DRIVERS OF BUSINESS INVESTMENTS IN POST-PANDEMIC TIMES

Raluca Elena GHINEA [a*], Alin Dumitru STATIE [b], Lupedia Genoveva DA COSTA [c], Andreea IONIȚĂ [d]

[a, b, c, d] Bucharest University of Economic Studies, Romania

ABSTRACT
Since the advent of the first entrepreneurial activities, business has played a crucial role in the development of the nation and in raising the living standards of the people. There are many countries that currently have a high level of development and this is mainly due to the business activities developed over time. As a particular example, according to the National Trade Register Office in our country there are over 1.1 million limited liability companies and approximately 8,000 joint-stock companies. Along with their importance, their development and growth play an essential role, being crucial for their long-term existence on the market. One of the development methods of companies is represented by making investments, playing the role of bringing added value, regardless of its way of capitalization. During the pandemic, investments decreased significantly and the entire global business environment was affected. At the same time, investments are important, regardless of the level at which they are made (either locally or globally) and their suitability is extremely well analyzed by investors. Through this article, with the help of the case studies' synthesis carried out by the accredited institutions and of the specialized literature as well, we aim to identify what were, after the total or partial return to normality, the engines that supported the return of investments in the business development plan.

KEYWORDS: *business growth, crisis, finances, investments.*

DOI: 10.24818/IMC/2022/01.11

1. INTRODUCTION

As previously mentioned, the business of a country has an essential role in its economic development, both by meeting the needs at national level, and also by exchanging goods and services with other countries, but that's not all. Through business, natural resources are used (their abusive and non-sustainable usage is a problem) but also other types of resources (such as human resources, science, etc.), each country having different categories of resources that it capitalizes on. There are many reasons why we can say that business is the key and essence of any country, but we will mention just some of them: they help improve the quality of life, generate jobs, support the growth of revenues in state budgets, promote international relations and trade, etc.
The economic growth of each country is based on many other aspects, not only just on the existing companies. Another relevant aspect would be that of investments, which influence the economic dynamics by their volume but also by their quality (Cicea et al., 2022).
However, although every business has its importance, we must not limit ourselves to this aspect. The essence for every business should be its development. Growing a business in the market will make it overcome its competition and even become a leader in the market. The increase entails

[*] Corresponding author. E-mail address: *elenaraluca86@gmail.com*.

advantages, among which: the evolution of revenues, the evolution of the customer base, the possibility of international expansion, savings from the acquisition at advantageous prices, given by the increase of the acquisition volume. When developing, a company can consider extending both vertically and horizontally, but all these must be managed cautiously and at an appropriate pace to the specificity and culture of the organization.

The development of a company can be achieved from many points of view and through different methods: either using own resources and in a relatively short time (product diversification, attracting new customers, expanding the sales coverage area); or through investments (creating a new production line, opening a new workshop/factory/division in another county or country, etc.), but which require a larger implementation scope. On the other hand, we can consider a cumulation of the aforementioned variants, but benefiting from external support: bank loan, non-reimbursable financing through various grants, investors at national or foreign level, etc. The directors and/or the financial specialists are choosing the right option that aims to develop each company.

Although in the introduction chapter we referred only to companies, the development and making of investments at local, regional, national or global level, is also important. Making investments is an activity that must be carried out with caution because it requires high level of attention from all the actors involved, especially from the investors, who analyze the opportunities from many points of view, such as the state of the economy, market trends, needs and others (Cicea et al., 2022).

The financing activity has a complex character, and it is carried out by the economic agents in order to ensure the resources necessary for the carrying out of the activities, these resources being ensured according to the previously established criteria (Hada et al., 2020).

As we have been able to summarize, investments are an extremely important chapter. Therefore, we must analyze and determine what stimulates these activities.

The previous period of the last 2 years was marked by events with a strong impact, from the individual to the global level. We have faced a real crisis from the smallest to the highest levels, and we still can feel the effects. Being a period of uncertainty, both at the level of the economy's development and of the market's evolution, the investments had a downward trend (at a national and global level), but they started to return to the initial stage, beginning with 2021.

For the reasons listed above, we considered useful an analysis conducted at national and global level in order to analyze the trends of previous years, to understand the way that companies reacted in the pandemic period and the way that measures were established, at governmental level, to support investments and the development, both nationally and from an entrepreneurial point of view. The returning to the normal state and towards an upward trend of the investments will depend on certain engines that will support these activities, and through this paper this is exactly what we want to identify and outline: drivers of business investments in post-pandemic times.

This article will refer to many relevant case studies that were carried out, especially during the pandemic; these are carried out by relevant institutions and distributed to a large number of participants in the research. The results of these studies are relevant and present aspects of interest not only for this article, but also for each of us. It is extremely important to understand how the pandemic has affected the business environment at national and global level, in order to be able to understand the measures that need to be implemented both by companies and by the political environment in order to support and develop the Romanian entrepreneurial environment.

2. RESEARCH METODOLOGY

This article is an analysis of current case studies and research conducted by relevant institutions in the field, as well as a review of literature. The main purpose of this article is to make a transition from the business in the pandemic period to the business in the post-pandemic period, having the objective of observing the engines of the investments made during this period. For the documentation of this article, databases such as JSTOR, ResearchGate, Web of Science, Eurostat were used, and some others. The search engines used include Google Scholar, Google, OECD, etc. At the same time, we used databases of sites such as EUROSTAT, INSSE, etc. Also, we used the studies made by institutions such as International Monetary Fund, Bank for International Setllments, European Investment Bank, European Central Bank, PricewaterhouseCoopers, etc. Therefore, in this paper we will analyze how the business environment has changed from the pandemic period and what were the engines of investments in the post-pandemic period.

3. BUSINESS INVESTMENTS

Money will not produce value until it is invested. The concept of investment has acquired several nuances and shapes over time, due to various specialists, but the concept is the same. According to the Cambridge Dictionary, investments is an action that consumes time, money, effort, etc., into something in order to get back an advantage, or the resources used to do this. In other words, the investments represent a long-term commitment of the funds, having as a target the supplementation of the regular incomes, but also the increase of the investment fund (Singh, 2016). However, the economists and financial experts have a different perspective regarding this term: while economists consider it to be a productive and new capital, experts emphasize the allocation and transfer of resources from one person to another.
In the following paragraphs, we will use the analysis technique from macro to the micro level; more specifically, we will see some relevant aspects regarding the investments at the level of Romania and of the European Union, and then we will analyze the data regarding the investments at the level of the companies.
Since investments are not a 'theoretical' field, we will analyze below some comparative data regarding investments, both for the Eurozone, as well as for our country, over the last years. Figure no. 1 shows the fluctuation of the rate of non-financial companies' investments in the Eurozone, from the first quarter of 2010, until the second quarter of 2022.

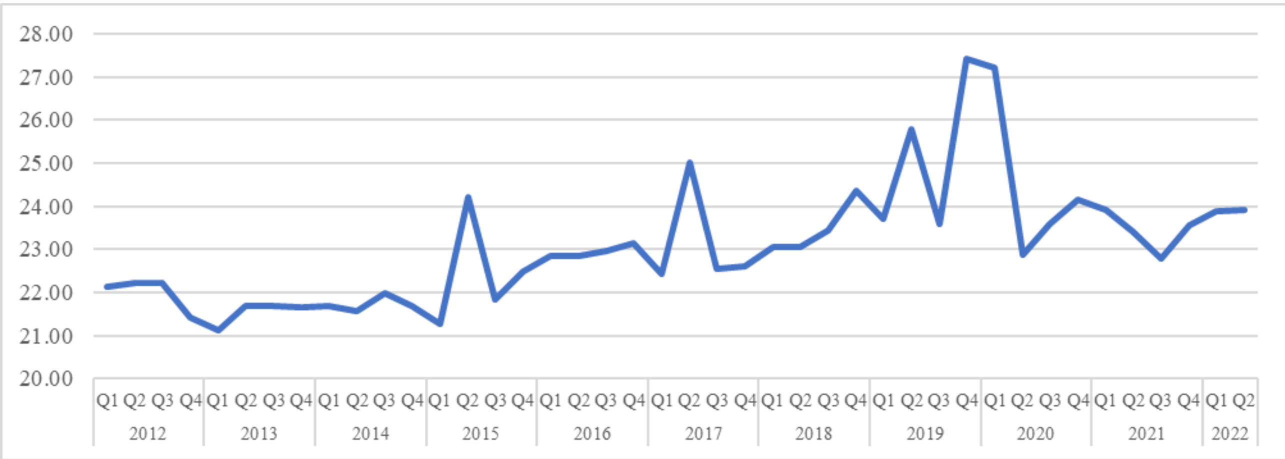

Figure 1. Gross investment rate of non-financial corporations (seasonally adjusted data)
Source: the author's processing of Eurostat data

In the fourth quarter of 2019, before the establishment of Covid-19 measures on a large scale, the rate of investment in business was 27.42%, compared to 23.59% in the previous quarter. As we can see in Figure no. 1, together with the pandemic and the establishment of the measures, the rate of investments decreases dramatically starting with the second quarter of 2020, to only 22.89%. The peaks that can be observed in the first quarter of 2015, 2017 and 2019 but also in the fourth quarter of 2019 are given by the imports of intellectual property goods that reflect the effects of globalization.

At the same time, in Figure no. 2 we can observe what is the gross profit share of non-financial companies. Not surprisingly, between the two graphs there is a direct correlation: in 2020, with the SARS-CoV-2 pandemic, but also with the decrease of the investment rate, a decrease of the gross profit can be observed, from 40.2% to 38.31% in the first quarter of 2020. Starting with the fourth quarter of 2020 and continuing in 2021, we notice an increase in gross profit, which is not directly proportional to that of the increase in investments; with a slight gap in the third quarter, the share of gross profit falls within the values of the previous years.

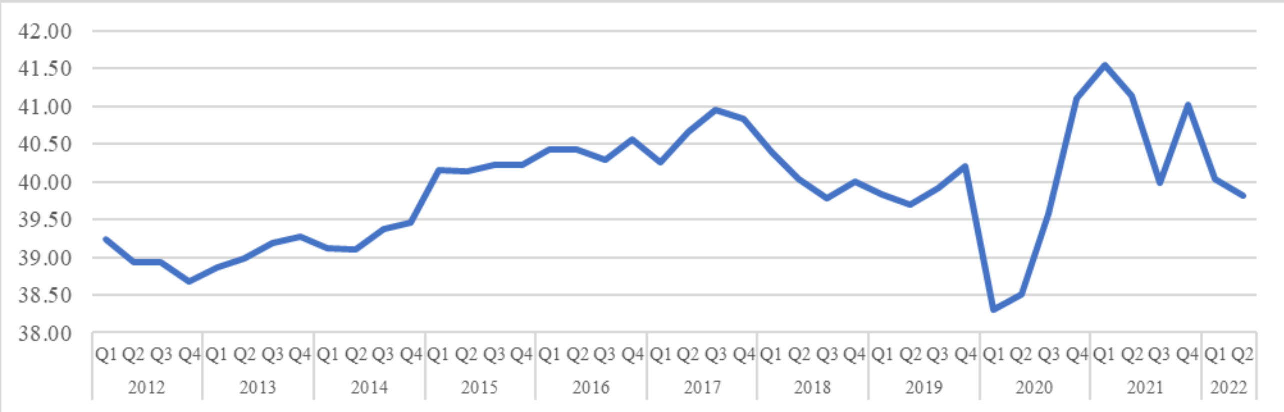

Figure 2. Gross profit share of non-financial corporations (seasonally adjusted data)
Source: the author's processing of Eurostat data

At the same time, another indicator that we can analyze comparatively, between Romania and the European Union but also the Euro area is represented by the share of investments in GDP by institutional sectors.

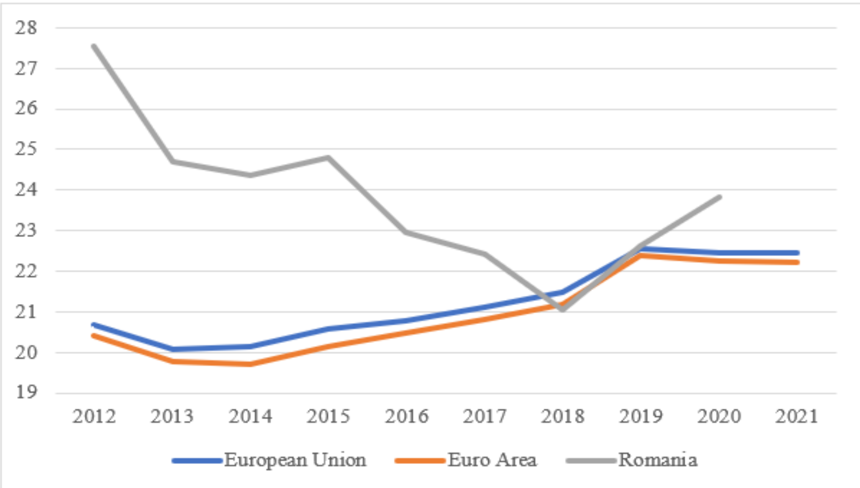

Figure 3. Investment share of GDP
Source: the author's processing of Eurostat data

This indicator highlights the investments for the entire economy, business, government and household sectors. Thus, values represent the share of GDP used for gross investments (while it could be used, for example, for consumption or exports). At the same time, this indicator is part of the set of indicators on the Sustainable Development Objectives of the European Union, which is used to monitor progress towards SDG 8 on economic growth and decent work. Analyzing Figure no. 3, we can see that Romania has been above the European Union average over the years, having again an upward trend starting with 2018. In the report on Romania of the European Commission

(2008), it is mentioned that, although Romania still had one of the highest rates of investments in the EU, the performance of investments in the previous period was volatile, causing the economic crisis. Among the main barriers to investment were mentioned: the development of a quality infrastructure (poor infrastructure - a first factor in hindering the investment process); inadequate supply on the labor market but also poor governance, along with inefficiency of public administration.

The socio-economic success of each country depends on the quality of the state management activity. Unfortunately, we note that in the last 30 years, investment and resource management has been missing, a situation confirmed by both internal and European reports, but also by the reality "on the ground". (Stoica, 2021)

A particularly relevant factor in terms of investment is the non-reimbursable funds of the European Union. In 2007-2013, the EU offered to Romania 19.7 billion euros. At the end of 2013, the absorption rate was 26.5%, and the first reimbursements to the European Commission started in 2009. (Lucian, 2021).

At the same time, the analysis regarding the investments with foreign capital made in our country, is of interest. The Foreign Investors Council conducts, every 6 months, one research distributed to the CEOs of the member companies regarding the points of view on the perspectives of the macro-environment in Romania. The most recent study was conducted in September. Next, we will refer to some aspects that we consider relevant.

Regarding the question of what is expected to happen with the revenues from the businesses carried out in the country, 61.4% of the respondents consider that they will increase (compared to 80% in September 2021). At the same time, this year, a higher percentage considers that the revenues will remain at a stable value. (Foreign Investors Council, 2022)

The perspective of business growth in the internal market is not more favorable here either; a percentage of 49% consider it will develop, but by 31% less, compared to the same period last year. Also, regarding the total business development, only 54% of the respondents consider that it will have an upward trend, but by 26% lower than the previous year.

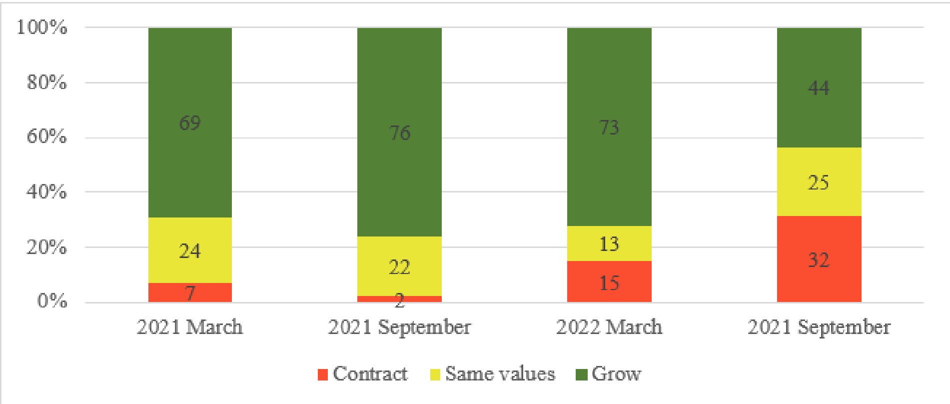

Figure 4. Expectations for next 12 months compared to the previous ones (%)
Source: the author's processing of FIC Members Business Sentiment Index

As can be seen in the previous figure, with a percentage reduced by almost half compared to 2021, only 44% of the respondents consider that the next 12 months will bring increases compared to the previous year. As it can be seen, that with each study, the respondents' perspective increases towards the fact that there will be decreases compared to the previous 12 months (from only 2% to 32% is a more than significant increase).

We can notice a truly worrying perspective from the answers regarding the way the respondents describe the business environment in Romania. Only 19.3% of them consider that it has been improved, while 54.4% of them consider that it has worsened; compared to 2021, where only 20% of them considered this.

Regarding the country's infrastructure, 58% of the respondents consider it as uncompetitive, a slightly upward trend (71.% in 2021). As previously mentioned, infrastructure is one of the key elements affecting investments at the level of a country; if we concatenate the answers regarding the opinion on transparency and consistent application of policies, where 76% of the respondents consider that they are not competitive, we can easily understand the following graph.

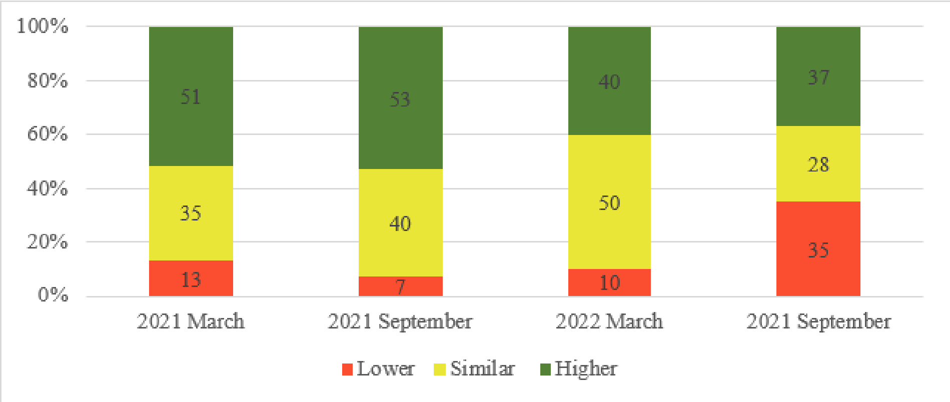

Figure 5. Capital investments planned for the next 12 months (%)
Source: the author's processing of FIC Members Business Sentiment Index

As we can see, the risk appetite in making investments has a downward trend. For the next 12 months, the respondents consider making investments by 35% lower than the previous 12 months; the percentage is almost equal to that of the respondents who consider an increase in the budget allocated to investments. At the same time, compared to the survey conducted in March 2022, almost half of the respondents who were considering maintaining similar values of investments, will now diminish them.

In this subchapter, we will also add a perspective on the European funds, that are being directed to our country by the Commission, and we will briefly analyze the period between 2014-2020. These funds are fully used to make investments, regardless of their specificity.

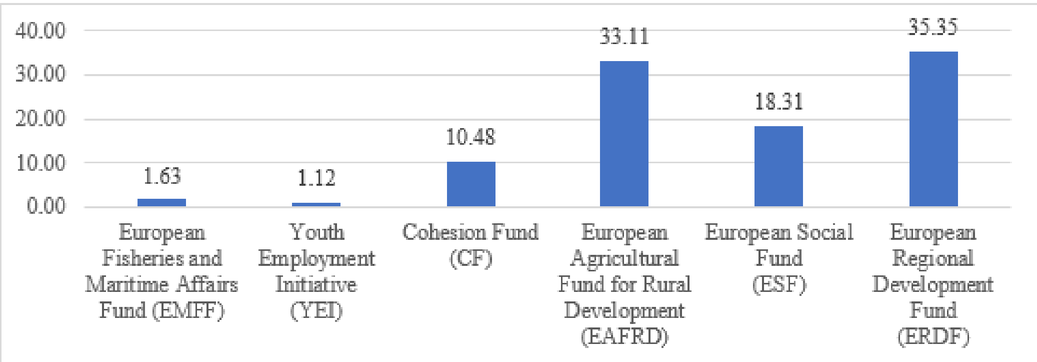

Figure 6. EU-wide average of the division of funds into categories (%)
Source: the author's processing of The European Commission data

According to figure no. 6, we can observe that, at the level of the European Union, the largest part of the funds is allocated to the European Regional Development Fund, followed by the European Agricultural Fund for Rural Development; the following are at almost half of the percentage value of the aforementioned.

Figure no. 7 also gives us a brief overview, where we can observe the distribution of the total budget according to the topic (the updates of the data are permanent and real) – for the realization of the graph, the unit of measurement in which the values are expressed is billions of euros.

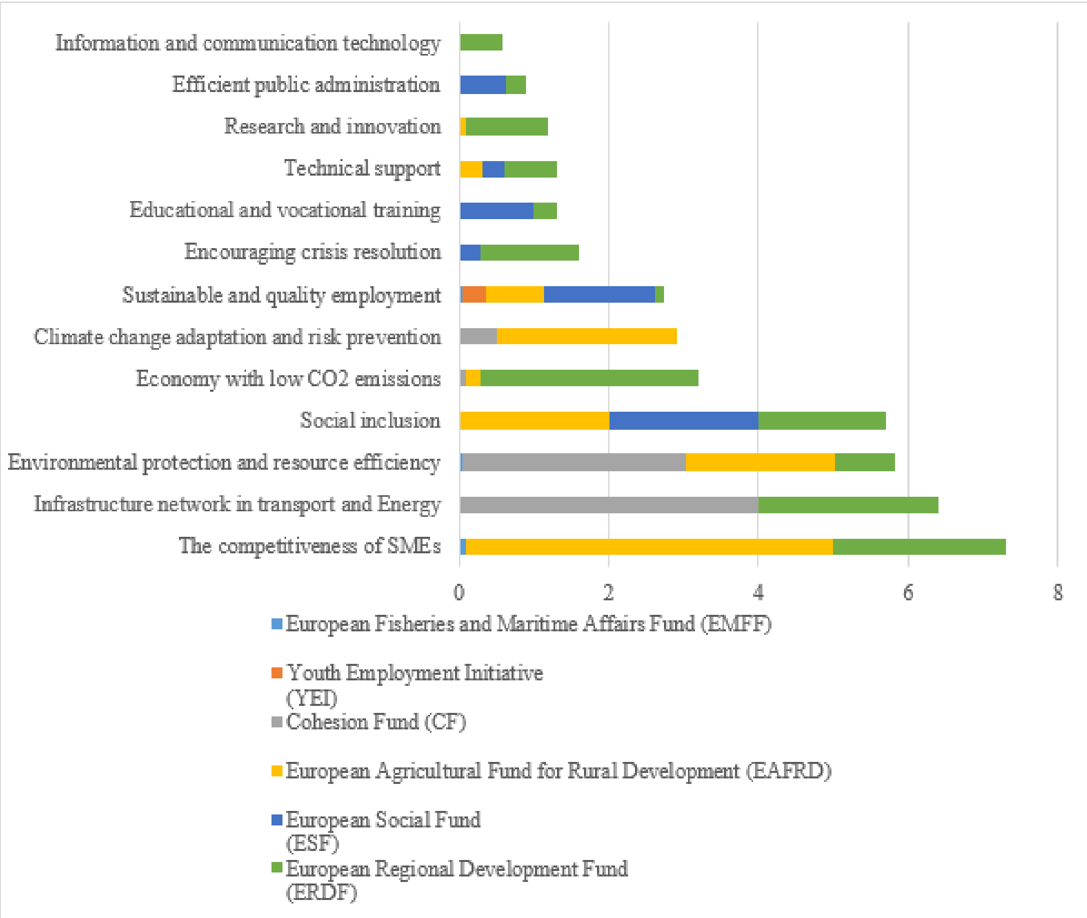

Figure 7. Distribution of funds to different types of investments (%)
Source: the author's processing of The European Commission data

4. BUSINESS IN PANDEMIC AND POST-PANDEMIC TIMES

4.1 The pandemic impact over businesses development

The pandemic we faced at the beginning of 2020 has totally changed the way we analyze and achieve things, both at the level of the individual and at the level of the company, microenvironment but also at the level of the macroenvironment. In the first half of 2020, there was the biggest decrease in economic activity in almost a century, subsequently achieving the fastest recovery of the economy in almost 18 months (Bank for international Settlements, 2022). Also in the report made by BIS, we find that, if the trend of increasing productivity manifested before the pandemic were realized, globally there would be an increase of approximately 2.7% per year over the next 2 decades – the value of the average that would be 1% lower than the average of the years 2010.

An important aspect that has impacted the development of companies during the pandemic period was the possibility of employees to work from home. The Becker Friedman Institute for Economics at the University of Chicago (ApolloTehnical Engineered Talent Solutions, 2022) conducted a study distributed to 10,000 employees. In the study they reported that they believe that they would be from home as productive as from the office, while 30% of them mentioned that they are more

productive and more involved from home. In order to understand at a total level what work from home meant during the pandemic, we express in figures as follows: travel time was reduced by 62.4 million hours per day, aggregate savings in the period March-September 2020 of over 9 billion hours – values calculated in the same study.
Owl labs have also started their own research on work from home. Globally, 16% of companies have switched to the fully remote system. It was also pointed out that 55% of the respondents work more hours at home than at the office; moreover, 32% of them consider resigning if they would be required to be fully present at the office again. Noteworthy is the second part of the situation, namely the fact that 44% of companies do not allow work from home at all.
The high productivity in the work at home is not given by the coronavirus pandemic; there are studies carried out long before that that show the 13% increase in performance, along with the increase in job satisfaction. When the study was extended to the entire company (16,000 employees), we found a performance boost of 22%. (Bloom et al., 2013). As a summary of the above, we can notice that working from home was an advantage for some companies, leading to increased productivity, even while reducing costs (office management, electricity, etc.; only a small part of the companies offered compensation to employees for work at home).
Returning to the study conducted by BIS, we can see the reflection of the data previously presented in the development and growth of companies: there are major differences between countries in terms of employment and changes in their productivity. Those who can use the possibility of working from home, could see the GDP value exceeding by 1% the reference value, while in countries where it is not allowed, production can reach up to 10% below the reference level.
According to OECD (2021), the effects of the pandemic led to a sudden global recession, with GDP falling by 1.8% in the first quarter and by 10.6% in the second quarter, in 2020. With the relaxation of the measures and the attenuation of the economic activities, the production returned and recorded increases of 8.8% in the third quarter. (OECD, 2021) Also, through the financial support granted to companies but also through changes in insolvency procedures, we managed to reduce bankruptcies by over 30% compared to the pre-pandemic period. Looking back, it must be understood that governments must have approaches that support strong and resilient recoveries, through technology, offering incentives for start-ups, but also by providing the necessary framework conditions for business development. Initiatives on the transition to new jobs should also be supported, especially for disadvantaged categories.

4.2 Post-pandemic business development

In this sub-chapter, in order to be able to analyze from an external perspective the impact of the SARS-CoV-2 pandemic, we will again refer to the study conducted by the Foreign Investors Council. From the point of view of business growth, a total decrease was observed starting with the pandemic period (March 2020), having again an increase in the middle of 2021.

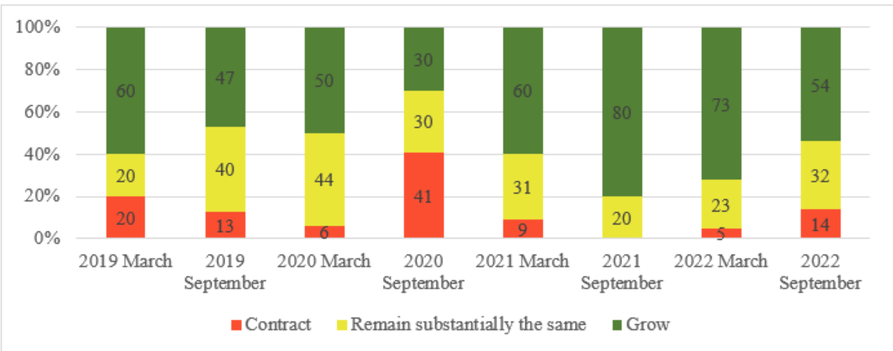

Figure 8. Total Business Growth (%)
Source: the author's processing of FIC Members Business Sentiment Index

As it can be seen in September 2022, the highest percentage was represented by investors who considered that business would not develop, while in September of the following year, the overwhelming majority considered business development. A year later, in September 2022, the percentages reached the area of values from the pre-pandemic period.
From this perspective, we can also analyze the way in which the respondents have seen and see the realization of investments, over the years until now. Again, we will see the perspective from the point of view of the question regarding the investment capital planned for the next 12 months, compared to the previous 12.

Figure 9. Capital investments planned for the next 12 months (%) from 2016 to 2022
Source: the author's processing of FIC Members Business Sentiment Index

Therefore, we can notice that over time, in a somewhat consistent percentage, there are respondents who choose the investment options approximately similar to those made up to that point. The inversely proportional variations are those regarding, on the one hand, the investors who choose to increase the investment margin, and on the other hand, those who wish to reduce it.
In a study conducted in May 2020 by the OECD, they mentioned that, in an optimistic scenario, the flows of investments from foreign capital will decrease by 30% during the year. Also, these flows have had a constant downward trend over the last 5 years and, if public health measures and economic support policies will not be effective, foreign investment capital will be able to remain below pre-crisis levels.
In order to see the most relevant aspects that need to be improved and/or changed in the post-pandemic period, we will analyze the results of the case study carried out by the IBM Institute for Business Value on a sample of 3,450 directors from 22 industries, from 20 countries, during April-June 2020.
First of all, in conjunction with the information described above regarding the employees' satisfaction offered through the possibility of working from home, we infer that an essential element is given by technology and digitalization. A percentage of 59% of respondents noted that the crisis period accelerated the digital transformation, while 66% said that initiatives, which in the past had certain bottlenecks, have been completed. Even if the technological platforms and the various technologies are not new, they were not used at full capacity, being subsequently implemented at full potential. At the same time, in this way, changes were made in the way the organizational strategies were designed, accelerating the automation of processes and workflows (where the specificity of the activities allowed it).

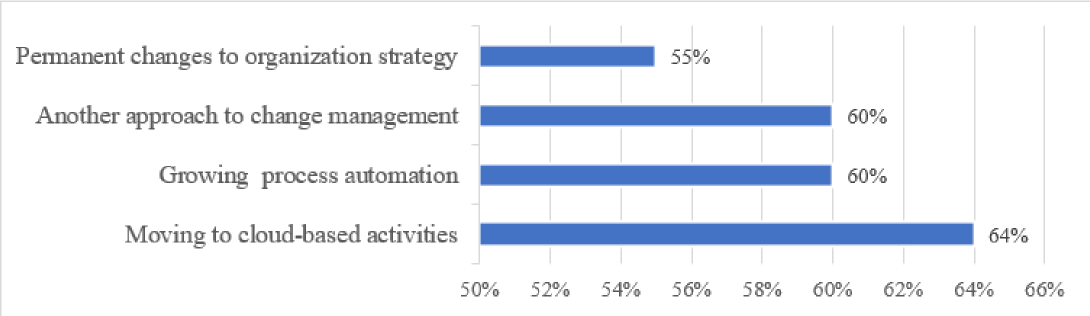

Figure 10. Technology changes in post-pandemic times
Source: IBM Institute for Business Value case study

In Figure no. 10 we can see which are the main technological trends that the respondents have implemented or are in the process of implementing them.
A company cannot function without its most valuable resource, namely the human one; it is extremely important for the managers of the companies to understand this perspective in order to lead the company to success. However, the results of the study are at least disappointing and raise serious questions. With the help of a parallel, we can observe 'reality' from the perspective of both employers and employees.

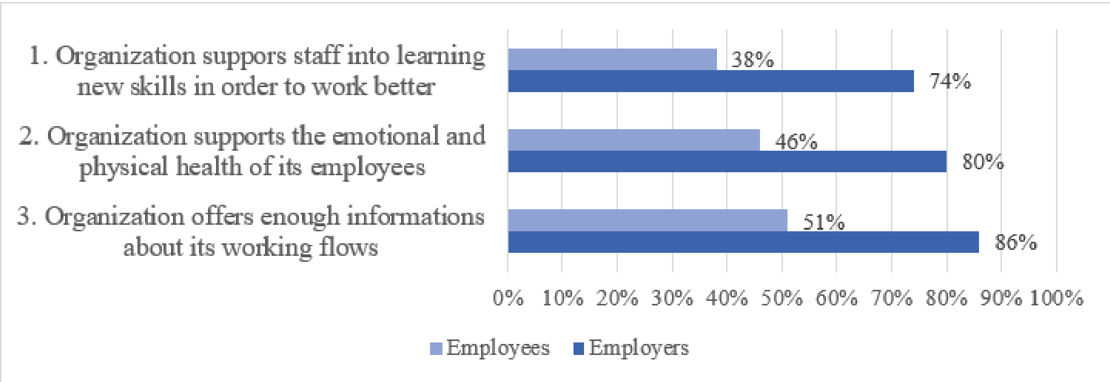

Figure 11. The reality of employers vs. employees into the companies environment
Source: IBM Institute for Business Value case study

As you can see, the reality is extremely harsh. A significant percentage of employers consider that they offer excellent conditions to the development of employees and support their development, while a 40% lower percentage of employees agree with the same statements.
In order for an organization to be effective, it is necessary for the leadership to be a leader, which combines both the necessary personality traits and the performance of the management activity, there being studies in the field that have been directed in this direction (Benson & Campbell, 2007; Hurtz & Donovan, 2000).
Although the coronavirus pandemic did not fit into the standard models of post-traumatic stress disorder and did not pass the 'diagnostic criteria', this crisis proved to produce symptoms of traumatic stress, being a global stress factor. (Bridgland et al., 2021). As a result of this stress to which the managers of the companies have been subjected (obviously, not only are they the subjects affected by stress, but the research focuses their attention on this category of people), their priorities have undergone changes, being more focused on crisis management, but also on safety and security at work. Resilience (in crisis situations) is considered by the researchers as a capacity, and from this point of view the organizational resistance is defined as the organization's ability to dynamically

restore the business model and strategy in a crisis situation or an emergency situation. (Ma & Zhang, 2022)
Operational prioritization will be performed primarily in relation to external growth and development, as can be seen in figure no. 12, where some of the trajectories targeted by them have been mentioned.

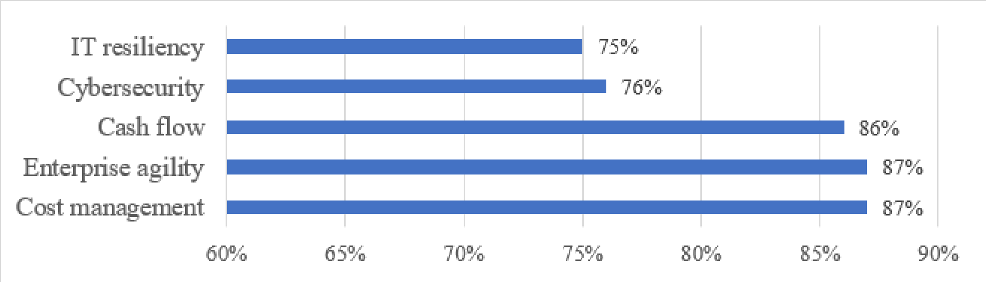

Figure 12. New priorities for the post-pandemic times
Source: IBM Institute for Business Value case study

Last but not least, an important aspect (and not only in this article) is represented by the sustainable development and the aspects related to the protection of the planet – even if we are not talking about exact business terms, the development of a business is directly related to the development of the environment; firstly, each company must comply with the related regulations and, on the other hand, the justification is extremely realistic and simple: people and the planet are interrelated and inseparable. Although the pandemic imposed restrictions that sometimes contravened the principles of responsible consumption of resources (not referring specifically to one of them), we can nevertheless notice that the trend of protecting resources and responsible consumption has remained, as we can see in figure no. 13.

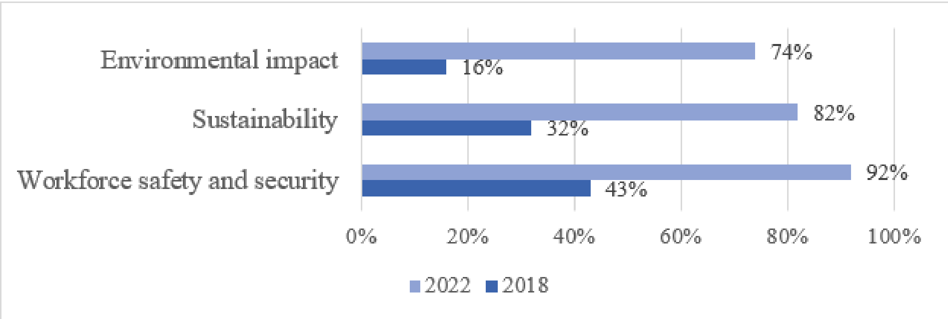

Figure 13. New priorities related to sustainability
Source: IBM Institute for Business Value case study

4.3 Drivers of business investments
In this subchapter we will get to the essence of this paper: which are the engines that start 'business investments' and how they have evolved or have undergone changes as a result of the coronavirus pandemic effects. The analysis made in the following chapters allows us to understand how investors have chosen to manage the period of recent years, but their view of the investments in our country. Therefore, we will be able to determine which are the drives of business investments in post-pandemic times.
The investments, regardless of the level at which they are made, have undergone changes over time in terms of volume and intensity of their realization. Whether we are talking about financial crises or we are talking about changing business strategies, investments have not had and will never have a constant nature.

Within the companies, for the successful implementation of the changes, it is necessary to have a good alignment with their mission. The stimuli that lead the managers within the companies to make internal investments are:

- increasing the level of quality and consistency at the level of the products/services portfolio and automating business processes by using compatible technologies;
- balancing the time spent in labor-intensive activities towards activities that can produce higher added value for the company;
- increasing visibility and timely access to all data at all levels of the company;
- changing/improving technologies in order to increase the services offered, while reducing costs;
- supporting staff development by freeing up the time allocated to basic activities, supporting career development and, collectively, there will be a benefit on common knowledge.

During the pandemic, these 'basic' reasons, but which can be branched into many categories of investments, have been diminished, in many cases even stopped. A well-known fact is the way in which companies were affected: insolvencies in Romania were 10% higher in 2021, compared to the previous year (Coaface, 2022), also the number of companies that were dissolved increased by 8.82% in the first 4 months of 2021, compared to the previous year. (Playtech, n.d.) Not at all to be neglected is the number of unemployed people that increased alarmingly with the onset of the pandemic: in the first 4 months, 875,000 Romanians were left without jobs, and the number of employment contracts terminated starting with July 15, 2020 was double that of June 1, being the date when the state ceased offering the aid for the payment of technical unemployment. (Digi24, 2020)

We therefore conclude that investments have remained in the background for most companies. However, as we could see in the charts in the previous chapters, starting with 2021, the investments have developed an upward trend. In the following we will see which are the stimuli that led to the return of interest on the investment activities.

1. ***Investing in technology***. Compared to the period prior to the pandemic, investments in technologies and automation will continue to grow. There are several reasons why we consider this fact:

- first of all, the companies had to adapt to the employees' working hours at home, this obviously involving technological aspects; large-scale migration was made to work from home in constant connection with the company and its stakeholders;
- employers could see how important it is to be able to automate certain processes and perform them without requiring the intervention of employees (through these measures we do not encourage the dismissal of employees in order to support automation, but their migration to other positions or the creation of new positions, appropriate to the new requirements). That is why investments in automation will follow in order to streamline processes and reduce (long-term) costs;
- in order to make the processes more efficient, investments will also be made in digitization and migration of data and information to the cloud in order to protect them (here we can offer Romania as an example, which has the second IT and business community in Europe, after Ireland – a community of businesses that has developed a lot since the pandemic period, when the needs were urgent);
- investments will be made regarding cyber security and data protection, given that many companies have migrated to data packages on local servers and or on the cloud; if these data were 'attacked', the companies would be at great risk; even if these problems were also existing before, the awarness of the entrepreneurs grew after the pandemic period;
- major investments will be made in technologies such as Artifical Intelligence, Internet of Things, blockchain and cloud; even if these technologies were long praised by the ones working in the field of technology and development, entrepreneurs were then not so interested in these implementations being perhaps difficult to integrate, the employees need to be trained in order to understand the

working mechanisms and there are many other reasons. In the post-pandemic period, things will also change in this direction (in order to support these ideas, we add additional information: according to a study conducted by Business Insider Intelligence, IoT will attract worldwide investments of 2.4 trillion dollars between 2021-2027 – in other words, in 2027 worldwide there will be 41 billion connected devices; but these investments will be in 'competition' with the investments in AI);

- in order to increase the competitive advantage, the investments in emerging technologies will also increase, these being truly priorities on the list of activities to be implemented, but also new development and competitiveness strategies.

2. Investments in human resources. If many companies did not admit the possibility of working remotely for employees, along with the pandemic rules, they had to implement such measures as well. In the post-pandemic period, many employees gave up office work, motivating a higher productivity, saving time spent on commuting but also the fact that, as long as the productivity was increasing for months, there seem to be no reason why they would return. Moreover, there are companies that list job offers that are entirely remote, so you can work from anywhere. In order for the employees to maintain their productivity, but also to maintain them in the company, the managers will have to invest in their development, in courses, trainings but also to offer them the possibility to advance within the companies.

3. Investments in marketing, promotion and visibility in the online environment. During the pandemic, most stores were closed. However, although slightly diminished, the appetite for various purchases remained among the population, resorting to online shops. During this period, shops that did not have a store in the virtual space, were disadvantaged regarding their customers. At the same time, those who chose not to invest at all in the advertising budget because they didn't find it useful, were also disadvantaged. In the post-pandemic period, the companies will rethink their marketing and promotion strategies and, at the same time, they will surely have developed an online store (in order to support our statements, we will mention the fact that in the pandemic period there were increases of online orders by up to 57%, and most companies that recorded increases – 63% of them – are 4-7 years old on the market; study conducted by VTEX enterprise platform).

4. Investments for the environment. Starting with the post-pandemic period, the investments that companies make for planet support and sustainable development will increase. In recent years we have experienced all sorts of situations that have made us understand how important is the environment and the fact that we are indissolubly connected to it and to the planet, both as individuals and legal entities. At the same time, there are support funds for the migration to the "green area", therefore we consider that this area will be one of interest in terms of investment.

5. We consider a driver for business investments the opportunity offered by non-reimbursable funds. During the pandemic, the businesses were supported through the 3 support measures, each with its own particularities and eligible expenses. However, these measures are not the only ones of interest. The European Union allocates extremely large budgets for the financing periods, subsequently dividing by years; these are further divided by financing axes and eligible areas to which businesses can apply. After the crisis period, managers understood even better, or, as the case may be, they found out (for those who have not gone through a crisis period with the business, regardless of its form) that managing to make investments from funds that you do not have to repay is crucial, if you do not have the necessary money of your own. For the funding period 2021-2027, the European Union has allocated a total budget of EUR 4,016,729,624 for our country (private and public development).

It remains to be seen how these funds will be used; we want the process to be more efficient than that of the previous programming period. In the figure below we can analyze the data on Implementation progress (total cost) for Romania. The period covered by the analysis chart is until 31.12.2021 and analyzes, also in percentages, the dynamism between planned versus resources allocated to projects versus actually spent.

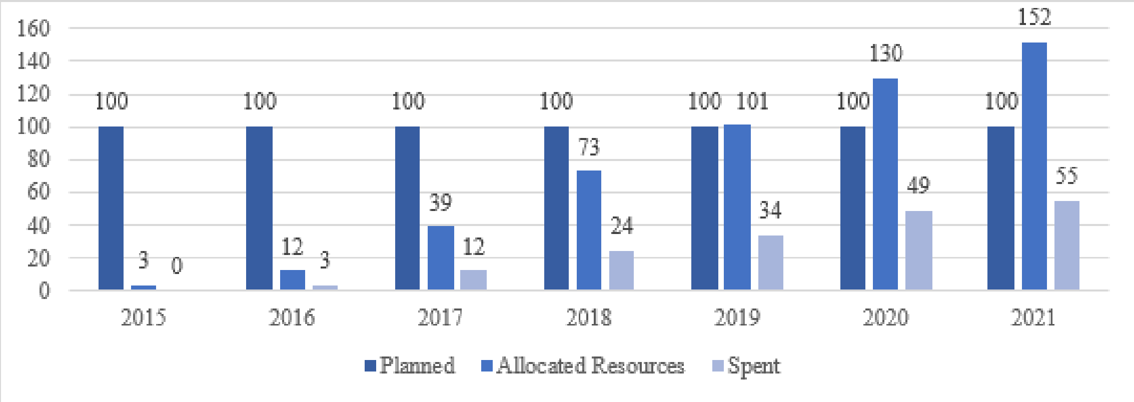

Figure 14. Absorption of funds correlated with the initially planned situation (%)
Source: the author's processing of The European Commission data

As it can be seen, there is an upward trend in the absorption of funds but also of the submitted projects, as a result of which the funds distributed to them exceed the initially planned budget for each year (starting with 2019). However, the negative aspect is given by large differences between the budget allocation and the actual spending of the money; although the trend has an increasing dynamic (from 12% in 2016 to 55% in 2021), there are large differences in the budget not consumed by potential beneficiaries. Therefore, the gap regarding the spending of the budgets allocated efficiently and fully is clearly highlighted.

6. Investors. Since the previous sub-points were related to the investments that are made by managers within their own companies, here we will discuss the approach that investors will have towards the new investment opportunities. Companies that had a stable reserve fund and were able to use it during the pandemic both in order not to have to lay off employees, but also to develop and adapt to market requirements will certainly be of interest compared to companies that have not managed to maintain themselves on a balanced line. At the same time, it will be of interest the companies in the IT area that bring innovative services/products to the market and that have adapted in a short time to the new needs on the market that appeared with the crisis period.

5. CONCLUSIONS

Because this paper is limited in terms of its size, we proceed to the conclusions part. There would be more to mention regarding the investments, but also to analyze distinctly an entire chapter related to the investments made from European non-reimbursable funds.

We noticed, both from our own research and with the help of the case studies presented here, several aspects of which we summarize: although Romania is a country that attracts investments and budgets from the European Union, the infrastructure but also the legislation are not great, so that the appetite of foreign investors for the investments made in our country has a downward trend. During the pandemic, most investment initiatives suffered, but since 2021 there have been recoveries. The central part of the article, namely the drivers of business investments in post-pandemic times, presents some perspectives that we considered as part of the future, analyzing retrospectively but also the market trends. We do not say that we invented the wheel, because many of the aspects mentioned were already implemented by some companies. What we wanted to emphasise is reflected in the fact that these will become global trends, on the other hand the companies that do not take seriously the new technologies, for example, will start to implement them on a large scale and so on.

Compared to the pre-pandemic period, the engines that are the basis of the investment ideas will change a lot. Those involved in business will not look at investments (as it happened, unfortunately,

many times before) as short-term growth levers, but will carry out financial, viability and efficiency analyses to protect themselves in the future in front of other potential crises, but also to stay at the top among competitors in the market.
Our perspective seems bright and we believe that, in addition to the unfavorable financial aspects that exist today, the economy will develop further and humanity will evolve on a much higher scale than at present.

REFERENCES

ApolloTehnical Engineered Talent Solutions (2022). *Statistics on remote workers that will surprise you*. Retrieved October 13, 2022, from https://www.apollotechnical.com/statistics-on-remote-workers/.

Benson, M. J. & Campbell, J. P. (2007). To be, or not to be, linear: An expanded representation of personality and its relationship to leadership performance. *International Journal of Selection and Assessment*, *15*(2), 232–249, https://doi.org/10.1111/j.1468-2389.2007.00384.x.

Bloom, N., Beaulieu, J. J., Liang, J., Roberts, D. & Ying, Z. J. (2013). Does Working from Home Work? Evidence from a Chinese Experiment. Kauffman: Large Research Projects - NBER (Topic).

Bridgland, V. M. E., Moeck, E. K., Green, D. M., Swain, T. L., Nayda, D. M., Matson, L. A., Hutchison, N. P. & Takarangi, M. K. T. (2021). Why the COVID-19 pandemic is a traumatic stressor. *PLOS ONE 16*(1): e0240146, https://doi.org/10.1371/journal.pone.0240146.

Cicea, C., Turlea, C. & Marinescu, C. (2022). *Investments. Performance, evaluation, specific documentation*. Bucharest.

Coaface (n.d.). *In Coaface for Trade*. Retrieved October 11, 2022, from https://www.coface.ro/Stiri-Publicatii/Stiri/STUDIU-COFACE-INSOLVENTELE-IN-ROMANIA-AU-CRESCUT-CU-10-IN-2021-FATA-DE-ANUL-PREDECENT.

Digi24 (2020, August 3). *Analysis: More than 875,000 Romanians have been unemployed in the last four months. What the crisis picture will look like on the labor market*. Retrieved October 12, 2022, from https://www.digi24.ro/stiri/economie/mai-mult-de-875-000-de-romani-au-ramas-fara-loc-de-munca-in-ultimele-patru-luni-cum-va-arata-tabloul-crizei-pe-piata-muncii-1347316.

European Commission (2018). *2018 Country Report on Romania*. Retrieved October 11, 2022, from https://ec.europa.eu/info/sites/default/files/2018-european-semester-country-report-romania-ro.pdf.

European Commission (n.d.). C*ohesion open data platform.* Retrieved September 20, 2022, from https://cohesiondata.ec.europa.eu/countries/EN/14-20.

Eurostat (2022). *Investment share of GDP by institutional sectors*. Retrieved October 12, 2022, from https://ec.europa.eu/eurostat/databrowser/view/sdg_08_11/default/table?lang=en.

Foreign Investors Council (2022, September). *FIC Members Business Sentiment Index*. Retrieved October 12, 2022, from https://fic.ro/business-sentiment-index/.

Hada, T., Iuga, I. & Deaconu, L. (2020). *Investments. Investment financing.* Bucharest.

Hurtz, G. M. & Donovan, J. J. (2000). Personality and job performance: *The Big Five revisited. Journal of Applied Psychology, 85*(6), 869–879, https://doi.org/10.1037//002I-9010.85.6.869.

IBM Institute for Business Value (2020). *COVID-19 and the future of business*. Retrieved October 10, 2022, from https://www.ibm.com/thought-leadership/institute-business-value/report/covid-19-future-business#.

Investment. (n.d.). In the *Cambridge Dictionary.* Retrieved from https://dictionary.cambridge.org/dictionary/english/investment.

Lucian, P. (2021). Absorption of European Funds by Romania during 2014-2020. *Business and Economics, 16*(2), 157-170. TWO: 10.2478/sbe-2021-0031.

Ma, B., Zhang, J. (2022). Tie strength, organizational resilience and enterprise crisis management: An empirical study in pandemic time. *International Journal of Disaster Risk Reduction, vol. 81*, https://doi.org/10.1016/j.ijdrr.2022.103240.

Michael, A. (2022). In Romania there are 1.1 million Srl companies and only 8,000 SA companies. Why are there so few SAs, if more and more companies want to reward their employees with shares? Retrieved February 15, 2022 from https://www.zf.ro/eveniment/in-romania-exista-1-1-milioane-de-firme-tip-srl-si-doar-8-000-de-tip-20545791.

Nectus (2021, October 28). *The Future of IoT: Business Insider Intelligence Report*. Retrieved October 12, 2022 from https://www.onectus.com/post/the-future-of-iot-business-insider-intelligence-report.

Nodari, G., Rees, D. & Rungcharoenkitkul, P. (2022). *Global growth: drivers and post-pandemic prospects*. Retrieved October 12, 2022, from https://www.bis.org/publ/qtrpdf/r_qt2203b.htm.

Organisation for Economic Co-operation and Development (2020, May). *Foreign direct investment flows in the time of COVID-19.* Retrieved October 10, 2022, from https://www.oecd.org/coronavirus/policy-responses/foreign-direct-investmentflowsin-the-time-of-covid-19-a2fa20c4/.

Organisation for Economic Co-operation and Development (2021, February). *Business dynamism during the COVID-19 pandemic: Which policies for an inclusive recovery?* Retrieved October 10, 2022, from https://www.oecd.org/coronavirus/policy-responses/business-dynamism-during-the-covid-19-pandemic-which-policies-for-an-inclusive-recovery-f08af011/.

Puiu, A. (2021, May 31). Playtech: How many companies have gone bankrupt in Romania: the figures that show you the economic consequences of the pandemic. *Site name.* https://playtech.ro/2021/cate-firme-au-dat-faliment-in-romania-cifrele-care-iti-arata-urmarile-economice-ale-pandemiei/.

Singh, P. (2016). *Investment Management.* India.

Stoica, M. (2021). *Investment management.* Bucharest.

Vtex (2020, June 7). *VTEX study: Almost 60% of retailers in Romania registered sales increases in the pandemic, especially in online, and are planning major investments in ecommerce*. Retrieved October 13, 2022, from https://vtex.com/en/press/commands-online-a-crescut-cu-57-in-pandemie-arata-studiul-vtex/.