

# Internal Barriers of Family Business: A Survey in Wood-Working and Furniture Family Enterprises in Slovakia before and During the COVID-19 Pandemic

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## Abstract

*Family businesses are an important part of any economy. As in many other industries, wood-working and furniture family businesses in Slovakia face barriers that affect their sustainability and competitiveness. On the one hand, there are external barriers, or determinants, whether macro-environments (political, legal, economic, demographic, socio-cultural, technological, informational, ecological) or micro-environments, such as customers, suppliers, intermediaries, competitors and the public. On the other hand, family businesses are no less influenced by internal barriers, which include management, finance, human resources, marketing, research and development, succession, generation change. In connection with the COVID-19 pandemic, these barriers have intensified. Our goal was to examine how wood-working and furniture family businesses in Slovakia perceive the importance of internal company barriers brought about by the pandemic. The main purpose of the research is to identify significant differences in internal barriers in the segment of family woodworking and furniture enterprises in Slovakia before and during the COVID-19 pandemic. To obtain relevant results, the study surveyed 443 family enterprises operating in wood-working and furniture industries. To meet the stated goal, the methodological tool of the research method was a questionnaire survey which addressed the family wood-working and furniture enterprises. The established hypotheses were tested using statistical methods: analysis of variance, Interval estimation of relative abundance, Duncan's post-hoc test. Based on the findings obtained by collecting and evaluating the questionnaire, it was concluded that the importance of individual internal barriers in family business varies with changing conditions. In particular, property succession, generational change was ranked among the most important barriers before the pandemic. With the advent of the pandemic, however, comes a change where the importance of all barriers has increased sharply and barriers such as marketing, finance, human resource management and management are at the forefront. The results of the paper are a contribution for science and practice and open up possibilities for further research in the sector of Slovak woodworking and furniture family businesses. Considering the specifics of family businesses in this context will allow for a deeper understanding of their responses to the pandemic and contributes to the formulation of recommendations and strategies to strengthen their resilience in times of crisis.*

**Keywords:** COVID-19, Family Business, Internal Barriers, Pandemic, Woodworking and Furniture Enterprises.

## Introduction

Over the years, family business has demonstrated its permanent place in the sphere of the world economy (Rajnoha, Korauš, Dobrovič 2017; Korauš et al 2020; Straková et al 2021; Šimberová et al 2022). With their deep roots in the economic, political and social spheres, these businesses contribute significantly to the long-term sustainability of economic growth in many developed economies (Zachary, 2011; Dobrovič, Rajnoha, Korauš 2018). In Slovakia, where family businesses (FBs) account for 30 to 40 percent of GDP and provide employment for more than 40 percent of the population, during this period, family businesses became key players in a number of sectors, including traditional crafts, the wood-working industry and furniture industry. This rise has been fuelled not only by economic development but also by the increasing interest in sustainable business models that family businesses often represent (Korauš et al 2021). Family businesses are important not only for their economic benefits, but also for the strong family climate and cohesion that shape the working environment. Nevertheless, they face many challenges, such as generational change, property succession, and the ambitions of individual members (Korab et al., 2008). They have become particularly important in recent years, when the COVID-19 pandemic brought

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considerable economic and economic damage. This phenomenon has highlighted the need for a deep understanding of the internal and external environment of businesses and their ability to respond to rapidly changing market conditions.

This type of business has been shown to strengthen the economy (Sharma, 2004). In the European Union, they account for as much as 60% of employment opportunities, underlining their importance at the continental level (Sharma, 2004)

Family business research has been the subject of a number of authors over the years. As a very interesting topic, FB constantly brings new aspects to look at. Among the authors who have dealt with the subject, it is necessary to highlight Ward and Aronoff (2011) and Eckey and Memmel (2023) and many others whose research, works and publications have contributed significantly to the very formation of the concept of family business. The authors Papula et al. (2015), Kadocsa et al. (2011) and Slovak Business Agency (2020) have directly addressed the issue of determinants of family entrepreneurship, dividing these determinants into internal and external determinants in their publications. Their research has contributed to a closer understanding of the family business environment and the factors that have a direct impact on it.

In the current times, marked by the global pandemic COVID-19, family business has become a particularly crucial aspect of the economy. The pandemic has had a significant impact on the dynamics of family businesses and it is therefore essential to pay attention to their current situation. This study aims to analyse the impact of the pandemic on family businesses and their ability to adapt to the new conditions. The importance of this issue lies not only in understanding the current state of family businesses, but also in identifying the need for further research that could provide valuable information and guidance for the future.

The aim of the present paper is to identify significant internal determinants that affect entrepreneurship and represent barriers to entrepreneurship in the segment of wood-working and furniture family businesses in Slovakia before and during the COVID-19 pandemic.

## Literature Review

For decades, several authors have attempted to define the family business as a single entity. The inconsistency in the various definitions created chaos, with authors competing to see who could come up with the best and most appropriate definition of the family business. Donnelly in 1964 stated that a family business is a business intertwined by at least two generations of a given family. The authors Ward and Aronoff (2011) defined a family business as a unit that is intended to be carried on by the next generation of the family. Neubauer and Lank (1998) introduced family businesses as economic units where decision-making processes are in the hands of a given family.

The history of FBs in Slovakia has been marked by political and social changes, especially after 1990. However, significant development and support for this sector only occurred with the adoption of legislative changes in 2022, when Act No. 112/2018 Coll. on the social economy and social enterprises. This amendment to the Act, which came into force on 1 July 2023, enabled the addressable registration of family businesses and provided the basis for targeted economic development and academic research (Act No. 112/2018 Coll., 2022). Between 1990 and the legislative changes in 2022, family businesses in Slovakia underwent a remarkable transformation.

The ability to combine innovation with traditional values and close family relationships has enabled FBs to develop unique strategies for long-term sustainability and growth (Korab, 2008; Machek, 2017). Achieving this sustainability is possible in the case of corporate agility, as the ability of a business to respond to changes in its environment in an efficient, flexible and timely manner (Girod et al., 2023). These developments suggest that family businesses have the potential not only to survive in a competitive environment, but also to develop dynamically within it, which is important for the overall strengthening of the economy and the sustainable development of society (Dobrovič, Korauš, Dančišinová, 2016).

Authors Nguimkeu (2013) and Porfirio et al. (2020) emphasize that a key component of the success of family businesses is their internal determinants, which include aspects such as management, financing, human resources, marketing, and research and development. These factors are the fundamental building blocks that shape the unique structure and strategic direction of these businesses (Sujanska and Nadanyiova, 2023). Effective management of these internal determinants enables family businesses to stay ahead of the competition, strengthens their ability to adapt to changes in the market environment, and enhances their overall performance. Management that often includes members of the same family contributes to a deeper understanding of and commitment to the business, while strategic planning in finance, human resources, and marketing helps maintain steady growth and innovation. Last but not least, investments in R&D are essential for the long-term sustainability of family businesses (Papula et al., 2015; Maqin et al., 2017).

Papula et al., (2015) and Slovak Business Agency (2020) highlighted that internal barriers to family entrepreneurship represent challenges, obstacles or constraints that arise within the family business environment and can directly affect its efficiency, growth and sustainability. Focusing on the segment of woodworking and furniture family businesses, it is clear that Slovakia has significant potential due to its rich sources of wood raw material and preserved nature. The wood-working and furniture sector, together with the pulp and paper sector, forms a unified wood processing industry (WPI) in Slovakia, which is characterised by a long tradition. Currently, more than 5 700 enterprises operate in this segment, of which approximately 2252 (39.50%) are family-owned (FINSTAT, 2023). Despite their high potential, these enterprises face challenges in terms of innovation and investment, which are essential for their long-term sustainability and competitiveness (Landscheidt and Kans, 2019; Akhtar, 2023). In today's dynamically changing world, innovation is the key to economic success, and it is therefore essential that family businesses continuously work on their development and adaptation to new challenges (Torun and Cicekci, 2007; Korauš et al 2019).

The results of recent surveys suggest that family business has been significantly affected by the COVID-19 pandemic. In their publication, authors Eckey and Memmel (2023) confirmed the hypothesis that family businesses were more resilient to the effects of the pandemic than non-family businesses. The impact of the pandemic caused significant damage to family businesses, but the resilience of the family itself to persevere and defend the family values created were key to survival. Calabrò et al. (2021) in their research examined the frustrations and threats to survival of family businesses before and during the COVID-19 pandemic. The findings indicate that the three most salient themes that created frustration for family businesses during the pandemic were: time, family, and lack of information. Businesses were forced to get their time management right, having to deal with scarcity in the form of information needed to survive, but also more valuable parts such as knowledge and skills. From the family's point of view, it was important to postpone family disputes so that the family could concentrate fully on the survival of the business. The research further revealed that the key factor that influenced the family business before the pandemic was mainly competition, which represents its essential place in the market environment.

Thus, it is clear from the results of other research that the need to know the key factors that influenced family business before and during the pandemic is very felt and can help family business as a whole, to cope with the impacts of future crises.

The topic of FBs is a very broad and encompassing one, and the impact of the COVID-19 pandemic has made it all the more urgent to examine it thoroughly. The impacts of the pandemic have been shown to be highly significant in the field of entrepreneurship as a whole (Omodara et al., 2020; Fairlie and Fossen, 2021; Meyer et al., 2022). The authors are motivated by the need to examine the impacts of the pandemic on family business and its functioning. The creation of this paper offers an opportunity to gather and analyse information on how family businesses responded to the challenges of the pandemic, how they affected their market position and what internal factors constituted barriers to entrepreneurship before and during the COVID-19 pandemic period. Exploring this aspect can be of considerable use not only to entrepreneurs within family businesses themselves, but also to practitioners, institutions and governmental bodies interested in supporting entrepreneurship during the crisis.

## Methodology and Research Methods

The methodological approach of this paper has been broken down into logically organised phases. In the first phase, an analysis of secondary literature sources was conducted with an emphasis on family business in the wood-working and furniture sector in Slovakia. In this stage, methods of scientific work such as analysis, synthesis, summarization, description, comparison, deduction and analogy were used. The findings on family business, the impacts of the COVID-19 pandemic and the internal factors influencing woodworking and furniture manufacturing entrepreneurship in Slovakia (WWAFI) led to the formulation of the following hypotheses:

*H1:* We hypothesize that a key internal barrier to the RP business before the pandemic was generational changes.

As Servus (2018) present, generational change is a long-term process that is not easy to manage. It represents a challenging process taking place mostly inside the company, which interferes with issues of planning, preparation and the transfer of responsibility from one generation to the next. The family thus needs a high degree of flexibility in management decision-making, but also changes in ownership rights that are handed over from the previous generation to the new generation (Slovak Business Agency, 2020).

*H2:* We hypothesize that a key internal barrier to RP business during a pandemic is the poor financial situation of businesses.

KPMG (2021) presented in the Family Business Survey Report that both family and non-family businesses were not prepared for the large reduction in revenue. As many as 72.5% of family businesses globally experienced a huge reduction in revenue during the pandemic compared to the baseline. As reported by Calabrò et al. (2021) the reduction in revenue was reflected in several facts. Businesses were forced to reduce the number of hours that employees were expected to work, introduce home office work, reduce staffing levels, reassess or completely withdraw from the contracts they had accepted, and so on. Thus, during the pandemic, FBs had to find their own trajectory in balancing their economic and non-economic priorities.

The next phase of the research involved a primary empirical investigation of current issues in the woodworking and furniture sector through a questionnaire survey. The questionnaire was structured into three key sections with a total of 16 questions. The first part focused on the recognition and description of FB in the woodworking and furniture sectors, with their identification based on the new definition according to the amended Law 112 of 2018. Companies that met at least one of the above criteria were considered FBs. The second part focused on identifying significant differences in the internal barriers faced by family wood-working and furniture businesses before and during the COVID-19 pandemic. The final part of the questionnaire focused on questions related to coping with pandemic challenges and the use of company resources. The survey was conducted via Google Forms and sent out via email from February to May 2023. According to Finstat (2022), there were 3,573 active businesses in the wood-working and furniture sector. Our research sample consisted of 2,300 randomly selected FBs in this sector according to the SK NACE classification (codes C16 and C31). The return rate of the questionnaire was 9.43%.

The third stage of the study focused on the analysis of the data collected from the questionnaire survey. Microsoft Excel was used to analyse this data, which was then followed by mathematical statistical testing of the data in Statistica 12 software. At this stage, the formulated hypotheses were also tested using mathematical and statistical methods. Before the actual hypothesis testing, it was necessary to determine the minimum research sample ( $n$ ), which is a basic condition that allows the research findings to be generalized to the entire population (Janková, 2019):

$$n \geq \frac{z^2 \cdot p \cdot (1-p)}{c^2}$$

(1)

where 'z' is the standard normal deviate appropriate for the desired confidence level, 'p' is an estimate of the population proportion, and 'c' is the tolerable error level. Using the formula along with the implementation of the calculation, we arrived at the finding that 384 responses emanating from Slovak family businesses were required for our research.

For the purpose of further research, it is also necessary to calculate the correction related to Slovak family businesses using the following formula (Janková, 2019):

$$n_{\text{correction}} \geq \frac{n}{1 + \frac{n-1}{\text{pop}}} \quad (2)$$

where variable "n" expresses the sample size without considering the population, "pop" expresses the population size.

To check the internal consistency of the questionnaire, we used Cronbach's alpha coefficient, which is used quite often in inquiry methods (Cronbach, 1951):

$$\alpha = \frac{k}{k-1} \times \left( 1 - \frac{\sum_{i=1}^k s_i^2}{s^2} \right) \quad (3)$$

Cronbach's alpha values that are greater than or equal to 0.7 indicate sufficient reliability of the questionnaire for us.

The validation of hypotheses H1 and H2 was evaluated using Interval Estimation of Relative Abundance Proportion. It gave us a range that tells us whether the parameter estimated by us is within a certain probability of falling into our base set. We use the following formula to express it (Ali and Bhaskar, 2016):

$$P \left[ p - z_{1-\frac{\alpha}{2}} \sqrt{\frac{p(1-p)}{n}} < \pi < p + z_{1-\frac{\alpha}{2}} \sqrt{\frac{p(1-p)}{n}} \right] = 1 - \alpha \quad (4)$$

where " $\alpha$ " is estimation error, " $\pi$ " is the estimated population's frequency, " $\square$ " is the significance level, " $z$ " is critical value of standard normal distribution, " $p$ " is the sample frequency and " $n$ " is the sample size.

Another method used was Analysis of Variance or ANOVA. Its use allowed us to compare means for two or more baseline sets. As a result, we were able to determine whether we could accept the null hypothesis or had to reject it (Pacáková et al., 2009). The test characteristic F is expressed by the relationship in question:

$$F = \frac{MSA}{MSE} = \frac{\frac{SSA}{k-1}}{\frac{SSE}{n-k}} \quad (5)$$

where MSE represents the mean square error for random factor E, MSA is the mean square model for factor A, SSE is the sum of within-group variability, SSA is the sum of between-group variability, k-1 and n-k are the individual numbers of degrees of freedom (Pacáková et al., 2009). ANOVA was directly followed by another statistical method, which is Duncan's post-hoc test. Using it, we saw specific differences between pairs of averages. A statistically significant difference is confirmed provided the following relationship holds:

$$\bar{y}_i - \bar{y}_j \geq D_a \sqrt{\frac{S_r^2}{n}} \quad (6)$$

where  $\bar{y}_i$ ,  $\bar{y}_j$  are group means,  $D_a$  represents the Duncan test value for a given number of differences,  $S_r^2$  represents the residual variance, and "n" is the sample size (Kucuk et al., 2016).

## Results

The study surveyed 443 family businesses operating in wood-working and furniture manufacturing according to the SK NACE classification (C16, C31). The survey was conducted with a 5% margin of error ( $e = 0.05$ ) and 95% confidence level ( $z = 1.96$ ), with a known population size ( $N = 3573$ ). The minimum sample size was calculated to be 384 Slovak family businesses in the wood-working and furniture sector. The participation of 443 respondents met the minimum sample size requirement, allowing the results to be generalized to the entire base population. The high internal consistency of the scale was confirmed by calculating Cronbach's alpha with a value of 0.96. The survey participants came from all regions of the Slovak Republic. The selection of firms was made randomly from the database of Slovak family businesses (FINSTAT, 2023), with emphasis on the identification of family businesses according to the new definition valid from January 1, 2023.

The structure of the research sample according to the legal form (Limited Liability Company – L.L.C., Self-employed S.E., Joint Stock Company – J.S.C.), number of employees, age of family businesses and their regional breakdown is presented in Figures 1-4.

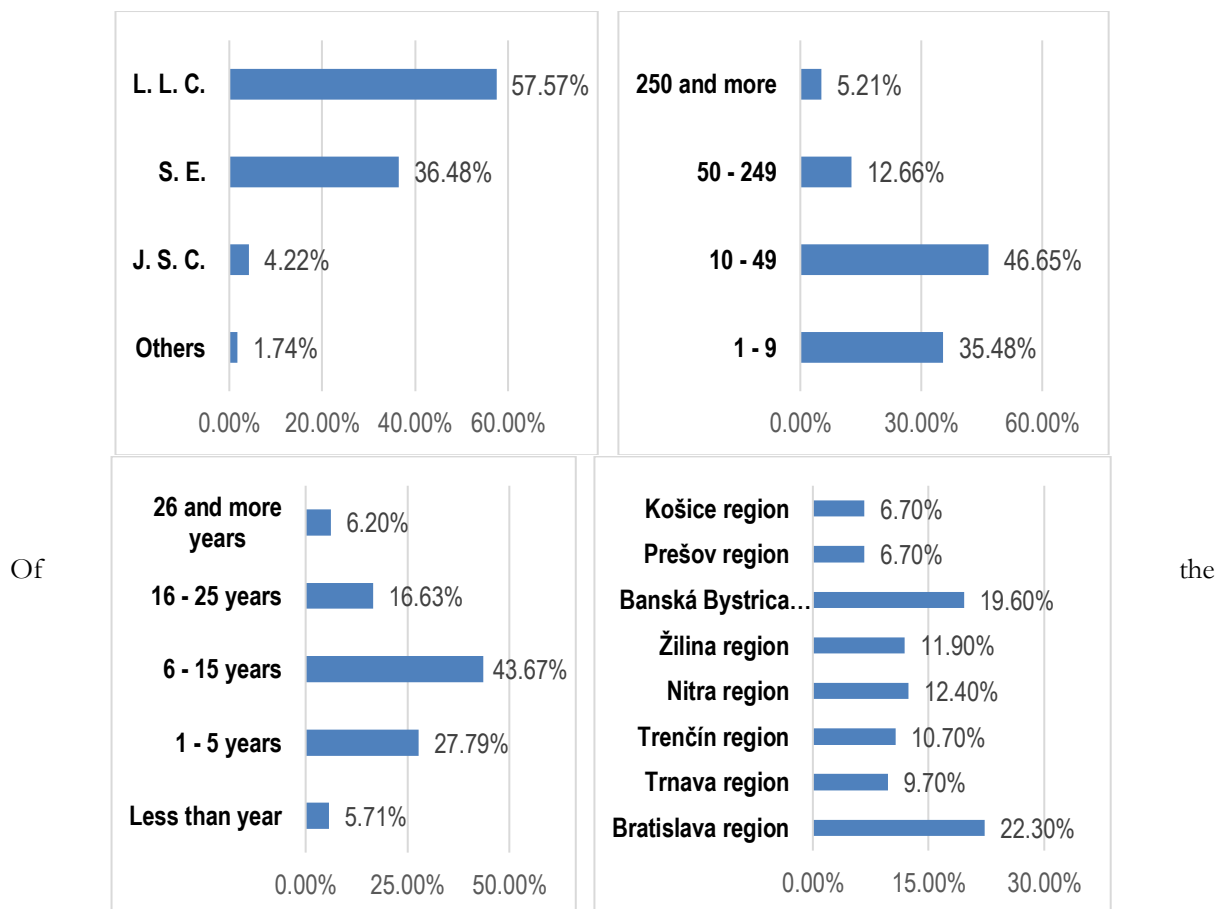


Figure 3. Age of family businesses  
Source: Own research

Figure 4. Regional breakdown of enterprises  
Source: Own research

respondents, 35.48% identified themselves as micro enterprises and 46.65% as small enterprises. Majority

of them were either a limited company (57.57%) or sole traders (36.48%). The predominant age of their business was between 6-15 years (43.67%) and 1-5 years (27.29%). They mainly focused on the local (35.73%) and district market (21.59%), with the highest representation in the Bratislava (22.30%) and Banská Bystrica region (19.60%). Their main industries included trade (25.80%) and accommodation and catering services (20.60%).

Our research focused on understanding the significance of individual internal factors of family business. The actual level of importance could be expressed by the respondents using an interval scale of - 2 to +2, where - 2 meant that they perceived the barrier very negatively (or as very insignificant), - 1 negatively (or as insignificant), 0 was a neutral response, 1 meant a positive perception (or significant) and 2 meant a very positive perception (or as very significant) of the barrier. The results are presented in Figure 5.

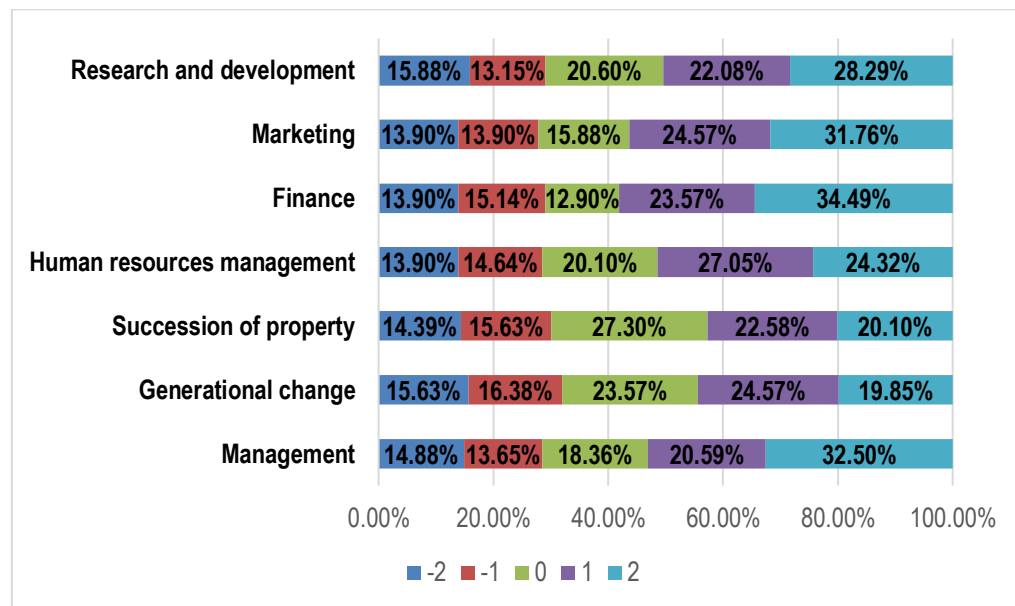


Figure 5. Significance Of Internal Barriers In %

In Figure 5, we can observe that research and development was the least important barrier with 15.88% (abs. 64) along with generational change with 15.63% (abs. 63). Respondents considered the barrier of generational change to be of low importance with 16.38% (abs. 66) and property succession with 15.63% (abs. 63). They chose a neutral answer in the same two cases, where property succession reached 27.30% (abs. 110) and generational change 23.57% (abs. 95). Respondents considered human resource management to be an important barrier with 27.05% (abs. 109), marketing with 24.57% (abs. 99), and generational change with 24.57% (abs. 99). Thus, finance was the most important barrier that represented a key aspect for the respondents with 34.49% (abs. 139), along with management which reached 32.50% (abs. 131) and marketing with 31.76% (abs. 128).

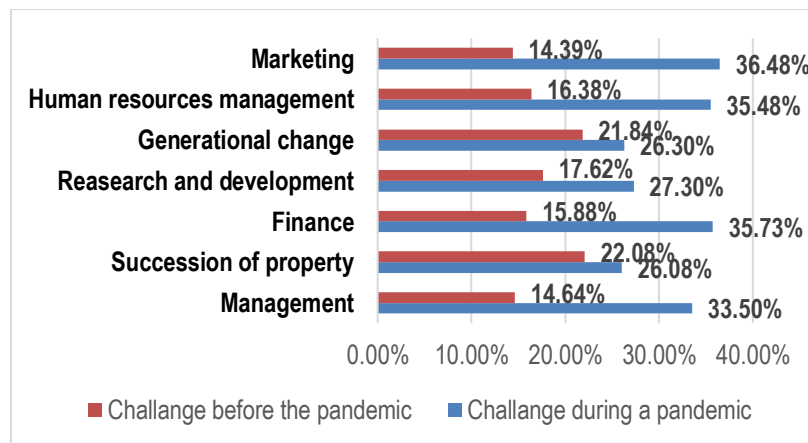
The above overview of barriers to the internal environment gives us a general view of the functioning of the internal environment of the company. The barriers with the highest average importance values were recorded as finance 0.50, marketing 0.46 and management 0.42. The lowest mean importance values were observed for generational change 0.16 and property succession 0.18. Related to this, the results of Duncan's post-hoc test presented in Table 1 detail the significant differences in importance between each pair of internal environment barriers. Significantly different are finance, marketing and management from succession and human resources. The differences between the other pairs of barriers are not statistically significant.

**Table 1. Results of Duncan's Post-Hoc Test For Internal Barriers**

The importance of barriers	average value	(1)	(2)	(3)	(4)	(5)	(6)
(1) Management	0.42						
(2) Generational change	0.16	<b>0.018</b>					
(3) Succession of property	0.18	<b>0.025</b>	0.860				
(4) Human resources management	0.33	0.394	0.109	0.129			
(5) Finance	0.50	0.478	<b>0.002</b>	<b>0.004</b>	0.139		
(6) Marketing	0.46	0.667	<b>0.006</b>	<b>0.009</b>	0.226	0.742	
(7) Research and development	0.34	0.389	0.112	0.139	0.960	0.141	0.225

Source: Own research

In addition to the significance of internal barriers, we were also interested in how respondents perceived each of the internal barriers to FP in terms of their challenges before and during the pandemic. The findings are presented in Figure 6.

**Figure 6. Differentiation Of Internal Barriers in Terms of Their Challenge Before and During a Pandemic**

Source: Own Research

Figure 6 show that during the pandemic situation all of these internal barriers posed a much greater challenge to entrepreneurs. Thus, the most affected barriers were subsequently finance at 35.73% (abs. 144), marketing at 36.48% (abs. 147), and human resource management at 35.48% (abs. 143), but before the pandemic, the most problematic barriers were property succession at 22.08% (abs. 89) and generational change at 21.84% (abs. 88). To test the stated research hypotheses, the method of interval estimates of barriers of the internal environment in the period before and during the pandemic was used. The results are presented in Table 2.

**Table 2: Interval Estimates of Barriers to The Internal Environment - Before and During the Pandemic (95% Confidence Interval)**

	Before the pandemic	During a pandemic
Management	(11% to 18%)	(29% to 38%)
Generational change	(18% to 26%)	(22% to 31%)
Property succession	(18% to 26%)	(22% to 30%)
Human resource management	(13% to 20%)	(31% to 40%)



Finance	(12% to 19%)	(31% to 40%)
Marketing	(11% to 18%)	(32% to 41%)
Research and development	(14% to 21%)	(23% to 32%)

Source: Own Research

Hypothesis H1 assumed that the key internal barrier in the business of Slovak woodworking and furniture family businesses before the pandemic was generational change. Interval estimates of the proportion of businesses in the target population were calculated with 95% confidence, which allowed us to test the hypothesis. Table 2 shows that the intervals with the highest frequencies, i.e. from 18% to 26%, were quantified for the Generational Exchange and Property Succession barriers. Thus, it can be concluded that these barriers represented key barriers to business for Slovak wood-working and furniture family businesses. This statement is also illustrated by the fact that generational change together with property succession are among the processes in family business that are closely linked together. The assumption from Hypothesis H1 that generational change was a key problem for FBs in the pre-pandemic period in terms of the internal environment of the business was confirmed.

Hypothesis H2 assumed that the key internal barrier in the business of Slovak woodworking and furniture family businesses during the pandemic is the poor financial situation of the enterprises, i.e. the barrier of finance. Using interval estimation of relative frequencies with 95% confidence intervals, we found that the barrier of finance, with estimates ranging from 31% to 40% of enterprises, was only marginally different from the most frequent estimate, which was the barrier of marketing, with estimates ranging from 32% to 40% (see Table 2). Therefore, we confirm hypothesis H2 as valid.

The above overview of the barriers to the internal environment provides us with a general view of the functioning of the internal environment of a company before and during a pandemic situation. In terms of barriers, we observe a high increase in the importance of all barriers during the pandemic period. The most important area in the pre-pandemic period on which family businesses focused was primarily the area of generational change and property succession, which is associated with the handover of the business to the next generation. During the pandemic period, however, the situation has changed rapidly and the focus is shifting to marketing, finance and human resource management. This shift can be seen as an effort and a necessity for family businesses to survive difficult times of crisis. Thus, the need to introduce business agility, which would enable businesses to react in a very flexible and timely manner to a rapidly changing pandemic situation, has come to the fore during the pandemic state.

## Discussion

It is clear from the results of the questionnaire survey that the pandemic situation has significantly affected the perception of barriers to FB. The findings confirm that the operation of internal environmental barriers in family business changed significantly with the onset of the pandemic. Jasra (2011) and Maqin et al. (2017) emphasize that a full understanding of the barriers that affect family business development is crucial to the success of the family business in the marketplace. The enterprise needs to identify both the positive and negative effects of these determinants in the business environment in order to develop effective strategies to cope with various anticipated situations. The situation that has arisen with the advent of the pandemic has created a great deal of unrest in the world. Businesses that had hitherto been used to a degree of certainty in the cyclical development of the economy were forced to change their previous approach very quickly. The results of our research point to the finding that FBs were forced to radically change their priorities over time during the pandemic, is seen in the high change in significance for all the barriers examined. Herman and Nistor (2021) pointed out that businesses either used all resources to maximize survival or failed to take sufficient precautions and suffered significant damage. The wood-working and furniture industries were significantly affected, leading to imbalances in supply and demand chains and disrupted relationships. Restrictions on extraction and production, the need to shut down machinery and equipment, together with the high wage costs of workers who could not work and the subsequent lay-offs, led to significant imbalances. Businesses were thus caught in a circle from which there was no escape during the

pandemic. On the one hand, they were implementing measures to protect their business during the pandemic, while on the other hand, the loss of profits was causing them considerable damage, which they had to bear. As stated by Abubakar (2020), the impact of the coronavirus negatively affected an enormous number of businesses in the world, and this impact was significant for all types of countries, regardless of whether they were highly or low developed economies. The proper handover of a business to successive generations are processes, not events, that are associated with generational change and property succession (Gimenez and Novo, 2020; Porfirio et al., 2020). In an environment that is not threatened by crisis, it is imperative for FB owners to prepare their successors to properly manage the family business, and to build it for generations to come. Thus, a large proportion of family businesses in the pre-pandemic period have focused on this process, which is supported by the acceptance of hypothesis H1. Generational change, along with property succession, are thus activities by which family businesses ensure the survival of the next generation (Sharma et al., 2001; Sharma et al., 2003). Gopinath (2020) and Beck (2020) concur in arguing that one of the most affected areas in business during the COVID-19 pandemic was finance. They further stated in the results of their studies that the economic impact of the pandemic, especially in terms of the financial situation of the business, varies mainly using different business models in firms, some of which are far more efficient and also account for unforeseen situations that may occur in the business. We were able to confirm these conclusions in our research by confirming hypothesis H2, which assumed that a key internal barrier to RPs' business during a pandemic is their poor financial situation. From the findings of Kraus et al. (2020), it can be concluded that the COVID-19 pandemic presented a completely new type of challenge for businesses to work with. The change in the situation, which was very abrupt and sudden, forced the entrepreneurs to adapt and change the strategies that they applied in their business in the short term (Cakirkaya and Kocyigit, 2024). In the long term, both family and non-family businesses tried to come out of this situation stronger than before by ensuring that the business was sufficiently prepared for unforeseen situations in the future. The pandemic situation has set a new direction for family businesses, with owners understanding that they cannot just rely on the current cyclical state of the economy but must also factor in unpredictable variables for the future. Thus, FBs must be agile enough to be prepared to face and withstand any changes, even the most dramatic, in the market economy.

## Conclusions

A properly functioning enterprise that carefully monitors its internal environment appears to be the key to survival in the Slovak woodworking and furniture family business. The pandemic has brought new challenges at local, national and global level to which the business must adapt. This period brought uncertainty, challenges and an uncertain future, but also opportunities for adaptation and growth. Businesses have had to find new ways of communicating, collaborating and maintaining control. Coping with and overcoming the situation required the business to consolidate and gain a thorough understanding of its internal environment. The contribution of this paper is the development of the existing body of knowledge on internal determinants as barriers to family business. Based on our findings, we were able to identify significant internal barriers to family business before and during the COVID-19 pandemic. The insights gained may help family businesses to respond better and more effectively to crisis situations, with preparedness and early response to any changes being key factors in this case. The research results suggest that the importance of individual barriers in family business varies with changing conditions. In particular, property succession, generational change was ranked among the most important barriers before the pandemic. With the advent of the pandemic, however, comes a change where the importance of all barriers has increased sharply and barriers such as: marketing, finance, human resource management and management are at the forefront. All these barriers can be seen as crucial to the survival of the business in a disrupted market environment. Small businesses need to think about what they will give priority to. The challenge may be to balance the needs of family, customers and business objectives. Business agility - the ability to respond flexibly to different situations - is now more important than ever. The pandemic has reminded the importance of strong values, culture and strategy in family businesses to withstand the unexpected. Family businesses also have an opportunity to focus on social responsibility and strengthen relationships with other businesses and the community, which can bring benefits in the future. They should focus on removing barriers that could be a burden to the business in a crisis.

A limitation of the presented research is that the results are not generally applicable to all SMEs in the Slovak Republic but are relevant only to family businesses in the wood-working and furniture sector. Another limitation is the use of a quantitative research method that identifies specific factors and barriers that enterprises had to overcome during the coronacrisis. Future research will focus on a qualitative study of the ability of family and non-family SMEs to cope with unpredictable changes and the barriers needed to develop their agility.

**Author Contributions:** Contributions of this article is divided into several areas “conceptualization, M.H. and M.S.; methodology, M.H., M. S. and J.S.; validation, M.S., J.D. and A.S.; formal analysis, M.H.; investigation, M.H. and M. S.; resources, M.S.; data curation, J. D. and J.S.; writing-original draft preparation, M.H.; writing-review and editing, M.S., J. D., A.S. and J.S.; visualization, M.H. and J.D.; supervision, M.S., A.S. and J.S.; project administration, M.S.; funding acquisition, M.S. and A.S.

**Funding:** This research was supported by Slovak Research and Development Agency, projects number APVV-20-0004, APVV-21-0051, APVV-22-0238, and also, the paper is a partial result of the grant scientific projects VEGA no. 1/0333/22, VEGA no. 1/0011/24, IPA - Building agility in wood-processing enterprises and IPA - Research on the sustainability of family business in the wood-processing and furniture manufacturing industry in Slovakia.

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