

# **PRESERVING VALUES: WHEN THE FAMILY IS THE FUTURE**

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**A QUALITATIVE STUDY OF PRO-SUSTAINABLE BEHAVIOR IN  
SWEDISH FAMILY BUSINESSES**

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# **Abstract**

This thesis aims to explore how family values influence the sustainability practices of family businesses in a long-term perspective, using Schein's Model of Organizational Culture. A multiple-case study of three long-standing, fully family-controlled firms was constructed to examine the purpose of the study. Qualitative semi-structured interviews were conducted with family members from different generations and non-family members. The results from the research show that values significantly affect the firm's strategic decisions and that they notably originate from the family. Moreover, it can be seen that family businesses have subconsciously conducted sustainability practices in the past as a result of their values and basic assumptions. For older generations, it has not been referred to as sustainability work but rather as natural strategic decisions in line with their governing values to continue to exist in the long-term. An additional consequence of the long-term vision was the durability of the values and the unification around them. Finally, it becomes evident that family values triumph short-term financial profit maximization and that investments are made in light of long-term sustainability per the threefold definition of ecological, social, and economic factors.

## **Keywords:**

Family Business; Values; Organizational Culture; Long-Term Orientation; Sustainability

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# 1 Introduction

## 1.1 Background

Family businesses play an essential role in the economy as they correspond to the majority of businesses in the world, thus being a significant contributor to GDP in most countries (Astrachan, 2003). While the most common characteristic across definitions refers to ownership, what makes them distinct is the effect the family ownership has on both the family itself but also the business. In other words, the involvement of the family, interactions, and culture (Brundin, Samuelsson, & Melin, 2014). Hence, family firms constitute a unique type of organization as they do not only have to consider business-related issues but also a complex set of social and emotional relationships (Fletcher, 2002). As a result of growing up in a family, the value system of previous generations heavily influences the new generation implying that values are relatively stable over time (Sharma & Sharma, 2011). Some authors refer to the term “familiness” when examining the resources that are generated when family values and business aspects intersect. These resources, if handled and executed suitably, can pave the way for a competitive advantage to be created and further facilitates transgenerational succession (Habbershon, Williams, & Macmillan, 2003).

Adding to this, a common attribute and strength amongst family firms is that they have a long-term orientation perspective in the strategic decision-making processes. This is identified by a set of researchers such as (Miller & Le Breton-Miller, 2004; Lumpkin & Brigham, 2011). At the core of the commonly identified long-term orientation lies a mindset centered around keeping the firm within the family and providing employment for future generations. In conjunction with this world-view, family businesses have a tendency to aim for the realization of their inherent values rather than solely pursuing short-term economic profit (Bertrand & Schoar, 2006). Most importantly, family businesses have shown higher-level of investments in sustainability initiatives than non-family businesses (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Sharma & Sharma, 2011).

Coupled with the aforementioned points regarding family ownership and the long-term mindset, there is a need to understand how family values influence the firm's strategic thinking and, specifically, its sustainability efforts in the long-run. While research exploring governance and strategic succession are common (Chua, Chrisman, & Sharma, 2003), research concerning sustainability in family firms have been lacking. Research has not yet addressed how the tendency to plan for transgenerational succession influences sustainability efforts. Many researchers have elaborated on the term sustainable development to the three factors of ecologically, socially, and economically sustainable (Chua et al., 2003), and that threefold definition will be the one used in this thesis. To examine whether a link exists between family values and the sustainability efforts in long-lasting family firms is of great interest given the high number of firms that are family-controlled and contribute to a relevant field for both business and society.

## **1.2 Research gap**

Family businesses where the current owners plan for succession by a future generation, exhibit a cross-generational bond. It has been determined that this bond, and active plans for future generations, are contributing factors to why family businesses demonstrate a long-term orientation that non-family businesses do not (Bertrand & Schoar, 2006; Kappes & Schmid, 2013; Zellweger, Thomas, 2007). Families that own a business also have a non-economic stake in the firm, such as family reputation, image, and identity. The will of the family to protect the non-economic factors above has been shown to spur their environmental performance compared to non-family corporations (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010). Even so, there still is little knowledge of how family ownership and supervision influence their sustainability performance (Dyer & Whetten, 2006).

Values are instilled from parents and developed across generations in the family; it has also been shown that the social structure of a family can replace or complement the organizational structure in determining the values and culture of the firm (Davis & Rasool, 1988; Sharma & Sharma, 2011; Sorenson, Goodpaster, Hedberg, & Yu, 2009). Furthermore, when managers communicate distinct values and express decisions in light of how they affect these, they are able to shape the organizational culture and the behavior of the people within (Hogan &

Coote, 2014; Mumford, Scott, Gaddis, & Strange, 2002). Thus, the authors find it perplexing that more research has not been conducted about how family values can affect the sustainability practices of the family business. There is a gap in research regarding if there is an interdependency between family values and how a family business chooses to adopt sustainable practices.

### **1.3 Purpose and research question**

The authors argue that it is intriguing to investigate whether the values a family develops over time affects the motivation of the family business to work actively with sustainability. Such a finding could provide insights into the value family ownership can provide to a business, and the determination of the organization to work with sustainability over time actively. Moreover, family businesses that have not yet contemplated their values could then understand if it is beneficial to investigate and leverage them to improve their sustainability efforts. The research question of the thesis is hence:

***How do values influence the sustainability practices of family businesses in a long-term perspective?***



## **2 Theory**

### **2.1 Use of theory**

Family businesses where the ownership of the firm passes along generations have a transgenerational link that ties future generations to the current. It is regarded that these cross-generational links provide the family business with patient capital that allows it to go beyond short-term results and commit its capital to longer periods of time (Bertrand & Schoar, 2006; Kappes & Schmid, 2013). The continuity of family firms along generations has been shown to affect the long-term orientation positively by leading to, among others, longer investment and decision making horizons as well as CEO-tenures that are longer than in non-family counterparts (Lumpkin, Brigham, & Moss, 2010).

Values affect the attitude of an individual and thus guide their behavior in different situations (Davis & Rasool, 1988). As the members of a family influence each other, over time, a unification of values often arises. As the family exerts control over a family business, the culture that exists within an organization is influenced by the family (Sharma & Sharma, 2011). Moreover, managers of an organization can affect the behavior of the people inside an organization by affecting the organizational culture through communicating and formulating decisions in light of specific values (Hogan & Coote, 2014; Mumford et al., 2002). The theory on the long-term orientation of family business will be used together with the theory of how values affect the culture in order to assess how and why family businesses focus on sustainability. Additionally, the framework developed by Edgar Schein defines the organizational culture and behaviors by assessing how basic assumptions shape values. As the framework enables one to recognize and apprehend the values of the culture, the family businesses will, therefore, be assessed using this theoretical framework (Schein, 2004).

### **2.2 Literature review**

#### **2.2.1 Definition of family businesses**

The lack of consensus when it comes to the definition of what constitutes a family business is one important aspect to keep in mind when studying these types of firms (Chua et al., 2003).

Apart from several different definitions and ambiguities, there also exists a non-agreement regarding distinguished characteristics and certain conceptual barriers (Zahra & Sharma, 2004). Researchers and experts in the field have, over the years, employed several different criteria such as, but not limited to, percentage of ownership, control over strategic decisions, the involvement of several generations, and the objective to keep the firm within the family. In this thesis, a family business is defined as one that is managed with the purpose to form and pursue the vision of the firm controlled by members from the same family in a way that is possibly sustainable across generations (Chua et al., 2003).

### **2.2.2 Short-term orientation**

Managers of listed firms are assessed on metrics that relate to short-term results. When the short-term result is maximized, their reputation improves; they signal skills that benefit them on the labor market, and it is often tied to their remuneration (Kappes & Schmid, 2013). The financial valuation of long-term projects is furthermore more difficult than the valuation of short-term projects, where stock markets have a tendency to undervalue investments that are long-term. Publicly listed firms thus face factors that affect their time-horizon to, in many cases, be short-sighted. There is also a close link to the price of the stock to results in the short-term (Kappes & Schmid, 2013). Manager incentives have to be specifically designed for them to take a more long-term approach in a listed company (Larcker, 1983). The different preferences of shareholders in a firm where one or more are expected to sell within a short time frame may also affect the firm to not pursue long-term policies than with families and founders that plan to allow for another generation to steer the firm (Kappes & Schmid, 2013).

### **2.2.3 Long-term orientation**

The concept of company survival for family firms is based on the theoretical understanding that family owners are considered to have a very long-term perspective and that they emphasize its relationship with different stakeholders. This in order to lay the foundation for company prosperity and long-term survival of the family-controlled firm (Le Breton-Miller & Miller, 2006). The mindset stems from the family's intention of wanting to build a dynasty while at the same time enabling the company to move through family generations through succession and each generation merely acting as a guardian and protecting it for future

generations. Owners of family firms are closely associated with their company through their reputation, pride of personal accomplishment (Ward, 2004), as well as through their emotional connection to the firm (Bubolz, 2001). The long-term mindset identified constitutes a source of competitive advantage for these businesses as it is considered to heavily influence the family firm's well-being and performance (Habbershon & Williams, 1999).

This mindset of the longevity of family firms is often referred to in the academic literature as the proclivity to prioritize the long-term results and implications of actions taken today that will come to the realization after a longer time duration (Le Breton-Miller & Miller, 2006). Moreover, the long-term orientation is echoed in the family business tendency to make capital investments for the future. Hence, not looking for short term gains but rather have a willingness to forgo immediate returns and are prepared to wait a long period of time before seeing the results of the invested capital (Bertrand & Schoar, 2006). The quest for goals related to other areas than profit has also been argued to enhance sustainability thinking across generations. However, at the same time, an important caveat to make is that non-financial goals and actions can be proven ineffective if they are not aligned with the strategic vision of the company (Zellweger, Thomas M., Nason, Nordqvist, & Brush, 2013).

In family firms where the current owner plans for succession between generations of the family, there exists a cross-generational bond. Consequently, the bond between future and current generations provides what is called "patient capital," meaning a target of maximization of returns and investment strategies on a long-term basis, which short-sighted firms with multiple owners do not (Bertrand & Schoar, 2006). In family firms, with a transgenerational goal, it has also been shown, through several studies, that CEO-tenures are longer compared to firms not run by families (Zellweger, 2007).

## **2.2.4 Definition of sustainability**

There is a trend in society regarding counteracting the negative externalities of corporations on the climate and the world as a whole (Breton-Miller & Miller, 2016). Sustainability will be evaluated with regard to sustainable development that emphasizes that current generations have to fulfill their needs without jeopardizing the fulfillment of the needs of future

generations (WCED, 1987). It was formulated on the macro level; nonetheless, corporations have an important role in aiding in this development. At first, the concept was developed in regard to precisely the environmental aspect but has since then grown to also incorporate a social dimension. Looking at how to attain ecological corporate sustainability, it has been suggested to go beyond the accounting “bottom line” and focus on a “triple bottom line” of ecological, social, and economic factors rather than simply the financial aspect (Garriga & Melé, 2004). Thus, these three aspects, ecological, social, and economic, will be used when defining the contribution of the family businesses to sustainable development and is consequently the applied definition of sustainability in this thesis (Sharma & Sharma, 2011).

## **2.3 Theoretical framework**

### **2.3.1 Values**

It has been suggested in social psychology that the values and beliefs of an individual affect one’s attitudes, where the attitude is the application of the two to different situations (Davis & Rasool, 1988; Sharma & Sharma, 2011). Values can be seen as the ideals or beliefs which guide how one acts. The behavior of an individual is thus the expression of the values and attitudes possessed (Davis & Rasool, 1988). The values and beliefs develop early in an individual’s life and are kept nearly stable throughout the remainder of life. When one is part of a family from a young age, the special experiences gained over many years instills the values of the parents into the members of the family. In other words, the new generation of the family is influenced by the older generations and the family history, while also adding their own external experiences and learnings to advance the values of the family as a whole (Sharma & Sharma, 2011).

As the family members exchange their knowledge and ideas through the recurring events within a family, a unification develops in regard to the values of the family (Sharma & Sharma, 2011). Family ties also come to permeate the family business as a whole, as there is an attachment between the organization and the family (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). The reputation of the family also becomes tied to that of the firm, and the social capital of the family is related positively to the

performance of the family business (Sharma & Sharma, 2011; Sorenson et al., 2009). The social structure of the family is often used by the family business as a complement or instead of a formal organizational structure to exert social control. Hence, the culture of the organization can be shaped by the social structure of the family (Sorenson et al., 2009).

When senior management of an organization communicates values, the values become part of the culture by creating expectations and influencing how one should behave. Thus, the values can be seen as a subtle way, together with norms, on how organizational culture can be built and affect the behavior of employees (Hogan & Coote, 2014). Moreover, certain cultures can also be created when leaders express decisions in light of how they affect constituents of the desired culture, such as honesty or responsibility (Mumford et al., 2002).

### **2.3.2 Schein's model of organizational culture**

Organizational culture can be defined as the values of the organization communicated by artifacts and norms, and observed by the patterns of behavior the members of the organization exhibit (Hogan & Coote, 2014). Edgar Schein created a theoretical model for organizational culture in which the basic assumptions shape values. The values then form actions and behaviors, which is one visible aspect of company culture. The model enables one to understand and identify the culture and values of the company through the examination of observable artifacts, traditions as well as attitudes and behaviors. Consequently, the model poses a framework to identify the values of the culture that makes family businesses unique and facilitates comparisons to be drawn between firms (Schein, 2004).

#### **2.3.2.1 Artifacts**

Artifacts are the most visible as well as explicit symbols and characteristics of a firm's culture (Schein, 2004). Hence, it is also the most superficial manifestation of culture and provides context for the company's employees to get an understanding of what the mindset of the business is all about (Mahler, 1997). In essence, artifacts constitute the surface level of culture and are what an outsider easily can observe. Artifacts include, but are not limited to, physical interior, stories and myths, and visible traditions (Schein, 2004).

### **2.3.2.2 Espoused values**

Espoused values are those that an organization has explicitly adopted. They concern things that have personal or organizational worth or meaning to the founders or senior management of the company, and they reflect the members' shared opinion on 'how things should be'. It can often be reflected in an organization's artifacts, such as mission and vision statements. Not directly observable, but can be distinguished from how people explain and justify what they do (Schein, 2004). The values and beliefs are often strongly linked to the company's strategic goals and philosophies (Mahler, 1997).

### **2.3.2.3 Basic assumptions**

Basic assumptions are the cornerstone of organizational culture. They are the beliefs and behaviors so deeply embedded that they can sometimes go unnoticed. They are referring to the deepest level of culture and concern environment, human nature, reality, and human relationships. These are beliefs that are taken for granted as a fact and are thus rarely being questioned in the organization (Schein, 2004). Hence, the basic assumptions manifest in the organization and influence both behaviors and strategy and ultimately have performance implications (Mahler, 1997). Looking beyond what is explicitly stated by the firms is crucial in order to understand what truly drives and motivates their strategic decisions (Blomberg, 2017).

## **2.4 Theory discussion**

The authors realized upon completing the literature review that what is referred to as values in this study are occasionally called something else in other studies. Hence, the different terms are difficult to separate from one another as they are synonyms for the same concept. While it is defined as values in this thesis, it is crucial to be aware that the research objects might have a different word for it. The authors have, therefore, clearly defined what constitutes values and basic assumptions in order to contrast it to potential divergent wordings.

Furthermore, Schein's three levels of culture have been criticized as it is considered too difficult to define when parts of the culture become a basic assumption and that analysis of the assumptions is too arbitrary (Raz & Fadlon, 2006). Thus, it is essential to emphasize that identification of values, and tacit assumptions per the Schein model is subject to potential research bias. Nonetheless, Schein's model is a way to understand values and behaviors looking beyond the surface level and what is explicitly stated. It provides a tool to investigate why a particular culture exists as a result of values and their effect on behaviors. Measures to minimize the risk of biased interpretations will be described in section 3.6.

Furthermore, it is worth noting that the use of other theories might have resulted in other themes identified and, consequently, a different conclusion. The aforementioned theories cover a lot, but there could also be other relevant aspects for research on this topic that is not being taken into account. Since there does not exist a tailor-made theory for this research phenomenon, there is no indisputable theoretical model to be used. However, the authors argue the theories above to capture the essence of the long-term perspective and values effect on organizational behaviors, which is deemed to be imperative in understanding the potential link between family values and the firm's sustainability efforts.

## **3 Method**

### **3.1 Research design**

#### **3.1.1 A constructivist interpretive study**

The philosophy on which this research is based upon is that of an interpretive standpoint. The premise of this view is that the knowledge gathered will be subjective and not objective as it will be influenced by subjective perceptions of reality in order to make sense and form a picture of the qualitative data (Klenke, Martin, & Wallace, 2016). This chosen philosophy is in agreement with both ontology and epistemology. Interpretivism is rooted in that reality is a social construction as it will differ depending on a person's own impression of reality. The authors shape the course of the discussion as a result of the questions being asked, and the analysis of the meanings of actions will be subjective. However, interpretivism is a satisfactory philosophy to base this thesis upon as the qualitative answers from the people partaking in the study will have to be interpreted in order to make sense of them. Hence, the authors will base their assessment on whether or not common patterns exist when analyzing the empirical data in an interpretive way (Bell, Bryman, Bryman, & Harley, 2019). It will be imperative to examine a vast variety of aspects and perspectives in order to achieve valid and reasonable findings, and the interpretive stand enables one to do just that. Furthermore, epistemology allows the authors to make generalizations looking beyond the initial case studies, which consequently paves the way for more in-depth clarifications of the complexities related to these types of businesses and their connection with long-term sustainability (Easterby-Smith, 2015).

#### **3.1.2 Abductive qualitative study**

The study was conducted through an abductive process. The rationale for employing this approach is that it allowed the authors to go back and forth between the theoretical framework and empirical data collection. By doing this, the researchers had an initial lens with which to look through. Hence, the study was not restricted by theory nor overwhelmed with too much empirical data as the lens acted as a guideline. The theory used in the study



paved the way for a vast variety of topics to be examined and analyzed. However, the empirical data enabled the authors to focus on the topics most relevant for the theoretical framework, which would not have been possible if just an inductive or deductive approach would have been selected. As there exists relatively limited research regarding values and family firms, theory and empirics have been used in symbiosis in order to widen the perspective of both the theory used in this context but also the empirical phenomenon (Bell et al., 2019).

The research method used was that of qualitative data collection. As mentioned earlier in this chapter, the authors have an interpretive standpoint, which means that reality is assumed to be socially constructed and constantly shifting (Bell et al., 2019). Consequently, this renders words to be of more relevance than quantitative measurements. Given that the authors were interested in studying the mindset and world-view of people from different generations in family businesses, the qualitative method was deemed to be most suitable. With the understanding that qualitative is usually formed through an interpretative and interactive process, in-depth semi-structured interviews were selected.

### **3.1.3 Multiple-case study strategy**

Interviews were conducted with people from three different fully family-controlled businesses. Based on the results of the interviews, three different cases were formed. A study of multiple cases has been an appropriate research approach, as the authors view each family business as unique and different. Moreover, the selected method suits the aim of the study as it enabled comparisons to be drawn and to contrast the findings derived from the different cases. Thereupon, the authors can identify what is common across different family firms (Bell et al., 2019). In essence, the three cases are intrinsic when examined individually as each family firm is unique, and it is imperative to understand the idiosyncrasy of each family. However, the study as a whole is designed to be instrumental as the authors aim for insights that can lead to broader generalizations, and the case is the means for understanding the relationship between family values and family firms' longevity and work with sustainability (Stake, 2005).

## **3.2 Data selection**

### **3.2.1 Sample approach**

A purposive sampling approach with criterion sampling has been used in order to choose the case organizations and participants that grant the best opportunity to answer the research question (Bell et al., 2019). The selection of cases and participants within the case organization has been sequential in order to better distinguish certain themes that relate to the research question by being able to add to the sample as the research progresses (Teddlie & Yu, 2007). Meanwhile, the criteria for selecting participants have been contingent and evolved to best fit the research question as more knowledge on the subject was gained. The size of the sample was determined by saturation concerning when the information gained from the niche cases is adequate to create a nuanced picture of the research question between them; the sample of interviewees from a single case was saturated when a repetition of answers between them became apparent, as there was a limited amount of family members in strategic roles (Bell et al., 2019).

### **3.2.2 Selection criteria**

As the study is conducted in Sweden, the scope was limited to family businesses originating from the country in order for the interviewers as well as the businesses to origin from the same socio-cultural context (Bell et al., 2019). The final criteria for the case selection were based on the theory and the aim of the research question:

1. The company qualifies as a family business according to the definition determined in this thesis.
2. The family business has survived multiple successions and has existed for five or more generations.
3. There is at least one generation currently involved in managing the firm on strategic positions.
4. The current managers express a clear wish for a new generation to join the management in the future.

5. Communicates through their website, representatives, and media that they work extensively with sustainability and demonstrates in their sustainability report that they work proactively over the long-term with sustainability.

Several firms that could satisfy the criteria were contacted; nonetheless, having communicated through phone and email with the businesses, eventually, the three which most clearly fulfilled the criteria were chosen as they were deemed to allow a satisfactory comparison. Case descriptions can be found in appendix 1.

Concerning the selection of interviewees, the thesis aimed to investigate how the strategic operations of the family businesses could be affected in light of the research question; thus, family and non-family individuals in strategically important roles, such as the CEO, sustainability manager and at least one representative from the board, where required. Nevertheless, upon establishing contact with a representative of the firm, the selected cases were allowed to recommend other participants that could provide vital perspectives in light of the research question and selection criteria. Two of the selected cases had four participants, while the oldest family business had six as it was particularly interesting to understand its long history of more than ten generations. A list of interviewees can be found in appendix 2.

### **3.3 Interview design**

As each case and individual was unique, and that the authors sought to explore nuanced points between the individuals, semi-constructed interviews offered a balance between structure and leeway in how the interviewee could respond (Bell et al., 2019). The interview guide (appendix 3) was then developed with the research question and theoretical framework in mind, meaning that it had questions belonging to four areas of interest: values & culture, sustainability, long-term orientation, and the family. Questions referring specifically to the family were similar across the family members of all cases, similarly for the non-family members. Moreover, the questions asked were of the different types suggested by Kvale (1996). Furthermore, all interviews, no matter their length, allowed for the relevant questions in the interview guide to be asked, as well as for follow-up and role-specific questions.

### **3.4 Data analysis**

To analyze the data, a thematic analysis, as outlined in Bell et al. (2019), has been used to distinguish certain themes iteratively between data collection and theory, as in an abductive study. In searching for the distinct themes, the authors have been especially interested in finding repetitions as well as similarities and differences in how interviewees have mentioned and discussed certain topics proposed by Ryan and Bernard (2003). Other ways to distinguish themes have been to identify transitions in how interviewees lead one topic into another, as well as metaphors (Ryan & Bernard, 2003). As mentioned by Bell et al. (2019), the repetition of arguments alone is not enough to recognize a theme; hence, different methods are combined to recognize certain themes. The thematic analysis has also been the most appropriate given that the authors sought to identify themes regarding how values influence the family business sustainability in a long-term perspective. Given the novelty of this area of research and the use of an interpretivist approach with an abductive process, the thematic analysis was deemed the most appropriate.

After completing the transcription, the authors individually read, chose relevant quotes, and categorized them into themes. Only after this process was the results discussed to determine the themes to analyze. During the discussion, the approach used was to distinguish converging views and contest the diverging views til an agreement was found. Thus, the themes identified were concluded in conformity between the authors (Antheaume, Robic, & Barbelivien, 2013).

### **3.5 Ethical considerations**

The authors did inform representatives from the different family firms of the purpose of the study but were, however, careful not to reveal details that could interfere with people answering truthfully to the questions being asked. Each of the representatives being interviewed was informed of rights and obligations. The interviewees and companies were also guaranteed to be anonymous, and thus, the answers were used by coding both the names of the individuals and the firms' names. The purpose of employing this approach was to make the participants feel comfortable and maximize the possibility of them providing authentic

answers, while at the same time ensuring confidentiality. In addition, the interviews were recorded upon approval of interviewees, and when all interviews were transcribed, the quotes used were sent to the interviewees in order for them to verify that the sense, as well as context of the quote, remained intact. In essence, the purpose of these considerations was to encourage transparency and guarantee the integrity of the interviewees (Bell et al., 2019).

### **3.6 Method discussion**

The authors are keen to ensure that the thesis is of the highest quality. In order to achieve transferability, descriptions of the separate cases, as well as the actual research process, were created. The purpose of this was to facilitate the process for future researchers to determine if the results can be transferred to their context (Korstjens & Moser, 2018). While the authors believe that the research method can be transferred to other settings, it is important to keep in mind that it may depend on the level of contextual differences due to the specific nature of family businesses. The nature of qualitative studies and the format of semi-structured interviews further complicates transferability (Korstjens & Moser, 2018).

The second aspect taken into account is credibility (Bell et al., 2019). The first step the authors took to ensure this was to “member check” the collected data. This was done by sending a copy of the chosen citations to give the interviewees an opportunity to review their statements and add feedback, with reference to the recording. Triangulation of the data has also been conducted by interviewing several people from each company, both family and non-family members. Each interview was examined individually but then analyzed in conjunction with the others, further increasing the credibility of the study (Korstjens & Moser, 2018). The reliability of the study is considered to be high, but there are certain aspects that ought to be taken into account. Due to the worrisome developments of COVID-19, all interviews were conducted over the phone, which might have had an impact on the answers provided (Bell et al., 2019). Some authors argue that it compromises rapport and results in a loss of contextual data due to the absence of visual cues that would have been possible to deduct in a face-to-face interview (Novick, 2008). In accordance with (Xian, 2008), some challenges were experienced in connection to translating interview data. Firstly, linguistic issues when there was no direct translation for a word or expression used.

Secondly, socio-cultural issues stemming from difficulties of understanding idioms or proverbs (Bell et al., 2019).

The fourth and final aspect considered was confirmability, which refers to the aspect of impartiality. To further strengthen the level of confirmability, external auditing was used in which a third-party researcher supervised the process. The purpose was to determine whether the process was documented clearly enough and if the interpretations were backed by data. Notes on decisions made during the process, sampling, and data management were distributed. This provided an opportunity to assess preliminary findings and enabled the improved articulation of initial conclusions. Furthermore, it increased the level of validity of the study (Korstjens & Moser, 2018).

## 4 Empirics

The presented data will primarily speak for itself and be divided into several sub-chapters representing the different themes identified. It will also be split up by case in order to facilitate comparisons to be drawn in the analysis. The purpose of this approach is to provide a clear picture of the interviewees' stories and mindsets and consequently give a more thorough understanding. Case overviews can be found below, and descriptions can be found in appendix 1.

Firm	Generation	Industry	Revenue & Size
Case A	14th	Agriculture, Grain Milling, Ice Cream	Approx 1 Billion SEK/year & Approx 200 Employees
Case B	5th	Beverages: soft drinks, malt beverages, carbonated water	Approx 4 Billion SEK/year & Approx 1000 Employees
Case C	5th	Bakeries and manufacture of bread	Approx 1 Billion SEK/year & Approx 400 Employees

Table 1. Case overviews

### 4.1 Espoused values

#### Case A

While Company A admits not to have any explicitly stated values put on print, it quickly became apparent that unified reasoning existed.

*“When we discussed this topic, it became clear that we had used different words, but we meant the same things. Therefore we must have succeeded in anchoring our family values pretty well.”-CEO 1*

This unified understanding of the values was reiterated in the different interviews. When answering what values different members associated the company with, a distinguished pattern emerged.

*“Longevity, sustainability-conscious, and honesty. Honesty is alpha and omega. If you are dishonest, you can not sleep at night. It can also ruin the entire business, and you risk losing credibility for several decades to come”-CEO 2*

#### Case B

In contrast to the aforementioned case, Company B has four clearly stated values that all of the interviewees refer to.

*“We have boiled it down to four different values. These being “pride, honesty, decision-making capacity, and innovation.”-Board Member*

What becomes clear is that these espoused values are not just taken out of thin air. A rigorous process has been conducted to end up with these selected ones.

*“We began by thinking to ourselves, what is Company B? We asked many key customers and key employees that had been with us for a long time: if a company can have values, what would those be? What they came up with were practically the same ones that we ourselves did.”-CEO*

### **Case C**

Company C could be argued to have a mixed approach to the two previous ones. The organization has, for an extended period, had espoused values, but each generation has adjusted the wording slightly and expanded the definition.

*“Three key words exist. Job satisfaction, resource efficiency, and readiness to act. Wholeheartedly is also a word that we use. These words were printed on all coffee mugs”-Board Member*

*“It is the combination of entrepreneurship, readiness to act, and the passion of the owners for the small local villages in the north.”-CEO 2*

## **4.2 Family**

### **Case A**

A similar facet of all interviews conducted with the family members was how they talked about their values being the same and how important the business is for the family.

*“When I was a kid, it felt like the business was a part of the family”-Board Member 1*

*“You should not be expected to join the family business. However, it is important that you get introduced to it from an early age so that the knowledge transfer takes place across generations.”-Board Member 1*

The importance of the family being involved in the business was emphasized by both non-and family members:



*“I then realized that it is important that the family actively work in the business and govern the values and to continually emphasize that the financial results are not the most important thing.”-Sustainability Manager*

### **Case B**

Similar to the other case, Company B discusses the importance of that from an early age provide insight for the next generation.

*“Important to inspire the younger generation through creating engagement. This is done by inviting them to try things out and show and explain how it actually works.”-Board Member*

A distinguishable theme is the pride the members feel for the company:

*“I am proud to be a part of Company B. To be a [Surname of the family] is not to be a family member but rather to be a part of the family business. It is an epithet”-Market Director*

*“Ten years ago we reached a point where our biggest beer brand, which also had our family name, was not the beer that we felt most proud of. We earned roughly SEK 140 million on this brand but we choose to kill it. If we sell one single drop of beer, we should be proud of the drops we sell(...) I think a listed company would not have been able to do that.”-CEO*

*“I feel a sense of pride for the legacy that I get to uphold”-Board Member*

Adding to the theme of pride is the company’s way of brewing:

*“A very important aspect is that we have always brewed our beer in accordance with the German Reinheitsgebot, the purity laws from 1516. One can make beer much cheaper and quicker by adding different additives, fish bladders, and other things than malt. But this is something that we say no to.”-CEO*

### **Case C**

The reason as to why the company was founded and how it has made the family stronger was presented.

*“My grandparents had four kids and one passed away very tragically by the age of 19(...) The family wanted something else to occupy their minds with. They then scaled up the bread baking and regrouped around it.”-CEO*

Similar to the other two cases, the need for inviting the next generation early on is stressed and the vision of longevity.

*“I made my two children part owners the year they turned 18. Because if my husband or I would pass away the responsibility would be on them and they would have to know what it is about. It was an educational aspect to make them deputy directors so early.”-Board Member*

Yet another similar theme across the three cases is the importance of the family members being actively involved in the business:

*“The family are culture bearers. The fact that they have roles in the business is an important part of preserving the values and the entrepreneurial spirit.”-CEO 2*

### **4.3 Organization**

A common theme in the three cases was the tendency of employees to have long tenures.

#### **Case A**

*“We keep our staff for a long period of time as we do not work with an in-and-out approach. If we have too many people for a while, then so be it. We have educated this person, and we will need her in the future. We care about our employees.”-Sustainability Manager*

*“For me, it is that you get so close to the owners, and it feels more long-term.”-CEO 2*

#### **Case B**

*“The culture is very familiar. An example of that is that the average tenure of our employees is 15 years.”-Board Member*

*“I had planned to work here 2-3 years and then move on to another company. But already after one week, I felt that it probably would be much longer than that. That is entirely linked to the culture of the company(...) The family ownership really characterizes the culture. You could never get that at a listed or multi-owned company.”-Market Director*

Company B has also made it a priority to get family values to permeate the organization.

*“A section of the annual performance evaluation of the employees is devoted to discussing how the person lives up to and contributes to our values.”-Sustainability Manager*

*“We have screens on different floors that communicate our values on a daily basis.”-Board Member*

*“We also have four different scholarships, one for each value, that we hand out each year. It could be awarded to one person or a whole department.”-Sustainability Manager*

#### **Case C**

The long tenures of the employees are as much a feature in Company C as in the previous cases. This is centered around the longevity and psychological safety in the organization.

*“We have incredibly loyal staff and low employee turnover.”-CEO 2*

*“We have workshops with employees in which we ask ‘how can we improve?’. Everyone then put forward their improvement suggestions. I think everyone feels that they can talk with anyone, regardless of position. Very high psychological safety.”-Board Member*

*“I talked with a middle manager earlier this week and this person told me ‘I like that the organization has value-based management’. It is more value-based than many other companies that I know.”-CEO 2*

*“All new employees get an introduction to how we work with sustainability. I set up a time with each new employee and talk about it, linked to the company's strategic, long-term operations.”-Sustainability Manager*

## **4.4 Long-term horizon**

A clear pattern emerged in how the three firms viewed their operations, strategy, and investments in a long-term perspective.

### **Case A**

The overarching theme is the trade-off between short-term and long-term performance, where a clear focus on the latter emerges:

*“Had we not been the financial owner, we would not have been able to make such strange investments as we have made over the years(...) because we have had weak profitability periodically, but been persistent in what we do.”-Chairman*

*“We have invested in a farm(...) It is a pretty lousy investment(...) Nonetheless, we want to believe in the country's agriculture(...)”-Board Member 1*

*“If we were a listed company, or if we had not been privately owned, then we would have had a much shorter time horizon(...) we have existed for 450 years, and we want to exist for 450 more years.”-CEO 2*

### **Case B**

The same view emerges regarding longevity as for case A, and it was similarly expressed in conjunction with sustainability:

*“It is a matter of survival for the families(...) It is also very little about quarterly finances so I definitely think there may be a more extended outlook.”-Marketing Director*

*“Longevity is something that is a present factor in being able to be actionable. As we see things from a long-term perspective, we have the opportunity and can afford to make investments that may not be as obvious in a listed company(...) I believe that from the perspective of the company, sustainability is a word that has come up as a complement to the long-term”-Board Member*

### **Case C**

What is interesting with Case C is how the representatives also speak about a direction towards the long-term that can not be affected by other parties:

*“We are a family business and we would never consider selling it(...) You can not expect short-term results, it has to be long-term(...) We have been around for 133 years(...) Then we said, what can we do to be here for 133 more years? So it's very much about taking strength from the five previous generations and for five generations onward.”-CEO 1*

*“There is nothing about you sharply having to change the direction because there is an alarming article in the financial newspapers. Instead, there is a different long-term perspective.”-CEO 2*

*“They do not have to take into account others with separate or short-term interests. The owner's family can invest in what they believe is essential.”-Sustainability Manager*

Throughout all three firms, a red thread emerged concerning the importance of a long-term perspective and where sustainability is seen as a component of longevity.

## **4.5 Sustainability**

### **4.5.1 Ecological**

Ecological practices are seen to be incorporated in the business both in the past and in the long-term.

#### **Case A**

*“When we stopped using pesticides to fight off pest insects [in the mill], that decision was made before that person knew what we would do instead(...) Back then, the others who were part of the board thought the person was somewhat crazy.”-Board Member 1*

Case A developed a heat treatment method in their mills to remove pests, which they did not patent, and it was, instead, fastly spread across the whole industry.

*“In the management group, there are sub-goals based on sustainability aims. It can be raw material; It can be social considerations; It can be profitability; It can be the climate. It is followed up very thoroughly.”-CEO 2*

*“Our goal is to sustainably produce all the energy that we use. So we are starting to build a new hydroelectric plant locally next year.”-Chairman*

## **Case B**

Similar aspects to Case A:

*“We brew very large quantities of beer. 180 million liters per year(...) residual product called draff(...) About 40,000 thousand tons(...) in the firm, an idea was born that we could actually take advantage of this, to create energy for our own needs. Works much like wood pellets. You burn it, it creates heat for the processes(...)it's a form of circularity.”-Sustainability Manager*

*“For example, [we are] the world's largest producer of organic beer.”-Marketing Director*

## **Case C**

Company C correspondingly has a clear focus on ecological sustainability within its business:

*“In June 2002, we received the EMAS diploma, signed by the European Union's Environment Commissioner Margot Wallström, for Sweden's best application of the environmental and quality system EMAS.”-Board Member*

*“She [the sustainability manager] is just the coordinator(...) The purchasing director, the CEO of the business, the sales director, the production director, they all have huge responsibilities when it comes to us actually making a sustainable transition.”-CEO 1*

*“That we have the bulk of our transport through the railway, that the plastic bags are made out of sugar cane and that we have our own wind power, I want to attribute most of it to my daughter, but unfortunately, she is no longer alive.”-Board Member*

Another common feature of all three cases is how the new generation has implemented sustainability frameworks. Moreover, many other examples were brought up of employee initiatives in regard to ecological practices.

## **4.5.2 Social**

It is evident that the interviewees believe in the local area and its community.

### **Case A**

*“We don't want to move from the local area; we want to be here. Although it would be cheaper to produce abroad, we will never move(...) We are part of society and want to create jobs here.”-Board Member 1*

*“We have neighbors, so if we are going to make changes, we usually invite them and tell them - this is the plan ahead, this is how we think - they can then think and reflect.”-CEO 1*

*“It was to save jobs a representative of the 12th generation started the Ice Cream business [when a factory in the municipality closed down]”-CEO 1*

*“The company paid the dental costs for the employees, for the children of employees who could not afford to go to the dentist(...) This was the end of the 19th century or the beginning of the 20th century.”-Sustainability Manager*

### **Case B**

As with Case A, the importance of the local area once again emerges.

*“The majority of the people in the local community work at Company B(...) So there exists a strong level of local patriotism where we want to do initiatives that benefit these areas.”-Board Member*

*“When the terrorist attack on Drottninggatan happened and it was our truck that was hijacked(...) Then you come to several moral considerations(...) We must focus on taking care of our driver because he does not feel psychologically well. We have to make sure that he is not left by himself(...) drove him to a mineral spring area and made sure he got to meet a psychologist and doctor.”-CEO*

### **Case C**

There is a similarity between all the cases that the local area and well-being of employees are of great importance:

*“The company is located in the small local area because the founders were born there. Always had this idea of creating jobs in the home village.”-Board Member*

*“We have been ranked high among companies with significant equality.”-CEO 1*

*“We are talking about ‘finally Monday’ and ‘finally Friday’(...)it means to feel a job satisfaction but also a balance in life.”-Sustainability Manager*

### 4.5.3 Economic

It could be seen that the firms focus on making decisions that grant positive returns in the long-term.

#### Case A

*“Economic sustainability is also essential so that we are not overly leveraged because we are not a company that can raise capital from new shareholders.”-Board Member 1*

*“I absolutely believe that our partners consider it security that we are a stable family business. We will not be sold to any venture capitalist who then resells us(...) they know where we are and know we will not have anyone else as CEO or owner the next week.”-Board Member 1*

*“We must, of course, have profitability, but that is not the most important thing. It is the means for being able to do everything we want to do.”-Sustainability Manager*

*“We can clean our waste at the ice cream factory. Instead of sending it to the municipal wastewater treatment plant and paying a massive amount in penalties(...)sending it to a biogas plant, it suddenly becomes a resource(...) We have our own biogas plant.”-Chairman*

#### Case B

*“We have a wastewater treatment plant where we purify the wastewater before sending it to the municipal wastewater treatment plant. And that's where biogas is formed, and we can then use this biogas in our process as well.”-Sustainability Manager*

*“I believe that our combustion of the draff is the equivalent of about SEK 25 million in heating oil per year. Then you can think how much CO<sub>2</sub> we do not emit thanks to us taking care of the draff [with our combustion boiler](...) it was something no one else in the world had done before. We chose a risky project with a more extended payback period than other investments because it was an ecologically important factor.”-CEO*

With both Case A and B, the wastewater plant is one of many interesting long-term investments that lessen their ecological impact while allowing them to avoid short-term penalties.

#### Case C

*“It is important to find the balance between pursuing sustainability factors and at the same time being commercially viable. You can make the world's most sustainable product from an ecological perspective, but there may be no demand, no one who wants to buy it.”-CEO 2*

*“We also received the award for the last 25 years' best company in the region in 2010.”*-Board Member

*“I would not say that it is possible to realize all the investments that you make in sustainability initiatives from the first day(...). We do it because it is important to us and is consistent with how we view sustainability and the long-term.”*-Sustainability Manager

All firms stressed the balance between ecological efforts and, at the same time, being commercially viable.



## **5 Analysis & Discussion**

### **5.1 Schein's three levels of culture**

#### **5.1.1 Artifacts**

When examining the surface level of culture based on the empirics, several artifacts can be discerned. At Company A, the investment in the farm and the tradition of “always owning dairy cattle” and being open in the dialogue that it was a pretty “lousy investment” act as an artifact. For Company B, the artifacts are primarily centered around the family values and the desire to convey these to the employees in a visible manner. This is shown through devoting time in the annual performance reviews to the values, showcasing them on screens at the company headquarter, and giving out annual scholarships for each value. While not communicating as much as B, Company C has physically manifested their values by printing them on all coffee mugs. Moreover, the Sustainability Manager sets up meetings with newly hired employees to discuss the firm's sustainability efforts related to its long-term strategy. Thus, providing context for the employees to get an understanding of what the mindset of the business is about.

Apart from the features identified above, more similarities emerge across the cases. To begin with, the lengthy tenures of employees translate into a visible part of the work environment. Moreover, a common theme is the desire to create and be self-reliant on its own energy production, which acts as easily visual representations of their more complex sustainability strategies.

#### **5.1.2 Espoused values**

As shown in the empirics section, Company A's espoused values are primarily centered around longevity, sustainability-conscious, and honesty. Company B has boiled their values down to pride, honesty, decision-making capacity, and innovation. At Company C, the explicit values presented are job satisfaction, resource efficiency, and readiness to act. Wholeheartedly, entrepreneurship, and passion for the local areas are also stressed. These

values present the form of rules under which the organizations claim to work, and what becomes apparent is that the firms justify their strategic decisions by referring to their governing values. Apart from manifesting their values visually in different artifacts, as shown earlier, the family members are actively involved in the businesses and thus act as visual “culture bearers.”

### **5.1.3 Basic Assumptions**

For Case A, the farm investment showed that members of the organization have a strong belief in preserving traditions. Meanwhile, abandoning pesticides, despite economic consequences, was an example that portrayed their profound belief in preserving the ecological environment. The examples of care for employees and the local community also revealed togetherness. As the interviewees continuously spoke and reasoned about the necessity of growing credibility through their actions, another apparent belief was honesty, feeling of responsibility for their surroundings, and long-term thinking.

The sense of pride for the legacy that the firm has built was something that all cases portrayed but is especially evident for Case B. There were examples of the need for craftsmanship in brewing, as well as neglecting short-cuts in making the process faster or cheaper. The organization was visibly value-driven, where members seemed to feel that the firm was something more than a workplace; one example was how members strived to support each other during the terrorist attack.

For Case C, many examples portray a strong sense of togetherness and legacy in combining baking traditions with new innovations. A sense of “realism” is identified, where the members show an understanding of the world and the importance of feeling well and being self-actualized; not only “finally Monday, finally Friday” is an example of the community, but also how members speak of inclusion and how the owners display responsibility and membership in both the business and for the local area.

A concluding remark of the basic assumptions is thus that all three cases seem to indicate the cornerstone of belonging for all members of the organization, a sense of responsibility, and pride in maintaining a legacy. The responsibility not only extends to that of members on their

actions but also in conjunction with the impact the business has on the environment, be that ecological or social. All three cases, namely, put a great deal of emphasis through their behavior on preserving what they have built for future generations, which can only be done by sustaining the public image and making sure that the company has a positive impact on its surroundings for years to come.

#### 5.1.4 Model of the values

In the table below, the artifacts, espoused values, and basic assumptions common for all three organizations have been summarized more granularly.

Schein's three levels of culture	Common values & behaviors across the cases
Artifacts	<ul style="list-style-type: none"> <li>• Tradition</li> <li>• Long tenures</li> <li>• Loyalty</li> <li>• Openness</li> </ul>
Espoused Values	<ul style="list-style-type: none"> <li>• Long-term mindset</li> <li>• Honesty/Integrity</li> <li>• Sustainability conscious</li> <li>• Transparency</li> <li>• Pride</li> <li>• Resource efficiency</li> <li>• Innovation</li> </ul>
Basic Assumptions	<ul style="list-style-type: none"> <li>• Belongingness</li> <li>• Responsibility</li> <li>• Preserving a legacy</li> <li>• Long-term thinking</li> <li>• Concern about public image</li> <li>• Positive impact on local community &amp; surroundings</li> </ul>

Table 2: A model of values and the culture common for the three cases

The identified values and behaviors in the three organizations could be seen to be derived to a large extent from the family and its members, as proposed by Gómez-Mejía et al. (2007). As the interviewees emphasized that they had chosen to stay in the firms' as they were value-driven, it could also be seen that the values which the family disseminate into the

organization are appreciated by the employees. Thus, the proposition by Sorenson et al. (2009), that the social structure of the family can significantly impact the culture of the organization, was visible in all the examined cases.

## **5.2 The intertwining of values and sustainability**

### **5.2.1 Ecological**

It became apparent that there can not be a distinction between these practices and the values of the firm. For generations back, for example, Case A had taken decisions such as abandoning pesticides in their mills, which is something that impeded the business of the firm, as no other solution for how to eliminate the pests existed. When the solution was found, it was also not patented so that it could spread across the industry. Thus, a relationship can be identified between their ecological practices and the values of being sustainably conscious, honest, transparent, and a responsibility for the surroundings.

In the case of firm B, their traditions and legacy of using the German Reinheitsgebot in brewing and not pursuing faster or cheaper methods led them to become the biggest producer of ecological beer in the world. Something that further strengthens the interdependence of their culture and sustainability efforts is their innovative use of the draff from the brewing process by innovating a draff combustion boiler. Thus, Case B can have a beneficial ecological contribution as a consequence of adhering to, among others, their sincere beliefs of pride, transparency, and innovation.

Furthermore, for Case C, the firm's focus on ecological issues inside its own walls was expanded by the two sisters. The case revealed how much of an impact two individuals from a new generation can have on extending the positive practices of older generations. As suggested by Sharma & Sharma (2011), it portrayed how new members can advance older family values, and how the social capital of the family is tied to that of the business itself. In other words, the sustainability efforts are notably connected to the values of the individuals and organizational culture that is a consequence of these beliefs. Hence, all three cases

illustrated how their values identified in this thesis are an apparent reason for why the firms in the long-term prioritize a positive ecological impact.

### **5.2.2 Social**

Coupled with the collected data, it becomes apparent that the family values have contributed significantly to the firms' social sustainability efforts. To begin with, Company A founded its ice cream business with the purpose of saving and creating jobs in the local village. The founder had made a promise to deliver jobs, and when a local factory was to be shut down, he felt obliged to start a new business to honor his promise. This mindset of integrity and basic assumption of wanting to have a positive impact on the local community permeates the organization. This is highlighted by the newer generation clearly stating that they would never consider moving to another village and never produce abroad despite it being a lot cheaper. Thus portraying the same values as previous generations and showcasing how they affect the business strategy.

The same mindset is observed at Company B in which its brewery always has existed in the same village. Given the town's size, the majority of the people either work or have a connection at the company. Hence, there exists a level of "local patriotism" in which the family wants to do initiatives that benefit this area. This ties back to the value of tradition, the basic assumption of belongingness, and wanting to contribute to the local community in the long-term. The same goes for Company C, in which the firm still is located in the small home-village of the founders. The idea of creating jobs locally is reiterated across family members from different generations, and the commitment stems from the same values and assumptions, as mentioned above. This theme was referred to as bonding social capital by Miller and Le Breton-Miller (2004).

The interconnection of family values and strategy is also shown in the way the businesses care for their employees. All three cases are characterized by low employee turnover and long tenures. Per the ideas of Lumpkin and Brigham (2011), this two-sided level of loyalty could be argued to be the result of the long-term mindset of the business and the job security it creates.

### **5.2.3 Economic**

The first distinguishable theme that emerges is how the short-term financial gains are sacrificed in order to lay the foundation for long-term prosperity. This mindset is consistent across the three cases and stems from the family values. At Company A, money is being discussed synonymously to a tool necessary to make their ecological and social sustainability initiatives reality. This is illustrated by looking at the farm investment, which was a family decision made based on tradition and legacy rather than short-term profit. Nonetheless, economic sustainability is referred to as being essential as they are not a company that can raise new equity from shareholders. Hence, a relationship between the values of resource efficiency and the long-term basic assumption can be discerned. Coupled with the knowledge that the firm will not be sold to a venture capitalist, the long-term perspective fosters a level of stability for the firm's stakeholders. This, in turn, lays the foundation for better relationships with clients, which stems from the value of honesty and longevity vision cemented by the family.

At Company B, the theme is illustrated in conjunction with the family's value of pride. How the family members decided to kill its most profitable beer brand because they did not feel proud of it clearly illustrates how the values triumph maximization of short-term profits. Instead, the basic assumption of preserving its legacy prevailed as they focused on investing in other brands in their portfolio that they were more proud of and which would lay the foundation for increased prosperity in the long-run. At Company C, the theme is reiterated by emphasizing sustainability investments as something material to the family as well as future generations.

Furthermore, the tendency to be sustainability-conscious and rely on its own energy, together with the established value of innovation, has enabled the three companies to generate income and save energy costs on its initiatives in the long-run. The focus on success in the long-term hence considerably permeates the investment strategies employed by the companies. Across the three cases, it becomes distinguishable how the family values and business strategy work in symbiosis to lay the foundation for long-term economic viability.

## **5.3 Answer to research question**

In view of the research question, “*How do values influence the sustainability practices of family businesses in a long-term perspective?*”, it can, therefore, be seen that it is answered by the three factors below:

### **5.3.1 Values direct the business**

The values affect the direction of the family businesses considered in this thesis. Beginning with the family, it was possible to identify how the new generations possessed values present in previous generations and expanded these with their own perspectives, especially evident with the two sisters of Case C. The empirics, thus, supports the proposition of Sharma & Sharma (2011) that interaction between family members creates unification of values over time. The fact that the family members possess strategic roles in the firms results in that their values disseminate into the organization by affecting how others believe they should behave, as suggested by Hogan & Coote (2014). As it was apparent that members of the three organizations felt fulfilled in their work and appreciated the culture, it can be argued that the commitment to the values led the organizations to become significantly value-driven. Thus, the findings of this thesis support Sorenson et al. (2009) in that the social structure of the family is used as a way to steer the organization.

### **5.3.2 Sustainability practices are promoted by values**

It can be seen that the businesses have a focus beyond the accounting “bottom line” and instead all adopt the “triple bottom line” of ecological, social, and economic factors suggested by Garriga & Melé (2004). Earlier, it was proposed that the sustainability efforts and values identified by Schein’s (2004) theoretical model were considerably interdependent. Given that it has been shown that the organizations are considerably value-driven, the firms would, therefore, not be undertaking their strategic actions unless these were aligned with their moral principles. Moreover, the motivation to be sustainable was arguably evident in all three cases and upheld by the shared espoused values and basic assumptions between the three family businesses. Therefore, there is a relationship between the values and the sustainability efforts, where the former notably influences the latter.

### **5.3.3 Longevity elevates sustainability efforts**

The three family businesses have been shown to undertake long-term investments while avoiding actions that might spur short-term profit. Even so, most importantly, the interviewees highlighted that members of the organization stay for long tenures, be that in positions such as CEO or others. Thus, one can argue that the members of the organization decidedly view their work in the family businesses to be long-term. Moreover, an analysis of the culture of the three firms made it evident that espoused values and basic assumptions all had components supporting the long-term growth of the legacy, reputation, and value of the firm, also seen through the artifacts. Therefore, the thesis has not only shown that the family business undertakes long-term sustainability efforts, but these also are strongly influenced by the long-term values.

## **5.4 Findings and implications of the study**

The results from the thesis indicate a distinguishable link between the family values and the firms' work with long-term sustainability. For older generations, it has not been referred to as sustainability work but rather as natural strategic decisions in line with their governing values with the purpose of continuing to exist in the long-term. An interesting finding to this is how the firms have been conducting sustainability practices before it became popular. Hence, it has not been considered an explicit sustainability strategy but instead the result of the inherent values. An imperative aspect of long-term vision is the stability of values over time. The newer generations are adopting them by growing up in a reality centered around the family value-system. Consequently, it ties the members closer together and makes them gather around the vision of the longevity of the business.

While the newer generations adopt the same values, it can be seen how they expand the definitions and, in turn, the implementation. This as a result of them growing up with a different, more explicit understanding of what being sustainable means due to how society has developed. It can be seen in all three cases how the younger generation incorporated theoretical sustainability frameworks into the business model in an attempt to facilitate the visual representation of the firm's sustainability work and improve monitoring. Nevertheless,



the finding of family businesses subconsciously having conducted sustainability practices as a result of their values and basic assumptions can pave the way for competitive advantages to be created. This is illustrated both in the form of the care for employees and the loyalty shown towards one another and the firm, but also how it benefits the environment and society in the form of sustainable long-term investments. Hence, it would be valuable for firms that have not yet realized the advantages of being family-owned to contemplate on their values in order to investigate how to leverage them optimally.

Moreover, looking at the connection with the socio-economic environment, it becomes clear how the firms have a mentality of seeing themselves as a natural integral part of the local community and how they leverage it to achieve both economic and social growth. Family firms that have existed for several generations display a clear intersection of the family, the business, and the socio-economic environment. In line with previous research and theory, this translates into short-term economic gains being sacrificed if it is deemed to benefit the long-term prosperity of the firm. An implication of this is that long-standing firms only will adopt a short-term mindset in the face of a severe crisis that otherwise would endanger its continuity.

## **6 Conclusion**

### **6.1 Contributions of the study**

There was a distinct link between the values of the three family businesses and their motivation for pursuing sustainability through ecological, social, and economic factors. It was also discerned that the family owners shaped the values of the business by having strategically important roles, through which they decided the direction of the business. Interestingly, the older generations did not refer to their positive practices as sustainability; instead, the work was expressed as an urge to maintain the business for future generations. Thus, it was seen that the long-term horizon had incited the three family businesses to pursue sustainability efforts before it became a popular term. Another consequence of the long-term vision was the durability of the values and the unification around them. In light of the collected data, the study shows how newer generations adopt and develop the same values as previous ones, which further strengthens how values are stable over time. Hence, the thesis has conveyed how the inherent values of the organizations influence the long-term sustainability practices of the three family businesses.

In essence, the study has provided insights into the family business research field by scrutinizing the impact of family values on the firm's long-term prosperity. With the theoretical background of Schein's three levels of culture, the thesis has contributed to closing the research gap of how family values influence their sustainability efforts and how the values triumphs short-term financial profit maximization. While research exploring governance and strategic succession are common, research concerning sustainability has lacked in the family business field. The relevance of the study is further stressed by analyzing the material in accordance with the threefold definition of sustainability, which contributes to an important field for both business and society.

### **6.2 Limitations and future research**

While the qualitative method enabled for in-depth analysis of the three cases, it ought to be stressed that it limits the generalization of the results. Having collected data from only three

firms, the authors can not be certain that the identified themes and patterns would be the same in a broader sample. Furthermore, it should be noted that what is being referred to as a “competitive advantage” is not based on comparisons of financial data between firms as no financial analysis has been made. The advantage is based on patterns identified in the qualitative interviews in conjunction with theory.

Future research ought to further examine the role organizational structure played and how it affects the transgenerational collaboration. To determine what features of the structure that facilitates value implementation would enable firms to better leverage their family values. Lastly, despite the thesis contributing to reducing the research gap between family values and the firm’s sustainability in the long-term perspective, future studies ought to further analyze this subject. Given the limitation in time and sample size, future scholars should increase the collected data and also explore other geographical contexts. Furthermore, it should be noted that potential internal controversies are delicate matters. Increased trust with the interviewees could be built if future scholars have a longer time-frame, which could translate into more information being disclosed.

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# **Appendix**

## **Appendix 1**

### **Short overviews of Case Companies**

#### **Case A**

It can be seen as a group of three primary businesses: milling, ice cream, and agriculture. The milling business has one of the most modern mills in Europe and produces quality flour sold and distributed to food manufacturers, bakeries as well as households through wholesalers. The company's ice cream is produced locally, with 90% of the ingredients originating from the local country. The ice cream dairy is freshly sourced from farms in the country, one of which belongs to the group and constitutes the agriculture business.

#### **Case B**

The second case, referred to as company B, is one of the largest brewery and beverage groups in Sweden. They distribute both to restaurants but also to Systembolaget, the Swedish monopoly retail chain, and the grocery trade. The company was founded in 1897, and the fourth generation is currently in charge of management, while two members in the previous generation still have full ownership. The fifth generation is now also involved in the company, primarily working with product development. Company B made for a fascinating case given that the firm has survived for over a hundred years and that they had a systematic approach to sustainability, which could be derived from its website. This view was later confirmed in the interviews. The company clearly states its sustainability issues as strategic issues in the annual report as well as the actions they take to reduce them.

#### **Case C**

The third case, referred to as company C, is made up of one holding company and two subsidiaries. The core part of the business is one of Sweden's largest producers of bread, and the family has been baking bread in northern Sweden for five generations. The bread is found in supermarkets throughout the country and is also sold to the foodservice and industry

customers. Apart from the domestic market, the company has sales in 10 other countries, whereby Norway and France constitute the two single biggest export markets. The second part of the business includes renewable energy, real estate, and leasing.

## Appendix 2

### List of interviewees:

<b>Firm</b>	<b>Role</b>	<b>Family/non-family</b>	<b>Length of interview (approx in minutes)</b>
Case A	CEO 1	Family	50
Case A	CEO 2	Non-family	40
Case A	Sustainability Manager 1	Family	60
Case A	Board Member 1	Family	60
Case A	Board Member 2 / Sustainability Expert	Non-family	60
Case A	Chairman	Family	50
Case B	CEO	Family	60
Case B	Sustainability Manager	Non-family	50
Case B	Marketing Director	Non-family	40
Case B	Board Member	Family	50
Case C	CEO 1	Family	60
Case C	CEO 2	Non-family	50
Case C	Board member	Family	60
Case C	Sustainability Manager	Non-family	50

Table 3: List of Interviewees

## Appendix 3

### Interview guide for family members (in Swedish):

1. Kan du beskriva [namn på företag] som du ser familjeföretaget?
2. Hur blev [namn på företag] ett familjeföretag? När, hur, och varför anslöt familjemedlemmarna? Är flera generationer, på ett eller annat sätt, delaktiga i bolaget?
3. På vilket sätt påverkar familjen företagets strategiska arbete?
4. Vilka värderingar kopplar du främst till företaget?
5. Är det här något som uppkommit på senare tid, eller har ni tagit denna hänsyn tidigare?
6. Skulle du säga att din generation värdesätter andra värderingar än tidigare generationer? Specifika exempel. Vilka är nya, vilka inte längre relevanta?
7. Är dessa samma som företagets officiella värderingar? Vem implementerade dessa?
8. Vad är din definition av hållbarhet?
9. Jobbar ni med hållbarhet? Om ja, var kommer idén/engagemanget för hållbarhet ifrån? Om nej, varför?
10. Vilka historiska beslut har haft den största påverkan på ert hållbarhetsarbete idag?
11. Följs det upp att hållbarhetsarbetet implementeras? Om ja, hur? Vem sköter uppföljningen? Vems idé var detta? Om nej, varför inte?
12. Har ni en särskild metod för ert arbete kring hållbarhet? Om ja, skulle du kunna förklara denna? Varför har ni valt denna?
13. Är det något du skulle vilja förbättra i den hållbarhetsmetodik ni har idag?
14. Har du ett annat synsätt på hållbarhet än resterande del av familjen? Eller är det en viss generations synsätt du håller med mer om?
15. Vad är företagets strategiska prioriteringar just nu? Är dessa kopplade till företagets vision?
16. Jobbar ni med att få ut hållbarhetsarbetet/visionen samt värderingarna i organisationen till de anställda? Om ja, hur? Om nej, varför inte?

17. Kan du berätta om eventuella meningsskiljaktigheter som uppstått mellan familjemedlemmar tillhörande olika generationer avseende hållbarhet? Vad handlade dessa om? Vad var din reaktion?
18. Vad är/blev konsekvenserna av dessa eventuella skillnader? Utmaningar? Konflikter? Fördelar?
19. Hur lång tidsram har ni på beslut kring investeringar?
20. Hur har ni jobbat med generationsskiften historiskt?
21. Planerar/förbereder ni framtida generationsskiften?
22. Hur ser du på framtiden för företaget?

## **Appendix 4**

### **Interview guide for non-family members (in Swedish):**

1. Kan du beskriva [namn på företag] som du ser familjeföretaget? Hur kom du in i familjeföretaget?
2. Vilka värderingar kopplar du främst till företaget?
3. Är det här något som uppkommit på senare tid, eller har ni tagit denna hänsyn tidigare?
4. Är dessa samma som företagets officiella värderingar? Vem implementerade dessa?
5. Om du har arbetat på liknande företag som inte är familjeföretag, vad är likheterna? Vad är skillnaderna?
6. Om du arbetat på andra företag som är familjeföretaget, vad är likheterna? Vad är skillnaderna?
7. Vad är din definition av hållbarhet?
8. Jobbar ni med hållbarhet? Om ja, hur? Om nej, varför?
9. Vilka historiska beslut har haft den största påverkan på ert hållbarhetsarbete idag?

10. Följs det upp att hållbarhetsarbetet implementeras? Om ja, hur? Vem sköter uppföljningen? Vems idé var detta? Om nej, varför inte?
11. Har ni en särskild metod för ert arbete kring hållbarhet? Om ja, skulle du kunna förklara denna? Varför har ni valt denna?
12. Är det något du skulle vilja förbättra i den hållbarhetsmetodik ni har idag?
13. Har du ett annat synsätt på hållbarhet än resterande del av familjen? Eller är det en viss generations synsätt du håller med mer om?
14. Vad är/blev konsekvenserna av dessa eventuella skillnader? Utmaningar? Konflikter? Fördelar?
15. Vad är företagets strategiska prioriteringar just nu?
16. Är dessa kopplade till företagets vision?
17. Jobbar ni med att få ut hållbarhetsarbetet/visionen samt värderingarna i organisationen till de anställda?
18. Hur lång tidsram har ni på beslut kring investeringar?
19. Hur ser du på framtiden för företaget?