Appendix.

3.3. Data analysis

Data was analyzed using IBM SPSS Version 22 software, after which, the formulated hypotheses were tested. The analyses included descriptive statistics (frequencies, percentages, means, standard deviation, ranks, and charts). For hypotheses testing, Pearson correlation analysis, the Mann-Whitney test, Kruska-Wallis test, and linear regression analysis were all conducted based on the study model.

4. RESULTS

4.1. Sample characteristics

The study sample, as mentioned, consisted of bank branches managers, with the majority of them being male (70.6%), and the majority falling under the 31–40 years of age category (53.4%). The managers mostly held bachelor's degrees (63.2%), and most of them had over 10 years of experience (79.75%).

4.2. Validity and reliability test

The main research constructs were exposed to confirmatory factor analysis (CFA) to determine their construct validity. Specifically, the before-crisis stage of crisis management was considered a one-factor construct with two items, the during-crisis stage of crisis management had 10 measurement items and strategic flexibility had 4 items. The CFA results revealed that the entire questionnaire items had significant loadings on their corresponding constructs ($P < 0.05$), and that there was a data-model fit ($GFI = 0.4 > 0.80$, $AGFI = 0.85 > 0.80$), with $AGFI$ and GFI values exceeding 0.8, further indicating model fit (MacCallum & Hong, 1997).

With regard to the reliability of the variables, Cronbach's alpha coefficient was used for its establishment, where the constructs' alpha values all exceeded 0.70, supporting acceptable reliabilities. This was mentioned by Hair, Black, Babin, and Anderson (2010), that alpha values higher than 0.70 are considered to have a good level of reliability. Table 2 displays Cronbach's alpha values with their high levels of reliability.

Table 2. Reliability test

The axis	No. of statements	Alpha coefficient
Crises management (before-crises stage) (CM/Br)	2	0.781
Crises management (during-crises stage) (CM/Dr)	10	0.852
Strategic flexibility (SF)	4	0.812

4.3. Testing of hypotheses

Pearson correlation coefficient was conducted for hypotheses testing — the first of which involved testing *H1a* that proposed a positive relationship between strategic flexibility and crisis management (before-crisis stage). A significant correlation was found between SF and CM/Br ($R = 0.79$, $P = 0.02$) (Table 3), indicating support for the first hypothesis (*H1*).

Table 3. Correlation between strategic flexibility and crisis management (Before-crises stage/Crisis plans)

Variable		Strategic flexibility
Crisis management (Before-crises stage/Crisis plans)	Pearson correlation	0.79**
	Sig. (2-tailed)	0.02
	N	163

*Note: ** Correlation is significant at the 0.05 level (2-tailed).*

Moving on to the testing of *H1b* that proposed a positive relationship between SF and crisis management (during-crisis stage), Pearson correlation was also used, and based on the results in Table 4, a significant correlation was found between the SF and CM/Dr ($R = 0.81$, $P = 0.004$), supporting the corresponding hypothesis. Prior results also supported a positive and significant relationship between strategic flexibility and crisis management.

Table 4. Correlation between strategic flexibility and crisis management (During-crises stage/Crisis response)

Variable		Strategic flexibility
Crisis management (During-crises stage/Crisis response)	Pearson correlation	0.81**
	Sig. (2-tailed)	0.004
	N	163

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

Moving on to the testing of the second hypothesis of the research (*H2*), the author used the Kruskal-Wallis test, involving one scale variable and one nominal variable, to test if the mean ranks are similar throughout the samples (McDonald, 2014). The Kruskal-Wallis test results are tabulated in Table 5.

Table 5. Statistical significant differences between experience levels with regard to crises management before and during the crises (Br/Dr)

Variable experience levels		No.	Mean rank	Chi-square	Sig.
Crises management (Br/Dr)	3–5 years	5	60	35.3	0.02
	6–10 years	28	88		
	More than 10 years	130	96		

Based on Table 5, the obtained sig. value is 0.02, which indicates significant differences between the level of experiences in crisis management before and during the crisis (Br vs. Dr). The Mann-Whitney test results also showed statistically significant differences between every pair at all experience levels, with the differences favoring the highest experience category (over 10 years of experience). This is indicative of the fact that the more experienced the manager, the more qualified he/she is to manage the crisis in banks. This result rejects the *H2*.

Similarly, the third hypothesis (*H3*) was also tested using the Mann-Whitney test to compare two independent samples, where the normal distribution of groups was not required (Nachar, 2008). The test results are displayed in Table 6, wherein the sig. value is 0.730, indicating no significant differences between males and females when it comes to crisis management before and during the crisis. This means the *H3* is accepted.

Table 6. Statistical significant differences between males and females with regard to crises management before and during the crises (Br/Dr)

Variable	Gender	No.	Mean rank	Sig.
Crises management (Br/Dr)	Males	115	81.18	0.730
	Females	48	83.97	

The fourth hypothesis (*H4*) was tested using the Kruskal-Wallis test and the findings of the test are tabulated in Table 7, wherein the sig. value is 0.009. The result is indicative of the presence of significant differences between educational levels when it comes to SF. The results show statistically

significant differences between each pair of education levels, with the differences favoring the highest education category (Ph.D.) — in other words, the more the manager is highly educated, the more he is capable of applying strategic flexibility in banks. This rejects the *H4*.

Table 7. Statistical significant differences between educational levels with regard to SF

Variable	Educational levels	No.	Mean rank	Chi-square	Sig.
Strategic flexibility (SF)	Bachelor	103	87.8	14.3	0.009
	Master	48	79.12		
	Ph.D. degree	12	61.4		

Finally, the fifth hypothesis proposes a significant effect of SF on crisis management, first (before-crisis) (*H5a*), and for this, linear regression analysis was applied in the following way:

Table 8. Linear regression coefficients for the influence of SF on CM/Br

Variable		CM/Br
Strategic flexibility (SF)	Pearson correlation	0.79**
	Sig. (2-tailed)	0.02
	R^2	0.624
	ANOVA Sig.	0.004
	Constant	1.6
	B	0.79
	N	163

*Note: ** Correlation is significant at the 0.05 level (2-tailed).*

From the results in Table 8, a significant correlation exists between strategic flexibility and crisis management (before-crisis) (*R* = 0.79), with R^2 referring to the coefficient of determination, and its value is 0.624, which means strategic flexibility managed to explain 62.4% of the variation in crisis management (before-crisis). In addition, ANOVA Sig. is 0.004, which shows that *H5a* is accepted.

The equation for the prediction of CM (before-crisis) with strategic flexibility level is as follows: *CM/Br = 1.6 + (0.79 * SF).*

Moving on to *H5b*, which proposed SF to significantly affect crisis management (during-crisis), the linear regression coefficient was applied in the following way:

Table 9. Linear regression coefficients for the influence of SF on CM/Dr

Variable		CM/Dr
Strategic flexibility (SF)	Pearson correlation	0.81**
	Sig. (2-tailed)	0.004
	R^2	0.656
	ANOVA Sig.	0.000
	Constant	2.8
	B	0.84
	N	163

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

The result in Table 9 shows a significant correlation between SF and CM/Dr at *R* = 0.81, with R^2 being 0.656, which indicates that strategic flexibility managed to explain 65.6% of the variation in CM/Dr. Moreover, ANOVA Sig. is 0.000, which is indicative of the acceptance of *H5b*. The prediction of the level of CM/Dr with the level of strategic flexibility can be presented in the following equation: *CM/Dr = 2.8 + (0.84 * SF).*

5. DISCUSSION

The present study primarily aimed to examine the role of strategic flexibility in crisis management, prior to and during the crisis among the commercial banks in Jordan, during the COVID-19 pandemic. The obtained analysis results showed that a positive and significant relationship exists between strategic flexibility and crisis management dimensions (before crisis and during the crisis), aligned with the findings of prior studies in the literature (Ahmad et al., 2016; Al-Khrabsheh, 2018; Deverell & Olsson, 2010; Taymouri et al., 2014).

The positive and significant SF–CM relationship found may be related to the banks' tireless attempts to establish strategic plans to mitigate the crisis

impact before its occurrence and thus, predicting crisis occurrence plays a key role in containing the crisis impact upon occurrence through strategic flexibility. Additionally, management, through strategic flexibility can strategically manage the duration of most crises in order to maintain the effective running of operations (Al-Khrabsheh, 2018).

Moreover, the results also revealed that strategic flexibility can enhance crisis management, which enables organizations' quick and timely response to opportunities and changes in the environment (Ahmad et al., 2016). Thus, organizations, such as banks, should seek to adopt strategic flexibility to enhance their scope and speed of maneuvering, particularly prior to the onset of the crisis and during the crisis (Evans, 1991).

The statistical findings supported statistical differences between each pair of experience level, favoring the highest experience category of over 10 years. This means that the higher the manager's experience, the more qualified he/she will be in handling crisis that hit banks. Statistical differences were also highlighted between each pair of education level, favoring the highest education

category, which is Ph.D. This shows that the higher the education the manager holds, the more there exist strategic flexibility in the banks he/she manages. On the whole, manager's experience and education level plays a key role in crisis management and in strategic flexibility, respectively.

6. CONCLUSION

The main objective of the study was to investigate the crisis management in commercial banks in Jordan in the face of the COVID-19 pandemic and to empirically examine the strategic flexibility-crisis management relationship. The study gathered data using a survey questionnaire distributed to bank branches managers, after which data were analyzed through IBM SPSS Version 22. Based on the results, strategic flexibility positively and significantly impacted crisis management dimensions (before-crisis stage known as "crisis plans", and during-crisis stage known as "crisis response"). The results are aligned with those reported in past studies in the literature that revealed strategic flexibility to have the highest effect level on crisis management.

Despite its theoretical and practical contributions, this empirical study has its limitations, confining the generalization of the findings and providing opportunities for future studies to tackle. Future studies may include other variables in the study model. More specifically, the study focused on the two stages of crisis management — before and during the crisis and thus, future studies may extend the present study and include the post-pandemic or post-crisis stage in order to complete the crisis management stages and examine the effects of strategic flexibility.

The study highlighted and provided insight into the way strategic flexibility of Jordanian commercial banks can improve crisis management. The study findings are expected to have implications for practitioners and researchers about the way crisis management stages can be handled effectively by Jordanian banks, particularly because empirical studies examining the relationship between strategic flexibility and crisis management among the commercial banks of Jordan are still sadly lacking.

It is recommended that Jordanian commercial banks focus on the study variables to promote strategic flexibility culture within them and to tackle crisis management effectively, minimizing its adverse effects on the running and profitability of banks.

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APPENDIX. ITEMS OF MEASUREMENTS

Strategic flexibility items (Grewal & Tansuhaj, 2001; Nadkarni & Herrmann, 2010; Kouropalatis et al., 2012; Thoumrungroje, 2015):

1. Building excess resources by hedging and sharing investments across business activities.
2. Emphasis on firms deriving benefits from diversity in the environment.
3. The importance that the firm puts on benefiting from opportunities that arise from variability in the environment.
4. A firm's strategic emphasis on managing macro-environmental risk (political, economic, and financial risk).

Crisis management (Sheaffer & Mano-Negrin, 2003):
(Before crises/Crisis plans)

1. It is possible to prevent crises.
2. It is possible to shorten the duration of crises.

(During-crisis/Crisis response)

1. CM procedures are effective.
2. CM procedures are important.
3. Exercising CM is important.
4. Well-managed firms have no crises.
5. Crises are the result of individuals' errors.
6. CM is a luxury we cannot afford.
7. Since we are big enough, survival following crises is greater.
8. Crises have only negative effects on my firm.
9. It would be sufficient to take action once crises occur.
10. It is impossible to prepare for crises since they are unpredictable.