

Financial resilience of family-owned businesses to crises in Lebanon

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Abstract:

Contrary to a widespread description of the traditional family business suffers from mismanagement, based on emotional relationships and unable to cope with crises, this contribution underlines that this entity is able to free itself from its limitations and to operate on the local market and even on foreign markets. It must resolve itself to tolerate external interventions both in terms of funding and human resources.

Technological and organizational factors will also need to be improved, as they help this entity to overcome either direct competition or moments of crisis. But first, it must be able to express, on the basis of its own characteristics, resilience and financial strategies capable of ensuring.

The aim of this study is to assess the performance of family businesses and determine their ability to withstand crises.

Key Word: *Family business, evolution, resilience, financial strategies, Lebanon, crisis.*

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I. Introduction

Family businesses are the engine that drives socioeconomic development and wealth creation around the world, and succession is a key driver of family businesses¹. The ability to build and keep the business running over generations is a major element of family business continuity and is influential in strategic execution, innovation, and growth. Entrepreneurial family businesses are a primary source of job creation in market economies where resources are allocated via supply and demand².

In Lebanon, family businesses constitute 85% of the private sector, accounting for 1.05 million of 1.24 million jobs. The family unit is usually the only intact institution capable of sustaining entrepreneurial activities in Lebanon following civil war³.

Lebanon provides a unique experiment where to explore entrepreneurship, family business, and SME development. Lebanese firms went through exceptional phase, years of war and difficult times as well as the current challenging situation, therefore it is relevant to be interested in studying these entities and specially to determine their resilience to crises and the capacity to overcome obstacles that impedes their existence and continuity⁴.

Given the instability in the country in recent decades and especially since October 2019, the Lebanese people are enduring consecutive sufferings on many levels such as financial, banking and sanitary even first necessity needs, with that saying it comes as no surprise that Lebanon has low scores when it comes to economic performance⁵. Accordingly, researchers have a chance to spot, survey, and analyze the approach of family business and their management in these times.

The general research question posed is: "Why these entities are considered as special in the Lebanese economy; are those firms considered as resistant and have the capacity to overcome the obstacles imposed by the current situation?"

II. Literature Review

A family-owned business may be defined as any business in which two or more family members are involved and the majority of ownership or control lies within a family. Family-owned businesses may be the oldest form of business organization. Farms were an early form of family business in which what we think of today as the private life and work life were intertwined. In urban settings it was once normal for a shopkeeper or doctor to live in the same building in which he or she worked and family members often helped with the business as needed⁶.

In general, there are three forms of the family business, which are discussed hereunder:

- Family owned business
- Family owned and managed business
- Family owned and lead business

The family owned business is a business in which the controlling size of the ownership stake is owned by the family or by the member of the family. The family owned and managed business is a business where the controlling size of ownership, lies in the hands of a single-family, or by a single member of a family. The controlling ownership allows the family to formulate and decide the objectives, methods and policies. When the majority stake is owned by the family or by a member of the family and at least one member of the family is a member of the board of directors this is called family owned and led business. In this way, the family member can exert influence over business's direction, strategies and plans⁷.

There are many advantages to run a family business, such as:

Stability which is the leadership of a family business is normally determined by the position of each individual in the family. As a result, there is generally longevity in leadership, which ensures overall stability within a family-run business. In many family-owned companies, the business leader will stay in the position for many years, with life events - such as illness, retirement or death - being the trigger for change at the top. Another advantage is commitment; family firms tend to have a greater sense of commitment and accountability at their heart than non-family firms, as it is not just the needs of the business at stake, but the needs of the family too. This desire for both the family and business to stay strong fosters additional benefits, including a greater understanding of the industry, the organization and the job; stronger customer relationships; and more effective sales and marketing. Following the previous advantages; flexibility is defined as working in a family-run firm requires a lot of flexibility. While non-family businesses tend to have very clearly delineated responsibilities for every role, family members will sometimes be required to wear several different hats, taking on tasks outside of their formal remit where needed. Family business are known for their long-term outlook, non-family firms draw up their goals for the next quarter. Family firms, however, think years - or even decades - ahead. A longer-term perspective is a good way to foster a culture of clear strategy and decision-making throughout the business. Lastly, decreased cost where economic downturns and other challenging times can be a struggle for many businesses, where the board of directors needs to work out how to keep the business afloat while still paying staff. In family firms, however, it will often be the case that family members are willing to contribute financially to keeping the business afloat during times like these. It may be that this involves taking a temporary pay cut, contributing some of their own finances, or pausing the payment of dividends while the company gets back on its feet. For the family behind the business, long-term business success is crucial to their financial survival, which gives more flexibility where finances are concerned. While it is clear that there are plenty of benefits to family-owned companies, they also have their downsides. A lack of family interest; in a family business, there can be a great deal of pressure on future generations to keep the business going, even if they have no real interest in doing so. This can result in a workforce - or worse, a management - consisting of family members who are apathetic, unenthusiastic and disengaged. In any other business, it is likely that such an approach would see employees having their contracts terminated. In a family business, this is more of a challenge. Another main threat is conflict between family members. The dynamic between different family members, family (and business) history and a blurred boundary between family life and work life can all cause conflict within any family-run business. And the family connections can often make such issues difficult to resolve. Another common weak point is the lack of structure; family businesses rely firmly on trust - but trust alone may not be the best way. It is still vital to take rules seriously - both internal rules, and external corporate law. When it comes to family businesses succession planning is one of the most important objectives to achieve, however many family business owners fail to create succession plans, be this whether they feel that it is not needed until further down the line, or because they refuse to admit that the time will come when someone else will need to take the reins. While family-owned companies clearly have plenty of advantages, their very nature can also make sustaining them in the long-term a challenge. The goal for any family business owner should, then, be clear about what the strengths and weaknesses of a family business can be, in order to determine how to ensure future success.⁸

Family Business plays a significant role in the economy. Indeed, it is the oldest surviving economic system, that has a substantial contribution in the country's Gross National Product (GNP), total employment and total exports. Here are some successful and popular examples of family business organization from across the world: Walmart, Berkshire Hathaway, Hyundai, Samsung Group, BMW Group, Ford, Toyota, Group, Reliance Industries, LG, Dell Technologies, Tata Group.⁹

With hindsight, Lebanon's economic crisis was predictable. By the time the crisis erupted in October 2019, the economy was facing four extraordinary challenges. First, public sector debt had reached such elevated levels that a default had become a question of when, not if. Second, the banking sector, having lent three-quarters of deposits to the government, had become functionally bankrupt and increasingly illiquid. Third, the productive economy had experienced virtually no growth for an entire decade — a development with acute socio-political implications. Finally, and perhaps most importantly, the country was politically rudderless: there was no president between 2014 and 2016, there were multiple and lengthy delays in cabinet formation, and the 2018 parliamentary elections took place but only after a five-year delay. The Hariri government that was in place when the crisis hit

in 2019 became impotent to such an extent that it lacked power to deliver on any of the reforms required as a condition for foreign support.⁵

For nearly 18 months now, Lebanon has been assailed by compounded crises—specifically, an economic and financial crisis, followed by COVID-19 and, lastly, the explosion at the Port of Beirut on August 4, 2020.

Of the three, the economic crisis has had by far the largest (and most persistent) negative impact. Lebanon is enduring a severe, prolonged economic depression: real GDP growth contracted by 20.3% in 2020 and inflation reached triple digits, while the exchange rate keeps losing value. Poverty is rising sharply.¹⁰

The banking sector, which informally adopted strict capital controls, has ceased lending and does not attract deposits. Instead it endures in a segmented payment system that distinguishes between older (pre-October 2019) dollar deposits and minimum new inflows of “fresh dollars.” The former is subject to sharp deleveraging through de facto liraification and haircuts (up to 70% on dollar deposits). The burden of the ongoing adjustment and deleveraging is highly regressive, falling hardest on smaller depositors and Small and Medium Enterprises (SMEs). Inflationary effects are highly regressive factors, disproportionately affecting the poor and middle class. The social impact, already dire, could become catastrophic; more than half the country’s population is likely below the poverty line; a higher share of households is facing challenges in accessing food, healthcare and basic services; like poverty, unemployment is on the rise.¹¹

Lebanon’s currency crashed past a milestone on Sunday reaching a new low against the dollar, as the country’s financial meltdown and political deadlock linger.

Market dealers said the Lebanese pound was trading at around 15,150 to the dollar, losing around 90% of what it was worth in late 2019, when Lebanon’s economic and financial crisis erupted.¹²

In Lebanon, SMEs represent 97 percent of the total formal enterprises, employ more than 51 percent of the working population, and are mostly family-owned. Supporting Lebanese SMEs is therefore an important mechanism for increasing employment opportunities, and improved access to finance for SMEs is an essential factor allowing SMEs to grow.¹³

In Lebanon, family businesses are considered the base of the economy, constituting around 90 percent of the private sector.¹⁴

A year on from the blast that ripped through the port and large parts of Beirut, many small businesses continue to face an array of challenges, some of which go beyond the immediate effects of the explosion, according to research by the International Labour Organization (ILO) and the Fafo Institute for Labour and Social Research (Fafo).

For many businesses the explosion added to an already challenging business environment created by the economic and political crises in the country, as well as by the COVID-19 pandemic. Since the blast many businesses have faced a gradual reduction in demand for goods and services, an increase in raw material costs, hyperinflation and power cuts. This has cast doubt on their future.¹⁵

Owners of grocery and food retail stores, for example, say that customers are buying fewer perishable goods, as many cannot store food in refrigerators for long because of power cuts. Other business owners say that the high cost of obtaining raw materials is leading to increased prices of goods, dampening customer demand.

Another reported consequence is a rise in business debt, mainly owed to suppliers and other related creditors. Businesses have also accumulated costs related to the damage to their business structures caused by the explosion.

In addition to the damage caused by the explosion, reduced operations were closely associated with the COVID-19 pandemic. To cope with their economic difficulties, surveyed enterprises had reduced the wages of their employees by an average of one-third. This has contributed to reductions in the purchasing power of consumers, who the enterprises ultimately depend on.¹⁶

The case studies completed in the literature review have allowed for a better understanding of the structure of family businesses, their economic importance and the difficulties they face in the marketplace that can threaten their survival and continuity. Indeed, we must be careful not to assume too quickly that this type of business is fragile, affected by family relationships at the management level and suffers in the face of crises. For example, this indicates that the deterioration in economic performance that we have observed may be related to the economic and political conditions of the sample, or very simply related to the lack of enforcement of laws on functional business management standards. Therefore, the particularity and organizational characteristics of family businesses are the result of the dialectical relationship between performance and the contexts we have determined. The relationship between the family business and its economic performance in the face of crises has been analyzed in a longitudinal approach in order to be able to determine subsequently what are the strategies and objectives of family businesses as well as the specificities of the internal governance body that leads to a more precise study at the level of gains and performances. It is necessary to know and explain how the managers of family businesses can have plans to overcome crises in the market, which can be economic or financial-banking,

and how this management can determine the resilience and influence the financial performance of these companies. The culture of the companies in our study provided explanations to the questions posed. The complexity of the terrain of our study is clear and can be seen throughout our work plan.¹⁷

III. Research Methodology

This research focuses on Lebanese family businesses, with 272 businesses being a representative sample with 90% confidence level and 5% margin of error.

In general, it is difficult to compare different companies when their data is uncertain. However, it is feasible to find commonalities and differences between firms.

The data collected following the implementation of the questionnaire is important. Actually, 272 companies responded to 24 variables presented in the form of 24 questions on the current situation. Such a large amount of data requires the use of technological tools to group, summarize and select the significant information and to translate it in order to present it in an accessible and decipherable way. This part will aim to analyze and describe the profile of the 272 companies that responded to the questionnaire. Frequency comparisons are based on certain criteria such as: the number of employees, the date of creation, the sector of activity, (...). These variables will allow a better understanding of the companies in our sample. It should be noted that we obtained the data through the survey conducted which targeted 350 companies from different sectors. However, the sample falls to 272 companies that found an interest in responding to the survey. The questionnaire is elaborated according to the objectives of the study, and analyzes the relationship between the objective of certain companies and the behavior of its managers in relation to the adoption of plans and strategies for survival. The survey consists of 24 questions that provide information on two headings that tell us about various aspects of the current situation and its difficulties, as well as the state and decisions that can be taken within the companies.

- Identification of the company surveyed: this first section helps to access general information about the company such as: its name, location, sector of activity, etc. This information will also include the number of employees and the proportion of family employees in the company, which reflects the size of the company and the family's involvement in it.
- Difficulties and aspects of the crisis: this second section helps to access some information regarding the economic-financial as well as health difficulties including the Covid-19 and the state of this type of companies, how the obstacles and limitations have affected their performance and decisions especially at the level of the personnel and the strategies that can lead to changes on the activity of the family companies, finally if the owners consider the closure. It should be noted that in this study, the questionnaire was pre-tested and reviewed by mentors and got the opinion of specialists in some companies. The aim was to ensure that the research was in harmony with management practices. It remains to be seen whether the questions asked have been well assimilated by the managers of the companies to be surveyed and especially in the desired context. The different advices and remarks guided and helped to modify the questionnaire in the best possible way. After this pre-testing stage, it was necessary to execute the established questionnaire. There are several ways to administer the questionnaire. It can be administered in two ways: "traditional" (by mail, face-to-face, telephone and fax) and "modern" (by e-mail, or website). Each mode has its own specificities. We wanted to administer the questionnaire through all the modes available to us in order to maximize the response rate. However, the reaction of the managers, the subject of the research, the averages, the time and other factors obliged us to administer it face-to-face (directly) and electronically. And to take into account the factors we mentioned, we paid attention to include direct and understandable questions. And here we encountered other difficulties related to time, making appointments with the leaders, the problem with messages is that when sending, people tend to delay or it may be that they are busy which can lead to the total forgetfulness to fill out the questionnaire as well as some also find difficulties at the technological level. In addition, we used the free Google Docs service to create a website. The good thing about the website is that the completed answers automatically enter the database. These can easily be downloaded and exported in different modalities such as Excel (xls), Web (html) or Text (csv, txt).

Data collection consists in gathering facts that will allow to confirm or deny proposed hypotheses. There are many research methods (historical method, content analysis, interview, observation, etc.). The method of analysis of numerical data (statistics) was adopted for this study. The purpose of this method is to collect information and consult and aggregate available data. The sources of information provided by this method are figures from public or private sources and figures collected by oneself. As for the tools, this method will use spreadsheets (Excel, Statistical Package for Social Sciences), collections of statistics (Censuses) and tables, graphs, etc. Finally, the procedure of this method is summarized in the following steps that we are interested in applying in order to advance in the results of the study. The steps are:

- Collection of data

- Reading of data
- Evaluation of the data
- Presentation of the data

IV. Results and Discussion

Regarding the results of the survey, there is a significant difference in the distribution of sectors, where we notice that the dominant activity with 41% is undoubtedly the food industry, which includes supermarkets, fruits and vegetables stores, dairy products and butcher shops as well as restaurants and coffee shops, against 16% for trading companies, 12% for clothing and footwear and 7% for industrial and construction companies. Of the 272 companies surveyed, 24% are in various sectors such as: Electronics and communication, health, energy, automobile and hair and beauty salons. The size of the company is determined by two criteria: the number of employees and the amount of turnover. In addition, companies are always wise and do not disclose their turnover. This amount is a personal or even secret information or figure, which can give certain information to opponents. This explains why this question was not included and therefore the study was based only on the number of staff. According to results it can be seen that more or less three quarters of family businesses have 1 or 2 people from the family circle; usually the man and his wife or one of the children. It also shows the family weight of the total number of employees in the family business. It also shows the total number of employees, which reflects more accurately the size of family businesses. We can say that 80% of the entities are small businesses, 15% are medium-sized businesses with between 6 and 10 employees and 5% are larger businesses with more than 10 employees.

Now we are going to discuss how this situation affected the family businesses from two questions that appear in the questionnaire, the first one asks if the businesses laid off employees during this period and the second question if they were affected by the Covid-19 pandemic. To answer these questions, we will present the results obtained from the questionnaire. We will start with the results related to the dismissal of employees. Approximately, half of these companies did not lay off any employees, i.e., 46.9% companies. This can be explained by two reasons: firstly, the size of the family businesses, which are mostly small companies, and secondly, the family businesses, which are run by only two employees, are often the owner of the company and a member of the family (wife, son, daughter). Then 24.8% for the companies that laid off a few employees, 15.9% for those that laid off more or less, 13% for the entities that laid off a very large number of employees and finally 0.9% of total layoffs.

With regard to the second question, which concerns the impact of Covid-19 on family businesses, the responses were as follows. Obviously, the majority of companies have been affected by this health crisis that has affected the entire country. We can say that the majority of companies were affected from medium to maximum degree which represent 80.5% and 19.5% between low and null. Concerning expected growth during Covid-19, it was interesting to ask this question in a personal way (face-to-face) with the surveyed business owners, because it reflects the different degrees of opinion and optimism for these people regarding the current situation. The results show that approximately 57% are pessimistic, in other words they expect very little to no growth. On the other hand, 20.3% of surveyed companies reflect some degree of optimism that varies from minimal growth to significant growth. No doubt we had to ask what are the difficulties family business encounter in this period, this question was essential to determine what the family businesses suffer the most during this period. Certainly, it is obvious that the devaluation of the national pound which is the Lebanese Pound against the US Dollar is one of the most important reasons. We were interested as well to see if family business had plans in order to survive these difficult times, this question reflects the planification level that is present in the family businesses surveyed, as it is essential to have some plan or even small decisions to overcome this crisis. 88% of companies have a certain vision or management that differs from one level to another, either a complete plan or some measures. On the other hand, 12% of companies do not have any plan. The capital in a company is considered one of the most important factors for the success of the activity, continuity and expansion of the company. For this reason, we asked if a raise in the capital can solve this problem. However, the current situation is different, in the presence of the devaluation of the national currency. It can be said that 40% of companies think that this increase can solve the problem to some extent, 24% deny this hypothesis completely and don't agree at all, 19% the capital has a weak impact in this situation and 17% of companies agree very strongly with this hypothesis. Regarding the adjustments of the company's activity, we asked three questions about this topic. The first one is about changing the activity, the second one about expanding and the third one about removing some activities of the company.

Starting with the first one, 83.2% do not think of changing the family activity at all, while 16.8% companies are considering it. For the expansion, approximately half of the companies do not consider this possibility at all in the current moment, while 50.4% consider it in different aspects. Lastly, It can be seen that 54.9% of the companies do not plan to remove any of their activities, while 45.1% are considering this measure,

which varies between definitive removal and minor removal. We were interested in whether family businesses receive support during this crisis either locally, or from abroad. The results show that 68.4% do not receive any support, while only 21.6% receive little support and 10% receive relatively high support. This question implies asking the following question which is if family business owners consider finding an external partner. However, the answers on this question were somewhat predictable because one of the key characteristics of family businesses is the retention of business among family relationships. 88.5% companies responded that they do not consider this option at all, while 11.5% consider it. The following question was included in the survey to determine what are the objectives of family business on a long term. The results were in the following form: Creating benefits for family members (59.3%); Protecting the business as the most important family asset (19.5%); Ensuring the business stays in the family (9.7%); Create employment opportunities for other family members (7.1%); Create a legacy (4.4%). The last question of our survey was whether family business consider the closure and ending their activity completely, the results obtained show that 61.9% of companies do not consider ending their activities at all, 20.3% of the companies consider this option weakly, 13% bosses consider this approach more seriously and finally 4.8% entities consider this measure strongly.

After presenting each of the characteristics of the sample studied and the answers to the survey issued within the family businesses surveyed and before evaluating the final results of the empirical study, we will proceed to the execution of some tests that are essential in understanding our questionnaire in a thorough manner and its purpose, this will be achieved through the realization of correlation tests between the dependent and independent variables. The research hypotheses will be based on the above-mentioned questions which are considered as two variables having some correlation. According to the research hypotheses, the independent variables are the characteristics of family businesses and the effect of the current crisis that affects the economy, banks, national currency in addition to the health situation caused by the Covid-19 virus that further aggravates the circumstances. On the other hand, the dependent variable is characterized by the financial performance of the family business.

Our hypotheses in our empirical study are as follows:

H1: The impact of the current situation is the same in the regions present in North Lebanon.

H2: There is a relationship between the sector of activity of the family business and the effect of the current situation including the foreign exchange crisis and the Covid-19.

H3: The companies most affected by the current crisis have survival plans.

H4: Capital increase can be a solution for some companies depending on the type of their activities.

H5: The support received by family businesses depends on the sector of activity and the type of assets of the latter.

We will test the hypotheses related to our study stated previously and answer the problematic posed. In addition, we want to expose the relationship between some variables considered interesting to know if there is really a correlation. We will now proceed to the realization of the tests between the variables proposed in the hypotheses determined above. This is a cross-tabulation between the variables of each hypothesis, accompanied by a table showing a value defined as the significance value that will be used to determine if the relationship between the selected variables exists or not. Each hypothesis of those mentioned above has two sub-hypotheses:

- H0: or null hypothesis which means that there is no relationship between the variables studied.
- H1: or alternative hypothesis which indicates the presence of a relationship between these variables.

To determine which hypothesis will be accepted or rejected, we will compare the significance value obtained in each table with a value called α which is equal to 5% or 0.05. If the significance value is greater than the α value, we will accept H0 and reject H1, which means there is no relationship between the variables studied. If the significance value is less than α , then H1 is accepted, which means that there is a relationship between the variables. The test used in this section is called the "Chi-Square" test, which is used to test the correlation between two qualitative variables and not numerical, and is performed through the SPSS software. After defining the purpose of this section and the approach used, we will now proceed to the agreed upon tests. We will just show the final results obtained from the tests for each hypothesis and the analysis without showing the tables.

Test 1: The impact of the current situation and the area surveyed.

We will conduct this test to determine whether the impact of the current situation is the same in all regions of the identified sample or whether the effect of the crisis differs from one area to another. Significance value = $0.680 > \alpha 0.05$, which leads us to accept the null hypothesis and reject the alternative hypothesis. This hypothesis was posed to determine whether the impact of this crisis brings the same degree of threat to family businesses present in the northern region of the country. As the results obtained show, this relationship does not exist, in other words, the Covid-19 disaster as well as the economic crisis has affected the whole region and its

different geographical areas and even the whole country. That is, it is almost indifferent the location of the headquarters of the family business in this surveyed region.

Test 2: The impact of the current situation and the company's activity.

This test is performed to determine whether the impact of the current situation affects all business sectors equally or whether the effect of the crisis differs from one sector to another.

Significance value = $0.024 < \alpha 0.05$, which leads us to accept the alternative hypothesis and reject the null hypothesis. The second hypothesis highlights that there is a relationship between the sector of activity of the family business and the impact of the current crisis. In other words, that some sectors have been impacted more strongly than others. The results obtained show that this relationship exists and that the impact of this crisis is not the same for all sectors of family businesses. The most threatened sector is the trade sector in proportion to the total responses for each sector. This sector encompasses all the activities of buying and selling goods, it is obvious this because the latter relies largely on the import of goods from abroad as Lebanon is not a producing country. Given the financial crisis, the exchange rate crisis, and the devaluation of the national currency, it is now very difficult and costly to insure certain goods and import them because the payment is made by foreign currencies especially by the American Dollar.

Test 3: The impact of the current situation and the presence of a survival plan.

We are interested in performing this test to find out if the impact of the current situation pushes or forces family businesses to have plans to overcome this crisis or if they remain indifferent.

Significance value = $0.000 < \alpha 0.05$, which leads us to accept the alternative hypothesis and reject the null hypothesis. It was interesting to know if the presence of a survival plan or some measures to continue the family business depends on the degree of impact of the crisis, that is, if the company is strongly affected it definitely implies the presence of a plan and vice versa. We can say that this relationship exists because the results obtained show that the correlation is strong, however, there are exceptions or cases where the company is strongly affected but does not have a survival plan and this can be explained by the mentality of the owner of this company.

Test 4: Capital increase and sector of activity.

We will see for which sectors of activity the increase in capital can be a solution and if this relationship exists between these two variables.

Significance value = $0.000 < \alpha 0.05$, which leads us to accept the alternative hypothesis and reject the null hypothesis. We emphasize in this question the importance of the capital in the company and in its activity and the increase of this last one, if it can be in some way a solution during this current crisis. We believe that there is a relation between the increase of the capital as a solution and the sector of activity of the company. In other words, it can be a solution for some activities while for others it can have no impact and is not a solution to the crisis experienced. As already mentioned, capital is a major factor in the assets of a company, however, the current situation of the country has limited the role of the latter because the crisis goes far beyond the increase of equity capital to invest or develop or carry out research, the current situation lies in the decrease of each of the wages in value and the purchasing power of people as well as the increased price of goods especially imported. The results show that there is a relationship between these two variables, and that some activities can perform better with this increase in capital during this crisis. This relationship exists in the agribusiness sector, because the increase in capital in this sector allows people to buy more goods and consequently sell more because these products are ultimately necessities and people cannot not to spend on food.

Test 5: Capital increase and sector of activity.

We will see which business sectors receive support and whether there is a relationship between these two variables.

Significance value = $0.014 < \alpha 0.05$, which leads us to accept the alternative hypothesis and reject the null hypothesis. Finally, the last hypothesis focuses on the relationship between the type of activity of the company and whether they receive support either locally or from abroad. In times like these, companies should receive some support to help them overcome this depression, either from the state or from countries or international organizations. However, this is not the case in Lebanon because the state is corrupt and unaccountable and unable to even solve the major problems imposed, hence the lack of support for these companies. The results indicate that the majority of Lebanese family businesses do not benefit from subsidies while a small number of them receive little support. The purpose of the test conducted is to determine whether there is a relationship between the activities of the enterprises and the receipt of support, in order to identify which sectors receive subsidies and are beneficiaries. The results indicate that this relationship exists and that the benefit of subsidies depends on the activity of the companies. We notice that the agri-food sector is the sector that benefits most from its subsidies

and this is obvious and known because as already mentioned this sector is considered a first necessity for everyone because it ensures the survival and continuity of the human race.

V. Conclusion

The limitations encountered during this research can be summarized as follows. First, lack of responsiveness; the questionnaire once was prepared it was sent electronically via WhatsApp to try to collect as many responses as possible before going personally to the stores and interviewing the owners of the stores. However, the responsiveness of the people was not so encouraging because they do not have much patience especially the people that we are not too in contact with them, so only people close to them filled out this questionnaire. This required a considerable effort on social networks to encourage the target people or those who have family works and businesses. Another aspect related to the lack of reactivity is the case where the person asked to fill in the questionnaire agrees to do so but was busy at the time of the discussion and ended up forgetting and not responding. After mentioning the first limitation, the necessity to be present on marketplace was undoubtedly an obligation in order to collect the number of responses necessary for our sample to be representative. However, the situation experienced does not help too much at this stage because there is a very serious and dangerous health risk caused by Covid-19. It was preferable not to be in contact with the people, especially since they are all foreigners and present in several regions, which increases the risk of being infected by Covid-19. Even if the infection was not too serious, it will cause a slowdown in the progress of our research because we will not be able to concentrate and be energetic. Third limit was the lockdown, which is related to Covid-19. This virus has forced the government to force all stores to close for set periods of time, which has limited us from going out and asking family businesses to collect data. Another limit Time: the process of data collection requires a lot of time and full days dedicated to this step without forgetting the massive traffic jam in Lebanon. Therefore, the answers were not distributed proportionally between the regions. Unfortunately, it is sad to share this but this situation and this crisis has implied the presence of such a limit. The lack of fuels and the stop of the owners of the stations have limited us so much to move by car to be able to cover the distant regions. The majority of the owners of the family businesses surveyed were welcoming and motivated to answer our questionnaire. However, there were others who showed no interest and either did not want to give us any information or told us to come another time. In sum, these are the main limitations encountered during our research.

The recommendations for these companies are considered as solutions or measures that can be applied to overcome this crisis and ensure continuity. Renting the premises, presentation of new products, cooperation with similar companies, creation of new products, marketing on a large scale, working abroad, a change in the quality of the company's services, implementing new services on social media platforms, converting all of the institution's revenue to dollars, leveraging the delivery service, external funding, simplified pricing, sell at a lower price point, lower prices and sell more frequently, track prices at all times and buy when the price is low, intensify effort in terms of marketing, calculate costs in USD and sell products in USD. Secondly, we will present the recommendations for researchers who wish to carry out studies on this subject, by increasing the confidence level and decreasing the rate of error by having a better sample and a larger group of research for a better coverage. Finally, we recommend that the government to act in a more serious and responsible way in the management of the whole country and start to put plans to get out of this crisis and apply the necessary and indispensable measures to achieve this goal. The government should work to regain the confidence of the people at several levels: political, banking and even in the country itself. As well as the concentration attracted local and foreign capital and investors by showing the presence of an impartial jurisdiction and a good infrastructure, as well as the need to protect and support the already existing companies and especially those that are family owned because they constitute the majority of the Lebanese fabric and contribute strongly in the country's economy.

The national economic landscape has been deeply transformed in the last few years, due to several mutations generated by the political and economic regulation mode of the country as well as the geopolitical situation of the country, we went from a way of life that did not reflect the reality of our economy nor the real value of our national currency which takes its value from the American Dollar at a level even lower than the minimum required. The search for continuity and survival forces the Lebanese family business to adapt to the new environment which is not easy at all and presents very serious difficulties. This adaptation must pass through the adoption of new tools of reflection, analysis and action. To be successful in a turbulent and uncertain environment, the adoption of new management and production techniques has become a necessity even if this reality is known the practice remains hard. The survey conducted among the companies allowed us to have, on the one hand, a global overview on the characteristics of the Lebanese family businesses, and to identify the main factors likely to threaten the existence of the latter, as well as the difficulties they are facing. We also questioned whether these businesses have survival plans and what adjustments they are willing to make to their activities. But, before counting the contributions of this research in relation to the objective, it is important to recall the context of the theme under which the problem has evolved. Starting with the concept of family businesses in general, in which

this concept has evolved, as the object of research, we have faced a literature that has evolved phenomenally. Our quantitative study has enabled us to draw up certain findings that should be integrated into the theoretical framework used in this research. It is not a question of making an exhaustive reading of the theoretical bases used, but of confirming or invalidating the aspects to which we have resorted in the context of our research. We have adopted a quantitative approach, which we have chosen to complement, when necessary, with more specialized statistical analyses. The progressive approach, pursued in the theoretical analysis, guided us in the formulation of the analytical framework retained to study this type of enterprise in a thorough manner either in the world through the literature review or with regard to the Lebanese reality. To the extent that we certainly recognize the strengths and weaknesses of our work, highlighting the contribution of the research is a delicate task. However, this feeling may be subjective and readers may evaluate them differently according to their own criteria. The results of the Descriptive Frequency Tests and the Chi-Square, show that these companies have been around for a long time and there are also a number that have been created recently during the crisis. Obviously, the aspects of this crisis affect the entire Lebanese people and family businesses, yet a significant proportion have measures and plans to overcome this situation. Finally, a significant number of companies are not considering closing down their activities. Overall, this study aimed at identifying some factors that encourage Lebanese family businesses to resist during these difficult times and to show a degree of resilience.

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