



Libyan International Medical University
Faculty of Business Administration




Contemporary issues

The Impact of covid-19 on Firms' Performance

How to Cite This Research Paper :

Alshaibani Khuloud & Elkrghli Sabri (2023), "The Impact of covid-19 on Firms' Performance", *Faculty Research Volume*, 1(11),pp. 1 -27.

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Introduction

Introduction

- ▷ In 2019, a new worldwide situation has occurred with the spread of the Covid-19 pandemic. According to (He & Harris, 2020; Laato et al., 2020), the pandemic will have a huge unprecedented long-lasting economic, and social impact on the world.

Introduction

- ▷ Due to the rapid spread of the covid-19 virus, many countries implemented compulsory restrictions to eliminate the risk and reduce the spread of the virus such as lockdowns limiting people's gatherings, during that time.

Definitions

▷ COVID-19:

COVID-19 stands for coronavirus disease, is a large family of viruses that cause illnesses ranging from the common cold to more severe diseases. (World Health Organization [WHO], 2022).

▷ Firm performance:

Performance is a set of financial and non-financial indicators that offer information on the level of accomplishment of objectives and results (Lebans and Euske , 2006).

Definitions cont.

- ▷ Impact of Covid-19 on the firm's performance:

The performance of the firms was impacted in terms of increasing costs, reducing sales, and labor-related challenges, delays in production.

- ▷ (Shen et al.,2020; Rababah et al., 2020) stated that companies' performance declined significantly in 2020.

Why my Topic is Trendy

Theoretical Framework

Methodology

- ▷ Literature review
- ▷ Secondary data
- ▷ 14 papers were reviewed on the impact of covid-19 on firms performance.

Summary of Literature Review

Previous Studies- Healthcare Industry

- ▷ (Piotr Korneta et al., 2021)
- ▷ The Impact of COVID-19 on the Performance of Primary Health Care Service Providers.
- ▷ secondary and primary data, through interviews
- ▷ 4 clinics in Poland
- ▷ Comparison between the changes in the performance in pre-covid-19 and during covid-19.
- ▷ The number of services provided decreased in all clinics.
- ▷ sales revenues of Clinic 1,2,3 have grown and Clinic 4 decreased.

Previous Studies- Hospitality Industry

- ▷ (Yu-Chen Lin & Chiang-Ming Chen,2021)
- ▷ The impact of Covid-19 on hotel performance
- ▷ Secondary data (monthly operating reports)
- ▷ 137 international tourist hotels in Taiwan
- ▷ Room revenue: five-star ITH with high product varieties (high) whereas, non-five-star ITH with low product varieties (low).
- ▷ food and beverage revenue: ITHs located in scenic areas (low) whereas, ITHs located in non-scenic areas (high).

Previous studies-Rice Company

- ▷ (Bello Adamu Dambatta,2021).
- ▷ Covid-19 Pandemic And Its Effect On The Performance Of Business Enterprises In Nigeria
- ▷ Primary data, through Questionnaire.
- ▷ Covid-19 restrictions: Social distancing- the prevention of large gatherings.
- ▷ Communicating with customers.
- ▷ Reduction of employees.
- ▷ production process.

Previous Studies - Airline Industry

- ▷ (Pol Fontanet-P´erez et al., 2022) The impact of the COVID-19 crisis on the US airline market.
- ▷ secondary data obtained from the Bureau of Transportation Statistics (BTS).
- ▷ 10 airlines.
- ▷ Decrease in net income: average is a loss of 8.6 cents per mile while the highest is 22 cents per mile flown during the pandemic period.(revenue passenger mile)
- ▷ Profit: the losses were more than double that of the profit before the pandemic.

Reflection

Reflection

- ▷ Instruments of collecting data: quantitative method through questionnaires/ surveys.
- ▷ Obtaining from secondary data.
- ▷ The majority of the articles were published in 2021.
- ▷ Based on the literature covid-19 has a negative effect on banks, airlines, food and beverage, hospitality, and construction industries.
- ▷ The impact of Covid-19 on construction – financial services – food and beverage industries in different cities.

Construction Industry

- Indonesia:
 - public owned-construction enterprise
 - Secondary data.
 - Revenue of public-owned enterprises has declined .
 - Decrease in profitability
- Vietnam:
 - public and privately owned- construction enterprise.
 - Questionnaire
 - Revenue of public-owned enterprises has declined.
 - Profitability increased in public-owned enterprises.

Financial services

- Indonesia
 - 12 Islamic banks
 - secondary data
 - Decrease in profitability.
 - ROA hasn't changed much during the pandemic
- Sri Lanka
 - 24 bank
 - secondary data (annual reports)
 - decrease in revenues due to covid-19 restrictions which reduced economic activities.
 - ROA hasn't changed much during the pandemic

Food and beverage industry

- India
 - MacDonal'd's
 - Online questionnaire
 - Customers
 - The number of customers visiting the store has decreased
 - experienced a decline in their sales.
- India and Malaysia
 - Starbucks
 - Online questionnaire
 - Customers
 - The number of customers visiting the store has decreased
 - experienced a decline in their sales

Limitations and Recommendations

Limitations

- ▷ There are limited articles that are relevant to my topic.
- ▷ Most of the articles are unclear.
- ▷ Researchers not explaining much about the changes in the variables.

Recommendations & implantations

- ▶ This research aimed to determine only brick-and-mortar stores' performance.
- ▶ To investigate the effects of covid-19 on online business performance.
- ▶ from my point of view, businesses must provide some plans to deal with obstacles that might face if another crisis happened, to eliminate its negative effects.
- ▶ The results have implications that covid-19 has a significant impact on the industries of all countries in the world.

Conclusion

- ▶ The Corona Virus Diseases (Covid-19) pandemic that hit the world resulted in a decline in the performance of most companies, including reducing the performance of the world economy. (Sutrisno Sutrisno et al., 2020).
- ▶ All industries have been affected negatively by covid-19, except the healthcare industry which has been affected positively by Covid-19.
- ▶ Banks have also been affected but not much as the food and beverage industry which experienced a significant decline in its profitability and revenue.

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Thanks!

Any questions?