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The Impact of Financial Management on the CSR Perception in the SME segment

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ABSTRACT

Research background: In recent years, CSR has become a vital concept not only for large corporations but increasingly also for SMEs, particularly in the context of sustainability and long-term competitiveness. However, in Central and Eastern European countries, including the Visegrad Group, CSR remains a relatively underexplored area, especially in relation to financial management. Existing literature predominantly focuses on large enterprises, leaving a gap in understanding how SMEs perceive and implement CSR under limited financial and strategic capacities. Financial performance and risk management are crucial for the survival and growth of SMEs, suggesting a strong potential link between financial management factors and CSR engagement.

Purpose of the article: The main objective of this article is to define and quantify the influence of selected financial management attributes on SMEs' attitudes toward CSR. The research aims to examine whether financial perceptions, such as company performance, business continuity, risk acceptance, and knowledge of risk management tools, affect CSR awareness, usage in managerial practice, and perceived benefits in terms of competitiveness and firm performance.

Methods: The study is based on empirical data collected in June 2022 through a structured questionnaire distributed across SMEs in the V4 countries using the Computer Assisted Web Interviewing (CAWI) method. The sample included business owners and top managers of SMEs. Data analysis involved descriptive statistics, correlation analysis, and linear regression modeling (LRM) to examine the statistical significance and strength of relationships between independent variables (financial management factors) and dependent variables (CSR dimensions) at a significance level of $\alpha = 0.05$.

Findings & Value added: The results show a statistically significant and positive relationship between managers' perception of financial performance and all four CSR dimensions. The findings confirm that CSR is influenced particularly by financial performance and risk acceptance, with the Slovak sample emphasizing the importance of business continuity. The regression models reveal that CSR contributes to improved competitiveness and firm performance when aligned with strong financial management. The study fills a knowledge gap by highlighting the unique position of SMEs in CSR implementation in the V4 region and suggests that financial strategy and risk awareness are critical to enhancing CSR adoption. The article contributes to both academic discourse and practical policymaking by offering empirical evidence and strategic insights into integrating CSR into SME financial practices.

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INTRODUCTION

Corporate Social Responsibility (CSR) is increasingly becoming the focal point of discussions related to sustainable business practices, with its importance steadily growing. Scholars and professionals across the globe are actively engaged in exploring this issue. Numerous studies indicate that CSR is predominantly associated with large enterprises, which possess sufficient financial resources to implement such initiatives. As a result, many research teams tend to focus primarily on large corporations. Nevertheless, small and medium-sized enterprises (SMEs) play a vital role in national economies, owing to their significant contribution to gross domestic product. Research findings suggest that SMEs approach CSR differently than large corporations. However, in the academic literature—particularly within the context of Central and Eastern Europe—this topic remains relatively underexplored, which highlights the need for further investigation.

Consequently, empirical data were collected from Czech and Slovak SMEs to examine their attitudes towards CSR. The aim of this study is to extend existing knowledge, which has so far concentrated mainly on large enterprises, and to explore the potential for CSR implementation within the SME sector in this specific regional context, through the analysis of three key dimensions.

Through CSR, companies seek to exert a positive influence on the workplace, society, and the natural environment, thereby gaining a competitive advantage and ensuring long-term sustainability (Stojanovic et al., 2020). The nature and focus of CSR initiatives have evolved significantly over time. Initially perceived as a philanthropic endeavour and an expression of corporate goodwill, CSR has gradually been integrated into the core of business strategy, opening new opportunities to strengthen competitive advantage (Apospori, 2018).

The implementation of CSR has long surpassed the stage of a passing trend (Stojanovic et al., 2020; Thao et al., 2019). It is now seen as a necessity, largely driven by increasing demands for sustainability from both political institutions and consumers. SMEs, however, operate under different conditions compared to larger firms, primarily due to limited financial capacity.

Despite these limitations, the adoption of CSR can help SMEs build a positive corporate image, enhance stakeholder satisfaction and loyalty, and ultimately increase business value. CSR plays an especially important role in environmental and philanthropic activities (Gorgenyi-Hegyes & Fekete-Farkas, 2019).

Yet, research shows that many SME managers still do not implement CSR within their organisations—either due to a lack of information about how CSR functions or uncertainty about how to practically apply it (Herrera Madueño et al., 2016). Interestingly, many SMEs engage in CSR-related activities unintentionally, without being aware that these actions fall under the scope of socially responsible behaviour (Metzker & Streimikis, 2020).

According to Habek (2017), CSR remains a relatively new concept in the Visegrad Group countries, although it is gaining ground rapidly, largely due to the influence of multinational corporations. CSR efforts in the region frequently focus on community development, corporate governance, public-private partnerships, and overall societal well-being.

In practice, however, several barriers hinder CSR implementation in countries such as Slovakia, the Czech Republic, and other V4 states. These include a lack of qualified personnel with expertise in CSR, limited access to relevant information, insufficient government support or incentives, and often, a lack of financial resources (Lušňáková et al., 2019; Nagypal & Noemi, 2014; Slabá, 2020; Zelazna et al., 2020).

CSR is still considered a relatively novel concept in Slovakia and the Czech Republic and remains less prominent compared to Western European countries. This may be attributed to the relatively short history of a market economy in these nations, as well as limited interest from the international academic community, which may perceive the region's economies as less significant (Dvorsky et al., 2020; Olah et al., 2021).

The Czech and Slovak Republics are illustrative examples of SMEs operating in similarly structured economies. They share a common historical background, cultural mentality, and comparable business environments (Belás et al., 2015; Belas et al., 2020; Durana et al., 2021).

Remišová and Lašáková (2014) point out that CSR research in Slovakia and the Czech Republic is still underdeveloped, with limited emphasis on comparative studies. Similarly, Fijałkowska et al. (2018) note that empirical evidence concerning CSR practices and their concrete outcomes remains scarce across Central and Eastern Europe.

This article examines the impact of financial management in small and medium-sized enterprises (SMEs) on the perception of their corporate social responsibility (CSR). The objective is to identify how specific aspects of financial management—such as transparency, resource efficiency, and access to financing—influence the credibility and CSR reputation of SMEs in relation to employees, customers, and the broader public.

The structure of the article is as follows: First, the theoretical framework linking financial management and CSR is presented. This is followed by a description of the research methodology and the characteristics of the SME sample. The subsequent section analyses the findings from the questionnaire survey and interprets them in the context of existing literature. The article concludes with a discussion of the implications for managers and policymakers, as well as recommendations for future research.

THEORETICAL BACKGROUND

Financial management is among the key factors influencing the sustainability of SMEs. These enterprises typically secure financial resources through retained earnings, personal investments, loans from family and friends, supplier credit, and bank financing (Owusu et al., 2021). Decisions regarding capital structure are of critical importance for business management, as they significantly impact performance, competitiveness, and the long-term sustainability of the enterprise.

Numerous studies confirm a positive relationship between CSR and firms' financial performance (Freeman & McVea, 2005; Qiu et al., 2021; Rjiba et al., 2020), with CSR being viewed as a tool for more efficient resource utilisation, thereby contributing to improved financial results (Orlitzky et al., 2011). Nonetheless, critics such as

Friedman (1993) argue that CSR interferes with corporate autonomy and reduces economic efficiency by constraining managerial decision-making in favour of the public interest, potentially lowering returns for shareholders. Other scholars highlight that CSR may increase operational costs without guaranteeing a corresponding economic benefit (Habib & Hasan, 2019; Prasad et al., 2022).

Despite such criticisms, several studies reaffirm that CSR has a positive impact on financial performance (Hameed et al., 2022; Herrera Madueño et al., 2016). The evidence regarding the effect of CSR on innovation performance is less conclusive, although some research does indicate a positive association (Wagner, 2010; Bocquet et al., 2017).

SMEs face heightened exposure to financial risks and potential insolvency (Rico et al., 2021), necessitating close monitoring of debt levels – as excessive indebtedness may jeopardise survival due to rising cost burdens (Stoiljković et al., 2021). Furthermore, SMEs often encounter difficulties in accessing bank credit. Effective risk reduction and diversification can enhance access to finance and strengthen risk management systems.

Research by Syrová & Špička (2023) demonstrates that organisational culture and strategic risk management act as significant mediators in the relationship between risk governance and financial performance. Similarly, Al-Nimer et al. (2021) emphasise that risk management can indirectly improve a firm's financial health through business model innovation.

Financial risk represents one of the most critical threats to SMEs (Qiu et al., 2021), and several studies suggest that well-implemented CSR can mitigate this risk. Firms with higher levels of CSR engagement are less likely to face financial distress compared to those without CSR practices (Cooper & Uzun, 2019; Kamalirezaei et al., 2020; Lin & Dong, 2018; Seah, 2021). These findings underscore the importance of linking financial management, risk governance, and CSR—forming the foundation for one of the study's principal aims: to investigate how SMEs perceive selected aspects of financial management in relation to CSR.

However, there is still a lack of sufficient research on the connection between CSR and corporate failure (Cooper & Uzun, 2019). From the perspective of stakeholder theory (Freeman & McVea, 2005), CSR contributes to stronger financial performance and a lower risk of business failure. Lu et al. argue that CSR enhances managerial efficiency and strengthens both business and investment strategies. Moreover, CSR activities help reduce capital costs (Dayanandan et al., 2018), while robust environmental and governance practices are associated with lower costs of external financing (Erragragui & Elias, 2018). CSR may thus be interpreted as an expression of corporate responsibility beyond financial results. Firms with greater resources are also perceived as more engaged in addressing social issues (Cooper & Uzun, 2019). Waddock & Graves (2011) conclude that financial success enhances corporate engagement in CSR, which in turn further improves firm performance.

Ahn et al. (2018) highlight that CSR plays a crucial role in ensuring long-term corporate survival, particularly through the development of social capital with primary stakeholders. Firms that cultivate such relationships are more likely to endure over time than those that do not. The impact of CSR on bankruptcy risk may vary depending on company size, with the effect being more pronounced in larger enterprises (Cooper & Uzun, 2019).

Effective financial management is closely connected to strategic management, which emerged in large firms as a response to unexpected and disruptive changes in the business environment (Kim, 2018). Although experts agree on the need to introduce strategic management practices into SMEs, Svatošová (2018) points out that its importance is still underestimated in this sector—mainly due to managerial specificities and individual leadership capabilities. Despite widespread recognition of the value of strategic planning, only a minority of SMEs have a formally developed strategy. Švarová & Vrchota (2013) found that the existence of a strategy positively influences financial performance in SMEs, although it is not necessarily linked to financial success.

Scientific hypothesis: Selected attributes of financial management influence the attitudes of SME managers and owners towards CSR.

RESEARCH OBJECTIVE, METHODOLOGY AND DATA

This article aims to define and quantify the influence of key financial management factors on CSR from the perspective of managerial perception. Based on a comprehensive literature review, the research objective, research question, and the following primary statistical hypothesis were formulated:

- **RQ**: Do the attitudes of SMEs towards financial management influence their approach to CSR?
- **AIM**: To define and quantify the financial management factors that affect CSR in the SME sector.
- **H**: The defined aspects of financial management have a statistically significant impact on SMEs' attitudes towards CSR.

The empirical part of the research was conducted as a component of a broader study focused on mapping the attitudes of small and medium-sized enterprises. Data collection took place in June 2022 across the Visegrad Group countries, using the Computer Assisted Web Interviewing (CAWI) method. The questionnaire was targeted at SME owners or senior managers (hereafter referred to as respondents). The complete questionnaire consisted of 52 items, of which selected questions were used for the purposes of this dissertation and are subject to further analysis.

Descriptive statistical analysis was applied to examine the characteristics of each variable. In order to identify statistically significant differences in the effects of indivi-

Table 1: Dependent and independent variables for H1

AREA Dependent variable	REPRESENTATIVE
H1	Knowledge of the concept of CSR
y_1	CSR1: I am familiar with the concept of CSR.
H2	Use of CSR in management practice
y_2	CSR2: I take the concept of CSR into account when managing a company.
H3 y_3	Positive impact of CSR on the firm's competitive advantage
	CSR3: The implementation of the CSR concept enables our firm to gain competitive advantages in the market (better corporate image, higher customer loyalty, new business opportunities, etc.).
H4	Positive contribution of CSR to firm performance
y_4	CSR4: CSR has a positive impact on firm performance.
Independent variables	**FINANCIAL MANAGEMENT**
x_1	Perception of the current state of the company
HXA	FM1: I rate the financial performance of our company positively.
x_2	Business continuity
HXB	FR2: Our company will survive in the market in the next 5 years.
x_3	Perception of financial risk
HXC	FR3: I consider financial risk to be part of the daily life of the firm.
x_4	Knowledge of financial risk management tools of the company
HXD	FR4: I can manage financial risks in our company appropriately.

Source: own research

dual independent factors on CSR, regression and correlation analysis methods were employed. Correlation analysis was used to evaluate the statistical hypotheses and to investigate the relationships between variables at a significance level of $\alpha = 0.05$. Furthermore, a linear regression model (LRM) was applied to test the significance and determine the effect size of demographic factors on entrepreneurs' perceptions regarding the researched aspects. It was hypothesised that positive responses to the independent variables (x1–x4) would correspond with positive perceptions of the dependent variables (y1–y4).

The following four fundamental hypotheses were established for each of the countries under examination:

- **H1**: Knowledge of CSR is significantly influenced by:
  - A. The SME's perception of positive financial performance.
  - B. Perceived continuity of business operations over a five-year horizon.
  - C. Acceptance of financial risk as an inherent part of doing business.
  - D. Knowledge of financial risk management tools
- **H2**: The application of CSR in managerial practice is significantly influenced by:
  - A. The SME's perception of positive financial performance.
  - B. Perceived continuity of business operations over a five-year horizon.
  - C. Acceptance of financial risk as an inherent part of doing business.
  - D. Knowledge of financial risk management tools
- **H3**: The perception of the positive impact of CSR on a firm's competitive advantage is significantly influenced by:
  - A. The SME's perception of positive financial performance.
  - B. Perceived continuity of business operations over a five-year horizon.
  - C. Acceptance of financial risk as an inherent part of doing business.
  - D. Knowledge of financial risk management tools
- **H4**: The perception of the positive impact of CSR on a firm's performance is significantly influenced by:
  - A. The SME's perception of positive financial performance.
  - B. Perceived continuity of business operations over a five-year horizon.
  - C. Acceptance of financial risk as an inherent part of doing business.
  - D. Knowledge of financial risk management tools.

RESULTS AND DISCUSSION

Based on descriptive statistics in table 2 – skewness and kurtosis (with values falling within the interval of <–2; 2>) – the assumption of normal distribution is satisfied.

The results of the correlation analysis for both countries, at the significance level of $\alpha = 0.05$, indicate that know-

Table 2: Descriptive and correlation analysis

DESCRIPTIVE	CSR1	CSR2	CSR3	CSR4	FR1	FR2	FR3	FR4
Mean	2.4245	2.4260	2.4290	2.3842	2.0852	1.9821	1.9103	2.0164
Standard Error	0.0414	0.0377	0.0387	0.0365	0.0324	0.0334	0.0302	0.0296
Std. Deviation	1.0705	0.9754	0.9999	0.9448	0.8371	0.8650	0.7802	0.7668
Sample Variance	1.1459	0.9515	0.9998	0.8926	0.7008	0.7482	0.6087	0.5881
Kurtosis	-0.1049	0.1869	0.0355	0.1711	0.6506	0.5983	1.3404	0.6901
Skewness	0.5827	0.5096	0.4665	0.4271	0.7599	0.7584	0.8786	0.6314
CORRELATION	**CSR1**	**CSR2**	**CSR3**	**CSR4**	**FR1**	**FR2**	**FR3**	**FR4**
FR1	0.3672	0.3900	0.4588	0.4582	1			
FR2	0.2621	0.3089	0.3707	0.3950	0.6595	1		
FR3	0.3002	0.3139	0.3353	0.3453	0.4518	0.4058	1	
FR4	0.2887	0.3429	0.3656	0.3777	0.5925	0.4947	0.5554	1

Source: own research

ledge of CSR [CSR1] and its application in managerial practice [CSR2] are weakly positively correlated with all financial management factors – namely, the SME's perception of positive financial performance [FR1], perception of business continuity [FR2], acceptance of financial risk as an integral part of business [FR3], and knowledge of financial risk management tools [FR4] (correlation coefficient range c = 0.2621–0.3900). Similarly, the perceived positive impact of CSR on competitive advantage [CSR3] and on firm performance [CSR4] is also weakly positively associated with perceived business continuity over a five-year horizon [FR2], acceptance of financial risk [FR3], and knowledge of financial risk management tools [FR4] (c = 0.3353–0.3950), and shows a moderate positive correlation with the manager's perception of positive financial performance [FR1] (c = 0.4582–0.4588).

The results of the Linear Regression Model (LRM) across both countries examined demonstrate that the manager's perception of the firm's financial performance [FR1] significantly influences all CSR-related factors. Knowledge of CSR [CSR1] is influenced by over 15% by factors FR1 and FR3 (Adjusted R^2 = 0.1534; FR1 coefficient = 0.3505, p-value < 0.0001; FR3 coefficient = 0.2111, p-value = 0.0005). The application of CSR in managerial practice [CSR2] is explained to the extent of 18% by FR1, FR3, and FR4 (Adjusted R^2 = 0.1793; FR1 c = 0.2762, p-value < 0.0001; FR3 c = 0.1594, p-value = 0.0032; FR4 c = 0.1376, p-value = 0.0240). The perception of CSR's positive impact on the company's competitive advantage [CSR3] is influenced by 23% through FR1 and FR3 (Adjusted R^2 = 0.2344; FR1 c = 0.3623, p-value < 0.0001; FR3 c = 0.1559, p-value = 0.0036). Furthermore, the perceived positive effect of CSR on firm performance [CSR4] is influenced by over 24% by FR1, FR2, and FR3 (Adjusted R^2 = 0.2436; FR1 c = 0.3020, p-value < 0.0001; FR2 c = 0.1355, p-value = 0.0068; FR3 c = 0.1515, p-value = 0.0026).

The regression models for both countries are statistically significant (Significance F < 0.0001). According to the results of the Variance Inflation Factor (VIF) analysis used to detect multicollinearity, the independent variables (x) show mild correlation, with VIF values falling within the acceptable range (1 < VIF < 5).

The research findings revealed that the attitude of SMEs towards the positive evaluation of financial performance

Table 4: Regression models to H1

	Regression models
CSR1	$y_1 = 1{,}1772 + \mathbf{0{,}3505\ x_1} - 0{,}0023\ x_2 + \mathbf{0{,}2111\ x_3} + 0{,}0583\ x_4$
CSR2	$y_2 = 1{,}1623 + \mathbf{0{,}2762\ x_1} + 0{,}0534\ x_2 + \mathbf{0{,}1594\ x_3} + \mathbf{0{,}1376\ x_4}$
CSR3	$y_3 = 0{,}9823 + \mathbf{0{,}3623\ x_1} + 0{,}0960\ x_2 + \mathbf{0{,}1559\ x_3} + 0{,}1008\ x_4$
CSR4	$y_4 = 0{,}9772 + \mathbf{0{,}3022\ x_1} + \mathbf{0{,}1355\ x_2} + \mathbf{0{,}1515\ x_3} + 0{,}1087\ x_4$

Source: own research

Table 5: Hypotheses summary

	A – Perception of positive financial performance	B – Perceived continuity of business operations over a five-year horizon	C – Acceptance of financial risk as an integral part of business	D – Knowledge of financial risk management tools
H1	A	R	A	R
H2	A	R	A	A
H3	A	R	A	R
H4	A	A	A	R

Note: A – hypothesis accepted, R – hypothesis rejected

Source: own research

Table 3: Regression analysis (LRM)

REGRESSION ANALYSIS IN FOCUSED COUNTRIES						
CSR1	**Multiple R**	**R Square**	**Adj. R Sq.**	**Std. Er.**	**Observations**	
	0.3980	0.1584	0.1534	0.9850	669	
	ANOVA	**df**	**SS**	**MS**	**F**	**Sign. F**
	Regression	4	121.2687	30.3172	31.2505	<0.0001
	Residual	664	644.1692	0.9701		
	Total	668	765.4380			
		Coefficients	**Std. Error**	**t Stat**	**P-value**	**VIF**
	Intercept	1.1772	0.1236	9.5246	<0.0001	
	FR1	0.3505	0.0667	5.2562	<0.0001	2.1461
	FR2	-0.0023	0.0598	-0.0379	0.9698	1.7261
	FR3	0.2111	0.0601	3.5151	0.0005	1.7409
	FR4	0.0583	0.0678	0.8600	0.3901	2.2182
CSR2	**Multiple R**	**R Square**	**Adj. R Sq.**	**Std. Er.**	**Observations**	
	0.4291	0.1842	0.1793	0.8837	669	
	ANOVA	**df**	**SS**	**MS**	**F**	**Sign. F**
	Regression	4	117.0552	29.2638	37.4734	<0.0001
	Residual	664	518.5322	0.7809		
	Total	668	635.5874			
		Coefficients	**Std. Error**	**t Stat**	**P-value**	**VIF**
	Intercept	1.1623	0.1109	10.4816	<0.0001	
	FR1	0.2762	0.0598	4.6168	<0.0001	2.1461
	FR2	0.0534	0.0537	0.9945	0.3204	1.7261
	FR3	0.1594	0.0539	2.9573	0.0032	1.7409
	FR4	0.1376	0.0608	2.2624	0.0240	2.2182
CSR3	**Multiple R**	**R Square**	**Adj. R Sq.**	**Std. Er.**	**Observations**	
	0.4889	0.2390	0.2344	0.8749	669	
	ANOVA	**df**	**SS**	**MS**	**F**	**Sign. F**
	Regression	4	159.6112	39.9028	52.1291	<0.0001
	Residual	664	508.2662	0.7655		
	Total	668	667.8774			
		Coefficients	**Std. Error**	**t Stat**	**P-value**	**VIF**
	Intercept	0.9823	0.1098	8.9472	<0.0001	
	FR1	0.3623	0.0592	6.1153	<0.0001	2.1461
	FR2	0.0960	0.0531	1.8064	0.0713	1.7261
	FR3	0.1559	0.0534	2.9227	0.0036	1.7409
	FR4	0.1008	0.0602	1.6737	0.0947	2.2182
CSR4	**Multiple R**	**R Square**	**Adj. R Sq.**	**Std. Er.**	**Observations**	
	0.4982	0.2482	0.2436	0.8217	669	
	ANOVA	**df**	**SS**	**MS**	**F**	**Sign. F**
	Regression	4	147.9682	36.9921	54.7904	<0.0001
	Residual	664	448.3038	0.6752		
	Total	668	596.2720			
		Coefficients	**Std. Error**	**t Stat**	**P-value**	**VIF**
	Intercept	0.9772	0.1031	9.4774	<0.0001	
	FR1	0.3020	0.0556	5.4292	<0.0001	2.1461
	FR2	0.1355	0.0499	2.7152	0.0068	1.7261
	FR3	0.1515	0.0501	3.0231	0.0026	1.7409
	FR4	0.1087	0.0566	1.9226	0.0550	2.2182

Source: own research

has a significant impact on all examined dimensions of CSR—both in an overall context and when analysed separately by country. This relationship is also confirmed by scholars such as Qiu et al. (2021) and Rjiba et al. (2020). The investigated dimensions include CSR awareness and application, the perceived contribution of CSR to competitive advantage, and its impact on firm performance. Notably, the factor of perceived business continuity over a five-year horizon was found to play a particularly important role among Slovak entrepreneurs.

CSR awareness was associated with a positive perception of financial performance, a greater acceptance of financial risk, and improved familiarity with financial risk management tools. This positive correlation between CSR and financial outcomes is well supported in the literature; for example, Owusu et al. (2021) highlight the various sources of finance used by SMEs and stress the importance of capital structure decisions as key determinants of performance, competitiveness, and sustainability. While similar trends were observed in Slovakia, the results also suggest differences in the intensity of the relationship between CSR awareness, its implementation, and financial management. According to Freeman and McVea (2005) and Qiu et al. (2021), there is a widely accepted assumption regarding the positive link between CSR and financial performance. Orlitzky et al. (2011) further argue that CSR contributes to more efficient resource use, which in turn enhances business performance.

These findings indicate that a favourable perception of a firm's financial health can motivate entrepreneurs to engage more actively in CSR initiatives as a tool to strengthen competitive positioning and improve business outcomes (Hameed et al., 2022).

The perception of CSR's influence on financial management differs between Slovakia and the Czech Republic, which may be attributed to varying views on business continuity and the tolerance of financial risk. As noted by Rico et al. (2021), SMEs are particularly vulnerable to financial threats, and effective risk management is critical for sustainability. Stoiljković et al. (2021) warn that high levels of debt may severely endanger business survival. In this context, it appears that Slovak firms may perceive CSR primarily as a component of risk management strategy and a means of ensuring long-term viability (Metzker et al., 2021). This trend was also reflected in aggregate data from both countries, especially in the analysis of CSR implementation practices.

This perspective is further supported by Syrová & Špička (2023), who highlight the role of organisational culture and strategic risk management as essential mediators between risk governance and financial performance. Similar conclusions were presented by Al-Nimer et al. (2021).

Based on the findings of several authors (e.g. Lin & Dong, 2018; Qiu et al., 2021; Seah, 2021), it can be generally concluded that financial management and the handling of financial risks play a key role in the implementation of CSR within the SME context.

It was also shown that perceived business continuity over a five-year horizon is closely linked to strategic planning. In Slovakia, this factor has a stronger influence on CSR perception in terms of competitive advantage and firm performance—both in national analysis and in comparative assessment with the Czech Republic. Švarova & Vrchota (2013) argue that the presence of a formulated business strategy has a positive effect on the financial outcomes of SMEs. The research results in the field of strategic management confirm that Slovak SMEs attach greater importance to strategic management compared to enterprises in the Czech Republic, a conclusion also supported by Svatošová (2018).

CONCLUSION

The research confirmed that there is a significant and statistically substantiated relationship between financial management and the perception of CSR within the small and medium-sized enterprise (SME) sector. The most important finding is that a positive evaluation of a firm's financial performance has the strongest and most consistent influence across all four examined CSR dimensions – namely, awareness of the CSR concept, its application in practice, perceived contribution to competitive advantage, and its impact on business performance.

Another notable factor was the attitude towards financial risk, which demonstrably influences particularly the managerial perception of CSR and its relationship to firm performance. Although business continuity and knowledge of risk management tools played a less prominent role, they still contributed to explaining the variation in responses—especially with regard to CSR's impact on performance. These findings support theoretical assumptions that financial health, perceived stability, and the ability to manage risk are key considerations in managerial decisions regarding the adoption of CSR activities.

A further relevant insight lies in the differences observed between countries, particularly between Slovakia and the Czech Republic, where Slovak respondents placed greater emphasis on long-term business continuity and risk management. This may be attributed to cultural and market-specific characteristics.

The research has several limitations. One major limitation lies in its geographical scope, as the study focused solely on two countries within the Visegrad Group, which may restrict the generalisability of the findings to other European regions with different business cultures and regulatory environments. Furthermore, responses were provided exclusively by business owners or top-level managers. While this guarantees a well-informed perspective, it does not reflect the views of other stakeholders (e.g., employees, customers). Additionally, the perception of CSR may not necessarily align with actual practices or implemented strategies—it could also reflect a desire to present the firm in a favourable light. The data were collected at a single point in time (June 2022), which precludes analysis of attitudinal developments over time or the effects of external shocks (e.g., inflation, geopolitical instability).

The growing global emphasis on sustainability and responsible business increasingly underscores the importance of environmental, social, and governance (ESG) factors. ESG criteria are becoming essential tools in assessing performance and long-term stability—particularly among large enterprises—highlighting the urgent need to explore how SMEs engage with ESG and what implications this has for their sustainability and CSR activities.

Future research should place greater focus on ESG implementation within SMEs and on comparing these approaches with CSR principles, in order to deepen the understanding of similarities and differences between these concepts. Such insights would be highly valuable for policymakers, entrepreneurs, and managers seeking effective ways to incorporate ESG factors into corporate strategies and everyday operations.

Moreover, further studies on CSR and ESG should broaden their geographic coverage and include more diverse business environments, ensuring a more comprehensive perspective on these issues within the SME context.

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