Sustainability practices of family firms: the interplay between family ownership and long-term orientation

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Abstract:

Sustainability practices are critical for family firms, as they relate directly to the continuity of the business and relationships with important stakeholders, such as members of the local community. Nevertheless, not all family firms wish to adopt sustainability practices. To examine this, we draw upon the socioemotional wealth perspective in order to develop a theoretical model of the direct negative effects of family ownership on the adoption of sustainability practices. We also suggest moderating effects of long-term orientation (LTO) on this link. Our model is tested on a sample of 195 family firms in the tourism and hospitality sector. The results support our hypothesis that family ownership negatively influences the adoption of sustainability practices. Additionally, LTO moderates the relationship between family ownership and the adoption of sustainability practices, such that family owners with a high LTO are more likely to adopt this particular practice compared to those with a low LTO.

Keywords: sustainability practices | family firms | long-term orientation | hospitality | tourism

Article:

Introduction

Many firms around the world are owned and operated by families (Becchetti & Trovato, 2002; Memili, Fang, Chrisman, & De Massis, 2015; Schulze & Gedajlovic, 2010). Family governance, particularly through family ownership, can lead to strategic decisions and activities such as the adoption of sustainability practices, which distinguish family firms from non-family firms and result in heterogeneity among family firms (Chua, Chrisman, & Sharma, 1999; Chua, Chrisman, Steier, & Rau, 2012; De Massis, Kotlar, Chua, & Chrisman, 2014; Fang, Randolph, Memili, & Chrisman, 2016; Melin & Nordqvist, 2007). Many family firms exist in order to achieve family-centered goals such as family unity, continuity and employment for family members, although profit maximization may not be the primary goal (Gomez-Mej ıa, Haynes, Nunez-Nickel, Jacobson, & Moyano-Fuentes, ~ 2007). The achievement of family-centered goals can lead to the preservation of socioemotional wealth (SEW); loss of SEW can result in diminished or lost intimacy, lowered status and the inability to meet family expectations

(Gomez- Mejıa et al., 2007). Therefore, when economic goals compete with non-economic ones, they tend to generate complexities in family governance, strategic decisions and firm behavior.

Families may have greater influence on the strategies and behavior of their firms in countries with emerging and fast-growing economies such as Mexico, Indonesia, Nigeria and Turkey (MINT), where they face challenges in raising financial capital. For this reason, they have to rely substantially on survivability capital (i.e. a pool of personal resources used by family members for the benefit of the family business) or even psychological capital (Memili, Welsh, & Luthans, 2013). Depending on the size of the family and/or the firm, any form of capital may vary and be limited, unlike in larger families and/ or firms, which often have easier access to equity and debt markets. In addition, human and social capital may be limited in emerging and MINT economies in the adjustment or growth stage that may naturally elevate the importance of and reliance on family involvement in the business, which in turn affects firm strategies and activities, such as sustainability practices in particular.

Sustainability practices are guided by ethical considerations and can include corporate governance (e.g. corporate social responsibility initiatives; periodic policy and practice reviews to assure alignment with the firm's vision, mission and ethical standards; and development of a culture of innovation to benefit society), workplace practices (e.g. a firm culture of fairness and equity and enforcement of occupational health and safety standards), environmental protection (e.g. resource conservation, carbon footprint reduction, recycling and use of renewable energy), community engagement (e.g. aligning business practices with community needs and involving community members in decisions that impact its members) and stakeholder engagement (e.g. ongoing reciprocal relationships with stakeholders) (Global Sustainable Tourism Council, 2007). Similar to literature on family firms, research on sustainability is relatively new despite its importance to the continuity and prosperity of businesses (Alonso-Almeida, Bagur-Femenias, Llach, & Perramon, 2015; Pereira-Moliner et al., 2015; Saarinen, 2006).

Sustainability practices may be particularly important to family-owned and managed businesses for a number of reasons. First, they can help the owning family develop a positive reputation in the community and establish relationships with stakeholders, especially those in the external environment. They can also facilitate continuity of a family firm across generations (Andersson, Carlsen, & Getz, 2002; Carlsen, Getz, & Ali-Knight, 2001; Getz & Carlsen, 2000, 2005; Getz & Petersen, 2005; Gomez-Mej ıa et al., 2007; Le Breton-Miller & Miller, 2006). Despite their importance, we do not yet have sufficient information on the determinants of sustainability practices in the context of family firms.

To extend this line of research, this paper examines two research questions: (1) What is the causal relationship between family ownership and sustainability practices? (2) What role does long-term orientation (LTO) play in the relationship between family ownership and sustainability practices? Family business researchers generally agree that family ownership allows them to exert a significant influence on firm strategies and behaviors (Anderson & Reeb, 2003; Chrisman, Chua, & Litz, 2004; Chrisman, Chua, Pearson, & Barnett, 2012; Chrisman, Chua, & Steier, 2005). With this in mind, we focus on family ownership as a direct indication of a family's ability and willingness to use its influence to affect firm strategies and behavior in the form of sustainability practices (Chrisman, Chua, De Massis, Frattini, & Wright, 2015; De Massis et al., 2014).

In general, it is expected that, although family owners may have the power, legitimacy and authority to apply sustainability practices by virtue of their equity rights in the firm, they might hesitate to implement such new practices, if they require capital investment, compliance

with rules and regulations, dependence on external resources and experts, and a potentially greater risk of lowering SEW by diminishing family control (Berrone, Cruz, & Gomez-Mejia, 2012; Gomez-Mej ıa et al., 2007, 2011; Konig, Kammerlander, & Enders, € 2013). Nevertheless, an LTO with a focus on future generations can relax the negative effects of family ownership on sustainability practices by increasing members' willingness to pursue such activities with future generations in mind. An intention to maintain family control in the long run suggests that a firm is more likely to possess a vision for how a family will contribute to the development of unique resources and behaviors that can be leveraged by the firm (Chrisman, Chua, & Litz, 2003). As Le Breton-Miller and Miller (2006) indicate, family firms that intend to maintain a linkage between the family and the business, behave in a way that places greater priority on the long-term health of the firm than might otherwise be the case. We, therefore, hypothesize that LTO will moderate the relationship between family ownership and the adoption of sustainability practices, such that family business owners with a high LTO will be more likely to adopt sustainability practices than those with a low LTO.

We develop and test our model on a sample of 195 family and non-family firms in the tourism and hospitality sector. Specifically, we examine the family firm-specific determinants of sustainability practices. We aim to shed light on the advantages and disadvantages of a family's involvement in the business, particularly because empirical work capturing both dimensions remains limited. Our study, therefore, introduces a moderation model of sustainability practices in family firms where we hypothesize that LTO is the key to transforming the negative impact of family ownership into a positive one that can lead to the adoption of sustainability practices.

Theory and hypotheses

Sustainability practices

Because sustainability concerns are relatively new (Saarinen, 2006), sustainability lacks a clear definition and operationalization in research. Definitions vary according to industrial settings, institutions and market environments that impact the effectiveness and legitimacy of sustainability practices (Bramwell & Alletorp, 2001; Clarke, 2004; Erkus-¸ Ozt € urk & Erayd € ın, 2010; Mensah, 2006; Sharma & Henriques, 2005). We define sustainability as the pursuit of prosperity in the organization in the context of the external environment (Sharma & Henriques, 2005). Thus, sustainability practices are organizational endeavors and managerial approaches that help achieve success in the long run.

These broad criteria reflect the multidimensionality of sustainability practices: they may involve multiple stakeholders and encompass both efficiency in the productive process and equity in the distributive process (Aras & Crowther, 2008; Sharma & Henriques, 2005; Shrivastava, 1995). The adoption of sustainability practices as a strategic action is expected to be driven initially by the various goals of firm owners and stakeholders, while implementation is substantively supported by the resource composition of an organization (Aragon-Correa, Martin-Tapia, & de la Torre-Ruiz, 2015; Cyert & March, 1963; Dewhurst & Thomas, 2003; Melissen, van Ginneken, & Wood, 2016; Prud'homme & Raymond, 2016; Sardianou et al., 2016; Tzschentke, Kirk, & Lynch, 2008; Waligo, Clarke, & Hawkins, 2013). Journal articles focusing on sustainability in hospitality and tourism are summarized in Table 1.

Family governance and strategic choices: an SEW perspective

We draw upon the SEW perspective to explain how the adoption of sustainability practices can be affected by family governance, since family firm behavior is shaped by the family's desire to preserve socioemotional values (Chua et al., 1999; Gomez-Mej ıa et al., 2007). Family firms tend to favor strategies that can help maintain these values (Chrisman et al., 2012) and avoid strategies that can put them at risk (Chrisman & Patel, 2012; Gomez-Mej ıa et al., 2007). In some cases, however, family owners may wish to protect those values at the expense of economic goals and are able to do so simply because they own the firm.

This perspective assumes that multiple non-economic goals may exist in a family business (Kotlar & De Massis, 2013). Berrone and colleagues (2012) identify the non-economic goals of owning families as the willingness to exercise authority and to influence the emotional value of owning a firm, family members' identification with the firm, the reputation of the family in the local community, and the renewal of family bonds with the firm through dynastic succession. These goals are not always convergent (Shepherd & Haynie, 2009). For instance, reputation concerns of the owning family may contradict the control concerns of the business (Reay, Jaskiewicz, & Hinings, 2015), especially when the owning family enhances its control by excluding external experts from the business, thereby risking the firm's reputation in the long run. Indeed, the multiplicity of the owning family's non-economic goals may create such a dilemma that family owner-managers need to prioritize their goals and objectives (Kotlar & De Massis, 2013; Kotlar, Fang, De Massis, & Frattini, 2014).

The primary logic that has been emphasized in the family business literature is LTO, defined as the tendency to prioritize the long-range implications and impacts of decisions and actions that come to fruition after an extended time period (Lumpkin & Brigham, 2011). The intention to sustain family governance across generations has been highlighted as a distinguishing feature of family firms (Chua et al., 1999) that can affect family owners' perceptions of the monetary value of their firms (Zellweger, Kellermanns, Chrisman, & Chua, 2012), the employment of non-family managers (Fang et al., 2016) and strategic decision-making (Gentry, Dibrell, & Kim, 2014).

Given the multiplicity of non-economic goals in the family business, LTO is extremely crucial. LTO can help simplify judging criteria among strategic alternatives when facing complex situations. In this regard, the LTO of the owning family may enable the decision-makers of the firm to interpret, value and act on information, thus guiding a family firm's decision-making process (Meyer & Heppard, 2000). LTO guides family business leaders in reaching decisions in circumstances where issues are complex and where family shareholders and stakeholders have conflicting interests (Gino, Moore, & Bazerman, 2009; Shepherd & Haynie, 2009) and prioritizing non-economic concerns that will help sustain the family's governance in the long run (Lumpkin & Brigham, 2011). Thus, in a family business with high LTO, the decision-makers may favor strategies that can reconcile continuity and sustainability concerns, recognize and respond to internal and external stakeholders, and maintain a positive image and reputation.

In this study, we follow the SEW view in arguing that a family owner's tendency to adopt sustainability practices is affected by non-economic concerns. We also argue that LTO can work as the dominant logic such that given high LTO, strategic decisions in the family business may be skewed toward those goals that are aligned with the family's prosperity in the long run.

Table 1. Studies on sustainability in tourism and hospitality

Author(s)	Year	Journal	Main theme	Method/sampling
Getz and Carlsen	2000	TM	Goals of owner-operated businesses in the rural tourism and hospitality sectors	Questionnaire survey/198 owner-operated businesses in Western Australia
Carlsen et al.	2001	JOST	Environmental goals of family-owned/operated tourism businesses	Questionnaire survey/198 owner-operated businesses in Western Australia
Bramwell and Alletorp	2001	IJTR	Government intervention, industry self-regulation and types of sustainable tourism practices currently adopted by tourism organizations	Interviews/47 tourism organizations in Denmark
Devhurst and Thomas	2003	JOST	Attitudes of small tourism firms to the challenges of sustainable tourism and environmental performance	Interviews/54 small tourism firms in Yorkshire Dales National Park, UK
Clarke	2004	JOST	Trade associations' role in influencing sustainability practices among SME tourism businesses	Postal survey/17 national trade associations with a tourism-related membership in UK
Mensah	2006	IJHM	Environmental sustainability	Questionnaire survey/52 hotel managers in Accra region of Ghana
Global Sustainable Tourism Council	2007	GSTC Report	Global Sustainable Tourism Criteria	GST criteria proposed
Tzschentke et al.	2008	IJHM	Environmental sustainability	Interviews/30 lodging operations in Scotland
Erkuş-Öztürk and Eraydın	2010	TM	Role of governance networks in environmental sustainable tourism	Interviews/25 tourism associations, 24 tour operators and 6 airline companies in Antalya, Turkey
Waligo et al.	2013	TM	Attraction, integration and management of stakeholder involvement in the implementation of sustainable tourism	Interviews/ 40 tourism-related stakeholders in UK
Aragon-Correa et al.	2015	IJCHM	Relationship between the natural environment and management in hospitality and tourism firms	Literature review
Pereira-Moliner et al.	2015	IJCHM	Environmental proactivity and business performance	Questionnaire survey/350 hotel managers in Spain
Alonso-Almeida et al.	2015	CIT	Sustainable management practices: quality, environmental and social practices	Interviews/374 restaurant managers in Spain
Sardianou et al.	2016	EDS	Factors affecting economic, social–cultural and environmental sustainability	Questionnaire survey/287 tourism entrepreneurs in Greece
Prud'homme and Raymond	2016	IJCHM	Environmental, social and economic aspects of sustainable development	Interviews/five hotels in Canada
Campopiano et al.	2016	IJCHM	Effects of family social capital on engagement in the entrepreneurial process in hospitality and tourism new ventures, and its relationship with environment-related motivations	Online survey/2923 university students
Melissen et al.	2016	IJHM	Implications of hotel ownership and management on adoption of sustainability practices	Literature review/conceptual discussion

Family ownership and sustainability practices

Family ownership is significant when "a family owns all or a controlling portion of the business and plays an active role in setting strategy and in operating the business on a day-to-day basis" (Kelly, Athanassiou, & Crittenden, 2000, p. 27). In many family firms, ownership and management are unified (Carney, 2005; Gersick, Davis, Hampton, & Lansberg, 1997; Lubatkin, Schulze, Ling, & Dino, 2005); concentrated ownership allows family members to have control rights over the firm's assets, and these rights are often exercised to influence and dominate decision-making processes in the organization (Carney, 2005; Chrisman et al., 2012). Higher levels of equity rights increase family business owners' ability to influence their firm's strategies and behaviors (Chrisman et al., 2015; De Massis et al., 2014; Zahra, 2003).

Family ownership may suppress sustainability practices for a number of reasons, one of which is particularism (Carney, 2005), meaning that the family is likely to maintain the status quo. Indeed, one important non-economic goal of family businesses is to maintain family-centered traditions and a legacy across generations (Jaskiewicz, Combs, & Rau, 2015). In such cases, family firms may refrain from adopting sustainability practices, as their implementation often requires innovation and a degree of risk. Family firms tend to be less innovative in research and development (R&D) investment (Block, 2012), less autonomous and proactive, and less inclined to take risks in corporate entrepreneurship (Short, Moss, & Lumpkin, 2009) unless the business is under significant threat (Chrisman & Patel, 2012). Practices that deviate from past strategies may, therefore, be perceived as a violation of family tradition and history and met with resistance by family owner-managers. Under certain circumstances, family firms may choose to deviate from their longstanding traditions, especially when their SEW is under threat (Chrisman & Patel, 2012; Gomez-Mej ıa et al., 2007). However, the general impression is that family owners are risk-averse and prefer proven strategies and activities to new pursuits (Lumpkin & Brigham, 2011).

Sustainability practices often require restructuring the business by shedding old resources and acquiring new ones (Sirmon & Hitt, 2003) and leveraging and bundling those resources (Sirmon, Hitt, & Ireland, 2007, 2008, 2011), but family members may have emotional attachments to familyendowed resources (Konig et al., € 2013; Zellweger & Astrachan, 2008; Zellweger et al., 2012). These emotional ties can reduce the likelihood of a restructuring that may be required for implementing new practices such as sustainability. Family firms are less likely than firms that are not family-owned to end the tenure of their employees – especially those who are family members, making the process of shedding old (human) and acquiring new (human) resources much more difficult (Cruz, Gomez- Mejia, & Becerra, 2010; Schulze, Lubatkin, Dino, & Buchholtz, 2001, 2003). Yet employing non-family professionals may be particularly important in the adoption of sustainability practices. Emotional ties to existing resources can also reduce the willingness of family firms to adopt new technologies that are necessary to achieve sustainability (Konig et al., € 2013). This may in turn limit the scope of their sustainability initiatives and cause them to refrain from training and involving stakeholders in sustainability efforts (Morck & Yeung, 2003).

Consistent with previous studies, we believe a family's control over a firm's decision-making is built upon the family's ownership. Indeed, the family's propensity to use the firm to pursue its particularistic goals increases in a manner that parallels increases in family ownership (Chrisman et al., 2012). In this regard, higher levels of family ownership empower the family as the ultimate authority and allow the family to project its vision onto the business (Carney, 2005). In the absence of accountability to third parties, the owning family has the liberty to pursue family agendas with non-economic goals and resource parsimony without internal or external constraints (Carney, 2005). Based on the central position of family ownership, we suggest:

> **Hypothesis 1**: Family ownership is negatively related to the adoption of sustainability practices in family firms in the tourism and hospitality sector.

Family ownership, long-term orientation and sustainability practices

While our baseline hypothesis suggests that sustainability practices may not be favored by family business owners due to the risk-averse nature of family governance and the presence

of family-centered non-economic goals, it is important to note that not all family firms are alike. One key factor distinguishing successful family firms from others is LTO (Miller & Le Breton-Miller, 2005). While some family firms embrace LTO, it is not likely to exist at the same level across all family firms. The presence of LTO may direct attention to family-centered non-economic goals that are consistent with the longterm prosperity of the family as well as society as a whole.

Many successful family firms exhibit longer term planning horizons (e.g. Burkart, Panunzi, & Shleifer, 2003; James, 1999; Miller & Le Breton-Miller, 2006; Miller, Le Breton-Miller, & Scholnick, 2008; Sirmon & Hitt, 2003; Zellweger, 2007). An LTO is complementary to the trans-generational control advocated by successful family businesses (Corbetta & Salvato, 2004) and has been depicted as a unique resource for family firms to achieve a competitive advantage (Sirmon & Hitt, 2003). In addition, it may reflect an enduring value of a family firm that contributes to its success (Memili, Eddleston, Zellweger, Kellermanns, & Barnett, 2010a, 2010b; Zellweger et al., 2012). Specifically, family firm owners with high LTO often build companies that are resistant to faddish trends (Craig, Dibrell, & Davis, 2008) by promoting the longstanding nature of the family firm with continuous family involvement and steadfast investment strategies. In this paper, we focus on three facets of LTO (continuity, community and reputation) and examine their moderating effects on the link between family ownership and sustainability practices.

For family owners with high LTO, the business is often considered a vehicle for achieving continuity by nurturing the family's future in terms of providing jobs, security and income for the next generation (Miller, BretonMiller, & Lester, 2010). Continuity intentions generally facilitate longevity efforts led by family business owners who wish to transfer their businesses to the next generation and keep wealth in the family (Konig et al., € 2013).

Indeed, high LTO may motivate family owners to invest in the business for continued prosperity and growth (Gomez-Mej ıa et al., 2007; Miller et al., 2008). Sustainability practices can help families improve the financial performance of their firms. They may also help attract external (non-family) talent (Turban & Greening, 1997). In this way, sustainability practices can enhance stakeholder relationships (Miller et al., 2008), which can in turn benefit the business in the long run.

In addition, high LTO in a family business often nurtures the development of enduring relationships with important stakeholders (e.g. community), particularly customers and employees (Aronoff & Ward, 1995; Dick & Basu, 1994; Fang, Randolph, Chrisman, & Barnett, 2013; Habbershon & Williams, 1999; Lyman, 1991; Sharma & Henriques, 2005). Because sustainability is important for the long-term prosperity of a business as well as the society in which it functions, firms adopting sustainability practices can intentionally design products that demonstrate environmental sensitivity. Concern for the long haul encourages family firm leaders to build customer loyalty (Miller et al., 2008) and to develop an image that stresses quality and customer service (Memili, Eddleston, Kellermanns, Zellweger, & Barnett, 2010b; Sundaramurthy & Kreiner, 2008; Zellweger et al., 2012). When firms establish enduring relationships with their customers, the customers tend to purchase more, spend less time in the purchasing process, be less price sensitive, and have a positive influence on purchase decisions of other potential customers through word-of-mouth (Reichheld, 1996). By the same token, a firm's commitment to sustainability practices can demonstrate to their customers that the firm is there for the long haul and is committed to serving their needs while contributing to the long-term prosperity of the community and society at large.

The adoption of sustainability practices may also help members of the owning family to strengthen their relationships with non-family employees. Employee concerns may be particularly important to family firms, considering the challenges of hiring competent and skilled employees (Fang et al., 2016). In addition, non-family employees often have goals that diverge from those of the owners and may perceive they are being unfairly treated (Barnett & Kellermanns, 2006). Companies with a strong commitment to sustainability are often better able to attract employees who share the same values; they utilize effective human resource strategies to maintain employee satisfaction and thus minimize turnover (Turban & Greening 1997), which leads to reduced recruitment and training costs. In some cases, employees may evaluate their employers' commitment to sustainability in order to determine if their personal values conflict or correspond with those of the businesses where they work (Lee, Park, & Lee, 2013).

Moreover, high LTO predisposes family firms to protect their reputation (Dyer & Whetten, 2006). When family firms make advertising statements such as "our family, serving yours for the last three generations", they are proclaiming their enduring family-ness and a concern for their enduring reputation. Family firms with a positive reputation related to sustainability practices can draw customers, which may help family firms obtain capital and secure trading partners who would otherwise avoid working with family-owned and managed firms.

It should be noted that the aforementioned aspects (continuity, community and reputation) are mutually dependent. The pursuit of family and business continuity often relies upon healthy relationships with stakeholders and the positive reputation of the business (Miller & Le Breton-Miller, 2006). Strong relationships with stakeholders may enhance a firm's reputation (Lee et al., 2013). In the end, the continuity of the family business may help develop a stronger relationship with important stakeholders and improve the family's reputation (Mitchell, Agle, Chrisman, & Spence, 2011). All three of these aspects are consistent with previous studies on sustainable development of businesses (Held, 2001; Slawinski & Bansal, 2012, 2015). Based on the foregoing, we suggest:

> **Hypothesis 2**: LTO moderates the relationship between family ownership and the adoption of sustainability practices in family firms in the tourism and hospitality sector such that the negative relationship becomes weaker.

Methodology

Sample

Using a cross-sectional research design, data were collected via 327 surveys in 2014 from members of the Turkish tourism and hospitality sector1 as part of a broader research collaboration between four universities in Turkey and the United States. Participants who completed the questionnaires included principal managers of firms who are usually the primary owners of both family and non-family firms. Responses from non-managers or shareholders were excluded, leaving 214 observations (65.4%). From these, missing or invalid data were eliminated, leaving a total of 195 observations (59.6%) for regression analyses. Before the primary analysis was conducted, t-tests were used to compare early and late respondents along the variables of interest. The results excluded the possibility of a nonresponse bias (Kanuk & Berenson, 1975).

Table 2. Measurement of sustainability practices.

Sustainability
The company has implemented a long-term sustainability system
The company is in compliance with all relevant international or local legislation and regulations
Customer satisfaction is measured and corrective action taken where appropriate
Protection of employees is respected and employees are paid a living wage
All personnel receive periodic training about environmental, sociocultural, health and safety practices
Educating customers about appropriate behaviors while using natural sources, visiting cultural heritage areas and on behaviors to protect local culture
Educating local community about sustainability practices
Encouraging industry stakeholders and local institutions about creation of sustainability training programs
The company takes external assistance for sustainability practices
The company has an employee who directly controls process of implementing sustainability practices

Research instrument

Dependent variable

The dependent variable sustainability practices is context specific and its scope varies significantly, depending on the context of the economic sector in which companies are embedded. Sustainability practices are heterogeneous in nature, as different firms may adopt different sets of sustainability practices that are relevant to different contexts. For this reason, practitioners often have various defi- nitions of sustainability practices. To address the above issues and remain consistent with the criteria established for sustainability practices by the Global Sustainable Tourism Council (2007), respondents were asked whether their companies followed 10 sustainability practices (Table 2) such as “a longterm sustainability management system”, “compliance with all relevant international or local legislation and regulations”, and “training of employees”. The total number of affirmative (“yes”) responses was then tabulated to measure sustainability practices.

Tourism and hospitality firm decision-makers generally recognize these 10 practices, which were adopted directly from the Global Sustainable Tourism Council criteria, as sustainability practices. The items reflect the fact that sustainability may manifest itself in multiple practices, involve multiple stakeholders, and incorporate both the generation and distribution of profit (Aras & Crowther, 2008; Sharma & Henriques, 2005; Shrivastava, 1995).

The measure intends to capture practices that can help achieve sustainability in businesses and society in a broad sense. It reflects a set of sustainability practices, rather than sustainability itself, and captures practices related to the training of employees in charge of sustainability as well as to the well-being of individual employees. Because sustainability practices are implemented by employees, employee training, administration and incentives are of vital importance in the pursuit of strategy implementation intended to pursue sustainability.

A Likert scale was not used because (1) it was believed to be unwieldy for rating all 10 practices and (2) the validity of the measurement would depend upon respondents’ understanding of sustainability practices, which varies by individual due to subjective interpretations. With this in mind, a different way of measuring sustainability practices was adopted. Because our dependent variable is a countering integer and ordinary least square (OLS) may generate biased estimates, we used negative binomial regression instead.

Independent variable

The independent variable family ownership was measured by the percentage of shares owned by the family(ies). This measure is commonly used in the family business literature not only to differentiate family firms from non-family firms, but also to classify family firms according to level of family involvement and control (Chrisman et al., 2012; Gomez-Mejia, Larraza-Kintana, & Makri, 2003, 2010). As will be discussed later in relation to robustness tests, the analyses were replicated by systematically using different standards in defining and operationalizing family firms. Results are largely consistent with our primary findings.

Moderator variable

The moderator variable LTO (Zellweger, Kellermanns, Eddleston, & Memili, 2012) was measured by asking respondents to rate the following four questions2 on a 5-point Likert scale (5 = strongly agree; 1 = strongly disagree): "the family firm has the possibility to seize investment projects that take a longer time until pay back", "the family firm seizes investment projects that are riskier than the ones of competitors", "the family firm seizes investment projects that are less profitable than the ones of competitors, since our shareholders are less demanding in terms of financial return in the short-run", and "the family firm has the possibility to seize more investment projects and wait to see how they evolve over time" (Cronbach's alpha = 0.922).

Control variables

A number of control variables were used because the adoption of sustainability practices can be driven by psychological positivity shared by owners and other stakeholders. In other words, the positive value collectively held by the firm's actors – as a shared psychological state – might motivate firm decision-makers to favor sustainability practices. We, therefore, controlled for family firm psychological capital (Memili et al., 2013; Memili, Welsh, & Kaciak, 2014), which was measured by 12 items, each using a 5-point Likert scale (Table 3, Cronbach's alpha = 0.945).

To differentiate LTO from other strategic orientations that can affect the adoption of sustainability practices, we controlled for three separate dimensions of entrepreneurial orientation by adapting them to fit the specific industrial context. Proactiveness (Lumpkin & Dess, 1996, 2001) was measured with three items using a 5-point Likert scale (5 = strongly agree; 1 = strongly disagree): "in dealing with its competitors, my firm typically initiates actions that competitors then respond to", "my firm is very often the first business to introduce new products/services, administrative techniques, operating technologies, etc.", and "my firm typically adopts a very competitive, 'undo-the-competitors' posture" (Cronbach's alpha = 0.923). Innovativeness was measured with four items: "in general, the top managers of my firm favor a strong emphasis on R&D, technological leadership, and innovations", "changes in product or service lines have been usually quite dramatic", "my firm is interested in innovative ways of delivering tourism and hospitality services", and "my firm is providing unique tourism and hospitality services not offered by our competitors" (Cronbach's alpha = 0.901). Risk-taking was measured with: "in general, the top managers of my firm have a strong proclivity for high-risk projects (with chances of very high returns)", "in general, the top managers of my firm believe that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives", and "when confronted with decision-making situations involving uncertainty,

my firm typically adopts a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities" (Cronbach's alpha = 0.937).

Sustainability is more likely to be adopted by older and/or larger firms, as they have relatively higher public visibility and are more likely to have developed complex stakeholder relationships (Sharma & Henriques, 2005). Thus, we controlled for firm age, measured by the number of years since the creation of the firm, and firm size, measured by a logarithm of full-time employees in 2013. External context may also affect a firm's strategic choice. Hence, we controlled for geographic market by using a dummy variable (1 = company largely focuses on local market; 0 = otherwise). Because a firm's strategic choice may be affected by the industrial setting (Campopiano, Minola, & Sainaghi, in press), industrial performance was also controlled for and measured by a logarithm of average industrial revenues in 2013. Although organizational performance, especially in the tourism and hospitality sectors, may contain multiple dimensions (e.g. Phillips & Moutinho, 2014; Sainaghi, 2010; Sainaghi, Phillips, & Corti, 2013; Sainaghi, Phillips, & Zavarrone, 2017) and a singular dimension such as firm revenue may not fully encompass the complexity of the focal question, the variable industrial performance was used to capture the contextual or industrial effect rather than a single firm's performance. In this regard, the average revenue of firms in one industrial setting can reflect the prosperity of the industry.

Method and data analysis

Controlling for endogeneity

Since regression analysis may bring in an endogeneity bias, we framed our study following the logic of behavioral theory, assuming that family ownership would affect strategic orientations (LTO in particular), which might eventually result in idiosyncratic strategic actions (Cyert & March, 1963). This treatment is consistent with the literature on family ownership in terms of its being a sufficient and necessary condition to dilute a family's influence in a family-owned business (Chrisman et al., 2012; Chua et al., 1999). Nevertheless, it is also possible that the analysis was subjected to reverse causality, as the adoption of sustainability practices may have affected firm performance. The problem may be particularly severe because the database was cross-sectional in nature. In addition, although we limited our focus to observations in a single economic sector in only one country, exogenous factors (e.g. prevailing cultural norms, institutional regulations) may have caused co-variance of the independent and dependent variables.

To address the above endogeneity issue, we implemented Heckman's (1979) two-stage technique (e.g. Gomez-Mej ıa et al., 2007). We first estimated a probit model (binary dependent variable) where the endogenous variable was family dominance in control (family ownership >50%) versus nonfamily dominance in control (family ownership 50%) and estimated the inverse Mills ratio, which was then incorporated as one additional control in the second stage to test both of our hypotheses (Greene, 1993). The same technique has been used in the family business literature (Gomez-Mej ıa et al., 2007; Kotlar et al., 2014).

In the first stage, we used three variables that could affect the likelihood of the family's dominance in control but are likely unrelated to the adoption of sustainability practices: (1) family generation in the family business (e.g. first, second, third generation) measured as a number; (2) family size measured by an ordinal variable where (1 = 0–10 family members; 2 = 11–20 family members; 3 = 21–30 family members; 4 = 31 or above3); and (3) collective family

ownership measured as a binary variable (1 = a situation where some ownership is collectively held by the whole family; 0 = ownership is held by individual family members).

Family generation (B = ¡0.42, p < 0.05) emerged as negatively related to the family business binary variable, while family size (B = 0.11, p < 0.001) and collective family ownership (B = 0.003, p < 0.001) were found to be positively related to the family business binary variable. The coefficients of three variables are also co-significant (F-statistics = 28.13, p < 0.001). The McFadden R2 in the first stage regression is 0.461, reflecting a reasonable model fit.

Descriptive and correlations

The descriptive analysis and correlation matrix of dependent, independent, moderating and control variables are listed in Table 4. Notably, both sustainability (mean = 6.03, SD = 2.61) and family ownership (mean = 43.26, SD = 47.47) show reasonable means and a high range of standard deviation values, indicating that our sample contained sufficient variation to generate conclusive results. In order to mitigate potential multicollinearity, we adjusted the independent variable and some controls4 by industrial and regional means. Following this adjustment, the variance factor index of all variables fell below the critical threshold of 10 (Hair, Black, Babin, & Anderson, 2009).

Model justification

We adjusted the independent variable and some of the controls by industrial and regional means. As our dependent variable (sustainability practices) is the total number of affirmative ("yes") responses, the OLS approach may generate biased estimates. This is because the dependent variable takes on a limited range of positive values when measured by the number of sustainability practices. Negative binomial regression is well suited to handle overdispersion in count data (Hausman, Hall, & Griliches, 1984). The same regression approach has been adopted in both entrepreneurship (George, Wiklund, & Zahra, 2005) and family business (Arregle, Naldi, Nordqvist, & Hitt, 2012) research. Finally, a White correction of covariance in regression was added to the analysis.

Empirical results

In order to control for endogeneity, the inverse Mill's ratio was added to all models (Table 4). Model 0 serves as a baseline with only the control variables (including the inverse Mill's ratio). Model 1 includes both the family ownership variable and control variables (including the inverse Mill's ratio). The estimate of the inverse Mill's ratio is significant at the 0.001 level, further supporting our selection of instrumental variables. Firm age (B = ¡0.001, p < 0.01) and innovativeness (B = ¡0.25, p < 0.001) are negatively related to the adoption of sustainability practices, while industrial average performance is positively related (B = 10.40, p < 0.01). In support of H1, family ownership (B = ¡0.02, p < 0.001) was found to be negatively and significantly related to the adoption of sustainability practices.

The variable of LTO is entered in Model 2a; its estimate (B = ¡0.0003, p > 0.10) is not different from zero, which may suggest that LTO by itself may not lead to any change in a firm's adoption of sustainability practices. The interaction between family ownership and LTO is entered in Model 2b. The estimated coefficient of the interaction (B = 0.01, p < 0.01) emerges as

positive and significant, supporting H2. Overall, regression results support our hypotheses, as the general effect of family ownership is negative and LTO has moderating effects on this link, such that the negative impact of family ownership becomes weaker given high levels of LTO (Table 5).

Robustness test

Several robustness tests were conducted. First, instead of family ownership, we used family business as our independent variable, measured as a binary variable (1 = firms with more than 50% family ownership and at least 1 family member involved in management; 0 = otherwise). Unlike the primary test, this approach disregards the potential variation of family governance in ownership. The regression results were similar, except for the estimate of the interaction between the variable of family business and LTO, which was significant at the 0.05 level. Second, we decided to include responses by non-owners and non-managers, which increased our sample size to 204; this may have reduced the reliability of the data, but regression results remained similar. Consequently, analyses were run without controlling for endogeneity, resulting in similar regression results and demonstrating that our results are robust.

Table 4. Statistics and correlation table.

	Mean	SD	VIF[a]	1	2	3	4	5	6	7	8	9	10	11
1. Sustainability	6.03	2.61		1.00										
2. Family ownership (%)	43.26	47.47	4.97	−0.10	1.00									
3. Long-term orientation	2.18	1.77	1.55	−0.09	0.57	1.00								
4. Psychological capital	4.44	0.49	4.80	−0.05	0.03	0.09	1.00							
5. Proactiveness	3.50	0.81	4.22	0.52	−0.19	0.01	0.43	1.00						
6. Innovativeness	4.03	0.93	3.42	0.29	−0.09	0.02	0.48	0.39	1.00					
7. Risk-taking	3.15	0.75	2.21	0.34	−0.11	−0.03	0.38	0.45	0.35	1.00				
8. Firm age	20.09	74.07	4.76	−0.03	−0.06	−0.10	0.08	0.08	−0.02	0.00	1.00			
9. Firm size	2.90	1.12	7.23	−0.16	−0.07	−0.01	0.29	0.33	0.25	0.26	0.15	1.00		
10. Geographic market	0.10	0.30	1.12	0.30	−0.17	−0.19	−0.19	−0.15	−0.23	−0.09	−0.03	−0.28	1.00	
11. Industrial performance	0.97	0.04	1.24	0.13	0.06	0.06	0.06	−0.02	0.43	−0.04	−0.01	0.19	−0.30	1.00

Note: Correlations $\geq$ |.12| are significant at $p < .010$.
[a]VIFs are calculated based upon variables adjusted by industrial and regional means.

Table 5. Regression analysis results.

	Model 0	Model 1	Model 2a	Model 2b
Dependent variable	Sustainability	Sustainability	Sustainability	Sustainability
Family ownership		−0.02***	−0.02***	−0.03***
Long-term orientation (FTO)			0.00	−0.16
Family ownership*LTO				0.01**
Psychological capital	−0.21	−0.23	−0.23	−0.27
Proactiveness	0.02	−0.09	−0.09	−0.12
Innovativeness	0.10	0.09	0.09	0.10
Risk-taking	−0.34**	−0.25***	−0.25***	−0.23***
Firm age	−0.001†	−0.001**	−0.001*	−0.001*
Firm size	−0.25	−0.26	−0.26	−0.27
Geographic market	2.43	0.83	0.83	0.86
Inverse Mill's ratio	9.74**	0.001***	0.001**	0.002***
Sample size	195	195	195	195
McFadden R-squared	0.02	0.08	0.08	0.09
Log-likelihood (Absolute)	−911.54	−850.60***,[a]	−851.67[b]	−845.09**,[c]

***Significant at 0.001 level; **significant at 0.01 level; *significant at 0.05 level; †significant at 0.10 level.
[a]Compared to Model 0, difference in log-likelihood is significant (Chi-test, p-value < 0.001).
[b]Compared to Model 1, difference in log-likelihood is not significant (Chi-test, p-value > 0.10).
[c]Compared to Model 1, difference in log-likelihood is significant (Chi-test, p-value < 0.01).

Discussion and conclusions

Family involvement in a business has been documented as having both positive and negative effects. Indeed, a family can encourage or discourage different courses of strategic behaviors and practices. On the one hand, family-based resources may facilitate the entrepreneurial process, leading to the creation, discovery and exploitation of unique opportunities by family entrepreneurs (Campopiano et al., in press). In addition to physical and financial assets (Aldrich & Cliff, 2003), families provide unique resources and capital such as human capital (Dyer, 2003), social capital (Arregle, Hitt, Sirmon, & Very, 2007), survivability capital (Sirmon & Hitt, 2003) and psychological capital (Memili et al., 2013; Memili et al., 2014) that can facilitate the growth of family enterprises. The literature also suggests that continuity concerns, perseverance, and close monitoring and control by the family can help family firms achieve prosperity in the long run through sustainability (James, 1999; Lumpkin & Brigham, 2011).

On the other hand, studies show that some family firms are less innovative than non-family firms (Classen, Carree, Van Gils, & Peters, 2014; De Massis, Frattini, & Lichtenthaler, 2013; Gomez-Mej ıa, Cruz, Berrone, & De Castro, 2011). This occurs when inertia, overreliance on family members and their equity investment, emotional ties and attachment to existing resources and assets, traditions limiting adaptation to environmental changes, and reputation concerns restricting risk-taking are prevalent (e.g. Fang et al., 2016; Gomez-Mejia, Makri, & Larraza-Kintana, 2010; Konig et al., € 2013; Schepers, Voordeckers, Steijvers, & Laveren, 2014).

Following this line of inquiry, we explored the adoption of sustainability practices by family firms. Our findings largely support what has been revealed in the innovation literature – that family ownership may be negatively related to valuable strategic decisions in business and that LTO can weaken those negative relationships (Chrisman & Patel, 2012; Zellweger, 2007).

The longer time horizon derived from an intention to continue family control of a firm can help its leaders avoid managerial myopia, forgo short-term earnings (James, 1999; Le Breton-Miller & Miller, 2008; Upton, Teal, & Felan, 2001) and direct their efforts toward developing patient capital and longterm investments such as sustainability practices. Furthermore, close monitoring and control by family owners with a long-term perspective can lead to a higher priority being given to sustainability practices. LTO, which exists when the firm is viewed as a legacy to be passed on to future generations, also increases the value of developing strong relationships with stakeholders that are built on goodwill and trust. Furthermore, family owners who make business decisions based on a long-term commitment to both the family and to the firm seem to develop stronger reputations among stakeholders (Aronoff & Ward, 1995; Dick & Basu, 1994; Habbershon & Williams, 1999; Lyman, 1991). Since sustainability practices can potentially lead to strong relationships with stakeholders and to build a good reputation, those family owner-managers whose self-esteem and self-worth are tied to their family's continued control of the business (Dutton, Dukerich, & Harquail, 1994; Smidts, Pruyn, & Van Riel, 2001) may be more motivated to embrace such practices. Thus, LTO increases the likelihood that family firms will adopt sustainability practices by weakening the negative impact of family ownership on those practices.

Although not hypothesized, we found that the direct impact of LTO on sustainability practices is insignificant. This would suggest that an LTO alone has only a limited effect on family firms. The interplay between LTO and family ownership is more likely to manifest itself

in firm strategies and behavior. Indeed, family firms are characterized by certain family-centered goals, but such goals, coupled with family governance, can evolve into firm strategies and actions through the family's enhanced ability and willingness (Chrisman et al., 2015; De Massis et al., 2014). In fact, our study brings to light the fact that family governance is a necessary condition in attaining goals.

Our paper contributes to the literature in several ways. First, although the family business field has started to recognize that some family firms are environmentally conscious, community centered and ethically driven, studies in this track remain limited. Extending this line of research, we investigated family firm-specific determinants of sustainability practices. This is one of the few attempts to examine sustainability practices in family firms; we add to the understanding of family firms and provide avenues for future research and draw attention to the value of incorporating a sustainability perspective into family business studies. Second, our research contributes to the tourism and hospitality literature by investigating a causal relationship between family ownership and sustainability practices in this sector of the economy. Research on the impact of family governance on firm strategies and actions in the tourism and hospitality sector is warranted, particularly because a substantial number of firms in this sector are owned and/or managed by families. Third, we draw attention to the critical role of LTO in facilitating family firm strategies and actions such as sustainability practices. This work further draws attention to the interplay between the positive and negative family dynamics that influence firm strategies and behavior – an area in which empirical work capturing both dimensions remains scant. Increased attention to these issues may help researchers and practitioners to better understand why some family firms succeed while others fail in their sustainability practices.

Implications for family business research

Our conceptualization provides a unique approach to exploring family firm heterogeneity. Family firms are often different from each other and their differences may be greater than the distinction between family and non-family firms (Chua et al., 2012). We draw particular attention to LTO, which is closely related to family firm continuity and prosperity (Miller & Le Breton-Miller, 2005). Although not fully illuminated, we expect to see LTO as a high-level principle in guiding the decision-making process of firm-owning families (Lumpkin & Brigham, 2011). It is also expected that LTO will be used as a shared standard to resolve conflicts when economic and non-economic interests of the business and the family interests diverge. We believe future studies on LTO may further contribute to an understanding of why some family firms make better strategic decisions and/or have better firm performance than others. Although we limited our focus on the adoption of sustainability practices, a similar approach can be applied to other strategic choices and organizational outcomes such as economic and non-economic performance. Sustainability and associated practices are expected to vary in different contexts, such as industry and firm types. In our study, the focus was on the sustainability practices of family firms in the tourism and hospitality sector of a single country, Turkey. Heterogeneity among sustainability practices and challenges in different contexts warrant additional research attention.

Implications for practitioners

Our paper has a number of practical implications. Contrary to the mainstream concern that family businesses tend to be traditional and slow to adapt to changes in the environment, our findings suggest that this is not always the case: at least some family firms are proactive in adopting sustainability practices. Family firms are still the dominant type of organization around the world and often have substantial influence on a country's economy (Memili et al., 2015). The present research might help to build a more "neutralized" view of this particular type of organization.

In addition, we show that family-owned firms represent a unique type of organizational group in terms of adopting sustainability practices. This finding has the potential to help tourism policymakers better differentiate among firms (family/non-family) on the basis of sustainability. Given the significant effect of family ownership revealed in our study, policy-makers may provide family firm-specific initiatives for sustainable growth.

Finally, the positive moderating effect of LTO may imply that, in order to achieve sustainable development, family business practitioners should not focus only on short-term goals and objectives. Instead, striving for long-term objectives and goals may be a healthier approach for family businesses.

Limitations and associated future research opportunities

The limitations of this study should be viewed as future research opportunities. To begin with, it was cross-sectional. Yet, cause-and-effect relationships were inferred. Although we controlled for endogeneity to address a potential reverse causality issue, longitudinal designs would provide a more effective and reliable assessment.

Furthermore, service quality is often considered an important determinant of firm behavior and performance in the tourism and hospitality sector. Although some of our control variables (e.g. organizational psychological capital, innovativeness, proactiveness, risk-taking) may result in high-quality service in organizations, we still recognize the lack of this control as a limitation. Future studies may use further controls to test our theoretical models. Also, our measure of industrial performance (the logarithm of industrial average revenues) may not fully account for the multiple performance dimensions of hospitality and tourism organizations (Phillips & Moutinho, 2014; Sainaghi, 2010; Sainaghi et al., 2013, 2017); nonetheless, this control was designed to capture the "contextual" effect rather than a single firm's performance. In addition, the dependent variable (sustainability) by itself can be conceptualized as a measure of non-economic performance; however, a more developed scale of firm performance may significantly improve the reliability of the study.

Moreover, our analyses were bound to a specific economic, institutional and industrial setting as our sample was composed of tourism and hospitality firms in Turkey, which is placed sixth among the top 10 international tourist destinations in terms of arrivals (WTO, 2015). Although globalization leads to similarities across countries, future studies are encouraged to replicate our study in different economic, institutional and industrial settings. There may be additional factors, such as those related to the family system and firm stakeholders that may impact the focal relationships under investigation. Future research can investigate the impact of other factors on sustainability practices.

Finally, we acknowledge the extant literature on sustainability and suggest a thorough literature review for future research studies since this is beyond the scope of this paper. For example, a metaanalytic approach is uniquely suited to integrate the results of previous studies

on sustainability in tourism and hospitality. It would allow for (1) calculating an overall effect – that is, consolidating available empirical evidence into a single quantitative effect size, and (2) testing the role of various contingency factors, such as differences in the sample, study design, measures or regions. Often, deviations in the results of different studies can be explained by these external factors, and the meta-analytic approach enables us to illustrate how the main effect tends to vary across different sample characteristics and how the results could be affected by various measurement and study design choices. Not only does it integrate available empirical evidence, this exercise also detects under-researched areas pertaining to the issue at hand, while revealing promising avenues for future research.

Drawing upon the SEW perspective, we developed a theoretical model exploring the direct effects of family ownership on the adoption of sustainability practices and the moderating effect of an LTO on this causal link. Although family ownership seems to have a direct negative effect, high LTO may motivate family owners to proactively adopt sustainability practices in their business.

Notes

1. A single economic sector was selected as the focus for the purpose of excluding alternative explanations (e.g. effects of industrial affiliation on sustainability practices, effects on the prevalence and profitability of family governance).
2. All of these items were phrased so that they centered on the owning family, while most items related to control variables were phrased to focus on the business itself.
3. Household sizes in developing economies are larger than in developed economies. Only 5% of Turkish households are a single-person type, with two in every five households having five or more members (Turkey Demographic and Health Survey, 1998).
4. We did not adjust the Geographic Market variable or the Industrial Performance variable as these are directly related to regional and industrial settings.

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No potential conflict of interest was reported by the authors.

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