

## **Familial Logics and Environmental Sustainability**

Nishanthi Kariyapperuma

Waikato Management School, University of Waikato, New Zealand

Email: [nishanthikariyapperuma@gmail.com](mailto:nishanthikariyapperuma@gmail.com)

Associate Professor Eva Collins

Waikato Management School, University of Waikato, New Zealand

[eva.collins@waikato.ac.nz](mailto:eva.collins@waikato.ac.nz)

Dr Steve Bowden

Waikato Management School, University of Waikato, New Zealand

[sbowden@waikato.ac.nz](mailto:sbowden@waikato.ac.nz)

### **Abstract**

*The paper highlights how the application of familial logics is a powerful explanatory lens for understanding variations in the approach of wineries to environmental sustainability. Using institutional logic, the paper first discusses how familial logics impacts the strategic conduct and environmental performance of the firm. The involvement of the family in the business makes family firms adhere to different institutional variables and differentiates their approach to environmental sustainability from that of non-family wineries. We found goals family expect to fulfil with the family business (familial logics) creates unique family resources (“familiness”), which can be utilised as competitive advantages. We argue that while family logics create the environmental intention, “familiness” provide required resources to implement sustainable activities.*

### **Key Words**

Sustainability, Social Issues, Wineries, Institutional Logics, Familial Logics, Environmental Sustainability

## **INTRODUCTION**

The extant literature has documented the engagement of family business in preserving the natural environment (Banerjee, 2001; Greenwood, Díaz, Li, & Lorente, 2010; Uhlaner, Berent-Braun, Jeurissen, & Wit, 2012). At the core of this area of research is the idea that family businesses are different from non-family businesses in their motives and approach to environmental sustainability (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Craig & Dibrell, 2006). However, the field has developed an oversimplified idea that family businesses are homogeneous regarding environmental sustainability. As an example, recent attention has focused on understanding whether family firms perform better related to environmental sustainability compared to their non-family counterparts (Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014; Neubaum, Dibrell, & Craig, 2012). Findings have been mixed, and most scholars have relied on dichotomous variables, thus treating family firms as homogeneous (Chua, Chrisman, Steier, & Rau, 2012). However, a family business operates in an organisational field where family system and the business system interacts (Reay, Jaskiewicz, & Hinings, 2015), creating variations in the response and approach to environmental sustainability response by firms in the same industry (Marques, Presas, & Simon, 2014). This aspect, however, has not been properly captured in the existing literature.

The concept of homogeneous business entities was the result of discussion within the organisational field, which is part of the broader institutional and organisational literature (Reay et al., 2015). The organisational field was identified as creating homogeneous business entities (DiMaggio & Powell, 1983a). DiMaggio and Powell (1983a) defined the organisational field as “those organisations that, in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products” (p 148). Institutional theory and the family business researchers subsequently linked institutional logic, which is a development of institutional theory, and the idea of multiple- coexisting logics (family logic, business logic, and community logics) to explain the pressure coming from various actors in the

field in which family firms operate (Reay et al., 2015; Thornton & Ocasio, 1999; Thornton & Ocasio, 2008).

Some researchers have argued that family firms sacrifice financial goals (business logics: firm exists to make profit) in order to preserve family logics (business exists to satisfy the family goals) (Craig & Moores, 2005), while others suggest a trade-off between these goals (Miller, Breton-Miller, & Lester, 2011). Other researchers, however, have been more focused on understanding familial logics as a dominant logic among other multiple- coexisting logics, such as business and community logics that treat family businesses as homogeneous (Thornton & Ocasio, 1999).

In contrast, Reay et al. (2015) suggested multiple logics can coexist, and moreover can be complementary to each other. Further, utilising the idea of familiness introduced by Habbershon and Williams (1999), Reay et al. (2015) explained how familial logics could be a unique resource for the business (familiness). As resources are unique, this will make it possible to understand the variations in family businesses. For instance, Reay et al. (2015), investigated the behaviour of different types of wineries within the Okanagan region in Western Canada and argued that family goals lead to creating a set of family resources (familiness), which can be utilised to benefit the family firm. However, these authors did not explain what type of family goals (familial logics) could be converted into unique family resources (familiness), hence how such resources could create a unique competitive advantage in a given market.

The purpose of this paper is to **investigate the impact of familial logics on environmental sustainability practices in family business within the wine industry**. The paper is based on the assumption that family businesses are heterogeneous in their approach to environmental sustainability.

The remainder of this article is structured as follows. In the first section, the extant literature is reviewed to explain the reasons for selecting the wine industry as the research context. In the next section, institutional logics is discussed particularly concerning the impact of familial logics in creating unique resources for the family firm. A conceptual model to explain the connection between familial logics and variations in the environmental sustainability of family firm is presented. The findings of the

analysis of the literature that addresses: a) drivers of environmental sustainability of wineries and; b) how familial logics can drive firm environmental behaviour is discussed. Finally, the authors conclude and consider potential implications for future research.

## **RESEARCH CONTEXT**

The wine industry provides a relevant context to study the above research question. First, it offers a multifaceted and rich field to study a range of issues in business management (Orth, Lockshin, & d'Hauteville, 2007), including environmental sustainability. The expansion of the wine industry around the world, including New World countries, such as New Zealand and Australia has led to significant environmental concerns, such as degradation of soil, depletion of groundwater and surface water (Barbora Gabzdylova, John F. Raffensperger, & Pavel Castka, 2009b) and land use, waste disposal (Gabzdylova et al., 2009b). As a result, the wine industry has become a highly scrutinised industry by many stakeholders groups (Gabzdylova et al., 2009b) who demand environmentally sustainable practices. However, some authors have argued that the wine industry gets less attention than "dirty" industries, such as the chemical industry (Gabzdylova et al., 2009b), yet the significant impacts of wineries over the natural environment cannot be neglected.

Second, winemaking and the wine industry is one of the most representative economic activities in many countries (Bresciani, Giacosa, Broccardo, & Culasso, 2016) and the majority of the industry is owned and operated by small to medium family businesses (Bresciani et al., 2016; Brundin & Wigren-Kristoferson, 2013). Further, according to Reay et al. (2015), the wine industry is made up of a large percentage of diverse (small and medium, large, lifestyle, traditional) family businesses operating in the organisational field sharing other similar logics (e.g., regulatory) except familial logics. Therefore, family businesses operating in the wine industry provides an excellent context to study how familial logics leads to variations in the environmental practices of family firms.

Thirdly, the global wine market has become more complex with increasing competition (Garcia, Marchetta, Camargo, Morel, & Forradellas, 2012) and sudden fluctuations in customer demand and supply for products (Golicic, Flint, & Signori, 2017), making strategic decisions increasingly

challenging (Golicic et al., 2017). As discussed, earlier, familiness resulted from familial logics, provide a unique set of resources for the family business, and those resources can be used to create a sustainable competitive advantage in the market. More importantly, family wineries are mostly controlled and governed as a family and passed down through generations (Bresciani et al., 2016). The founder name, family history and the inter-generational land that the winery operates on, all contribute to the brand of the wine (Strickland, Smith-Maguire, & Frost, 2013). The grape growing, winemaking, brewing and many other aspects of wine producing processes are built around the family culture and traditions. Finally, researchers argue that there is a trend of wineries using green labelling, environmental sustainability and organic wines as a competitive tool (Orth et al., 2007).

The above section discussed the relevance of wine industry as a context to discuss the purpose of this paper. The following section briefly explain the process use to select and review the extant literature.

## **RESEARCH METHOD**

The systematic review of the literature was conducted in four phases (Massaro, Dumay, & Guthrie, 2016). The first phase was a general search of relevant literature using different combinations of key search terms. Second, advanced search criteria was used to screen the most relevant journal articles for the review. The third phase included a review of the abstracts and topics, and when necessary, findings and discussion sections of the full journal articles to select the articles for the final step of analysing the articles.

Firstly, a general search of relevant literature using different combinations of key search terms: “winery”, “wineries”, “vineyard”, “environmental practices”, “environmental sustainability”, “family firms”, and “family businesses”. “institutional theory” “institutional logic”. Secondly, the use of advanced search criteria; these criteria were different from Google Scholar (Feather, 1994) to other management databases, such as ProQuest. Therefore, the author used advanced filters: full text, reference available, peer-reviewed, 1953-2018. This search generated 517 articles. The Google Scholar search created 13,200 articles for the same keywords above. However, after omitting books and book chapters and journals and articles focused on the science of wine and winemaking (Oenology), tourism,

marketing and consumer behaviour and succession; and included only those articles with at least one word of “family business” or “family firm” and “institutional logics”, 281 articles remained.

Thirdly, the lead author read the topic, abstract, and when more information was needed, the findings and the discussion sections, to identify the relevance of the article from both databases. After removing duplications, 68 articles remained. These articles integrated environmental practices, family businesses and wineries and included some discussion of the drivers of environmental sustainability in family firms.

## **THEORY DISCUSSION: FAMILIAL LOGICS**

Thornton and Ocasio (2008), separated institutionalism (theory and analysis) from the institutional logics. Institutionalism is defined as the influence of social pressure outside the organisation, both institutionally (family, local community, government), and from a professional environment. As an example, for wine producing family firms operating in New Zealand, the Sustainable Wine Growers New Zealand (SWNZ) is a key part of the professional environment, which provides winegrowers with a framework of environmental guidelines, quality control and assurance for the consumer that the products are made with the minimum impact on the natural environment.

Institutional logics are defined as those social actors provided by institutions (e.g. in a family firm, family members are social actors provided by family institution), who set social norms required to meet conformance by other family members (e.g. founders who are actively involved in the business are required to adhere to the altruistic needs of other family members). By adhering to those norms, founding owners are able to gain legitimacy for their business decisions and performance (Scott, 1995). For example, Thornton and Ocasio (2008) supporting the argument of legitimacy, stated “Institutional logics are more than strategies or of action as they are sources of legitimacy and provide a sense of order and ontological security”(p 108).

Institutional logics also defined as, " the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material

substance, organise time and space, and provide meaning to their social reality." According to Greenwood, Diaz and Lorente, (2010), "institutional logics provide the 'master principle' of society and guide actions" (p 521). These authors further state that logics clearly define the actions and are also linked to the history of the business. More importantly, different organisations do not respond in the same way (homogeneous) to multiple logics in their contexts. This theory supports the argument of this paper, that family businesses are heterogeneous in their response towards the needs and demands of the field.

Many studies have linked institutional logics with actions (Greenwood et al., 2010). For example, institutional logics have been linked with historical contingency power in higher education (Thorton & Ocasio,1999), innovation (Lounsbury & Crumley, 2007) and social responsibility (Ioannou & Serafeim, 2015). Relatively little is known about the impact of institutional logics on family business performance (Greenwood et al., 2010). This paper intends to link the impact of familial logics to the variations in the approach to environmental sustainability by family firms operating in the wine industry.

Familial logics present in the family firms' field influence strategic priorities (Miller, Le Breton - Miller, & Lester, 2011b; Monti & Salvemini, 2014) and firm performance (Dyer Jr, 2006; Peng & Jiang, 2010). Familial logics is identified in the literature as the entrepreneurial orientation of family owners that reflects "nurturing (financial security), generativity (guiding and mentoring of the next generation), and loyalty to the family (protecting the family name) so that family members bestow legitimacy to those who are serving the family needs (D. Miller et al., 2011b) . Familial logics are interconnected and co-exist; therefore, they cannot be studied as isolated variables. For example, the desire of founders to build a sustainable family business satisfies the role of nurturing (by establishing a stable business) and legacy (by transferring a sustainable business to the next generation). In contrast, some authors have argued that the larger the influence of the family in the business, the less institutional control (Miller, Le Breton - Miller, & Lester, 2011a; Reay et al., 2015). To be clear, the focus of this study is the familial logics, not intuitional theory or institutional analysis.

Reay et al. (2015), stated that familial logics could be beneficial and profitable for the family firm when the logic created “familiness”. Familiness has been defined by Habbershon and Williams (1999), as the unique bundle of resources owned and controlled by the family. More importantly, familiness varies across firms and represents potentially unique resources; therefore, it can be considered as a source of sustainable competitive advantage. On the other hand, family goals (family logic) such as, the desire to secure a healthy business for the next generation can drive the firm to engage in more proactive environmental actions. However, actual performance will depend on the unique set of resources owned and control by the firm, such as human capital, finance and the network of relationships with the community. Therefore, the paper argues that familial logic impacts environmental decisions of the firm and can also explain the variations in environmentally sustainable approaches. The conceptual model (refer to the Appendix 1) is developed using the previous literature to explain the relationship between family logics, familiness, competitive advantage and the possible impact on the environmental sustainability.

## **FINDINGS**

The findings from the literature that address: a) drivers of environmental sustainability of wineries and; b) how familial logics can drive the firm’s environmental behaviour are listed below.

### **a) Drivers of environmental sustainability**

Different authors use slightly different classifications regarding drivers of proactive environmental responses. For example, Marshall, Cordano, and Silverman (2005) classified drivers as individual (managerial attitude and norms) and institutional, with sub-classifications including: a) Local institutional networks: associations, suppliers, community group, customers; and b) Regulations. However, Barbora Gabzdylova, John F Raffensperger, and Pavel Castka (2009a) have the same classification with different items composing individual (personal environmental values and employee welfare) and institutional drivers (compliance with current regulations; pre-emption of future regulations and community groups). Dodds, Graci, Ko, and Walker (2013) used the classifications: internal, external and strategic. Appendix 2 summarises the drivers of environmental sustainability



identified by the articles under this review. These drivers resulted in a range of highly proactive (voluntary) to highly reactive (compliance based) environmental actions detailed below.

Personal values have been recognised as a significant driver of proactive strategic environmental responses in family businesses (Delmas & Gergaud, 2014; Marshall et al., 2005). For example, Atkin, Gilinsky Jr, and Newton (2011) stated that one of the key motives of winemakers to engage in environmental sustainability is, “leaving the land in better shape for the next generation” (p 37). Personal values has also been recognised as the main driver by researchers of the New Zealand wine industry (Dodds et al., 2013), as well as the association of the country’s image as “clean and green” (Hughey, Tait, & O'Connell, 2005).

The business case for environmental sustainability was found to be another significant driver. Many researchers recognised strategic, market, regulations, cost leadership and differentiation as key components of the business case for environmental sustainability. For example, Hughey et al. (2005) compared the perception of owners and managers of the New Zealand wine industry regarding the competitive advantages for environmental management systems (EMS), and found businesses with an EMS derived greater supply chain optimisation and operational efficiencies, differentiation and market leadership, and higher levels of commitment to sustainability initiatives even during an economic downturn than those without an EMS. Another example is Berghoef and Dodds (2011) study on the degree of consumer interest in an eco-labelling programme for the Ontario wine industry. The study examined if customers were willing to pay a premium for eco-labelling. They found that most customers do not currently purchase eco-labelled wine; however, more than 90% were somewhat interested in purchasing an eco-labelled wine. This is a growing issue for these companies which relies on green labels to market their products.

The next section of the paper discusses how the application of familial logics explicates the variations in the level of engagement with sustainable environmental activities in family wineries.

## **b) Familial logics and the variations in the environmental sustainability activities**

Globally, family firms dominate the wine industry (Atkin, Remaud, Gilinsky, & Newton, 2012; Bresciani et al., 2016; Brundin & Wigren-Kristoferson, 2013), with 80%-90% family owned/ family controlled. Therefore, one of the key questions raised in this paper is: Does family logics make any difference to family owned and controlled firms in their approach to environmental sustainability? Moreover, if so, what are the drivers influencing family firms' environmental decisions? Sharma and Sharma (2011) argued that due to the unique nature of family involvement in family businesses, drivers of proactive environmental responses in terms of managerial attitudes/values (motivation) and resource allocation decisions to build organisational capabilities (ability), could also be unique and different from that of non-family firms. "Family firms introduce a dynamic of personalised control that is different from the institutionalised control in non-family firms, significantly affecting the strategic orientation and processes of these firms" (Arregle, Hitt, Sirmon & Very, 2007; Chrisman et al., 2005; Miller & Le Breton-Miller, 2005). Appendix 3 summarises the motives of environmental actions unique to family firms. The rest of the section briefly discusses two family business goals (familial logics) that were included in the conceptual model and how these goals can create unique resources (familiness) that can be advantageous for the firm to persuade environmental goals.

### *The transgenerational intention of the family as familial logics (family goal 1)*

Family businesses are oriented around a family (Chrisman, Chua, & Steier, 2003; Chrisman, Sharma, & Taggar, 2007; Chua, Chrisman, & Sharma, 1999; Sharma, Chrisman, & Chua, 1997; Steier, Chua, & Chrisman, 2009) and often family expect to transfer a healthy business to the next generation. Therefore, the family firm is pressured to make long term investments which are beneficial both for the family and the business. As an example, one reason for wineries to invest in environmentally sustainable activities is to preserve the quality of the soil and land for the next generation so they can continue cultivating quality grapes.

Environmentally sustainable activities driven by the transgenerational intention is one of the critical environmental drivers for family business owners (Craig & Dibrell, 2006), which makes them different from non-family business owners. However, the extant literature does not provide insights about the

extent to which a concern for the long-term moderates environmentally sustainable practices (as noted in Miller & Le-Brenton-Miller, 2016; Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Berrone, Gelabert, Fosfuri, & Gomez-Mejia, 2013; Cruz, Larraza-Kintana, Garces-Galdeano, & Berrone, 2014).

***Family desire to preserve its Socioemotional wealth as family logics (Family goals 2)***

Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes (2007), refer to socioemotional wealth as "non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty." Therefore, for family firms the primary reference point is the loss of their socioemotional wealth and to avoid those losses, family firms are willing to accept a significant risk to their performance (Gómez-Mejía et al., 2007, p. 106). This explanation can be applied to the willingness of the founders and other family members to behave more proactively towards the natural environment. For example, Browne, Balan, Lindsay, and Lindsay (2016) explain that small and medium family business in the wine industry has mostly developed their business model driven by non-financial goals. As such, Browne et al. (2016) have concluded, "business model characteristics of small family wine business are centred on nonfinancial characteristics aligned with the concept of socioemotional wealth rather than the traditional financial characteristics associated with business models, that is, those aligned with material success, profitability and/or economic value". Further, according to Brundin and Wigren-Kristoferson (2013), "The family name as an established brand adds a personal touch to the wine"(p 454). Also in the study of small family wineries, their business models and the socioemotional wealth, Browne et al. (2016) found, "the business model characteristics of small family wine business are centred on nonfinancial characteristics aligned with the concept of socioemotional wealth rather than the traditional financial characteristics associated with business models, that is, those aligned with material success, profitability and/or economic value." In conclusion, the family goal to preserve its network of relationships, family's emotional bonds, and family control and involvement in the business, could pressure the family firm to be more socially and environmentally responsible.

The following section briefly summarises the article, including suggestions for four future research areas.

## **CONCLUSION**

Family businesses are unique and different from non-family businesses as they are socially embedded within the family. Institutional theory is a better way to understand a firm's embeddedness. For example, previous research focused on understanding how contextual pressure leads to similarities among family firms (DiMaggio & Powell, 1983b). The divergent nature of family firms operating in the industry has been largely ignored (Reay et al., 2015).

Institutional logic, on the other hand, allows understanding of how multiple logics co-exists within a field. The organisational field of the family firm consists of family logics, business logics and community logics. These logics can be utilised to understand the response of the firm to institutional rules and legitimacy concerns of actors within the field. Family businesses can select, adopt or adapt to these logics. However, what makes one family firm different from another is the set of family goals that the family expects to satisfy through the family business, and how such goals create a unique set of resources (familiness) for the firm. These unique resources can be a sustainable competitive advantage for the firm and determine its social and environmentally responsible behaviour.

The conceptual model highlights how family goals lead to an intention to engage in environmentally sustainable activities, and how familiness provide resources required for family firms implementing their environmental intentions. The conceptual model developed here is unique because it captures differences between environmental intention and environmental performance of the firm. As different families own different resources in terms of human capital, social capital and other resources, variations will arise in the actual environmental performance of the firm. Hence, familial logic and familiness is a way to explain the variations in the environmental approach of family firms.

## **FUTURE RESEARCH AREAS**

Four future research directions were identified from the structured literature review. First, the theory of institutional and familial logics can be applied in multilevel analysis, including founders level (individual), family level, firm level and community level (stakeholders and other multiple logics in the field) (Thornton & Ocasio, 1999). Future researchers can empirically examine how familial logics explicate variations in sustainability initiatives in a multilevel analysis.

Secondly, the social and demographic changes that take place in the family and among family members influences their needs and expectations of the family firm. For example, the next generation of family members who have working experience in external business organisations might bring different environmental expectations to the family business. Therefore behavioural norms set by one generation of family members could evolve with the next generation. (Axelrod, 1986) .

Thirdly, future researchers can empirically review the strategies utilised by New World? family wineries attempts to overcome the disadvantage of not having any traditional winemaking strategies and long-held family norms. They can benefit from understanding various strategies followed by the New World countries, such as using the family itself, and their socio-emotional wealth as unique resources (inimitable) (Le Breton–Miller & Miller, 2006) to achieve lasting competitive advantage in the market.

Finally, future researchers can empirically study how familial logics can create a unique set of resources for the business and how such resources will create a sustainable competitive advantage for family firms. For example, long term orientation has been discussed frequently in the family business literature. However, most authors failed to establish a reliable means to assess one's transgenerational intention and the relationship with long term investment, such as investing in environmentally sustainable activities. In summary, As family business is treated heterogeneously, a wealth of knowledge will limit our understanding of variations within the social and environmental behaviour of family firms. Therefore this article yield a wealth of knowledge using familial logics as an explanation of the differences between family firms environmental intentions and environmental performances.

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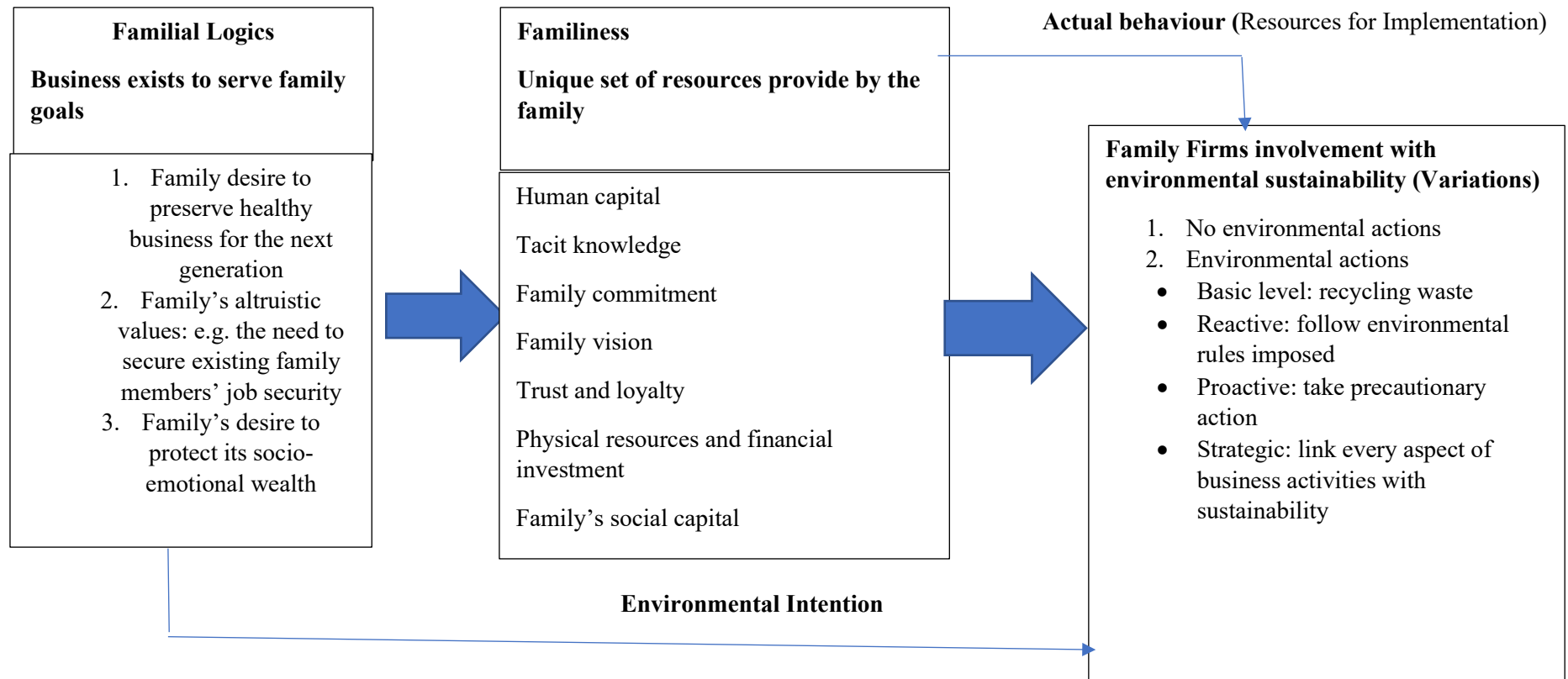
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**APPENDIXES**

**Figure 1: Conceptual Model Linking Familial Logics and Environmental Sustainability in Family Business**



## Appendix 2

*Table 1: Drivers of environmental responsibility in the wine industry*

Main classifications	Sub-classifications	Items	Authors
Personal/ Individual/ Voluntary drivers		<ul style="list-style-type: none"> <li>• Personal environmental values</li> <li>• Preferences</li> <li>• Satisfaction with profession</li> <li>• Managerial attitudes</li> <li>• Norms</li> <li>• Concern for the land, social responsibility, protection of agricultural land</li> </ul>	(Gabzdylova et al., 2009b) (Marshall et al., 2005), (Cambra-Fierro, Hart, & Polo-Redondo, 2008; Dodds et al., 2013; Gilinsky, Santini, Lazzaretto, & Eyler, 2008)
Corporate drivers/ Internal Drivers	Internal/ Strategic	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Leadership</li> <li>• Social responsibility</li> <li>• Size</li> <li>• Cost savings</li> <li>• Improved operations</li> <li>• Eco-labelling</li> <li>• Competitive advantage</li> </ul>	Gabzdylova, B., Raffensperger, J. F., & Castka, P. (2009).;(Atkin et al., 2011; Berghoef & Dodds, 2011; Cambra-Fierro & Ruiz-Benítez, 2011; Dodds et al., 2013; Flint & Golicic, 2009; Pomarici, Vecchio, & Mariani, 2015)
	Market	<ul style="list-style-type: none"> <li>• Customer demand</li> <li>• Competitive positioning (NZ Clean – Green)</li> <li>• Regulations/compliance requirements of crucial export destinations (for NZ, compliance with the US )</li> </ul>	Gabzdylova, B., Raffensperger, J. F., & Castka, P. (2009).;(Schäufele, Pashkova, & Hamm, 2018)
Institutional drivers	Stakeholders(Marshall et al., 2005)	<ul style="list-style-type: none"> <li>• Owners</li> <li>• Shareholders</li> <li>• Customers</li> <li>• Wholesales</li> <li>• International business</li> <li>• Employees</li> </ul>	Gabzdylova, B., Raffensperger, J. F., & Castka, P. (2009)(Cordano, Marshall, & Silverman, 2010).;
	Local institutional network)	<ul style="list-style-type: none"> <li>• Associations</li> <li>• Supplies</li> <li>• Community</li> <li>• Customers</li> </ul>	Gabzdylova, B., Raffensperger, J. F., & Castka, P. (2009).;
	Regulations	<ul style="list-style-type: none"> <li>• Compliance with current regulations</li> <li>• Pre-emption of future regulations</li> <li>• Overseas regulations/primary export market</li> </ul>	Gabzdylova, B., Raffensperger, J. F., & Castka, P. (2009).;

Perceived benefits of implementing an environmental management system( business case for sustainability)	Cost leadership Differentiation, competitiveness	<ul style="list-style-type: none"> <li>• Resilience</li> <li>• Supply chain</li> <li>• leveraging the brand, telling a story, managing supply chain relationships, and experimenting with sustainability,</li> </ul>	(Atkin, Gilinsky Jr, & Newton, 2012; Flint & Golicic, 2009; Golicic et al., 2017)
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### Appendix 3:

*Table 2: Environmental drivers unique to family firms*

	<b>Familial logics</b>	<b>Findings</b>	<b>Author/s</b>
1	Long-term orientation (LTO)	<ul style="list-style-type: none"> <li>• Family ownership has a moderated–mediated relationship with PES;</li> <li>• Long-term orientation is a mediator.</li> <li>• The founder's transgenerational intention drove LTO.</li> <li>• LTO was positively associated with innovativeness, proactiveness, and autonomy, but negatively associated with risk-taking and competitive aggressiveness.</li> <li>• Commitment as a moderator.</li> <li>• LTO was a higher-order heuristic that, in matters of intertemporal choice, provided a dominant logic for decisions and actions.</li> </ul>	Dou, Su, and Wang (2017); (Lumpkin & Brigham, 2011; Lumpkin, Brigham, & Moss, 2010)
2	Family commitment		
3	Transgenerational intention	<ul style="list-style-type: none"> <li>• A significant driver of eco-certification adoption.</li> <li>• Moderated relationship with quality motivations.</li> <li>• Positive correlation with non – financial goals of the firm</li> </ul>	Craig et al. (2014); Zellweger, Kellermanns, Chrisman, and Chua (2012)
4	Social embeddedness; Place - physical, emotional embeddedness	<ul style="list-style-type: none"> <li>• The firm is profoundly embedded in the social community, the higher the environmental performance focus.</li> <li>• Better environmental performance than their non-family counterparts, particularly at the local level, local roots have a positive and highly significant impact on environmental performance for family-controlled firms.</li> </ul>	Dekker& Hasso (2016) Shrivastava & Kennelly (2013); Berrone et al. (2010)
6	Socio-emotional wealth (SEW); identification with the family	<ul style="list-style-type: none"> <li>• Given their SEW bias, family firms have a positive effect on social dimensions linked to external stakeholders, yet hurt internal social aspects.</li> <li>• To protect SEW, family firms engage in more proactive natural environmental responsibility activities and reporting.</li> </ul>	Cruz, et al. (2014); Campopiano and Massis (2015); Cennamo, Berrone, Cruz, & Gomez–Mejia(2012); Newbert and Craig (2017); Berrone et al. (2010); Zellweger et al. (2012)
7	Family involvement (high, low)	<ul style="list-style-type: none"> <li>• Dominant coalition influenced by the high involvement of families with lower relationship conflicts exhibits</li> </ul>	Cabeza-García, Sacristán-Navarro, and Gómez-Ansón (2017); Uhlaner et al. (2012),

		<p>more positive attitudes towards proactive environmental response.</p> <ul style="list-style-type: none"> <li>• Engagement in firm philanthropy increases with family involvement in ownership.</li> </ul>	<p>Sharma and Sharma (2011); Campopiano, De Massis, and Chirico (2014); Berrone et al. (2010); Lumpkin, Martin, and Vaughn (2008),</p>
8	<p>Values of the founders; identification, commitment, and ecological motivation</p>	<ul style="list-style-type: none"> <li>• Environmental values were found to have a modest influence on ecological advocacy (leaders' values were more eco-centric, open to change and self-transcendent)</li> </ul>	<p>Marques, Presas, &amp; Simon, (2014) Fryxell and Lo (2003); Egri and Herman (2000); Gallo, (2004); Sánchez-Medina and Díaz-Pichardo (2017)</p>