


A sectoral perspective on the sustainable growth of SMEs. Empirical research in the V4 countries.

Khurram Ajaz Khan

Faculty of Management and Economics, Tomas Bata
University in Zlín, Czech Republic,
School of Business and Economics, Westminster In-
ternational University in Tashkent, Uzbekistan
k.a.khan@wiut.uz
 0000-0001-5728-8955


Mohammed Anam Akhtar

Institute of Management Technology, Dubai, United Arab
Emirates
anam@imt.ac.ae
 0000-0002-8441-5056

Rohit Kumar Vishwakarma

United Institute of Management, Allahabad, India
rohitvish24@gmail.com

Hung-Cuong Hoang

Faculty of Business Administration, Ho Chi Minh City
University of Foreign Languages – Information Technolo-
gy, Ho Chi Minh City, Vietnam
cuonghh@hufliit.edu.vn
 0000-0003-0732-8319

ABSTRACT

Research background: The present article concerns small and medium-sized enterprises (SMEs), their attitudes towards sustainable growth, and their social and environmental impact in V4 nations. In the current economic situation, it is imperative to understand the SMEs' perception towards sustainability aspects, not only about understanding but also believing they are significant for the firms' sustainability.

Purpose of the article: The paper aimed to define the important attributes of SMEs' sustainable growth and compare the attitudes within the three most important business sectors in the V4 countries.

Methods: The empirical research, which surveyed SMEs' attitudes, was conducted in June 2022 in the V4 countries. Data collection was carried out by the external agency MNFORCE using the "Computer Assisted Web Interviewing" (CAWI Research Method). The questionnaire could be completed by the owner or the top manager of the SME. The sample consisted of the Visegrad countries' three most important business sectors. The total number of respondents in the sample was 995. The statistical hypothesis was tested through descriptive statistics and Z-score at $\alpha = 5\%$ significance level.

Findings & Value added: The empirical research showed that SMEs in the V4 countries (within the sample set of the three most important business sectors) are concerned with the issue of sustainable growth in business because they not only understand the concept but also agree that sustainable growth should pursue not only the economic interests of firms but also the positive impact on the social system and environmental aspects. SMEs in the sample confirmed that they care about their business's social and environmental impacts. The results of the empirical research confirmed that there were no statistically significant differences in the positive responses of the respondents.

RECEIVED: August 15 © **ACCEPTED:** October 1 © **PUBLISHED ONLINE:** December 31

KEYWORDS: small and medium-sized enterprises, sustainability, business sectors

JEL CLASSIFICATION: M14, L26, L80,

CITATION: Khan, K. A., Akhtar, M. A., Vishwakarma, R., K., & Hoang, H. C. (2023). A sectoral perspective on the sustainable growth of SMEs. Empirical research in the V4 countries. *Journal of Business Sectors*, 1 (1), 10–19. <https://doi.org/10.62222/CVFW6962>

INTRODUCTION

Small and medium-sized enterprises (SMEs) are essential to economic systems worldwide. The dynamism of their development, their ability to innovate products and services and their capacity to adapt quickly to changing conditions are important for maintaining competitiveness.

Small and medium-sized firms (SMEs) play a crucial role in the economies of the Visegrad Group (V4) nations, serving as significant drivers of economic growth and employment generation. Due to ongoing global concerns about climate change and social inequality, there is an increasing demand for businesses, especially SMEs, to adopt sustainable practices. Despite the growing recognition of sustainability's importance in business, there is still a significant knowledge gap regarding how SMEs in the Visegrad Group (V4) countries understand and apply sustainable growth principles in their daily operations. This research aims to fill a void in our understanding by examining the factors crucial to the long-term success of small and medium-sized enterprises (SMEs) in the service, manufacturing, and travel and tourism sectors in the countries that comprise the Visegrad Group (V4). This research aims to understand better how different types of small and medium-sized businesses (SMEs) approach attaining sustainable growth by analyzing their beliefs and actions. Additionally, it intends to evaluate the degree to which these SMEs prioritize social and environmental implications in conjunction with their economic objectives.

In the contemporary business environment characterized by swift changes, the significance of sustainability as a key determinant of enduring prosperity and adaptability cannot be overstated. It is imperative to thoroughly comprehend how small and medium-sized enterprises (SMEs) in the Visegrad Group (V4) countries effectively manage the intricate relationship between economic advancement and sustainable business strategies. Given the distinct problems and limited resources that small and medium-sized enterprises (SMEs) frequently encounter in contrast to bigger businesses, it becomes imperative to ascertain the precise tactics and methodologies that facilitate adopting sustainable development practices while concurrently maintaining competitiveness within their particular industries. This study seeks to enhance the current knowledge of sustainable business practices by examining the viewpoints of small and medium-sized enterprises (SMEs) in the Visegrad Group (V4) countries. The objective is to offer practical insights that can be utilized by policymakers, industry participants, and SMEs in order to cultivate a business environment that is both sustainable and resilient.

The sustainability of SMEs focuses on these enterprises' long-term prosperity and growth, considering environmental, social and economic perspectives. Sustainability is becoming increasingly important in terms of environmental protection, responsible corporate social behaviour and long-term economic success, as this factor signifi-

cantly determines the attitudes of SMEs in the non-economic sphere. SMEs in the Visegrad Four countries (V4 countries) are mainly engaged in services, trade, manufacturing and tourism. On the one hand, the different sectors in which SMEs operate differ in their specific characteristics, which are conditioned by the area in which they operate. On the other hand, some sectors also share many common features. For example, while the human factor and its quality clearly dominate in trade and services, manufacturing results are largely determined by the level of technological development of the firm, the automation of production processes and their digitization. It is somewhat paradoxical that areas that are based precisely on the dominant role of the human factor are at the same time marked by several negative factors, for example, wages in services and retail are generally among the lowest in the national economy, frequent wage differentials between men and women, and so on (Santos, 2023).

The originality and excellence of this study are embedded in the fact that we investigate the attitude of SME owners/managers towards sustainable growth based on our empirical research conducted in the V4 countries (Czech Republic, Slovakia, Poland and Hungary). The research focuses on identifying differences within SMEs' most important business sectors. The focus is on the extent to which SMEs have different attitudes and approaches towards sustainable growth in different business sectors.

The structure of the paper is as follows. The first section presents the scholarly views on the issue. The content of the second chapter is the objective, a description of the methodology used and a description of the data used in the paper. The next chapter presents the results of the research and a discussion of them. Finally, the main results of the research are formulated in an integrated form.

THEORETICAL BACKGROUND

The sustainability of SMEs is a complex process that involves many different factors (economic, social and environmental). SMEs should consider these aspects and integrate them into their strategy and activities to achieve sustainable growth and contribute to a better environment. The key sustainability factors for SMEs can include business strategy and management with emphasis on SMEs' competitiveness (Kumar et al., 2023), adoption of innovations and progressive technologies (Dura et al, 2022), application of CSR, care for stable financing of the company and its long-term profitability, care for employees and their professional growth, transparency and communication with the company's environment, consideration of regional and global trends, environmental approach to business (Song et al., 2023; Tesovicova & Krchová 2022).

The service sector has grown strongly globally in the past period (Ogujiuba et al., 2023), and its dominance is

a sign of an advanced economy. Services can take many forms, e.g. hotel and restaurant services, transportation, financial services, software services, etc. Services are intangible in form, are generally labour-intensive, cannot be stored, and are heterogeneous and inseparable from their provider. They are often consumed in the course of their provision, and their quality is variable. Sustainability in the service sector focuses on ensuring that the services provided are economically viable, environmentally acceptable and socially beneficial. The key aspects of sustainability in the service sector can include service quality, transparency, consistency and efficiency (Chi et al., 2023; Khan & Akhtar, 2022), energy conservation, responsible sourcing of inputs and appropriate supply chain, implementation of CSR concept, continuous innovation and digitalization of processes, customer orientation, etc.

Trade is the process of exchanging goods or services between people, businesses or countries to meet the needs and demands of the parties involved in that exchange. It is a fundamental form of economic activity, and its essence lies in the acquisition, sale or exchange of goods and services for financial remuneration. Trade contributes to the economic well-being of countries, firms and individuals because it enables the efficient use of resources, specialization and diversification of production. It helps to increase competition, introduce innovation and provide a greater variety of goods and services for customers. Strong competition generates optimal prices for customers. Sustainability in trade focuses on ensuring that business activities are carried out in a way that considers environmental, social and economic considerations and contributes to a long-term prosperous and responsible business. It is about balancing economic growth, environmental protection and social benefit. Sustainability in trade means rethinking all aspects of business and ensuring that the decisions and actions of SMEs are compatible with the interests of the planet and society.

Sustainability in manufacturing focuses on ensuring manufacturing processes that minimize negative impacts on the environment and society and are economically viable in the long term. Important aspects of sustainability can include energy efficiency and environmental responsibility, adoption of innovations and technological improvements, use of renewable energy sources, minimizing waste and promoting recycling of materials (Huttman & Valentiny, 2019), among others.

Tourism is an important sector of the economy. It creates demand for labour, supports various industries such as hotel and food services, transportation, and local handicrafts and stimulates other entrepreneurial activities in the regions Surya et al. (2022). Many countries and regions are economically dependent on tourism revenues. The economic essence of this sector is the importation of demand for goods and services into one's own country, with tourism participants generally demanding goods and services that are not investment and innovation-intensive. Tourism involves people's mobility for recreation, re-

laxation, discovering new places, cultures, natural beauties, history and experiencing new experiences. The specific characteristics of tourism are the mobility of people, the temporary nature of the activity, the seasonality, the diversity of travellers' interests, the dependence on the quality of support services and the experiential orientation. Service quality and tourist satisfaction are the basis for long-term tourism development (Amoah et al., 2023).

Sustainability in tourism means that tourism is delivered in a way that minimizes negative impact on the local environment, culture and community while contributing to economic growth and social development. It is a process about ensuring long-term sustainability and preserving local identity and values (Cárdenas-García & Alcalá-Ordoñez, 2023). Some key aspects of sustainability are environmental protection, respect for local culture, traditions and historical heritage, sustainable infrastructure, responsible travel, improving residents' quality of life and diversification of tourism activities.

The most important attribute of SME sustainability is the economic area, which determines companies' approach to the social and environmental area. If SMEs can survive economically, their interest in social and environmental issues will grow. In this context, the dominant factor is the quality of SME management, effective risk management that does not jeopardize the company's objectives, market share or survival (Lozano-Torró et al., 2019; Chakabva et al., 2021; Krüger & Meyer, 2021), the existence of a business model for sustainable growth, the quality of financial performance management (Vukovic et al., 2022; Ruiz-Palomo et al., 2022; Saci & Mansour, 2023; Owusu et al., 2021; Stoiljkovic et al., 2021) and financial risks (Rostami et al., 2022; Valaskova et al., 2023; Dvorsky et al., 2021), optimization of the main internal processes in the enterprise (Bubenik et al., 2022), appropriate customer relationship management model (McAlister & Sinha, 2021), concentration on quality (Pietruszka-Ortyl, 2019), scientific and technological innovation (Ma et al., 2022), and employee care (Saks, 2022; Górný, 2019).

Promoting sustainable growth among small and medium-sized firms (SMEs) is significant in cultivating strong and resilient economies, especially among the Visegrad Group (V4) nations. Informed policies and strategic interventions need a thorough comprehension of the dynamics within sectors and their impact on the sustainability of small and medium-sized enterprises (SMEs). Recent theoretical frameworks have focused much emphasis, amongst many other things, on various aspects of sustainability, including the influence on the environment, social responsibility, and economic viability, to name just a few of the many different aspects of sustainability. When attempting to put sustainability concepts into practice, it is necessary first to perform a comprehensive examination of the interaction between the unique dynamics of the sector, the impacts of the market, and the regulatory environment. This research provides a helpful beginning point for further investigation into the factors that may contribute to the expansion and success of

small and medium-sized businesses in the V4 nations throughout time.

Theoretical foundations such as sustainable development, strategic management, and sectoral analysis all contribute to a comprehensive knowledge of the complexity connected with the expansion of SMEs within the V4 nations. The environmental and social perspectives presented in the contemporary literature on sustainable development are quite helpful. This collection of work lays the groundwork for evaluating SMEs' environmental effects, social responsibility activities, and green business practices across industries and provides a platform for doing so. Through an analysis of the unique obstacles SMEs face, this research tries to shed light on the adaptability of small and medium-sized businesses as well as their development potential. In addition, sectoral analysis frameworks offer a lens that may be used to evaluate the distinctive characteristics, market arrangements, and regulatory structures that affect the long-term viability of small and medium-sized firms (SMEs) in certain industries. This strategy makes it simpler to comprehend the complexities at play in various industries, which in turn assists small and medium-sized businesses (SMEs) in the V4 nations in growing sustainably.

This study will explore the important features of sustainable small and medium-sized enterprises (SMEs) in the three most major business sectors in the V4 nations. The study aims to give valuable insights to policymakers and scholars working on the subject.

RESEARCH OBJECTIVE, METHODOLOGY AND DATA

The paper aimed to define the significant attributes of SMEs' sustainable growth and compare the attitudes within the three most important business sectors in the V4 countries. The empirical research, which aimed to survey the attitudes of SMEs, was conducted in June 2022 in the V4 countries. Data collection was carried out by the external agency MNFORCE using the "Computer Assisted Web Interviewing" (CAWI Research Method). The questionnaire could be completed by the owner or the top manager of the SME.

In the Czech Republic, the total number of respondents was 347. The structure of SMEs: 45.2% micro-enterprises, 30.8% small enterprises and 23.9% medium enterprises. The largest number of firms were engaged in services 138 (39.8%) and manufacturing 72 (20.7%), followed by the following areas: 60 (17.3%) trade, 32 (9.2%) construction, 11 (3.2%) transport, 7 (2.0%) agriculture, 3 (0.9%) tourism, and 24 (6.9%) respondents indicated other business sectors.

In the Slovak Republic, the total number of respondents was 322. The structure of respondents in terms of company size was as follows: 51.9% micro-enterprises, 26.7% small enterprises and 21.4% medium enterprises. The largest number of firms were in services, 129 (40.1%), and trade, 79 (24.5%), followed by the following: 42 (13.0%) in manufacturing, 37 (11.5%) in con-

struction, 7 (2.2%) in transport, 3 (0.9%) agriculture, 3 (0.9%) tourism, and 22 (6.9%) respondents indicated other business sectors.

In Poland, the total number of respondents was 381. The structure of respondents in terms of company size was as follows: 47.2% micro-enterprises, 27.8% small enterprises and 25.0% medium enterprises. The largest number of firms were in tourism 110 (28.9%) and manufacturing 78 (20.5%), followed by the following: 56 (14.7%) trade, 49 (12.8%) services, 31 (8.1%) construction, 13 (3.4%) transport, 17 (4.5%) agriculture, and 27 (7.1%) respondents indicated other business sectors.

In Hungary, the total number of respondents was 348. The structure of respondents in terms of company size was as follows: 50.0% micro-enterprises, 28.2% small enterprises and 21.8% medium enterprises. The largest number of firms were in tourism, 110 (31.6%), and trade, 69 (19.8%), followed by the following: 52 (14.9%) services, 34 (9.8%) manufacturing, 23 (6.6%) transport, 19 (5.5%) agriculture, 13 (3.5%) construction, and 29 (8.3%) respondents indicated other business sectors.

This article will assess respondents' attitudes according to the three most important business sectors in the V4 countries. In the Czech Republic, these will be the following sectors of the economy: services, manufacturing and trade. In Slovakia, services, trade and manufacturing. In Poland, tourism, manufacturing and trade. In Hungary, tourism, trade and services. Based on previous research and qualitative analysis of the literature, statements have been established that appropriately characterize the importance of business ethics in SME entrepreneurship:

- ST1: I understand the concept of sustainable growth in business.
- ST2: Sustainable growth should not pursue only the economic interests of firms but also the positive impact on the social system and environmental aspects.
- ST3: It is imperative to perceive also the social impact of entrepreneurship.
- ST4: It is imperative to perceive also the environmental impacts of entrepreneurship.

Based on the method of expert estimation, we set the following statistical hypotheses:

- H1: There are no statistically significant differences in respondents' positive attitudes by the three most important sectors across the V4 countries when evaluating ST1.
- H2: There are no statistically significant differences in the positive attitudes of respondents by the three most important sectors across the V4 countries when evaluating ST2.
- H3: There are no statistically significant differences in respondents' positive attitudes by the three most

important sectors across the V4 countries when assessing ST3.

- H4: There are no statistically significant differences in respondents' positive attitudes by the three most important sectors across the V4 countries when assessing ST4.

The statistical hypothesis was tested through descriptive statistics and Z-score at $\alpha = 5\%$ significance level. The null hypothesis is confirmed if the p-value is greater than or equal to 0.05. If the p-value is less than 0.05, the null hypothesis is rejected. Calculations were made using available software on the internet (Z Score Calculator, 2023).

RESULT AND DISCUSSION

The following tables present the results of the research, including the verification of each scientific hypothesis. The level of understanding of the concept of sustainable growth in business, displayed in Table 1 and Table 2, is at a relatively high level, from 80% to 94% across the most important sectors of V4 countries.

H1 has been confirmed.

There are no statistically significant differences in respondents' positive answers to ST1 across the sample set in the V4 countries. All p-values in Table 2 were greater than the 0.05 criterion value.

Quite a large number of respondents, in Table 3 and Table 4, agreed with the statement that sustainable growth should not only pursue the economic interests of companies but also positively impact the social system and environmental aspects. The proportion of positive responses ranges from 78% to 93%.

H2 was confirmed.

There are no statistically significant differences in respondents' positive answers to ST2. All p-values in Table 4 were higher than the 0.05 criterion value.

Fewer respondents agreed that the perception of the social impact of business is more important than the previous statements. The proportion of positive responses ranges from 70% to 98%.

H3 was partially confirmed.

There are no statistically significant differences in respondents' positive responses to ST2. The p-values in Table 6 were higher than the criterion value of 0.05 for the Czech Republic, Slovakia and Poland. In Hungary, trading firms were statistically significantly more likely to confirm the importance of perceived social impacts of business compared to firms operating in the tourism and service industries.

Quite a large number of respondents, displayed in Table 5 and Table 6, agreed with the statement that the perception of the environmental impacts of business is very important. The proportion of positive responses ranges from 70% to 93%.

H4 was confirmed.

There are no statistically significant differences in respondents' positive answers to ST4. All p-values in Table 8 were higher than the 0.05 criterion value.

This paper aims to define the important attributes of SMEs' sustainable growth and compare the attitudes within the three most important business sectors in the V4 countries.

The sustainability of SMEs is a complex process that involves many different factors. SMEs should consider these aspects and integrate them into their strategy and activities to achieve sustainable growth and contribute to a better environment.

In our research, we have defined four headings that appropriately define the field of sustainable growth for SMEs.

The main conclusions of the empirical research can be formulated as follows.

The empirical research showed that SMEs in the V4 countries (within the sample of the three most important business sectors) are addressing the issue of sustainable growth in business because they not only understand the concept but also agree that sustainable growth should pursue not only the economic interests of firms but also the positive impact on the social system and environmental aspects. SMEs in the sample confirmed that they care about their business's social and environmental impacts.

The results of the empirical research confirmed that there are no statistically significant differences in the positive answers of the respondents. It means that their attitudes towards the defined statements are at a high level and simultaneously very similar.

The limitations of this research can be seen in the limited though representative sample of respondents, as the research was conducted only in the V4 countries. It can also be assumed that the deteriorated international political situation (the war in Ukraine and the related deterioration of the security situation in the world) and the turbulent developments in the economic system (rising energy prices, rising inflation and other factors) may have influenced the attitudes of SMEs. Given the priority focus of SMEs on the internal market, these factors may have been dampened to some extent by government interventions. It can be assumed that the results of this research will enrich the knowledge base in the field of sustainable development of SMEs.

DISCUSSION

The empirical research showed that SMEs in the V4 countries (within the sample set of the three most important business sectors) understand what sustainable growth in business means. This understanding is at a relatively high level, as it ranges from 80% to 94% across the V4 sectors. SMEs in V4 countries also agreed with the statement that sustainable growth should not only pursue companies' economic interests but also positively

Table 1: Results of the ST1 by the most important sectors in the V4 countries

ST1: I understand the concept of sustainable growth in business.	CR S/M/Tr 138/72/60	SR S/Tr/M 129/42/79	PL T/M/Tr 110/78/56	HU T/Tr/S 110/69/52
1. I completely agree	39/25/16	40/19/33	55/44/33	54/39/27
2. I agree	75/35/32	72/18/39	44/29/16	47/26/18
Total 1+2	114/60/48	112/37/72	99/73/49	101/65/45
Percentage of positive responses	83/83/ 80	87/88/91	90/ 94 /87	92/94/86

Note: Czech Republic - CR; Slovak Republic - SR; Poland - PL; Hungary - HU; services - S; trade - Tr; manufacturing - M; tourism - T
Source: own research

Table 2: Statistical calculations of ST1 by the most important sectors in the V4 countries

Z score: p-value:			
CR: S/M; S/Tr; M/Tr	0.8966	0.6599	0.6241
SR: S/M; S/Tr; M/Tr	0.8337	0.3421	0.5961
PL: T/M; T/Tr; M/Tr	0.3843	0.6241	0.2225
HU: T/Tr; T/S; Tr/S	0.5485	0.2937	0.1471

Source: own research

Table 3: Results of the ST2 by the most important sectors in the V4 countries

ST2: Sustainable growth should not pursue only the economic interests of firms, but also the positive impact on the social system and environmental aspects.	CR S/P/Tr S/V/O 138/72/60	SR S/Tr/P S/V/O 129/42/79	PL T/P/Tr CR/V/O 110/78/56	HU T/Tr/S CR/O/S 110/69/52
1. I completely agree	36/23/15	40/20/20	45/36/28	52/31/25
2. I agree	75/36/32	70/19/46	56/34/18	49/31/20
Total 1+2	111/59/47	110/39/70	101/70/46	101/62/45
Percentage of positive responses	80/82/ 78	85/ 93 /89	92/90/82	92/88/90

Source: own research

Table 4: Statistical calculations of ST2 by the most important sectors in the V4 countries

Z score: p-value:			
CR: S/M; S/Tr; M/Tr	0.7949	0.7279	0.6031
SR: S/M; S/Tr; M/Tr	0.2005	0.4965	0.4593
PL: T/M; T/Tr; M/Tr	0.6241	0.0643	0.2041
HU: T/Tr; T/S; Tr/S	0.6527	0.2937	0.5755

Source: own research

Table 5: Results of the ST3 by the most important sectors in the V4 countries

ST3: It is imperative to perceive also the social impact of entrepreneurship.	CR S/P/Tr S/V/O 138/72/60	SR S/Tr/P S/V/O 129/42/79	PL T/P/Tr CR/V/O 110/78/56	HU T/Tr/S CR/O/S 110/69/52
1. I completely agree	38/24/12	48/17/27	42/36/28	53/30/20
2. I agree	63/32/30	65/20/43	53/32/17	41/36/23
Total 1+2	101/56/42	113/37/70	95/68/45	94/66/43
Percentage of positive responses	73/78/ 70	88/88/89	86/87/80	85/ 98 /83

Source: own research

Table 6: Statistical calculations of ST3 by the most important sectors in the V4 countries

Z score: p-value:			
CR: S/M; S/Tr; M/Tr	0.7949	0.7279	0.6031
SR: S/M; S/Tr; M/Tr	0.2005	0.4965	0.4593
PL: T/M; T/Tr; M/Tr	0.6241	0.0643	0.2041
HU: T/Tr; T/S; Tr/S	0.6527	0.2937	0.5755

Source: own research

Table 7: Results of the ST4 by the most important sectors in the V4 countries

ST4: It is imperative to perceive also the environmental impacts of entrepreneurship.	CR S/P/Tr S/V/O 138/72/60	SR S/Tr/P S/V/O 129/42/79	PL T/P/Tr CR/V/O 110/78/56	HU T/Tr/S CR/O/S 110/69/52
1. I completely agree	35/21/14	36/13/26	40/38/29	51/32/21
2. I agree	62/33/26	75/23/44	55/33/18	45/32/22
Total 1+2	97/54/10	111/36/70	95/71/47	96/64/43
Percentage of positive responses	70/75/67	86/86/89	86/91/84	87/93/83

Source: own research

Table 8: Statistical calculations of ST4 by the most important sectors in the V4 countries

Z score: p-value:			
CR: S/M; S/Tr; M/Tr	0.4715	0.6101	0.2937
SR: S/M; S/Tr; M/Tr	0.9601	0.5961	0.6455
PL: T/M; T/Tr; M/Tr	0.3271	0.6745	0.2113
HU: T/Tr; T/S; Tr/S	0.2460	0.4354	0.0873

Source: own research

impact the social system and environmental aspects. The social and environmental impacts of business are not unimportant for these companies. Firms showed a relatively high intensity of agreement with the statement that business's social and environmental impacts are very important. The level of agreement with these statements ranged from 70% to 90%.

The results of the empirical research confirmed that there are (with the exception of ST 2 in Hungary) no statistically significant differences in the positive responses of the respondents. It means that their attitudes towards the defined statements are very similar. The research results follow and enrich the conclusions of the studies that have been presented in the field of sustainable entrepreneurship in the theoretical section (Kumar et al., 2023; Dura et al., 2022; Kim, 2021; Song et al., 2023; Tesovicova & Krchová 2022; Chi et al., 2023; Cárdenas-García & Alcalá-Ordoñez, 2023).

It is probably also possible to accept the perspective of those authors who emphasize the importance of economic factors in the context of sustainable development of SMEs (Chakabva et al., 2021; Krüger & Meyer, 2021; Vukovic et al., 2022; Ruiz-Palomo et al., 2022; Saci & Mansour, 2023; Rostami et al., 2022; Valaskova et al., 2023; Dvorsky et al., 2021; McAlister & Sinha, 2021; Ma et al., 2022; Saks, 2022). It is indisputable that these

attributes can strongly anchor SMEs in a competitive environment, which determines their sustainability in the market.

The survey results indicate a notable consensus across the major sectors in the V4 nations regarding their comprehension of sustainable business expansion and the importance of its social and environmental aspects. The findings suggest that there is a notable degree of understanding about the notion of sustainable growth across diverse industries, as evidenced by favourable responses ranging from 80% to 94%. The aforementioned alignment highlights the collective dedication of firms in the V4 nations to adopt sustainable business practices. This signifies an increasing recognition of the need to incorporate social and environmental factors into their operational frameworks. The lack of statistically significant disparities in the comprehension of sustainable growth among participants further strengthens the notion of homogeneity in the perspectives of businesses in these nations. This underscores the shared awareness within the V4 business environment to promote sustainable practices and principles.

Moreover, the poll findings highlight the increasing agreement among small and medium-sized enterprises

(SMEs) in the Visegrad Group (V4) nations about the significance of pursuing sustainable development. This pursuit extends beyond mere economic considerations and emphasizes encouraging favourable social outcomes and environmental sustainability. The notable percentage of affirmative reactions, varying from 78% to 93%, underscores the collective recognition among enterprises that achieving sustainable growth necessitates a more comprehensive dedication to the welfare of society and the protection of the environment. The lack of significant differences observed within sectors in these replies suggests a unified dedication to ethical and responsible business conduct, highlighting the shared determination of the V4 nations to incorporate sustainability concepts into their operational approaches. The aforementioned collective dedication observed among small and medium-sized enterprises (SMEs) signifies a changing discourse within the international business sphere, highlighting the crucial involvement of companies in advancing sustainable development and tackling urgent social and environmental issues.

According to Sahin et al. (2023), the evaluation of firms' sustainability performance includes environmental, social and governance aspects (ESG). ESG is currently a hot area of scientific research. ESG is increasingly used to evaluate the performance of firms and pension funds, guide investment decisions and inform customer purchasing decisions. ESG scores are used to make informed decisions, assess risks and evaluate a firm's position relative to its competitors. Research on ESG is still evolving (Asif et al., 2023) and the defined standards will also influence the SME segment. Ciciretti et al. (2023) argue that firms with high ESG scores exhibit lower expected returns. This negative ESG premium could be due to the lower risk associated with high ESG scores or could signal investor preferences for firms with high ESG scores. The pressure to value SMEs in the context of ESG scores is expected to become increasingly high, posing a difficult challenge for these firms.

CONCLUSION

This paper intends to define the important attributes of SMEs' sustainable growth and compare the attitudes within the three most important business sectors in the V4 countries. The sustainability of SMEs is a complex process that involves many different factors. SMEs should consider these aspects and integrate them into their strategy and activities to achieve sustainable growth and contribute to a better environment. In our research, we have defined four headings that appropriately define the field of sustainable growth for SMEs.

The main conclusions of the empirical research can be formulated as follows.

The empirical research showed that SMEs in the V4 countries (within the sample of the three most important business sectors) are addressing the issue of sustainable growth in business because they not only understand the concept but also agree that sustainable growth should pursue not only the economic interests of firms but also the positive impact on the social system and environmental aspects. SMEs in the sample confirmed that they care about their business's social and environmental impacts.

The results of the empirical research confirmed that there are no statistically significant differences in the positive answers of the respondents. This means that their attitudes towards the defined statements are at a high level and simultaneously very similar. The limitations of this research can be seen in the limited though representative sample of respondents, as the research was conducted only in the V4 countries. It can also be assumed that the deteriorated international political situation (the war in Ukraine and the related deterioration of the security situation in the world) and the turbulent developments in the economic system (rising energy prices, rising inflation and other factors) may have influenced the attitudes of SMEs. Given the priority focus of SMEs on the internal market, these factors may have been dampened to some extent by government interventions. It can be assumed that the results of this research will enrich the knowledge base in the field of sustainable development of SMEs.

Copyright © European Center of Economic and Social Research (Slovakia). This is an Open Access article distributed under the terms of the [Creative Commons Attribution License](https://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.



REFERENCES

1. Amoah, J., Egala, S.B. Keelson, S., Bruce, E., Dziwornu, R., & Duah, F. A. (2023). Driving factors to competitive sustainability of SMEs in the tourism sector: An introspective analysis, *Cogent Business & Management*, 10:1, 2163796, <https://doi.org/10.1080/23311975.2022.2163796>

2. Asif, M., Searcy, C., & Castka, P. (2023). ESG and Industry 5.0: The role of technologies in enhancing ESG disclosure. *Technological Forecasting & Social Change*, 195 (2023) <https://doi.org/10.1016/j.techfore.2023.122806>
3. Bubenik, P., Capek, J., Rakyta, M., Binasova, V., & Staffenova, K. (2022). Impact of Strategy Change on Business Process Management. *Sustainability*, 14, 11112. <https://doi.org/10.3390/su141711112>
4. Cárdenas-García, P.J., & Alcalá-Ordoñez, A. (2023). Tourism and Development: The Impact of Sustainability—Comparative Case Analysis. *Sustainability*, 15, 1310. <https://doi.org/10.3390/su15021310>
5. Chakabva, O., Robertson T., & Job Dubihlela, J. (2021). Factors Inhibiting Effective Risk Management in Emerging Market SMEs. *Journal of Risk and Financial Management*, 14: 231. <https://doi.org/10.3390/jrfm14060231>
6. Ciciretti, R., Dalň, A., & Dam, L. (2023). The contributions of betas versus characteristics to the ESG premium. *Journal of Empirical Finance*, 71, 104-124. <https://doi.org/10.1016/j.jempfin.2023.01.004>
7. Chi H. P. H., Kiet T. N., & Duc C. T. (2023). Business practices of trade and service firms: Evidence from Vietnam. *Journal of the Knowledge Economy*. <https://doi.org/10.1007/s13132-023-01186-z>
8. Dura, C.C., Iordache, A.M.M., Ionescu, A., Isac, C., & Breaz, T.O. (2022). Analyzing Performance in Wholesale Trade Romanian SMEs: Framing Circular Economy Business Scenarios. *Sustainability* 14, 5567. <https://doi.org/10.3390/su14095567>
9. Dvorsky, J., Belas, J., Gavurova, B., & Brabenec, T. (2021). Business risk management in the context of small and medium-sized enterprises. *Economic Research-Ekonomska Istraživanja*, 34:1, 1690-1708. <https://doi.org/10.1080/1331677X.2020.184458>
10. Górný, A. (2019). Application of the CSR guidelines to improve the working environment. *MATEC Web of Conferences*, 290, 1- 7. <https://doi.org/10.1051/mateconf/20192>
11. Huttmanová, E., & Valentiny, T. (2019). Assessment of the Economic Pillar and Environmental Pillar of Sustainable Development in the European Union. *European Journal of Sustainable Development*, 8(2), 289. <https://doi.org/10.14207/ejsd.2019.v8n2p289>
12. Khan, I., & Akhtar, M. A. (2022, April 15). Are the remittance receipts of the South-Asian region resilient to the Covid-19 crisis? A peek into the future through the past. *Journal of Sustainable Finance & Investment*, 1–20. <https://doi.org/10.1080/20430795.2022.2060175>
13. Kim, S. S. (2021). Sustainable Growth Variables by Industry Sectors and Their Influence on Changes in Business Models of SMEs in the Era of Digital Transformation. *Sustainability*, 13, 7114. <https://doi.org/10.3390/su13137114>
14. Krüger, N. A., & Meyer, N. (2021). The Development of a Small and Medium-Sized Business Risk Management Intervention Tool. *Journal of Risk and Financial Management*, 14, 310. <https://doi.org/10.3390/jrfm14070310>
15. Kumar, C. M., Aravindan, K. L., & Muthaiyah, S. (2023). Entrepreneurial Orientation and Open Innovation Promote the Performance of Services SMEs: The Mediating Role of Cost Leadership. *Administrative Sciences*, 13: 1. <https://doi.org/10.3390/admsci13010001>
16. Ma, J., Li, Z., Liu, Z., Zhang, S., & Lai, W. (2022). Influence of Management Education on Enterprise Scientific and Technological Innovation Based on K-Means Clustering Algorithm. *Hindawi, Mathematical Problems in Engineering*, 2022, 12. <https://doi.org/10.1155/2022/9030862>
17. McAlister, L., & Sinha, S. (2021). A customer portfolio management model that relates company's marketing to its long-term survival. *Journal of the Academy of Marketing Science*, 49, 584–600. <https://doi.org/10.1007/s11747-020-00765-9>
18. Ogujiuba, K. K., Ebenezer O., Boshoff, E. Agholor, I. & Ogujiuba, C. (2023). SMEs, Success, and Capital Startups: Evidence from the Service Sector in South Africa. *Administrative Sciences*, 13, 127. <https://doi.org/10.3390/admsci13050127>
19. Owusu, J., Ansah, W. O., Djan, K. O., & Anin, E. K. (2021). Impact of financial resource building effort on financial resource availability among small and medium enterprises, *Cogent Business & Management*, 8:1. <https://doi.org/10.1080/23311975.2021.1920676>
20. Ruiz-Palomo, D., Fernández-Gámez, M.A., & León-Gómez, A. (2022). Analyzing the Effect of Financial Constraints on Technological and Management Innovation in SMEs: A Gender Perspective. *SAGE Open*, 1-13. <https://doi.org/10.1177/21582440221079925>
21. Pietruszka-Ortyl, A. (2019). The Impact of Organizational Culture for Company's Innovation Strategy. *Marketing and Management of Innovations*, 3, 178-192. <https://doi.org/10.21272/mmi.2019.3-14>
22. Rostami, V., Kargar, H., & Samimifard, M. (2022). The Effect of Managerial Myopia on the Adjustment Speed of the Company's Financial Leverage towards the Optimal Leverage. *Journal of Risk and Financial Management*, 15, 581. <https://doi.org/10.3390/jrfm15120581>
23. Saci, K., & Mansour, W. (2023). Risk Sharing, SMEs' Financial Strategy, and Lending Guarantee Technology. *Risks*, 11, 33. <https://doi.org/10.3390/risks11020033>
24. Sahin, O., Karoline Bax, K., Paterlini, S., & Czado, C. (2023). The pitfalls of (non-definitive) Environmental, Social, and Governance scoring methodology. *Global Finance Journal*, 56, 100780. <https://doi.org/10.1016/j.gfj.2022.100780>
25. Saks, A.M. (2022). Caring human resources management and employee engagement. *Human Resource Management Review*. 32. <https://doi.org/10.1016/j.hrmr.2021.100835>

26. Santos, E. (2023). From Neglect to Progress: Assessing Social Sustainability and DecentWork in the Tourism Sector. *Sustainability*, 15, 10329. <https://doi.org/10.3390/su151310329>
27. Song, W., Ma, Y., Fan, X., & Peng, X. (2023). Corporate environmental ethics and employee's green creativity? The perspective of environmental commitment. *Corporate Social Responsibility and Environmental Management*, 30, 1856-1868. <https://doi.org/10.1002/csr.2459>
28. Stoiljkovic, A., Tomic, S., & Uzelac, O. (2021). Does capital structure affect the differences in the financial performance of small enterprises? *Strategic Management*, 26, 3, 72-80. <https://doi.org.10.5937/StraMan2103072S>
29. Surya, B., Hernita, H., Salim, A., Suriani, S., Perwira, I., Yulia, Y., Ruslan, M., & Yunus, K. (2022). Travel-Business Stagnation and SME Business Turbulence in the Tourism Sector in the Era of the COVID-19 Pandemic. *Sustainability*, 14, 2380. <https://doi.org/10.3390/su14042380>
30. Tesovicova, Z.J., & Krchová, H. (2022). Implementation of Corporate Social Responsibility Environmental Actions in Comparison of Small, Medium, and Large Enterprises in the Slovak Republic. *Sustainability*, 14, 5712. <https://doi.org/10.3390/su14095712>
31. Lozano-Torró, A., García-Segura, T., Montalbán-Domingo, L., & Pellicer, E. (2019). Risk Management as a Success Factor in the International Activity of Spanish Engineering. *Administrative Sciences*, 9, 15, <https://doi.org/10.3390/admsci9010015>
32. Valaskova, K., Gajdosikova, D., & Belas, J. (2023). Bankruptcy prediction in the postpandemic period: A case study of Visegrad Group countries. *Oeconomia Copernicana*, 14(1), 253–293. <https://doi.org/10.24136/oc.2023.007>
33. Vukovic, B., Tica, T., & Jakšić, D. (2022). Sustainable Growth Rate Analysis in Eastern European Companies. *Sustainability*, 14, 10731. <https://doi.org/10.3390/su141710731>
34. Z Score Calculator. [online] [Retrieved January 31, 2023] Available at: <https://www.socscistatistics.com/tests/ztest/default2.aspx>