

Gavurova, B., Schonfeld, J., Bilan, Y., & Dudas, T. (2022). Study of the Differences in the Perception of the Use of the Principles of Corporate Social Responsibility in Micro, Small and Medium-Sized Enterprises in the V4 Countries. *Journal of Competitiveness*, 14(2), 23–40. <https://doi.org/10.7441/joc.2022.02.02>

Study of the Differences in the Perception of the Use of the Principles of Corporate Social Responsibility in Micro, Small and Medium-Sized Enterprises in the V4 Countries

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Abstract

The aim of the study was to examine the differences in the perception of the use of selected principles by CSR managers and owners of Micro, Small and Medium-sized Enterprises (MSMEs) in the V4 countries. The results of our research show that CSR strategies are most used by entrepreneurs and managers of MSMEs in Hungary, Poland and Slovakia. They are the least used in the Czech Republic. The sectoral comparison within the V4 countries highlighted interesting findings. When considering the moral and ethical implications of decision-making, no significant differences were found between the sectors. Differences were found in the perception of the CSR concept and its use in business. The CSR concept was mostly used in tourism and agriculture, to a lesser extent in construction, retail, manufacturing and services. Managers and entrepreneurs understand the link between CSR and gaining reputation and business opportunities and that CSR helps build a competitive advantage. The size of the company affects whether the company can be classified as CSR-oriented. Compared to medium-sized enterprises, micro-enterprises are 45% less likely and small enterprises are 33.5% less likely to be perceived as CSR-oriented. Compared to companies from Slovakia, companies in the Czech Republic are 41% less likely to be perceived as CSR-oriented. Hungarian companies are 70% more likely to be perceived as CSR-oriented compared to companies from Slovakia. Companies run by women are more inclined to apply CSR principles than men.

Keywords: socially responsible business, corporate social responsibility, competitive advantage, firm reputation, employee loyalty

JEL Classification: O11, M23, L13



Received: January, 2022

1st Revision: May, 2022

Accepted: June, 2022

1. INTRODUCTION

Corporate Social Responsibility (CSR) is a voluntary effort by companies to increasingly involve key company partners in their day-to-day activities. Even in the current period marked by the

impacts of the Covid-19 pandemic crisis, many corporate activities aimed at mitigating the social impact of the pandemic, including job losses, can be included in CSR activities. CSR contributes to developing a country's sustainable economic system and increases employment. CSR began to develop intensively around the world in the 1990s and became part of the agenda of various stakeholders. Many international institutions, such as the UN, OECD, ILO, etc., strongly promoted these concepts and new CSR policies, which were reflected at the national levels of many countries. Multinational corporations are key bearers of CSR concepts and, at the same time, active promoters in practice (Virglerova et al., 2020). However, the situation is different in the case of micro, small and medium-sized enterprises (MSMEs), as they are often criticized for their low level of activity in implementing and using CSR practices (Gallardo-Vázquez & Lizcano-Álvarez, 2020). This is because local sustainability is a major business issue for MSMEs. Therefore, it is important to regularly monitor and evaluate the attitudes of the owners and managers of MSMEs toward the concept of CSR and the application of its principles.

Many CSR principles have a direct or indirect link to a company's competitiveness (Vo et al., 2020; Du & Wang, 2020). The most important factors that motivate companies to implement and apply CSR are corporate reputation, differentiation from the competition – competitive advantage, strengthening corporate culture, improving relationships with stakeholders, creating the environment for long-term business, attracting and loyalty of high-quality employees, increasing profits, reducing the costs of risk management, customer loyalty, and attractiveness for investors, etc. The willingness of most companies to implement and use CSR is related to their economic aspects, which is especially true for MSMEs, which initially have to deal mainly with financial constraints (Smekalova et al., 2014). Absent funds for the operation, investment and further development of business activities prevent the creation or expansion of an active and stable CSR agenda.

An international comparison of CSR usage shows that Japan and Mexico are the active world leaders in the CSR reporting rankings (KPMG, 2020). In these countries, the largest companies have activities related to business sustainability and their impact on the environment. Among the V4 countries, Hungary ranks the 26th place in the world, Poland the 38th, Slovakia is on the 40th place and the Czech Republic on the 42nd place out of 52 countries surveyed (KPMG, 2020). Slovakia is among the three countries in the world that showed the most significant increase compared to the previous survey (Kazakhstan by 34%, Slovakia by 21% and Germany by 19%). From a geographical point of view, the countries of Central and Eastern Europe have lagged significantly behind Western Europe for a long time.

The development and implementation of CSR concepts in corporate governance systems depend on many factors. It will be significantly influenced by the opinions of the scientific and professional community, which also discuss the inclusion of various dimensions of CSR in corporate responsibility. On the other hand, many research communities understand the solution of social and environmental problems exclusively as being in the competence of the state, civil society or relevant social institutions. The trend in the development and identification of the scope of CSR is gradually stabilizing. This is also due to the fact that in recent years, many authors, managers, politicians, stakeholders, civil society, etc. assigned other responsibilities to companies that are not directly related to maximizing their profits. With the growing interest



of companies, the demand for a theoretical grasp of this concept is also growing strongly, provoking a strong multidisciplinary interest in the scientific and professional community to deeper examining issues related to CSR. Therefore, it is important to conduct research aimed at examining differences in the perception of CSR, not only for the creation of a unit of comparison but also to support further development or the modification of CSR concepts that are necessary to improve companies' competitiveness at the national as well as international level. This consistent fact was also the motivation for the implementation of our research.

The structure of the study is as follows: the theoretical part presents selected research studies and their findings, which helped to create broader research and discussion framework for the study. This part is followed by the methodology and description of the research sample as well as the research material. The results of the analyses and the discussion are the subject of the following chapter, in which the findings are confronted with the results of the most current research studies. Finally, we present the research results and outline further development of the research, as well as the application of research results to relevant policies.

2. THEORETICAL BACKGROUND

Research studies on CSR reflect the perception of the concept by research and professional communities, as well as an effort to present its multidisciplinary scope. It is the multidisciplinary aspect of the study of CSR principles that makes it possible to reveal the causal links of its dimensions and to identify ways of how to quantify their impacts and evaluate their economic and non-economic effects. The research and professional literature on CSR are considerably fragmented. Still, within many research fields, we can observe the development of conceptual structures which are adaptable to the given conditions of countries in which the research teams operate. Subsequent knowledge sharing is important and further research of the applicability of these concepts across various countries, too. It is also vital to identify determinants that will support the further development of CSR concepts affected by the geopolitical situation, pandemic, economic crises, etc. This is a methodologically demanding research area, as shown by the fact that it is not yet possible to determine whether CSR is related to profitability, whether a company's high profitability has contributed to the company adopting a CSR strategy, or whether the adoption of the CSR strategy affected the perception of the company's reputation and this led to an increase in profitability.

Research in this area creates a strong research framework to further investigate the issue and support the implementation of follow-up research, the development of new, and the creation of CSR strategies used so far. Therefore, we focused on selecting the results of research studies that complete the picture of the problem and emphasise its conceptual and methodological complexity and social significance. The results of these studies also provided a platform for our research.

Lu et al. (2020) examined the relationship between corporate social responsibility (CSR) and corporate competitiveness. The authors relied on a comprehensive literature review and developed a theoretical model linking CSR and corporate competencies. The results of their research carried out among 33 Lithuanian companies show that individual social responsibility dimensions such as shareholder, environmental, economic, social, economic, and voluntariness

differently affect separate elements of competitiveness: efficiency, financial capacity, quality of production, satisfied needs of consumers, the introduction of innovations and company's image. The CSR dimensions did not affect the quality of production or the introduction of innovations in the company. On the other hand, the CSR dimensions were found to affect the company's image, reputation and factors that contribute to satisfying consumer needs.

However, some studies prefer moderation and mediation analysis when examining the impact of CSR on a company's competitiveness. In their research, Lu et al. (2020) prefer a qualitative assessment approach that has multiple benefits but also limitations. In recent years, the importance of examining CSR within different companies has been emphasised, as different sectoral structures predominate in different countries (Yang et al., 2020; Magdich et al., 2021). Garde-Sanchez et al. (2018) emphasise that type sector differentiation is an essential factor in examining CSR application concepts. The authors argue that state-owned enterprises can play an important role in promoting and developing CSR policies. CSR research in state-owned enterprises is of great importance in those countries where the state has a strong presence in these companies. CSR development is also supported by responsible innovation and the competitiveness of small and medium-sized enterprises. This is also pointed out by the Hadj study (2020). The authors show that the link between innovation and CSR, environmental management and SME competitiveness is related to stakeholder involvement in the innovation process, ability to respond to potential risks and predict future trends.

Hategan et al. (2018) examine the dimensions of business sustainability and the associated consideration of ethical principles. The authors analyse the relationship between profit, the financial performance of a company and the decision to implement activities following the principles of CSR. The results show that companies that implement CSR activities to a greater extent are more profitable from an economic point of view. The study confirms the need to further develop CSR concepts concerning business sustainability, which is also related to the CSR development trends, which move from ethics and the environment to sustainable development. The Kolk study (2016) also points to the conceptualisation of CSR, which also indicates further development of CSR and the interconnection of its new dimensions. Kong et al. (2020) discuss the need to conceptualise CSR and further explore its dimensions. They emphasise that there is a discrepancy between the studies examining the impact of CSR on the company's performance. This discrepancy is related to the methodologies used in the research studies, which can represent a significant limitation in the development of other CSR concepts or their modification. Liftin et al. (2017) confirm the methodological problems in evaluating the application of CSR principles but highlight the fact that corporate financial reporting provides short-sighted information and measures (Li et al., 2020). To gain a competitive advantage, it is important to focus on sustainability reports (Aslaksen et al., 2021; Bercu et al., 2020; Anastasiei et al., 2020; Vorobeva & Dana, 2021). Sector specificities also play an important role in the application of CSR concepts. Dupire & M'Zali (2018) point out that competitive pressures in some sectors lead some companies to ignore environmental initiatives. Fernandez-Gago et al. (2020) examine the impact of CSR on business discipline. This topic has long been absent from CSR research, despite business discipline having a significant impact on a company's reputation and acquiring new business opportunities (Farid et al. 2020). Santos-Je n et al. (2021) see an



active link between CSR concepts and innovation and human resources, while the positive impact of CSR on innovation is also explained by an effective human resources policy. The impact of human resources on the company's competitiveness is visible in several dimensions. Therefore, it is also vital to examine the impact of CSR on customer loyalty, the company's reputation as well as the acquisition of satisfied, loyal and motivated employees (Paulík et al., 2015; Stefancik et al., 2021). Several research studies suggest that MSMEs may face difficulty in implementing an appropriate CSR strategy to ensure their sustainable development due to the lack of available resources (Metzker & Streimikis, 2020; Qi & Zhang, 2020; Sahoo & Pradhan, 2021). CSR-oriented innovations represent valuable strategies for more efficient SME management, as they generate several competitive advantages (Priede-Bergamini et al. 2020). Grosser et al. (2018) highlight the importance of political skills that lead employees to engage in innovation and enable employees to use their potential to improve the innovation processes. The motivational aspects of employees concerning the principles of CSR are often the result of employee creativity. It is not appropriate to perceive employees' creativity only from an organizational perspective (Guo et al., 2021; Liu et al., 2016, 2021; Privara & Rievajová, 2021). Pfajfar et al. (2022) suggest examining the benefits of CSR for individual stakeholders separately, e.g. separately for customers and employees, and not for the company as a whole. They justify this by maximising the quality of the relationship between stakeholders and CSR. According to the authors, diversity and inclusion contained in employee-focused CSR conceptualisation is a fundamental prerequisite for the correct perception of CSR's societal impact. This fact is also confirmed by the authors of other research studies (Giovanna et al., 2012; Calvo-Mora et al., 2018; Carlini et al., 2019; Čaplánová & Willett, 2019).

Many authors consider CSR to be a tool for strategic positioning (Dupire & M'Zali, 2018; Skare et al., 2020; Grumstrup et al., 2021). This tool can also be linked to environmental aspects, as these aspects are an important part of CSR. Ahmad et al. (2021) point out that some factors are part of the CSR at the micro level and some at the macro level. Their findings suggest that CSR initiatives at the micro level directly and indirectly affect the company's environmental behaviour through employees, which is also reflected in their satisfaction and loyalty. The authors also emphasise the influence of gender on the company's environmental behaviour. Fourati & Dammak (2021) conducted extensive research to examine the impact of a company's reputation on CSR and financial performance. The research involved 3,274 companies from 25 countries from 2009 to 2016. The analysis results showed that CSR has a significant and positive impact on the company's reputation and the company's reputation has a significant and positive impact on its financial performance. Companies that are more significant and visible and have a considerable reputation face greater external pressure to apply CSR. CSR reports and their independent evaluations also play an important role (Khoo et al., 2021; KPMG, 2020; Přívara, 2021). Barauskaite & Streimikiene (2021) state that although a positive or neutral relationship between CSR and a company's financial results is declared in many studies, it is important to examine other issues related to financial results and to take them into account when evaluating the application of CSR principles. Karwowski & Raulinajtyš-Grzybek (2021) consider the CSR concepts as a tool for preventing risks affecting companies. They consider environmental and social factors, corporate governance and the company's reputation to be significant external risks. CSR can significantly affect corporate governance risk and reputation risk. Corporate

governance risk is considered to be more important than the social risk. According to the authors, reputational and corporate governance risks are well identifiable and companies can find adequate CSR measures to mitigate them.

Based on the results of numerous research studies, there is a clear trend of further development of the CSR concepts. Many different definitions of CSR have common fundamental aspects – the stakeholder dimension, social, economic dimension, the voluntary dimension and the environmental dimension. The aspect of sustainability is increasingly in the spotlight when modifying or creating new CSR concepts (Džupina & Džupinová, 2019; Kabir, 2021). According to Carroll (2021), CSR research should focus less on Corporate Social Responsibility and Corporate Social Responsiveness and more on Corporate Social Performance and Corporate Social Impacts. Barnett & Henriques (2020) also emphasise that the CSR initiatives should have a greater social impact and that this impact should be quantifiable. Global growth and development in developing economies is a major driver in developing new CSR concepts.

Support for their implementation by companies as well as academia has played a significant role in the development of CSR concepts to date. The social activism of many companies has also increased significantly, which has supported the processes of the proliferation of CSR concepts in their various nomenclature forms. The pandemic crisis has had a strong economic and social impact on companies and countries, which will have an impact on reassessing or changing missions, goals and processes aimed at improving CSR and business-to-society relations. Many transformation processes and innovations triggered by the pandemic will provide a new platform for changing management processes in companies and affect the further development of CSR.

3. RESEARCH OBJECTIVE, METHODOLOGY AND DATA

The aim of this research was to study the differences in the perception of the use of selected CSR principles by the managers of Micro, Small and Medium-sized Enterprises (MSMEs) in the V4 countries. The study also strives to determine endogenous factors of the firm that are on the background of the orientation of the firm toward CSR.

The presented analysis use data from a survey which was attended by 1,585 entrepreneurs and managers in the Visegrad countries. Data were collected from September 2019 to March 2020 using a questionnaire that was distributed electronically. In terms of a number of observations, for each country, we have circa the same number of observations. Thus, it can be stated that dataset is equilibrated. Out of 1,585 observations, 364 are from Poland, 365 are from the Slovak Republic, 399 from Hungary and 454 are from the Czech Republic. Information about SMEs was collected from the database of the CRIBIS database (CR, SR), and the database of the Central Statistical Office of Poland (PL), and the Budapest Chamber of Commerce and Industry (H). The questionnaire comprised, among others, more than 60 questions focused on the macroeconomic environment of the company, barriers to doing business, marketing mix management, risk assessment, bankruptcy risks, social responsibility, managerial attitudes, and strategic management aims, etc. For the presented analysis, we opt only for 5 questions related to corporate social responsibility, which are as follows:



1. The business owner (manager) should consider the moral and ethical consequences of his/her decisions. (Moral and ethical consequences)
2. I know the concept of corporate social responsibility and assert it in the business. (Knowing the concept of CSR)
3. Implementation of CSR enables our company to gain a competitive advantage in the market and higher customer loyalty. (CSR and a competitive advantage)
4. CSR enables our company to gain reputation and new business opportunities. (CSR and reputation)
5. CSR enables our company to attract satisfied, loyal, and motivated employees. (CSR and satisfied, loyal, and motivated employees).

Subjects of the survey expressed their level of acceptance of the proposed statement on a five-level Likert scale with the following scaling: 1: Strongly agree, 2: Agree, 3: Neither agree nor disagree, 4: Disagree, 5: Strongly disagree. In our analysis, we use correlation analysis to determine the degree of interconnectedness of individual domains of CSR first. Subsequently, we use visual examination to determine differences in CSR perception between countries and sectors. To assess whether a company is CSR-oriented or not and to determine the variables that significantly affect a company's CSR orientation, we use binary logistic regression.

4. RESULTS AND DISCUSSION

Table 1 contains the correlation between studied dimensions of CSR.

We note that in some cases, there is a quite strong correlation between answers of respective enterprises' owners/managers. Thus, we can assume that there exists perceived interconnection among individual components of social responsibility.

Most significant interconnection can be seen in the capacity of CSR to gain reputation and new business opportunities and the capacity of CSR to build a competitive advantage; in the capacity of CSR to gain reputation and its capacity to attract satisfied, loyal, and motivated employees; in the capacity of CSR to gain reputation and its capacity to attract satisfied, loyal, and motivated employees. On the other hand, we observe a relatively high mismatch between the opinion that the business owner (manager) should consider the moral and ethical consequences of his/her decisions and all domains of CSR mix, meaning that even if the company manager/owner is aware of the importance of ethical and moral consequences of his/her decisions, the implementation of CSR is possibly missing.

Tab.1 – Correlation matrix. Source: own research

		Moral and ethical consequences	Knowing the concept of CSR	CSR and a competitive advantage	CSR and reputation	CSR and satisfied, loyal, and motivated employees
The business owner (manager) should consider the moral and ethical consequences of his/her decisions	Correlation	1	.368**	.187**	.217**	.222**
	Sig. (2-tailed)		.000	.000	.000	.000
I know the concept of CSR and assert it in the business	Correlation	.368**	1	.552**	.545**	.526**
	Sig. (2-tailed)	.000		.000	.000	.000
Implementation of CSR enables our company to gain a competitive advantage in the market and higher customer loyalty	Correlation	.187**	.552**	1	.791**	.697**
	Sig. (2-tailed)	.000	.000		.000	.000
CSR enables our company to gain reputation and new business opportunities.	Correlation	.217**	.545**	.791**	1	.782**
	Sig. (2-tailed)	.000	.000	.000		.000
CSR enables our company to attract satisfied, loyal, and motivated employees	Correlation	.222**	.526**	.697**	.782**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

Figure 1 proposes the average answers of firms’ owners/managers in five domains of CSR. The common pattern of admitting the importance of the ethical and moral aspects of decision-making can be seen in Figure 1.



Managers/owners of companies within the Visegrad group are aware and assert the concept of CSR, but the average score in this domain is higher. Thus, the implementation of CSR is declining. It can be assumed that as far as CSR implementation is concerned, the situation is best in Hungary, followed by Poland and Slovakia. The worst scores were obtained in the Czech Republic.

The sectorial view of CSR is captured in Figure 2.

We can state that when it comes to considering the moral and ethical consequences of decision-making, there are no significant differences across sectors. However, we observe differences in the perception of the concept of CSR and its application in business. The concept of CSR is most present in the tourism and agriculture sector. On the other hand, managers and business owners in the construction, retailing, manufacturing and services sectors give the least weight to CSR. In the other three domains of CSR, thus CSR and a competitive advantage; CSR and reputation; CSR and satisfied, loyal, and motivated employees, there are slight differences across sectors and these differences are homogeneous. Managers in the agriculture and tourism sector are most aware of the importance of CSR and the least in the construction sector and other areas of doing business.

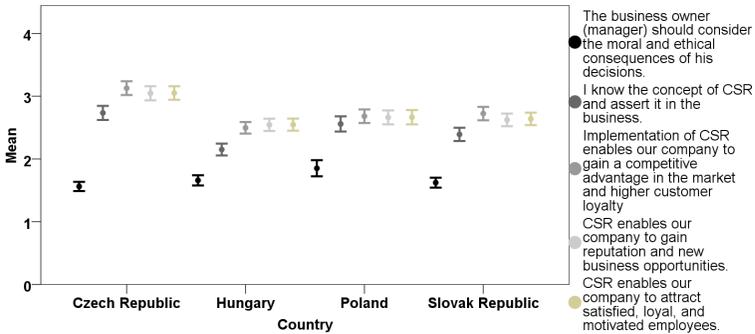


Fig. 1 – CSR and country. Source: own research

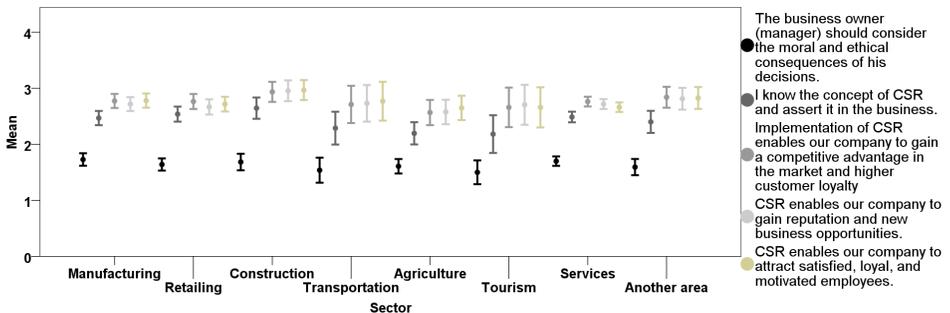


Fig. 2 – CSR and sector. Source: own research

In the next part of the analysis, we will focus only on CSR. Thus, we abandon the first question about considering the moral and ethical consequences of manager/owner decisions as ethics and morals are a broader concept than CSR. In the following analysis, we compute the overall

CSR score of the companies, meaning that we sum up answers to questions concerning CSR (Knowing the concept of CSR + CSR and a competitive advantage + CSR and reputation + CSR and satisfied, loyal, and motivated employees). Thus, we obtain the overall CSR, which is from interval $\langle 4, 20 \rangle$, where value 4 means that the company attributes maximal importance to CSR and value 20 means that the company attributes minimal importance to CSR. The average score per sector and country in terms of overall CSR is proposed in Figure 3. Figure 3 shows the average score per sector and country. The worst-ranked sectors are construction, agriculture, tourism, and another area of business in the Czech Republic (as mentioned above, the Czech Republic was ranked as the worst one as far as CSR is concerned). On the other hand, the best-ranked sectors are from Hungary, namely the tourism sector and other areas of doing business, agriculture, and manufacturing. In Poland, the best attitudes toward CSR by entrepreneurs and managers are observed in the transportation and tourism sector. In the Slovak Republic, the retailing sector recorded the best results.

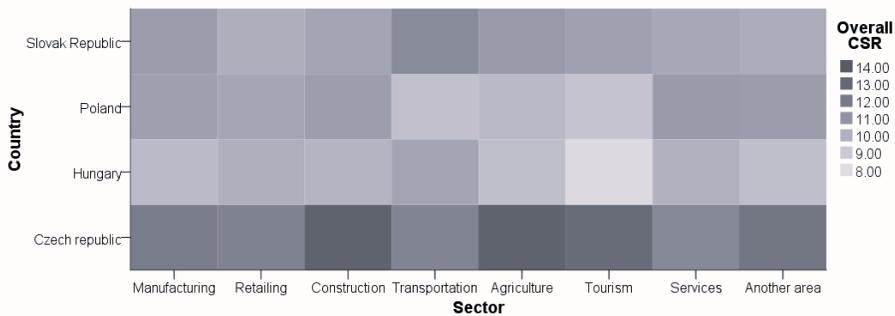


Fig. 3 – Overall CSR by country and sector. Source: own research

To better understand the factors that influence and define CSR within companies, we run binary logistic regression, where the dependent variable is CSR. With the purpose of running binary logistic regression, we adjust two states of the overall CSR: 1 if the company ranked score of the overall CSR in the interval $[4, 12]$ and the company is seen as oriented toward CSR; and 0 if the company obtained score $[13, 20]$ and is perceived as non-oriented toward CSR. The regression model has the following equation:

$$\ln\left(\frac{\Pr(\text{CSR-oriented})}{1-\Pr(\text{CSR-oriented})}\right) = \beta_0 + \beta_1 \text{Moral and ethical consequences}_i + \beta_2 \text{Company size}_i + \beta_3 \text{Country}_i + \beta_4 \text{Gender}_i \quad (1)$$

where $\ln \Pr(\text{CSR oriented})$ expresses the probability that a company is CSR-oriented, whereas the probability that a company is not CSR-oriented is equal to $1 - \Pr(\text{CSR oriented})$. Initially, more explanatory variables, such as legal form, education of the manager/owner, sector, company's age, and other components of the questionnaire, were considered in the model but were dropped from the regression, as they turned out as statistically insignificant. Regression analysis results are in Table 2.

The model correctly classified 75.5% of cases and is well fitted. Moral and ethical consequences consideration in the decision-making has a positive effect on the odds of the company toward

the CSR orientation, meaning that if the company’s manager puts more emphasis on morality and ethics in its decision, it increases the company’s chances of being perceived as CSR-oriented. As far as company size is concerned, the results show that micro firms have 45% lower chance of being perceived as CSR-oriented as compared to medium-sized companies. Small businesses have 33.5% lower odds to be perceived as CSR-oriented compared to medium-sized companies. The company origin in terms of the country where the business is located has quite a significant impact on the CSR orientation of the company. Compared to the Slovak Republic, companies from the Czech Republic have 41% lower chance of being seen as CSR- oriented. On the other hand, Hungarian companies have more than 70% higher chance of being perceived as CSR-oriented compared to companies from the Slovak Republic. In the case of Poland, the regression coefficient is not statistically significant. In the gender domain, regression analysis revealed that when the opinion was revealed by males, the odds of the firm to be perceived as CSR-oriented is 25% smaller than in the case of females’ opinion.

Tab. 2 – Binary logistic analysis. Source: own research

Corporate Social Responsibility	B	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
				Lower Bound	Upper Bound
Intercept	3.343	.000			
Moral and ethical consequences	-.570	.000	.565	.499	.640
Company size					
micro	-.598	.001	.550	.384	.786
small	-.408	.065	.665	.431	1.026
medium	0b	.	.	.	.
Country					
Czech Republic	-.523	.000	.593	.444	.792
Hungary	.534	.001	1.706	1.249	2.329
Poland	.009	.954	1.010	.733	1.390
Slovak Republic	0b	.	.	.	.
Gender					
male	-.283	.040	.754	.575	.988
female	0b	.	.	.	.

a. The reference category is: .00.

b. This parameter is set to zero because it is redundant.

The results of our analyses show that the CSR concept is most widely used among entrepreneurs and managers in Hungary, followed by Poland and Slovakia. CSR is the least applied in the Czech Republic. These results are in line with the most recent findings in the 11th edition of the KPMG Survey of Sustainability Reporting (reviewed sustainability reporting from 5,200 companies in 52 countries and jurisdictions) (KPMG, 2020). The report shows that within the V4, Hungary

is in the 26th place in the world, followed by Poland (38th place), Slovakia (40th place) and the Czech Republic (42nd place) among 52 countries. Slovakia is among the top 3 countries in the world, with the most significant increase in the application of CSR (by 21%).

When examining the sectoral differences within the examined aspect of CSR – considering the moral and ethical consequences of decision-making, no significant differences were found between the sectors. Differences were found in the studied area – the perception of the concept of CSR and its use in business. The concept of CSR was utilised the most in the tourism and agriculture sectors. To a lesser extent, the CSR concept was present in the construction, retail, manufacturing and services sectors. Managers and entrepreneurs are the most aware of the importance of the CSR concept in the agricultural and tourism sectors and the least in the construction and other business areas. Sectoral differentiation in the perception of the importance of the CSR concept is also supported by the studies of Belas et al. (2021), Metzker et al. (2021a), Dupire & M'Zali (2018) and others.

Considering the sectoral differences, it can be stated that there are no significant differences between sectors when considering the moral and ethical consequences of decision-making. However, we observe differences in the perception of the concept of CSR and its application in business. Research studies by Garde-Sanchez et al. (2018), Metzker & Zvarikova (2021) and Metzker et al. (2021b) point to significant sectoral differences in the use of CSR.

Compared to the results of the KPMG survey (2020), the greatest activity in CSR has traditionally been recorded in the sectors with the greatest environmental and social impact: the chemical industry, mining, and the oil and gas processing sector. In these sectors, the current average level of CSR reporting is above 80%. Retail is at the bottom of the ranking, with 67% of companies reporting socially responsible activities.

The results of our research confirm a perceived link between managers and entrepreneurs between the ability of CSR to gain a reputation and new business opportunities and the ability of CSR to build a competitive advantage. There is also a correlation between the perceived ability of CSR to gain a reputation and the ability of CSR to attract satisfied, loyal and motivated employees. These results are in line with the results of research studies by Fourati & Dammak (2021), Khoo et al. (2021), KPMG (2020), Barauskaite & Streimikiene (2021) and Khan et al. (2021).

The results of a logistic regression analysis focused on the likelihood that a company is classified as CSR-oriented have shown that taking moral and ethical aspects into account has a positive effect on the likelihood that a company is classified as CSR-oriented. These results are also confirmed by research studies by Hategan et al. (2018), Metzker & Streimikis (2020), Qi & Zhang (2020) and Belas et al. (2020).

The size of the business also affects whether the business can be classified as CSR-oriented. Micro-enterprises are 45% less likely and small enterprises 33.5% less likely to be perceived as CSR-oriented compared to medium-sized companies. Compared to the Slovak Republic, companies in the Czech Republic are 41% less likely to be perceived as CSR-oriented. Hungarian companies are more than 70% more likely to be perceived as CSR-oriented compared to companies from the Slovak Republic. These results are also confirmed by the evaluations from the KPMG report (2020).



The results of our analyses also pointed to the following gender pattern: companies where the opinion on CSR was expressed by men are 25% less likely to be perceived as CSR-oriented than companies where the opinion on CSR was expressed by women. Based on these results, we can state that companies run by women tend to apply CSR practices to a much greater extent. These findings are in line with the results of a study by Ahmad et al. (2021). They emphasise the importance of examining the impact of gender on CSR and, consequently, their satisfaction and loyalty.

All the presented findings represent a valuable platform for our follow-up research, which will focus on micro levels of CSR and allow us to examine the impact of individual dimensions of CSR on the overall perception of the effectiveness of the CSR strategy, as well as identify its new determinants. The issue of examining the diversity of CSR concepts and their adaptation specifics within different sectors (private vs. public), also within companies of different sizes, legal forms, etc., is becoming more and more important. Pandemic and economic crises will continue to put pressure on improving the CSR concepts and creating the conditions for their successful adaptability.

5. CONCLUSION

The aim of the study was to examine the differences in the perception of the use of selected CSR principles by managers and owners of MSMEs among the V4 countries. The research results confirm that the CSR strategies are the most widely used by entrepreneurs and managers of MSMEs in Hungary, Poland and Slovakia. They are the least used in the Czech Republic. The sector analysis confirmed the differences in the perception of the CSR concept and its use in business. From the point of view of sectoral differentiation, CSR was mostly used in tourism and agriculture. Still, it is applied to a lesser extent in the construction, retail, as well as in production and services sectors. Managers and entrepreneurs perceive the link between the ability of CSR to gain reputation and business opportunities and the ability of CSR to build a competitive advantage. The study also identified gender differences in applying the CSR principles in MSMEs. Firms run by women are more inclined to apply the principles of CSR than men. This fact is confirmed by foreign research studies, mainly in the environmental dimension of CSR. The size of the company is a determinant that significantly affects its classification as a CSR-oriented company. Micro-enterprises are 45% less likely to be perceived as CSR-oriented than medium-sized enterprises. Small enterprises are 33.5% less likely to be perceived as CSR-oriented compared to medium-sized enterprises. Significant differences in results were also found between the countries surveyed. The study results provide valuable findings for regional and national strategic plan makers as well as relevant policymakers. They also offer valuable information for examining competitiveness models within individual sectors, as well as within regions and countries, as the dimensions of the CSR strategy significantly contribute to the competitiveness of companies. It is important not only to know the concepts of CSR but also to successfully implement them in practice and as part of corporate company strategies. International institutions examining CSR reports declare a strong competitive potential in companies that actively engage in CSR practices, which encourages research and professional teams to actively engage in the development, methodological and application platforms for the CSR concepts.

Acknowledgement

This work was supported by the Slovak Research and Development Agency under the Contract no. APVV-21-0188.

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