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## THE INTENSITY OF PERCEPTION OF SELECTED PERSONNEL RISK FACTORS IN THE V4 COUNTRIES

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Zoltan Rozsa, Ph.D., Associate Professor

*Faculty of Social and Economic Relations*

*Aleksander Dubček University in Trenčín, Slovak Republic*

*e-mail: zoltan.rozsa@tnuni.sk*

*ORCID: 0000-0002-5748-5702*

Jaroslav Belas, Jr., Ing.

*Faculty of Social and Economic Relations*

*Aleksander Dubček University in Trenčín, Slovak Republic*

*e-mail: jaroslav.belas@tnuni.sk*

*ORCID: 0000-0003-1796-8598*

Zdenko Metzker, Ing.

*Faculty of Management and Economics*

*Tomas Bata University in Zlín, Czech Republic*

*e-mail: metzker@utb.cz*

*ORCID: 0000-0002-6962-2428*

Iva Klementová, Ph.D., Ing.

*Faculty of Corporate Strategy*

*Institute of Technology and Business, Czech Republic*

*e-mail: klementova@mail.vstecb.cz*

*ORCID: 0000-0002-4585-2712*

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### Abstract

**Research background:** The intensity of the personnel risk perception in SMEs is a crucial factor contributing to the application of risk management practices.

**Purpose:** The objective of the study is to identify the intensity of perception of personnel risks and their manifestation in the form of staff turnover, error rate, and employee effort to improve their performance in SMEs in the V4 countries.

**Research methodology:** The 1,585 companies in the V4 countries were randomly selected and surveyed. The descriptive statistics and Pearson correlation coefficient (Chi-square and Z-score) were used for hypotheses verification.

**Results:** The results show heterogeneity in the perception of personal risks in the V4 countries. Compared to the Czech Republic, the intensity of perception of personal risks differs in Hungary and Slovakia (p-value < 0.0001/0.0404). However, the perception of employee turnover is different in Hungary (p-value = 0.0078), but not in Slovakia and Poland (p-value = 0.5218/0.4268). Perceptions of employee skills differ in Hungary (p-value = 0.0253), while the differences in Slovakia and Poland are not statistically significant (p-value = 0.1104/0.2414). Performance improvement and competitiveness in the workplace differ in Slovakia and Hungary (p-value = 0.0134/<0.0001).

**Novelty:** The study fills in the gap in the area of perceived personnel risks and their manifestations and provides valuable proposals for taking measures concerning the limitations of SMEs.

**Keywords:** personnel risks, staff turnover, error rate, competitiveness, SME, V4

**JEL classification:** G32, M12, M54

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## Introduction

SMEs are the backbone of the V4 countries' economies, dominating over large enterprises. Their number is even constantly growing (Srebalová, Vojtech, 2021), and they represent an important source of jobs (Harney, 2015; Srebalová, Vojtech, 2021). However, their dependence on employee performance as well as the critical lack of resources for obtaining, retaining, and the development of human resources significantly affect their efficiency and expose SMEs to personnel risks (Alawaqleh, 2021; Blanchett, Straehl, 2017; Israelsen, Yonker, 2017).

The range of risks accompanying modern human resources management is quite diverse, which is due to the uncertainty and dynamics of the environment SMEs operate in as well as the wide range of reasons for each individual personnel risk (Tselyutina, Timokhina, Vlasova, Maslova, 2019). Insufficient awareness of the existence of such risks, insufficient knowledge of tools to their management often results in the fact that the risks are not perceived as important, they are not measured or are even ignored (Mara, Govender, Makka, 2019). Understanding, identification, analysis, and prevention of risks in the area of human resources are thus an important element of risk management in SMEs (Mara et al., 2019; Urban, 2018). SME performance thus largely depends on the level of personnel risk management (Mura, 2021; Olton, Głowacki, 2014).

The absence of a comprehensive and effective system of personnel risk management takes up the form of direct or indirect financial losses of SMEs (Levchenko, Shuldryakova, Esina, Manakhova, 2019; Tselyutina et al., 2019). On the contrary, appropriate risk management may help them avoid mistakes but also ensure an acceptable level of risk. They thus represent a critical factor determining the survival of SMEs as well as their future growth (Brymer, Molloy, Gilbert, 2014; Grigoryeva, Gorkovenko, Platonova, Borshevskaya, Makrinova, 2016; Tselyutina et al., 2019) and personnel risk management becomes a key factor for improving the performance of an organization, improving its competitive position, and gaining a sustainable competitive advantage (Al-Tarawneh, 2020).

Although the issue of human resources management in small and medium-sized enterprises (SMEs) has been long analysed and discussed, the research predominantly focuses on the positive impact of systems and practices of HRM. The issue of personnel risk management, especially those caused by their ignorance or inappropriate or missing procedures in the area of human resources management, is not addressed sufficiently in research. Therefore, there is space for personnel risks to be examined and integrated into established risk management processes (Becker, Smidt, 2016; Havierníková, Kordoš, Srovnalíková, 2018; Kotaskova, Belas, Bilan, Ajaz Khan, 2020; Kozubíková, Zámečník, Výstupová, 2020; Tikhonov, 2020).

The objective of this study is to identify the intensity of the perception of personnel risks and their manifestation in SMEs in the Czech Republic and other V4 countries (Poland, the Slovak Republic, and Hungary), and hence to determine the position of the Czech Republic within the V4 countries. The reasons for the formulation of this objective are twofold. Firstly, the intensity of the perception of personnel risks is a significant factor contributing to sustainable development and attracting new foreign investment. Secondly, despite the common history of the V4 group members and many common projects, the members are simultaneously competitors.

The structure of the study is as follows: The first part defines personnel risks and their manifestations, such as high staff turnover, employee error rate and low performance in SMEs. The second part presents the methods used, specifically data collection and verification of the hypotheses. The third part presents a discussion of the results of the research conducted. The conclusion describes the research limitations and formulates recommendations for management practice and further research on the issue.

## **1. Literature Review**

### **1.1. Theoretical background**

The concept of risk at the individual level of analysis was examined from two perspectives, namely the perspective of risk preference or propensity and perception of risk. Risk perception is a driving force leading to the activity (Slovic, Weber, 2002). Positive or lower perception of risk is a basic prerequisite for developing new types of SME competencies, thus supporting innovations that provide a competitive advantage to a company (Mathews, Maruyama, Sakurai, Perks, Sok, 2019). However, risk perception is often limited by the degree of rationality of managers, availability of information (Bonfim, Silva, Prado, Abib, 2018), and experience of managers (Sunjka, Emwanu, 2015). Nevertheless, lower perception risk may lead to its underestimation, specifically in the environment of SMEs due to their limited financial resources for investment in specific management procedures in order to protect themselves against possible risks (Nikolaou, Nikolaidou, Tsagarakis, 2016).

Personnel risks are defined as a dynamic and complex issue connected with the human factor, related to a set of personal traits and skills, which, in a given situation, affect staff turnover, reliability, or performance (Hudáková et al., 2021; Kotaskova et al., 2020; Kraev, Tikhonov, 2019). Personnel risk management is thus a process that starts in the development phase of human resources management strategy and includes the definition, evaluation and control of all internal and external personnel risk factors, the change of which may negatively affect the activity of the organization (Kraev, Tikhonov, 2019; Tarusov, Mitrofanova, 2019).

The efficiency and effectiveness of personnel risk management depend on the degree to which all possible risks are identified (Putz, Schilling, J., & Iuge, 2012), the perception of risks by individuals and groups within a given organization (Andersen, Grytnes, 2021), and the existence of a formal plan of personnel risk management. In the case of SMEs, which usually do not have the department of HRM and rely more often on informal management methods, essential decisions are usually made only by the owner (Psychogios, Szamosi, Prouska, Brewster, 2016). Therefore, specifically, SMEs, if taking personnel risks in the management system of the organization into account, they do it often without any plan (Tikhonov, 2020).

Staff turnover as one of personnel risks is the main topic of various types of research, since high staff turnover significantly influences SME competitiveness (Ketkaew, Manglakakeeree, Naruetharadhol, 2020; Li, Guthrie, 2016; Peng, Chen, Zhang, Li, 2021; Tambde, Motwani, 2019), relationships with customers, and thus also the reputation of a company (Abolade, 2018; Ayari, AlHamaqi, 2021; Satardien et al., 2019), incurrence of direct and indirect costs related

to staff turnover (Aburumman, Salleh, Omar, Abadi, 2020; Alpar, 2020; Kashif, Petrovskaya, Samad, Wijenayake, 2021), and also indirectly influences the productivity and sustainability of an organization (Rodrigo, Ratnayake, 2021).

Probably the best predictor of staff turnover is turnover intention (Griffeth, Hom, Gaertner, 2000), which can be defined as voluntary, intentional and often repeated plans of an employee to intentionally leave an organization (Mobley, Horner, Hollingsworth, 1978) and find a new job (Olawale, Olanrewaju, 2016). This results also from the fact that the relationship between an organization and its employees is important and sensitive. In many aspects, it is a mutual relationship influenced by factors such as organizational culture or employee satisfaction (Ilyas et al., 2021). The results also show that employees are more influenced by organizational and working factors than by psychological and environmental ones (Berguig, Abdelbaki, 2021).

Employees who intend to leave tend to perform their work less efficiently, with a higher error rate, which also affects the performance and error rate of other employees (Al-Dalahmeh, Héder-Rima, Dajnoki, 2020; Ganji, Johnson, Sorkhan, Banejad, 2021). The employee error rate is defined as unintentional, potentially avoidable deviations from work-related goals (Yan, Bligh, Kohles, 2014) or failures that can be avoided or may even lead to sanctions and are thus usually accompanied with negative emotions. The fear of negative consequences of mistakes often prevents individuals and organizations from coping functionally with errors (Putz et al., 2012). Assuming that the resulting failure will have serious consequences, it is recommended to eliminate or mitigate the failure before it occurs (Demott, 2018). Any organization, when facing the errors of employees, in addition to error prevention, must develop also systematic methods to their detection, or make efforts to create a culture that reduces the costs of their detection (Mao, Hsieh, 2017).

On the other hand, as opposed to the aforementioned employee behaviour, there is also an effort to improve performance and job competitiveness or engagement. Achieving a high level of employee engagement is a challenge for most organizations at the global level in a highly competitive and dynamic economy. Employee engagement has never been more important or essential for company survival (Xiong, Wen, 2020). Kahn (1990) defines personal engagement as the relationship of an employee and work, other individuals, and active performance, manifested as a positive attitude to work (Harter, Schmidt, Hayes, 2002) and better performance (Rumman, Al-Abbadi, Alshawabkeh, 2020). Employee engagement is also conceptualized as a set of positive ideas related to work (Tauetsile, 2021). It is an expression of a preferred behaviour of an individual, which promotes the relationship to work and personal physical, cognitive and

emotional engagement, making employees more active in terms of their enthusiasm, devotion, and work immersion (Na-Nan, Pukkeeree, Chaiprasit, 2020).

Higher employee engagement may help reduce absenteeism, turnover, and even improve the performance of both employees and organizations (Ahmed, Khan, Thitivesa, Siraphatthada, Phumdara, 2020; Wushe, Shenje, 2019; Xiong, Wen, 2020). However, according Pudjiarti and Hutomo (2020), employee performance in the SME sector is usually low since employees often lack the necessary skills in line with work needs (Pudjiarti, Hutomo, 2020; Khan, Dankiewicz, Kliuchnikava, Oláh 2020).

## **2. Methodology**

The objective of this study is to identify the intensity of the perception of personnel risks (PER1) and their manifestations in the form of staff turnover (PER2), error rate (PER3), and the efforts of employees to improve their performance (PER4) in SMEs in the Czech Republic and the three other V4 countries (the Slovak Republic, Poland and Hungary).

In the context of the objective of the research, the following hypotheses were formulated:

- H1: There are statistically significant differences in the perception (positive answers and the overall structure of responses) of personnel risks (PER1) between the Czech Republic and the other three V4 countries (the Slovak Republic, Poland and Hungary).
- H2: There are statistically significant differences (positive answers, overall structure of answers) in the perception of staff turnover (PER2) between the Czech Republic and the other V4 three countries (the Slovak Republic, Poland and Hungary).
- H3: There are statistically significant differences (positive answers, overall structure of answers) in the perception of employee error rate (PER3) between the Czech Republic and the other three V4 countries (the Slovak Republic, Poland and Hungary).
- H4: There are statistically significant differences (positive answers, overall structure of answers) in the perception of the efforts to improve employee performance and competitiveness (PER4) between the Czech Republic and the other three V4 countries (the Slovak Republic, Poland and Hungary).

The data were collected in the V4 countries (the Czech Republic – CR, the Slovak Republic – SR, Poland – PL, Hungary – HU) between September 2020 and January 2021. The basic dataset was determined using the databases “Cribis” (CR and SR), Database of Central Statistical Office of Poland (PL), Database of Budapest Chambers of Commerce and Industry (HU). The sample of companies was created and based on a random selection

by determining the serial number of companies according to the alphabet order and then selecting companies whose serial number corresponded to the generated set of random numbers. The created sample contained a total of 34,780 SMEs (CR: 8,250, SR: 10,100, PL: 7,680, HU 8,750). The selected companies were addressed to fill in a questionnaire available on survio.com. The questionnaires were filled in by the owners or top managers of small and medium-sized enterprises (hereinafter referred to as respondents). Individual questions were responded by choosing one of the following options (based on the Likert scale): Strongly agree with the statement, agree with the statement; Undecided, Disagree with the statement, Strongly disagree with the statement. The average response rate of the questionnaire was as follows: CR 454/5.5%, SR 368/3.6%, PL 364/4.7%, HU 399/4.6%.

Within the hypotheses formulated, we compared statistically significant differences in the positive answers of the respondents. Statistical hypotheses were verified using the methods of descriptive statistics (percentage) and the Pearson correlation coefficient (Chi-square and Z-score). This method enables the quantification of statistically significant differences within the defined sets of respondents.

The p-value in the Chi-square method was calculated as follows: statistical software SAS JMP, version 16.0, was used to create contingency tables, calculate the value of the separation of Chi-square ( $\chi^2$ ) for the statistics, and relevant degrees of freedom. Subsequently, we determined whether the probability that the deviation of the observed values from the expected ones was due to chance or not. To verify the given hypothesis, the value of the probability was compared with the selected significance level  $\alpha = 0.05$  as the lowest critical value of probability with which the null hypothesis is rejected.

For a two-way proportion comparison of the incidence, a two-proportion z-test was used according to the formula below:

$$Z = \frac{(\hat{p}_1 - \hat{p}_2) - 0}{\sqrt{\hat{p}(1 - \hat{p})\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Subsequently, the value of the Z-score was converted into the p-value (two-way), its comparison with the selected significance level  $\alpha = 0.05$  enabled the confirmation or rejection of the selected hypothesis. The null hypothesis (H0) for the test is that the proportions are equal; the alternative hypothesis (H1) is that the proportions are different. A two-proportion z-test was used as the more efficient and effective statistical tool for the comparison or determination of the significance

of the mean difference between two or more independent samples used in research methodology for studies where the sample size is large ( $n > 30$ ).

### **3. Empirical results and discussion**

The following tables present the comparisons of the attitudes (positive answers and the overall structure of answers) of the respondents in the Czech Republic and the other three V4 countries (the Slovak Republic, Poland and Hungary) to the selected statements concerning personnel risks, specifically the perception of the degree and impacts of personnel risks (Table 1: H1/PER1), staff turnover (Table 2: H2/PER2), employee error rate (Table 3: H3/PER3) and employee performance (Table 4: H4/PER4).

The average level of agreement with the adequacy of personnel risks in business (PER1) in the V4 countries was 52.05% (Table 1). However, the level of agreement with the statement PER1 ranges between 46.20% (the Slovak Republic: the lowest level of agreement) and 58.39% (Hungary: the highest level of agreement), which, to a certain extent, indicates that in terms of perceived adequacy of personnel risks, entrepreneurs in the V4 countries can be divided into three categories: negative attitude to the perceived personnel risks (the Slovak Republic 46.20%), neutral attitude or undecided (the Czech Republic 50.88%), and positive attitude (Poland 52.75% and Hungary 58.39%).

However, the test values of the Z-score confirmed that statistically significant differences in the positive attitude to the statement PER 1 exist only between the Czech Republic and Hungary ( $p$ -value = 0.0278), showing that Czech entrepreneurs agreed with the statement PER1 significantly less often than respondents from Hungary.

As for the overall structure of answers (Strongly agree – strongly disagree), the answers of the Czech respondents differ from the Hungarian ( $p$ -value < 0.0001) and Slovak respondents ( $p$ -value = 0.0404). In contrast, the structure of answers of the Czech and Polish respondents is comparable ( $p$ -value = 0.1622).

In general, SMEs in the V4 countries do not fear staff turnover, or do not consider staff turnover to be a risk factor with a negative impact on business (Table 2). The average level of agreement with the statement PER2 in the V4 countries was 56.02%, with the lowest level of agreement recorded in Hungary (58.15%) and the highest level of agreement being expressed by respondents in the Slovak Republic (58,15%).



Table 1. I consider personnel risks in the company as acceptable and with no negative impact on my business (PER1)

	Czech Republic (CR) 454	Slovak Republic (SR) 368	Poland (PL) 364	Hungary (HU) 399	Z-score/p-value CR/SR CR/PL CR/HU
1. Strongly agree	61	48	44	61	1.3364/0.1802
2. Agree	170	122	148	172	0.5308/0.5961
1 + 2 in total %, number	50.88/231	46.20/170	52.75/192	58.39/233	-2.1988/0.0278
3. Undecided	115	98	106	113	
4. I disagree	70	82	49	48	
5. Strongly disagree	38	18	17	5	
Chi-square: p-value	CR/SR 9.9998/0.0404	CR/PL 6.542/0.1622	CR/HU 26.0184/p < 0.0001		

Source: authors.

Table 2. Staff turnover is low and does not affect my business (PER2)

	Czech Republic (CR) 454	Slovak Republic (SR) 368	Poland (PL) 364	Hungary (HU) 399	Z-score/p-value CR/SR CR/PL CR/HU
1. Strongly agree	127	93	103	72	-0.0643/0.9522
2. Agree	136	122	102	133	0.4628/0.6455
1 + 2 in total %, number	57.93/263	58.15/214	56.62/205	51.38/205	1.9184/0.0549
3. Undecided	97	73	65	105	
4. Disagree	57	56	56	62	
5. Strongly disagree	37	24	38	27	
Chi-square: p-value	CR/SR 3.2195/0.5218	CR/PL 3.8491/0.4268	CR/HU 13.8351/0.0078		

Source: authors.

The Z-score test values confirmed that there are no significant differences in the positive attitudes of SMEs between the respondents in the Czech Republic and the other three V4 countries (the Slovak Republic p-value = 0.9522; Poland p-value = 0.6455; Hungary p-value = 0.0549).

However, as for the overall structure of answers (Strongly agree – Strongly disagree), the answers of the Czech respondents differ from the answers of the Hungarian respondents (p-value = 0.0078), but not from the answers of the Slovak (p-value = 0.5218) and Polish respondents (p-value = 0.4268).

For employee error rate, the average level of agreement with the statement PER3 57.40% can be seen below in (Table 3). This indicates that employee skills are perceived relatively

positively by the respondents from the V4 countries. The level of agreement with PER3 ranges from 53.38% (Hungary) up to 63.66% (the Czech Republic).

The Z-score test values confirmed the existence of statistically significant differences in the positive attitudes of SMEs between the Czech and Slovak respondents ( $p$ -value = 0.0251), respondents from Poland ( $p$ -value = 0.0404) and Hungary ( $p$ -value = 0.0024). The Czech respondents perceive the skills of their employees more positively than the respondents from the Slovak Republic, Poland, and Hungary.

The overall structure of answers (Strongly agree – Strongly disagree) of the respondents from the Czech Republic differs from the answers of the respondents from Hungary ( $p$ -value 0.0253). In contrast, the differences in the structure of answers of the Czech and Slovak or Czech and Polish respondents are not statistically significant ( $p$ -value = 0.1104/0.2414).

Table 3. Employee error rate is low and does not affect negatively my business (PER3)

	Czech Republic (CR) 454	Slovak Republic (SR) 368	Poland (PL) 364	Hungary (HU) 399	Z-score/ $p$ -value CR/SR CR/PL CR/HU
1. Strongly agree	106	64	66	74	2.2365/0.0251
2. Agree	183	142	140	139	2.0537/0.0404
1 + 2 in total %, number	63.66/289	55.98/206	56.59/206	53.38/213	3.0421/0.0024
3. Undecided	88	80	81	107	
4. Disagree	55	62	55	62	
5. Strongly disagree	22	20	22	17	
Chi-square: $p$ -value	CR/SR 7.5286/0.1104	CR/PL 5.4809/0.2414	CR/HU 11.1123/0.0253		

Source: authors.

The efforts for improving employee performance or employee competitiveness in the V4 countries was evaluated negatively on average (Table 4). The average level of agreement with the statement PER4 was as low as 45.80%, with the lowest level of agreement recorded in Poland (40.38%), while the highest one was recorded in Hungary (57.14%).

The Z-score test values confirmed that there are statistically significant differences in the positive attitudes of SMEs between the respondents in the Czech Republic and Hungary ( $p$ -value = 0.0004). The differences between the respondents in the Czech Republic and Slovak Republic ( $p$ -value = 0.2301) and the Czech Republic and Poland ( $p$ -value = 0.1902) were not statistically significant.

The overall structure of the answers of the Czech respondents differs from the answers of the respondents in the Slovak Republic and Hungary ( $p$ -value = 0.0134/ $<0.0001$ ). In contrast, the structure of the answers in the Czech Republic and Poland is similar ( $p$ -value = 0.0691).

Table 4. For our employees, efforts for improving their performance and workplace competitiveness are typical (PER4)

	Czech Republic (CR) 454	Slovak Republic (SR) 368	Poland (PL) 364	Hungary (HU) 399	Z-score/p-value CR/SR CR/PL CR/HU
1. Strongly agree	66	40	41	67	1.2015/0.2301
2. Agree	138	110	106	161	1.3064/0.1902
1 + 2 in total %, number	44.93/204	40.76/150	40.38/147	57.14/228	-3.5586/0.0004
3. Undecided	135	131	133	122	
4. Disagree	76	73	66	42	
5. Strongly disagree	39	14	18	7	
Chi-square: p-value	CR/SR 12.5919/0.0134	CR/PL 8.6969/0.0691	CR/HU 31.0747/p < 0.0001		

Source: authors.

The above results can be summarized as follows.

We assumed that given the common history and membership in the V4 group, the situation of the countries in terms of the perception of personnel risks would be very similar. However, the results show that the perception of personnel risks in the Czech Republic or V4 countries is heterogeneous, and despite the similarities of all V4 countries resulting from their long-term common history, there are statistically significant differences among them. The above results thus confirm the already published results by Havierníková et al. (2018), Hitka, Weberova, Ližbetinova, Vertáková (2017), Koval, Nabareseh, Stankalla, Chromjakova (2019), Srebalová, Vojtech (2021).

Previous research on the issue of staff turnover brings mixed results (Tews, Michel, Stafford, 2020). Staff turnover is high especially in the services sector (Lai, Hu, Chen, 2020; Ullah, Yasir, Hamayun, Ullah, Khan, 2021), which is the sector where most SMEs operate in. Paradoxically, entrepreneurs in the V4 countries do not fear staff turnover. Given the low unemployment rate in the V4 countries, this situation can be mainly due to relatively close relationships between entrepreneurs and employees in SMEs. On the other hand, it shall be taken into account that low staff turnover can be an obstacle to innovations, which are necessary for SMEs to survive and be competitive in the long run (Rondi, Überbacher, von Schlenk-Barnsdorf, De Massis, Hülsbeck, 2021; Dvorský, Petránková, Fialová, 2020).

Employee skills are perceived relatively positively by entrepreneurs in the V4 countries; however, the entrepreneurs believe the employees are not very interested in improving their performance. It should be realized that this fact may significantly limit the development of SMEs in the V4 countries. SMEs must have comprehensive knowledge of factors that could affect their performance; in order to be successful, SME owners/managers must be able to improve their productivity (Zakaria, Fauzi, Abdullah, Yusoff, 2018) i.e. by decentralized decision-making, sharing and explaining corporate objectives (Mear, Werner, 2021). Managers must understand the employee perception and attitudes to human resources management practices used in the organization in order to know whether the given human resources management practices achieve the desired results (Kashif et al., 2021; Khan et al., 2021; Santhanam, Ramesh Kumar, Kumar, Saha, 2021; Setsena, Botha, Paul-Dachapalli, 2021).

## **Conclusions**

In terms of the efforts to increase efficiency and productivity, SMEs are increasingly dependent on employees (Tedone, Bruk-Lee, 2021). However, the diversity of practices in small enterprises requires a new evaluation of HRM with regard to its type and function (Kroon, Paauwe, 2021; Hitka et al., 2017).

The study aimed to identify the intensity of perceiving personnel risks and their manifestations in SMEs in the Czech Republic and the other three V4 countries (the Slovak Republic, Poland and Hungary). The results showed a heterogeneous perception of the issue in the V4 countries both in the intensity of perception of personnel risks and in its individual manifestations. In general, it can be stated that except for the efforts to improve employee performance or competitiveness, SMEs perceive personnel risks slightly positively as a factor that does not threaten their existence.

The findings contribute to the literature by shedding light on the cognitive processes of SMEs management as a still overlooked domain of investigation. Simultaneously, they map the situation in the V4 countries. The paper, therefore, offers a basis for a deeper reflection of the personal risk dimensions in SMEs and goes further by outlining in detail how and to what extent different risk categories can influence perceived personal risks in SMEs at all, as a topic that, despite its importance, is still neglected in the literature. Our findings theoretically imply that risk tolerance is context-dependent. Concerning managerial implications, we assume that awareness of the cognitive process that influences SME managers' human resource decision-making could point in the direction of how to increase the likelihood of perceiving risk and

avoiding decisions based solely on their own intuition. The results improve the awareness of enterprise risk management and enhance cooperation between the V4 countries. The study fills in the gap in the area of perceived personnel risks and their manifestations and provides valuable proposals for taking measures concerning the limitations of SMEs.

In conclusion, it should be emphasized that the methods used in this study have also several limitations. First, due to the nature of the databases used for selecting respondents, SMEs operating on the basis of a business license were excluded from the research. Second, self-reported questionnaires often lead to social-desirability bias even if they are anonymous.

Further research on the manifestations of personnel risks in SMEs should be focused mainly on a better understanding of the feeling of relatively low threat that SMEs believe staff turnover poses to them and the low efforts for improving employee performance and competitiveness.

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