

## **Jarmila Duháček Šebestová, PhD**

Associate Professor  
Silesian University in Opava, Czech Republic  
School of Business Administration in Karviná  
Department of Business Economics and Management  
E-mail: sebestova@opf.slu.cz  
Orcid: <https://orcid.org/0000-0002-7493-0759>

## **Petra Krejčí, PhD**

Assistant Professor  
Silesian University in Opava, Czech Republic  
School of Business Administration in Karviná  
Department of Business Economics and Management  
E-mail: krejci@opf.slu.cz  
Orcid: <https://orcid.org/0000-0002-2349-8919>

## **Joanna Malecka, PhD**

Assistant Professor  
Poznan University of Technology, Poland  
Faculty of Engineering Management  
E-mail: joanna.malecka@put.poznan.pl  
Orcid: <https://orcid.org/0000-0002-5017-0417>

# **ENTREPRENEURIAL BEHAVIOUR AND STRATEGIC GOALS IN CRISIS SITUATIONS**

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### ***Abstract***

*The present study investigates the impact of the Covid-19 pandemic on entrepreneurial behaviour and strategic objectives within the Czech Republic. It specifically examines how entrepreneurs responded to the crisis and identifies key factors that influenced their decision-making processes. While some entrepreneurs demonstrated adaptability by modifying their business practices, others depended primarily on public support mechanisms without implementing substantial changes. The findings underscore the critical importance of clearly defined objectives and robust crisis preparedness in ensuring business continuity. The analysis reveals that both the legal structure of the enterprise and the entrepreneur's prior experience significantly affect the nature and effectiveness of crisis responses. Notably, businesses that adopted proactive strategies tended to*



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*achieve more favourable outcomes. Furthermore, the study highlights the necessity of having well-considered exit strategies and the capacity for adaptability when confronting unforeseen challenges. It offers valuable insights for managers across Central Europe, particularly in navigating crises and formulating strategic decisions that support long-term business sustainability. The research also suggests that entrepreneurial experience plays a pivotal role in the formulation of strategic objectives and that learning from the practices of successful firms can enhance the quality of decision-making.*

**Keywords:** *business behaviour, crisis, future goals, business experience*

## 1. INTRODUCTION

The pandemic has hindered the economy for almost two years, not only due to the spread of the disease but also because of the various measures implemented by national governments (Karabag, 2020). This raises the question of how entrepreneurs will respond to the new situation, as many were unprepared for such a "global challenge" and could not have anticipated the sudden measures in their planning. If a crisis is broadly defined as "a low-probability, high-impact situation perceived by critical stakeholders as threatening the viability of the organisation" (Pearson and Clair, 1998, p. 66), then all actors are motivated to change their behaviour.

One group of entrepreneurs used the situation to their advantage and implemented long-planned changes. Another group relied on public support and made no changes to their business operations. A third group did introduce changes, but the crisis led them to consider altering their goals or even closing their businesses. During crises such as financial downturns or pandemics, entrepreneurs may lose their previous support networks (Obschonka et al., 2016; Devece et al., 2016; Brown and Rocha, 2020a;).

These factors can create an unstable and uncertain environment that influences entrepreneurial behaviour (Saunders et al., 2014; Požega and Ribić, 2022). If entrepreneurs, suppliers, investors, and customers are unable to connect during a pandemic, the networks and relationships between them may be lost. It is clear that this period is far from ideal for businesses (Packard et al., 2017; Conti et al., 2019; Kuckertz et al., 2020). The extent to which entrepreneurs are flexible and how they perceive external risks plays a crucial role (Clark et al., 2020). Planning ahead and having clear objectives can support them in navigating this unusual situation (Ritter and Pedersen, 2020; Kaiser and Young, 2009).

Recent studies have shown that 75% of companies without a plan for dealing with new situations fail within three years (Cook, 2015; Fabeil et al., 2020), or experience significant changes in financial stability (Kudej et al., 2021; Löblová et al., 2021).

The primary objective of this paper is to determine the influence of corporate objectives during a crisis, using the pandemic as an example. Readers in

the Central European region may find it particularly useful to understand the practical implications of the findings, which are based on a primary survey of 295 entrepreneurs. The results indicate the extent to which a pandemic affects business decisions, including the likelihood of changing or abandoning business objectives depending on the duration of the crisis.

The article is structured as follows: The first section defines entrepreneurial behaviour in crisis situations, including models of behaviour and an overview of influencing factors. The second section outlines the research methodology and describes the sample of 295 respondents. The third section presents the main findings, focusing on the relationship between objectives, behavioural factors, legal form, and business experience. Finally, the model introduced in the second section is refined, and key lessons from the research are discussed.

## 2. THEORETICAL BACKGROUND: ENTREPRENEURIAL CRISIS BEHAVIOUR

Entrepreneurial theory has provided some examples of how entrepreneurs should respond to crises, but ultimately, they must determine their own path. Fabeil et al. (2019) identified three standard phases of crisis management: pre-crisis, crisis, and post-crisis. Pursiainen (2018) added further methods applicable to each phase to mitigate the impact of a crisis on a company, such as risk assessment, prevention, preparation, and learning from mistakes in order to continue operating. As a survival mechanism, it is suggested that businesses renew marketing channels, invest in advertising, or pursue low-cost product innovation. These strategies can help re-establish customer networks and support recovery from the crisis (Bourletidis and Triantafyllopoulos, 2014; Bartz and Winkler, 2016).

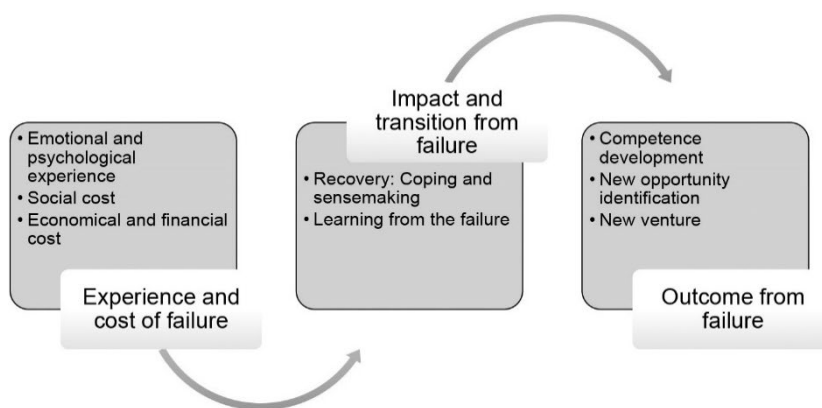
Success in following such a plan depends on the type of entrepreneurial activity (Nicolau, 2015), based on Erixon's (2009) classification of different business types: (a) gazelle enterprises, characterised by rapid growth, job creation, and networking with large companies; (b) elephants, representing stable, established businesses; and (c) mice – small and medium-sized enterprises (SMEs) with slow growth, often family-run since inception.

The type of business not only influences its survival during a crisis but also shapes the entrepreneur's attitude towards such situations, which are typically avoided due to the additional costs and stress they entail. These costs may include liquidation expenses, personnel-related costs, administrative burdens, and more. Smith and McElwee's (2011, p. 103) definition aptly captures how businesses behave in a crisis:

*“The costs can be financial as they can lead to losses, loss of business, acquired property and status, loss of home, and a failed relationship as the entrepreneur and their family have to cope with the misfortune as the story unfolds.”*

Avoiding bankruptcy, even in the face of crisis, may stem from fear of losing existing ties, self-confidence, or friendships. On the other hand, business failure can be viewed positively - as part of a learning process. Entrepreneurs may receive valuable feedback through their mistakes, which can motivate innovation or further change (Amankwah-Amoah et al., 2018; Welter et al., 2015; Ucbasaran et al., 2013). Building on this, Omorede (2021, p. 1463) explains the learning process from failure by dividing it into three phases, as illustrated in Figure 1.

Figure 1 Learning Process from the failure



Source: Authors illustration based on Omorede (2021: 1463)

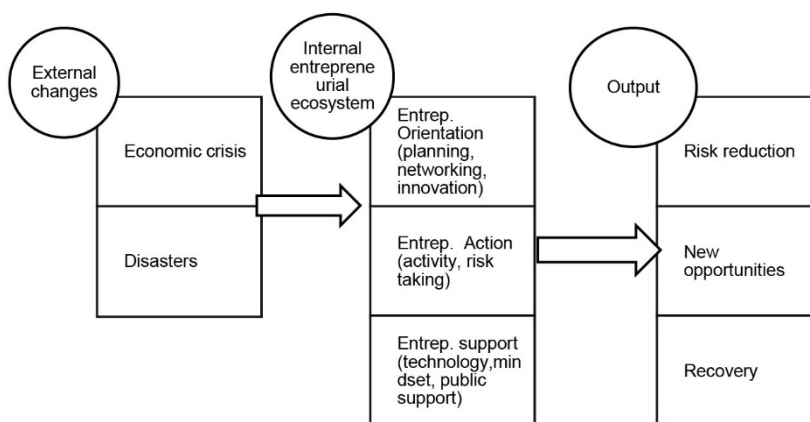
According to Figure 1, in the first phase, the entrepreneur learns from poor decisions and suffers both financial and non-financial damage. They may lose social status in the market and ultimately abandon the business, thus closing the cycle. In the second phase, the entrepreneur begins to reflect on what went wrong, asking themselves whether anything could have been done differently, while also seeking something positive in the experience. In the third phase - the impact phase - the entrepreneur may decide to restart the business or at least develop the competencies that were lacking in the initial venture. This model is based on findings from parallel studies examining how entrepreneurs cope with the prospect of bankruptcy.

The impact of COVID-19 revealed a lack of systematic support or preparation for crisis situations; business behaviour was largely reactive and focused only on mitigating the effects of the crisis. Despite the challenges, the pandemic should not be viewed solely as a negative factor. A study by Maritz et al. (2020) confirmed that while COVID-19 disrupted direct communication channels, it also created opportunities for digitalisation, flexible manufacturing, online training, and emergency management. In this context, Fabeil et al. (2020) examined

two perspectives to understand crisis behaviour: (a) a business continuity strategy and (b) a business recovery plan. Their study confirmed that the companies analysed only survived successfully through recovery strategies such as marketing and product delivery.

Subsequently, a conceptual model outlining how to navigate a crisis or develop competencies after failure was proposed by Krishnan et al. (2022). This model builds upon the work of Fabeil et al. (2019, 2020) and Omorede (2021), who focused primarily on the process of failure (see Figure 2).

Figure 2 Model of business recovery



Source: Authors' illustration based on Krishnan et al. (2022:19)

According to the model proposed by Krishnan et al. (2022, p. 19), the capabilities required for survival can be conceptualised as an internal entrepreneurial ecosystem. This ecosystem is responsible for recovery or the generation of new opportunities (cf. Omorede, 2021). The internal entrepreneurial ecosystem represents a response to external changes. In their respective studies, Lengnick-Hall et al. (2011) and Chowdhury and Quaddus (2016) identified a range of organisational responses to change, including flexible responses or the creation of new opportunities, proactive strategies for crisis resolution, a combination of planning and adaptation, a strategy of absorbing and adapting to change, and dynamic responses to unexpected situations.

A crisis can be regarded as a test for any entrepreneur and is one of the most common challenges faced by organisations that struggle with routine operations (Booth, 1993; Pedersen et al., 2020). The customer–supplier relationship can be disrupted by changes in the business environment, government restrictions, or wartime conditions (Georgieva, 2020; Cortez and Johnston, 2020).

A notable example was the global COVID-19 pandemic, which highlighted the importance of public support in addressing business crises (Brown et al., 2020b; Dvorský et al., 2021; Assefa, 2021).

*Formulation of the Research Gap.* As previously stated, the majority of studies (e.g. Chowdhury and Quaddus, 2016; Pedersen et al., 2020; Cortez and Johnston, 2020) focus on the behaviour of companies during a crisis or on typologies that classify businesses into potential "survivor" groups. Other discussions concentrate on the lessons learned from failure. Consequently, it is necessary to examine the primary objectives of crisis-affected companies, which represent the starting point for evaluating the situation of Czech entrepreneurs.

The lack of research in this area presents an opportunity to assess the situation of Czech entrepreneurs from a novel perspective - namely, that of the "survivor group" and its dependence on business goals and entrepreneurial experience. This evaluation should focus on management processes, and the following two research questions (RQs) have been formulated based on the findings of the literature review and recent studies:

- *RQ1: What is the main strategic objective of the studied companies during the crisis?*
- *RQ2: Which descriptive factor (business experience or legal form) significantly affects crisis management?*

### **3. RESEARCH METHODOLOGY AND DATA DESCRIPTION**

Studying crisis behaviour in the context of a pandemic posed challenges for the active inclusion of a crisis scenario (Doern et al., 2019). Based on Doern's study, the research design was developed to describe current business behaviour. The main objective of the study was to determine the influence of company characteristics, legal form, and other factors in managing the COVID-19 situation.

The research team contacted approximately 1,100 companies, randomly selected for this study in the Czech Republic. Due to COVID-19 restrictions, the completion of the questionnaire was facilitated through limited-contact methods (telephone, email, MS Teams, CATI form). Ultimately, a sample of 295 respondents - company owners or managers - participated in the study, resulting in a response rate of 26.8%. Each phone interview lasted approximately 30 minutes and followed a pre-prepared set of questions. As the aim was not to distinguish between different sectors of the economy, this variable was not considered relevant at this stage of the research. The focus was instead on general managerial behaviour in crisis situations. Table 1 presents the closed-ended questions used in the interviews.

Table 1 Questions used for the analysis

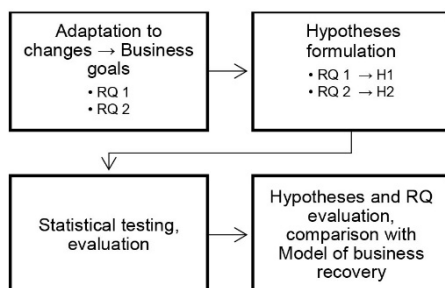
	Responses	Measurement
<b>Legal form of business</b>	Type: sole traders legal persons	Nominal
<b>Business experience</b>	in years	Nominal
<b>Number of employees</b>	exact number	Nominal
<b>Business Behaviour</b>	Adaptation to changes in business environment Business environment expectation in future 5 years Influence of the business environment to future entrepreneurship	Likert scale (1-5)
<b>Future goals formulation</b>	from the list: successor of the company; profit maximization (short term vision); long term sustainability; Company Value Growth (long term); market share growth; sell the company	Likert scale (1-5)
<b>Exit strategy</b>	Considering handing over the administration and management Planning of exit	Likert scale (1-5)

Source: Primary data analysis

Data collection was carried out from September to December 2021. ANOVA and other statistical tests were used to examine the impact of various variables. These included descriptive (nominal) variables such as the legal form of the business, business experience (in years), and gender. Dependent variables included business behaviour (e.g. adaptation, changes) and the setting of future goals (also nominal variables). The content of the study is grounded in a prior review of the literature, particularly the work of Krishnan et al. (2022) and Omorede (2021), from which two hypotheses were formulated to support the research questions:

- *The length of business experience of the respondent will influence the setting of goals in general (H1),*
- *The type of company will have an influence on adaptive business behaviour (H2).*

Figure 3 Conceptual framework of the research



Source: Author's illustration

### 3.1. Data sample description

The basic characteristics of the respondents are as follows: 46.8 % were sole traders, and 53.2% were legal entities. When dividing the sample by company size, 21% had no employees, 44.4% had up to 10 employees, 20.3 % had up to 49 employees, and 14.2 % had up to 249 employees. Additionally, 63 % of the sample operated in trade and services, 32% in manufacturing, and the remaining 5% in agriculture and forestry. When targeting decision-makers, it is important to consider the gender, age, and education of respondents. Men accounted for 66.4% of respondents, while women made up 33.6 %. In terms of age, the largest group was aged 41–55 (50.8 %), followed by those aged 26–40 (27.4 %) and those aged 55+ (12.8 %). The smallest group consisted of respondents aged 18–25 (9 %).

Most respondents reported having completed secondary education with a school-leaving certificate (46.4%), followed by university education (36.3%). The remaining 17.3% had completed vocational education. The largest group of respondents had 20 or more years of work experience (43.7%), followed by those with up to 20 years (26.1%) and up to 10 years (20.0%). The smallest group had less than 3 years of experience (10.2%).

For further analysis, variance between nominal variables was assessed using Cramér's V coefficient (Table 2). The relationships between individual nominal variables were interpreted based on the scale defined by Cohen (1988), where a coefficient value above 0.5 indicates a strong association, 0.3–0.5 a moderate association, 0.1–0.3 a weak association, and below 0.1 a negligible association. All relationships between the variables were found to be statistically significant, as shown in Table 2. A particularly strong relationship (0.748) was observed between education level and legal form of business. Notably, business experience had a weaker association with education (0.522).

Table 2 Variance between descriptive variables

	Gender	Approximate Significance	Age	Approximate Significance	Education	Approximate Significance
<b>Legal form of business</b>	0.409	0.000	0.410	0.000	0.748	0.000
<b>Business experience</b>	0.409	0.000	0.466	0.000	0.522	0.000

Source: Primary data analysis

The descriptive variables are related to entrepreneurial behaviour, which is expressed through entrepreneurial objectives. Goals such as maximising profit (a short-term objective, not considered strategic) and increasing firm value (a long-term objective) were deliberately contrasted to assess whether entrepreneurs could

distinguish between a direction in which value is created by multiple factors (including tangible and intangible assets) and one that merely reflects the current financial situation, such as profit (Das, 2018; Coffman, 1983).

An analysis of the homogeneity of the sample was therefore conducted. The test of homogeneity, using Levene's robust test, is presented in Table 3. If Levene's test indicates statistical significance, other statistical tests may be applied. Levene's test can also serve as the primary method for determining whether the variances of variables within each population are equal or different (Derrick et al., 2018).

Table 3 Tests of Homogeneity of Variances

Type of goal		Levene Statistic	df1	df2	Sig.
<b>Future goal: successor of the company</b>	Based on Mean	1.916	30	234	0.004
	Based on trimmed mean	1.856	30	234	0.006
<b>Future goal: profit maximization (short term vision)</b>	Based on Mean	2.321	30	234	0.000
	Based on trimmed mean	2.057	30	234	0.002
<b>Future goal: long term sustainability</b>	Based on Mean	2.192	30	234	0.001
	Based on trimmed mean	1.906	30	234	0.004
<b>Future goal: Company Value Growth (long term)</b>	Based on Mean	2.106	30	234	0.001
	Based on trimmed mean	1.907	30	234	0.004
<b>Future goal: market share growth</b>	Based on Mean	1.548	30	234	0.040
	Based on trimmed mean	1.504	30	234	0.051
<b>Future goal: to sell the company</b>	Based on Mean	2.558	30	234	0.000
	Based on trimmed mean	2.095	30	234	0.001

Source: Primary data analysis

Levene's test indicates that there are no significant deviations within the sample, and that further analysis can be conducted.

#### 4. KEY RESULTS WITHIN BUSINESS BEHAVIOUR

The presentation of the results includes a general analysis of the objectives, as well as the relationship between the length of business experience and the type of business with other variables. These variables were grouped based on a prior literature review on entrepreneurial behaviour, business objectives, and exit strategies. As a first step, the statistical significance of each strategic objective was tested using the ANOVA test (Table 4).

Table 4 ANOVA test of variables

Type of goal		Sum of Squares	df	Mean Square	F	Sig.
Future goal: successor of the company	Between Groups	214.242	60	3.571	1.070	0.355
Future goal: profit maximization	Between Groups	192.009	60	3.200	1.716*	0.002
Future goal: Long term sustainability	Between Groups	151.594	60	2.527	1.289**	0.095
Future goal: Company value growth	Between Groups	133.755	60	2.229	1.096	0.311
Future goal: market share growth	Between Groups	166.441	60	2.774	1.363	0.055
Future goal: selling the company	Between Groups	167.371	60	2.790	1.048	0.393

Source: Primary data analysis, \*statistically significant at  $p = 0.05$ , \*\*statistically significant at  $p = 0.1$

This yielded a rather unexpected result, showing that the three objectives - (i) selling the firm, (ii) finding a successor, and (iii) increasing the firm's value - are not statistically significant. This implies that the companies in the study are not planning an exit strategy, but rather the continuation of their business activities. In the next step, the relationship between the length of business experience and other behavioural patterns in business practice was examined. Cramér's V coefficient was used for the evaluation (Table 5). The factors were divided into three categories: entrepreneurial behaviour, business objectives, and exit strategy.

Focusing on behaviour, no single factor was found to be statistically significant, with the exception of the number of sales. This result is somewhat surprising, as a detailed analysis of this variable shows that 29.15% of those who actively adapt have more than 20 years of experience. This is also associated with a positive outlook for development over the next five years (20.3%). Enterprises with an annual turnover of up to CZK 49 million (EUR 1,960,000), where the majority (39.1%) have more than 20 years of experience, represent an important group that actively adapts to changes in the business environment. In terms of business objectives, the handover of the company to a successor was found to be a statistically significant goal. This response was most common among those with 20 or more years of experience, accounting for 62.3% of those who selected it as their primary objective. Furthermore, 42.9% of this group reported being more likely to change their goals. In contrast, the group with up to 3 years of experience was the least likely to be influenced in this way (13 %).

Table 5 Relationship between business experience and other variables (N=295)

Area of business process	Variable	Cramer Value	Approximate Significance	Bootstrap			
				Bias	Std. Error	95% Confidence Interval	
						Lower	Upper
Business behaviour	Adaptation to changes in business environment	0.096	0.819	0.033	0.021	0.090	0.172
	Business environment expectation in future 5 years	0.149	0.106	0.021	0.029	0.114	0.230
	Influence of the business environment to future entrepreneurship	0.083	0.727	0.036	0.044	0.047	0.210
	Sales	0.190*	0.002	0.016	0.013	0.182	0.232
Business Goals	Future goal: successor of the company	0.160**	0.064	0.034	0.024	0.143	0.241
	Future goal: profit maximization	0.150	0.152	0.026	0.027	0.124	0.229
	Future goal: Long term sustainability	0.133	0.403	0.033	0.025	0.117	0.219
	Future goal: Company value growth	0.145	0.215	0.032	0.019	0.141	0.215
	Future goal: market share growth	0.145	0.208	0.033	0.023	0.133	0.224
	Future goal: selling the company	0.139	0.306	0.033	0.027	0.120	0.224
	Influence of Covid-19 on strategic goals	0.150	0.156	0.021	0.041	0.093	0.254
Exit strategy	Considering handing over the administration and management	0.070	0.835	0.038	0.038	0.048	0.194
	Planning of exit	0.104	0.654	0.031	0.021	0.095	0.179

Source: Primary data analysis, \*statistically significant at  $p = 0.05$ , \*\*statistically significant at  $p = 0.1$

There was no evidence to suggest that business experience had any significant impact on exit strategy planning. Once again, the group with up to 20 years of experience clearly dominated, with 75% not considering a handover at all. On the other hand, around 5% of those with more than 20 years of experience were considering handing over their business. The group with less than 3 years of experience was the least likely to want to cease operations, at around 53%, compared to an average of 50.5%. If they were to exit their business, they would most likely sell it (22.3%), followed by liquidation (14.5%), and finally handing it over to a family or non-family member (12.7%). Entrepreneurs with more than 20 years of experience are more likely to consider handing over the business. Liquidation is more commonly considered by those with up to 3 years of experience, while selling is less frequently considered by entrepreneurs with up

to 10 years of experience. The same analysis was conducted to examine the influence of legal form of business on the above-mentioned factors (see Table 6).

Table 6 Relationship between legal form and other variables (N=295)

Area of business process	Variable	Cramer Value	Approximate Significance	Bootstrap			
				Bias	Std. Error	95% Confidence Interval	
						Lower	Upper
Business behaviour	Adaptation to changes in business environment	0.089	0.792	0.024	0.030	0.060	0.174
	Business environment expectation in future 5 years	0.072	0.549	0.013	0.028	0.039	0.147
	Influence of the business environment to future entrepreneurship	0.053	0.657	0.014	0.034	0.029	0.148
	Sales	0.305*	0.000	0.007	0.020	0.272	0.351
Business Goals	Future goal: successor of the company	0.070	0.983	0.034	0.026	0.057	0.155
	Future goal: profit maximization	0.123	0.542	0.020	0.030	0.084	0.201
	Future goal: Long term sustainability	0.134	0.384	0.020	0.031	0.096	0.217
	Future goal: Company value growth	0.150	0.206	0.020	0.022	0.132	0.218
	Future goal: market share growth	0.185*	0.028	0.015	0.030	0.144	0.261
	Future goal: selling the company	0.116	0.637	0.023	0.029	0.081	0.199
	Influence of Covid-19 on strategic goals	0.079	0.395	0.013	0.023	0.068	0.155
Exit strategy	Considering handing over the administration and management	0.174*	0.011	0.002	0.049	0.084	0.267
	Planning of exit	0.237*	0.000	0.006	0.032	0.177	0.308

Source: Primary data analysis

There was no change in business behaviour in response to business experience. However, the results confirmed a link with turnover, depending on the type of business (sole proprietor vs. corporate), specifically around the CZK 49 million threshold. On the other hand, a statistically significant objective was identified: the future goal of increasing market share, with 26.75% of companies listing this as their top priority. Additionally, 61.78% of companies reported that COVID-19 influenced their strategic goal-setting, with sole proprietors setting up to four priorities (23.35%).

A comparison of the results in Tables 5 and 6 shows statistical significance for both exit strategies. Specifically, 80.3% of sole proprietors consider handing over their business, compared to 64.9% of companies. If they were forced to close their business, 51.82% of entrepreneurs stated they would not make that decision. Liquidation is more frequently considered by sole proprietors (24.8%) than by companies (25.4%), and the same applies to transferring the business to family or non-family members (19.74%).

These results allow for a refinement of the model shown in Figure 2 to incorporate the research findings. We propose analysing the decision-making processes in three areas: (i) business behaviour, (ii) business objectives, and (iii) exit strategy, in relation to the external environment, ecosystem, and outcomes as defined by Krishnan et al. (see Figure 2). Therefore, if a business unexpectedly faces a crisis caused by external factors, it is essential to build resilience by remaining adaptable - or even being prepared to close the business if necessary (Krasniqi et al., 2024).

## 5. CONCLUSIONS

The COVID-19 pandemic revealed that companies in the Czech environment were unprepared for sudden change, often responding with delays or relying heavily on public support. One key insight is that strategic goals influence how businesses manage crises and plan for the future. The research findings indicate that this was a novel situation for entrepreneurs, who did not anticipate the restrictions lasting as long as they did. As a result, they remained optimistic during the survey, believing they could maintain control of the situation. Furthermore, our research shows that exit strategy is typically a last resort for entrepreneurs during a crisis, contradicting the suggestions of Brown and Rocha (2020). Extending the studies by Fabeil et al. (2020) and Koronis and Ponis (2018), we identified a link between legal form, business experience, and the ability to successfully navigate a crisis.

Returning to the research questions: the main strategic objective of the companies studied during the crisis was to find a successor, which was closely related to business experience and market growth, and also varied by legal form (RQ1). When assessing the importance of two demographic variables, legal form appears to support crisis resilience. This aligns with Krishnan et al.'s (2022) description of legal form as a type of entrepreneurial intervention. However, due to the crisis, sole proprietors in the Czech Republic were not more active than other business forms (RQ2), likely due to the availability of public support (Löblová et al., 2021).

Both hypotheses can now be evaluated. The first hypothesis H1: *The length of the respondent's business experience influences goal setting* was tested in Table 5 under the section on business goals. Hypothesis H1 must be rejected (Cramér's  $V = 0.150$ , Sig. = 0.156), as the influence of the changing environment

was not statistically significant. In Table 6, under the section on business behaviour, the second hypothesis H2: *The type of company influences adaptive business behaviour* was assessed. Contrary to the findings of Omorede (2021), the variable "*adaptation to changes in the business environment*" was not statistically significant (Cramér's  $V = 0.089$ , Sig. = 0.792). Therefore, Hypothesis H2 is also rejected.

Key Findings from the Study of the Czech Business Environment During the COVID-19 Pandemic are follows:

- *Business Adaptation and Resilience.* The study highlights the importance of business adaptability in times of crisis, such as the COVID-19 pandemic.
- *Role of Business Experience.* The findings suggest that the length of business experience influences how objectives are set. As Vejmlková (2024, p. 233) found, the typical timeframe for business exits in the Czech Republic is between 4 and 10 years of activity (54% of the total study sample).
- *Scenario Planning.* Business owners and managers can learn from how other companies adapted their strategies during the pandemic. Understanding different approaches can support decision-making in future crises. The study underscores the importance of scenario planning. To ensure resilience and agility, business leaders should develop contingency plans that account for unexpected events. Entrepreneurs and managers should reflect on their own experience, as the study suggests that experience influences goal setting. This enables them to align and adapt their goals accordingly.

*Implications for CEE Managers.* This research provides insights into how companies behave during a crisis. When formulating strategies and setting goals, entrepreneurs and managers should consider their own level of experience. They can also learn from companies that successfully adapted their strategies and operations during the pandemic - lessons that are applicable to other unexpected crises. The findings also show that legal form and business experience can influence crisis survival. Notably, proactive companies were more successful than sole proprietorships.

*Implications for Policymakers.* Policymakers can use these findings to inform economic recovery strategies and support businesses during crises. They should encourage companies to develop robust business continuity plans that account for scenarios such as pandemics, war, supply chain disruptions, and market volatility.

*Limitations and Future Scope of the Study.* There is a lack of empirical literature and theoretical frameworks on small business survival during rare events such as the COVID-19 pandemic. As such, this study lacks extensive supporting literature or comparable studies. The scope is limited by the sample

size (295 respondents) and the use of CATI data collection. Therefore, the results cannot be generalised to the entire Czech business population. Future research should focus on specific business sectors to identify behavioural differences. Additionally, the subjective nature of the responses is a limitation. The study focused on the Czech business environment during the pandemic, which was shaped by public support. Under different economic conditions, the responses of the surveyed companies might have varied.

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***Dr. sc. Jarmila Duháček Šebestová***

Izvanredna profesorica  
Šlesko sveučilište u Opavi, Češka Republika  
Škola poslovne administracije Karviná  
Odjel za poslovnu ekonomiju i menadžment  
E-mail: sebestova@opf.slu.cz  
Orcid: <https://orcid.org/0000-0002-7493-0759>

***Dr. sc. Petra Krejčí***

Docentica  
Šlesko sveučilište u Opavi, Češka Republika  
Škola poslovne administracije Karviná  
Odjel za poslovnu ekonomiju i menadžment  
E-mail: krejci@opf.slu.cz  
Orcid: <https://orcid.org/0000-0002-2349-8919>

***Dr. sc. Joanna Malecka***

Docentica  
Tehnološko sveučilište u Poznaniu, Poljska  
Fakultet inženjerskog menadžmenta  
E-mail: joanna.malecka@put.poznan.pl  
Orcid: <https://orcid.org/0000-0002-5017-0417>

## **PODUZETNIČKO PONAŠANJE I STRATEŠKI CILJEVI U KRIZNIM SITUACIJAMA**

***Sažetak***

*Ovo istraživanje bavi se utjecajem pandemije COVID-19 na poduzetničko ponašanje i strateške ciljeve u Češkoj Republici. Posebno ispituje kako su poduzetnici odgovorili na krizu i identificira ključne čimbenike koji su utjecali na procese donošenja odluka. Dok su neki poduzetnici pokazali prilagodljivost modificirajući svoju poslovnu praksu, drugi su prvenstveno ovisili o mehanizmima javne potpore bez provedbe značajnih promjena. Nalazi naglašavaju veliku važnost jasno definiranih ciljeva i spremnosti za krizne situacije u osiguravanju kontinuiteta poslovanja. Analiza otkriva da i pravna struktura poduzeća i prethodno iskustvo poduzetnika značajno utječu na prirodu i učinkovitost odgovora na krizu. Naime, tvrtke koje su usvojile proaktivne strategije imale su tendenciju postizanja povoljnijih ishoda. Istraživanjem se naglašava nužnost dobro promišljenih izlaznih strategija i sposobnost prilagodbe pri suočavanju s nepredviđenim izazovima. Istraživanje pruža vrijedne uvide za menadžere u cijeloj srednjoj Europi, posebno u upravljanju krizama i formuliranju strateških odluka koje podržavaju dugoročnu održivost poslovanja. Istraživanje također sugerira da poduzetničko iskustvo igra ključnu ulogu u formuliranju strateških ciljeva i da učenje iz prakse uspješnih tvrtki može poboljšati kvalitetu donošenja odluka.*

***Ključne riječi: poslovno ponašanje, kriza, budući ciljevi, poslovno iskustvo.***

***JEL klasifikacija: L21, L26, D22, H12.***

