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THE NEGATIVE ASPECTS OF ESG IMPLEMENTATION IN SME BUSINESS PRACTICE

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Abstract:
Research background: The implementation of ESG (Environmental, Social, and Governance) principles has become an integral part of the strategic management of small and medium-sized enterprises (SMEs) in their pursuit of sustainable development. However, their practical application is often accompanied by various negative phenomena.
Purpose of the article: This article analyses the barriers and negative attitudes toward ESG implementation in SMEs in the Visegrad Group countries (Slovakia, Czech Republic, Poland, Hungary), with particular attention to the differences between the attitudes of business owners and managers.
Methods: The empirical part of the research was conducted through a quantitative questionnaire survey involving 1,549 respondents from SMEs in the V4 countries, with data analysis performed using the chi-square test and Z-score at a significance level of 0.05.
Findings & Value added: The results confirm the existence of statistically significant differences between the countries in the degree of negative perception of ESG, particularly in the areas of perceived bureaucratic burden, environmental measures, social aspects, and long-term sustainability. Conversely, differences between owners and managers were found to be predominantly statistically insignificant. The article identifies key implementation barriers, including insufficient strategic anchoring of ESG, low levels of awareness, economic challenges, and organizational resistance to change, while highlighting the need for systematic education and internal capacity building in ESG.

Keywords: ESG; barriers; negative perceptions; stakeholder resistance

JEL Classification: M14; L26; Q56

1. Introduction

The integration of environmental, social, and governance (ESG) principles into the business processes of small and medium-sized enterprises (SMEs) represents a significant challenge that can adversely affect their financial stability and competitiveness. Although ESG standards are increasingly perceived as a key component of responsible and sustainable business, their practical implementation often imposes a disproportionate burden in terms of financial costs, administrative complexity, and external reporting requirements. At the same time, growing societal and institutional pressure for transparency and disclosure of ESG activities compels businesses to align their operations with the expectations of the public and stakeholders.

As noted by Zhang and Cheng (2020), information about a firm's ESG activities significantly influences public perception and can shape attitudes toward the legitimacy of the business. According to Burke (2022), negative publicity regarding ESG performance can trigger heightened societal scrutiny, often prompting firms to take steps to restore their damaged reputation. While such pressures may lead to positive changes, such as increased transparency or the abandonment of undesirable practices (Chen et al., 2020), for SMEs, they can also result in excessive organizational and financial burdens, creating opportunities for superficial or formal adoption of ESG measures.

Although ESG initiatives promote sustainability and enhance stakeholder trust, small and medium-sized enterprises (SMEs) face barriers such as high financial costs, insufficient expertise, and increased administrative burdens, which limit their ability to effectively implement these principles (Setyaningsih et al., 2024; Liou et al., 2023). Low awareness of ESG objectives and limited knowledge of environmental regulations further complicate their efforts to adopt sustainable practices (Abu Hassan et al., 2023). These factors can lead to a decline in financial performance indicators, such as return on equity (ROE) and return on assets (ROA) and divert resources from core business activities (Garrido-Ruso et al., 2024). Moreover, inconsistent regulatory frameworks and inadequate institutional support increase the risk of operational inefficiencies and market exclusion for SMEs (Rizos et al., 2016; Durrani et al., 2024).

This article examines the negative aspects of ESG implementation in SMEs, focusing on financial, organizational, and regulatory barriers. Specifically, it analyzes the negative aspects of implementing environmental, social, and governance (ESG) principles in SMEs within the Visegrad Group (V4) countries. The primary objective is to investigate the attitudes of business owners and managers toward negative perceptions of ESG and to explore differences based on their roles within the company. The uniqueness of the research lies in its scope and comparative perspective, encompassing four V4 countries and revealing statistically significant cross-country differences in approaches to ESG. The study was conducted in May 2025 through an online questionnaire survey, with a total sample of 1,549 respondents. Respondents' attitudes were assessed using a standardized questionnaire based on a five-point Likert scale. To test the formulated hypotheses, statistical methods, including the chi-square test and Z-score, were applied. The article is structured into a theoretical section summarizing insights on ESG in the context of SMEs, a methodological section describing the research design and respondent characteristics, and an analytical section presenting the research findings for each country. The conclusion discusses the identified barriers and proposes recommendations for improving ESG implementation processes in SME business practices.

2. Literature review

The implementation of environmental, social, and governance (ESG) principles in small and medium-sized enterprises (SMEs) is currently regarded as a critical component of sustainable business practices (Shalhoob and Hussainey, 2023). Despite positive expectations, a growing body of literature highlights the barriers and negative aspects associated with ESG adoption, with a particular focus on differences in attitudes between owners and managers (Hrnjica et al., 2024).

A fundamental issue frequently noted in the literature is the lack of managerial support and a strategic framework for ESG. According to Sindhwani et al. (2022), SMEs often lack a long-term ESG strategy, leading to a formal or even symbolic approach where ESG activities are merely declared in internal documents rather than integrated into actual processes. This lack of strategic anchoring manifests in unclear divisions of responsibilities, the absence of internal objectives, and insufficient resource allocation for ESG projects. Low levels of managerial engagement further complicate the alignment of ESG initiatives with corporate culture. As noted by Liou et al. (2023), the internal integration of ESG into decision-making processes often results in a fragmented approach, where ESG measures are implemented without connection to key business metrics. Similar findings were reported by Liu et al. (2022) in their study on the impact of managerial support on ESG adoption in Latin American SMEs. The research revealed that, in the absence of systematic engagement from top management, ESG is perceived as an "additional administrative burden" rather than a competitive advantage, leading to minimal implementation and the rapid decline of initial efforts (Liu et al., 2022). The authors emphasize that for effective ESG integration into strategic planning, SME leadership must define clear objectives, measurable indicators, and accountability mechanisms while providing managers with relevant training and resources.

Another significant negative aspect is the reluctance of businesses to embrace change, often reinforced by the conservative attitudes of owners and fears of failure. Huang et al. (2022) and Ullah et al. (2021) highlight that resistance to innovation is a common barrier to ESG implementation. This attitude is intertwined with low levels of awareness and a tendency to view ESG as external pressure rather than a competitive advantage (Camelo and Nogueira, 2024).

According to Ganc and Felczak (2025), there is a significant knowledge deficit regarding ESG frameworks in small and medium-sized enterprises (SMEs), which complicates their proper implementation. Managers often lack understanding of the differences between various ESG standards, are unfamiliar with measurement methodologies, and struggle to evaluate the impact of specific initiatives on key performance indicators. This knowledge gap leads to the selection of ESG measures that are either excessively costly or insufficient to achieve meaningful environmental or social objectives. Furthermore, research indicates that a substantial proportion of SMEs rely solely on external consulting services, which increases costs and creates dependency on external experts (Ganc and Felczak, 2025; Rumyantseva and Tarutko, 2022). Hussaini et al. (2023) emphasize the importance of interactive educational platforms and mentoring programs to bridge the gap in managerial training for SMEs. In practice, this implies that SMEs should invest not only in external consultations but also in building internal capabilities through workshops, e-learning, or partnerships with academic institutions. Only through such measures can ESG transition from a purely formal process to an integral part of daily decision-making.

The economic aspect of ESG implementation represents another critical challenge. Jamaludin et al. (2025) note that the high initial costs of adopting ESG initiatives are the most significant barrier for small businesses. The low return on these investments, particularly in the short term, discourages managers from pursuing them (Cai et al., 2024). An even more complex issue is the implementation of compensatory mechanisms, such as carbon credits, which may negatively impact local economies without delivering tangible environmental benefits (Agbulut et al., 2020).

In addition to insufficient managerial support, the economic demands associated with initial investments in ESG activities pose a significant obstacle. The implementation of ESG can also have adverse effects on employees. Han and Lee (2024) introduced the concept of ESG stress—

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a psychological burden stemming from the uncertainty and complexity of ESG requirements. Similarly, Piao et al. (2022) highlight that pressure for rapid ESG transformation without adequate support can lead to stress, reduced job satisfaction, and employee turnover. This phenomenon also impacts workforce turnover, as noted by Garsaa and Paulet (2023), who demonstrated that poorly managed ESG programs can result in higher employee attrition rates.

The differences in attitudes toward ESG (environmental, social, and governance) initiatives between owners and managers significantly influence decision-making processes within organizations. These differences are particularly evident in the understanding and approach to ESG, where owners and managers often adopt distinct perspectives, impacting the implementation of ESG strategies. Owners typically focus on short-term financial gains and costs, which shapes their view of ESG (Sindhwani et al., 2022). For them, achieving rapid returns on investment and minimizing the costs associated with ESG practices are often priorities. Consequently, they may perceive ESG implementation as a costly and time-consuming process that reduces short-term profitability (Ganc and Felczak, 2025; Belas et al., 2024). In contrast, managers frequently view ESG as an integral part of strategic planning and the long-term development of the organization (Tumwebaze et al., 2022). For managers, ESG is often embedded in their strategic vision, encompassing long-term investments in sustainability and value creation that will benefit the company over time. These managers recognize that ESG can strengthen corporate culture, employee productivity, and customer trust, thereby ensuring sustainable growth and stability (Belas et al., 2024).

Differences in attitudes between owners and managers also manifest in the area of remuneration (Li and Chen, 2024; Khurram et al., 2024). According to research by Meng et al. (2024), ESG initiatives in their early stages may exacerbate disparities in compensation between management and employees, which can negatively affect employee trust and collaboration within the organization. Conversely, owners may support such compensation disparities if they prioritize short-term financial performance and view managerial remuneration as a direct means to incentivize increased profitability.

A significant insight was provided by Acheampong et al. (2025), who revealed that most ESG research focuses on large corporations in developed countries, while SMEs—particularly in developing regions—are minimally covered by research. This gap hinders the transfer of scientific knowledge into the practical environment of small businesses and reduces the applicability of ESG recommendations for this target group.

In summary, the negative aspects of ESG implementation in SMEs are multifaceted, encompassing a lack of support, resources, and strategic planning, as well as psychological and economic barriers. For successful integration of ESG into business practices, it is essential not only to enhance awareness but also to create a supportive environment that accounts for the differing needs and perspectives of owners and managers. The differences in understanding and implementing ESG practices between owners and managers are critical to the development and success of these initiatives within organizations. While owners are often driven by short-term financial goals, managers recognize the importance of ESG for long-term value and stability. These differences can significantly impact remuneration, internal relationships, and the overall design of ESG strategies, necessitating a balance between these perspectives to achieve long-term sustainability and competitiveness.

3. Methodology

Differences in the attitudes of owners and managers toward ESG (environmental, social, and governance) initiatives are pronounced and significantly influence decision-making processes within organizations. These differences often arise from divergent goals and priorities, which may not align between owners and managers. The successful implementation of ESG in businesses also depends on the collaboration between superiors and management, making it essential to examine potential differences. This study focuses on analyzing the attitudes of owners and managers in businesses with respect to ESG.

The primary objective of the study is to investigate the attitudes of owners and managers toward negative perceptions of ESG and to explore differences based on their roles within the organization.

The empirical research was designed to examine the attitudes of owners and managers toward ESG in the Slovak Republic (SR), the Czech Republic (CZ), Poland (PL), and Hungary (HU). The research was conducted in May 2025. A language-specific version of the questionnaire was developed for each country. Data collection was carried out using Google Forms in collaboration with businesses operating in these countries. The target group consisted of business owners and employees. Several basic questions were used to identify classifying characteristics, including those reflecting the size of the business, its legal form, the sector of operation, the duration of business activity, the gender of respondents, and their position (owner/manager) within the organization. Questions aimed at identifying attitudes related to ESG were defined using a five-point response scale (strongly agree, agree, neutral, disagree, strongly disagree). The number of respondents across the countries included in this study was as follows: (i) Slovakia (n=384); (ii) Czech Republic (n=389); (iii) Poland (n=391); (iv) Hungary (n=385).

Within the scope of this study, the attitudes of business owners and managers toward the following statements were examined:

ST1: *I consider ESG to be bureaucratic nonsense that hinders our business operations*.
ST2: *I view environmental care as excessive and negatively impacting on our business*.
ST3: *Relationships with the community are not important to us; surviving in the market is our priority*.
ST4: *Long-term sustainability of the company is not a key concern for us; our focus is on surviving in the market at present*.

The study formulated several hypotheses:

H1: *There are statistically significant differences in the overall structure of respondents' answers regarding ESG and its reporting*.
H1a: *There are statistically significant differences in the negative attitudes of managers and business owners toward ESG and its reporting*.
H2: *There are statistically significant differences in the overall structure of respondents' answers regarding environmental care*.
H2a: *There are statistically significant differences in the negative attitudes of managers and business owners toward environmental care*.
H3: *There are statistically significant differences in the overall structure of respondents' answers regarding relationships with the community*.
H3a: *There are statistically significant differences in the negative attitudes of managers and business owners toward relationships with the community*.
H4: *There are statistically significant differences in the overall structure of respondents' answers regarding the long-term sustainability of the business*.
H4a: *There are statistically significant differences in the negative attitudes of managers and business owners toward the long-term sustainability of the business*.

To test the formulated hypotheses, the chi-square test and Z-score statistical methods were employed, both applied at a significance level of p-value 0.05. The chi-square test is used to assess the relationship between two or more variables, determining whether they are dependent or independent. In the context of this study, it was applied to analyze the overall structure of respondents' answers.

The Z-score was calculated based on the proportion of positive responses ("strongly agree" and "agree") relative to the total number of respondents. This metric enables the identification of statistically significant differences in negative attitudes between groups of respondents. A hypothesis is considered confirmed if more than 60% of the measured p-values are below 0.05. The same criterion is applied to evaluate hypotheses reflecting the overall structure of respondents' answers.

The chosen methodological approach allows for a thorough examination of attitudes and differences between owners and managers regarding ESG. The results of this study contribute to a better understanding of entrepreneurial and managerial attitudes in the context of ESG, which can be valuable for the implementation and realization of further business activities related to ESG.

4. Results

The results of the research are presented in the following tables.

Table 1: Responses of respondents to the question related to H1

ST1: I consider ESG to be bureaucratic nonsense that hinders our business operations.	**SR** The number/ proportion in percentages	**CR** The number/ proportion in percentages	**PL** The number/ proportion in percentages	**HU** The number/ proportion in percentages
1. strongly agree	43/11.20	42/10.80	61/15.60	66/17.14
2. agree	85/22.14	75/19.28	118/30.18	77/20.00
3. neutral	183/47.66	190/48.84	122/31.20	124/32.21
4. disagree	39/10.16	52/13.37	49/12.53	74/19.22
5. Strongly disagree	34/8.85	30/7.71	41/10.49	44/11.43
Total respondents	384	389	391	385

Source: own elaboration

The responses of respondents to the question of whether they consider ESG to be bureaucratic nonsense that hinders their business operations vary depending on the country. The most significant differences in positive responses were observed between the Czech Republic and Hungary, with a 6.34% difference in the "strongly agree" response. For the neutral response, the largest difference was recorded between the Czech Republic and Poland (17.64%), and for negative responses, the differences were between Slovakia and Hungary ("disagree" = 9.06%) and between the Czech Republic and Hungary ("strongly disagree" = 3.72%). The percentage differences in responses between other countries and statements are not particularly pronounced. In terms of the overall structure, neutral responses predominated in Slovakia and the Czech Republic, while positive responses were more common in Poland and Hungary. In summary, Polish and Hungarian respondents perceive ESG as bureaucratic nonsense that hinders their business, whereas Slovak and Czech respondents adopt a neutral stance toward this statement.

The results presented in Table 2 indicate that there are no statistically significant differences in the overall response structure between respondents from Slovakia and the Czech Republic (p-value = 0.584424). In all other country combinations under investigation, statistically significant differences in the overall response structure were identified. However, differing patterns emerged when analyzing the structure of positive responses. While a significant difference in the overall response structure was found between Slovakia and Hungary, no statistically significant difference was observed in the structure of positive responses

Table 2: Statistically significant differences in the overall structure of responses and in the positive attitudes of respondents in the examined countries

ST1	Absolute values of the Z-scores	Chi-square/p-value	Z-score/p-value
SR/CR	128/117	2.8431/0.584424	0.9728/0.33204
SR/HU	128/143	28.7085/0.00001	-1.1057/0.267
SR/PL	128/179	22.4082/0.000166	-3.5422/0.0004
HU/CR	143/117	25.7022/0.000036	2.081/0.03752
CR/PL	117/179	29.6941/0.00001	-4.5188/0.00001
HU/PL	143/179	13.9753/0.007374	-2.4416/0.01468

Source: own elaboration

(p-value = 0.267). A p-value greater than 0.05 was also recorded in the case of Slovakia and the Czech Republic, where the p-value reached 0.33204, indicating the absence of statistically significant differences in respondents' positive attitudes toward the given statement. In contrast, statistically significant differences in positive attitudes were identified in the remaining country comparisons, specifically between Slovakia and Poland (p-value = 0.0004), Hungary and the Czech Republic (p-value = 0.03752), the Czech Republic and Poland (p-value = 0.00001), and Hungary and Poland (p-value = 0.01468). The number of p-values below the 0.05 threshold exceeds 60%. H1 was confirmed.

Table 3: Statistically significant differences in respondents' positive attitudes across the examined countries by organizational position

ST1	SR by position	CR by position	PL by position	HU by position
Absolute values	81/47	47/70	70/109	77/66
Z-score/p-value	0/1	-0.5877/0.5552	0.2776/0.77948	3.927/0.00008

Source: own elaboration

Statistically significant differences in respondents' positive attitudes based on their position within the enterprise were identified in only one of the examined countries—specifically in Hungary, where the p-value was 0.00008. In the remaining three countries under study, respondents' views were similar regardless of whether they held the position of owner or manager within the enterprise. The proportion of p-values below the 0.05 threshold does not exceed 60%. Hypothesis H1a was rejected.

Table 4: Respondents' answers to the question related to H2

ST2: I consider environmental protection to be excessive and believe it negatively affects our business operations.	SR the number/ proportion in percentages	CR the number/ proportion in percentages	PL the number/ proportion in percentages	HU the number/ proportion in percentages
1. strongly agree	49/12.76	34/8.74	85/21.74	76/19.74
2. agree	92/23.96	88/22.62	92/23.53	97/25.19
3. neutral	120/31.25	137/35.22	88/22.51	82/21.30
4. disagree	76/19.79	92/23.65	74/18.93	94/24.42
5. Strongly disagree	47/12.24	38/9.77	52/13.30	36/9.35
Total respondents	384	389	391	385

Source: own elaboration

Respondents' answers within individual countries to statement ST2 were diverse, with approximately equal proportions of strongly agree and strongly disagree responses in Slovakia and the Czech Republic. In the other two countries, the response structures were more varied. In Slovakia, the majority of responses were in agreement (36.72%), while in the Czech Republic, neutral responses prevailed (33.42%). In Poland, the majority of respondents agreed with the statement (45.27%), as was also the case in Hungary (44.93%). From the perspective of majority response types, percentage shares, and cross-country comparison of respondent answers, it can be inferred that the greatest similarities were observed between Poland and Hungary.

Table 5: Statistically significant differences in the overall response structure and in the positive attitudes of respondents across the examined countries

ST2	Absolute values of the Z-scores	Chi-square/p-value	Z-score/p-value
SR/CR	141/122	6.3689/0.173239	1.5716/0.11642
SR/HU	141/173	**16.4752/0.002443**	**-2.3177/0.02034**
SR/PL	141/177	**14.8119/0.005108**	**-2.4193/0.01552**
HU/CR	173/122	**30.3427/0.00001**	**3.8874/0.0001**
CR/PL	122/177	**36.7418/0.00001**	**-3.994/0.00006**
HU/PL	173/177	6.0912/0.192443	-0.0933/0.92828

Source: own elaboration

The results presented in Table 5 indicate that no significant differences in the overall response structure were observed between Slovakia and the Czech Republic (p-value = 0.173239) and between Hungary and Poland (p-value = 0.192443). In the remaining country comparisons, statistically significant differences in respondents' overall response structure concerning statement ST2 were identified. This suggests that in most of the countries under examination, respondents do not share a common view on the issue of environmental protection. A similar pattern was observed in the structure of positive responses, with no significant differences recorded between Slovakia and the Czech Republic (p-value = 0.11642) and between Hungary and Poland (p-value = 0.92828). The proportion of p-values below the 0.05 threshold exceeds 60%. Hypothesis H2 was confirmed.

Table 6: Statistically significant differences in respondents' positive attitudes across the examined countries based on their position within the enterprise

ST2	SR by position	CR by position	PL by position	HU by position
Absolute values	86/55	52/70	70/107	79/94
Z-score/p-value	-0.7086/0.4777	0.0557/0.95216	0.4382/0.65994	1.6668/0.09492

Source: own elaboration

The potential existence of differences in responses to the given statement was also examined with respect to the respondents' position within the enterprise. When analyzing the differences between owners and managers, no statistically significant differences in positive attitudes toward the statement were identified in any of the countries under study. The proportion of p-values below the 0.05 threshold does not exceed 60%. Hypothesis H2a was rejected.

Table 7: Respondents' answers to the question related to H3

ST3: We do not consider relationships with the community to be important. For us, survival in the market is the priority.	**SR** the number/ proportion in percentages	**CR** the number/ proportion in percentages	**PL** the number/ proportion in percentages	**HU** the number/ proportion in percentages
1. strongly agree	50/13.02	43/11.05	70/17.90	81/21.04
2. agree	112/29.17	106/27.25	128/32.74	119/30.91
3. neutral	105/27.34	109/28.02	89/22.76	66/17.14
4. disagree	86/13.02	104/8.23	63/9.72	89/23.12
5. Strongly disagree	31/8.07	27/2.31	41/8.44	30/7.79
Total respondents	384	389	391	385

Source: own elaboration

The next statement examined focused on the relationship between businesses and their communities. Respondents' answers reflecting their attitudes toward this statement are presented in Table 7. In all the countries under study, most responses agreed with the statement.

Based on these findings, it can be inferred that respondents do not consider relationships with the community to be important. The structure of strongly agree responses is similar in Slovakia and the Czech Republic, with a difference of only 1.97%, and likewise in Poland and Hungary, where the difference is 3.14%. For neutral responses, the percentage across all countries ranges from 27% to 33%. A comparable pattern is also observed in the structure of strongly disagree responses between Poland and Hungary, where the difference is minimal (0.65%). However, a more pronounced difference (10.38%) is observed between Slovakia and the Czech Republic in this category. Overall, it can be concluded that in all the countries examined, respondents do not perceive relationships with the community as important. It may also be assumed that no significant differences are likely to arise between Slovakia and the Czech Republic or between Poland and Hungary.

Table 8: Statistically significant differences in the overall response structure and in the positive attitudes of respondents across the examined countries

ST3	Absolute values of the Z-scores	Chi-square/p-value	Z-score/p-value
SR/CR	162/149	2.7157/0.606473	1.2482/0.2113
SR/HU	162/200	16.5093/0.002407	-2.7113/0.00672
SR/PL	162/198	10.5965/0.031494	-2.3588/0.01828
HU/CR	200/149	24.2657/0.000071	3.8145/0.00014
CR/PL	149/198	23.4832/0.000101	-3.4664/0.00052
HU/PL	200/198	10.648/0.030818	0.3647/0.71884

Source: own elaboration

The results related to the examination of differences between countries are presented in Table 8. Based on these findings, the previously stated assumption was confirmed—no statistically significant differences in the overall response structure were found between Slovakia and the Czech Republic (p-value = 0.606473). In the remaining country comparisons, statistically significant differences in respondents' answers were observed. Regarding the structure of positive responses, no statistically significant differences were found between Slovakia and the Czech Republic (p-value = 0.2113), nor between Hungary and Poland (p-value = 0.71884). In all other cases, statistically significant differences in respondents' positive attitudes toward the given statement were identified. The proportion of p-values below the 0.05 threshold exceeds 60%. Hypothesis H3 was confirmed.

Table 9: Statistically significant differences in the positive attitudes of respondents across the examined countries based on their position within the enterprise

ST3	SR by position	CR by position	PL by position	HU by position
Absolute values	108/54	67/82	83/115	95/105
Z-score/p-value	1.1756/0.238	0.8018/0.42372	1.4646/0.1443	2.6797/0.00736

Source: own elaboration

Statistically significant differences in the positive attitudes of owners and managers were identified in only one of the countries under study—specifically in Hungary, where the p-value reached 0.00736. In the remaining countries, no statistically significant differences in positive attitudes were observed based on respondents' positions within the enterprise. It can be concluded that the views of owners and managers in Slovakia, the Czech Republic, and Poland regarding the company's relationship with the community are similar. The proportion of p-values below the 0.05 threshold does not exceed 60%. Hypothesis H3a was rejected.

The final statement examined concerns corporate sustainability. Table 10 presents the structure of respondents' answers across the countries under study. In all countries, most responses agreed with the statement. In Slovakia, 46.87% of respondents agreed with the statement, in the Czech Republic 37.02%, in Poland 50.39%, and in Hungary 49.09%. The

Table 10: Respondents' answers to the question related to H4

ST4: Sustainability is not a key issue for our company. Our current priority is to survive in the market.	**SR** the number/ proportion in percentages	**CR** the number/ proportion in percentages	**PL** the number/ proportion in percentages	**HU** the number/ proportion in percentages
1. strongly agree	49/12.76	46/11.83	81/20.72	85/22.08
2. agree	131/34.11	98/25.19	116/29.67	104/27.01
3. neutral	117/30.47	137/35.22	105/26.85	71/18.44
4. disagree	58/15.10	75/19.28	56/14.32	78/20.26
5. Strongly disagree	29/7.55	33/8.48	33/8.44	47/12.21
Total respondents	384	389	391	385

Source: own elaboration

highest level of agreement was recorded in Poland, though the difference compared to Slovakia and Hungary is not substantial. The most pronounced difference in the structure of positive responses was observed between Poland and the Czech Republic (13.37%). Among all countries, the Czech Republic had the highest proportion of neutral responses. Based on these findings, it may be assumed that respondents from all the examined countries are more inclined to consider corporate sustainability as a secondary concern compared to their current market situation, position, and market share.

Table 11: Statistically significant differences in the overall structure of responses and in the positive attitudes of respondents across the countries under study

ST4	**Absolute values of the Z-scores**	**Chi-square/p-value**	**Z-score/p-value**
SR/CR	180/144	8.824/0.065652	2.777/0.00544
SR/HU	180/189	31.2322/0.00001	-0.615/0.54186
SR/PL	180/197	9.6672/0.046422	-0.9771/0.32708
HU/CR	189/144	35.2203/0.00001	3.3919/0.0007
CR/PL	144/197	18.1418/0.001158	-3.7626/0.00016
HU/PL	189/197	13.3355/0.009748	-0.3601/0.71884

Source: own elaboration

Based on the p-values presented in Table 11, it was determined that no statistically significant differences in the overall response structure were observed between Slovakia and the Czech Republic (p-value = 0.065652). In all other country comparisons, statistically significant differences in the overall response structure were identified. However, a shift is observed in the structure of positive responses and the presence of statistically significant differences in this regard. Statistically significant differences in the structure of positive responses were recorded between Slovakia and the Czech Republic (p-value = 0.00544), Hungary and the Czech Republic (p-value = 0.0007), and the Czech Republic and Poland (p-value = 0.00016). In the remaining country comparisons, no statistically significant differences in positive response structures were found. The proportion of p-values below the 0.05 threshold exceeds 60%. Hypothesis H4 was confirmed.

Table 12: Statistically significant differences in the positive attitudes of respondents across the countries under study based on their position within the enterprise

ST4	**SR** by position	**CR** by position	**PL** by position	**HU** by position
Absolute values	129/51	58/86	77/120	91/98
Z-score/p-value	3.2021/0.00138	-0.6543/0.5157	0.2963/0.76418	2.7847/0.00544

Source: own elaboration

Statistically significant differences in the positive attitudes of owners and managers were examined using Z-scores, the values of which are presented in Table 12. Based on these values, statistically significant differences in positive attitudes between business owners and managers were found in Slovakia (p-value = 0.00138) and Hungary (p-value = 0.00544). In contrast, no statistically significant differences were observed in the Czech Republic (p-value = 0.5157) or Poland (p-value = 0.76418). The proportion of p-values below the 0.05 threshold does not exceed 60%. Hypothesis H4a was rejected.

The research conducted in the Visegrád Group (V4) countries focused on analyzing the negative attitudes of SME owners and managers towards selected aspects of ESG. Respondents expressed their views on statements related to bureaucracy, environmental care, community relations, and corporate sustainability. The results demonstrated the existence of statistically significant differences between the countries; however, no statistically significant differences attributable to respondents' positions within the company were observed for any of the aspects. Overall, it can be concluded that while statistically significant differences exist in the overall response structures between countries, such differences were not found in the positive response patterns between owners and managers.

5. Discussion

The results of the conducted research provide important empirical evidence of the existence of negative attitudes towards the implementation of ESG principles within small and medium-sized enterprises (SMEs) in the V4 countries. Respondents from Poland and Hungary exhibited a higher degree of agreement with the statement that ESG represents a bureaucratic burden or excessive environmental regulation that negatively affects business operations. In contrast, responses from Slovakia and the Czech Republic were predominantly neutral. These findings align with those of Rizos et al. (2016), who identified that SMEs in countries with lower institutional support and limited ESG awareness often perceive such initiatives as external constraints rather than strategic opportunities.

The observed differences in ESG perception between countries can be further interpreted in the context of national cultural and business specificities. As highlighted by Acheampong et al. (2025), SMEs in Eastern European countries face deficits in ESG education and access to expert capacities, which reduce their ability to integrate ESG into strategic management. In our research, these limitations are also reflected in the strong agreement with statements indicating that community relations and corporate sustainability are not priorities for businesses, pointing to a focus on short-term survival rather than long-term sustainability.

A significant finding of the study is the absence of consistent statistically significant differences in ESG-related attitudes between owners and managers. Although some countries (e.g., Hungary) exhibited differences in responses to individual statements, it can be generally affirmed that ESG perception is not markedly influenced by organizational role. This result corresponds with the findings of Sindhwani et al. (2022), who argue that in the absence of a systematic ESG strategy, attitudes towards these issues are dispersed across organizational structures and are not exclusively tied to ownership or management positions.

The findings related to the environmental and social pillars of ESG also correspond with the conclusions of Han and Lee (2024), who report that insufficient corporate preparedness and pressure for rapid ESG transformation can induce so-called "ESG stress" among employees. This stress subsequently manifests in reduced job satisfaction, internal resistance to change, and increased turnover rates.

6. Conclusions

This article focuses on identifying and analyzing the negative aspects of implementing ESG (Environmental, Social, and Governance) principles in the small and medium-sized enterprise (SME) sector within the Visegrád Group (V4) countries, with a specific emphasis on comparing the attitudes of owners and managers. The research aimed to verify the extent to which respondents' attitudes differ based on their country of origin and organizational position, focusing on four key areas: the perception of ESG as an administrative burden, attitudes towards environmental sustainability, the importance of community relations, and the prioritization of sustainable development as a strategic goal.

The empirical research, conducted in May 2025, was based on quantitative survey data collected from 1,549 respondents within SMEs across four countries (Slovakia, Czech Republic, Poland, Hungary). Statistical hypothesis testing using chi-square tests and Z-scores at a significance level of $p = 0.05$ demonstrated significant differences between countries but only marginal differences according to respondents' organizational positions. The most negative attitudes towards ESG were observed among respondents from Poland and Hungary, whereas Slovak and Czech respondents exhibited a higher degree of neutrality.

The results indicate that the barriers to ESG implementation in SMEs are not primarily driven by internal differences between owners and managers, but rather by structural and cultural factors at the national business environment level. These findings highlight the need for targeted support for ESG transformation through public policies, particularly via education, advisory services, and simplification of the legislative framework.

Future research should expand the scope to include additional Central and Eastern European countries and incorporate qualitative approaches to gain deeper insights into the psychological and value-based mechanisms underlying resistance to ESG. Additionally, investigating causal relationships between the degree of ESG integration and indicators of business performance and employee stability could enrich current knowledge about the benefits and risks of ESG practices in SMEs.

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