

## Evaluation of personnel risk in the SMEs in the V4 countries

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**Abstract.** Personnel risk is one of the significant factors in improving financial performance. Comparing the subjective perception of sources of personnel risk between companies by the company's country of operation can be useful information for companies and national policymakers. The article aims to identify and quantify disparities and common characteristics in evaluating personnel risk sources between small and medium-sized enterprises (SMEs) in the Czech Republic and other V4 countries. The perceptions of owners or top managers of SMEs were obtained through an e-mail request to complete a questionnaire. The research sample consisted of 1585 respondents. The Goodness of Fit was used to determine differences in the evaluation of personnel risk among owners or top managers according to the company's locality in the V4 countries. Empirical findings show that Czech SMEs reported the lowest

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error rate of employees in comparison with other V4 countries. Czech SMEs perceive the staff turnover as low intensity and similar to other V4 countries. The majority of Hungarian SMEs said that their employees are trying to improve their business performance, and healthy competition prevails in their firms. This ratio is more significant compared to Czech, Slovak or Polish SMEs' attitudes.

**Keywords:** employee turnover, employee error rate, entrepreneurship, SMEs, quantitative research, V4 countries.

**JEL Classification:** M21, G32, L26

## 1. INTRODUCTION

The importance of entrepreneurship in any market economy lies mainly in economic development and job creation (Nemteanu et al., 2021; Abrahám et al., 2015). In general, however, it can be stated that the business environment (BE) reflects the quality of economic conditions and assumptions for the economic activity of entrepreneurs (Metzker et al., 2021; Buganova et al., 2021). It is not an expression of an exclusively economic nature, as it includes a range of different factors. Therefore, it requires the attention of many public administrations, social partners, NGOs, academia, and international organizations (Nastisin et al., 2021; Belas & Rahman, 2023).

Small businesses are the economy's backbone, a key employment source, and a breeding ground for business ideas (Tian et al., 2021). SMEs are the most sensitive to changes in the BE (Rey-Martí et al., 2021). SMEs are considered drivers of innovation, employment, and social and regional integration (Shpak et al., 2019). SMEs guarantee higher efficiency and sustainable growth of the country's economy (Saeidi et al., 2021).

Risk is defined as something volatile, indeterminate, related to the phenomenon that disrupts its purposeful behaviour (Koišova et al., 2021). Significant business risks (Dvorsky et al., 2023) that negatively affect SME entrepreneurship include: sources of economic risk (Necadov, 2019); market risk (Virglerova et al., 2020); sources of financial risk (Civelek et al., 2019) or risk of default (Durana et al., 2021); sources of political risk (Kozubikova et al., 2019); sources of safety risk, misuse of information, low security (occupational safety and health, property crime) (Hudáková & Masár, 2018); sources of operational risk (Panić et al., 2019) as well as sources of personnel risk (Gede Riana et al., 2020). It also defined other business risks, such as competition and a narrower business environment (e.g. Kholopov, 2021).

The article points out the common and different features in the perception of personnel risk sources among the owners or top managers of small and medium-sized enterprises in the Visegrad Group countries ("V4"). The V4 forms four Central European countries: the Czech Republic, Poland, the Slovak Republic, and Hungary. The V4 aims to encourage optimum cooperation with all countries, particularly its neighbours. Its ultimate interest is democratic development in all parts of Europe. The originality of the article is that the comprehensive assessment and comparison of the perception of entrepreneurs' personnel risk sources was carried out with the same techniques in each V4 country. Also, the entrepreneurs' subjective attitudes will be compared with the same case studies from previous years in V4 countries.

The article's structure is as follows: in the literature search, attention is focused on the most common personnel risks that negatively affect SMEs. In the research methodology section, the goal is stated, the data collection procedure and questionnaire information are presented, sources of personnel risk and the respondents' sample structure are defined, hypotheses and statistical methods for their evaluation are formulated. The next section presents the most important results of the statistical analysis of the SME sample. Empirical results are discussed in the next section and compared with the results of empirical

studies. Finally, the most important findings of the article are presented, limitations of our research are defined, challenges for further research in the field and the naming of users for whom our findings are relevant are formulated.

## **2. THEORETICAL BACKGROUND**

Dvorský et al. (2023a) defines and evaluates the BE based on subjective perception of respondents (owners or top manager) for the following indicators: BE in our country is of high quality and suitable for business; BE is reasonably risky in our country and allows us to do business; Business conditions in our country have improved in the last 5 years; BE is suitable for starting a business with us.

Other researchers use objective data collection (e.g. real data from BE) to assess the BE, such as the BE index (Volintiru et al., 2018; Thurik and Wennekers, 2004). One of the determinants of BE quality is human risk (Karácsony et al., 2023), especially linked with Covid influence (Mishchuk et al., 2023; Savanevičienė et al., 2022), corporate social responsibility (Betakova et al., 2023; Dvorský et al., 2023a) or business ethics (Zvarikova et al., 2023; Belas et al., 2020).

Johnson (1996) defines human capital as an individual's practical knowledge, acquired skills, and acquired abilities that enhance his or her potential productivity and enable him or her to work for income. Many authors who study the relationship between human capital and economic growth simply equate human capital with schooling (e.g., Okay-Somerville & Scholarios, 2019). Human capital (e.g. employees), like land (Batt, 2000), labor, capital and technological progress (Capestro et al., 2023), is one of the factors of economic and financial growth of each organization.

Human resource management case studies have shown that employees' voluntary efforts can increase their organizational productivity (Mura et al., 2017).

It is crucial to build positive interpersonal relationships between individuals working at different levels of the organization (Alnoor, 2020; Kliestik et al., 2023). To the extent that employees collaborate with others to build social relationships, this confirms employees' need for association and belonging (Afsar et al., 2018). Social exchange and reciprocity theory explains how the actions of managers and coworkers determine the quality of these relationships and influence employees' judgments (Redmond & Sharafizad, 2020).

Between 2017 and 2018, the authors surveyed a sample of 487 managers in the business environment of the Slovak Republic about their perceptions of the main sources of personnel risks (Hudáková & Masár, 2018). The authors consider the following sources to be important: high employee turnover, insufficient employee qualifications, employee errors (occupational accidents), and reduced work morale and discipline.

Oláh et al. (2019) studied the perceived non-financial risks of SMEs in V4 and Serbia during the period 2017-2018 using a sample of 2110 entrepreneurs. The formulation of sources of personnel indicators is the same as in the previous quantitative research (Belas et al., 2015; Hudáková & Masár, 2018). The empirical findings show that SMEs in the CR perceive personnel risks sources (e.g. turnover of employees) most strongly within the scope of V4 region.

There are many reasons for employee turnover in enterprises, which can be divided into external effects and internal effects on employees (Duan et al., 2020). The quality of internal communication among employees, the influence of senior managers on employees (Adamopoulou et al., 2016). Internal influences are characterized by health problems related to employment, stress (Bencsik & Juhasz, 2023), social media (Dvorský et al., 2023b), and family relationships (Bargoni et al., 2023).

Error of individual employees in company is common and can have serious consequences. Human errors can lead to defective products and services, or wasted time, or danger to employees, or increased

employee stress, and dissatisfied customers (Keith & Frese, 2005). To overcome these problems, firms must have an effective error management system. Higher managers of firms (or owners) should address the causes of employee errors and their impact on firm financial and business performance. This approach is particularly important for SMEs, as they have limited financial resources and smaller structures, which leave them with less room for error (Kotaskova et al., 2020). If firms wish to minimize and avoid the negative impacts of employee errors, higher managers (or owners) must develop the skills and awareness to understand, effectively reduce, and resolve errors (Dysvik & Kuvaas, 2008).

### 3. AIM, RESEARCH METHODOLOGY, METHODS

The article aims to identify and quantify disparities in the evaluation of personnel risk indicators between SMEs in the CR and other V4 countries.

The research participated of 1585 SMEs in the V4 region: CR - 454 SMEs, PL - 364 SMEs, SR - 368 SMEs, HU - 399 SMEs. The collection took place in the following period 9/2019 - 4/2020. The questionnaire could only be filled in by the owner or higher manager of the SME (hereafter - the respondent).

The procedure for applying the random selection method of respondents from databases (CR, SR: CRIBIS database; PL: database of the Central Statistical Office of Poland; HU: database of chambers of commerce and industry in Budapest) was as follows: i. define and determine the basic set of respondents according to the size of company (less than 250 employees); ii. provide each respondent with a serial number; iii. generate random numbers helping the statistical function "Randbetween" (range of the statistical function: smallest value - 1, largest value - total number of respondents); iv. assign individual respondents to randomly generated numbers; in. find out the respondent's telephone or e-mail contact. Respondents' attitudes were acquired by the method of questioning in the form of filling in the questionnaire in its online version. The data collection was realised in two phases. In the first phase, respondents were addressed via e-mail with a request to complete a questionnaire. In the second one, the SMEs were addressed by phone.

The title of the questionnaire was "Management, business risks and bankruptcies in the SME segment". The questionnaire contains several sections. General demographic characteristics of owners (top manager) and of companies were identified at the beginning of the questionnaire (see Table 1).

The next part contained items concerning the evaluation of business risks (e.g. operational, market, personnel risk sources). The last part contained questions about the SME's future. The questionnaire was created for each country separately (in national language of SMEs) (e.g. the CR questionnaire is available on the link: <https://forms.gle/okjZypAru4BpSHFb8>). Approach of data collection was for each country identical and was realised during the same period of time. The questions in questionnaire were assigned by random. The questionnaire contained also control question for evaluation of consistency of respondent's answers. It was not possible to fill in the questionnaire automatically (e.g. by computer or robot). The return rate of research questionnaires was follows CR: 5.5%; SR: 3.6%, PL: 4.7%, HU: 4.6%. Sample size analysis was realised of SMEs in software IBM SPSS Statistics. The results showed that it was needed 668 SMEs to detect the effect of a given size on a confidence level of 95%.

Table 1

Characteristics of owners and top manager

Size of company (number of employees)		Time period of doing business		Business Sector	
Micro SME	61.6%	Less than 3 years	9.3%	Service	35.3%
Small SME	23.4%	3 – 5 years	8.8%	Retailing	16.3%
Medium-sized SME	15.0%	5 – 10 years	15.8%	Manufacturing	17.0%
<b>Legal Form</b>		More than 10 years	66.2%	Construction	9.8%
Sole trader	30.2%	<b>Education to Business Sector Relationship</b>		Tourism	2.8%
Limited liability company	56.7%			Agriculture	6.1%
Joint stock company	6.0%	Related	43.3%	Transportation	3.3%
Other	7.1%	Related to some extent	32.6%	Another area	9.5%
<b>Education level</b>		Not related	24.1%	<b>Sex</b>	
		<b>Age of respondent</b>		Male	68.2%
				Female	31.8%
High school with school leaving qualification	28.1%	Less than 35 years of age	19.7%	<b>Position in the SME</b>	
Bachelor	14.3%	Aged between 33 – 44 years	30.0%	Owner	26.6%
Ing/Master	50.0%	Aged between 45 – 54 years	28.5%		
PhD	7.5%	More than 55 years of age	21.8%	Manager	73.4%

Source: Authors' calculations.

The personnel risk sources were: PER1 - the subjective attitude of the respondent to the perception of personnel risk in the SME; PER2 - employees turnover in the SME; PER3 - the error rate of employees in the SME; PER4 - Laziness and lack of interest of employees in increasing performance at work; PER5 - the subjective attitude of the respondent to the management the financial risk in the SME; PER6 - the subjective attitude of the respondent to the understanding of the essential legal aspects of doing business. The items about personnel risk sources were formulated positively, because the owners and managers had tendency not to express a negative attitude towards the company. The respondents could select one of the five types of answers (A): I strongly agree (A1), ..., I strongly disagree (A5).

The authors defined the research hypotheses as follows:

H1: There are no statistically significant differences between structures of answers: i. of Czech respondents and Slovak respondents (H1CR.SR); ii. of Czech respondents and Polish respondents (H1CR.PL); iii. of Czech respondents and Hungarian respondents (H1CR.HU) on the sources of the personnel risk (PER1 (H1.1); PER2 (H1.2); PER3 (H1.3); PER4 (H1.4); PER5 (H1.5); PER6 (H1.6)).

H2: There are no statistically significant differences between positive attitudes: i. of Czech respondents and Slovak respondents (H2CR.SR); ii. of Czech respondents and Polish respondents (H2CR.PL); iii. of Czech respondents and Hungarian respondents (H2CR.HU); on the sources of the personnel risk (PER1 (H2.1); PER2 (H2.2); PER3 (H2.3); PER4 (H2.4); PER5 (H2.5); PER6 (H2.6)).

The following statistical methods (contingency tables, descriptive characteristics - absolute and relative abundance) were implemented to assess the selected statistical hypotheses. Chi-square test was applied on detection of significant differences in the structure of SMEs among groups according to the country of region of V4 (H1).

The Z-score was implemented to evaluate significant statistical differences in positive opinions (A1

+ A2) of the SMEs owners according to the company's country of operation (H2). All tests were performed at the significance level  $\alpha = 5\%$ . Authors used the statistical software (IBM SPSS Statistics no. 28) on the verification of statistical hypotheses.

#### 4. EMPIRICAL RESULTS

The perception of the respondents on item PER1 according to the type of answer was as follows ( $n = 1585$ ): A1 – 214 (13.5%); A2 – 612 (38.6%); A3 – 432 (27.3%); A4 – 249 (15.7%) and A5 – 78 (4.9%). Table 2 contains the results of evaluating the personnel risk' source (PER1) of owners (top manager) according to the company's locality in the V4 region.

Table 2

Assessment of respondents' perception to the PER1 indicator

Respondent' Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	61	48	44	61	CR/SR: 1.3364/ 0.1802
A2	170	122	148	172	CR/PL 0.5308/ 0.5961
A1+A2 together: %/number	50.88%/ 231	46.20%/ 170	52.75%/ 192	58.39%/ 233	CR/HU -2.1988/ 0.0278
A3	115	98	106	113	
A4	70	82	49	48	
A5	38	18	17	5	
Chi <sup>2</sup> - test: Sig. (p-value)	CR/SR 9.9998/ 0.0404	CR/PL 6.542/ 0.1622	CR/HU 26.0184/ p<0.0001		

Source: Authors' results.

It is possible to state (see Table 2) that the compliance rate with the PER1 item ranges from 46.20% (SR: lowest compliance rate) to 58.39% (HU: highest compliance rate). Positive perception (A1+A2) of PER1 in the Visegrad group countries is on the level of 52.05%. The results showed that the overall structure of CR respondents' responses differed from the structure of SR and HU respondents (SR: p-value = 0.0404; HU: p-value <0.0001). On other hand, the structure of CR and PL respondents' attitudes are identical (p-value = 0.1622). The results of Z-score supported that existed significant differences in the positive attitudes on evaluation of PER1 between CR and HU respondents (p-value = 0.0278). CR respondents significantly less agree with the item of PER1 than respondents from HU. Hypotheses H1.1CR.SR, H1.1CR.HU\_ and H2.1CR.HU were rejected. Hypotheses H1.1CR.PL; H2.1CR.SR and H2CR.PL were confirmed.

The perception of the respondents on item PER2 according to the type of answer was as follows ( $n = 1585$ ): A1 – 395 (24.9%); A2 – 493 (31.1%); A3 – 340 (21.5%); A4 – 231 (14.6%) and A5 – 126 (7.9%). Table 3 contains the results of evaluating the personnel risk' source (PER2) of owners (top manager) according to the company's locality in the V4 region.

Table 3

Assessment of respondents' perception to the PER2 indicator

Respondent' Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	127	93	103	72	CR/SR: -0.0643/ 0.9522
A2	136	122	102	133	CR/PL: 0.4628/ 0.6455
<b>A1+A2 together: %/number</b>	57.93%/ 263	58.15%/ 214	56.62%/ 205	51.38%/ 205	CR/HU: 1.9184/ 0.0549
A3	97	73	65	105	
A4	57	56	56	62	
A5	37	24	38	27	
<b>Chi<sup>2</sup> - test: Sig. (p-value)</b>	CR/SR 3.2195/ 0.5218	CR/PL 3.8491/ 0.4268	CR/HU 13.8351/ 0.0078		

Source: Authors' results.

It is possible to state (see Table 3) that the compliance rate with the PER2 item ranges from 51.38% (HU: lowest compliance rate) to 58.15% (SR: highest compliance rate). Positive perception (A1+A2) of PER2 in the Visegrad group countries is on the level of 56.02%. The results showed that the overall structure of CR respondents' responses differed from the structure of HU respondents (HU: p-value = 0.0078). On other hand, the structure of CR vs. SR and CR vs. PL respondents' attitudes are identical (SR: p-value = 0.5218; PL: p-value = 0.4268). The results of Z-score supported that there are no significant differences on evaluation of PER2 in the positive attitudes between CR and other V4 countries. Hypothesis H1.2CR.HU<sub>was</sub> rejected. Hypotheses H1.2CR.SR; H1.2CR.PL; H2.2CR.SR; H2.2CR.PL and H2.2CR.HU were confirmed.

The perception of the respondents on item PER3 according to the type of answer was as follows (n = 1585): A1 – 310 (19.6%); A2 – 604 (38.1%); A3 – 356 (22.5%); A4 – 234 (14.8%) and A5 – 81 (5.1%). Table 4 contains the results of evaluating the personnel risk' source (PER3) of owners (top manager) according to the company's locality in the V4 region.

Table 4

Assessment of respondents' perception to the PER3 indicator

Respondent' Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	106	64	66	74	CR/SR: 2.2365/ 0.0251
A2	183	142	140	139	CR/PL: 2.0537/ 0.0404
<b>A1+A2 together: %/number</b>	63.66%/ 289	55.98%/ 206	56.59%/ 206	53.38%/ 213	CR/HU: 3.0421/ 0.0024
A3	88	80	81	107	
A4	55	62	55	62	
A5	22	20	22	17	
<b>Chi<sup>2</sup> - test: Sig. (p-value)</b>	CR/SR 7.5286/ 0.1104	CR/PL 5.4809/ 0.2414	CR/HU 11.1123/ 0.0253		

Source: Authors' results.

It is possible to state (see Table 4) that the compliance rate with the PER3 item ranges from 53.38% (HU: lowest compliance rate) to 63.66% (CR: highest compliance rate). Positive perception (A1+A2) of PER3 in the Visegrad group countries is on the level of 57.40%. The results showed that the overall structure of CR respondents' responses differed from the structure of HU respondents (HU:  $p$ -value = 0.0253). On other hand, the structure of CR vs. SR and CR vs. PL respondents' attitudes are identical (SR:  $p$ -value = 0.1104; PL:  $p$ -value = 0.2414). The results of Z-score supported that there are no significant differences in the positive attitudes on evaluation of PER3 between: CR vs. HU respondents ( $p$ -value = 0.0024); CR vs. SR respondents ( $p$ -value = 0.0251); CR vs. PL respondents ( $p$ -value = 0.0404). CR respondents significantly more agree with the item of PER3 than respondents from other V4 countries. Hypotheses H1.3CR.HU; H2.3CR.SR; H2.3CR.PL and H2.3CR.HU were rejected. Hypotheses H1.3CR.SR; H1.3CR.PL were confirmed.

The perception of the respondents on item PER1 according to the type of answer was as follows ( $n$  = 1585): A1 - 214 (13.5%); A2 - 515 (32.5%); A3 - 521 (32.9%); A4 - 257 (16.2%) and A5 - 78 (4.9%). Table 5 contains the results of evaluating the personnel risk' source (PER4) of owners (top manager) according to the company's locality in the V4 region.

Table 5

## Assessment of respondents' perception to the PER4 indicator

Respondent' Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	66	40	41	67	CR/SR: 1.2015/ 0.2301
A2	138	110	106	161	CR/PL: 1.3064/ 0.1902
A1+A2 together: %/number	44.93%/ 204	40.76%/ 150	40.38%/ 147	57.14%/ 228	CR/HU: -3.5586/ 0.0004
A3	135	131	133	122	
A4	76	73	66	42	
A5	39	14	18	7	
Chi <sup>2</sup> - test: Sig. (p-value)	CR/SR 12.5919/ 0.0134	CR/PL 8.6969/ 0.0691	CR/HU 31.0747/ $p < 0.0001$		

Source: Authors' results.

It is possible to state (see Table 5) that the compliance rate with the PER4 item ranges from 40.38% (PL: lowest compliance rate) to 57.14% (HU: highest compliance rate). Positive perception (A1+A2) of PER4 in the Visegrad group countries is on the level of 45.80%. The results showed that the overall structure of CR respondents' responses differed from the structure of SR and HU respondents (SR:  $p$ -value = 0.0134; HU:  $p$ -value  $< 0.0001$ ). On other hand, the structure of CR and PL respondents' attitudes are identical ( $p$ -value = 0.0691). The results of Z-score supported that there are significant differences in the positive attitudes on evaluation of PER4 between CR and HU respondents ( $p$ -value = 0.0004). CR respondents significantly less agree with the item of PER4 than respondents from HU. Hypotheses H1.4CR.SR; H1.4CR.HU; H2.4CR.HU were rejected. Hypotheses H1.4CR.PL; H2.4CR.SR; H2.4CR.PL were confirmed.

The perception of the respondents on item PER5 according to the type of answer was as follows ( $n$  = 1585): A1 - 331 (20.9%); A2 - 794 (50.1%); A3 - 341 (21.5%); A4 - 94 (5.9%) and A5 - 25 (1.6%). Table 6 contains the results of evaluating the personnel risk' source (PER5) of owners (top manager) according to the company's locality in the V4 region.



Table 6

Assessment of respondents' perception to the PER5 indicator

Respondent's Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	116	72	70	73	CR/SR: 0.4544/ 0.6527
A2	204	182	162	246	CR/PL: 2.0476/ 0.0404
A1+A2 together: %/number	70.48%/ 320	69.02%/ 254	63.74%/ 232	79.95%/ 319	CR/HU -3.1817/ 0.0015
A3	106	89	88	58	
A4	19	23	33	19	
A5	9	2	11	3	
Chi <sup>2</sup> - test: Sig. (p-value)	CR/SR 8.9699/ 0.0619	CR/PL 12.0794/ 0.0168	CR/HU 27.3191/ p<0.0001		

Source: Authors' results.

It is possible to state (see Table 6) that the compliance rate with the PER5 item ranges from 63.74% (PL: lowest compliance rate) to 79.95% (HU: highest compliance rate). Positive perception (A1+A2) of PER5 in the Visegrad group countries is on the level of 70.80%. The results showed that the overall structure of CR respondents' responses differed from the structure of PL and HU respondents (PL: p-value = 0.0168; HU: p-value <0.0001). On the other hand, the structure of CR and SR respondents' attitudes are identical (p-value = 0.0619). The results of Z-score supported that there exist significant differences in the positive attitudes on evaluation of PER5 between: CR vs. PL respondents (p-value = 0.0404); CR vs. HU respondents (p-value = 0.0015). CR respondents significantly: i. more agree with the item of PER5 than respondents from PL; ii. Less agree with the item of PER5 than respondent from HU. Hypotheses H1.5CR.PL; H1.5CR.HU; H2.5CR.PL and H2.5CR.HU were rejected. Hypotheses H1.5CR.SR and H2.5CR.SR were confirmed.

The perception of the respondents on item PER6 according to the type of answer was as follows (n = 1585): A1 - 498 (31.4%); A2 - 771 (48.6%); A3 - 247 (15.6%); A4 - 47 (3.0%) and A5 - 22 (1.4%). Table 7 contains the results of evaluating the personnel risk' source (PER6) of owners (top manager) according to the company's locality in the V4 region.

Table 7

Assessment of respondents' perception to the PER6 indicator

Respondent's Attitudes	CR (n = 454)	SR (n = 368)	PL (n = 364)	HU (n = 399)	Z-score/ p-value (A1+A2)
A1	116	72	70	73	CR/SR: 0.4544/ 0.6527
A2	204	182	162	246	CR/PL: 2.0476/ 0.0404
A1+A2 together: %/number	70.48%/ 320	69.02%/ 254	63.74%/ 232	79.95%/ 319	CR/HU -3.1817/ 0.0015
A3	106	89	88	58	
A4	19	23	33	19	
A5	9	2	11	3	
Chi <sup>2</sup> - test: Sig. (p-value)	CR/SR 8.9699/ 0.0619	CR/PL 12.0794/ 0.0168	CR/HU 27.3191/ p<0.0001		

Source: Authors' results.

It is possible to state (see Table 7) that the compliance rate with the PER6 item ranges from 75.19% (HU: lowest compliance rate) to 80.17% (SR: highest compliance rate). Positive perception (A1+A2) of PER6 in the Visegrad group countries is on the level of 45.80%. The results showed that the overall structure of CR respondents' responses differed from the structure of SR, PL and HU respondents (SR:  $p$ -value = 0.0024; PL:  $p$ -value = 0.0005; HU:  $p$ -value < 0.0001).

The results of Z-score supported that there are no significant differences on evaluation of PER6 in the positive attitudes between CR and other V4 countries. Hypotheses H1.6CR.SR; H1.6CR.PL and H1.6CR.HU were rejected. Hypotheses H2.6CR.SR; H2.6CR.PL and H2.6CR.HU were confirmed.

## 5. DISCUSSION

The number of SMEs in the CR (50.9%) who think that personnel risk in the company does not have a negative effect on their business is comparable to the number of SMEs in the SR (46.2%) and SMEs in the PL (52.8%). On the contrary, Czech entrepreneurs significantly, to a lesser extent, agree with this statement compared to SMEs in HU (58.4%). These conclusions are identical to the case study of Oláh *et al.* (2019), which also examined selected sources of personnel risk in selected Central European countries on a sample of 2110 SMEs in 2017-2018

The number of SMEs in the CR (57.9%), who think that employee turnover is low and has no negative effect on the firm, is comparable to the number of SMEs in the Slovak Republic (58.2%), SMEs in PL (56.6%) and SMEs in HU (51.4%). On the other hand, the results show that in the range of 42.9 - 48.4% of SMEs in the region of V4, the turnover is considered a risk that SMEs have to deal with because it harms the company.

Garavan *et al.* (2021) found that the direct dependences and relationship between HR practices and business performance (special financial performance) varied between SMEs with high job satisfaction and low job satisfaction, and that the relationship was weakened in SMEs with high job satisfaction. The authors also think that certain HR policies and practices may improve company performance in SME segment, especially within companies with low levels of commitment and satisfaction.

The number of SMEs in the CR (63.7%) who think that the error rate of employees is low and does not have a negative impact on the company is significantly higher than in the Slovak Republic (56.0%), PL (56.6%) and HU (53.4%).

The number of SMEs in the Czech Republic (44.9%) who think that employees are trying to increase their performance is comparable to the number of SMEs in the Slovak Republic (40.8%) and SMEs in the PL (40.4%). On the contrary, Czech entrepreneurs significantly, to a lesser extent, agree with this statement compared to SMEs in HU (57.1%).

The number of SMEs in the CR (70.5%) who think that I can adequately manage the financial risk in the company is comparable than in SR (69.0%), significantly higher than in PL (63.7%), and significantly less than in HU (53.4%).

## 6. CONCLUSION

The article was aimed to identify and quantify disparities in the evaluation of personnel risk indicators between SMEs in the CR and other V4 countries.

The attitudes of Czech SMEs to claims about personnel risk are generally comparable to SMEs in the SR, except for the opinion of low error rates of employees (in the Czech Republic, they agree significantly more). Czech SMEs take comparable or more positive attitudes to claims about personnel risk than SMEs in PL. On the other hand, Czech SMEs take different and comparable attitudes to claims about personnel risk than SMEs in HU.

The authors are aware of certain limits of the research (local nature of the case study - only 4 Central European countries; limiting sample of respondents - 1585 SMEs; verification of formulated hypotheses using simple statistical methods). Despite the above-mentioned limits, the authors believe that the article brings interesting connections and disparities in SMEs' perception of personnel risk in selected countries.

The authors' empirical findings are important: (i) for many institutions which helps SME segment in the region of V4 countries; (ii) for the educational and commercial firms providing programs, seminars and workshops dealing with HR management; (iii) for SMEs and their owners and manager as interesting news which they can comparison with similar firms in the region of V4 countries; (iv) for national policymakers that map the quality of BE in SME segment and make proposals for its improvement; (v) for non-profit organizations which work as a support institutions for better entrepreneurship in selected countries.

In future, authors would like to realise a case study on the evaluation of common and different characteristics among SMEs from the region of V4 countries (CR, PL, SR and HU) in the attitudes of other important factors which have effect on the business performance and their sustainability, as is a level of SME digitalization, perception of crisis events in business, implementation of corporate social responsibility, business ethics and environmental aspects of entrepreneurship.

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