THE SUSTAINABILITY OF SALES: FINANCIAL DECISIONS ON HUMAN RESOURCE

DOMNIȚA GRÎȚCO*

Abstract: In general, finances are constantly exposed to many risks, shocks or pressure factors, demographic changes, political turmoil including economic and financial crises depending on the stages of an economic cycle. Based on this context, we propose to analyze the impact of the decision to finance human capital regarding the sustainability of sales. Our analysis is based on the financial data of the top European companies, covering the range of years between 2017 and 2020 ending with the pandemic crisis caused by Covid-19. The main findings in the comparison of 2019 vs 2020 suggest that the composition of human capital financing decisions generated by the top management of the companies on the sustainability of sales may have success and this translates into a greater profit per employee income compared to the company's annual profit indicator. Based on our findings, we identify some successful recipes that could be useful for decision makers in the context of other economic turbulences.

Keywords: Financing decision, human resource, sales sustainability, pandemic crisis, Covid-19.

1. INTRODUCTION

The subject of analyzing the impact of the financing decision on companies is of great interest to company managers around the world, in the context of the inevitable phases of a company's economic life cycle. A major problem is that during and after each crisis, debt seems to be rising for most companies. Another related issue is that every time economies move upward, governments generally pursue irrational fiscal policies, thus affecting the resilience of companies' budgets and resources to new economic shocks. With limited tax options in a new crisis context, a kind of vicious business cycle can be set up, which, the longer it runs, the greater the

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distance between its phases. In addition, they may be reflected in a larger and unsustainable corporate debt. By avoiding this vicious cycle of business, companies should pursue strong, ongoing budget and resource consolidation strategies.

The main purpose of this paper is to analyze the impact of the financing decision of the directors of the companies on the sustainability of sales, implemented by companies in the Member States of the European Union and their effects, in order to identify the main factors that determine them. In this regard, we have outlined the successful and unsuccessful approaches to corporate governance interventions during the pandemic crisis of 2020 and 2021. Finally, the paper includes some potential lessons or best practices in implementing funding decisions.

The paper is organized as follows: Section 1. presents discussions and empirical research on funding decisions in the existing literature, Section 2. presents research methodology on the basis of funding decision and analysis of human capital sustainability, Section 3. provides a discussion of application practices of the financing decision on the sustainability of the sales of the companies from the European Member States and about their evolution during the evolution of the current pandemic crisis, and in the last section we present the conclusions.

2. Literature Review

The financing system of the investment process consists of the financing unit and the investment activity regarding the financing methods. The formation of investment financing sources for this activity is one of the common and important issues of investment activities. Financing is the process of planning, applying, using and controlling the funds used in any type of business (Gupta C.B. 2012).

In the case of financial management we find two directions of definition assigned by the author (Bran P. 1997), which explains that its general objective is to ensure the efficiency of the establishment and use of capital, thus achieving financial support to maximize the market value of the company and, implicitly, increase the wealth of shareholders. Author (Stancu I. 1994) defined more simplified, namely, focusing financial management only on the efficient management of the process of correct and profitable allocation of resources while the author (Conso P. 1981) states that financial management is the existence of a power structure.

Key financial management decisions are based on three key aspects of a company's business cycle: the investment decision, the financing decision, and the dividend decision.
In companies, regardless of the form in which they are organized, the investment decision is one of the most important decisions to increase its value. Investment decisions are focused on the company's capital investment. When we indicate a specific decision related to financial managers, we are talking about decisions regarding a capital project. Managers need to evaluate a number of factors in making investment decisions. The financial manager must estimate how much the company's future cash flows will change if it invests in a project, and the manager must also analyze the unpredictability associated with these future cash flows.

Also, while the long-term investment decision is known as the capital budget, the short-term investment decision is called human capital management. According to the authors (van Marrewijk, M. și Timmers, J. 2003) human capital management involves an alignment between the individual and the organization.

Funding decisions are decisions about the use of funds in any organization in the most efficient way. Financial decisions are those relating to liabilities and the share of equity in the balance sheet, such as the decision to issue bonds. Every organization has to make daily decisions for the proper functioning of the organization. From buying assets to selling products, from hiring workers to firing employees, all decisions are very important and crucial. The funding decision is yet another crucial decision made by the financial manager regarding the funding mix of an organization. It is concerned with lending and allocating the necessary funds for investment decisions.

The purpose of financial decisions is to define the financial structure adopted by the enterprise according to the criteria of profitability, growth and risk (Vasile Ilie și Teodorescu Mihaela, 2005). An optimal decision to finance the operating cycle refers, for the most part, to the harmonization of the profitability-risk relationship, to achieving the balance between the need for current assets and the mobilizable sources for their financing. Every enterprise, whether it is in the development phase of its activity or in the maintenance phase of its production capacity, is obliged to attract resources to finance the activity carried out (Dragotă Victor, și alții 2005). The main choice in the financing decision focuses on the choice between own resources and borrowed resources (Onofrei Mihaela, Management financiar 2006). In order to ensure the continuity of production and the rhythmicity of sales, it is necessary to constantly renew stocks and receivables (Onofrei Mihaela, Finațele întreprinderii 2004).

Financing decisions are based on the governing bodies of the companies. Most companies and non-profit organizations have an organization chart presented in this way, the Board of Directors is the highest body, and the
chairman of the board is generally the highest ranking person, followed by the CEO, but often the chairman. The board also serves as CEO, followed by the Chief Operating Officer (COO), who is often appointed as the chairman of a firm. The COO directs the company's operations, which include marketing, manufacturing, sales and other operational departments. The Chief Financial Officer (CFO) is generally the Senior Vice President and the Chief Financial Officer, is responsible for accounting, finance, credit policies, asset acquisition decisions and investor relations, involving communications with shareholders, and the press (Brigham Eugene F. și Houston Joel F. (2019)).

The company's decision to make capital investments may consist of a series of distinct decisions, each called a project. Sometimes, these projects require the company to increase its investments in working capital, inventory, cash or receivables. The working capital represents the part of the permanent capital destined and used for the financing of the current operating activity. Specifically, this is the difference between permanent capital and fixed assets, or in other words, the surplus of permanent capital over fixed assets. Capital investment refers to the company's investment in assets, and these investments can be either short-term or long-term.

The financial decision is important to make wise decisions about when, where and how a company should acquire funds. Because a company tends to make the most profit when the market estimate of an organization's share expands and this is not only a sign of development for the company, but also increases the wealth of investors. Consequently, it refers to the composition of the various securities in the capital structure of the company.

Unfortunately, there is no debt-to-equity ratio that can be used as a guide to achieving an optimal capital structure in the real world. What defines a healthy mix of debt and equity varies depending on the industries involved, the line of business and the stage of development of a firm and may also vary over time due to external changes in interest rates and the regulatory environment. However, as investors are better off putting their money into companies with strong balance sheets, it makes sense that the optimal balance should generally reflect lower debt levels and higher equity levels.

3. RESEARCH METHODOLOGY

The objective of the research is to analyze the impact of the decision to finance human capital on the sustainability of sales in the light of the financial
reports of selected European Union companies. The analyzed sample is represented by European companies active in 2022 in various sectors such as: food, pharmaceuticals, energy, oil and gas, pharmaceuticals, IT & Software, clothing, cosmetics, beverages, financial services, technology, pharmaceuticals, FMCG, aeronautics, tobacco. The methods of analysis used in this study are: the logical method used to interpret legal norms to discover the underlying principles and to identify the content and form of the legal phenomenon attributed to the pandemic crisis; the comparative method used to conduct a comparative study of companies in different asset sectors based on financial data and the number of employees; the method of analysis and research used to identify the financial data and their interpretation, as well as for the analysis of the empirical study of the research thesis; the quantitative method represents the analysis of the financial data established in the analysis sample within the study by the applicability of the human capital indicator in relation to the company's profit.

The Impact of the Decision to Finance Human Resource on the Sustainability of Sales

The outbreak of the COVID-19 pandemic in Europe had economic effects on large companies, in addition to the effects on people, which provided for restrictions on the movement of people and an unprecedented economic slowdown.

In the European Union, more than 1,350 measures to combat the crisis have been adopted in 2020, including almost 400 state aid decisions that have thrown a lifeline at European businesses. In the first days and weeks of the pandemic in Europe, health systems have been strengthened nationally, regionally and locally, and hospitals across the European Union have also treated patients from other countries. Mobile medical teams were sent to the field to meet the most urgent needs. More than 600,000 European citizens stranded abroad have been brought home and public and private investment has been mobilized to develop safe and effective vaccines worldwide. The Commission's Medical Equipment Coordination Center has helped Member States work together to cover deficits. To counteract the effects of the crisis, the European Union and the Member States have mobilized EUR 4.2 trillion, which is more than 30% of the Union's gross domestic product.

In 2020, the Dutch oil company Royal Dutch Shell had a turnover of over 352 billion US dollars, the largest of all European companies. German carmaker Volkswagen had the second highest revenue this year at over $282.76 billion, followed by BP at $282.62 billion and Swiss trading and mining company Glencore at $215 billion.
Figure 1. The largest European revenue-based companies in 2020

Although it was the second largest in terms of revenue, Volkswagen employed more people worldwide than any other European company, with over 671,000 working for the German car giant. Volkswagen was followed by the British food service company Compass Group in terms of 596,000 employees, followed by Deutsche Post DHL, which had about 504,000 employees.

When the scope is extended to look at companies around the world, Walmart had both the highest revenue of any company (US $ 523 billion) and the largest number of employees, with over 2.2 million people. Chinese oil company Sinopec had the second highest revenue in 2019, over US $ 407 billion.

Below are the top 15 companies in Europe by revenue, according to centralized information at https://www.value.today/. The table below shows more statistics, including market value as at 1 January 2020, total assets, global place of employment and type of activity.
Table 1. Top European companies by market value on 1 January 2020 and 1 January 2021

<table>
<thead>
<tr>
<th>NO.</th>
<th>TOP 15 COMPANIES</th>
<th>INDUSTRY</th>
<th>CENTER</th>
<th>WORLD PLACE 2020</th>
<th>Market Value (1 Jan 2020) (Billions of dollars)</th>
<th>TOTAL ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NESTLE AG</td>
<td>Food</td>
<td>Switzerland</td>
<td>16</td>
<td>311.592</td>
<td>112.73</td>
</tr>
<tr>
<td>2</td>
<td>ROCHE HOLDING AG</td>
<td>Pharmaceuticals</td>
<td>Switzerland</td>
<td>23</td>
<td>279.684</td>
<td>73.06</td>
</tr>
<tr>
<td>3</td>
<td>Royal Dutch Shell</td>
<td>Energy, Oil and Gas</td>
<td>Netherlands</td>
<td>30</td>
<td>237.102</td>
<td>426.12</td>
</tr>
<tr>
<td>4</td>
<td>NOVARTIS AG</td>
<td>Pharmaceuticals</td>
<td>Switzerland</td>
<td>38</td>
<td>215.018</td>
<td>148.38</td>
</tr>
<tr>
<td>5</td>
<td>SAP SE</td>
<td>Itc &amp; Software</td>
<td>Germany</td>
<td>49</td>
<td>169.596</td>
<td>58.47</td>
</tr>
<tr>
<td>6</td>
<td>LVMH</td>
<td>Clothing</td>
<td>France</td>
<td>29</td>
<td>237.807</td>
<td>103.64</td>
</tr>
<tr>
<td>7</td>
<td>L’OREAL</td>
<td>Beauty</td>
<td>France</td>
<td>50</td>
<td>165.742</td>
<td>43.61</td>
</tr>
<tr>
<td>8</td>
<td>ANHEUSER-BUSCH INBEV</td>
<td>Beverages</td>
<td>Belgium</td>
<td>51</td>
<td>163.224</td>
<td>254.38</td>
</tr>
<tr>
<td>9</td>
<td>HSBC HOLDINGS</td>
<td>Financial services</td>
<td>UK</td>
<td>53</td>
<td>160.68</td>
<td>3321.24</td>
</tr>
<tr>
<td>10</td>
<td>ASML HOLDING</td>
<td>Technology</td>
<td>Netherlands</td>
<td>84</td>
<td>127.542</td>
<td>27.27</td>
</tr>
<tr>
<td>11</td>
<td>AstraZeneca PLC</td>
<td>Pharmaceuticals</td>
<td>UK</td>
<td>72</td>
<td>135.3</td>
<td>74.98</td>
</tr>
<tr>
<td>12</td>
<td>Unilever Group</td>
<td>FMCG</td>
<td>Netherlands</td>
<td>59</td>
<td>151.747</td>
<td>67.66</td>
</tr>
<tr>
<td>13</td>
<td>AIRBUS</td>
<td>Air</td>
<td>Netherlands</td>
<td>92</td>
<td>117.26</td>
<td>110.10</td>
</tr>
<tr>
<td>14</td>
<td>BRITISH AMERICAN TOBACCO</td>
<td>Tobacco</td>
<td>UK</td>
<td>116</td>
<td>100.584</td>
<td>198.64</td>
</tr>
<tr>
<td>15</td>
<td>InterContinental Hotels Group</td>
<td>Hospitality</td>
<td>UK</td>
<td>1494</td>
<td>1237</td>
<td>5.04</td>
</tr>
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</table>

Source: own processing

It can be seen that in the top 15 companies, two are in the pharmaceutical business, followed by one with the business of clothing, energy, gas and oil, cosmetics, financial services, food, FMCG, Tobacco, air transport and beverages. NESTLE AG in Switzerland (food industry) took first place in Europe, followed by ROCHE HOLDING AG in Switzerland (pharmaceutical industry) and LVMH in France (clothing industry).
It can be seen that of the 15 firms, apart from those in the pharmaceutical and medical equipment field, the others had a declining market value, while employment in the world fell considerably from January 1, 2020 compared to January 1, 2020. January 1, 2019.

Below, we present the analysis of the sample of selected companies presented in the table above, which is subject to the global analysis of the profit recorded by companies per employee in the years 2020 and 2019.

<table>
<thead>
<tr>
<th>Company</th>
<th>Sum of PROFIT PER ANGAJAT IN EURO 2019</th>
<th>Sum of PROFIT PER ANGAJAT IN EURO 2020</th>
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<tbody>
<tr>
<td>Unilever Group</td>
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<td>SAP SE</td>
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<td>Royal Dutch Shell</td>
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<td>ROCHE HOLDING AG</td>
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<td>NOVARTIS AG</td>
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<td>NESTLE AG</td>
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<td>LVMH</td>
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<td>HSBC HOLDINGS</td>
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<td>BRITISH...</td>
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<td>AstraZeneca PLC</td>
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<td>ASML HOLDING</td>
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<td>ANHEUSER-BUSCH...</td>
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<tr>
<td>AIRBUS</td>
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<td></td>
</tr>
</tbody>
</table>

Figure 2. Profit per employee in euro (2019-2020)

Source: own processing

Next, some important European companies from different fields will be analyzed in order to be able to observe how the revenues evolved in the pandemic
year and to conclude whether the sales affected the activity of the companies or not. We will also analyze the impact of companies' profit on investment in human capital.

*Nestlé* is a multinational company in the food industry and one of the most important Swiss concerns, which in 2020 had 291,000 employees. Globally, it has dropped 4 places in the ranking of major companies. The year 2020 and the coronavirus pandemic affected this company's revenues, decreasing sales. In March 2020, at the end of the quarter there were sales of 19 billion Euros, while in 2019 in the same period there were sales of 20 billion Euros. Thus, sales at the end of the first quarter of 2020 decreased by 6.2% compared to the previous year.

Nestle's organic growth reached 3.5% in 2019, with real domestic growth rising to 2.9% for the full year, the highest level in six years. Growth was supported mainly by innovation and portfolio management. Prices contributed 0.6% and returned to a positive trend in the fourth quarter of 2019.

The effects of COVID-19 on Nestle's organic growth varied by product category and sales channel:

- **Product categories**: Demand for home consumption, trusted brands and products with nutritional benefits. PetCare Purine, Dairy, Coffee at Home and Nestlé Health Science reported strong growth. Confectionery and water sales fell, reflecting their high exposure to canals outside the home and consumption on the go.

- **Sales channels**: Retail sales recorded a single-digit organic increase, reflecting the demand for home consumption. Sales through external channels decreased significantly. E-commerce sales increased by 48.4% to 12.8% of total sales. Coffee, Purina PetCare and Nutrition & Health Science were the main contributors to the growth, with a strong boost in all other categories.

In 2020, the costs related to the pandemic crisis caused by COVID-19 were 389 million Euros, including expenses for bonuses paid to front-line workers, employee safety protocols, donations and other allowances for staff and customers. Approximately 241 million Euros of these costs affected the operating profit of trading, partially offset by savings such as travel expenses. In addition, the Group incurred costs of EUR 157 million related to staff and facilities that remained inactive due to containment measures. Overhead costs related to COVID-19 decreased in the second half of the year as traffic restrictions decreased.

Regarding the revenues of Nestle AG, for the period 2017-2020, it can be seen that in 2020 there were revenues of approximately 7 billion Euros lower than in 2019. The period 2017 - 2019 shows that this company is on an upward trend, but 2020 has led to a decline in revenue due to declining demand.
Figure 4. Annual revenues in billions of EURO at Nestle (2017-2020)

Source: own processing

The net and operating profit for the period 2017 - 2020 show that the operating profit in 2020 was lower than in 2017, the net profit registering the same downward trend, but not at the same index as in the case of gross profit. Thus, the company's profitability compared to the indices of previous years decreased in 2020, due to sales that were mainly affected by the pandemic crisis.

Figure 5. Net and operating profit in billions of Euros at Nestle (2017-2020)

Source: own processing

Nestle in 2019 had 291,000 employees worldwide, an average employee managing to produce an annual profit of 39,390 Euros per employee. In 2020, the company had 273,000 employees, 18,000 fewer than the previous year. However, one employee managed to produce an average annual profit of 41,662 Euros, 5% more than in 2019. Thus, we can see that Nestle managed to record higher revenues in 2019 than in 2020, but one employee on average, it managed to record a higher profit in 2020 than in 2019.
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ROCHE HOLDING AG is a global pharmaceutical company based in Basel, Switzerland. In 2020, the market value increased, being one of the sectors that developed due to the Coronavirus pandemic. Sales have increased, being a sought-after sector, as has medical equipment. In terms of market value, this company increased in 2020 compared to previous years, and in terms of revenues, there is a slight decrease in 2020 compared to 2019. In 2019 there were significant increases compared to 2017 and 2018, reaching 55.93 billion Euros.

According to the annual financial report for 2019, ROCHE HOLDING AG recorded additional sales of 4.9 billion euros, with the drugs launched in 2012, stimulating the growth and rejuvenation of the product portfolio. By 2020, Roche has reported solid results in 2020, with the business showing resilience in a pandemic environment.

Figure 6. Total Number of Employees and Nestle Employee Profit (2019-2020)
Source: own processing

Figure 7. Annual revenues in billions of Euros at Roche Holding AG (2017-2020)
Source: own processing
Operating and net profit show that sales in this area were consistent in 2020, with increases in both chapters, which indicates that the company's gross profitability has also increased. Operating profit was on an upward trend from 2017 to 2020 from 11.31 billion Euros to 17.24 billion Euros, while net profit increased from 7.51 in 2017 to 13.29 in 2020.

![Net and operating profit in billions of Euros at Roche Holding AG (2017-2020)](image)

*Figure 8. Net and operating profit in billions of Euros at Roche Holding AG (2017-2020)*

*Source: own processing*

Also, the company Roche Holding AG in 2019 had 97735 employees worldwide, an average employee managing to produce an annual profit of 163226 Euro per employee. In 2020, the company registered a number of 101465 employees, increasing the team by 3730 employees compared to the previous year, an average employee managing to produce an annual profit of 130978 Euro per employee, 20% less than in 2019.
Thus, we can see that Roche Holding AG managed to record higher revenues in 2019 than in 2020 and employed more people in 2020 than in 2019, but one employee in 2020 managed to produce an average lower profit than in 2019.

ROYAL DUTCH SHELL is commonly known as Shell, being a multinational Anglo-Dutch oil and gas company based in The Hague, the Netherlands and incorporated in the United Kingdom as a joint stock company.

Figure 9. Total number of employees and Profit per employee at Roche Holding AG (2019-2020)

Source: own processing

Figure 10. Annual revenues in billions of Euros at ROYAL DUTCH SHELL (2017-2020)

Source: own processing
Net profit started to decrease starting with 2019, registering 14.10 billion Euros, an amount approximately half of the one registered in 2018. In 2020, this company registered very high losses, of -19.51 billion Euros.

![Net profit and loss in billions of EURO at ROYAL DUTCH SHELL (2017-2020)](image)

*Figure 11.* Net profit and loss in billions of EURO at ROYAL DUTCH SHELL (2017-2020)

*Source:* own processing

Also, the company ROYAL DUTCH SHELL in 2019 had 83,000 employees worldwide, an average employee managing to produce an annual profit of 214,431 Euros per employee. In 2020, the company registered a number of 87,000 employees, increasing the team by 4,000 employees compared to the previous year. An employee "contributed" an average of 276884 Euros to the total annual loss. Thus, we can see that ROYAL DUTCH SHELL managed to record higher revenues in 2019 than in 2020, but had more employees in 2020 compared to 2019, but lost money due to declining sales.
In 2020, the company operated in an unprecedented context created by the pandemic crisis, the resulting macroeconomic conditions and the imbalance between supply and demand in the oil and gas market. In 2020, the company reduced its investments in research and development expenditures, which were 1008 million Euros, compared to 1081 million Euros in 2019 and 1202 million Euros in 2018.

In early 2020, a key point for the group's board of directors was the preservation of cash, which included reducing costs and capital expenditures, disrupting the share repurchase program and reducing the dividend. In the latter part of the year, the directors approved the cash allocation framework, which was announced as part of the results for the third quarter of 2020. For each quarter, the Board assessed the continuation of the share repurchase program and the ongoing action payable to shareholders. Also, in order to maintain its focus on achieving its strategic ambitions, in 2020 the Council established a cash allocation framework designed to reduce debt, increase the distribution of shares and facilitate disciplined growth as Shell reshapes its business for the future of energy. Shell has also announced the reshaping of its portfolio of assets and products to meet the cleaner energy needs of its customers in the coming decades.

The oil industry has been one of the industries most affected by the pandemic, with the lowest price per barrel in recent years. This is due to the fact that the production / extraction price was higher than the selling price.
SAP SE is a German-based software developer for other companies and organizations with a turnover of 27.55 billion Euros in 2019. In 2020, its market value fell to 141.441 billion Euros compared to 2019 when it registered a market value of 154.178 billion Euros. Revenues were increasing between 2017 and 2019, with 2020 recording a decrease.

![Annual revenues in billions of Euros at SAP SE (2017-2020)](image)

*Figure 13. Annual revenues in billions of Euros at SAP SE (2017-2020)*

*Source: own processing*

In terms of revenue, it can be seen that this company increased from 23.46 billion Euros in 2017 to 27.55 billion Euros in 2019. Cloud revenues continued to be the main engine of the company's growth, up 18%. Operating cash flow doubled compared to 2019 to 7.2 billion Euros, while free cash flow increased to 6.0 billion Euros. At the level of SAP SE in 2019, a decrease in net profit could be observed, which shows that in 2020 sales were higher, several areas being forced to adapt your services and activity, using IT companies. In 2020, SAP SE moved with almost all online customer interactions, including sales, go-lives and support. Throughout 2020, the company's software has helped companies grow and distribute vaccines, make their supply chains stronger, adjust their business processes, and stay close to their employees and customer needs. helped to make a substantial profit.
Figure 14. Net profit in billions of Euros at SAP SE (2017-2020)
Source: own processing

Also, the company SAP SE in 2019 had 100,330 employees worldwide, an average employee managed to produce an annual profit of 33,091 euros per employee. In 2020, the company registered a number of 102,430 employees and increased the team by 2100 people compared to the previous year, and an average employee managed to produce an annual profit of 51,547 Euros.

Figure 15. Total number of employees and profit per employee at SAP SE (2019-2020), Source: own processing
Thus, we can see that SAP SE managed to record lower revenues compared to 2020 in 2019, and employed more people in 2020 compared to 2019, and an average employee in 2020 managed to record a 23% higher profit than in 2019.

*Airbus* is a European multinational aerospace corporation. Airbus designs, manufactures and sells civilian and military aerospace products worldwide and manufactures aircraft in Europe and various non-European countries. The company has three divisions: Commercial Aircraft (Airbus S.A.S.), Defense and Space and Helicopters, the third largest in its industry in terms of revenue and deliveries of turbine helicopters. Since 2019, Airbus is the largest aircraft manufacturer in the world.

![Annual revenues in billions of Euros at AIRBUS (2017-2020)](image)

*Figure 16. Annual revenues in billions of Euros at AIRBUS (2017-2020), Source: own processing*

In April 2020, Airbus announced that it had reduced aircraft production by a third due to the COVID-19 pandemic crisis. Airbus' revenues for 2019 were 70.478 billion Euros and a loss of 1.362 billion Euros. The company's revenues for 2020 amounted to 49.912 billion Euros and recorded a loss of 1.133 billion Euros.
Also, the Airbus company in 2019 had 134,400 employees worldwide, an average employee "contributed" to an annual loss of -10096 euros. In 2020, the company registered a number of 131,300 employees and reduced the team by 3600 employees compared to the previous year. An average employee "contributed" to an annual loss of 8629 euros. Thus, we can observe that Airbus registered in 2019 and in 2020 substantial losses compared to 2018.
In April 2020, Airbus announced that it had reduced aircraft production by a third due to the COVID-19 pandemic crisis. According to Guillaume Faury, the company was "bleeding cash at an unprecedented rate." The recession jeopardized his survival and the need for deep job cuts in all Airbus departments, with 3,000 French employees involved in redundancy schemes that were assisted by the French government. In 2020, the COVID-19 pandemic led to a significant disruption to the company's business operations and supply chain. The company has taken a number of steps to implement health and safety procedures imposed by governments, while taking into account stock levels and production deadlines. On April 8, 2020, the company announced its decision to adjust commercial aircraft production rates to 40 per month for A320 production, 2 per month for A330 and initially 6 per month for A350, after which production of only 5 aircraft per month in response to the new market environment caused by the pandemic crisis. This was a reduction of the average pre-COVID-19 production rates from March 2020 by about one third.

With these new tariffs, the company intends to maintain its ability to meet customer demand, while protecting its ability to continue to adapt as the global market evolves. The company's business, results of operations and financial condition were significantly affected by the pandemic, the pandemic crisis and the economic crisis.

*InterContinental Hotels Group* is a London-based hotel corporation listed on the London Stock Exchange. It is the largest hotel chain in the world and operates 4,300 hotels worldwide. The company's revenues increased between 2017 and 2019, but in 2020, due to the pandemic crisis caused by Covid-19, it registered a decrease in revenues, half compared to 2019.

![Figure 19. Annual revenues in billions of Euros at InterContinental Hotels Group (2017-2020)](source: own processing)
*InterContinental Hotels Group* in 2020 recorded a loss of -234 million euros.

![Annual revenues in billions of Euros at InterContinental Hotels Group (2017-2020)](image)

*Figure 20. Net profit and loss in billions of Euros at InterContinental Hotels Group (2017-2020)*

*Source: own processing*

Also, the InterContinental Hotels Group company in 2019 had 14,436 employees worldwide. In 2019, an average employee managed to produce an annual profit of 23,735 Euros per employee. In 2020, the company registered a number of 12832 employees and reduced the team by 1604 employees compared to the previous year, and an average employee "contributed" to an annual loss of 18235 Euros per employee. Thus, we can see that InterContinental Hotels Group managed to record higher revenues in 2019 than in 2020, and reduced the number of employees in 2020 compared to 2019 to limit losses.

![Total number of employees and profit per employee at INTERCONTINENTAL HOTELS GROUP](image)

*Figure 21. Total number of employees and profit per employee at INTERCONTINENTAL HOTELS GROUP (2017-2020)*

*Source: own processing*
The tourism industry was the industry most affected by the pandemic, with losses estimated at tens of billions of euros. Given that the European Union is the most visited tourist destination in the world, the tourism industry is made up of more than 2.3 million businesses, employs more than 12 million people and accounts for about 4% of the European Union's GDP, according to the Eurostat source for 2019.

In the financial report of the company InterContinental Hotels Group for the year 2020 (Keith Barr 2021) stated that the impact of travel restrictions and physical distance measures around the world has been in demand at the lowest levels we have ever seen. This led to a 52% decrease in revenue and a 75% decrease in the company's operating profit. The company's development activity started long before 2020, continuing in that period with 285 new hotel openings and 360 hotel registrations within the group contributing to the global chain, of which a quarter were from conversions. The company's commitment is to be responsible for 2030, the journey to tomorrow, setting ambitious commitments, including environmental targets, support for communities and the promotion of diversity, inclusion and equality.

The areas affected in 2020, during the pandemic coronavirus, were mainly Hospitality, air transport, hotel industry and tourism, but on the other hand there were areas that prospered, such as the pharmaceutical industry, medical equipment, IT, etc. -they have the capacity, they have kept to their fleets and they have tried to put measures to reduce the expenses of number and the security of the liquidity. Companies in the European Union (EU27) have increased their investment in research and development (R&D) for the tenth consecutive year in industrial research and development, so the pandemic has not affected this sector much. In 2019, they invested 5.6% more in research and development, up from 4.7% in 2018. This growth is driven by the automotive, ICT and health sectors. A successful example is the German company BioNTech, which leads the innovative development of a first COVID-19 vaccine among the used ones. Since its inception, it has received more than € 108 million in EU research and development support. BioNTech ranks 654th in the world rankings and has been in this dashboard since 2013. It has multiplied its investment in research and development six times and its net sales ten times in this 7-year activity.
Figure 22. Retail trade volume development, 2020-2021, Source: Eurostat

Companies were affected in 2020, especially during the lockdown period, when sales were more online, with mobility restrictions. Some companies have had to seek agreements with creditors, restructure or seek protection in the event of bankruptcy or insolvency, which may have additional consequences for the company and its order book, as well as other consequences of proceedings. Trade was affected during April-May, when most European Union states were in a state of emergency. In April, sales in supermarkets and department stores were the hardest hit.
4. CONCLUSION

2020 has been a difficult year for most companies. Companies that had services / products that would allow them to move their business to the online environment, increased sales in this way and limited losses. This aspect of adapting the marketing of services and products highlights the decisions of companies to optimize sales. The success of some of the companies was also based on the quality of distribution of human capital management which helped the companies to make more efficient the profit per employee. It is also noteworthy that companies have been subjected to cost-effective decisions, by firing employees from the company, reorienting the business to e-Commerce and raising prices.

2020 has also been a difficult year for private economic institutions organized in various forms. Thus, decisions to finance or optimize the activity were tested, in accordance with the pandemic situation. It was found that health care companies had a prosperous year, recording high revenues, above those of 2019, while other areas were affected and recorded significant decreases. In this sense, investments could be made, given the delicate situation and stagnation of the activity, but within the limits of the companies’ budgets and the forecasts they made.

REFERENCES