

Chapter 28

The Quadruple Sustainability: Economic, Social, Environmental, and Family

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ABSTRACT

This chapter analyzes the relationship between ownership structure and sustainability performance adopting the socioemotional wealth approach. This work extends previous literature on the topic by considering the three dimensions of sustainability performance: economic, social, and environmental. Analysis with the matching technique revealed that being a family firm has a positive effect on economic profitability, growth sales, employees training and commitment, investment in R&D, environmental commitment, and cooperation agreements with external partners. The authors use a sample of Spanish firms operating in the tourism industry.

INTRODUCTION

As social and environmental pressures have increased in recent decades, motivated by various scandals and illicit practices, corporate responsibility and sustainability have received growing attention in the literature. In this context, firms are called to act not only as economic agents, but also as important contributors to the solution to social and environmental global issues (Matten & Crane, 2005).

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Despite the interest these issues have attracted in recent decades, academia tends to focus on the analysis of large corporations (Collier & Fuller, 2005), while the role of family business (FB) is relatively sidelined and still deserves more study (Bergamaschi & Randerson, 2016). The authors conceive family firms as those in which multiple members of the same family serve jointly as owners and managers (Miller & Le Breton-Miller, 2005).

The prominence and contribution of FBs to the global economy (Chua et al., 2003; Samara et al., 2018), and specifically in the tourism sector (Memili et al., 2015; Memili et al., 2018), where FBs are clearly predominant, only serves to heighten this need for analysis.

Though still in its infancy, research has begun to unravel with increasing interest the diffusion of sustainability in FB (Lamb & Butler, 2018; Nekhili et al., 2017). The sustainability approach (Brown et al., 1987) encompasses business efforts towards the longer-term benefit to stakeholders of all internal and external organizations (Le Breton-Miller & Miller, 2016; Porter & Kramer, 2006), in economic, social, and environmental terms, and all with equal relevance (Elkington, 2004).

In this vein, the extant literature suggests that the antecedents, results, and triggers underlying sustainable FB patterns differ from those manifested in non-family businesses (NFB) (Campopiano & De Massis, 2014).

The tourism sector is an economic activity with a broadly positive impact on growth and employment (Juul, 2015). However, the concentration of tourists in a set geographical area can also result in a higher risk of damage to natural ecosystems (Aall, 2011). Therefore, considering these tourism firms' dependence on the natural resources of the destination, sustainability is posited as a key condition for both the competitiveness of firms' and destinations alike (Prud'homme & Raymond, 2016).

Specifically, diagnosis of economic, social, and environmental performance of tourism businesses and the factors determining their progress is vital for helping private agents develop the differentiation capacity to place themselves competitively on a level with global competition, thereby ensuring their continuity. Public agents also need to be involved in creating an atmosphere of cooperation and engagement of these businesses in public goods problems and necessities (Bergamaschi & Randerson, 2016).

However, despite the importance of FBs in tourism, research in this area has only been carried out incidentally (Getz & Carlsen, 2005). The aim of this research lies precisely in determining the sustainability performance of the tourism sector based on an analysis of its economic-financial results, comparing FB with NFB. The authors consider that an FB is a firm where a family exerts power over the organization and its strategic direction through ownership, management, or board positions (Pieper, Klein, & Jaskiewicz, 2008).

FBs have peculiarities that lend another dimension to the sustainability construct because they include an additional specific group of stakeholders: the family. In this vein, the presence of family members affects values and culture, governance mechanisms, and strategic positioning. In order to explain the FB attitude to sustainability, the authors ground this analysis in socioemotional wealth (SEW) (Gómez-Mejía et al., 2007; Marques et al., 2014) and, specifically, in the FIBER model by Berrone et al. (2012). The five dimensions included in their model enable the description of both positive and negative effects of family involvement in ownership and management on economic, social, and environmental performance, building on previous studies by Kellermanns et al. (2012), Breton-Miller & Miller (2016), and Samara et al. (2018).

Among the most important characteristics and values integrated in these dimensions, it is important to emphasize long-term orientation (e.g., Le Breton-Miller & Miller, 2006) and the desire to keep the family dynasty in the business across generations (Kim et al., 2017); family cohesion; altruism linked to

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