

Adapting to change: The Covid-19 pandemic's influence on business and economic landscapes

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Abstract

This paper critically examines the impact of the COVID-19 pandemic on business performance and the adoption of remote working practices, focusing on 267 Czech companies across various sectors and sizes. The research, conducted in 2021, utilized descriptive statistical analysis to assess changes in profitability, turnover, receivable collection, and home-office adoption. Findings reveal that large, service-oriented companies experienced the most significant revenue declines (up to 55%), while micro and medium enterprises displayed greater resilience. The study highlights a major shift toward remote work, particularly in medium and large organizations, suggesting lasting changes in work culture and the need for technological readiness. By comparing results with existing studies, this research emphasizes the differential impacts of the pandemic across industries, contributing new insights into organizational adaptability, financial resilience, and strategic management during crises. It also underscores the importance of agile management, cash flow stability, and digital transformation in mitigating disruptions. The findings have practical implications for policymakers and business leaders, offering guidance for targeted support policies and enhanced crisis preparedness. Despite its valuable contributions, the study is limited by its regional scope and sample size, highlighting the need for cross-country and longitudinal studies. These directions could further explore the long-term effects of the pandemic and inform strategies for fostering resilience in a rapidly changing global business environment.

Keywords: *entrepreneurship, firm performance, COVID-19, home-office, the Czech Republic*

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1 INTRODUCTION

The global impact of the COVID-19 pandemic has been profound, particularly for companies experiencing reductions or suspensions in their activities. The repercussions of government-imposed restrictions in the Czech Republic have reverberated not only in the private sector but also in the public sector. These restrictions, put in place to curb the spread of the virus, significantly curtailed business activities in various sectors, with notable implications for industries such as hospitality, hotel management, transport, and tourism. Despite the extensive body of research on the economic and organizational impacts of the COVID-19 pandemic, significant gaps remain in understanding how specific business sectors and company sizes respond differently to such crises. Existing studies have predominantly focused on macroeconomic trends, large multinational corporations, or specific industries like tourism and retail. However, limited attention has been given to the nuanced experiences of companies in smaller, service-oriented economies, particularly in Central and Eastern Europe. Furthermore, while the shift to remote work has been widely documented, its feasibility and long-term implications for diverse organizational types and roles have yet to be fully explored. This study

addresses these gaps by focusing on Czech companies of different sizes and across various sectors, providing a granular perspective on pandemic-induced changes in profitability, receivable collection, and home-office adoption. By integrating these dimensions, this paper offers valuable insights into the pandemic's differential impact on organizational resilience and work culture adaptation.

The far-reaching consequences of the pandemic extend beyond national borders, affecting both health and economic landscapes worldwide. Noteworthy studies by Tröster and Küblböck (2020), Valensi (2020), and Elmarzouky et al. (2021) underscore the dual impact on health and the economy. Regions with inadequate healthcare infrastructure, coupled with heavy reliance on tourism and international trade, have borne the brunt of the pandemic's economic fallout (Tröster & Küblböck, 2020). Similarly, Chang et al. (2020a) argued that the pandemic significantly affected mainly the sector of tourism, international travel and hospitality. Chang, et al. (2020b) investigated issues connected with the pandemic and areas of tourism, global health security and risk management in business and medical sciences. Other studies that look at pandemics and their effects on tourism and government regulations include Gössling et al. (2020), Hall et al. (2020), Chang et al. (2020a), Qui et al. (2020) and Williams (2021).

The market landscape has undergone turbulent transformations, driven by shifts in consumer behaviour favouring safety and health over social contact. This change in consumer preferences has significantly altered the demand for products and services across various industries. In response to the unpredictability of these market dynamics, company managers have increasingly opted to retain financial resources within their organizations, establishing a financial safety net for emergencies (Hagerty & Williams, 2020). The consequence of these strategic moves is a reduction in company investments, corporate revenues, and overall performance (Shen et al., 2020).

As companies grapple with these challenges, the imperative to ensure business stability and sustain market presence has become paramount. Navigating these uncertainties requires a strategic focus on retaining a foothold in the current market environment.

Dvorský et al. (2020) underscore the pivotal role of strategic planning in helping companies effectively navigate the turbulent changes triggered by the pandemic. Building on this, Lesníková et al. (2022) conducted a comprehensive analysis of the features of strategic management, with a particular focus on how profitable companies employed strategic measures during the pandemic. Their study, measuring financial performance through profit, sheds light on the adaptive strategies adopted by companies facing unprecedented challenges.

This paper assesses the specific impact of the Covid-19 pandemic on company performance, measured by both profit and total revenues. Additionally, we delve into the effects of the pandemic on receivables encashment, exploring the nuanced financial implications. Furthermore, a second key objective is to illuminate the pandemic's influence on the adoption of home-office practices.

Our research, grounded in a questionnaire investigation, reached out to 267 companies in the Czech Republic during 2021. The data collected were rigorously analysed using descriptive statistical methods to draw meaningful insights. The completed questionnaires were divided into groups according to the size of the company (micro, small, medium, large) and according to the area of business (manufacturing, business, services). In these groups, the average values of selected parameters were calculated.

The paper unfolds in a structured manner. The literature review primarily focuses on unravelling the impact of Covid-19 on firm performance. Following this, the subsequent section delineates the research objectives, the data utilized, and the methodology employed in this

study. The results and discussion section critically present the research outcomes, while the conclusions succinctly encapsulate the main ideas derived from the study.

2 THEORETICAL BACKGROUND

1.1. Impact of COVID-19 on firm performance

Various sectors across diverse industries experienced profound repercussions due to the global impact of the COVID-19 pandemic. Shen et al. (2020) highlight the far-reaching effects on healthcare, transportation, and the broader economy, a sentiment echoed by numerous other authors. Fu et al.'s (2020) research in China specifically identifies tourism, transportation, film and entertainment, and retail as among the most severely affected industries.

The World Health Organization (WHO) officially categorized COVID-19 as a global pandemic, underscoring its widespread impact across nations. The rapid transmission of the virus from person to person contributed to a surge in cases, prompting governments worldwide to implement measures and restrictions aimed at decelerating the spread (Shen et al., 2020). The government's response to the pandemic was addressed by a number of authors such as Abdullah and Kim (2020), Ashraf (2020), Dong and Lu (2020), Greer et al. (2020), and Huynh and Duong (2022).

In response to the escalating epidemiological situation, many governments, including that of the Czech Republic, adopted comprehensive measures to support affected sectors of the economy, entrepreneurs, and employees. Ministries were tasked with developing and approving programs addressing income tax, value-added tax, road tax (issued by the Ministry of Finance), and employment protection initiatives, compensation bonuses, and tourism support programs (initiated by the Ministry of Labor). These programs were strategically designed to mitigate the risk of bankruptcy for vulnerable businesses.

The imposition of unprecedented quarantines in affected countries has had a profound impact on population mobility, resulting in a decline in spending power and economic stagnation. Fu et al. (2020) emphasize that government orders have led to significant job losses and the subsequent decline in income. Similarly, Otraschenko (2022) observes that quarantine measures pose a direct threat to the existence of entrepreneurs and small businesses. Similarly, Fang et al. (2021) presented that government measures had a significant impact on industries such as tourism, which are heavily dependent on the movement of people.

The dynamic shifts in the market environment prompted changes in the behaviors of both households and companies, characterized by constrained consumption and reduced investments. This decline in demand, coupled with supply disruptions, resulted in a significant economic downturn in the second quarter of 2020 across the majority of countries. Recent research on Covid-19 and firm performance has been conducted globally, spanning Asia (Fu et al., 2020; Shen et al., 2020), Africa (Cabossou et al., 2022), and Europe (Elmarzouky et al., 2021). Some studies have delved into firm performance before and after COVID-19 or explored how disclosure practices impact performance. Other studies have focused on various aspects of consumer behaviour, firm performance, and corporate social responsibility. They specifically focused on industries such as tourism and retail (Donthu and Gustafsson, 2020).

Fu et al. (2020) confirmed a negative impact on the performance of energy companies in high-pandemic areas in China, with lower performance attributed to decreasing investment scales and reduced total revenues (Shen et al., 2020). The African continent also experienced adverse effects, as Chabossou et al. (2022) found a 53% drop in turnover for exporting companies in Benin due to COVID-19. Elmarzouky et al. (2021) revealed a positive association

between COVID-19 disclosure and the level of performance disclosure in annual reports, particularly by companies with stronger governance structures.

While the overall economic impact of COVID-19 has been negative, its effects have varied across industries. Some sectors experienced declines, while others showed resilience and growth. Regardless of the industry, experts (Otraschenko, 2022; Ciarli et al., 2021) suggest that flexible businesses have a better chance of survival. The ability to adapt business management and acquire new skills during the pandemic proved crucial for sustaining businesses (Otraschenko et al., 2022).

In the context of the pandemic, business managers proactively implemented preventive measures and formulated action plans and crisis scenarios to mitigate risks and their impact on business activities. Belhadi et al. (2021) and Kumar et al. (2021) add that, to mitigate risks during a crisis, it is important to strive to maintain business partnerships and continuity, as well as ensure financial sustainability. Companies gaining an advantage are those enhancing internal processes, reducing non-essential expenses, and rigorously planning and managing cash flow to maintain liquidity. Managers developed various scenarios to anticipate the potential effects of the crisis, including a possible loss of sales. Fu et al. (2020) noted that energy companies struggled to cover fixed expenses during the pandemic, emphasizing the need to focus on fixed expenses in connection with overall company performance and reduce the degree of operating leverage.

Additionally, diversifying supply chains, exploring alternative suppliers, and identifying opportunities in different market segments are strategies that could benefit companies during challenging times, as summarized by Ishida (2020). Studies contributing to the literature by analysing pandemic and supply chain management were presented by Ivanov (2020), Chowdhury et al. (2021).

For many companies, the pandemic ushered in a challenging landscape marked by the need for more assertive receivables collection, the risk of losing customers, and a subsequent decline in income. The uncertainty of the future and the rapid pace of changes prompted a reevaluation of financial strategies. Cash flow management emerged as a top priority, with companies recognizing the necessity of sufficient funds not only for sustaining business relationships but also for the overall continuity of their operations.

Lesníková et al. (2022) shed light on the interdependence between the implementation of strategic management activities and a company's profitability. They identify key areas of strategic goals, encompassing the maintenance of market position, financial objectives (such as liquidity, credit confidence, profitability, and self-financing capacity), social goals, goals related to long-term and sustainable development, and the retention of the company's current market position. Their analysis focuses on the financial performance of companies, measured by profit.

The crisis underscored the imperative to explore investment opportunities in new technologies, propelling sectors like logistics, delivery, and information technology into further development. A positive aspect of the pandemic was the potential for the modernization and digitalization of products and services, particularly in logistics, delivery, and information technology (Ciarli et al., 2021). The pandemic also has led to changes in consumer buying behaviour. Concerns about the epidemic accelerated the frequency of online shopping and placed new demands on the technologies associated with it (Jiang & Stylos, 2021; Chopdar et al., 2022). Many companies emerged to provide innovative solutions in these fields, addressing the consequences of lockdowns. These solutions include applications for contact tracing, cashless commerce, data management banks, e-health services, and more (O'Leary, 2020). Zhu and Xie (2022) add that digitalization plays a key role in epidemic prevention. Amankwah-

Amoah et al. (2021) examines how the pandemic drove or constrained the digitalization of business around the world. Zhu and Xie (2022) identify and analyse six topics that need to be focused on in the post-epidemic era. To these research themes belong the relationship between COVID-19 and following topics in field of economic management, namely crisis management, supply chain, digitalization, economic development, organizational management and sustainable development.

1.2. Pandemic Covid-19 and home-office

The COVID-19 pandemic left an indelible mark on various industries, significantly complicating business operations and transforming the daily lives and working conditions of employees (Dettmers & Plückhahn, 2022). Initially, many conservative employers were reluctant to offer remote working options to their employees. However, the necessity to mitigate the risk of virus transmission in the workplace and reduce reliance on public transport prompted a widespread adoption of home-office, virtual meetings, and contactless transactions by numerous employers (Minkus et al., 2022).

Organizations were compelled to implement various measures, allowing employees to work from home, often connecting to company networks through remote access. The utilization of modern technologies enabled effective communication among colleagues and clients, even over long distances.

The concept of home-office served as a litmus test for the potential of remote work under normal circumstances. It became evident that the pandemic had revealed the limits of home-office, prompting discussions on how to strike the right balance between work and family arrangements. The feasibility of working from home was found to be particularly significant for highly educated individuals and those in prestigious occupations, compared to roles requiring a physical presence in the workplace (Minkus et al., 2022).

Physical presence in the workplace became a concern for certain employees, especially in sectors most affected by the crisis, such as accommodation and food services, transportation, and retail. Employees in these sectors faced the risk of reduced working hours or even permanent layoffs (Brussevich et al., 2022). The pandemic posed unique challenges for solo entrepreneurs, independent contractors, and temporary workers, who grappled with the dilemma between health risks and the loss of livelihood due to government restrictions. These measures directly impacted the existence of small businesses and solo entrepreneurs in sectors such as retail, accommodation, and food services (Kuckerts et al., 2020).

Studies on telecommuting conducted by Dettmers and Plückhahn (2022) and Brussevich, et al. (2022) shed light on the effects and implications of working from outside the traditional workplace. Dettmers and Plückhahn (2022) explored the impacts of the first lockdown in 2020 during the Covid-19 crisis on job characteristics and the transition to remote work. Their findings indicated a substantial change in job demands and the physical work environment (Dettmers & Plückhahn, 2022). Brussevich et al. (2022) delved into employees' ability to work from home and the labour market consequences. They highlighted that the feasibility of home-office depended on the nature of work tasks and the level of information technologies. According to their study, 42% of managers and professionals could work from home, taking into account occupation-level and tele-workability.

Research on accountants and their quality of life at home-office during the pandemic was presented by Lizote et al. (2023). Another study analysed the influence of output control and the motivation of public servants at home-office during the pandemic (Silva & Rosa, 2023). Costa et al. (2022) provide an empirical study assessing home-office workers and their mood spectrum variations, sleep disturbances and the general impact of the pandemic on everyday

life. Wilms et al. (2022) also continued in this area and analysed the influence of home-office in correlation with regulations on sedentary and activity behaviour. Their results confirmed increases in pain and parenting stress and, on the other hand, a decrease in well-being.

Despite challenges, working from home brought positive aspects such as reducing commuting time and costs and harmonizing work and family commitments (Minkus et al., 2022). The pandemic acted as a catalyst for a shift towards a combination of in-office and home-office work arrangements (Brussevich et al., 2022). The widespread acceptance of the possibility of working from home during the pandemic suggests that this trend may persist into the future (Minkus et al., 2022).

3 RESEARCH OBJECTIVE, METHODOLOGY AND DATA

The primary objective of this study is to comprehensively investigate the impact of the COVID-19 pandemic on firm performance. The research seeks to address the following specific questions:

1. Did COVID-19 have a positive or negative effect on the economic aspects of companies, including turnover, profit and accounts receivable turnover?
2. To what extent did COVID-19 influence the feasibility and frequency of working from home, particularly in the context of home-office practices?

To achieve these objectives, a questionnaire-based investigation was employed. The survey targeted companies in the Czech Republic and was conducted in 2021. The distribution of the questionnaire was facilitated by students from the Faculty of Management and Economics at Tomas Bata University in Zlín, reaching organizations across all regions of the Czech Republic. The study garnered responses from a total of 267 organizations. The size of the sample under study is small compared to the number of registered companies in the Czech Republic. This limitation is due to technical and organizational difficulties in reaching out to respondents. It is especially noticeable in large companies, of which there are only 23 in the sample. As a result, the evaluation results for these companies have relatively low informative value.

The questionnaire design incorporated a mix of closed and open-ended questions. These questions aimed at identifying the sectors most affected by the pandemic, assessing the impact of government measures, and exploring the relationship between corporate performance and the COVID-19 pandemic. The second segment of the investigation focused on understanding the correlation between home-office practices and the pandemic. Specifically, the questions delved into the possibilities of implementing home-office during the pandemic and the duration for which employees could work remotely.

The research was assessed by using descriptive statistics. The average values of variables were calculated within subgroups based on the size of the company and the field of business. In cases where average relative changes of an absolute indicator U were sought between two consecutive years (U_0 and U_1), the variables were averaged as follows: $U^* = 2 \cdot (U_1 - U_0) / (U_1 + U_0)$.

4 RESULTS AND DISCUSSION

The dataset for this study comprises responses from a total of 267 organizations. Figure 1 illustrates the distribution of organizations based on their size category and sector classification according to the Czech Statistical Office's Nomenclature of Economic Activities (CZ-NACE).

The examination of organizational size reveals that small and micro businesses constitute the predominant segments within the sample. Specifically, small businesses account for 40%, while micro businesses represent 31%. Medium-sized enterprises constitute 21% of the sample, and large organizations constitute a modest 8%.

In alignment with the CZ-NACE classification, we further categorized industries into three overarching sectors:

- **Manufacturing:** Encompassing activities such as agriculture, forestry, mining, manufacturing, electricity, heat gas, water production, supply industries, and construction.
- **Business:** Encompassing wholesale and retail trade, as well as real estate activities.
- **Services:** Encompassing transportation, warehousing, postal services, accommodation and catering, information transmission, software and information technology services, scientific research, water, environmental and utilities management, residual services, repairs, education, health and social work, and culture, sport, and entertainment.

From a classification standpoint, the proportion of services and manufacturing sectors in the sample is approximately equivalent, accounting for 41% and 37%, respectively (see Fig. 1). The business category represents 21% of the entire representative sample.

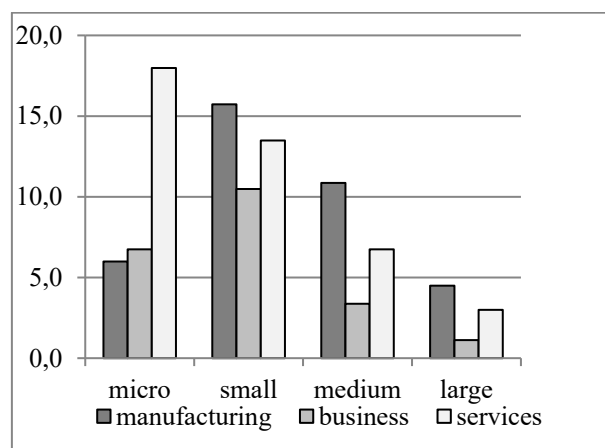


Fig. 1 - Category of business. Source: own research

The evaluation of company performance encompasses various indicators, with profit being a key value criterion. Additionally, assessing certain indicators requires insights into total revenue (turnover) and the company’s asset value. The following inquiries were directed toward gauging corporate performance using the aforementioned indicators. Year-on-year changes in these indicators are expressed as relative changes compared to their average values from both years.

Profitability, a pivotal metric in measuring business success, is a critical focus. Profit margins, return on assets, and return on equity are key indicators that shed light on the company’s financial health. These metrics provide nuanced insights into the efficiency of resource utilization and the overall financial performance over the observed period.

Furthermore, the examination extends to the assessment of turnover, a fundamental aspect of economic performance. Understanding the dynamics of revenue generation and the

factors influencing its variations is vital for comprehending a company's market standing and adaptability to external forces.

Assets, being a significant component of a company's wealth, are also under scrutiny. Changes in the composition and utilization of assets are assessed to discern their impact on overall corporate performance.

The utilization of relative changes in indicators facilitates a meaningful year-on-year comparison, considering the average values from both years. This approach provides a more nuanced understanding of performance trends, offering insights into the company's adaptability and resilience in the face of evolving economic conditions.

Research Question 1: Does COVID-19 have a positive or negative effect on the economic aspects of companies, including turnover, profit and accounts receivable turnover?

From the perspective of company assets, the impact of the Covid-19 pandemic appears relatively modest. Noteworthy year-to-year growth in company assets is particularly observed among micro and medium-sized enterprises within the service category (see Fig. 2). Conversely, a marginal decline in assets is noticeable among small enterprises in the production sector and large enterprises engaged in business operations.

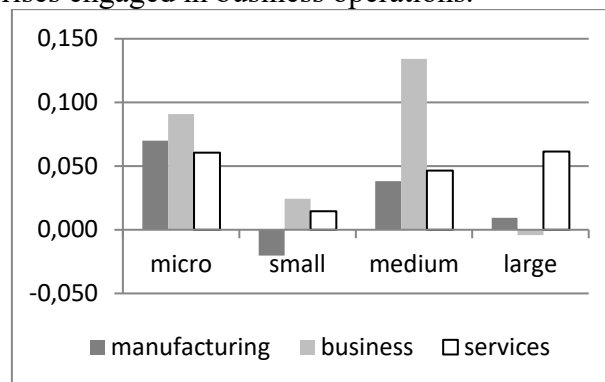


Fig. 2 - Year-on-year change of assets of the analysed enterprises in %. Source: own research

However, a discernible year-on-year decline in turnover is evident across the majority of analysed sectors, a trend primarily influenced by government-imposed quarantine measures in the Czech Republic (see Fig. 3). The pandemic's effects are prominently reflected in the turnover dynamics of the surveyed enterprises.

Notably, large companies providing services, specifically in wholesale and retail, and real estate businesses, experienced a substantial 28% year-on-year drop in turnover. The manufacturing sector bore a significant impact, witnessing a notable decrease in demand. This decline is characteristic of a sector reliant on human labour and social interaction.

This observation aligns with the research conducted by Fu and Shen (2020), revealing that in China, the sectors most severely impacted by the outbreak comprised service-oriented industries, including tourism, film, TV entertainment, retail, and transportation. Consistently, Shen et al. (2020) undertook a similar analysis, pinpointing industries negatively affected by the Covid-19 pandemic. According to their study, the sectors experiencing the most substantial decline included accommodation and catering, with education closely following. It is noteworthy that revenues for micro and small businesses experienced a slight increase, while for medium-sized businesses, there was practically no change. Particularly striking is the significant drop in revenue for large companies engaged in trade, registering a substantial decline of 55%. The notable 55% decline in revenue for large companies engaged in trade

during the Covid-19 pandemic could be attributed to a confluence of factors. Supply chain disruptions, stemming from lockdowns and factory closures, may have impeded the ability of these companies to meet market demands. Changes in consumer behaviour, such as a preference for online shopping and reduced spending on non-essential items, could have impacted traditional retail models. The global economic downturn induced by the pandemic may have affected purchasing power and overall demand. Large trading companies, with diverse market exposure, could have been particularly sensitive to economic fluctuations, especially in sectors deeply impacted by the pandemic. Operational challenges, such as adapting to safety protocols and managing complex operations, might have resulted in inefficiencies. The financial structure of these companies, including high fixed costs or significant debt burdens, could have made them more susceptible to economic shocks. Additionally, industry-specific factors, especially in sectors reliant on physical presence, may have contributed to the substantial decline in revenue. These speculations highlight the multifaceted nature of the challenges faced by large trading companies during the unprecedented circumstances of the pandemic.

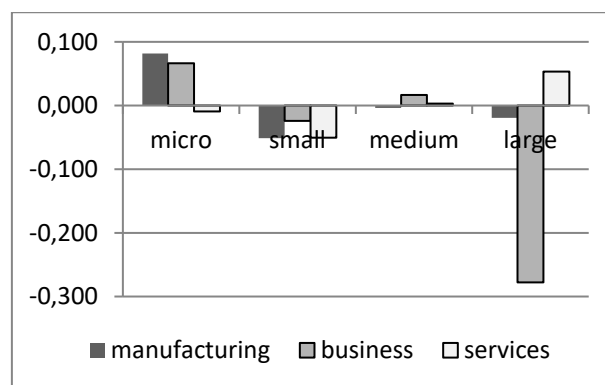


Fig. 3 - Year-on-year change of revenue of the analysed companies in %. Source: own research

A positive trend in revenues in 2021 was expected by managers of all companies across all sectors except micro units providing services. The largest increase and change in the post-covid era was assumed by medium-sized companies.

Tab. 1 - Expected turnover in 2021 by managers of the analysed companies. Source: own research

	micro	small	medium	large
manufacturing	6.0 %	1.7 %	2.7 %	3.3 %
business	6.0 %	9.9 %	15.0 %	0.0 %
services	-2.4 %	13.8 %	18.1 %	15.0 %

From the profit before taxation point of view, micro companies providing services and small manufacturing organizations suffered the most (see Fig. 4). A smaller drop is evident in the trade category. On the contrary, medium-sized companies were successful across all categories. Profit growth by these companies was in the range of 5-60 %.

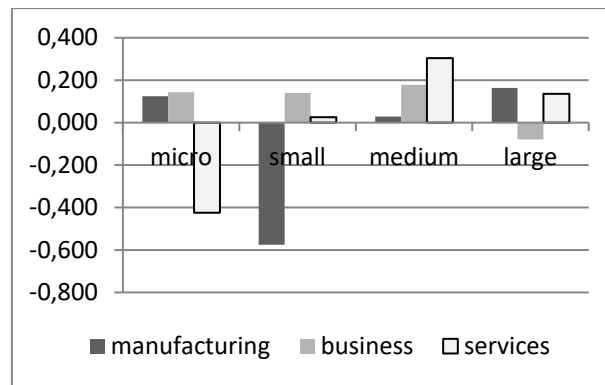


Fig. 4 - Year-on-year change of profit of the analysed companies in %. Source: own research

A number of companies faced situations associated with more demanding debt collection. The following table provides information on the year-on-year increase in the average number of days of encashment of receivables. It is evident that encashment of receivables has been prolonged especially for companies the activities of which are connected with business in the category of trade. Half of the analysed companies (50%) processed the analysis of outstanding receivables before the pandemic and have continued to do so in the subsequent years. It emerged from the results of the questionnaires that the frequency of these controls would be more frequent than before the pandemic Covid-19.

Tab. 2 - Year-on-year change of encashment of receivables in %. Source: own research

	micro	small	medium	large
manufacturing	-1.9	4	1.3	2.7
business	12.9	5.1	12.5	12.4
services	6.4	2.8	0.7	0.9

Research Question 2: To what extent does COVID-19 influence the feasibility and frequency of working from home, particularly in the context of home-office practices?

The Covid-19 pandemic wrought significant impacts across industries, compelling employers to transition to work-from-home arrangements. This aspect forms a crucial focus of our research. Charted data illustrates the relative adoption of home-office practices during the Covid-19 pandemic, with Fig. 5 summarizing responses from companies that had not previously utilized home-office setups. Notably, medium and large companies displayed a more agile transition to remote work.

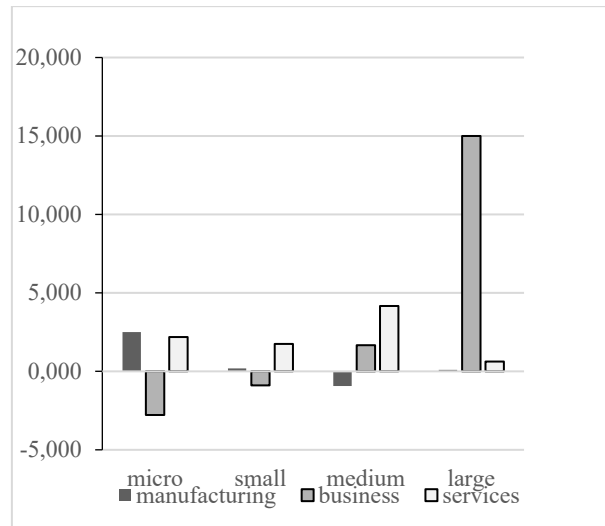


Fig. 5 - Implementation of home-office. Source: own research

The widespread adoption of remote work emerged as a prevalent solution during the pandemic globally. Our study delves into the relationship between the pandemic and the prevalence of home-office practices, as depicted in Figure 6. The percentage presented in the figure represents the proportion of working hours respondents spent on home-office both before and after the pandemic. The survey results affirm our expectations, revealing a noteworthy trend whereby post-pandemic, many employers embraced and expanded the option of working from home or utilizing home-office significantly more than before. This aligns with findings from Minkus et al. (2022), supporting the feasibility of working from home for a substantial proportion of employees. Notably, the results indicate a remarkable increase across almost all companies surveyed, with the exception of micro-manufacturing companies, where the increase was less pronounced.

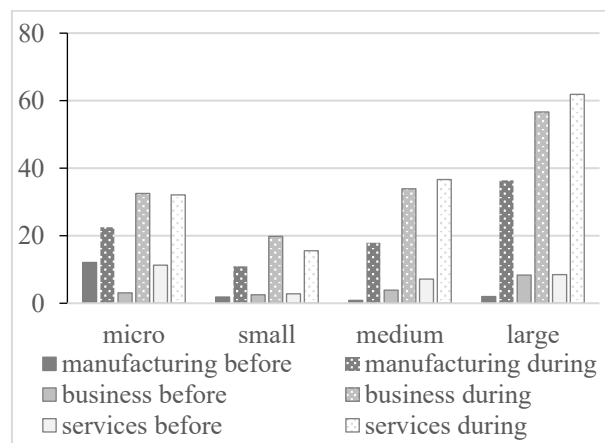


Fig. 6 - Time using home-office in %. Source: own research

5 CONCLUSION

The findings of this study provide a nuanced understanding of the COVID-19 pandemic's impact on businesses in the Czech Republic. To contextualize and emphasize the significance of these results, a comparison with existing literature is presented.

The observed year-on-year decline in turnover, particularly in large service-oriented companies, aligns with the findings of Shen et al. (2020) and Fu et al. (2020), who identified a substantial drop in revenue among industries reliant on physical interaction, such as tourism, retail, and hospitality. This study corroborates their conclusions by extending the analysis to include variations across company sizes and sectors, revealing that micro and medium enterprises demonstrated more resilience compared to large enterprises. This contrasts with Chabossou et al. (2022), who reported uniform declines in turnover across companies in African economies, emphasizing the geographic and structural differences in pandemic impact.

The study's insights into the increased adoption of home-office practices resonate with the findings of Minkus et al. (2022) and Brussevich et al. (2022), which highlighted a significant shift towards remote work during the pandemic. However, this study expands on their work by focusing on how the feasibility of remote work varies across sectors and company sizes, with medium and large companies exhibiting greater adaptability. This result underscores the role of organizational resources and technology readiness in enabling remote work, a point emphasized in the broader literature.

The extended receivables encashment periods observed in this study parallel the findings of Kumar et al. (2021) and Belhadi et al. (2021), who noted increased financial strain on supply chains and cash flow. However, this research highlights a distinct pattern: while small and micro businesses managed receivables with relatively minor delays, large companies in trade experienced significant disruptions, likely due to their more complex supply chains. This adds granularity to previous studies, particularly those by Ivanov (2020), which focused on broader supply chain resilience.

The service sector's vulnerability, demonstrated by a significant downturn in turnover, echoes the results of Gössling et al. (2020) and Hall et al. (2020), who observed similar trends globally. However, this study uniquely identifies a relative growth in micro-enterprise assets within the service sector, suggesting that smaller firms may have adapted more swiftly by pivoting to digital or niche offerings, a nuance not captured in the aforementioned studies.

The findings on strategic management align with Dvorský et al. (2020) and Lesníková et al. (2022), who emphasized the critical role of strategic planning during crises. However, this study builds on their conclusions by demonstrating how profitability varied significantly across company sizes, with medium-sized companies showing the greatest gains, potentially due to more agile decision-making processes and balanced resource allocation.

By situating the results within the context of existing literature, this study highlights the unique contributions of its findings to understanding the differential impacts of the pandemic on businesses. While the results align with global trends in turnover decline and remote work adoption, they offer new perspectives on the adaptability of Czech enterprises and the pivotal role of company size and sector in shaping resilience. These insights not only affirm previous research but also expand the scope of knowledge in pandemic-related business studies.

This study advances scientific understanding by providing a detailed analysis of the pandemic's varied impact on businesses by size and sector, offering insights into organizational resilience under crisis conditions. The integration of financial stability, remote work, and sector-specific performance adds to existing theories of crisis management and digital transformation. Practically, the findings inform business leaders and policymakers on strategies to enhance resilience, such as investing in digital readiness, agile management, and cash flow stability. These insights can guide targeted support policies and improve crisis preparedness, demonstrating the study's broader relevance to both academia and industry.

This study is limited by its focus on Czech companies, which may restrict the generalizability of findings to other contexts. The relatively small sample size, particularly among large enterprises, also limits the broader applicability of sector-specific insights. Future research could address these limitations by expanding the sample size and including cross-country comparisons to explore regional differences in pandemic resilience. Additionally, longitudinal studies could provide deeper insights into the long-term effects of remote work adoption and financial strategies. Further investigation into sector-specific innovations and the role of digital transformation across industries would also enrich understanding and inform more targeted business and policy interventions.

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