

**Business analysis in the times of COVID-19: Empirical testing of the contemporary academic findings****Slobodan Adžić<sup>a</sup> and Jarrah Al-Mansour<sup>b\*</sup>**<sup>a</sup>University UNION – Nikola Tesla, Serbia<sup>b</sup>Arab Open University, Kuwait**CHRONICLE***Article history:*

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**ABSTRACT**

The pandemic of the coronavirus known as ‘COVID-19’ has spread rapidly across the globe, resulting in a worldwide economic recession. Although global efforts are in place to combat the virus, it continues to spread on a massive scale. This is not just a medical crisis; rather, it is a business crisis as well. Therefore, the aim of this paper is to develop a research scale that could be used to analyze the impact of COVID-19 on business. We adopted a scale variables approach that is generated from topics covered in the papers of leading academic business journals to form the basis of our analysis. We exposed the scale to qualitative and quantitative testing and concluded that it is reliable for research on the negative effects of COVID-19 on enterprises. The scale was used to investigate the impact of the COVID-19 on businesses in two countries, namely Serbia and Kuwait, to represent two different continents. The results of this research indicate that the influence of this coronavirus is equally devastating in both countries, Kuwait with its otherwise good economic conditions and Serbia with relatively poor ones. The findings of the research are beneficial for both academics in producing quality output papers, as well as their support to managers in various business industries in their fight against coronavirus to keep their businesses sustainable.

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**1. Introduction**

In what is likely the most unprecedented event of the last 100 years, a coronavirus pandemic is currently shaping our lives. Its impact on our lives and indeed our businesses is enormous and according to emerging diseases expert Amesh Adalja of the Johns Hopkins University Center for Health Security, a hard fact is that “October 2020 won’t look nothing like October 2019” (Begley, 2020). The kind of crisis that could have such a sudden and severe impact on business and society as a whole could not have been foreseen (HBR Insights, 2020). The current pandemic has been caused by the novel coronavirus SARS-CoV-2, the seventh virus from the coronavirus family (Rudan, 2020). The disease that SARS-CoV-2 is spreading is called COVID-19 (CORONAVIRUS DISEASE 2019). The number of coronavirus cases at the time of writing this paper was over 13 million, with almost 0.6 million deaths worldwide, and these numbers are still rising (Worldmeter, 2020). The scope of COVID-19 is a “grand challenge” (Bacq *et al.*, 2020), whose solution calls for a major effort by entire communities, but especially the academic community. The COVID-19 pandemic will change our businesses and society in important ways (Reeves *et al.*, 2020). It is imperative to manage risk and uncertainty during a pandemic (Sharma *et al.*, 2020). Risk can be anticipated and measured with probability techniques, hence uncertainty, as a multidimensional concept, cannot be anticipated and it is very difficult to ‘measure’ it in any meaningful way. The uncertainty arising from the COVID-19 crisis is a prime example of multidimensionality. It started as a global event. The next level of uncertainty came at the national level, which encouraged the governments to manage the health crisis. Lockdowns and social distancing, as some of the government

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measures, expanded the uncertainty at the industry and firm levels. Nevertheless, further types of uncertainty became prevalent during the pandemic, namely those of social uncertainty and information uncertainty (Sharma *et al.*, 2020).

The history of *Homo sapiens* is replete with battles against infectious diseases, with the most severe medieval outbreaks killing up to every third person. However, the last century has seen an age of incredible advancement in science and medicine. Unfortunately, we do not have a cure for all diseases, but this pandemic certainly does not look like it will cut a swathe through humanity (Rudan, 2020). Nevertheless, the new types of uncertainty have resulted in infodemia and pseudoscience (Caulfield, 2020). Alcohol, cocaine, and bleach have all been recommended as cures to COVID-19. Today's society needs to stand up against misinformation. We need more researchers from all disciplines to provide accurate and scientifically robust research (Caulfield, 2020). Based on this call, the aim of this paper is to critically evaluate existing papers from the leading journals on the impact of COVID-19 on business. We seek to generate critical topics from those papers in order to generate the variables (*V*) for our quantitative research. From the twenty chosen variables, we constructed a scale which we tested qualitatively and quantitatively. For the qualitative test, a base was a paper that described the overall effects of COVID-19 on businesses in China, which was the first to be affected by the virus, was selected. The quantitative test was based on statistical reliability analysis. Thereafter, the empirical testing of the variables on the business enterprises in Serbia and Kuwait is presented, and the findings introduced. In conclusion, avenues for future research are identified.

## 2. Methodology

### *Data collection procedure*

The aim of this paper is to develop a research scale that can be used to analyse the impact of COVID-19 on business. Therefore, we adopted scale variables approach that is generated from topics covered in the papers of leading academic business journals, and which form the basis of our analysis. We exposed the scale to qualitative and quantitative testing and concluded that it is reliable for research on the negative effects of COVID-19 on enterprises. The scale was used to investigate the impact of the COVID-19 on businesses in two countries, namely Serbia and Kuwait, to represent two different continents. We divided the findings into two main categories, namely contemporary academic findings and empirical findings. In the first category, we have identified twenty critical variables from the extant literature in relation to the research scale of the "Impact of COVID-19 on Business". For the second category, we developed a quantitative survey and collected our data from Serbia and Kuwait in the first half of July 2020. From the twenty variables, we formed twenty Likert-scale questions (See Fig. 1). We distributed our survey electronically through an online host, Google Docs. Adopting computerized surveys has become an acceptable alternative to paper-based surveys (Norman *et al.*, 2001). Furthermore, the use of electronic-based surveys has significantly increased since the late 1990s (Ilieva *et al.*, 2002). It should be noted that our targeted participants were managers at senior levels from private organizations. We adopted a snowball sampling technique to collect the required data. This technique was adopted so as to reach a wider range of managers from both countries, who are believed to possess the correct knowledge for and who would enrich the findings of this research.

### *Contexts and data collection analysis*

Serbia is a European country with an area of 77,474 km<sup>2</sup> and a population of 7,012,165 people, while Kuwait is a much smaller Asian country with an area of 17,818 km<sup>2</sup> (CIA, 2020). In contrast to its size, Kuwait is much wealthier than Serbia, with the Kuwaiti GDP at \$134.8 billion whilst the Serbian GDP is \$51.4 billion (World Bank, 2020). Although smaller, at the time of writing Kuwait had more than 55,000 cases of COVID-19 comparing to almost 19,000 in Serbia, but Kuwait had a slightly lower number of deaths (Worldmeter, 2020). Furthermore, Kuwait is a hereditary Emirate that is based on a constitutional monarchy. The head of state is the Amir (Kuwait Government Online, 2017). Based on 2016 statistics, Kuwait has an estimated total population of 4,132,415, of whom 1,238,679 are Kuwaiti citizens and 2,893,736 are expatriates (Central Statistical Bureau, 2017).

As for data analysis, we aimed to establish the reliability of the twenty most critical variables in relation to the research scale of the Impact of COVID-19 on Business, which was further developed to form the questions of the survey. Therefore, the reliability of our Likert scale was intended to assure that the current themes, which were published in leading journals, indeed cover the topics of critical interest to the business community in the context of COVID-19. After assuring this reliability, we have then moved to test the statistical differences of the impact of COVID-19 on business enterprises in Serbia and Kuwait. The results should explain if the impact of this pandemic is universal or country specific. To facilitate this purpose, we analysed our data using IBM's SPSS Statistics for Windows, version 25.

## 3. Contemporary Academic Findings

Working from home (*V1*) is certainly the prime phenomenon of the COVID-19 pandemic in many organizations (Mustajab *et al.*, 2020). The COVID-19 outbreak is a wake-up call for organizations to closely evaluate their current strategies and operational practices for protecting employees from exposure in the workplace during this potential outbreak (Levin-Scherz and Allen, 2020). Hence, in-person meetings will be less important, but remote work will become strategic (Gerdeman, 2020). Known as an effort to prevent the spread of COVID-19 among employees, working from home is certainly not without risk. Mustajab *et al.* (2020) considered the impacts of working from home during the current pandemic in Indonesia. The results revealed that the productivity (*V2*) of most employees working at home declines due to the poor digital infrastructure and the

emotional disturbances of the social lives of employees resulting in social distancing or physical distancing. Moreover, work from home cannot be applied to areas that are highly dependent on offering direct services to consumers. Radical shifts in the work and social spheres has led to an incredibly complex environment for human resource management. Difficulties related to working from home that were identified by Carnevale and Hatak (2020) encompassed (1) person-environment misfit, when a person is not suited to working in a home environment, (2) work-family conflict, and (3) contemporary family structure segment vulnerabilities, e.g., childless and single employees. Furthermore, there are many other approaches were used by different organisations in relation to human resource management during the crises of COVID-19 including for instance, suspension of the work contract, staff downsizing, salary reduction, any so on (Al-Mansour and Al-Ajmi, 2020).

Another phenomenon of the COVID-19 pandemic is the extreme increase in Internet and social media usage (Donthu and Gustafsson, 2020). Internet and web-based technology (*V3*) make numerous communication technology options available to manage newly established remote workers (Larson *et al.*, 2020). E-mail alone is inadequate. Working from home will favour workers having “richer” technology available, such as video conferencing. Furthermore, video is especially useful for discussions that are complicated or delicate because it seems more intimate than either written or audio correspondence. E-commerce technology can assume an increasing role in transforming conventional industries (Lin *et al.*, 2020). Therefore, the modernization of IT technology (*V4*) is essential to surviving and competing in today’s market (Sheth, 2020). The effective digital innovations (*V5*), during the working from home settings, serve as tools for an urgent, but purposeful virtual community building (Bacq *et al.*, 2020).

When an external crisis endangers markets, such as the recent coronavirus outbreak, a lack of financial resources (*V6*) will only exacerbate the situation (Eggers, 2020). Governments around the world first offer aid by reducing the burden from constraining cash flows (Kuckertz *et al.*, 2020) while saving employment and sustaining the required economic growth through financial assistance (*V7*) to help businesses. Crises produce additional monetary asset availability and liquidity issues since customers will limit or completely stop spending and investments become more attentive. Negative impacts on both product and service business (Rapaccini *et al.*, 2020) include disturbance of operations (*V8*) and disturbance of the supply network (*V9*). Supply chain managers now have a much more daunting task of stabilizing their supply network (Gerdeman, 2020).

The key implication of the pandemic is one of cost reduction and elimination (*V10*) for companies (Sheth, 2020). Although Donthu and Gustafsson (2020) claim that people are losing their jobs at rates that we have not seen since the 1930s Great Depression, Tarki *et al.* (2020) argued that the COVID-19 crisis does not have to lead to lay-offs (*V11*). Those who handle the economic consequences of this crisis in a transparent and caring manner could well recover more strongly than ever. It is imperative to look beyond the immediate legal requirements and to evaluate and adjust the leave and pay policies relating to the COVID-19 outbreak. Organizations should recognize the conditions in which they would want to extend or expand the benefits and protections they offer to their employees in order to increase their income security (*V12*) (Susser and Tyson, 2020). During the SARS outbreak, cost reduction (Tse *et al.*, 2006) was the answer from the Hong Kong restaurants. Their approach was to negotiate with suppliers to lower the costs of foodstuffs, with landlords to reduce rent, with staff for a pay cut or no-pay leave, and to cut their advertising expenditure considerably.

Cutting costs was not the only reaction taken by the restaurants in Hong Kong. Another, in order to preserve their businesses during the SARS pandemic, was that of revenue enhancement (*V13*) (Tse *et al.*, 2006). The primary tactic was to change the marketing mix, i.e., to improve food quality and service and to offer price promotions to incentivize potential customers to dine. The secondary tactic was quite specific to the outbreak, to decrease the perceived physical risk of dining in a restaurant. A clear and effective policy that guarantees the sanitation of restaurant premises was important to convey so that the potential risk of dining could be held to a minimum. Restaurant administrators advertised their cleanliness policies and the measures taken to protect the clients’ physical wellbeing. In fact, in addition to food quality and cost, many restaurants used cleanliness and hygiene as their main selling points. Wang *et al.* (2020) stress the crucial role of innovative marketing strategies and tactics (*V14*) in crisis management. In particular, consumer demands and buying behaviour during the COVID-19 crisis have changed drastically, making it much more important for firms to rely on innovative marketing strategies.

Shocks like COVID-19 can be used by companies to create new business opportunities (*V15*) (Nenonen and Storbacka, 2020). A rapid response to the urgent challenges brought by the COVID-19 pandemic is required. Ritter and Pedersen (2020) argue in favour of the role of the COVID-19 crisis in boosting business model innovation (*V16*). Innovative capabilities play a key role in crisis recovery (Zenker and Kock, 2020). He and Harris (2020) observe that many businesses have not only resisted unethical business practices during the COVID-19 crisis but have also proactively engaged in various corporate social responsibility (*V17*) activities, particularly those that can provide immediate assistance in the fight against the virus. Some businesses (e.g., Coca-Cola, Chevron, and Ford) have modified their business models by manufacturing types of personal protection equipment (as opposed to their usual products) to add to the global effort to fight COVID-19 (Crick and Crick, 2020). An increasing number of businesses thus appear to understand that their long-term success and growth depends on the delicate balance between profitability and harmony with their various stakeholders. The fact that extraordinary times require effective leadership (*V19*) has been especially the case during the COVID-19 crisis. Current events represent extremely difficult problems that require effective leadership to break away from established patterns of thinking (Cankurtaran and Beverland, 2020). Strong and effective leadership in a trust-based culture will inspire people to work together creatively (Gerdeman, 2020). Hiding bad news in most organizations is practically a habit, but an effective leader who creates a trust-based culture with

their subordinates knows that speaking out truthfully is critical during a crisis (Edmondson, 2020). The danger, confusion, and fear of a new disease drive us to make short-term decisions. Nevertheless, effective leaders will slow down to make better decisions on how to act in a crisis (Markman, 2020). Decisions should be focussed on proper deliberation and sober contemplation of data, and not on a news headlines or tweet commentary. In times of crisis, it appears that many of us seek out charismatic or authoritarian leaders (Grint, 2020). At a time of crisis, however, the role of an effective leader is to take tough decisions. Without a strong and powerful vision, teamwork, and an empowered workforce, that role would be unlikely. The company's leadership must embrace and advocate stakeholder orientation, and broaden the business purpose (Sheth, 2020). Some scholars (Hougaard *et al.*, 2020; Rapaccini *et al.*, 2020; Sharma *et al.*, 2020) indicate that business organizations ought to create resilience (*V19*) in order to respond and succeed during the ongoing epidemic. Leaders need to understand how to cope with the COVID-19 calamity and how to build resilience (i.e., the ability to “bounce back”) and to return to “next normal”. Moreover, it is critical to be shaped by resilience at the individual level of the employee too, as an escape route against feelings of anxiety and helplessness during the time of crisis. New forms of collaboration (*V20*) were the creative answer to some companies on how to adapt and thrive during the current outbreak (Crick & Crick, 2020). Even a number of pharmaceutical companies, retailers, charities, and technological giants have collaborated for the greater good through cooperation (simultaneous cooperation and competition) strategies, which has positively affected their performance. When the COVID-19 epidemic is, ultimately, over, concerns emerge as to whether these crisis strategies will be sustainable, or will at some point be discontinued (Crick & Crick, 2020).

V A R I A B L E S	01. Working from home
	02. Declined productivity
	03. Availability of the Internet and web-based technology
	04. Modernity of the IT technology
	05. Digital innovations
	06. Lack of the financial resources
	07. Government financial assistance
	08. Disturbance of the operations
	09. Disturbance of the supply network
	10. Cost cuttings
	11. Lay-offs
	12. Income security
	13. Revenue enhancement
	14. Innovative marketing strategies and tactics
	15. New business opportunities
	16. Business model innovation
	17. Corporate social responsibility activities
	18. Effective leadership
	19. Resilience
	20. New forms of collaborations

**Fig. 1.** Variables generated from the literature for the research scale “Impact of COVID-19 on Business”

The first known outbreak of COVID-19 is believed to have occurred in Wuhan City, China (WHO, 2020). Hence, the lessons from Chinese companies offered the first comprehensive lessons and, moreover, ample guidance, on how to respond to the COVID-19 pandemic. Narayandas *et al.* (2020) conducted a large-scale survey to assess how the Chinese business world has adapted, innovated, survived, and even thrived during this turbulent period. Chinese companies were forced to quickly: (1) leverage digital technologies so that they could adapt and innovate; (2) try out novel business models; (3) address emerging and previously unrecognized customer needs; (4) develop new business processes and practices; and (5) redefine models for collaboration and teamwork. We assume that the variables produced by literature reviews and Chinese corporations' competitive behaviour during the pandemic are quite equivalent. The first mode of behaviour amongst Chinese firms corresponds to variables 3, 4, and 5, and the next corresponds to variables 13 and 16. Variable 14 matches the third mode of behaviour adopted by Chinese companies, and the variables 1 and 15 matches the fourth. Finally, the last mode of behaviour adopted relates to variable 20. Therefore, we can conclude that the selected variables from this literature review will fully meet the requirements of our research on the impact of the COVID-19 on business.

#### 4. Empirical findings

Our data were collected from Serbia and Kuwait during the first half of July 2020. We collected 59 responses of which nine were answered by non-managers. Therefore, we had 50 valid responses ( $n = 50$ ) of which 32 were from Serbia and 18 from Kuwait. The mode of the Serbian sample is a male (78%) aged 30-50 (56%) with a Bachelor's degree (59%) who works as a CEO (53%) in a small (62%) and private (88%) company. The mode of the Kuwaiti sample is a male (89%) aged 30-50 (78%)

with a Bachelor's degree (67%) who works at a senior level (44%) in a small (56%) and private (89%) company. Our results should evaluate the impact of COVID-19 on businesses and the strongest impact should be rated with the highest grade. Therefore, from our 20 five-point Likert scale questions, 13 questions should be transformed in a reverse order for research purposes, since not all questions indicate the weaknesses in the business enterprises. Answers with a reverse scale order are transformed from the following questions: 3 to 5 ("The availability of the Internet and web-based technology during the COVID-19 pandemic was satisfying", "Our IT technology during the COVID-19 pandemic was modern", and "We managed to achieve the digital innovations during the COVID-19 pandemic"), 7 ("We received the financial help from the Government during the COVID-19 pandemic"), and 12 to 20 ("Our workers had income security during the COVID-19 pandemic", "We managed to achieve the revenue enhancement during the COVID-19 pandemic", "We accomplished innovative marketing strategies and tactics during the COVID-19 pandemic", "We managed to achieve the new business opportunities during the COVID-19 pandemic", "We managed to innovate our business model during the COVID-19 pandemic", "Our organization was involved in corporate social activities during the COVID-19 pandemic", "The leadership in our organization was effective during the COVID-19 pandemic", "Our organization was resilient during the COVID-19 pandemic", and "We managed to negotiate some new forms of collaboration with other organizations during the COVID-19 pandemic"). Further, we conducted the reliability analysis of our scale in SPSS. The calculated Cronbach's Alpha coefficient is 0.75. Therefore, we can conclude that the internal consistency of our scale "Impact of COVID-19" is good, since values above 0.7 are considered acceptable. The particular result not only indicates that the scale "Impact of COVID-19" we developed is suitable for our (and indeed any other) research into the COVID-19 pandemic's impact on business, but also that the current contributions in the leading business journals presented in our literature review are not infodemia, but valid and robust research. However, the total statistical results of our scale showed a negative correlation for the first and seventh questions, i.e., "working from home practices" and "financial help from the Government". When we excluded those two questions from our scale, the Cronbach's Alpha coefficient raised to 0.838. Since values above 0.8 are preferable, the options are to check if a question should be reversed, if a question should be removed, or if a question should be left in. We decided not to remove these two questions, which we found important to leave in our scale of 20 questions. The "working from home" is one of the most recognizable COVID-19 phenomena. This radical turn in organizing was not chosen by companies; therefore, we refrained from reversing that scale and we left the question as it was. The "financial help from the Government" was a reverse scale question with the logic that financial help improves the liquidity and lowers the impact of the coronavirus. We decided to leave the question as it was, presuming that the negative result is the consequence of divergent Governments politics during the time of coronavirus, which our later results will show. However, the "Impact of COVID-19" scale could be reduced further through factor analysis. The scale would be suitable for the analysis since the Kaiser-Meyer-Olkin measure of sampling adequacy was 0.714, exceeding the recommended value of 0.6, and Bartlett's test of Sphericity was statistically significant at  $p = 0.000$ . Principal components analysis revealed the presence of five components with eigenvalues exceeding 1, explaining a total of 67.2% of the variance. Nevertheless, data reduction was not our chosen avenue of research since the aim of a positive testing of our scale had already been achieved. Therefore, we continued with the descriptive and inferential statistical tests of the data collected.

**Table 1**

The results of the impact of COVID-19 on the whole sample, with research variables in descending order

	N	Mean	Std. Deviation
We managed to achieve the revenue enhancement during the COVID-19 pandemic	50	3.74	1.352
We introduced the working from home practices during the COVID-19 pandemic	50	3.66	1.533
We managed to achieve the new business opportunities during the COVID-19 pandemic	50	3.56	1.431
We experienced the disturbance of our operations during the COVID-19 pandemic	50	3.52	1.313
We conducted the cost cuttings during the COVID-19 pandemic	50	3.48	1.403
We managed to innovate our business model during the COVID-19 pandemic	50	3.40	1.278
We accomplished the innovative marketing strategies and tactics during the COVID-19 pandemic	50	3.40	1.414
We received the financial help from the Government during the COVID-19 pandemic	50	3.36	1.758
We experienced the disturbance of the supply network during the COVID-19 pandemic	50	3.30	1.488
Our productivity declined during the COVID-19 pandemic	50	3.20	1.400
We experienced the lack of financial resources during the COVID-19 pandemic	50	3.16	1.361
Our organization was involved in the corporate social activities during the COVID-19 pandemic	50	2.98	1.505
We managed to negotiate some new forms of collaborations with the other organizations during the COVID-19 pandemic	50	2.96	1.442
GRAND AVERAGE	50	2.9060	0.56736
We managed to achieve the digital innovations during the COVID-19 pandemic	50	2.54	1.373
Our organization was resilient during the COVID-19 pandemic	50	2.46	1.328
Our IT technology during the COVID-19 pandemic was modern	50	2.00	0.990
The leadership in our organization was effective during the COVID-19 pandemic	50	1.96	1.160
We conducted the lay-offs during the COVID-19 pandemic	50	1.92	1.322
The availability of the Internet and web-based technology during the COVID-19 pandemic was satisfying	50	1.86	0.990
Our workers had income security during the COVID-19 pandemic	50	1.66	1.154
Valid N (listwise)	50		

The average impact of COVID-19 on businesses in both countries (Table 1) is rated at 2.91. A grand average grade that is so close to the mid-point of the scale is an indicator that all the possible successful actions of the companies and the positive

influences from the environment are effectively countered by the negative ones. The diminished revenues, rated at 3.74, had the strongest and the most devastating impact the on businesses of both countries during this outbreak. The working from home practices and the lack of new business opportunities followed. The fourth and fifth most influential were the disturbance to operations and the cost reduction and elimination. Income insecurity of workers, rated at 1.66, had the weakest impact on the businesses of both countries. Internet and IT technology, as well as job insecurity both had weak impacts. An interesting point is that leadership appears to be graded quite high during the current outbreak. Serbian and Kuwaiti leaders appear then to have managed to cope with the crisis and indeed to reduce the impact of coronavirus on their organizations. In order to test the statistical differences in the impact of COVID-19 on businesses in Serbia and Kuwait, we applied an independent samples t-test, a parametric technique to compare the mean scores of the two countries from our sample. There was no significant difference  $t(48) = -1.549, p = 0.128$  in the scores for Serbia ( $M = 2.81, SD = 0.63$ ) and Kuwait ( $M = 3.07, SD = 0.39$ ), with a small-sized effect,  $r = 0.22$ . Although we failed to reject the null hypothesis, the result is entirely expected. The COVID-19 pandemic has had, and is still having, a devastating impact on businesses worldwide. All countries and most businesses are experiencing the negative consequences of this deadly virus. There is no difference in the impact of COVID-19 on businesses in Serbia and Kuwait; both countries are in an equally bad position. However, even without statistical significance between the two countries, we decided to point out some differences in the attitudes of managers in Serbia (Table 2) and Kuwait (Table 3).

**Table 2**

The results of the impact of COVID-19 in Serbia, with variables in descending order

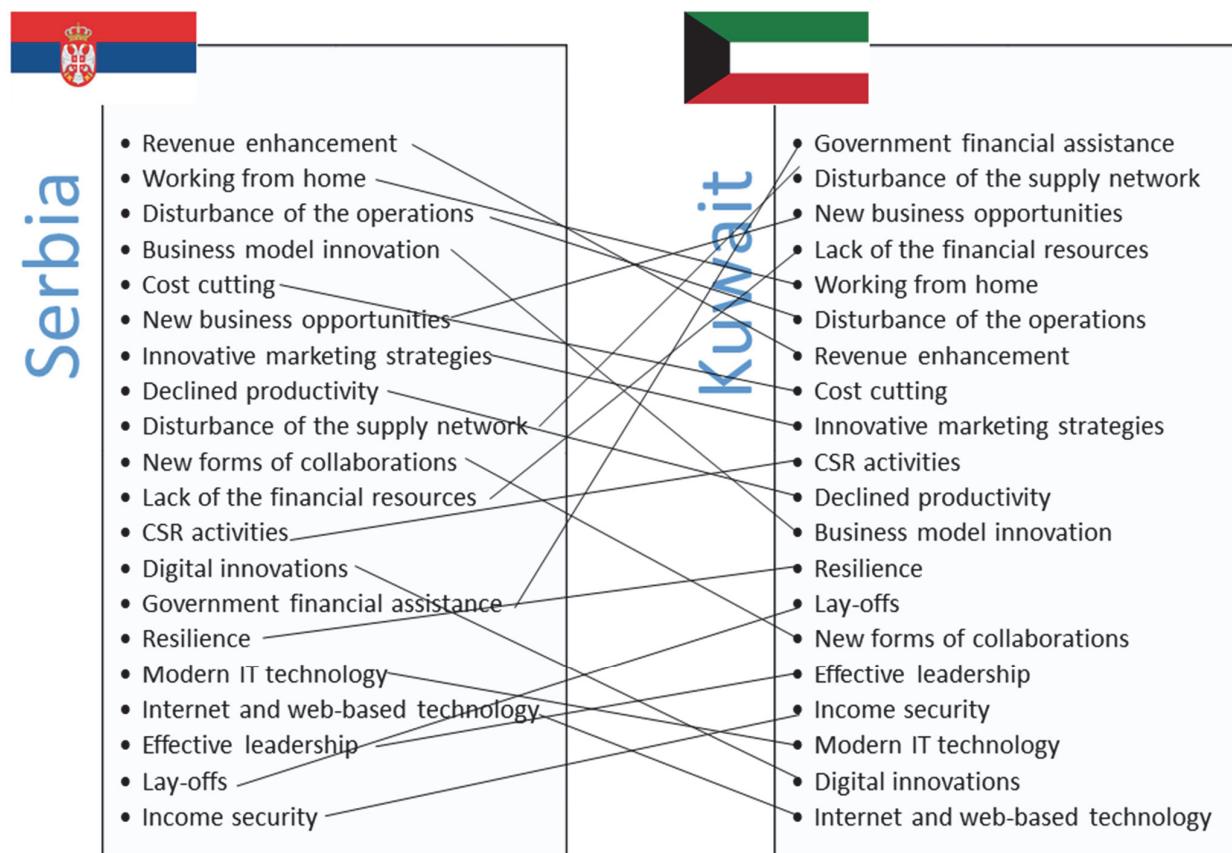
SERBIA	N	Mean	Std. Deviation
We managed to achieve the revenue enhancement during the COVID-19 pandemic	32	3.94	1.318
We introduced the working from home practices during the COVID-19 pandemic	32	3.75	1.666
We experienced the disturbance of our operations during the COVID-19 pandemic	32	3.59	1.292
We managed to innovate our business model during the COVID-19 pandemic	32	3.56	1.243
We conducted the cost cuttings during the COVID-19 pandemic	32	3.56	1.523
We managed to achieve the new business opportunities during the COVID-19 pandemic	32	3.53	1.414
We accomplished the innovative marketing strategies and tactics during the COVID-19 pandemic	32	3.47	1.524
Our productivity declined during the COVID-19 pandemic	32	3.22	1.362
We experienced the disturbance of the supply network during the COVID-19 pandemic	32	3.13	1.621
We managed to negotiate some new forms of collaborations with the other organizations during the COVID-19 pandemic	32	3.03	1.470
We experienced the lack of financial resources during the COVID-19 pandemic	32	2.94	1.435
Average Serbia	32	2.8141	0.63452
Our organization was involved in the corporate social activities during the COVID-19 pandemic	32	2.81	1.635
We managed to achieve the digital innovations during the COVID-19 pandemic	32	2.81	1.533
We received the financial help from the Government during the COVID-19 pandemic	32	2.78	1.773
Our organization was resilient during the COVID-19 pandemic	32	2.22	1.184
Our IT technology during the COVID-19 pandemic was modern	32	1.84	1.110
The availability of the Internet and web-based technology during the COVID-19 pandemic was satisfying	32	1.78	1.039
The leadership in our organization was effective during the COVID-19 pandemic	32	1.66	0.902
We conducted the lay-offs during the COVID-19 pandemic	32	1.38	1.008
Our workers had income security during the COVID-19 pandemic	32	1.28	0.851
Valid N (listwise)	32		

**Table 3**

The results of the impact of COVID-19 in Kuwait, with variables in descending order

KUWAIT	N	Mean	Std. Deviation
We received the financial help from the Government during the COVID-19 pandemic	18	4.39	1.195
We experienced the disturbance of the supply network during the COVID-19 pandemic	18	3.61	1.195
We managed to achieve the new business opportunities during the COVID-19 pandemic	18	3.61	1.501
We experienced the lack of financial resources during the COVID-19 pandemic	18	3.56	1.149
We introduced the working from home practices during the COVID-19 pandemic	18	3.50	1.295
We experienced the disturbance of our operations during the COVID-19 pandemic	18	3.39	1.378
We managed to achieve the revenue enhancement during the COVID-19 pandemic	18	3.39	1.378
We conducted the cost cuttings during the COVID-19 pandemic	18	3.33	1.188
We accomplished the innovative marketing strategies and tactics during the COVID-19 pandemic	18	3.28	1.227
Our organization was involved in the corporate social activities during the COVID-19 pandemic	18	3.28	1.227
Our productivity declined during the COVID-19 pandemic	18	3.17	1.505
We managed to innovate our business model during the COVID-19 pandemic	18	3.11	1.323
Average Kuwait	18	3.0694	0.38659
Our organization was resilient during the COVID-19 pandemic	18	2.89	1.491
We conducted the lay-offs during the COVID-19 pandemic	18	2.89	1.278
We managed to negotiate some new forms of collaborations with the other organizations during the COVID-19 pandemic	18	2.83	1.425
The leadership in our organization was effective during the COVID-19 pandemic	18	2.50	1.383
Our workers had income security during the COVID-19 pandemic	18	2.33	1.328
Our IT technology during the COVID-19 pandemic was modern	18	2.28	0.669
We managed to achieve the digital innovations during the COVID-19 pandemic	18	2.06	0.873
The availability of the Internet and web-based technology during the COVID-19 pandemic was satisfying	18	2.00	0.907
Valid N (listwise)	18		

Serbia reported a lower result of 2.81 on the impact of COVID-19 on business compared with the Kuwaiti result of 3.07. However, both results are around 3.0, which indicates that the negative effects of the pandemic on businesses is similar. The strongest impact on businesses in Kuwait during the pandemic, with a value of over 4, was the lack of Government financial support. In Serbia, this variable was graded as being not particularly important since it was in 17<sup>th</sup> place in descending order of the variables. The Serbian Government paid all interested companies, which was the vast majority, the minimum wage of all workers for the first three months of outbreak from the governmental budget, but with the condition that these companies could not lay any of their workers off during that period. Obviously, the Kuwaiti Government did not intervene or offer financial help to its enterprises. The strongest impact on businesses in Serbia was the problem of revenue enhancement. The more significant issues in Kuwait were the disturbance of the supply network and the failure to achieve new business opportunities, unlike Serbia where the more significant issues were the disturbance to operations and the failure to innovate the business model. Due to the financial support from the Government, income insecurity and fear of lay-offs were the least important issues in Serbia which, unlike Kuwait, were at the bottom of the table of COVID-19 effects we find Internet and web-based technologies and digital innovations. Moreover, the last two and first three effects by country are not the same. In fact, the impacts of COVID-19 are different in each country as pertaining to economic structure, enterprise strength, government policy, etc. An example of these specific influences would be a complex web of different effects of COVID-19 in Serbia and Kuwait (Fig. 2). Neither for Serbia nor Kuwait, as we can see from Fig. 2, were any of the twenty variables positioned in the same place.



**Fig. 2.** A complex pattern of COVID-19 effects on business

In addition to the t-test between countries, we conducted a number of ANOVA and t-tests to check the possible statistical significance among the means of all factors collected through our survey, i.e., according to the managerial position, the age, the gender, and the level of education of respondents, and according to the size and the proprietorship of the organizations to which the respondents belonged. We found no statistical significance in any test in both countries and in each country individually (Table 4).

**Table 4**

ANOVA and t-tests for the various factors

<b>Factor</b>	<b>Country</b>	<b>F / t</b>	<b>df</b>	<b>Sig.</b>
<b>Position</b>	Both countries	1.522	3, 46	<b>0.221</b>
	Serbia	1.669	3, 28	<b>0.196</b>
	Kuwait	1.574	3, 14	<b>0.240</b>
<b>Age</b>	Both countries	2.883	2, 47	<b>0.066</b>
	Serbia	2.163	2, 29	<b>0.133</b>
	Kuwait	0.001	1, 16	<b>0.975</b>
<b>Gender</b>	Both countries	-0.550	48	<b>0.585</b>
	Serbia	-0.599	30	<b>0.554</b>
	Kuwait	0.690	16	<b>0.500</b>
<b>Degree</b>	Both countries	2.269	3, 46	<b>0.093</b>
	Serbia	0.750	3, 28	<b>0.532</b>
	Kuwait	2.217	3, 14	<b>0.131</b>
<b>Size of the organization</b>	Both countries	1.969	2, 47	<b>0.151</b>
	Serbia	1.419	2, 29	<b>0.258</b>
	Kuwait	1.435	2, 15	<b>0.269</b>
<b>Ownership</b>	Both countries	1.065	48	<b>0.292</b>
	Serbia	0.631	30	<b>0.533</b>
	Kuwait	1.154	16	<b>0.266</b>

## 5. Conclusion

The scale “Impact of COVID-19”, which we have developed from selected topics from leading academic journals, has a good internal consistency. The devastating impact of the virus on business is the same in both countries in the sample. For now, COVID-19 cancels out all the good deeds from the internal and external environment.

The extension of our research certainly would be welcomed. As such, including a larger number of countries in the sample is an obvious avenue of exploration. Moreover, the possibility that the businesses have by themselves recognized the critical issues or variables that remain unrecognized in the literature certainly exists. The potentially fruitful research of these in-depth findings is certainly one direction we would like to explore.

Our research, and all others presented in this paper, has been undertaken during the pandemic. With the obligation to protect our families, we felt obligated to contribute to the academic community as well. That leads us to support the views that disasters can bring out the best in people (Solnit, 2010; Taylor, 2020). In dire situations, humans, in search of purpose and meaning, build connections and “act altruistically, bravely, and with an initiative in order to survive or save our neighbours, no matter how we vote or what we do for a living” (Solnit, 2010). Calamitous times are also the times of business heroism that bring a new brave message to life (Taylor, 2020). Moreover, crises are particularly suitable times for shaping economic systems (Nenonen & Storbacka, 2020). Therefore, we do not have any reason to doubt that our future reality could become a better one.

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