

## **Abstract**

### **CORPORATE CAPITAL STRUCTURE IN THE HOSPITALITY SECTOR UNDER CONDITIONS OF ECONOMIC ENVIRONMENT INSTABILITY**

An appropriate capital structure is not only a theoretical issue but also a practical challenge for managers. Capital structure constitutes an important factor in enterprise development and influences firm value. It may be affected by both internal and external determinants, such as changes in the economic environment, including its instability.

An example of an unstable economic environment is the COVID-19 pandemic. From a macroeconomic perspective, the pandemic and the associated lockdown policies led to the simultaneous occurrence of negative demand and supply shocks. The sectors most strongly affected were those in which mobility and direct social interactions are essential, including the hospitality sector. From a microeconomic perspective, the closure of the economy and the restriction of social mobility affected the functioning of both enterprises and households.

The aim of the dissertation was to identify the impact of internal factors influencing the corporate capital structure in the hospitality sector under conditions of economic instability, using the COVID-19 pandemic as an example. The analyzed research problem concerns the capital structure formation, while the background for the analysis is the unstable economic environment (both macro- and microeconomic aspects).

The empirical study conducted within this dissertation confirmed that enterprises from the Polish hospitality sector in the years 2016-2023 shaped their capital structure primarily in accordance with the pecking order theory. Moreover, the study provided evidence of a negative impact of operating return on assets on capital structure. Enterprises achieving higher profits showed a greater tendency toward self-financing, for example, through retained earnings. It was also demonstrated that the impact of the economic instability caused by the COVID-19 pandemic on the capital structure of enterprises depended on their ability to continue operations: it was negative in the study covering all enterprises from the hospitality sector, while in the study including enterprises capable of continuing operations it was positive.

By applying a research approach not previously used in this area of analysis, namely the inclusion of interaction terms in the models, it was established that economic instability moderated the impact of internal determinants on capital structure. The strongest moderating effect of the COVID-19 pandemic was observed in relation to the influence of asset structure on capital structure. Furthermore, it was demonstrated that the COVID-19 pandemic did not significantly change the existing mechanisms shaping capital structure. The obtained results have important theoretical implications for research on capital structure. The findings may also provide guidance for managers of enterprises operating in the hospitality sector.

**Keywords: capital structure, COVID-19, determinants of capital structure, hospitality, instability, pecking order theory, trade-off theory**