

## **WHAT ARE THE MAIN FEARS OF ROMANIAN ENTREPRENEURS REGARDING THE CORONAVIRUS CRISIS?**

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**Abstract:** *The purpose of this research was to analyze the main fears of Romanian entrepreneurs regarding the Coronavirus crisis. We used a qualitative research method, in which we opted for the structured interview for data collection, and for data processing we used content analysis through conceptual analysis. Out of the total number of items 114, 40 subcategories emerged regarding the fears of Romanian entrepreneurs regarding the Coronavirus crisis. Following the analysis, we found in the top of entrepreneurs' fears are the financial part, the intrapersonal relations part and the development part. The research undertaken aims to be a starting point in studying these fears for future research.*

**Keywords:** *coronavirus, fears, entrepreneurs, Romania, crisis.*

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### **INTRODUCTION**

Coronavirus has certainly led to a change in the thinking paradigms of entrepreneurs (Ratten, 2020). So in addition to the negative side that Coronavirus brings (infections and deaths), it also brings a number of positive changes in the organizational environment. The positive part is the change in the mentality of entrepreneurs, in which they can exercise their leadership qualities (Ratten, 2020). This is also the real test that entrepreneurs are subjected to, namely the test of being a leader (Czarniawska-Joerges and Wolff, 1991, González-Rodríguez et al., 2015). Which means that this pandemic has taken some of the entrepreneurs out of the comfort zone (Olimov and Khotamov, 2020). Even if in the short term they feel some discomfort, in the long run they will see positive results in entrepreneurial organizations.

## **LITERATURE REVIEW**

The Coronavirus crisis has created opportunities, so some entrepreneurs' organizations have learned to become more innovative than they were before (Buheji and Ahmed, 2020). Thus, some of the entrepreneurs, this crisis took them out of the routine and out of the comfort zone, looking for creative solutions in solving problems (Ratten, 2020). For example, in Romania there were cosmetics manufacturers who changed their production lines in which they made disinfectants.

Restaurants that delivered food at home through specialized platforms such as: FoodPanda, Glovo, UberEats, etc. Beauty salons that sold home care kits (consisting of products and consultancy), while others rented different equipment to customers (for example: hair clippers). Manufacturers of clothing that have refocused on the production of protective equipment (masks, coveralls, etc.). Fitness rooms that have moved their activity online offering courses using Zoom or Facebook Live applications. Approach who opened online stores delivering fresh vegetables and fruits directly to customers' door. Florists who continued their activity and developed online stores for flower orders and gifts with home delivery. The cafes that sold the product and consulting kit to make the best coffee that customers used to enjoy in their restaurant. And the list of examples can go on.

Regarding the agreed payment systems, these were: SMS payment, bank transfer: bank transfer payment or Revolut and POS payment.

The crisis has also helped entrepreneurs consolidation, build or regain their reputation (in case some of them have lost it). The crisis was a good time for entrepreneurs to run CSR campaigns (social responsibility campaigns), by making donations to hospitals and people in need of food, medicine and other special needs. These CSR campaigns were conducted to remind clients of their actions when things return to normal (González-Rodríguez et al., 2015). Specifically for people to trust the brand. In addition to enhancing the reputation of entrepreneurs' organizations, such campaigns help attract talent as well as build a loyal workforce (Story, et al., 2016).

These are happy cases, where entrepreneurs have been able to adapt quickly. Thus, there were solutions to the problems caused by the pandemic (Buheji and Ahmed, 2020, Ratten, 2020).

However, there are also entrepreneurs who have not been able to overcome their fears. They felt overwhelmed with fear and lacked the creativity and motivation to move on (Politis and Gabrielsson, 2009). The most affected category was people over the age of 40 who usually do not feel comfortable working online and do not like technology. That is why they are not even optimistic about technological developments, being even very afraid and reluctant to adopt new technologies because they are afraid of change and feel much more comfortable with what they have learned to a certain extent point and they do not want to learn new things (Hsiao, 2003, Politis and Gabrielsson, 2009, Ucbasaran, et al. 2013). Therefore, starting from these considerations, we intend to analyze the main fears of Romanian entrepreneurs regarding the Coronavirus crisis.

## **RESEARCH METHODOLOGY**

The purpose of this research was to analyze the main fears of Romanian entrepreneurs regarding the Coronavirus crisis.

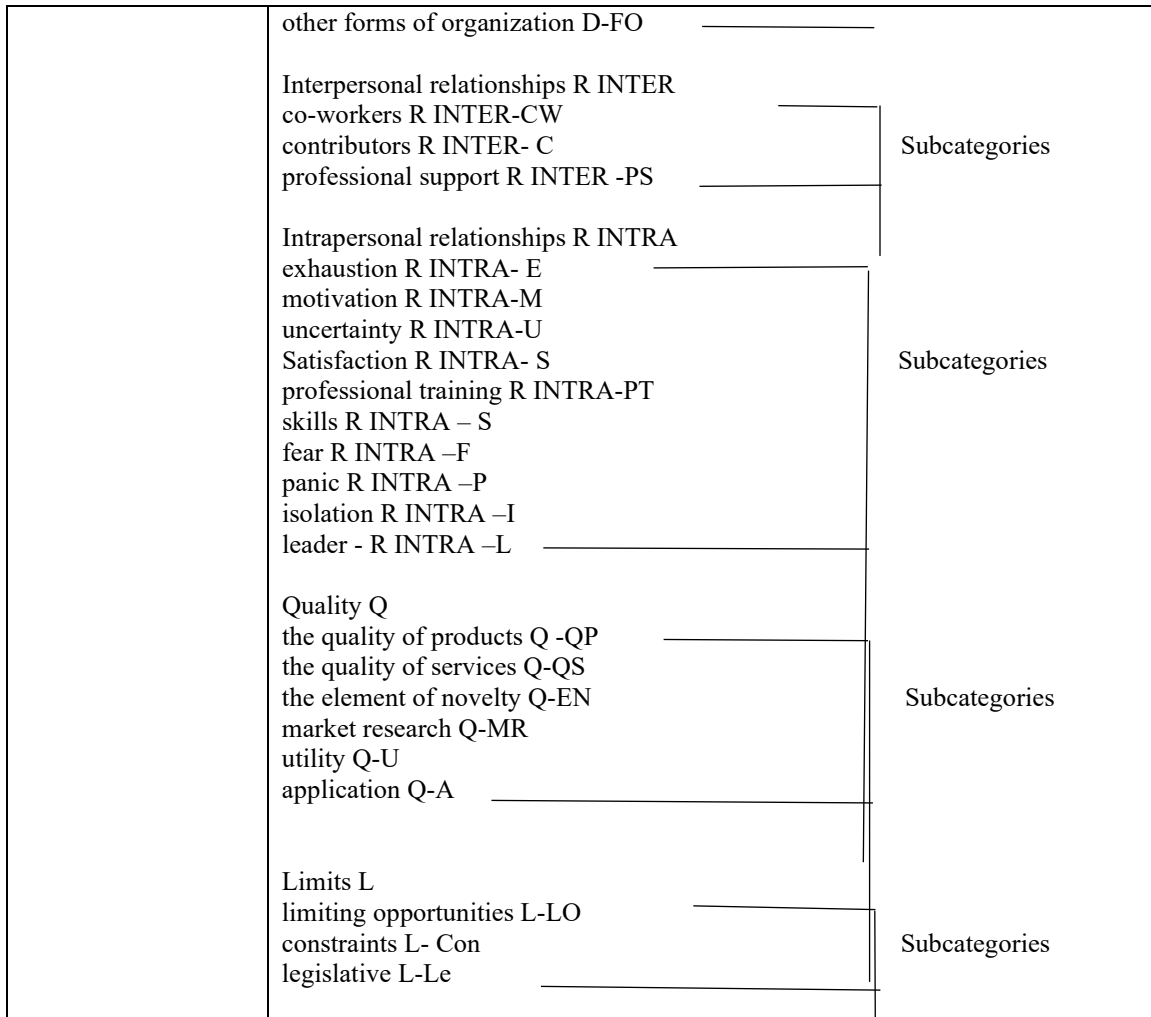
We used a qualitative research method, in which we opted for the structured interview for data collection, and for data processing we used content analysis through conceptual analysis. Thus, 7 interviews with entrepreneurs from various fields of activity in the Romanian press were selected, from March 14 to June 15, 2020. The analyzed fields of activity referred to: furniture sales (2 entrepreneurs), retail through convenience stores (1 entrepreneur), education (1 entrepreneur), tourism (2 entrepreneurs), real estate development and investments (1 entrepreneur).

## RESULTS AND ANALYSIS

In table 1 Categories and subcategories regarding the main fears of Romanian entrepreneurs regarding the Coronavirus crisis, we identified eight categories. For each category, we assigned a series of subcategories. These were distributed according to connotations and classification. Regarding the coding of both categories and subcategories, we assigned either the initial or initials corresponding to the corresponding term (for example for the category Process - coding is P, for the simplification subcategory - coding is S), or we chose the identification prefix (for example for the category Interpersonal relations - the coding is R INTER). For the final coding of the subcategories the identification form proposed after the following procedure: Each subcategory reflects the initial chosen for the category to which it belongs followed by the initials specific to each subcategory.

**Table 1. Categories and subcategories regarding the main fears of Romanian entrepreneurs regarding the Coronavirus crisis**

Question	Categories
What are the main fears of Romanian entrepreneurs regarding the Coronavirus crisis?	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Processes (P)</p> <ul style="list-style-type: none"> <li>simplification P -S</li> <li>optimization P-O</li> <li>delivery P-D</li> <li>deadline P-D</li> <li>reducing bureaucratic flows P-BF</li> </ul> <p>Informations (I)</p> <ul style="list-style-type: none"> <li>insufficient information I-II</li> <li>the relevance of the information I-RI</li> <li>access to information I-AI</li> </ul> <p>Financial F</p> <ul style="list-style-type: none"> <li>loans F-Lo</li> <li>liquidity F-Li</li> <li>bankruptcy F-B</li> </ul> <p>Develop</p> <ul style="list-style-type: none"> <li>digitalization D-D</li> <li>development of new business lines D-DB</li> <li>utility D-U</li> <li>value creation D-VC</li> <li>reinvention D -R</li> <li>adaptation D-A</li> </ul> </div> <div style="width: 35%; text-align: right; vertical-align: middle;"> <p>Subcategories</p> <p>Subcategories</p> <p>Subcategories</p> <p>Subcategories</p> </div> </div>



Source: The authors.

Out of the total number of items 114, 40 subcategories emerged regarding the fears of Romanian entrepreneurs regarding the Coronavirus crisis.

**Table 2 Fears of Romanian entrepreneurs regarding the Coronavirus crisis**

Code	Name	Coding
1	simplification	S
2	optimization	O
3	delivery	L
4	deadline	D
5	reducing bureaucratic flows	BF
6	insufficient information	II
7	the relevance of the information	RI
8	access to information	AI
9	loans	Lo
10	liquidity	Li

11	bankruptcy	B
12	digitization	D
13	development of new business lines	DB
14	utility	U
15	value creation	VC
16	reinvention	R
17	adaptation	A
18	other forms of organization	FO
19	co-workers	CW
20	contributors	C
21	professional support	SP
22	exhaustion	E
23	motivation	M
24	uncertainty	U
25	satisfaction	S
26	professional training	PT
27	skills	S
28	fear	F
29	panic	P
30	isolation	I
31	constraints	Con
32	leader	L
33	the quality of products	QP
34	quality of services	QS
35	the element of novelty	EN
36	market research	MR
37	utility	U
38	application	A
39	limiting opportunities	LO
40	legislative	Le

Source: The authors.

Regarding the category and frequency part, we obtained the following results:

**Table no.3 The main fears of Romanian entrepreneurs regarding the Coronavirus crisis**

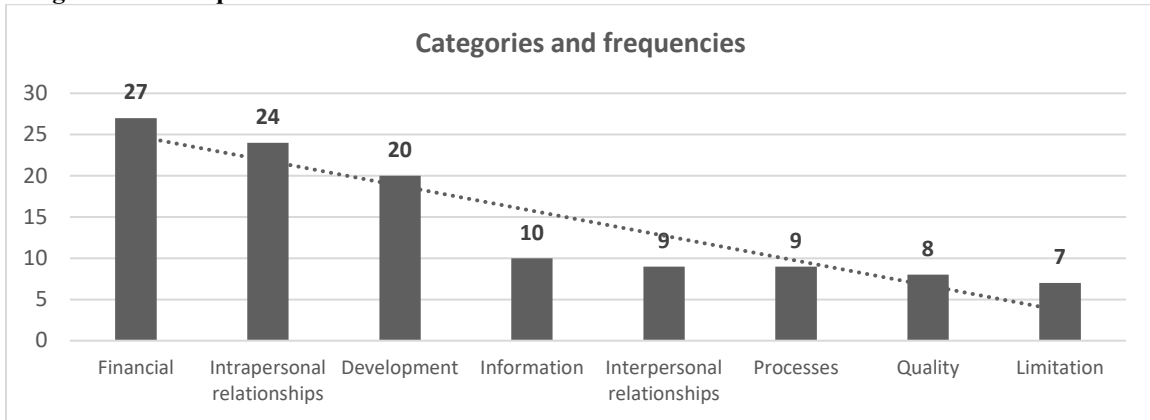
Categories	Frequency
Financial	27
Intrapersonal relationships	24
Development	20
Information	10
Interpersonal relationships	9
Processes	9

Quality	8
Limitation	7
Total	114

Source: The authors.

Thus we obtained the following graphical representation:

**Chart no.1 The main fears of Romanian entrepreneurs regarding the Coronavirus crisis by categories and frequencies**



Source: The authors.

From chart no.1 The main entrepreneurs in Romania regarding the Coronavirus crisis by categories and frequencies, it can be seen that the financial part is in the top of entrepreneurs' fears. Regarding the financial category, we can appreciate that some of the entrepreneurs do not have enough liquidity, which is why they need an infusion of cash flow from the state in order to be able to sustain themselves and not to create the domino effect. Although, entrepreneurs' organizations had to create their own cash flow for unforeseen situations. For the intrapersonal relationships category, entrepreneurs have fears about exhaustion, motivation, feel insecure because of the coronavirus context, face fear, panic attacks and feel isolated. Regarding the development category, entrepreneurs need to focus on the digital side (online), innovate and develop new lines of business, create market value, adapt and reinvent themselves.

The last two places refer to the categories: quality and limits. For the quality part, entrepreneurs need to do market research to discover the needs of customers, which motivates them to buy a product or service. This way they will find out if the product or service they want to sell is applicable in this context or not. Regarding the limits part, this period seems to have constrained the entrepreneurs. So they had to follow the advice of the leading specialists in the government. This period of coronavirus limited some opportunities, but opened new ones.

## DISCUSSIONS AND SOLUTIONS

Bankruptcy of companies happens due to poor and chaotic management, in which the leading entrepreneur gets lost in decisions, acting emotionally, after feeling and is impulsive (Grabinsk, 2004). Organizations do not go bankrupt because of a virus, but

because they were affected before the virus came, lacking clear goals, strategies for management, marketing, sales, financial projections, and short-, medium-, and long-term performance indicators (Pauchant and Mitroff, 1990). The problem is that it is not the Coronavirus that will lead organizations to collapse or bankruptcy, but the reactions and actions of entrepreneurs to difficult situations, as we have seen in the number of delisting companies (Ucbasaran, et al., 2013).

In such crisis situations, the “fight or flight” system is activated in people's minds, more precisely the survival instinct, in which some entrepreneurs may lose control and begin to project dangers around them (D'Intino et al., 2007). From an anatomical point of view, the cerebral amygdala is activated, which leads to the blockage of certain areas both in the brain and in the body (Ashwin, et al. 2007). But there is a need to reconnect certain areas of the brain that deal with the part of creativity and reason, in which entrepreneurs look for the benefits and opportunities that this crisis brings (Hadjikhani and de Gelder, 2003).

For this, entrepreneurs need coaching sessions to find their direction, which will take them out of their comfort zone and activate their level of creativity. They can also brainstorm sessions with their partners to find various solutions to problems (Matlay, et al., 2012). We propose that entrepreneurs focus on the value creation part in terms of products, services, customer relations, the relationship with employees, respectively with the internal processes part of the organization (Fayolle, 2007). During this period of Coronavirus there were examples of entrepreneurs who adapted quite quickly. Thus, for the time being, they changed their field of activity and reoriented themselves to the fields where the demand was extremely high. A large part of them increase their profit considerably (Buheji and Ahmed, 2020).

While other entrepreneurs were satisfied that they had money to run in order to pay the company's employees and did not send them into technical unemployment. Other categories of entrepreneurs did not take advantage of this opportunity, did not adapt on the fly, although they could have made home deliveries, offered specialized advice, educated the consumer, etc. In this way it would have created added value for customers (Fayolle, 2007).

## **CONCLUSIONS**

As we could see from the data analysis, the main problem of entrepreneurs in the Covid-19 pandemic is related to the financial side, more precisely to the liquidity side. It is necessary for entrepreneurs to look for quick solutions to problems, to find quick ways to develop because otherwise they risk bankruptcy (Azoulay and Shane, 2001).

In addition, the business of entrepreneurs must focus on value creation. Those who are not already online, entrepreneurs need to adapt to new market conditions and digitize their business, provide customer service experiences and develop new business lines (Ucbasaran, et al., 2013). Coronavirus will change the paradigm of the free economy to some extent. Firms that were clinically dead, without working capital, or that were afloat will disappear (Ratten, 2020). However, there will still be inefficient companies that will be financed in order not to fail, because it would lead to unemployment. And unemployment will lead to a decrease in purchasing power, due to a decrease in

discretionary income, therefore prices would fall, and deflation would occur, being a rather delicate situation for the state (Zacharakis and Meyer, 1999).

Originality/value: The research undertaken aims to be a starting point in studying these fears for future research.

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