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**"Family firms' growth and sustainability.
A case study from the Italian food industry"**

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Firma (signature)

Irme Gastaldello

Alla mia famiglia, che ha permesso anche questo mio traguardo

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INTRODUCTION & SUMMARY

Family firms' growth and sustainability

THE PURPOSE OF MY DISSERTATION. The purpose of this work is to analyze the conditions that allow family firms, which are often portrayed as conservative and reluctant to invest in innovation (Duran *et al.*, 2016), to take a leadership role in sustainable developments. We choose this topic because around the world, the concerns about resource over-consumption, environmental degradation and social inequity, have resulted in calls for a transition toward a more sustainable society and economy, that involve all the economic agents (Adams *et al.*, 2016). This is because they are recognized as part of the problem as well as of the solution, being positioned to effect positive changes in the direction of sustainability (Adams *et al.*, 2016). In this context, since roughly more than two thirds of all the firms across the globe, can be considered family-owned businesses (Duran *et al.*, 2016), an understanding of their particular behavior toward the three pillars of sustainability (economic, social and environmental) is pressing. The peculiarity of their conduct, derives from the fact that while they are perceived to be good employers and committed to social and environmental responsibility, thanks to the family's influence (Zellweger, 2017), they tend to take distances from radical changes (Duran *et al.*, 2016), losing in this way the opportunity to lead the path toward sustainable developments as, among the necessary means for achieving a sustainable economic growth, innovation and flexibility are crucial (Adams *et al.*, 2016).

For these reasons, to give an answer to the research question "*How can a family firm grow, following a sustainability path?*" we choose to use a qualitative analysis on two family firms, operating in one of the most challenging industries in term of sustainability-related issues: the food industry. Indeed, the selected family businesses are Rigoni di Asiago S.r.l, and Beehoney&co¹, two companies operating in the Italian food industry.

The first case study, based on the analysis of Rigoni di Asiago, has been carried out through the use of secondary sources of data, focused on the topics highlighted by the theoretical framework of the thesis. The conclusions obtained from the analysis of the Rigoni di Asiago case study, meaning the initial answer to the research question, have been integrated with a second case study, based on Beehoney&co, a small family firm located in Padua and similar to Rigoni² in terms of origins, business and family's values. The second case has been conducted through a semi-structured interview with the founders of the company, Margherita

¹ Pseudonym used for the company name

² The abbreviation used for Rigoni di Asiago.

and Andrea Beehoney³, that are still working for their business having a dominant influence in company's decisions, even if the firm has been passed on to their daughter Elisa, part of the second generation of the family. As stated above, the analysis of Beehoney&co, has been carried out to test the conclusions obtained from the first case study and the selection of such a type of firm, has been driven by the desire of finding a company in which the link between the family and the company's actions was not influenced by nonfamily members or other external pressures, typical of larger firms. So, the findings obtained from the Rigoni di Asiago case, combined with the insights revealed by the Beehoney&co analysis, have been useful to integrate the theoretical framework of the thesis, drawing a more complete answer for the research question.

CHAPTER 1. The goal of the first chapter, is to contextualize the research question making sense of finding the key conditions and factors that should induce a family firm to pursue a sustainable growth. Indeed, to highlight the importance of sustainability around the world, evidencing the potential leading role of family firms in sustainable developments, the chapter contains a description of the meaning of companies' sustainability together with an explanation of the reasons why family firms have a leading role in sustainability.

CHAPTER 2. To make a good contribution to the literature, the second chapter is focused on the theories considered relevant for describing the behavior of family firms toward sustainability and innovation. The chapter is dedicated to the presentation of the Socioemotional wealth (SEW) perspective, the Resource-based view theory, the Organizational identity theory and the Paradox perspective.

CHAPTER 3. The chapter contains the development of the theoretical framework of the thesis, crucial for the analysis of the case studies because it aims at describing the key elements necessary, for a family firm, to grow financially, environmentally and socially sustainable. The model is elaborated starting from the studied theories but at the end, it is integrated with the case studies' contributions.

CHAPTER 4. The chapter is dedicated to the presentation and the analysis of the main sustainability-related challenges and trends affecting the food industry, with a particular focus on the Italian scenario, that is the sector where the two companies analyzed, are operating. The Italian food industry has been selected as the area for the case study because it is

³ Margherita and Andrea Beehoney are the pseudonyms used for the founders name

dominated by family firms and, the sustainable developments of companies are really an imperative for their competitiveness and for the growth of the industry.

CHAPTER 5. The chapter contains a detailed description of the research methods used for the case studies. The first case, the one based on Rigoni di Asiago, is carried out through the detailed analysis of secondary data, coming from company's website, released documents, interviews on newspapers, magazines and social media platforms. The second case, on Beehoney&co, is based on primary data, collected through a semi-structured interview with the founders of the firm, Margherita and Andrea of the Beehoney family.

CHAPTER 6 & 7. Chapter 6 contains a brief presentation of Rigoni di Asiago's history, to highlight its sustainable developments from the very beginning, while chapter 7 processes the related case study, aimed to give a preliminary answer to the research question. Rigoni di Asiago has been selected because it is one of the market leaders in sustainability and innovation in the Italian food industry so, by analyzing the main differences with the theories studied, that depict family firms as reluctant to change and invest, it helps to detect the key factors and elements that make the difference for the sustainable growth path. The qualitative research has been carried out using the theoretical framework of the thesis as a roadmap: this allowed to proceed in a detailed analysis of all the elements part of the framework, triangulating and contextualizing the information found.

CHAPTER 8. The final chapter is the one that processes the empirical analysis on Beehoney&co, with a focus on the connection between the family and the sustainability of the company. Indeed, after having analyzed the Rigoni case study that has been deepened in all the sections of the theoretical framework of the thesis, the second case has been carried out only considering the link between the family's influence and the company's conduct. This has been done with the goal of integrating the final answer to the research question.

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1. The potential leading role of family firms in sustainability

Sustainability, in terms of a simultaneous pursuit of economic, ecological and social goals, is a key requirement for all the organizations in the world (T. Clauß et al., 2021), because they have the necessary power to make positive and relevant contributions in solving environmental and societal issues and, given that the dominant form of organization around the globe is represented by family-owned companies (Adomako *et al.*, 2019), family businesses play a crucial role in fostering sustainability-related initiatives, with broad positive effects in the world. So, given the benefits of their contributions in mitigating some of the negative consequences of global challenges, it is relevant to study their way to approach sustainability, in order to understand whether they are exploiting their potential leading role in sustainable developments.

This is the goal of the next two chapters.

1.1 The business imperative of sustainability

The ecological and social grand challenges faced by humanity, have been not only accelerated but also expanded by the recent COVID-19 pandemic (T. Clauß et al., 2021), because the virus, in addition to human suffering and a global economic crisis, has also revealed the weaknesses of global supply chains (OECD, 2020). Therefore, in order to solve the negative consequences created by the pandemic and, to prevent these types of phenomenon from happening in the future, the economic recovery policies should trigger investments and changes, capable of increasing the society's resilience to trauma, whether from a pandemic or from a financial crisis as well as of reducing the likelihood of similar events in the future, also by preventing the future environmental degradation, minimizing the human footprint on the planet (OECD, 2020).

Indeed, the economic pressures on the natural environment are driving deforestation, air and water pollution and several other issues that may also increase the risk of future human diseases, due to the decline in environmental quality (OECD, 2020).

In the past, solving these type of challenges was perceived as a responsibility of the sole governments (Randerson, 2022) but today, governments together with businesses and people at home, have a responsibility in tackling global emergencies, as they are pervasive in all the countries around the globe and too complex to be solved by single actors (T. Clauß et al., 2021). For this reason, the 17 Sustainable Development Goals (SDGs), adopted by the United Nations in 2015 (Figure 1) and created to incentivize sustainable developments protecting the environment, ending poverty, reducing social inequalities and guaranteeing that all the people

can enjoy peace in their communities, are a universal call to action that to be pursued, needs the know-how, technology and financial resources of all the actors in the society, especially of organizations (*Sustainable Development Goals | United Nations Development Programme*). In addition, these “*global goals*” are characterized by the fact that the developments made, must always balance the three pillars of sustainability, meaning social, economic and environmental (*Sustainable Development Goals | United Nations Development Programme*) highlighting the idea that enterprises have to take into account their impact on the society and environment while managing their activities: a concept termed as Corporate Social Responsibility (CSR) that is also an approach in evaluating their performance.



Figure 1- The 17 Sustainable development goals⁴

In fact, regulations and standards about the Environmental, Social and Governance (ESG) reporting, are increasing over the years, to induce companies to disclose details about their governance and mostly, about their actions in implementing sustainability-related initiatives (Tocchini and Cafagna, 2022). The goal of the ESG reporting indeed, is to incentivize companies to implement sustainable initiatives and, to make them more transparent in their communication toward investors, that are increasingly interested in supporting sustainable businesses (Tocchini and Cafagna, 2022).

The idea of sustainable organizations, is summarized by the framework of the “Triple Bottom Line” (TBL), known as “people, plant and profit” (Slack, Johnston and Brandon-Jones, 2016), which establishes that companies must be evaluated not only on the economic *profit* generated for their owners, but also on the consequences that their operations have on the society (*people*) and the environment (*planet*) (Slack, Johnston and Brandon-Jones, 2016). Indeed,

⁴ source: <https://www.getupandgoals.it/ecg/sdgs>

simultaneously considering these three dimensions in business operations, firms can implement a sustainable business, meaning one that delivers appropriate profit to the owners, minimizing the damages to the environment and improving the life of its stakeholders (Slack, Johnston and Brandon-Jones, 2016).

Given these insights, the addition of sustainability into the business agenda, is not only a matter of social responsibility, but also of business survival and growth so it is no longer a “nice to have” element in the business as it has become a real imperative for companies (Bartels et al., 2021). In this context, since family businesses represent roughly 80% of the firms in the globe, with a resulting heavy weight in employment and economic contributions (Zellweger, 2017), understanding their approach toward the “business imperative” of sustainability is relevant, as they can really have a considerable impact in the path of organizations toward the achievement of the 17 sustainable development goals.

1.2 The family's influence in sustainable developments

Family firms are prominent among small to mid-sized companies in emerging and developed nations and they account for 70% to 90% of all the firms across the world (Zellweger, 2017).

The extent and type of family involvement in the ownership and/or management of the firm, is the biggest source of heterogeneity among them (Randerson, 2022) and it is also a distinctive feature with respect to non-family firms, as described by the three-circle model (Tagiuri and Davis, 1982). The model, depicts family firms as organizations characterized by the interplay of three dimensions, namely the family, ownership and management, highlighting the role-related complexities that are created by the incompatibility of these three subsystems, that follow different values, timeframes and goals, creating conflicting perspectives that complicate decision-making and communication in the firm (Zellweger, 2017).

In particular, it is the logic of the family system that adheres to a complete opposite view with respect to the management and ownership ones, valuing tradition, emotional ties, non-financial values and the transgenerational outlook (Zellweger, 2017). But, while it seems to simply “damage” the functioning of the firm system, that is based on renewal, growth, financial goals and meritocracy, in truth it can have positive effects in improving the motivation to engage in CSR actions, key aspects for the reputation and growth of the organization. Family owners indeed, tend to be highly concerned with the social impact of their firm as they desire to create a company with a positive image and that is loved by the

public, due to its association with the name of the family and the desire of owners to transform it into a legacy for the future generations of the family (Zellweger, 2017).

1.2.1 Sustainable human resource management

“Sustainable HRM can be defined as the adoption of HRM strategies and practices that enable the achievement of financial, social and ecological goals, with an impact inside and outside of the organisation and over a long-term time horizon while controlling for unintended side effects and negative feedback” (Ehnert *et al.*, 2016, p. 90).

Considering the pressures for sustainability reporting (Ehnert *et al.*, 2016), the requisite of sustainable developments for business’ growth and the interest of family owners in the long-term survival of their company, understanding how family firms implement human resource policies is crucial, as people in organizations play a determinant role in the effectiveness of the company’s sustainability strategy (Aust, Matthews and Muller-Camen, 2019).

This is because competent and motivated employees, can be considered as the key to a successful implementation of sustainable developments in organizations (Piwowar-Sulej, 2021) as they can support their organizations in the realignment of practices and routines to new future directions, ways of operating and requirements (RMIT University, 2017) so, aligning HRM practices and economic, social and environmental goals altogether (Kramar, 2022), is essential for the creation of a sustainable business.

For this reason, a family firm which aims at being sustainable, has to be focused on solving grand global problems (Piwowar-Sulej, 2021), being not only responsible for its workers by providing optimal working conditions (Piwowar-Sulej, 2021) but also for the communities in which it operates and for the people indirectly employed in its supply chain, having in this way a responsibility in managing HR, that goes beyond its organizational boundaries and the present time frame (Aust, Matthews and Muller-Camen, 2019).

The realization of this philosophy in dealing with human resource management practices, is termed as *“sustainable”* HRM (Kramar, 2022) because it is effective in making HRM systems more sustainable and capable of contributing to the 17 SDGs (Aust, Matthews and Muller-Camen, 2019), differently from the precedent idea of *“strategic HRM”*, where the HR policies were concerned only with the company’s financial performance (Huselid, 1995).

In practice, sustainable HRM is reflected in health and well-being initiatives for employees and communities and in policies, aimed at creating awareness about the impact of business on the environment and on current and future people, even beyond organizational boundaries (Aust, Matthews and Muller-Camen, 2019).

1.2.2 Green human resource management

The branch of sustainable HRM policies focused on the protection of the environment, is termed as “*Green HRM*”, and it consists in the alignment of organizational culture, teamwork and of human resource management practices (such as recruitment, training and rewards) with the environmental mission and objectives of the organization (Jabbour and Renwick, 2018). Specifically, one of the first method that a company can use to follow the green HRM approach, is the selection of candidates that have a deep ecologic awareness in their private life (Murace, 2020) in order to foster their sustainable behavior, and also the one of partners in the supply chain through the creation of a reward system capable of incentivizing conducts and habits, in line with the green objectives of the company (Murace, 2020).

These practices indeed can be specifically implemented to improve stakeholders' ecological awareness and behavior, contributing to the green credentials and reputation of the company (Aust, Matthews and Muller-Camen, 2019) but, in order to be successful within the organizational boundaries, the workers have to clearly know the firm's sustainability philosophy, being appropriately empowered to follow it, implementing sustainable practices in their routines (Hameed *et al.*, 2020). In particular, to disseminate the company's philosophy and interpretation of sustainability and to incentivize the “green” conduct of workers, communication such as discussions with employees and stakeholders and, a well-developed HR capability that reviews HR policies to ensure alignment with sustainability principles (RMIT University, 2017) is fundamental, as well as the employee empowerment concept. The requisite of employee empowerment, is considered important because it is a method commonly used in HR practices, to enhance the motivation of workers to improve their job performance so, having employees that feel able and are motivated to contribute to the sustainable green goals of the company, is crucial to increase the likelihood that those goals will be achieved and, this can be made by providing workers with anything and everything they need to succeed (Wong, 2020). This means that the firm has to give the necessary support and developmental feedback to empower them, enhancing in this way their commitment to the organization, making them willing and able to perform their green tasks (Hameed *et al.*, 2020).

In essence, the green HRM addresses the type and quantity of resources used in the workplace and the variety of products and services realized by the firm (Kramar, 2022), so they are vital for promoting the development of more sustainable products, supporting also corporate reactions to climate change (Hoffman, 2004) and motivating employees to maintain a sustainable behavior over the years, contributing also to the development of sustainability-related innovations (Ramus and Steger, 2000).

1.3 Conclusions

Given the fear that the firm may damage the family's reputation and, the interest in preserving the business's wealth for future generations (Zellweger, 2017), the desire for sustainable developments should be an intrinsic part of the existence of a family firm and it is encouraged by the fact that the values derived by the family context, the sound parenting and the educational experiences of family members, play a key role in fostering socially responsible behavior by family members (Breton-Miller and Miller, 2016).

If, to these first insights, we add the public regulations and pressures on the company, to conform to sustainable developments, family-owned businesses seem to be the ideal form of organization for leading the path toward sustainability, because they appear characterized by internal and external forces, that should lead them to integrate sustainable goals in their strategy and to have the right incentives to implement sustainable and green HRM practices to foster CSR actions, supportive of those objectives (Kramar, 2022).

In truth, the family participation not only foster sustainability, but tend also to affect, together with national, industry and workforce characteristics (Kramar, 2022), the nature and the direction of CSR actions (Marques, Presas and Simon, 2014) that, at the end, can favor certain dimensions of sustainability, neglecting others.

2. CSR direction in family firms

A sustainable business is one that supports CSR activities, contributing to sustainable developments by simultaneously improving economic, social and environmental performance (Slack, Johnston and Brandon-Jones, 2016). Indeed, the scope of CSR actions as defined by the European Commission in 2009, is wide, as it can contribute to positive developments in the workplace, marketplace, environment and in the society (Marques, Presas and Simon, 2014).

Specifically, *workplace* CSR is related to positive practices in human resources management, the *marketplace* CSR supports positive relationships with suppliers, customers and competitors, the *environmental* CSR refers to actions made to limit the impact of operations on the environment, while *community* CSR affects the relationships of the company with citizens and local communities (Marques, Presas and Simon, 2014).

Although all firms have responsibilities in all the above areas because they are equally important for sustainable developments, the variety and direction of CSR actions differ, as they are the result of the decisions of firms' owners and managers driven by their priorities in terms of sustainability. This concept explains why the participation of families in family firm, is crucial in influencing the level of engagement and nature of CSR actions (Marques, Presas and Simon, 2014).

In particular, from a survey conducted by Marques, Presas and Simon in 2014 on 12 Spanish family firms, it has emerged that family-owned businesses tend to prefer people-related activities, like the ones part of the workplace and the community-related CSR, rather than those linked to environmental and marketplace CSR (Marques, Presas and Simon, 2014) and, different motives seem to explain the tendency. For what concerns marketplace CSR, the voluntary actions that benefit stakeholders in the market are simply considered, by family managers, as marketing initiatives or part of collaborations (Marques, Presas and Simon, 2014) rather than pure CSR actions while, with regards to environmental CSR, meaning those policies oriented to mitigate external ecological degradation (Jabbour and Renwick, 2018) the reasons seem linked to innovation. Here, while the "human" side of organizations has to be aligned with environmental goals, and family firms appear to have the right incentives to implement 'green HRM' as explained in the previous chapter, the "technological" side has to be aligned as well, through the implementation of innovative investments and costly changes (Jabbour and Renwick, 2018).

The problem is that, for family firms the decision to undertake innovation and radical changes can be complex, since they are characterized by competing goals and ideas deriving from their

conflicting dimensions, that can make them risk-averse and reluctant to change, while needing and recognizing the value of innovation (Xiang *et al.*, 2018). In fact, notwithstanding the premises for a leading role in sustainability, even from the 10th Global Family business survey by PWC⁵ (Bartels *et al.*, 2021) it appears that most of family firms are interested in nurturing only the social and financial pillar of sustainability, neglecting the environmental one (Bartels *et al.*, 2021).

2.1 Innovation in family firms

The problem at the origin of the neglected environmental sustainability in sustainable initiatives, is that due to the concerns for their reputation and their members, family firms are highly engaged with activities related to employees well-being, customer safety and support to local communities (Zellweger, 2017) but, they tend to overlook what is needed to put the sustainability dimension at the center of business operations (Bartels *et al.*, 2021). Indeed for a firm to develop and improve its environmental sustainability orientation, the operational impact on the natural environment needs to be inculcated in the company's strategy (Adomako *et al.*, 2019) as the operations of companies, are often among the root causes of many of the environmental issues around the globe (Slack, Johnston and Brandon-Jones, 2016).

The difficulty is that, in order to respond to changing environmental imperatives (Adomako *et al.*, 2019), family firms must be able to develop the skills of their employees and to improve the way in which operations are carried out, fostering not only a responsible behavior of workers through HRM practices, but also incremental and radical innovation, that entail a long-term process with uncertain future payoffs. But, given that family firms typically are not willing to bear substantial risks in their economic performance (Han, Lee and Kim, 2021) and since dimensions and forms of environmental sustainability orientation depends on the various resources accessible by the family and the firm (Adomako *et al.*, 2019) that are typically limited in terms of financial capital and knowledge, they tend to avoid the expensive investments needed to sustain technological and environmental innovation (Han, Lee and Kim, 2021).

Technological innovation can be defined as the sum of activities through which a firm can conceive, design, create and introduce a new product, technology or process (Xiang *et al.*, 2018) while, environmental innovation is the specific term used to identify the development

⁵ The Family Business Survey is a global market survey of owners and executives, that has the goal of getting an understanding of what family businesses are thinking on the current issues. The survey is based on 2,801 online surveys conducted in 87 territories between 5 Oct. and 11 Dec. 2020; 1.061 of them, in European countries.

of technologies and processes needed to address environmental issues and it tends to be much riskier in terms of outcomes than the technological one (Han, Lee and Kim, 2021).

Another aspect that reinforces the tendency, is that family firms benefit from a sort of independence with respect to external pressures, given by the fact that in most of the cases they are not listed (Bartels et al., 2021) so, they are not formally obliged to comply with the sustainability-related regulations affecting listed organizations, remaining quite free to decide the scope of the investments in their organization (Bartels et al., 2021). Indeed, being forced to report about ESG improvements and CSR actions, is a further pressure to induce companies to pursue sustainable initiatives.

Given these understandings, the preference of family firms for the social dimension of sustainability, rather than the social and environmental altogether, seem to be linked to the level of resources needed and the uncertainty faced to pursue them.

Philanthropic activities and attention to employees' well-being, do not require expensive investments and disruptions to organizational routines and standards, differently from the improvements in favor of the environmental dimension, that are more risky and innovation-based (Craig and Dibrell, 2006).

The point is that, since all businesses are constrained by and dependent on the natural environment, even the competitive advantage of family firms, as the one of all the organizations, has to be based on capabilities, processes and assets that facilitate an environmentally friendly behavior (Craig and Dibrell, 2006) and innovation, in addition to social commitments. Considering that the type of family influence is a source of heterogeneity among them (Randerson, 2022) even regarding CSR engagement (Marques, Presas and Simon, 2014), it is important to study how the family owners may influence the organization's behavior and decisions, especially the ones about innovation, and, in order to do that, the next paragraphs propose some of the theories more related to the phenomenon.

2.1.1 SEW theory

Family owners are powerful parties that deeply affect the firm's strategy and tend to be guided by the desire of preserving their Socioemotional wealth (SEW), when making strategic choices that affect the entire firm (Han, Lee and Kim, 2021).

'*Socioemotional wealth*' (SEW) is a term used to describe the set of nonfinancial goals that drive family owners toward a preference for the family's affective needs and ties (Han, Lee and Kim, 2021) when taking important decisions for the business. In fact, the SEW theory sustains that family members strive to make strategic choices that protect their affective

endowments, even if this might induce the risk of negative firm performance (Han, Lee and Kim, 2021). Specifically, the Socioemotional wealth is said to consist of four dimensions that are interdependent, as one affects the presence of the others (Zellweger, 2017):

1. *Transgenerational control*: It refers to the idea of long-term control in the hands of the family and across generations. This goal, drives family owners to protect the opportunity to pass the firm on, to future family members (Zellweger, 2017).
2. *Benevolent social ties*: The concept refers to the degree to which family members value relationships characterized by a humane way of interaction (Zellweger, 2017) and community involvement (Han, Lee and Kim, 2021), that stands in contrast with the contractual logic of a business, in which relationships are maintained only if capable of providing an economic return in the short-term (Zellweger, 2017).
3. *Identity and reputation*: They refer to the extent to which the controlling family obtains value from identifying or being identified with the firm (Zellweger, 2017). In particular, the higher the identification and family involvement in the firm, the greater should be the willingness to take actions in favor of CSR and specifically, of environmental innovation (Han, Lee and Kim, 2021).
4. *Emotions and affects*: Family business owners may experience pleasant emotions, thanks to their association with the firm and they tend to view it as a cherished possession, that should be kept in the hands of the family, across generations (Zellweger, 2017).

The preservation of SEW is a fundamental concern for family firms and it is one of the reference points for family owners, when they take firm's strategic decisions (Zellweger, 2017). Indeed, the more negative is the impact of a choice on the affective endowments of the family, the less attractive the decision appears to family owners (Zellweger, 2017) so, when they have to prioritize an objective, socioemotional considerations often dominate financial ones, with consequent negative effects on financial performance and competitiveness of the organization (Zellweger, 2017).

Obviously, financial performance is a key aspect for both financial and socioemotional goals, because even a family member who always prioritizes SEW in decisions, knows that its components are dependent on the long-term survival and growth of the company, obtained through a good performance in the market (Zellweger, 2017). But, while for the purely financial point of view, the financial performance is the outcome, for the SEW perspective it is the input needed to preserve the affective endowments of the firm so, the owners concerned with their protection, will strive to achieve an economic performance that is simply sufficient to preserve the SEW of the firm (Zellweger, 2017).

In turn, the approach used by family members to sustain a positive performance, depend on their appetite for risk-taking that typically, tend to be very low when socioemotional goals dominate, as actors see the risk as a danger for their affective endowments (Zellweger, 2017). In fact, it seems that only if the firm is under threat, the owners become willing to take massive risk to save the company and its SEW.

These insights sustain the idea that since innovative investments entail a long-term process that lead to uncertain outcomes, in normal conditions family firms should avoid excessive expenditures of this type to reduce the risks incurred, at least if members are risk averse (Han, Lee and Kim, 2021). On the other side, the firm should proactively pursue a risk-taking behavior, especially when the company's safety is at risk, in order to nurture and preserve the identity and reputation of the firm (Han, Lee and Kim, 2021).

Therefore, the result is that while the positive relationship between family involvement and CSR actions in favor of society and environment seems to be clear, the willingness to pursue related innovation depends on the financial performance of the company, on the level of their risk appetite and on the spirit of innovativeness of family members.

2.1.2 Resource-based view theory

Since it seems that different dimensions and forms of CSR actions, may be demonstrated by companies due to the various and different resources accessible to them (Adomako *et al.*, 2019) a second theory, relevant for understanding the behavior of family firms toward sustainable-related innovation, is the *resource-based view*, a perspective elaborated by Habbershon and Williams in 1999.

The theory assumes that a company's internal idiosyncrasies, dependent on the features of family involvement, are a key for its competitive advantage and they can explain differences in performance, not attributable to external conditions. This bundle of resources, that results from the interference of the family as a provider and a configurator of resources in the company, is termed "*familiness*" (Zellweger, 2017).

The components of familiness, are deemed capable of sustaining concerns like long-term orientation and social and ecological awareness, increasing the willingness of a family business, to operationalize sustainable goals along the entire supply chain (Fritz et al., 2021). However, in both the roles of provider and configurator of resources, the involvement of the family can have positive but even negative consequences in performance, termed as positive and negative *familiness* (Zellweger, 2017), and this is especially true for what concerns sustainability and related innovation.

Family as a resource provider

Families provide to their companies: financial, social, human, physical capital and reputation. (Zellweger, 2017)

- The amount of *financial capital* provided by the family tends to be limited and, while this restriction can reduce the ability to invest in crucial capabilities and innovation, it can encourage the efficient and parsimonious use of acquired resources. On the other hand, family members tend to be willing to wait for long periods of time to be paid back, so the capital provided could be used for long-term strategies with uncertain paybacks.
- The *social capital* refers to the resources available thanks to the human relationships established with individuals and organizations. Families can build effective and positive long-term relationship with customers, suppliers and banks but, this source of competitive advantage turn into a disadvantage in evolving environments: a closed and trusted network might hinder the ability to respond to environmental changes and to innovate, leading to inertia.
- *Human capital* represents the knowledge and capabilities of employees. Its quality comes from long-term, loyal and experienced employees with a developed firm-specific knowledge: aspects that foster knowledge transfer and mutual learning. The negative side is that family owners tend to prefer ill-qualified family members to qualified external employees, in order to preserve family ties and ownership, limiting in this sense the quality of know-how and knowledge accessible by the firm.
- *Physical capital* is the set of tangible assets that most of the times are derived from the firm's historical roots but, if the owners do not recognize changes and evolutions due to the emotional ties and long traditions, their value might deplete over time becoming a liability for the firm.
- *Reputation* of family businesses is characterized on one hand, by features such as trustworthiness and credibility, derived by the personal engagement of the family members with the firm but, on the other hand, it is associated to attributes like resistance to change and stagnation.

Family as a resource configurator

The firm performance depends also and especially on how the resources available are managed and implemented (Zellweger, 2017) and family firms are characterized by both advantages and disadvantages depending on the activity:

- They tend to have an advantage in the accuracy with which they *select resources* but given their limited funds for investments, they typically choose those that best fit into their existing routines and processes, limiting creativity and innovation.
- They normally face difficulties in the *resource deployment* stage because it requires the implementation of new resources and, their established processes might impede the adoption of new ways of doing.
- Thanks to the deep firm-specific knowledge of employees, family firms are deemed to have an advantage in the *bundling and leveraging of resources*. Indeed, their workers typically know, how to recombine and leverage available resources, to increase the efficiency and effectiveness of existing processes.
- Inhibited by emotional ties, they tend to be hesitant to eliminate or replace resources that are not needed anymore, having for this reason, a disadvantage in the ability of *shedding resources*.

The theory provides a perspective useful to link the “familiness” of the company, to its strategic decisions. Specifically, the unique bundle of resources derived by the family’s influence can make the companies more likely to invest in economically and socially responsible projects, becoming an essential driver for sustainability (Adomako *et al.*, 2019). The point is that each firm is different from the others with regard to family’s inputs, so it is important to interpret them in form of beliefs, policies, values and according to the five categories of familiness, to appreciate how they result in a positive or negative influence in the capabilities of the company and the resulting strategic decisions.

2.1.3 Organizational identity perspective

Another perspective useful to explore, is the Organizational identity perspective, first defined by Albert and Whetten, in 1985.

The organizational identity of a company, provides guidance to the employees in their daily activities, and it can be seen as a framework which guides a firm’s strategic behavior and affects how managers present the organization to the public (Memili *et al.*, 2010). Specifically, the identification of family owners with their firms tends to be very strong, leading controlling families to live a sense of belonging to the organization, that can have a

profound impact on company's behavior (Memili *et al.*, 2010). This happens because family members, by identifying with their organizations, feel an overlap between their identity and the one of their companies, and this induce the need of portraying the family firm in a positive light (Memili *et al.*, 2010). The consequences are two-fold: higher incentives to invest in CSR activities to nurture a positive reputation, and the ability to develop brands characterized by attributes like honesty, trust, quality and reliability (Zellweger, 2017), derived from the firm's family heritage and the established reputation in the local communities (Memili *et al.*, 2010). The organizational identity theory indeed, suggests that firms work to project a favorable organizational image, building a positive reputation among stakeholders, by investing in CSR activities and in their brands (Memili *et al.*, 2010). But, if on one hand family's involvement helps in strengthening brands and image of the company, leveraging the traditions and reputation of the family, on the other, the trade-off between financial and nonfinancial goals, makes the risk-taking behavior of owners difficult to predict (Memili *et al.*, 2010).

This is because, it seems that the entrepreneurial behavior that should characterize family firms (Goel and Jones, 2016), tend to diminish with high level of ownership concentration in the hands of family, as it becomes more focused on preserving family's control and their socioemotional wealth (SEW) rather than creating new wealth looking for new opportunities (Memili *et al.*, 2010).

The result is that, entrepreneurial risk-taking behavior is fundamental for the desired long-term survival of the company but even in this case, the family's influence and its attributes can enhance as well as hinder risky investments and business performance (Zellweger, 2017). Overall, the association of a company to the idea of being a family firm, can drive as well as hinder its performance in the market, in different ways:

Factors that drive performance

The family firm's image typically helps the company to create loyal relationship with customers and the community in general, that in turn, allow to introduce new products and services at a low cost and to receive support in difficult times (Zellweger, 2017). Moreover, the family's dedication to a business activity across generation, its concerns for reputation, the attention in the management of financial resources and the strong relationships with key stakeholders, enhance its ability to attract unique resources, in terms of human and financial capital (Zellweger, 2017).

Finally, if the entire organization accepts the values and goals of the family, the firm can benefit of stewardship and entrepreneurial behavior by family members (Zellweger, 2017) fundamental, to pass the company on to future generations and to remain competitive in the

market. As a result, given the interest of the family into transgenerational sustainability, the ability to change and to make risky investments should be positively related to family businesses (Memili *et al.*, 2010) and, in particular, to the degree of identification between the firm and the family.

Factors that hinder performance

The positive depiction of the family firm image is accompanied by several negative aspects that hinder the performance of the company. Besides the attributes of low ability to innovate and change, being a family business makes the company subject to high visibility in its community and as a result, a target for public conformity pressures (Zellweger, 2017). The resulting effect is the tendency of a family firm, to prefer conservative rather than innovative strategies with the only objective of upholding the organizational image.

In addition, a heightened level of identification may cause groupthink among managers and the prioritization of the interests of family members, above those of nonfamily stakeholders (Zellweger, 2017), limiting initiatives in the interests of the organization as a whole.

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> • Focus on customers • Network of stakeholders • Preferred resources access • Stewardship and entrepreneurship 	<ul style="list-style-type: none"> • Groupthink • Conformity pressures • Low ability to innovate and change • Expropriation of nonfamily members

Figure 2: Identity's advantages and disadvantages of family businesses⁶

Even in this theory, the family dimension is not deemed to have a straightly positive or negative influence (Figure 2) on the performance and innovativeness of the company. In fact, on one side it highlights the incentives of the company to engage in sustainable investments to preserve the company's reputation but, on the other side, it evidences the fact that family members might limit the ability to innovate, in order to avoid related risks.

The result is that the effects of the family's influence, depend not only on the type of resources contributed by family members in the company and on the risk-appetite of the family, but also and especially on the degree of identification between family and firm.

⁶ (Zellweger, 2017)

2.1.4 Paradox perspective

While these first two theories sustain that the family can allow the business to act and adapt quickly, but can also slow down its decisions leading to inertia, the paradox perspective supports the idea that the trade-offs inherent in family firms, can be managed in order to realize synergies that benefit both the company and its members (Zellweger, 2017). This perspective assumes that the tensions, given by the interplay of the family, management and ownership dimensions of the three-circle model (Tagiuri and Davis, 1982), can be used in order to increase the efficiency of the organization, creating a sustainable competitive advantage (Zellweger, 2017).

In particular, by exploiting the inherent conflicts, it is possible to drive the firm's ability in managing the balance between two main business-related paradoxes: innovation input-output and exploration-exploitation (Zellweger, 2017).

Innovation input-output

Family firms tend to be risk-averse due to their limited financial capital and their desire to protect the socioemotional wealth of the firm but, many of them result in any case highly innovative thanks to their unique way of managing resources available (Zellweger, 2017).

Their risk aversion is due to the fact that the investments in R&D, termed as innovation input, tend to bring to results not really predictable and, given that family members often have the biggest part of their wealth invested in the company, they show a preference for more conservative and safe investments. Furthermore, innovative projects might require additional capital from non-family investors to be financed, and this can be seen by the owners, as a threat for the goal of long-term family ownership (Zellweger, 2017).

But, while family firms are typically at disadvantage with respect to innovation input, they seem to be particularly skilled at transforming the innovation input, meaning R&D investments, into outputs and this is thanks to their abilities in the bundling and leveraging of resources (Zellweger, 2017). These capabilities derive from the high levels of firm-specific knowledge of long-term employees and from the trust-based culture and the strong commitment of members that together, foster ideas transfer and mutual learning between members. In addition to the abilities in leveraging resources, the network of partners and suppliers that typically compose the social capital of family businesses help the innovativeness as well, by further reducing the normally high development costs.

Indeed, these costs tend to be already minimized in family-owned companies, thanks to the parsimony principle followed by members while utilizing the acquired inputs, that allows for prudent and efficient use of resources to avoid waste (Zellweger, 2017).

Exploration - Exploitation

Exploration entails the search for novel opportunities, distant solutions and completely new mindsets, indeed, related activities are searching, risk-taking behavior and experimentation (Goel and Jones, 2016). Exploitation, on the other hand, is focused on improving the current ways of doing and on delivering expected outcomes with the existing resources and skills, in fact, linked activities are the ones related to improving quality and efficiency in the use of existing resources (Goel and Jones, 2016).

Focusing on one of the two dimensions alone is dangerous, because while exploration identifies new opportunities for growth, it has to be complemented with exploitation in order to obtain the rewards, increasing the profits (Goel and Jones, 2016). Indeed, firms with exploration ability alone, are likely to be able to generate short-period growth and possibly profitability, but they are unlikely to be able to sustain both, without effective exploitation (Steffens, Davidsson and Fitzsimmons, 2009). At the same time, exploitation ability alone can lead to profitability and short-lived growth, as firms efficiently exploit opportunities in the market but, when the potential of available opportunities is exhausted, the ability cannot sustain high growth in the future without proper exploration (Steffens, Davidsson and Fitzsimmons, 2009).

So, while exploration and exploitation might seem mutually exclusive activities, it is the ability to pursue both dimensions simultaneously, named “ambidexterity”, that can deliver superior performance and efficiency to companies (Zellweger, 2017).

The paradox perspective as a result, assumes that the long-term ownership of a family business should presume simultaneous competencies in entrepreneurial exploration and exploitation (Goel and Jones, 2016), since the goal of long-term survival of the company, requires both the ability of exploring novel opportunities as well as the one of producing value from them (Goel and Jones, 2016). Further, given that leaders in family businesses tend to be more aware than non-family counterparts, of the tensions that exists in their companies, family owners should be better equipped and inform, to manage this paradox (Zellweger, 2017) even incorporating elements of sustainability (Goel and Jones, 2016), fundamental to create a sustainable business.

In conclusion, the theory does not refuse the idea that family and business systems have contradictory logics, rather it considers as true the possibility that by managing these tensions,

it is possible to overcome many of the trade-offs inherent in family firms (Zellweger, 2017) but also common to a lot of other companies. In fact, also nonfamily firms struggle to have exploration and exploitation abilities simultaneously (Steffens, Davidsson and Fitzsimmons, 2009) as they are fundamental for a growth that is profitable and that can be sustained in the long period.

Therefore, under the point of view of this perspective family firms have a big advantage in sustaining a positive relationship between growth and profitability over the years (Steffens, Davidsson and Fitzsimmons, 2009), since they have the right premises to balance exploration and exploitation initiatives.

2.2 Conclusions

The growth of a business is fundamental for any type of firm, because it is an expression of business success and it might have a significant impact on the society in terms of job creation (Cirillo *et al.*, 2020) and contribution to the sustainable development of a state or region (Ciemleja and Lace, 2011). In fact, the economic development and sustainability of a nation can be reached if its enterprises and institutions are committed at the coordinated and systemic advancement of economic goals in their daily activities, together with social and ecological objectives (Ciemleja and Lace, 2011).

Since family firms' represent the dominant form of organization around the world (Zellweger, 2017) understanding how they manage the growth-profitability relationship while striving for sustainability-related goals, is fundamental.

In particular, while there are challenges related to growth, intended as a change process, that are common to all enterprises, like the fact that the attitudes and motivation of founders and managers, can change over time (Davidsson, Achtenhagen and Naldi, no date) and that, there is no guarantee of higher profitability (Steffens, Davidsson and Fitzsimmons, 2009), family firms are characterized in addition, by difficulties coming from the family's influence.

In fact, as demonstrated by the studied theory, the family ties and the family involvement in ownership and management, could have both negative and positive effects for family firm's sustainable growth, that result to be not only related to financial concerns and public pressures, but also to family issues (Cirillo *et al.*, 2020). This is because, on one hand, the growth of the company is seen positively as, if profitable, it should help to sustain a financially prosperous business and it is always relevant for the family-oriented goal of transgenerational outlook and preservation of SEW (Cirillo *et al.*, 2020).

On the other hand, a growth path and the needed investments, might threaten the family's SEW and the control over the business, as the firm might need external funds, deep organizational changes and the knowledge of non-family members, so that the family might become reluctant to change and risk-averse (Zellweger, 2017).

The result is that, family firms do not form an homogeneous group in the behavior toward CSR and growth and, since their heterogeneity seems once more due to families' characteristics, values and culture (Marques, Presas and Simon, 2014), understanding the influence of the family on the specific path for a sustainable growth, is crucial.

This relevance derives from the fact that new findings about the impact of the family on firm's sustainable growth, could help to detect when the family's influence is positive and which are the conditions that should allow family-owned businesses to pursue sustainable developments, assuming a stable and profitable financial performance.

3. The framework of the thesis: the sustainable family firm

In this chapter, the sustainable growth of the family firm is analyzed through a theoretical framework (Figure 3), that aims at identifying which are the *family's* inputs and the conditions, beyond public pressures and regulations, that can enhance the motivations of family owners to invest for a sustainable and profitable family business.

This is because, as we have seen, to illuminate family firm's decisions and strategic behavior, it is necessary to know first of all the family owners (Han, Lee and Kim, 2021) and the values, ideas, capabilities and resources, that originate from the family members in the company.

Since the implementation of a sustainable business, depends not only on the willingness to pursue sustainable goals, but also on the management and resources of the company, that should induce practical application of sustainable developments in the business (Ciemleja and Lace, 2011), an analysis of the key requirements needed for supporting a sustainable growth of the firm, is made.

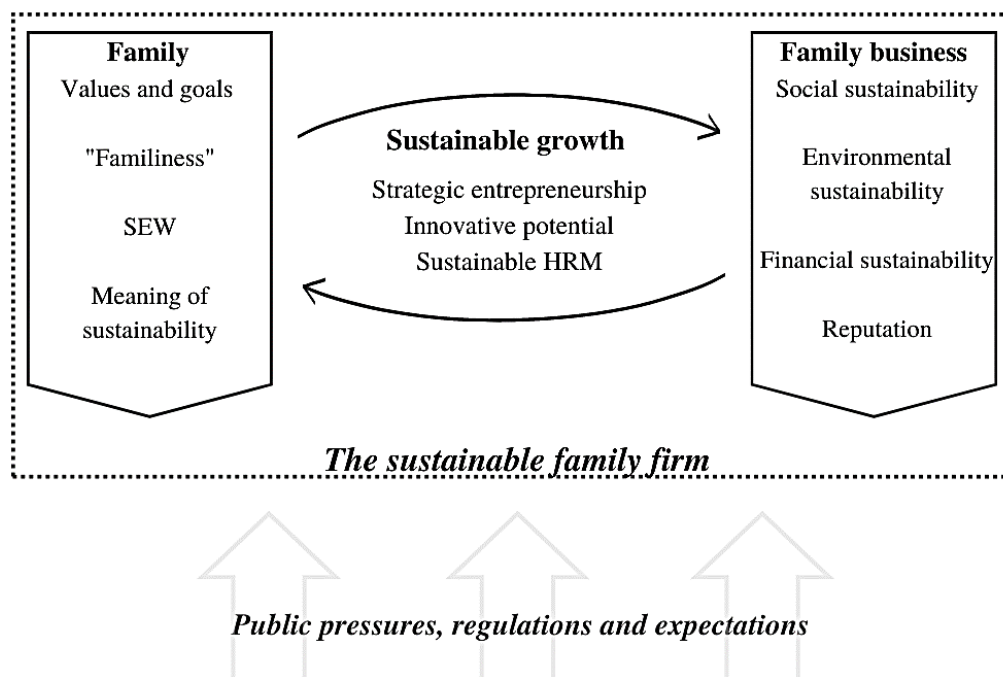


Figure 3- The theoretical framework of the thesis: The sustainable family firm⁷

⁷Source: The model is inspired to the analytical '*antecedents-outcomes framework*' developed by Cirillo et al. (2020).

3.1 The family's influence

The *family's* inputs listed in the framework above (Figure 3) are the ones emerged from the studied theories and considered as most relevant for affecting the willingness of a family firm, to pursue a sustainable growth.

- *Values and goals*: the family provides the impetus for the strategy-making process through its values (Zellweger, 2017) that are the origins from which the mission and the goals of the company are developed. The point is that some families are driven by values of generosity, social commitment and responsibility, while others believe in more selfish ideas but, only certain positive values can help to foster a favorable attitude towards sustainability (Breton-Miller and Miller, 2016). Indeed, family's values and goals, should be aligned with social and environmental objectives and with the needs of the society, to push for the creation of a sustainable family-owned company: so, in order to understand the CSR investments of a family firm, it is necessary to study family's values and goals that can be interpreted by listening to the narratives and traditions of family members, since they originate from culture, home environment, social phenomenon and learned experiences (Chauhan, 2021).
- *Familiness*: the bundle of resources provided by the family members, in terms of different types of capital and reputational concerns, as described by the RBV theory⁸, is deemed capable of sustaining interests in long-term orientation and social and ecological dimensions of the business, encouraging the operationalization of sustainable goals along the entire supply chain (Fritz et al., 2021). Thus, detecting the resources contributed directly by the family into the business through different generations, is important to interpret the origins and type of family's influence.
- *SEW*: the preservation of the socioemotional wealth, is a fundamental concern for family firms, indeed, the more negative the impact of a choice on the affective endowments of the family, the less attractive the decision tend to appear to family owners (Zellweger, 2017) so, when they prioritize an objective, socioemotional considerations often dominate financial ones (Zellweger, 2017). The point is that, as seen in the SEW theory presented in chapter 2, the approach used by family members to support a sustainable growth balancing SEW and financial goals, strictly depend on their appetite for risk and their level of identification with the firm (Zellweger, 2017).

For this reason, obtaining insights about the level of family's involvement in the firm, together with an understanding of how the family considers the company's future is

⁸ Resource-based view theory

relevant to interpret the extent to which the family desires to preserve its SEW at the expense of financial growth and results.

- *Meaning of sustainability*: from the 10th Global family business survey (Bartels et al., 2021) emerged that family businesses, while prioritizing the well-being of their employees, supporting also their communities, tend to lack the ability to put sustainability at the center of their business operations. This seems due to an incorrect interpretation of sustainability, more oriented to social initiatives, rather than social and environmental dimension altogether. In this sense, the family owners, that are the main source of influence in the company, should have a deep and broad interpretation of sustainability in all its facets, to bring the company toward the actions and investments necessary to pursue a sustainable growth.

Given these first insights, is clear that each family can influence the sustainability of its company in several different ways and that, in order to understand whether the influence is positive or negative for the creation of a sustainable family business, a deep interpretation of the family's values, goals and resources together with detailed insights about the meaning that the family members attribute to sustainability, is essential.

In fact, certain family's goals and traditions can act as engine for a sustainable growth path, while other might impede it, limiting the ability to change or innovate.

3.2 The meaning of sustainable growth

Since growth can take different forms, that are based on different required competencies and resources, the sustainable growth analyzed in the framework, is specifically defined and limited to the concept of the organic growth path of family firm, and this is due to two main reasons.

First, the core of the thesis is based on the positive impact that the growth of a family firm can have on the society and, acquisition-based growth itself, does not bring any net addition to the economy (Davidsson, Achtenhagen and Naldi, no date).

Second, small and medium sized enterprises (SMEs) mainly grow organically (Davidsson, Achtenhagen and Naldi, no date) and since family firms in the form of SMEs, are the dominant form of organization around the globe (Zellweger, 2017), the organic growth option is the relevant one for the thesis.

Sustainable growth is defined as a growth that is repeatable, ethical and responsible for current and future generations, thus, a key requirement for the long-term success of any type

of business (Miller, 2018). While the concepts of ethical and responsible growth have been frequently highlighted in the previous chapters, a focus on the term “repeatable” is needed.

A repeatable growth is defined by the American business magazine “*Inc.*” as “the realistically attainable growth that a company could maintain without running into problems.” (*Sustainable Growth*, 2021) and it seems that it can be pursued, by initially achieving an above-average profitability exploiting opportunities and available resources and then, investing the resulting profits to grow, exploring novel ideas and markets (Steffens, Davidsson and Fitzsimmons, 2009).

In truth, growth and profitability do not move together, rather they interact and evolve in complex ways and are not always characterized by a positive relationship: there are frequent instances where their relationship is neutral or even negative (Steffens, Davidsson and Fitzsimmons, 2009). This happens in the case of a businesses that grow too quickly and then find it difficult to obtain the financial resources to continue the process, or when businesses grow too slowly or not at all, with a resulting future stagnation which lead them to economic losses (*Sustainable Growth*, 2021).

The point is that, actors do not have perfect foresight about the outcomes of investments and in any case to achieve growth, commonly measured by sales growth, together with profitability, measured by improved profits or margins like ROE and ROA, is needed *strategic entrepreneurship*, that is the ability of combining exploitation and exploration capabilities (Steffens, Davidsson and Fitzsimmons, 2009). For these reasons, a firm’s initial endowment of resources and exploration’s ability, is crucial to determine the starting behavior toward growth and profitability but, it is the capabilities in combining exploration and exploitation during the entire life of the company, that support the profitable growth over time (Steffens, Davidsson and Fitzsimmons, 2009).

Given that, the concept of strategic entrepreneurship is an idea that can be directly related to the one of “ambidexterity”, explained by the paradox perspective in chapter 2, it seems that family firms have the right premises to pursue not only an ethical and responsible growth, but also a repeatable one, a requisite fundamental for investing in sustainability. Effectively, statistics show that a significant number of family-owned companies are able to follow a profitable growth strategy that allow them to reach a substantial size, especially in Europe, where there are 48.6% of the world’s 500 largest family businesses which generate revenues equal to 13.2% of Europe’s GDP (Cirillo *et al.*, 2020).

3.2.1 The management of the growth path

The *sustainable growth* component is represented inside two arrows that go in opposite directions, forming a circle (Figure 3) that links the family with the sustainable family business: it is *how* the company realizes the application of sustainable initiatives in its operations, during its process of growth, that matters for the creation of a sustainable business. Indeed, growth as such, is a change process and its direction is, to a considerable extent, determined by willingness and skills of owners and managers (Davidsson, Achtenhagen and Naldi, no date) but then, organizational structures, HR practices, internal procedures and routines, can act as facilitators or impediments for the path, so their key role cannot be neglected (Davidsson, Achtenhagen and Naldi, no date).

For this reason, inside the sustainable growth area, there are the elements considered necessary for the concretization of a growth repeatable and responsible for environment and society: *strategic entrepreneurship, innovative potential* and *sustainable HRM*.

While the strategic entrepreneurship and the sustainable HRM has been explained respectively in the previous paragraph and chapter, and they are crucial for the creation of a financially prosperous and socially responsible business, the innovative potential, essential for environmental improvements, is explained in this paragraph.

The innovative potential of a company, measures its ability to implement the processes of creating and using innovation, fundamental for the sustainable developments of production processes and the maintenance of long term competitiveness of the firm (Valitov and Khakimov, 2015) as it is innovation, that allows companies to protect and respect the environment, while sustaining the financial performance of the firm (Karimi Takalo *et al.*, 2020).

So, firms that employ a positive CSR policy, should demonstrate a greater propensity toward innovation but, since it entails considerable risk-taking, its successful implementation requires, beyond an aligned family influence, some degree of flexibility in the organizational structure, that can be achieved through open channels of communication, delegation, informal decision-making and loosely defined job descriptions (Craig and Dibrell, 2006).

Accordingly, the innovative potential of the company, consists not only in the financial resources available for innovation, but also in the way firms invent, organize and implement management practices, processes, techniques and organizational structures, that are intended to pursue organizational goals (Kraus, Pohjola and Koponen, 2012). Further, the innovation potential and related goals depend on the climate of the organization so, to create an environment that is in favor of innovative investments and that exploit the potential of the

company, it is essential to develop methods of stimulation and practices that are clear for the staff and aligned with the sustainability's dimensions (Valitov and Khakimov, 2015).

The result is that the sustainability of the enterprise depends on its innovative potential, which is in turn based upon the approach toward innovation, followed by the stakeholders of the enterprise (Ciemleja and Lace, 2011).

This is the reason why, below the element termed as innovative potential (Figure 3), there is the third key requirement for a sustainable growth: *sustainable HRM practices*.

These HRM practices, as explained in the first chapter, concern the alignment of HRM strategies and policies with the simultaneous achievement of financial, social and environmental goals, for both the present and the future needs of the organization (Shuk-Ching Poon and Kei Law, 2020). This is because, the HR function is expected to play an active role to help organizations meeting stakeholders' demands and the TBL goals (Shuk-Ching Poon and Kei Law, 2020), as people in the company play a considerable part in driving the effectiveness and success of a company's sustainability strategy and related innovation (Aust, Matthews and Muller-Camen, 2019).

3.3 The sustainable family business

In short, sustainability is a multi-dimensional concept that cannot be addressed by a single corporate action (Hart and Milstein, 2003), but it needs the combination of strategic entrepreneurship, innovative potential and sustainable HRM practices, within the organizational boundaries.

In fact, creating a sustainable business requires a firm to address different aspects of sustainability simultaneously: social, environmental and financial sustainability.

Specifically, firms can create value in terms of social sustainability, by operating at greater levels of transparency and responsiveness and by fostering inclusive wealth creation and distribution (Hart and Milstein, 2003). This is achieved thanks to innovation, aimed at increasing the traceability of products and the tracking of resources but, mostly, thanks to family's values and goals in line with the goal of the society's well-being.

The environmental sustainability instead, is supported by the minimization of material consumption, wastes and pollution and by the development of new technologies with the goal of shrinking the size of the human footprint on the planet (Hart and Milstein, 2003), and this requires again a great innovative potential and the adoption of sustainable HRM practices within the organization.

These sustainability drivers, present not only great challenges but even opportunities for firms to improve their financial sustainability. In fact, with the appropriate set of capabilities and investments in clean-technologies solutions, companies that pursue sustainability through pollution prevention, waste-reduction, novel approaches to long-term challenges and improved community relations, will benefit not only in terms of legitimacy and improved brand reputation that can increase revenues, but also in terms of costs, given by the higher efficiency in the operations (Hart and Milstein, 2003).

In particular, the minimization of waste from operations, the development of more sustainable technologies and skill sets, the interactions with stakeholders about current and future offerings in terms of solutions to social and environmental problems, taken together as a portfolio of strategies, hold the potential to reduce costs, enhancing reputation and legitimacy and crystallizing growth path and trajectory (Hart and Milstein, 2003).

So, addressing the full range of sustainability-related challenges, support the creation of financial value, representing one of the avenues for profitable growth in the future (Hart and Milstein, 2003).

In fact, in 2018, the Chairman of BlackRock global investment management corporation, Larry Fink, wrote a letter to thousands of the CEOs of subsidiary companies, saying:

“To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate. This is why we are increasingly integrating environmental, social and governance matters into our investment process” (The sustainability journey, 2019).

So, the sustainability’s dimensions have become a real requisite for a profitable growth, meaning that it not only provides opportunities for improving efficiency and reputation, but it is fundamental to receive capital from investors, given that they consider sustainability at the core of their investment choices: the process of a sustainable growth, can be interpreted as the element that closes the gap between the family’s goals and the creation of a profitable and sustainable family business.

3.4 A never-ending process

For the reasons explained above, the sustainable growth process and related requisites, is represented inside a sort of circle, made of two opposite arrows (Figure 3) and this is because the framework should be considered as a *“never-ending process”*: the increased performance in the pillars of social and environmental sustainability reflect positively not only on the reputation but also on the financial sustainability of the firm and family, so it should further

motivate the family in continuing to nurture the path made of sustainable developments. In fact, given that sustainability has become a key element for investors and customers' choices, the social and environmental investments permit to the company to operate in the market.

What is important is that, to exploit this effect and to improve the effectiveness of the process, firms shall evaluate their achievements through measures that define the aimed targets and the level of fulfilment (Ciemleja and Lace, 2011) because an enhanced performance can only be accomplished by setting financial, social and environmental targets, consistent with the company's operating principles, that give the motivation to pursue them, measuring and reporting periodically about the real achievements (Székely and Knirsch, 2005) and mostly, about what can be done to improve them.

For this reason, the IT systems of the company become critical in enabling firms to develop the capabilities necessary to address sustainability's issues (Dao, Langella and Carbo, 2011) because they allow to track and improve performance (Székely and Knirsch, 2005), monitoring the progress in initiatives and projects and making final assessments (Ciemleja and Lace, 2011) useful to create knowledge that can be shared with the entire company.

So, close collaborations and information exchange between members in the company and across firms and institutions belonging to the social capital of family firms, enabled by information technology systems, are critical to develop motivation and improve capabilities to pursue sustainable developments, a process that can be further supported by combining IT resources with human and management resources (Dao, Langella and Carbo, 2011).

3.5 Discussion

“Sustainability takes place only when there is an active leader/manager within the company who champions the approach” (Székely and Knirsch, 2005, p. 629).

Environmental and social responsibility in the development of new products and processes, originate from external pressures and regulations as well as from the internal orientation of the firm, derived by the family's influence (Dangelico and Pujari, 2010). In truth, as the framework (Figure 3) supports, it is the combination of these two forces, that can lead the company toward the creation of a sustainable business, corresponding to the 4th step of the company's level of sustainability (Figure 4): the one in which the firm is proactive in sustainable developments, investing in initiatives and projects to continuously improve its operations.

This is because when the organization is proactive in sustainability, it is ahead of the average results of competitors, but it is also aware that its competitiveness depends on its

ability to ensure its continuous improvements, through constant investments (Lopez-Cabrales and Valle-Cabrera, 2020). In this stage, to nurture its leading role, the company also seeks innovative training formulas for its workers, oriented towards sustainability, motivating them to carefully consider the economic, social and environmental impacts of the company's activities (Lopez-Cabrales and Valle-Cabrera, 2020), in order to incentive their contributions in the minimization of the operations' impact on the environment.

A company in the previous stage, the third step (Figure 4), is in any case motivated by the values and goals of the family in pursuing sustainability-oriented strategies, but its main driver for sustainable choices is not represented by the family's orientation toward sustainability, it is given by the actions of competitors, that are monitored in order to implement and develop within the firm, the 'best' sustainability practices in the market (Lopez-Cabrales and Valle-Cabrera, 2020), to nurture the financial performance of the company, in order to protect the market share and the SEW of the company.

So, while mandatory regulations and standards, in the absence of a positive family's influence, bring the firm to comply with public requirements to remain in the market, it is the family's commitment to sustainability, that lead the company toward a higher dedication to sustainable developments. In particular, it is the family's awareness that sustainability represents an imperative for companies in the market and that it can be a source of competitive advantage, that makes the difference between the third and the fourth step (Figure 4) of the family firm's level of sustainability.

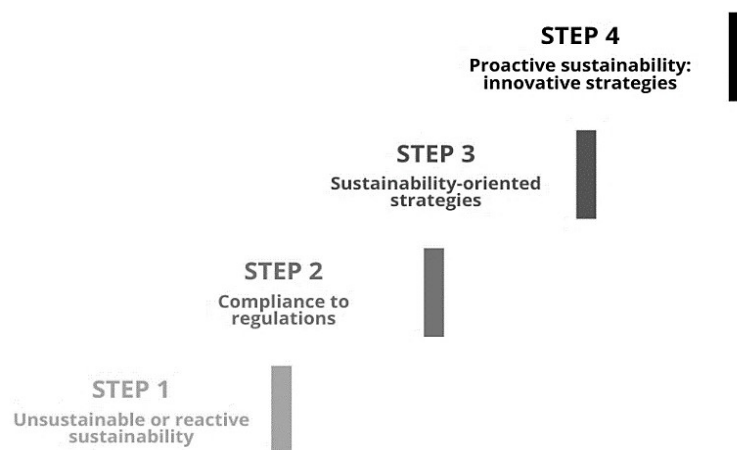


Figure 4 - The steps of company's sustainability⁹

⁹ The model is an elaboration of the framework "Strategies and employment relationships for sustainability" of Lopez-Cabrales and Valle-Cabrera, 2020.

3.6 Conclusions and introduction to the case study

Given that family owners tend to have a strong desire for preserving their reputation and perpetuating the family dynasty (Han, Lee and Kim, 2021) and since sustainability is an imperative for continuing the operations in the market, they should be aware of their responsibility in fostering the proactive and socially responsible behavior of their firms (Breton-Miller and Miller, 2016), beneficial for the well-being of the company and of the environment. Logically, if family owners, are aware of the impact that their activities have on the planet and, if they correctly interpret their role in encouraging the sustainable developments of their company, the implementation of sustainable HRM practices and the exploitation of the innovative potential of the company in favor of sustainability, should be facilitated in the family context, making the firm able to respond to social and environmental issues (Han, Lee and Kim, 2021).

The point is that, adopting a sustainable approach to the business, involves continuous effort, expensive investments and costly adaptation (Székely and Knirsch, 2005), that makes the link between public regulation and family's inputs, with a proactive sustainability approach, not so trivial. Indeed, as highlighted in the previous chapters, the majority of family firms, that should be characterized by values in line with sustainable goals, seem to neglect the imperative of sustainability, without considering it at the core of business operations (Bartels et al., 2021). There are several reasons that could explain the tendency, like the lack of the necessary financial resources or the prioritization of more conservative investments but, if in the world, there are family firms that, starting from small structures and limited resources, have been able to achieve a leadership in the market based on sustainability, it means that there are certain family' conditions and factors that can make possible to exploit the potential leading role of family firms in sustainability.

Since public pressures are already pushing companies toward the creation of a sustainable business, it becomes relevant to study which are the family's inputs and conditions that should help a family firm in pursuing a sustainable growth that can bring them toward the proactive and innovative approach to sustainability (Figure 4). To do that, a single but *revelatory* case study (Yin, 2002) has been carried out in next chapters and it is focused in the food industry, where innovation to tackle the sustainability-related challenges, is a key for the survival of the company.

The selected case study, is considered a revelatory case (Yin, 2002), because the firm analyzed is a recognized leader in sustainable developments and innovation in food production, specifically, in the production of organic honey, hazelnut cream and fruit jam, and as seen above, this is a behavior not common among family-owned businesses. In order to

understand the company's investments and initiatives and the reasons why innovation is crucial in the industry, it is fundamental gaining knowledge about the sustainability-related challenges affecting it and, this is the scope of the next chapter.

4. Innovation and sustainability in the food industry

According to the EU Food and Drink Report 2021, the agro-food industry represents one of the largest manufacturing industries in Europe's economy and, in half of the EU's 27 Member States, it is the biggest manufacturing employer (*Data & Trends of the European Food and Drink Industry 2021*, 2021). In particular, France, Germany, Italy and Spain are the largest food and drink producers by turnover, which is mostly generated by small and medium enterprises (*Data and Trends. EU Food and Drink industry. 2021*, 2021), that for the 90%, are represented by family firms (Della Corte, Del Gaudio and Sepe, 2018).

The food industry is the area for the case study, not only for the importance that it has in the economies of European countries, but also and mostly, for the relevance of sustainability-related issues in a sector, where more than 90 percent of the organizations is constituted by family firms (Della Corte, Del Gaudio and Sepe, 2018).

During the last decade indeed, the industry has overcome its function of commodity producer, becoming a symbol of the negative impact that unsustainable production processes and consumption of food, have on environment and society (Cortese, Rainero and Cantino, 2020). For this reason, even if in the past the industry was depicted as low value-added and with little innovation content (Della Corte, Del Gaudio and Sepe, 2018), food companies today, has to be flexible and innovative in order to face, beyond the increased competition coming from foreign countries, the new challenges, regulations and expectations, deriving from the imperative of sustainable developments.

4.1 The Italian food industry

The specific focus of the case study on the Italian food industry, is due to the fact that the industry in the country, is characterized by the dominance of family firms, which represent almost 80% of all the organizations (Bulgarelli, 2022) and it is a driving sector for the Italian economy (Della Corte, Del Gaudio and Sepe, 2018).

The result is that, in light of the global pressures about sustainability-related requirements and of the pivotal role played by family firms in the industry, family-owned businesses are forced to move towards a more sustainable development path, that requires deep changes in the ways in which food is produced, processed and transported (Bossle, De Barcellos and Vieira, 2016). This transition is achievable through a transformation in methods and practices and thanks to innovation, realized specifically to reduce the negative impact of the production processes on the environment (Dangelico, Nastasi and Pisa, 2019), in fact, adopting effective innovation procedures is considered a crucial part of family

firms' strategy (Della Corte, Del Gaudio and Sepe, 2018), not only for the creation of a sustainable business that benefit competitiveness and reputation (Capitanio, Coppola and Pascucci, 2010), but also to drive the growth of the industry, that has to comply with the business imperative of sustainability.

For these reasons, analyzing a family business that is a leader in sustainability-related investments in the industry, not only reveal insights on how a family firm can pursue a sustainable growth, but it can disclose information valuable for the growth of the entire sector, composed for the biggest part by family-owned businesses.

Before analyzing the case study, it is fundamental gaining an understanding about the meaning of innovation in the food industry and about the sustainability-related challenges affecting it, to understand why the sector is a symbol of the negative impact that production processes and consumption of food can have on environment and society (Cortese, Rainero and Cantino, 2020) and, to get insights about the context in which food producers are operating. These are the goals of the fourth chapter.

4.2 Sustainability-related challenges

Given the high environmental impact of food producers, innovation and radical changes in practices and methods, are really relevant for the food sector because they are the only way to improve the sustainability of companies' operations (Bossle, De Barcellos and Vieira, 2016), acting on raw materials, the packaging used, the manufacturing and distribution processes and by increasing the number of certifications adopted, which demonstrate to consumers the investments for an higher traceability together with environmental and social responsibility of products (Bossle, De Barcellos and Vieira, 2016). Sustainability-related innovation indeed, can be technological and related to new products and processes, but can also be non-technological, based on changes in the marketing approaches, distribution channels or the daily organizational practices and routines (Bossle, De Barcellos and Vieira, 2016).

These different types of interventions assume varying relevance for firms, depending on their value chains and, given that the firm of the case study, is classified as a producer of food, the focus is on the value chains of manufacturers, where investments for sustainability are focused on products and processes (Caiazza, Volpe and Audretsch, 2014) and their effectiveness is influenced by the type and management of R&D expenditures and the capacity to accumulate the know-how within the organization (Della Corte, Del Gaudio and Sepe, 2018).

Further, given that the outputs of the innovative process and of sustainable projects, have to address sustainability-related issues as well as satisfy the final consumers, the resulting products and processes need to combine the attribute for environmental protection and social sustainability, with the critical factors necessary for launching in the market a competitive product, such as good price, attractive packaging and delicious taste (Bossle, De Barcellos and Vieira, 2016).

As emphasized, the willingness and the ability to pursue innovative investments and transformations in favor of sustainability, are indispensable elements for the competitiveness and long-term survival of food companies but, they depend on the internal orientation of the firm (Dangelico and Pujari, 2010) that in turn, is influenced by pressures and expectations coming from the market (Bossle, De Barcellos and Vieira, 2016).

For this reason, by studying the sustainability-related challenges and pressures, it is possible to understand the direction of companies' CSR investments and innovation in the industry, fundamental to be able to interpret later, the goal of the initiatives and projects implemented by the firm of the case study.

4.2.1 Biodiversity loss and companies' contributions

Humanity relies on a biological variety termed "*biodiversity*", that creates ecosystems crucial to the health of planet and society (Benton *et al.*, 2021): they are a source of foods, fuel and medicines for people and are fundamental for the quality of air, water and soil (Benton *et al.*, 2021). In fact, biodiversity is a term that refers to the number of genes, species and individual organisms within biological communities in a defined geographic area, ranging from the smallest ecosystem to the global biosphere (Rafferty, no date).

The food industry is strictly linked to biodiversity's issues, as during the last 50 years, the creation of foods has followed the idea of producing in higher quantity at lower costs (Benton *et al.*, 2021) through intensive use of soil, fertilizers and pesticides, leading to "biodiversity loss", meaning the decline in the genetic variability and variety of species in a given area (Rafferty, no date).

The problem is that losses in biodiversity have led to a breakdown in the functioning of the ecosystems where the decline happened (Rafferty, no date) and, with the continuous conversion of lands in favor of agriculture or pasture, combined to the use of chemical products, numerous habitats are still being destroyed, with a the resulting increase in the environmental receptivity to illnesses and negative consequences on human health. (*Biodiversity and Health*, 2015).

Conservation biologists claim that these problems should be urgently solved using a mix of public policies and companies' initiatives and that, governments, organizations, and the scientific community shall work together to create incentives in the society for the conservation of natural habitats and the protection of the species within them, while discouraging the behaviors that foster habitat losses and degradation (Rafferty, no date).

For this reason, in May 2020, the European commission presented the new 2030 Biodiversity strategy, a long-term plan that aims at building societies' resilience to future threats such as climate change impacts, food insecurity or disease outbreaks, by addressing the main drivers of biodiversity loss and reversing the degradation of ecosystems (*EU Biodiversity Strategy for 2030 — European Environment Agency*). The purpose of the strategy is to recover Europe's biodiversity by 2030, setting legally binding goals with timelines and performance indicators for European countries (*Biodiversity strategy for 2030*, 2020).

To achieve these targets, a reform of food industry is needed but it requires deep changes in the way in which production processes utilize natural resources as well as in consumption habits of people (Benton *et al.*, 2021): the goals of companies should be to protect the remaining species in the environment from overhunting and overfishing and, to keep the ecosystems they rely on, intact and secure from land use conversion (Rafferty, no date).

The relevance of organic farming

Focusing on the impact of agriculture on the environment, as it is the activity more related to the type of finished products realized by the case study, the initiatives that can be taken by companies to push for a more biodiversity-supporting food system are multiple.

First, fair prices for farmers are fundamental, in fact, these latter are considered as best positioned to address biodiversity-related issues only if they are assured of fair prices for their products, having in this way the opportunity to make investments to protect their local environment with sustainable agriculture practices that typically are expensive (Askew, 2019). Second, implementing new ways to approach farming (Benton *et al.*, 2021) that are based on more *biodiversity-supporting modes* of food production is essential, as they can foster sustainability by increasing the efficiency in the use of inputs and using ecological processes to manage soil fertility instead of chemical products and in general, replacing conventional agriculture with more sustainable approaches (Benton *et al.*, 2021). Specifically, among sustainable agricultural methods, organic farming is considered as most beneficial for biodiversity, as it seems to increase pollination and to host 30% more animal species than conventional farms, supporting the diversity of life (Askew, 2019).

In fact, the concept of biodiversity is the basis for organic farming that considers and protects every type of organism in the environment so, each activity is studied to maintain and, where it is possible, to increase the biodiversity of plants and animals ('L'agricoltura biologica difende la biodiversità', no date).

The result is that the applications of organic agricultural methods represent an instrument for the conservation and the enhancement of biodiversity ('L'agricoltura biologica difende la biodiversità', no date) so, food manufacturers involved in agriculture-related activities, have to carefully consider organic farming for their sustainable developments and this idea seems to be increasingly accepted in the Italian food industry.

Effectively, the lands cultivated with organic methods in Italy, are facing a steady increase from several years, as well as the numbers of farmers involved in the practices: these trends confirm that organic farming is becoming a point of reference for farms in Italy, that is considered one of the European nations, more interested in organic products (Voltan, 2022).

In fact, the overall incidence of organic areas in Italy, reached almost 16% of the Utilized Agricultural Area (UAA) at the national level in 2019 and, this places the country far above the EU average, which was 8% in 2018, as well as that of the main producing EU nations: Spain (10.1%), Germany (9.07%), and France (8.06%) (*Organic food consumption in Italy reaches €3.3 billion*, 2021).

4.2.2 Sustainable consumption patterns and companies' interventions

While food manufacturers are responsible for the sustainable production and consumption of natural resources in their operations, from the moment of purchase this responsibility pass on consumers, that should be incentivized by public regulations and companies, to follow sustainable practices in the consumption of goods (Sesini, Castiglioni and Lozza, 2020).

Indeed, other good starting points to support a sustainable food industry, relate to actions made to foster a more sustainable demand of foods by consumers, that can further increase the motivation of firms to implement sustainable policies in operations.

Specifically, to encourage more sustainable diets there is the need to decrease first, the request for animal products that are the most environmentally damaging foods and, this can be made by companies for instance, by providing consumers with valid alternatives. Second, companies should also try to intervene with actions and projects that give the possibility to reduce the food wastes and so the use of lands in operations as, the greatest gains for biodiversity occur when the ecosystems are preserved or restored (Benton *et al.*, 2021).

Different research fields indeed, suggest that the area of lands exploited by companies can be and should be reduced because the amount of natural resources utilized by human activities, is

above what is sustainable for the planet (Sesini, Castiglioni and Lozza, 2020) and in any case, people tend to buy in excess than their real needs and the result is a big quantity of food waste (Benton *et al.*, 2021).

In this context, a sustainable consumption of food can be achieved by implementing radical changes in the quantity of items purchased and especially, in the conservation, use and disposal of the goods bought (Sesini, Castiglioni and Lozza, 2020). This is because, while consumers should be incentivized to change their consumption habits at home, they seem to be already willing and eager to make sustainable changes in their purchasing decisions, but they lack the same awareness when referring to food waste.

Indeed, for what concerns buying decisions, consumers are increasingly conscious of the link between sustainable initiatives in the food industry and the solutions to some of the environmental and human issues (Cortese, Rainero and Cantino, 2020) in fact, a lot of them is becoming proactive in the adoption of sustainable lifestyles, by choosing brands that follow sustainable practices and values, or by no longer buying certain items if they are not sure about ethical or sustainability practices of the company (Sustainability & Consumer Behaviour 2022, 2022). As a result, the compliance of producers with sustainability-related standards, is a key factor in attracting the interest of buyers (Cuppini *et al.*, 2022) in fact, disclosing a positive CSR policy, seems to help in generating consumers' requests for products (Cortese, Rainero and Cantino, 2020) but, to exploit these effects, firms should not only implement sustainable changes in their operations, but also increase the level and details of the communication about these investments.

This can be done through websites and social media but also and especially conveying information with logos and certifications in the labels of products as they are crucial to show, exactly while consumer is buying, the commitment of the company to sustainability. In fact, allergen labelling is not the only topic about which consumers are interested in, as they are desiring food labels rich in data that informs them on the environmental and social impact of the products (*Getting fine food labelling right in 2022 | Food & Drink*, 2022). An increasing number of companies around the world indeed, is adding certifications and claims in the labels of their items, to highlight the sustainable developments implemented in their supply chains (Cuppini *et al.*, 2022).

4.2.3 The pervasive issue of food waste

As seen in the previous paragraph, the majority of buyers in Italy, is becoming more sustainable when making purchasing decisions but, the ones that apply the same level of responsibility at home, increasing the attention in the conservation, use and disposal of products, by recycling or composting waste (*Sustainability & Consumer Behaviour 2022*, 2022) represent a minority and, this is the origin of a pervasive issue.

This is because the wasteful ways part of consumer habits and food systems, contribute to the most of food waste in the world, constituting an important environmental and economic issue, given that around 88 million tons of food are wasted annually in the European Union, accounting for 53.4% of total food waste in the EU (Pappalardo *et al.*, 2020) and 10% of global greenhouse gas emissions (*How innovative food businesses are fighting waste*, 2021).

Moreover, the situation poses relevant ethical issues as while there are people that waste huge amount of high-quality food in developed countries, more than 820 million people in the globe continue to suffer of insufficient food, that lead them to follow low-quality diets, which cause micronutrient deficiencies and health problems (Willett *et al.*, 2019).

These are the reasons that explain why, reducing food waste is considered one of the primary solution to social inequalities, climate change (*Got surplus food? Don't waste it*, 2021) and biodiversity loss: the excess of food produced is a contributor of greenhouse gas emissions coming from the companies' operations but, when the food is wasted and it is in landfills to rot, it becomes an additional source of pollution as it creates methane which is a potent greenhouse gas that impact global warming (Pappalardo *et al.*, 2020). Further, wastes in landfills not only release toxic gases in the air, but also venomous substances in the soil that have other negative consequences for the groundwater and so, for the biodiversity (Pappalardo *et al.*, 2020).

Given the size of the problem, the European union created a forum in 2016, called “*EU platform on Food Losses and Food Waste*”, that bring together actors representing public and private interests, to provide advices to state members on how to prevent and reduce food waste (Jülicher, 2019). In particular, the platform establishes that the primary focus on food waste prevention should be at the source, limiting the generation of surplus food at each stage in the supply chain but, if excess arises the focus before shifting on consumers choices, shifts toward finding the highest value use of finished products (Jülicher, 2019).

These advices are addressed specifically to public and private entities with particular recommendations for one group and the other, incentivizing the cooperation among them (Jülicher, 2019) but, since households are the most prominent contributors to food waste (Pappalardo *et al.*, 2020) their conduct cannot be neglected: to reduce the wastes of food

indeed, is not only necessary the intervention of public regulations and private companies but also and mainly, the participation of people at home.

Food producers can do their part by reducing wastes and losses along their supply chains (*FReSH Consumption Behaviour and Trends*, 2018), finding new and more parsimonious methods of production or by exploiting surplus foods in new ways, creating derived products or giving to foods in excess a new destination (*How innovative food businesses are fighting waste*, 2021). In addition, they can intervene on how people act around wastes at home, using new types of packaging, with clear labelling about how to store and portion out the foods (*How innovative food businesses are fighting waste*, 2021) to help them in preserving the freshness of items and facilitating the control of portions (*FReSH Consumption Behaviour and Trends*, 2018).

For what concerns people at home instead, since food waste tend to be a function of consumer demographic characteristics, routines and habits (Pappalardo *et al.*, 2020), the intervention of companies is surely crucial to guide their correct behavior in the consumption and disposal of food at home but it is not enough, as a big part of wastes depend also on contextual factors, as they define daily practices and emotions of people. Indeed, a nationwide survey of household food purchaser in Italy¹⁰ (Pappalardo *et al.*, 2020) demonstrates that the Covid-19 pandemic has changed the consumption of foods of Italian consumers, acting on their buying and eating habits. In particular, it shows that buyers have increased the amount of food purchased during the months of lockdown but, the amount of food waste created, actually decreased given the changes in the type of food bought, mainly non-perishable and the amount of time spent at home (Pappalardo *et al.*, 2020).

The result from the survey is that, despite the importance of policies and guidelines from public institutions in promoting food wastes reduction, it is the responsible production by food producers accompanied by the sustainable consumption and disposition of foods by consumers at home the key tenet, in making progresses in food waste possible and sustainable in the long-term (Yeong, Sandhu and Ting, 2021).

¹⁰The questionnaire was administered in Italy using the online platform Qualtrics and the sample, made of 1,188 consumers over 18 years old, was recruited by Dynata, a US market research company, using the Italian panel of consumers. The survey was realized during the lockdown, more specifically in the period from 20th–25th April 2020.

4.2.3 A growing market for allergy-friendly products

Around the world, half of a billion of people, tend to avoid allergens when shopping for food and beverages (Almeida *et al.*, 2020) and even if data is lacking on actual numbers, perhaps as food intolerances generally do not require to take medications or seek urgent medical treatment (Mantzioris, 2022), some studies, looking at the consumption behavior of consumers, suggest that food allergies are rising in both developed and developing countries (Almeida *et al.*, 2020).

According to a research made by ISTAT in 2020, some data have been collected about the situation in Italy, and it seems that the 12,7% of the population, suffers of food intolerances, with 3 million of people allergic to gluten and 300 thousand celiacs, 1,1 million of consumers allergic to lactose and 300 thousand intolerants and beyond 5 million of consumers allergic to nickel ('Le intolleranze alimentari trasformano il carrello della spesa', 2021).

In the past, those who suffered of food intolerances were considered a niche but today, given the above numbers, they represent a growing segment in the food market and a relevant opportunity for food producers, especially for small companies ('Le intolleranze alimentari trasformano il carrello della spesa', 2021). This is because a lot of shoppers, while spending a lot of time in reading information in the labels of products, tend to trust smaller and allergy-friendly brands more than larger companies that seem less attentive to the matter (Almeida *et al.*, 2020). This attitude is a great opportunity for family firms in Italy, that are common among SMEs, even because since finding a safe product can be time consuming and stressful for consumers, once these latter found one, they tend to buy it repeatedly (Almeida *et al.*, 2020), so this increases their loyalty to the brand, giving companies a further incentive to invest in certain type of ingredients.

Specifically, the long-term loyalty of these shoppers is precious also because they tend to spend almost 5 percent more on groceries each month, than the average shopper does so, to exploit the opportunity, food enterprises could serve these buyers even better, providing them with clearer labeling about the components of foods and investing extensively in in-house innovation, in order to introduce new, allergy-friendly products (Almeida *et al.*, 2020). In addition, while risky, the R&D efforts might help to find alternative ingredients that could be used in many other products in the existing portfolio of the company, to diversify the offerings (Almeida *et al.*, 2020). In any case, allergy-friendly products can be of interest for buyers that are simply curious about new tastes, without suffering of allergies.

4.2.4 The search for healthier eating

The busy lifestyles of people has led to less formal and quick mini-meals, based on snacks or pre-prepared foods, that are associated with poor nutritional habits, in terms of quality and variety of food consumed (Fiore *et al.*, 2021) but, due to the increased consciousness about the link between healthy food and quality of life, these habits are changing. Indeed, another factor that is driving decisions of shoppers, enhancing the sustainability in consumption patterns, is the search for healthier eating, since an healthy diet typically is sustainable and it is also considered necessary for fostering the 17 sustainable development goals of the United Nations (Jaeger *et al.*, 2021). This trend in fact, is reflected in a greater demand for simple and less processed food, with low level of sugars and ingredients (*FReSH Consumption Behaviour and Trends*, 2018) and it originates, besides the pressures of media emphasizing the benefits of simple and natural foods, by a widespread awareness on the fact that diet plays a key role in the health and quality of life of human beings (Fiore *et al.*, 2021).

In terms of categories of foods, this pattern is expressed through a growing demand for organic and functional foods in European countries (*FReSH Consumption Behaviour and Trends*, 2018), including and especially in Italy.

In fact, the growing attention paid by consumers to organic food, has been highlighted mostly in Italy which is the first European country for number of farms engaged in organic farming, with as many as 80,643 operators involved in 2020 (+2% compared to 2019). In fact, the areas cultivated with organic farming have increased as well in the last years, reaching 2 million hectares in 2020, concentrated in the Province of Trento (+31.3%) and in Veneto region (+25.4%) (*Organic food consumption in Italy reaches €3.3 billion*, 2021).

Italian citizens indeed, have become very selective in their purchasing decisions that are oriented by their willingness to invest large sums for high-quality and organic products (Pellegrini and Farinello, 2009). The main reason for choosing these types of foods, notwithstanding their higher prices, can be related to two factors, added to the already mentioned health reasons. First, there is the dimension of taste, meaning the willingness to try new food that is natural and less processed and second, the growing consciousness about the sustainability of organic farming (Pellegrini and Farinello, 2009).

Organic food production indeed places a strong emphasis on environmental protection, animal welfare, local and sustainable production, in fact, as seen above, it tends to improve biodiversity, respecting the natural environment (Kearney, 2010).

Another trend, belonging to the desire for healthier diets, is the purchase of functional foods, meaning ingredients that provide a health benefit beyond basic nutrition (Kearney, 2010).

These foods can be simple nutrient-rich elements like fruits and vegetables (Link, 2020) or foods fortified with vitamins, minerals, goji berries, omega-3s, proteins and others, that help to improve specific health conditions and enhance focus, alertness and overall well-being (*Functional Foods Keep on Booming*, 2019). This request is pushed by busier lifestyles, that make it difficult to meet nutritional requirements using traditional foods in fast meals (Kearney, 2010) as well as by an aging population concerned about maintaining health (*Functional Foods Keep on Booming*, 2019).

So, functional foods like organic ones, have taken a prominent role in diet of people, in fact the global functional foods and beverage market has grown close to 8% through 2021(*The Trends to Impact Food Industry in 2019*, 2019). This growth has surely been pushed by the effects of the Covid-19 pandemic, that triggered emotions of anxiety in consumers (Cavallo, Sacchi and Carfora, 2020) but, the attention on health, even if encouraged by the pandemic, is in any case a fact: the demand for products like fruits, yogurt and probiotics and different types of supplements, is increasing from different years and in 2020 it presented a further growth in sales, on average, above the +15% with respect to 2019.(Cavallo, Sacchi and Carfora, 2020)

Summing up, healthy and natural are terms that have dominated the food industry in recent years and obliged companies to evolve given that consumers' healthier eating habits, are pushing food producers to consider new products in their portfolios and to swap legacy brands for newer, healthier and simpler ones (*The Trends to Impact Food Industry in 2019*, 2019).

4.2.5 The need for detailed traceability of products

The greater concerns for the natural environment by customers, provide motivation for firms to not only meet, but also to exceed environment-related expectations (Craig and Dibrell, 2006) even because, the rising consumers' interest in social and environmental issues, is not only an incentive for companies to improve their operations, but also an authentic storytelling and branding strategy for responsible firms (Askew, 2021). In fact, they could leverage the sustainability of their foods as a differentiating factor, to attract the interest of new and maintain the one of existing buyers.

The point is that, in order to exploit this effect in the branding strategy and to answer to the trend of consumers considering environmental and social issues in their purchasing

decisions, higher traceability and transparency in supply chains is fundamental (Askew, 2019). Specifically, companies in the sector can respond to the greater demand for data on the flow of inputs and source of raw materials throughout the supply chain (Sawant, 2022), by providing deeper products insights to consumers, increasing the level of details in the tracking of resources. The point is that, in the context of the global supply chains of large companies this can become really complicated.

Long and complex supply chains indeed, pose a challenge to the sustainability-related goals of organizations because they make it difficult to trace an item to its source (*6 of the biggest sustainability problems for the food sector*, 2021) but, since no company can follow a sustainability path without detailed transparency in the supply chain, as the latter is fundamental to ensure compliance with quality and safety standards (Mol and Oosterveer, 2015), they investments made to increase the level of transparency, are mandatory.

Indeed, information about the origins of products, organic certifications, CSR reporting etc. allow producers to testify their sustainable practices, profiling their products as sustainable, with claims verifiable along all the stages of the chain: essential for the competitiveness of the products in the market. (Mol and Oosterveer, 2015)

The demand for detailed traceability of products, could be tackled by a firm, not only through investments in technologies and processes, like lot codes, bar codes and RFID, but it is also facilitated by increasing the collaboration with suppliers that should be equipped, as the company, with software for backward and forward lot tracing (Lowe, 2012). For small companies, the transparency in supply chains, is not only favored by technologies but also by their short supply chains and local food systems (*6 of the biggest sustainability problems for the food sector*, 2021), that not only ease the process of monitoring items, but also reduces the wastes of huge amount of plastic-packaging and oil, incurred by long routes necessary to move raw materials from one country to another (*How to make the most of the 'buy British' opportunity*, 2021).

4.3 Conclusions

Transforming the world food system to achieve sustainability and satisfy consumer demands, is becoming a real challenge for food companies, that are increasingly aware of their responsibility in making changes to align their corporate activity with the 17 SDGs (*The Food Sector and the Sustainable Development Goals | Columbia Center on Sustainable Investment*), of the 2030 Agenda for Sustainable Development.

In fact, these analyzed consumption trends, requests and issues are a challenge for companies in the industry around the world because, in order to be followed or solved, require financial resources and innovation and, since there will be even more trendy products, major deals and paradigm-shifting innovations continuing to rock the food industry, it is not a transitory issue (*The Trends to Impact Food Industry in 2019*, 2019) and cannot be avoided.

As a result, the pressures from public regulations and final consumers for higher sustainability in the business operations and new high-quality products, are particularly intense and represent a crucial aspect in the Italian food industry, dominated by family firms (Bulgarelli, 2022). This is because, family-owned businesses tend to be characterized by limited flexibility and difficulties in investing into innovative processes and products, due to the constrained financial resources and the “*path dependence*” phenomenon, which makes them reluctant in setting aside traditional methods and equipment, in favor of alternatives.

But, while in the past, family businesses could find an alternative path for the growth in the industry, avoiding disruptions to standards and routines, by valorizing the uniqueness of their products and their origins as a family (*Agroalimentare in Italia*, 2017), today an alternative track is not available as companies are forced by public institutions and consumers’ desires, to innovate in order to adapt to current and future trends, that will continue to affect production processes and packaging of foods (*The Trends to Impact Food Industry in 2019*, 2019). Specifically, considering the tendencies outlined above, family firms’ investments should be made to increase the sustainability of business operations, ingredients and packaging, to reduce the wastes produced, enhancing also the traceability of products and to enlarge the range of products offered, accounting for the increasing food allergies and desires for functional foods.

In conclusion, the relevance of sustainability in the food sector and the impact of family businesses in the Italian one, are the two main reasons for the selection of a case study in the industry. This is because, understanding how it is possible for a family firm, to implement sustainable initiatives and changes, is really relevant as, not only the industry is one of the key driver for the economic growth of Italy (Di Giacinto, 2019), but also its development and competitiveness really depend on the ability of family-owned businesses to innovate.

5. Research method and data collection

To obtain insights about the conditions that should allow a family business to follow a sustainable growth, a qualitative single case study has been carried out in the next chapter. The research is based on an in-depth analysis of an initial case study, carried out within the Italian food industry.

The method has been selected because the company represents a *unique and revelatory case* (Yin, 2002) since it gives the opportunity to observe and analyze a behavior (Yin, 2002), not common among family-owned businesses, that is the ability to take a leadership role in sustainability and related innovation.

For this reason, the case study helps to understand whether the findings in the elaborated framework (Figure 3), coming from the studied theories, are true or if alternative explanations might be added to the existing perspectives and concepts about family firms.

In selecting the case study, the idea was to find a firm that could provide an answer to the explorative question “*How can a family firm grow following a sustainability path?*” and, since the single case study technique, allows to increase the depth of the analysis, obtaining possible qualitative answers about the “*how*” question and studying a firm from different perspectives (Vissak, 2010), it has been selected as the right approach for this dissertation. Then, to test the conclusions obtained, given that the method of the single case study could reduce the generalizability of the answer to the research question (Vissak, 2010), a second case study has been carried out, on another family firm, considered appropriate to verify, first, the validity of the results collected from the first case and second, whether other insights can be added to the framework.

The first company analyzed is *Rigoni di Asiago s.r.l.*, a food company based in Asiago (VI), in Veneto Region, specialized in the production of fruit jams, honey and hazelnut creams. It has been selected because it classifies and presents itself as a family business, indeed it was officially founded in 1997 by the current CEO Andrea Rigoni, together with the brothers and the cousin (*Andrea Rigoni (1951 – Vicenza)*, 2022) and it is currently owned and managed by the family (Messa, 2020). Further, the firm operates in the food industry that, as highlighted before, is of crucial importance for sustainability and, it is well-known for its commitment toward sustainable practices, investments and innovation, in fact, it stands out for continuously improving and developing processes and products aimed at decreasing the negative impact of its activities in environment and society (Messa, 2020).

For these reasons, the *Rigoni di Asiago* case, presents the qualities to first address the research question, as it allows to observe “*how*” it is possible for a family firm, to follow a sustainable growth path, nurturing the financial, environmental and social dimensions of the business.

To collect information concerning the overall approach of *Rigoni di Asiago* toward sustainability issues and to investigate how the family influences and impacts the sustainable growth of the company, the case study has been conducted through the deep analysis of secondary sources of data.

For what concerns the second family firm selected, and the one analyzed to test the findings obtained from the *Rigoni di Asiago* case study, it is *Beehoney&co*, a small family-owned business located in *Cartura*, in province of *Padua*. It has been defined as the appropriate firm for testing the conclusions coming from the *Rigoni di Asiago* case study, because while having origins and business very similar to the ones of *Rigoni*¹¹, it has a clear and not-filtered connection between the family and the business, being much smaller and less developed and structured.

In fact, in this setting it is possible to test the link between the family's influence and the sustainability of the company as *Beehoney&co* is completely in the hand of the *Beehoney* family, that today is at its second generation so, analyzing a company, where all the employees are part of the same family and where the features of company's investments and CSR directions, depend completely on the family's values, ideas, knowledge and goals, make the connection between family's influence and sustainable conduct of the company, more transparent.

This is because it is possible to isolate it from the effects of an high visibility in the market, public pressures and regulations and of having the financial resources and the help of external experts that typically are necessary to implement sustainable developments: elements that characterize *Rigoni di Asiago* and that can foster the pursuance of sustainability in the business, even in a family firm that does not consider sustainability as a real priority.

To collect information concerning the connection between the *Beehoney* family and the sustainability and growth of its company, the case study has been conducted through a semi-structured interview with the two founders of the company, *Margherita* and *Andrea Beehoney*.

¹¹ The abbreviation used for *Rigoni di Asiago*

6. Rigoni di Asiago: company's profile

Rigoni di Asiago is one of the excellences of the “*made in Italy*” in the organic food sector and it is a reality with revenues that almost achieved the threshold of 140 million of Euro in 2021 (Casagrande, 2022).

The story of the company, with nearly one century of life, is based on high-quality organic ingredients and technology: two elements that represent its main strengths in a market characterized by increasing competition and challenges (*Rigoni di Asiago, un successo basato sull'innovazione*, 2018). As explained in the previous chapter, the food industry is a dynamic and challenging sector, especially for small family firms with limited financial capital but, through flexibility and continuous improvements, Rigoni di Asiago has always been able to grow, facing the issues (*Rigoni di Asiago, un successo basato sull'innovazione*, 2018) and being always ahead of the average results in the market, but also aware that its competitiveness depends on its proactive approach to sustainability, that has to be continuously nurtured (Lopez-Cabrales and Valle-Cabrera, 2020).

In fact, thanks to its scrupulous analysis and monitoring of operations and by endlessly investing in new technologies and systems, Rigoni has always responded to and even anticipated, the pressures and challenges originating from the market, taking in this way a leadership role in innovation and sustainability (*Rigoni di Asiago, un successo basato sull'innovazione*, 2018).

Understanding the source of this constant commitment to sustainability and innovation and the extent and type of the family's influence in leading this path, is the core of the research of this thesis and so, of the following chapter.

6.1 Rigoni di Asiago's history

Rigoni di Asiago S.r.l. has its origins in 1923 in the Asiago Plateau (VI), with the home-made production of honey by Elisa Antonini, the mother of Mario and Paolo Rigoni that later, seeing the success of the products in the local area, decided to found Apicoltura Rigoni snc (*Rigoni di Asiago S.r.l. - Borsa Italiana*). When the Apicoltura was established, it was entirely dedicated to the production of honey for domestic use and, only in 1979, the company enlarged its activity by selling honey realized from other producers, in addition to the one produced internally (Parilli, 2012).

Over the years, the honey distribution business became more important than the productive one so the company, managed by the third and current generation of the family, composed by the brothers Andrea, Antonio, Luigi and their cousin Mario Rigoni

(Marzo Magno, 2018), began offering many more organic varieties of honey, coming from different Italian regions (*Rigoni di Asiago S.r.l. - Borsa Italiana*).

The problems in the business arose in 1990, when the consumption patterns of Italian people changed due to the big financial crisis, that led buyers to prefer products with low prices (Parilli, 2012). To satisfy their demand, a wave of low quality and cheap honey coming from Eastern Europe, entered the Italian market, attracting a lot of consumers and penalizing high-quality but high-priced products, like those produced and distributed by Apicoltura Rigoni (Parilli, 2012). In fact, given the quality of the ingredients and processes used, the company was unable to match the lower price of foreign producers so it decided to exploit its know-how, moving into the market of fruit jams: diversifying the company's portfolio without setting aside the beekeeping activity (Parilli, 2012).

Even in this segment, due to the arrival of producers that used ingredients of poor quality, the competition started to be based on low prices as well (Parilli, 2012), for this reason in 1992, opening two years earlier a production plant in Foza (VI) that allowed the firm to increase the honey and fruit jams varieties, the family decided to position the company into the organic products niche, formally certifying the processes and products as organic (*Only organic products, for 100 years, no date*).

The turning point happened in 1993, when the firm bought more than two thousands of hectares of lands in Bulgaria, to cultivate red berries, apples and other fruits for the jams, produced with the brand "Fiordifrutta", created later in 1996. (Casagrande, 2022) Specifically, the Italian farmers and beekeepers today are the suppliers of the company for what concerns honey and Mediterranean fruit such as oranges, lemons and peaches but, the organic crops directly owned by the company and supervised by Italian agronomists are in Bulgaria, where there are the majority of the fruits needed to make "Fiordifrutta" jams and "Tantifrutti" juices, a line of products realized in 2014 (*The organic culture in our supply chain, no date*).

In 1997 the "Apicoltura Rigoni Snc" was transformed into "Rigoni di Asiago Srl", to highlight the fact that the company was offering something more than finished products coming from bees and, in the same period, Rigoni USA Inc was created, to distribute the complete product range in the US (*Rigoni di Asiago S.r.l. - Borsa Italiana, no date*).

In 2000s other investments were made: in 2005 there was the opening of a new logistics center near Verona, to face the growth in sales of the company in fact, in 2006 the brand "FiordiFrutta" was leader in the Italian market of jams (Salvemini, 2021). In 2008 the production of the organic cocoa and hazelnut creams with the brand "Nocciolata" started,

as well as the one of “Dolcedì”, a natural sweetener extracted exclusively from organic apples (*Only organic products, for 100 years*).

The year after, the firm established a French branch and in 2011, the stock capital of the company was opened to Fondo Italiano d'Investimento, which assumed the position of a minority shareholder (35,5%) (*Rigoni di Asiago S.r.l. - Borsa Italiana*). This intervention, of a total value of 14 million of Euro, was finalized to support the growth of the productive capacity of the company, strengthening the leadership in the domestic market and supporting its international expansion (*Rigoni di Asiago, Fondo Italiano investe 14 milioni di euro, 2012*).

The company, also exploiting the fresh capital provided by the new investor, continued to introduce innovations in its processes and products, to satisfy the exigent requests of customers. In fact, between 2014 and 2017, it opened a new production and logistic center in Albaredo d'Adige (VR) and launched products like Nocciolata dairy free, considering the growing trend of food intolerances and vegans, a range of juices made of organic fruits with the brand “TantiFrutti” and a food supplement under the brand “DolceHerbe”.

In 2018 and 2021, it opened a new sales office in Netherlands and introduced other two types of “Nocciolata”: the “Nocciolata bianca” first (*Only organic products, for 100 years, no date*) and the newer “Nocciolata crunchy” later.

Lastly, following the needs of the market, the company added to its portfolio two others organic food supplements, Echin spray and Echin drink, made to reinforce the respiratory tract and, the newest brand “Natù”, for the new fruit jams created with organic fruit and no added sugar, to meet the needs of consumers paying attention to well-being and taste, as written by the company on the official LinkedIn page, on the 2nd September 2022.

In order to sustain these initiatives and the expansion in foreign markets, Kharis Capital, a financial partner with deep knowledge about the retail and organic food market (Salvemini, 2021), bought the share of equity owned by Fondo Italiano d'Investimento (35,55%) in 2018 (Seguso, 2018) that was increased up to 42,7% thanks to a further contribution of 10 million of Euro in the company (‘Kharis Capital compra il 42,7% di Rigoni di Asiago. Esce Neuberger Berman’, 2018).

This operation splitted the ownership of the company into two parts: 57,3% in the hand of the family, 42,7% in the hand of the financial partner Kharis Capital (‘Kharis Capital compra il 42,7% di Rigoni di Asiago. Esce Neuberger Berman’, 2018).

Finally, in line with the objective of the expansion in foreign markets, on January 2022 the company acquired a French family-owned firm, Saveurs & Nature, specialized in the production of organic chocolate (*Rigoni Asiago acquista la francese Saveurs & Nature - Terra & Gusto*, 2022). The goal of the acquisition, as stated by the CEO, is to strengthen the market position of Rigoni di Asiago, in Italy as well as in foreign markets, creating a center of excellence for the development of the organic chocolate, in the productive plant of Saveurs & Nature, in Montrèverd.(Davini, 2022)

6.2 The basis for a sustainable growth

“Organic production is an overall system of farm management and food production that combines best environmental and climate action practices, a high level of biodiversity, the preservation of natural resources and the application of high animal welfare standards and high production standards in line with the demand of a growing number of consumers for products produced using natural substances and processes.

Organic production thus plays a dual societal role, where, on the one hand, it provides for a specific market responding to consumer demand for organic products and, on the other hand, it delivers publicly available goods that contribute to the protection of the environment and animal welfare, as well as to rural development.”

(Regulation (EU) 2018/848 of the European Parliament and of the council, 2018)

Organic production plays an essential role in developing a global sustainable food system so, the organic production processes of the company, based on innovative and sustainable technologies (‘Rigoni di Asiago - Corporate social responsibility document 2020’, 2020) can be considered as the basis of its sustainable growth.

As stated by the company indeed, the production processes of Rigoni, are intended to contribute to sustainable developments, by reducing the environmental impact of operations, limiting the use of fossil fuels, avoiding the intensive exploitation of soil and water (‘Sustainability’, no date) and always responding to consumers’ needs.

Specifically, the organic farming methods utilized by the firm, respect the land and are based on innovative technologies, capable not only of reducing their impact on the environment but also of minimizing food waste, by sorting and recovering the highest percentage of materials possible, avoiding where possible, the use of plastic (‘Rigoni di Asiago - Corporate social responsibility document 2020’, 2020).

In fact, the utilization of plastic in operations, is at a minimum level, and this is true also in packaging, which consists mainly of glass, FSC paper¹² and aluminum ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020).

Besides the organic farming, also the investments made by the company in its operations, testify the strong dedication toward sustainability: the purchase of a cogeneration plant, capable of generating electricity and heat, reducing the fuel consumption by 50% or the photovoltaic system installed at the Albaredo d'Adige plant ('Sustainability', no date).

Further, to align the employees and all the actors in the supply chain toward sustainability-related objectives, in 2021 the company finalized two financing operations, with Intesa Sanpaolo and UniCredit, directed specifically at its sustainable growth. In fact, the loans from the credit institutions, respectively of 2,8 and 10 million of Euro ('Rigoni di Asiago, 10 milioni da UniCredit per la sostenibilità', 2021), aimed at supporting two ESG¹³ improvement objectives: the first was related to the use of programs aimed at involving customers and suppliers in the adoption of virtuous sustainability practices, while the second goal concerned the adoption of sustainable and green HRM policies within the organizational boundaries (*Intesa Sanpaolo supports sustainable growth of Rigoni di Asiago*, 2021).

These latter consist in hours of training for employees, on social and environmental sustainability issues and the introduction of programs aimed at promoting good practices both in the workplace and at home (*Intesa Sanpaolo supports sustainable growth of Rigoni di Asiago*, 2021). Finally, the company's responsibility is not limited to the workplace and the environment but it involves also the people in local area with various initiatives, like the one related to the maintenance and enhancement of the Italian artistic heritage (Salvemini, 2021).

6.3 Conclusions

Rigoni di Asiago's facts, contradicts some of the concepts emerged from the literature review because, while the nonfinancial goals of the company, derived by the family's emotional attachment to the firm, should negatively affect the firm's willingness to diversify and innovate its activities, they seem to do the opposite, as the company is leading the path toward sustainable developments, ensuring responsible, ethical and ongoing success (Wigmore, 2013).

The story of the company indeed demonstrates that, thanks to the family's values and goals and its desires to work with high-quality organic ingredients, good for people and

¹² The Forest Stewardship Council® (FSC®) certifies that a paper is made of wood fiber sustainably sourced, (*Buying FSC® Certified Paper Helps Protect Our Forests* | Domtar, no date).

¹³ ESG stands for Environmental, Social and Governance

fair for the environment (*Only organic products, for 100 years, no date*) the firm, notwithstanding the potential damaging effect of the family in limiting flexibility and innovative and risky investments, has always based its growth, on sustainability and innovation.

So, given these findings and the peculiarities of Rigoni di Asiago's history, that from being a small family-owned beekeeping, it has become a large international company, leader in sustainability in the food industry, it seems to represent the ideal case study to answer to the research question of this thesis "*How can a family firm grow following a sustainability path?*" and so, to understand how the family's influence can help a family business in pursuing a sustainable growth.

To perform the analysis of the case study, the framework developed in the third chapter (Figure 3) is applied to Rigoni di Asiago's case and used as a roadmap to triangulate the information found.

7. The case study

The framework developed in chapter 3 (Figure 3) will be used as a roadmap to analyze the components considered key factors for the creation of a sustainable family firm:

- *Family*: values and goals, “familiness”, SEW elements and the meaning of sustainability for the family.
- *Sustainable growth*: Strategic entrepreneurship, innovative potential and sustainable HRM.

In particular, the elements related to the family’s influence will be analyzed and deepened through a deep analysis of secondary sources of data, like interviews on newspapers, magazines, media interviews and other data and documents released by the company. This is needed to interpret the values, goals and resources that originate from the family’s influence and the feelings and ideas that the family experiences, about the company’s objectives and future.

Further, since the elements catalogued as fundamental for supporting the process of a sustainable growth, are the result of the concepts emerged from the combination of the different theories analyzed and of the research made about the topics, they will be tested: the data and interviews collected on the web about the firm’ initiatives and investments, will be studied to understand which food industry’s challenges they address and whether their successful implementation originate from the key requisites highlighted in the framework, meaning strategic entrepreneurship, innovative potential and sustainable HRM.

Finally, the other findings obtained proceeding with the analysis of the company, will be used to integrate or simply confirm the framework and they will be also tested with a second case study, based on a much smaller family firm, the Beehoney&co, with a lot of similarities to Rigoni di Asiago in terms of business and origins, but a less structured organization.

7.1 The family

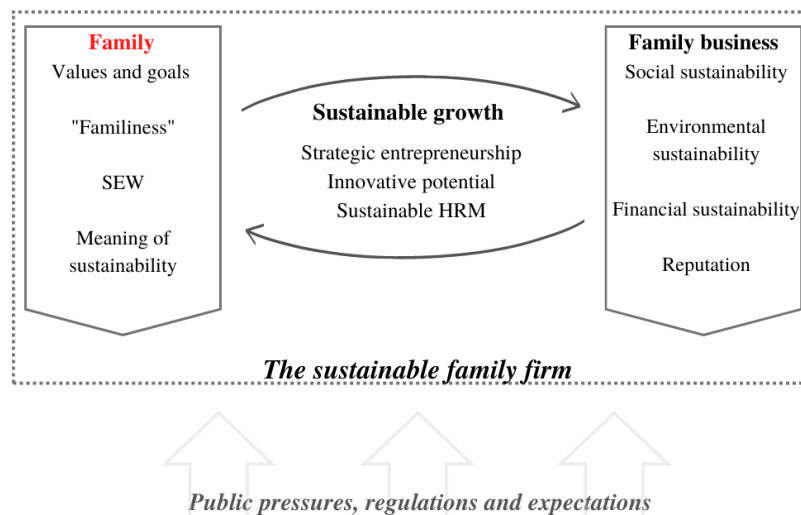


Figure 5 - Focus on the family influence's elements

Rigoni is a surname common in the Asiago Plateau and this link has been even strengthened in the brand of the company, that is “Rigoni di Asiago”, demonstrating the deep connection between the family and its community: with the specification “Asiago” the family has highlighted its origins and the ones of the company, to specify their link with the local environment, traditions and values (Liguori, 2020).

Indeed, even if the company has completely changed its structure and business over the years, starting in 1923 with the form of a small family-owned beekeeping, to become later, a large and international family-owned company, the original and traditional values of the Rigoni family have remained intact: respect for the environment, organic production, strong connection with traditions, high-quality and safety standards, that are values and ideas that mixed together lead to the pursuance of the three pillars of sustainability (Liguori, 2020), thanks to the ability and the possibility of the family in exercising a direct influence in the company's strategic direction and growth.

The remarkable influence of the family, notwithstanding the medium but increasing size of the company, derives from the fact that the three Rigoni brothers and their cousin, operate in the board of directors of the company and one of them, Andrea Rigoni, is the CEO.

The role of the family members indeed, is crucial in determining the extent of the family's influence, that is not only relevant for the company's strategic decisions but also for orienting the sustainable initiatives of the company that indeed, being driven by a family whose values embrace the three pillars of sustainability, acts as a sustainable business.

Focusing on the meaning that the Rigoni family, attributes to sustainability and the impact that it has on the business conduct it is important to report that during an interview at the “Forum Agroecologia Circolare” of 2020, the CEO Andrea Rigoni explained his interpretation of sustainability. He said that for him, sustainability means that a company, has not only to take care and to take into consideration its lands and local community, because all the surrounding environments and the stakeholders, must be considered and protected. Indeed, given his strong dedication to the idea that sustainable developments can be pursued through methods of organic production, during his speech, he defined himself as the promoter of “biodistretto”: an area, in which the population values the organic production, starting from farming up to the consumption of foods. (‘Sostenibilità. Andrea Rigoni al Forum Agroecologia Circolare’, 2020). Organic methods indeed, are seen by the Rigoni family, and then by company, as the method through which a food company, can respect and protect the biodiversity and the environment.

Further, he stated that he is committed at sustainability even as a consumer, because once the finished products are distributed by the companies, it is the consumer that has to make the difference with its daily consumption habits, choosing sustainable products and adopting consumption patterns that respect the environment (‘Sostenibilità. Andrea Rigoni al Forum Agroecologia Circolare’, 2020).

Beyond the values and ideas of the Rigoni family, in favor of sustainable investments and innovation, the idea of the owners that has always encouraged the sustainable growth of the business, is that rather than having a 100% family-owned company, which stagnate due to the lack of necessary know-how and funds, it is better to share the ownership of a financially prosperous company, that can have in this way, all the requisite to pursue a sustainable growth in the market, beneficial for the owners, the society and the environment (*Come si diventa leader di mercato nel settore delle confetture? La storia di Rigoni di Asiago*, 2021).

This last concept has to be clearly highlighted as it contradicts the SEW theory, which states that typically, family owners strive to protect and preserve the affective endowments of their firms as they see companies as cherished assets that should be kept in family hands across generation, establishing a family legacy (Zellweger, 2017).

This finding in Rigoni di Asiago case, seems to be crucial to reveal how, for a family firm that wants to grow through a sustainable and innovative path, accepting the resources coming from nonfamily members is crucial for a sustainable growth: the socioemotional considerations should be considered when taking decisions about company’s strategic direction, but they should not be prioritize with respect to the well-being of the company.

7.2 The process of sustainable growth

In the framework elaborated in the third chapter, the elements considered as fundamental for a sustainable growth and highlighted below, are three (Figure 4): strategic entrepreneurship, innovative potential and sustainable HRM.

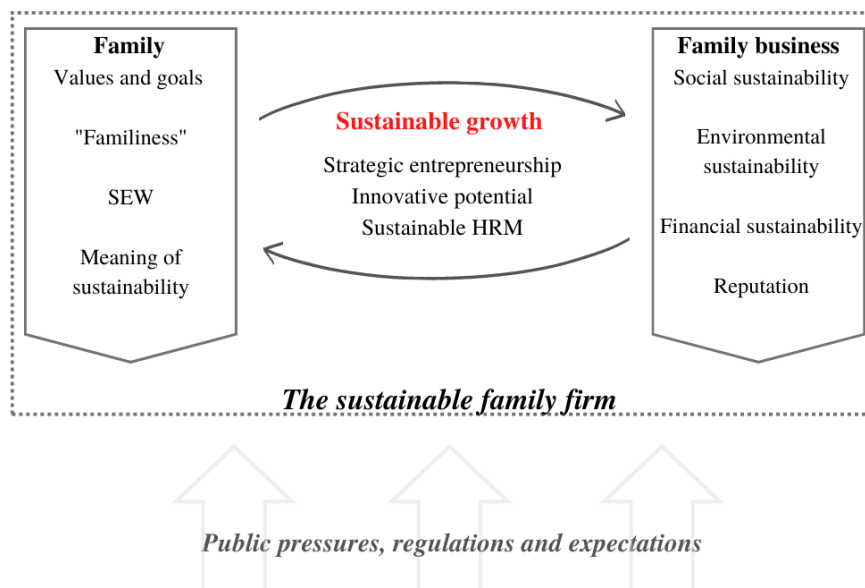


Figure 6 - Focus on the sustainable growth's elements

7.2.1 A great innovative potential and strategic entrepreneurship

"Innovation is as important as the company's history making organic and delicious products." ('Innovation in the organic sector', no date)

As stated in the company's website, innovation is a core element for the sustainable growth of the organization as well as the company's history and traditions. Indeed, the operations and products of Rigoni di Asiago are characterized by a great level of innovativeness, because they originate from continuous investments in research and development (Pilotti, 2021).

In fact, the production processes of the company derive from the exploitation of its innovative potential, meaning its ability to create and using innovation (Valitov and Khakimov, 2015): the Research and Development department of the firm, continuously invests in new projects and ideas, to offer nutritionally balanced and high-quality products to meet consumers' needs

and to find how to constantly increase the sustainability and efficiency of the production processes ('Innovation in the organic sector', no date).

As a result of this commitment, Rigoni di Asiago has made different investments in technologies over the years, aimed at protecting the high-quality of raw materials and at increasing the traceability and sustainability in the operations.

For what concerns the improvements in the preservation of ingredients' properties, the firm not only constantly checks the features of raw materials in all the stages of production, through the own laboratories and the analyses performed by independent third-party laboratories ('Innovation in the organic sector', no date), but it has also created a patented production process.

In fact in the production plants, all ingredients, after a careful selection, are frozen and processed through an innovative process, run at room temperature, which keeps intact but also improves, the properties of the inputs used ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020). Then, once the finished products are prepared, they are placed in glass jars that are labelled specifying, through inspections carried out by European Certification Bodies, the totality of organic production to consumers ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020).

Given that, to claim the sustainability of processes and products, food companies have to disclose data on the flow of inputs and source of raw materials in the supply chain (Sawant, 2022), the company has not only invested to protect the its raw materials, but also to track all the steps in the supply chain, in order to disclose the details about the efficiency and sustainability of its processes and ingredients. In fact, in the past the company used to monitor its processes with a "backward" method, knowing what happened only when the steps were completed and facing in this way, the risk of losing information and the impossibility to promptly intervene with necessary adjustments (*Rigoni di Asiago, un successo basato sull'innovazione*, 2018). But, to solve the trouble and to answer to the need of higher traceability, the company decided to invest in new systems, capable of providing an updated database with real-time information.

It started from the acquisition of a technology able to receive data from machines on the items processed and, capable of directly transmitting the information to the general management system. Then, it adopted a system for monitoring the energy consumption in the lines of production (*Rigoni di Asiago, un successo basato sull'innovazione*, 2018), to control and reduce costs and wastes in every single step of the processes, responding to the increasing requirements about more sustainable processes.

Considering these findings, it is clear that the company's innovative potential and consequent investments, allow the organization to face different challenges affecting the food industry, in fact, they permit to keep intact the properties of the ingredients used, to increase their traceability and to guarantee the organic origins of finished products to consumers: aspects fundamental for the competitiveness of the firm, given the increasing interest of buyers for healthier, high-quality and organic products.

7.2.2 Sustainable and green HRM

Sustainability represents a core value for the company and it is based not only on the attention for the environment (Pilotti, 2021), but also on the respect of the needs of community, employees and collaborators ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020). Indeed, as stated by the company in its Corporate Social Responsibility document (2020), protecting workers from a contractual point of view is one of the top priorities of the firm, as promoting better working conditions, considering the need of work-life balances through appropriate remuneration systems and flexible working hours and organizing people's development efficiently, ensuring that all the employees are trained and adequately valued ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020).

This is because the company is aware that workers are a fundamental element for its success, in fact even during the COVID-19 pandemic, Rigoni di Asiago differently from other companies, continued to invest in new human resources, which increased by 18.03% between 2019 and 2020. This was possible thanks to the appropriate changes and investments in structures and plants, made to keep running the production processes, considering the total employee's safety as a priority ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020).

The enterprise is not only aware of the fact that employees are involved at their own level in nurturing the success of the firm, intended as financial performance, it is also conscious that they are crucial for helping it to become more sustainable (Paillé *et al.*, 2014). But, since to make the most of employees in terms of contributions to sustainable developments, they must be appropriately trained to understand the firm's environmental philosophy (Paillé *et al.*, 2014) and then, they have to be empowered (Hameed *et al.*, 2020) to be able contribute to the sustainability of the company, in 2021 it concluded two financing operations ('Rigoni di Asiago, 10 milioni da UniCredit per la sostenibilità', 2021), with among the others, these goals.

Specifically, the operations concluded respectively with UniCredit and Intesa San Paolo aimed at supporting, beyond the conversion of customers and suppliers to virtuous sustainability practices, the adoption of sustainable and green HRM policies within the organizational boundaries (*Intesa Sanpaolo supports sustainable growth of Rigoni di Asiago*, 2021).

These latter consist in hours of training for the employees, on social and environmental sustainability issues and on the company's sustainability philosophy and, the introduction of programs aimed specifically at promoting good practices both in the workplace and at home (*Intesa Sanpaolo supports sustainable growth of Rigoni di Asiago*, 2021), like making double-sided photocopies, recycling, using energy-efficient appliances, and recycling old office furniture (Hameed *et al.*, 2020).

In fact, in the daily routines of the business operations, the company's employees are committed at reducing the energy and water consumptions at a minimum level, doing the recycle, minimizing wastes and following any other little action relevant for minimizing the human footprint on the environment (Pilotti, 2021).

As introduced in chapter 6, the company's commitments are not limited to the workplace and its environmental objectives, but they involve also the local area and the society, with various initiatives, like the ones related to the maintenance and enhancement of the Italian artistic heritage (Salvemini, 2021) and the support to social cooperatives in line with the firm's philosophy and values ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020). These actions, together with the ones made in favor of the needs of the most deprived people in the local area, originate from the desire of the company to help the community, because it considers the well-being of the society as important as the well-being of the company ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020).

7.3 The sustainable family business

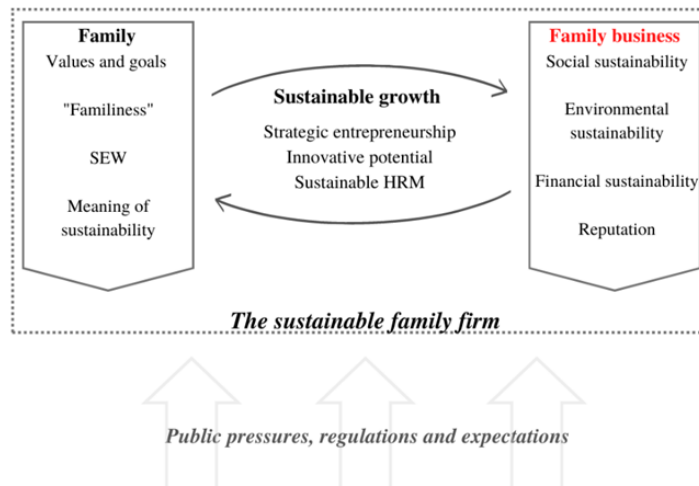


Figure 7 - The sustainable family business

Andrea Rigoni, the CEO, considers sustainability neither a marketing strategy, nor the reason for the business, rather he defines it as the consequence of a good and healthy production (Dell'Olio, 2019). In fact, the choice of using organic production processes and raw materials, is not a simple trend or the response to public pressures, but it is the result of the family's conviction that it is the right solution for protecting the environment and the consumer's health (*Andrea Rigoni vince il premio speciale Sostenibilità di Ernst & Young*, 2018).

This is because the family believes that companies in the world, should take responsible choices in their operations, adopting sustainable conducts and utilizing the best technologies available to foster a balance between the availability and the consumption of natural resources (*Andrea Rigoni vince il premio speciale Sostenibilità di Ernst & Young*, 2018).

Rigoni di Asiago indeed, being aware of the great contributions that it can make to global developments in all the three aspects of sustainability: environmental, social and economic, has associated its activities to some of the 17 goals (Figure 7) of the UN 2030 Agenda ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020), being able to foster the creation of a sustainable family business: one that delivers an appropriate level of profit to the owners, minimizing the damages to the environment and improving the life of its stakeholders (Slack, Johnston and Brandon-Jones, 2016).



Figure 8 - The commitment toward the UN 2030 Agenda¹⁴

7.3.1 The financial sustainability

While the social and environmental sustainability of the company have been clearly highlighted in the previous paragraphs through the analysis of the family’s influence and company’s investments, the financial sustainability has not been appropriately deepened and to do that, some data and ratios linked to the company’s financial situation, have been reported below.

Looking at table 1, it is clear that the company is presenting positive economic results from different years, with a net income that achieved its highest value in 2020 thanks to a massive growth (+20%) in revenues. The increase in sales, was probably linked not only to the expansion into foreign markets, but also and mostly to the Covid-19 pandemic, because the lockdown measures led buyers to stay at home, having more time to consume and share foods, demonstrating a strong interest in the calories and the quality of ingredients consumed, factors that represent key strengths of the company’s offerings. The effect of a one-time and extreme phenomenon can be seen looking at the decline in revenues registered the year shortly after, in 2021, which simply brought the company’s revenues and income, at their average levels (130 million of euro).

The EBITDA margin as well, demonstrates that the profitability of the company has not changed as much between 2020-2021, in fact in 2021 it remained above 12%, showing a

¹⁴ Source: Corporate social responsibility document 2020, p.25.
https://www.rigonidiassiago.com/wp-content/uploads/2022/06/RIGONI_documento_sostenibilita%CC%80-ENG-2020.pdf

strong profitability of the firm, since a value of 10% or more is typically considered good for the margin (Wiblin, 2021).

	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Revenues	133.987.722	153.587.297	127.591.418	128.840.112	140.210.306
% variation	-13%	20%	-1%	-8%	
Net income/Loss	5.960.182	12.175.699	4.322.576	7.071.233	8.495.423
% variation	-51%	182%	-39%	-17%	
EBITDA margin %	12,38	12,77	9,81	12,47	12,71

Table 1- Data from the Income statements of the company¹⁵

Given that the goal of this paragraph is not to perform a deep financial analysis of the organization but rather, to simply demonstrate its financial sustainability, the ratios in table 2, will be interpreted only considering the range of values commonly retained as adequate benchmark for their evaluation, without deepening the section through a comparison with competitors.

The first ratio in table 2, is ROE, that is a measure of the company's financial performance, as it shows the amount of profit that a company generates with the capital invested by the shareholders so, it also gives an indication on the rate at which a firm can grow internally, by reinvesting its earnings (Bernstein, 2018). Rigoni di Asiago has always presented an optimum percentage of this ratio, that is considered optimum for values higher than 10%, even if a consistent decline in ROE happened in 2021, with a value equal to 5,45%. This decrease has been due to a growth in the shareholders' equity, given by an increase in funds and reserves happened in 2020, but not evident in the ratio of the year, because compensated from the high profit realized with the pandemic.

The second ratio in table 2, the interest coverage ratio, indicates the ability of the company in repaying interests on its outstanding debts, so it gives also an idea to creditors and investors, on the riskiness of lending capital to a company (CFI Team, 2022). Given that a good value for the interest coverage ratio, is at least higher than 3 (CFI Team, 2022), it is clear that the company has a strong ability in repaying its interests using the operating profits, deriving from the core activities.

Finally, considering the debt-to-equity ratio in percentage, which measures the extent to which a firm's activities are funded by shareholders' funds versus creditors' funds (Kenton, 2022), there is no doubt that the company is not so exposed to downturns in the economy

¹⁵ Source: Bureau van Dijk 2022 (<https://www.bvdinfo.com/it-it/le-nostre-soluzioni/dati/internazionali/orbis>)

(Kenton, 2022), given that the value of debt on average, has been always lower than the amount of equity.

In particular, the low level of riskiness and exposition to downturns in the economy, represented by the good interest coverage ratio and debt-to equity-ratio, is a key determinant for having access to the capital provided by lenders and investors, needed especially for the expansion in foreign markets. Indeed, as stated by the CEO Andrea Rigoni during an interview for “Il Corriere della Sera”, the future of the organization is expected to be based on the expansion into foreign markets, enlarging the type and number of distribution channels and investing into the brand image, never neglecting the values of quality and sustainability that represent the origins and the brand of the company (Salvemini, 2021).

	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
ROE (%)	5,45	10,55	7,28	12,07	19,68
Interest coverage ratio (x)	7,88	9,74	4,01	6,02	7,13
Debt to Equity ratio%	56,24	57,63	96,84	85,31	148,12

Table 2 – Financial ratios¹⁶

This brief analysis highlights as the ability of the company in pursuing continuous investments for innovation and sustainable growth, is surely linked to the willingness of the controlling family to reinvest profits with certain goals, but it is possible thanks to the strong and persistent profitability of the company, which allows the creation of the needed earnings for internal growth. In truth financial sustainability is needed by the company to implement sustainable developments by reinvesting profits but, it also needs social and environmental sustainability in business operations to be nurtured, as investors and customers are increasingly paying attention to these aspects in their consumption and investments choices.

7.4 Discussion

These insights show that Rigoni di Asiago is a family firm that has a leadership role in sustainability, being able to grow following a sustainability path, given by the simultaneous pursuit of social, environmental and financial sustainability in its activities.

Looking at the company’s history and investments, it seems that the creation of a financially prosperous and sustainable business, has originated from the strong commitment of the family toward the well-being of employees, society and environment, that aligned the goals of the company with sustainability, as intended by the “Triple Bottom Line” model (TBL) seen in the first chapter.

¹⁶ Source: Bureau van Dijk 2022 (<https://www.bvdinfo.com/it-it/le-nostre-soluzioni/dati/internazionali/orbis>)

Indeed, as the framework in chapter 3 (Figure 3) supports and, as the case study seems to reveal, the family's values and goals affect the prioritization of certain goals rather than others but, if a family has ideals and objectives which favor sustainability, it is the meaning that the family attributes to the concept of sustainable business that makes the difference in leading the direction of CSR actions and so the path toward sustainable developments, through its influence on the company's sustainability philosophy and strategy.

Indeed, considering the insights provided by the Rigoni case, to encourage the leading role of family firms in sustainable developments, when they seem that they are not exploiting the potential of their contributions, it is how they consider family ownership and sustainability, that should be changed (Bartels et al., 2021): given the findings from the case study, is not a family per se, with its nonfinancial goals and emotional ties, that hinders or fosters the development of a sustainable business by limiting investments and flexibility, as certain theories support, rather it is how it interprets sustainability and how much the family desires to preserve family's control, when running the business, that makes the difference.

A sustainable growth path, like the one pursued by Rigoni di Asiago, is possible only if sustainability is central to the business operations and to the family's values, being in this way the result of the internal orientation of the firm, that combined with the effects of public pressures and expectations, can lead to a proactive approach of the firm, to sustainability. The point is that, to avoid limits to possibilities, the family firm shall be willing to integrate they owned competencies, knowledge and financial resources with the ones coming from external experts and investors.

In fact, Rigoni family has always claimed its interest in the three pillars of sustainability and it has always invested, having the necessary financial resources or accepting the contributions from nonfamily members, to create a sustainable family business (Figure 8): while pursuing financial goals, the company is able to minimize the negative impact that the operations have on the environment, taking care of its employees and the society, by constantly increasing the quality of the workplace and the sustainability of its offerings, without penalizing taste and always valuing and supporting healthy and organic diets, that benefit human beings and the planet (*Andrea Rigoni vince il premio speciale Sostenibilità di Ernst & Young*, 2018).

"*Nature at heart*", is the statement through which this idea is expressed by the company, that is born organic in order produce healthy products for the consumer and with minimal impact on the environment ('Rigoni di Asiago - Corporate social responsibility document 2020', 2020), indeed the organic production, as stated several times by the CEO Andrea Rigoni, can be considered as the term that better indicates the meaning that the family attributes to the concept of sustainability.

7.5 Conclusions

Given that the roadmap of this analysis has been the framework developed in the third chapter but, the above findings are the results of the analysis of a specific and single case study on a family firm that is rare in its sustainable conduct, generalizing the answer to the research question is not as easy. For this reason, the findings obtained from the Rigoni di Asiago case, are further investigated with a second case study based on a small family firm, comparable to Rigoni di Asiago in terms of origins and business.

This choice has been taken, because the use of qualitative data in describing a single case study, emphasizes an in-depth description of a particular situation but provide a weak basis for generalization to other settings (Herriott and Firestone, 1983) and, since the objective of this dissertation is to understand how a family firm can grow, following a sustainability path, the insights should be tested to strengthen the validity of the framework: the evidence from at least two case studies is typically considered more compelling (Yin, 2002) making the findings more robust (Herriott and Firestone, 1983).

The choice of a small family-owned company derives from the fact that it is likely to show a clearer connection, than a big family firm with a lot of stakeholders like Rigoni di Asiago, between the family and the company's sustainable conduct: requisite necessary to analyze the family's interpretation of sustainability and its effect on firm's investments and conduct, ignoring the pressures and expectation that affect a company with an high visibility in the market.

In addition, the family business selected, is not only much smaller than Rigoni di Asiago but also less developed, structured, and innovative, being based on the capital directly derived by the family members, without external contributions or incentives to follow a sustainability path. This second condition is a key to better understand whether the main limits and difficulties for a family-owned company in pursuing a sustainable growth path, derive from the constrained financial resources or the prioritization of nonfinancial goals, like certain theories support, or if other conditions shall be considered.

In fact, the goal of the second case study is to understand whether the family can really act as the engine for the sustainable growth of the company through a broad interpretation of sustainability and a correct balance between financial and nonfinancial goals, like the Rigoni family has done for Rigoni di Asiago's development.

8. Beehoney&co: company's profile

Beehoney&co, owned by the Beehoney family, is a small family business based in Cartura in province of Padua, that has origins similar to the ones of Rigoni di Asiago.

The beekeeping activity started in 1982 as an hobby, when Margherita decided to give a hive for birthday to its boyfriend Andrea that was attending a course for becoming a beekeeper (*Apicoltura Beehoney - Miele Più - Beehoney&co Beehoney*, no date).

Andrea was passionate about beekeeping, so he was willing to invest the income obtained from his job of the time in his hobby, increasing the number of hives and so, also the quantity of honey produced. The registered company, Beehoney&co, was founded in 2000, when the oldest son graduated and decided to help the parents in transforming the father's passion into a real work, running the activity with his parents and helping to increase the size of the production plants, investing in order to respect the quality and safety standard imposed on food companies by the law and helping the parents to convert from the traditional beekeeping to the nomadic one, to produce different varieties of honey.

In 2010 the daughter Daniela, entered the company when the brother had already left the family business and with her help, the firm saw further expansions: the initiative of the educational farm, the realization of party favors, the creation of an higher variety of products and the installment of a photovoltaic plant, to reduce the energy consumption.

Later, in 2017, even the second child left and the third one, Elisa, took her role and now she is the owner of the company, while Margherita and Andrea, her parents and the founders of Beehoney&co, act as collaborators.

The core business of the company is the production of honey in different varieties, like the ones with walnut kernels, mint and propolis, obtained by the owned hives but, it also distributes honey-based fruit jams and other products based on ingredients derived from bees, that are realized by other producers.

8.1 Method and procedure

To study whether the family can really act as the engine for the sustainable growth of a family firm, and to understand the conditions that enhance or hinder the ability to pursue sustainable goals and related investments, we used a qualitative research approach.

The empirical analysis consists of an interview with the two founders of Beehoney&co, Margherita and Andrea, which allows collecting a large amount of primary data, specific for our purpose. This approach is particularly appropriate to solve this kind of question—"how" and "why"(Yin, 2002), therefore, it is appropriate for answering to the research question. The

data collected have been fundamental to integrate the ones obtained through secondary sources of data, coming from the company website and social media platforms.

8.1.1 The Interview

We contacted the founders of Beehoney&co to ask for the interview, through the telephone number available in the company's website. During the first call, when we explained our thesis and its objectives, Andrea, who answered the phone, told us some introductory information about the products and history of the company, to be sure that it would be the right company for our needs, then, after this first call and our goals, he accepted our request for the interview and since he didn't want to see a preview of the questions, he simply established a date for the meeting, in person.

Questions

We prepared a semi-structured interview protocol, that is a method involving just open questions to create a deep discussion about each topic, instead of a more questionnaire-oriented conversation, with short answers. This approach was used to obtain more detailed answers even exceeding the scope of the question, to see the complete view of the topics (Yin, 2017). To create the list of questions, we started from the objective of the research, that is to understand how a family firm can grow, following a sustainability path, trying to detect the conditions and the family's inputs that can foster or at the opposite, hinder the development of a sustainable family business.

to give order to the findings, the questions were organized in two main sections. The first section is composed of questions based on the basic background and contextual information of the interviewees. While the second section, that is the core of the interview since it is focused on the link between the Beehoney family and the company's sustainability and innovation, aims at finding the elements part of the family, that should encourage the sustainable growth of the company.

In the appendix, there is the list of questions made to the founders, both in English and Italian because this latter is the language used during the interview.

How the interview took place

The interview took place in the first week of September 2022 and it was conducted in person, in Cartura (PD), where the company is based.

The interview lasted around one hour and a half, and it was conducted with Margherita and Andrea, the two founders of Beehoney&co, simultaneously. They had not enough time to allow me to perform the interviews separately so, to distinguish the answers given by one or the other founder, they are marked with M for Margherita and A for Andrea.

The questions were made explicitly to test the conclusions obtained by the Rigoni case study, this is the reason for having interviewed the family owners: this allowed us to understand, since the origins, the family perspective and values and their impact on the company's sustainability and its future. In fact, when the founders answered to the questions, beyond the simple answers, we could feel the passion that connect them to their activities, that are based and dependent on the well-being of nature.

As already said, we had to use Italian during the interview, because Margherita and Andrea that today are around 75 years old, do not speak English.

In the end, since at the beginning of the meeting made in person at the Beehoney&co plant, they asked me to avoid the recording of the interview because they feel a certain anxiety about the idea, the meeting was not recorded and this has its positive effect, because the situation helped them in feeling more relaxed and willing to respond without pressures or bias. Nevertheless, they gave me the necessary time to took detailed notes, repeating their answers or concepts if not immediately clear.

8.2 Data analysis

To process the data analysis, we proceed by classifying the questions and the related answers, into the main component part of the family's inputs in the theoretical framework of the thesis. This procedure has been used to compare the findings derived by the Rigoni case study, analyzed applying on the data collected the theoretical framework developed in the third chapter, with the results obtained from the interview.

The semi-structured interview protocol has been effective to catch the highest amount of information to analyze the family's influence related concepts. In particular, some answers aimed to a specific family's inputs, like family's values, have been used to deep the insights obtained for other elements, especially the meaning of sustainability. The same happened with some introductory questions, used to deep the understanding about the company's history as well as to analyze the socioemotional wealth components in the firm.

8.2.1 Family's influence

The family-related components and interpretation of sustainability, define the identity of the firm, its values, goals and the Corporate Social Responsibility direction, affecting in this way the relation between the family sphere and the business sphere.

Values, goals and familiness

The first component in the framework, part of the family's inputs, is represented by the values and goals of the family, that derive from the history, personal experiences, traditions and passions of family members, that affect in turn, from the foundation of the company, the business' activities.

“M: [...] We started the activity as a simple hobby, because when my husband in 1979 was attending a course for becoming a beekeeper, I decided to give him for birthday a hive as he was passionate about bees and honey. [...].”

As seen in the previous chapters, the family creates the impetus for the strategy-making process through its values (Zellweger, 2017) that are the basis for the definition of the company's objectives and developments. This concept, derived from the literature review, has been demonstrated by the Rigoni di Asiago case study and confirmed by the interview with the Beehoney&co founders: the values and ideals of the family, impact the diversification and growth of the company's activities, indeed the further developments and initiatives of the Beehoney&co are focused on the beekeeping activity.

In addition, as supported by the Resource-Based view theory, not only the values and goals of the family, but also the type of resources contributed by the family members in the form of human resources, financial capital, reputation (...) termed as familiness (Zellweger, 2017), determine the origins as well as the developments of the company and this can be clearly seen by the story of Beehoney&co, that is began and developed thanks to the contributions, in terms of knowledge, passion, financial capital and ideas, derived from the second generation of family members.

“M: Our first son, once graduated, helped us in 2000 in transforming the hobby into a real enterprise and, contributing with financial resources, in enlarging the size of the beekeeping and of the production plant for preparing honey [...].”

Once established the company and enlarged the area for practicing beekeeping and preparing honey, thanks to the aid of the first son, who helped also in the creation of a shop to sell products, the company pursued further developments, thanks to the participation of other family members.

“M: When our son left the company in 2010, our first daughter Lucia entered the business and, beyond her help in running the basic activities, she gave us, thanks to her love for children, an idea that today is the engine of our company and it is the educational farm [...]”

Given the origins of the company and the intense passion for beekeeping of Andrea that at the end, has involved the entire family, it is easy to comprehend why, even if more than 40 years have passed from the beginning of the company, it has never changed the core of its activity. Indeed, from its origins, the company has based its expansion not only on the realization of products based on ingredients derived from the beekeeping, but also on initiatives directly driven by the contribution of the second generation of the family, as committed as the founders to the love for the nature and the well-being of people.

“M: The educational farm is born from an idea of our daughter, and it has been implemented due to the desire of our family, to communicate the importance of protecting our environment, for the safety of animals and human beings [...].
We want also to transmit the importance of healthy diets [...] we always ask pupils to visit us without snacks...we desire to offer them our honey on a slice of bread, because it is healthier and a gift from the nature, that we all should learn to appreciate.”

Meaning of sustainability

The picture drawn, starting from the analysis of the company’s origins and its main developments driven by the beekeeping passion and the resources contributed by other family members, shows another fundamental and basic value, brought by the family into the company: sustainability.

“A: We define sustainability as the respect of nature and the support of healthier diets for people [...]it is one of the founding values of our family and of our company that, in fact, is entirely based on nature and its respect [...].”

From this quote it is easy to understand that the sustainability of the Beehoney&co, goes beyond the reaction to public pressures and regulations, as it is the result of a high level of

commitment toward the matter: it is a value sustained by the family owners but also an aspect essential to the firm's functioning.

“A: The beekeeping activity is strongly affected by climate change and pollution, because bees are nervous, they produce less honey and the one created is less tasty [...] they are also affected by a bacterium that is potentiated by the climate change and it is creating us a lot of issues [...]”

The already strong dedication of the firm to sustainability, encouraged by the fact that it is the essence for the survivability of the business, is increased by an equally high level of commitment of the Beehoney family

“M: Making responsible choices is important also for our family, in fact we pay attention to our actions and the impact that they have on the environment [...]and we have always tried to transfer this idea to our kids [...] for instance, we try to buy and consume organic products, we use the bike rather than car when possible, we try to find alternative ways to use food that is expired [...]”

Without this match between family's values and company's needs, probably there would be a brake on the possibilities for sustainable developments in the business so, with this match, the result is a strong commitment to sustainable developments that, following the assumptions made in the framework of this thesis and the results from the Rigoni case, it should lead the family to invest in the firm, for pursuing a sustainable growth path: profitable for the owners and beneficial to people and planet. This attitude indeed, is demonstrated by the perception and definition of innovation given by the family that, even if it is not defined in terms of R&D activities, given the small structure of the organization and the absence of departments, it is perceived in a way that is fundamental for sustaining sustainable projects and ideas.

*“A: Our idea of innovation is based on creating original products to differentiate our offerings from the ones of other producers, so for instance we have invented the honey-based hazelnut cream, the honey-based liquors, we sell pollen [...].
We have also innovated our production plant, making training course for increasing the sustainability of beekeeping, installing photovoltaic panels and buying low-energy consumption machines! [...]”*

The fact that company's sustainability, is given by a deep commitment of the family and by the specific needs of the company, rather than the compliance with public regulation, can be

better understood by the following quote of Andrea, the founder, when asked to think about the future of the company.

“M: We have a lot of ideas for the development of our company, for instance the apitherapy, rural tourism [...] but we fear the global challenges affecting our environment, our activity cannot survive if the situation remains the same because our bees cannot. [...]”

The answer reveals how the environmental sustainability for the Beehoney family, is not only a personal interest, but a real imperative for their company, and the second part of his answer contains another important meaning between the line.

“A: [...] I am still investing in it even if the activity is giving less fruits, because I know that I am doing something good for my bees, my loyal clients, my passion and my family [...]. This is a happy place, where you feel the nature and it is our tool for protecting it [...]”

The impact of socioemotional wealth

This last quote of Andrea besides the love that the founder feels for its beekeeping, evokes the concepts part of the socioemotional wealth (SEW) perspective and of the organizational identity theory. Indeed, we can notice that the founder uses terms that highlight his deep affect for the company and its clients and that evidence his strong connection with the identity of the enterprise. His answer also shows that he experiences feelings of pride and happiness thanks to the company’s activities and that he really believes in their scope and in their power for protecting the planet and for doing something good for the society, demonstrating a strong energy and motivation for taking care of it.

The result is that, since the company is characterized from such a high level of involvement of the family in the firm, and both the systems, the family and the firm, are deeply connected to sustainability-related values and goals, these conditions create, like the ones analyzed above, the right premises for nurturing the pursuance of a sustainable growth path and another fact demonstrates the Beehoney family’s dedication toward the topic.

“M: In our garden there is a big pair of glasses (figure 9) [...]. The nature is sending us messages every day, it is suffering, it is hurt, and we are ignoring it. We all need a big pair of glasses to see the issue and we have it here in our garden, because our bees can show us the problem [...] we must recognize the reality if we want to improve it, and we must do that for our planet and for our children, to guarantee them a healthier and safer environment”



Figure 9 - The pair of glasses in the garden of Beehoney family's house

Margherita and Andrea, the founders, are around 75 years old: the future steps for a continuous sustainable growth of the company, depend on their second daughter Elisa, the only member of the second generation of the family, part of the company.

“M: Today the owner of the company is our second daughter, and we are collaborators [...] She is alone and we recognize that she needs the help of an expert knowledgeable about economics and beekeeping, to guide and develop the company [...]”

From this quote can be derived an important concept, already highlighted in the previous paragraphs and further sustained in the following statement.

“A: I really would like to know that my creature will continue in the future, making something good for our environment, even if in the hands of nonfamily members [...]”

The emotions and affect that the first generation of the family perceives for the company, result in behaviors and ideas, a bit in contrast with some of the concepts sustained by family firms' theories.

On one side, when families have a long duration of ownership, like the Beehoney&co case that is owned by the Beehoney Family since 1980, they tend to show a strong commitment to the historic roots of the firm and a high level of emotional attachment, that should result in a heightened concern for their entrepreneurial legacy as it is seen as a veritable heirloom asset, as stated by the SEW theory (Zellweger, 2017).

The point is that, in the case of Beehoney&co, the founders, while being deeply connected with their firm, they willingly support the idea of selling the company to someone external to the family, competent about beekeeping and with the necessary managerial knowledge, missing in their daughter Elisa, to pursue the growth of their company. This attitude, to be in line with the SEW theory, might be explained by the fact that, since the future of the firm looks grim, given climate change and pollution which are increasingly affecting the beekeeping activities, the family seeks to sell the firm as it is less interested in investing and developing it, since the motivation of passing it to the future generation of the family is missing but, the founders, are doing the opposite. (Zellweger, 2017),

“A: [...] I am still investing in it even if the activity is giving less fruits, because I know that I am doing something good for my bees, my loyal clients, my passion and my family [...].”

This quote shows how the goal of the company, is not reduced to the sole function of being a source of income for the family members, but it exists for the main purpose of doing something good for the planet and the environment. Indeed, as understood from the interview, the company is really seen as a “tool for protecting the environment” by the family, beyond the fact of being the main source of income for the owners, that in truth seems to be of secondary importance for them.

The ability to prioritize the growth and sustainability of the company, rather than the socioemotional wealth and personal goals of the family, is a crucial factor for the development of a family firm and this is a confirmation of the conclusions obtained by the Rigoni di Asiago case study.

8.2.2 Limits to the sustainable growth

Finally, a question made to know specifically the biggest market pressures perceived by the family, has revealed something important for the purpose of our research question.

“M: Severe regulations, standards, bureaucracy...these are all elements that make us insecure and retain us from making big changes and risky projects [...] We have always the fear of making mistakes with the law, you need to be able to follow all the steps necessary to implement an evolution, you need to have familiarity with the topic, with the technical language and in any case bureaucracy is very slow[...].”

This quote contains an important insight, neglected in the theoretical framework of the thesis, for understanding not the conditions that foster the innovativeness and flexibility of a family firm, but rather the one that can really limit them especially in the food industry, notwithstanding the propensity toward risk-taking behavior and innovativeness of the family.

“A: [...] if we achieve a level of stability, then the willingness to change again achieving a new improved state, is hindered by these forces [...]. In this activity you have to decide quickly and then go, otherwise you always remain where you are, but today we are elderly and a bit tired of undertaking new projects with all the consequent bureaucracy and rules.”

These last answers highlight a concept that is valid specifically for the Italian food industry but that, given the increasing regulations about ESG reporting, production processes, certifications, emissions and others, around the world, can easily be referred to the sustainable developments by family firms in all the industries.

In fact, the compliance by small family firms, which being less structured and based on family members tend to lack proper managerial knowledge and legal departments, to the demanding and severe laws, is becoming increasingly difficult as regulations change frequently and create a bulk of articles and standards that lead to confusion, inducing family firms to fail even when they make all the necessary efforts to get it right.

This situation reveals that, the public regulations and standards made specifically to foster the sustainable behavior of family firms, while addressing the conduct of those more structured and developed, like Rigoni di Asiago, representing a force for leading their sustainable path, in the case of smaller and less developed family-owned companies they seem almost an obstacle, if appropriate knowledge is lacking.

DISCUSSION & CONCLUSIONS

DISCUSSION. This thesis aimed to show how a family firm can grow following a sustainability path and, we address this research question by initially performing a qualitative analysis on the Rigoni di Asiago case study whose findings have then been integrated, through a second case study, based on Beehoney&co of the Beehoney family.

The first case study has been carried out through the analysis of secondary data, that have revealed some aspects in line with the literature review and others in contrast, in fact, considering the concepts emerged from the SEW theory, the Rigoni di Asiago case has sustained some contradictions. According to the theory, it seems that family-owned companies, due to the effect of family's influence, tend to be more focused on the preservation of their affective endowments, rather than on the pursuance of financial goals and competitiveness of the company, the mechanism through which this happens is that the higher the involvement of family members in the company, the stronger is their desire to protect the stake of the wealth concentrated in the business, keeping intact family ownership, at the expense of growth and needed changes in the business.

The findings from the Rigoni case study, support the opposite concept: the higher the identification of the family with the firm, the stronger is the willingness of family members to pursue all the necessary investments and changes to keep the company competitive in the market. In fact, the company has developed thanks to the contribution of family members, as well as of external experts and investors that, going into the details of the competitive arena and market of the firm, have resulted in continuous investments and changes made in favor of sustainability, that is the biggest imperative affecting the world and specifically, the food industry. Further, other facts from the company's developments, have revealed that the paradox perspective' assumptions can be deemed true, at least for the company analyzed, meaning that the ability of combining exploration and exploitation capabilities, together with the leverage of traditions for pursuing innovation, has allowed the firm to evolve over the years, maintaining its strong roots with family' traditions, being innovative and a leader in sustainable developments. Finally, the Rigoni di Asiago case study has provided us with a preliminary answer to the research question of the thesis, emerged from the consideration of different surveys conducted on family firms, like the one of Bartels et. al (2021), which sustain that family-owned businesses pursue sustainable initiatives, neglecting the ones essential to put sustainability at the center of business operations (Bartels et al., 2021).

The explanation to this tendency and so the preliminary answer to the question “How can a family firm grow, following a sustainability path?”, based on Rigoni di Asiago history and facts, is that a family firm is able to pursue a sustainable growth, if the family owners are committed to an idea of sustainability which involves all its three pillars, independently from the activities performed in the business and, if they are able to balance their nonfinancial and personal goals, with the financial goals and needs of the company, prioritizing the well-being of the company, over the family’s desire of control.

In fact, the ability of the firm to anticipate and face the main challenges and trend coming from the market, originates from the simultaneous pursuit of social, environmental and financial sustainability, that for the company and the Rigoni family, have an equal level of importance. Then, the effective implementation of the changes and investments inside the company, supported by the prioritization of company’s needs rather than SEW considerations, lead the company to further developments, exploiting the “*never-ending process*” idea, explained by the theoretical framework.

The point is that, since the analysis of the first case study, is based on secondary sources of data and on a company that today is a medium-sized family firm, leader in sustainability and innovation, currently driven not only by the Rigoni family, but also by the ideas and capital of external investors and by the pressure of the needed compliance with normative and regulations that affect larger companies, the answer needed further investigation. So, the Beehoney&co case study has been carried out: it is a small family firm operating in the food industry, with not only origins and business very similar to the one of Rigoni di Asiago but also a level of commitment to sustainability as high as the one of the Rigoni family.

The second case study, carried out through a semi-structured interview with the founders, has confirmed some of the concepts emerged by the Rigoni case study as well as added other insights fundamental for a complete answer to the research question.

In fact, the idea that the prioritization of the company’s needs over the goals of the family and the one that the deep commitment to responsible choices and sustainable developments by the family, directly impact the CSR direction of the company and allow for the pursuance of a sustainable growth, has been further confirmed by the Beehoney&co case but, it has also revealed that it is not enough for becoming the engine of a sustainable growth.

While the deep commitment of family members to sustainability and related initiatives, has brought the beekeeping to embrace successful projects in favor of people and environment, the further desired future developments of the company, essential to nurture also the financial sustainability of the business that in this case, really originates from the social and environmental ones, are still hindered.

They are not limited by missing financial resources or by a loss of interest of family members rather, given the lack of proper managerial knowledge among the family components and the absence of a legal department given the small size of the company, they are hindered by the presence of severe regulations and excessive bureaucracy in the industry (*Alimenti e Sicurezza alimentare*, no date), that instead of fostering sustainable developments of firms, represent an obstacle for small family firms, eager to undertake sustainable initiatives. While the Rigoni di Asiago case analysis, as well as the theories analyzed in chapter 2 for developing the theoretical framework, has simply neglected the aspects of bureaucracy and regulations, the Beehoney&co case, has underlined their importance in limiting the choices and development of a small family firm that is willing to grow through a sustainability path.

The ability to deal with public regulations, bureaucracy and slow procedures, for implementing changes, obtaining certifications and permissions for pursuing certain initiatives, is based on an adequate level of familiarity with the matters, obtained thanks to experiences, training courses and academic studies or, to the help of external experts.

The point is that, the compliance with laws and standards in the food industry is really essential to be recognized as sustainable, meaning that even if a company is actually pursuing sustainable developments, but it is not able to respect all the severe parameters imposed by regulations, it will not be certified as sustainable or specifically as organic, like in the case of Beehoney&co. As a result, this might discourage a family firm, characterized by limited managerial knowledge, from pursuing its innovative or riskier initiatives and, while the issue could be solved hiring an expert about the matters, in the case of Beehoney&co the solution is not so obvious because the initiatives for which an expert should be hired, are based on the beekeeping-related activities, increasingly affected by sustainability issues, which create insecurities about the feasibility of the plans and so about the decision of hiring someone for dealing with the procedures: a situation that evidence the importance of sustainability for the company and the attention of the family in the selection of new resources.

For all these reasons, the aspect linked to compliance with laws, regulations and standards possible thanks to an adequate managerial knowledge and, the ability to give the same value to the three pillars of sustainability as well as to find a SEW equilibrium, intended as the capability to exploit the affective endowments of the company, without being hindered by them, cannot be neglected in the theoretical framework developed in chapter 3, as it is aimed at representing the elements fundamental for the organic and sustainable growth path of a family firm (Figure 10).

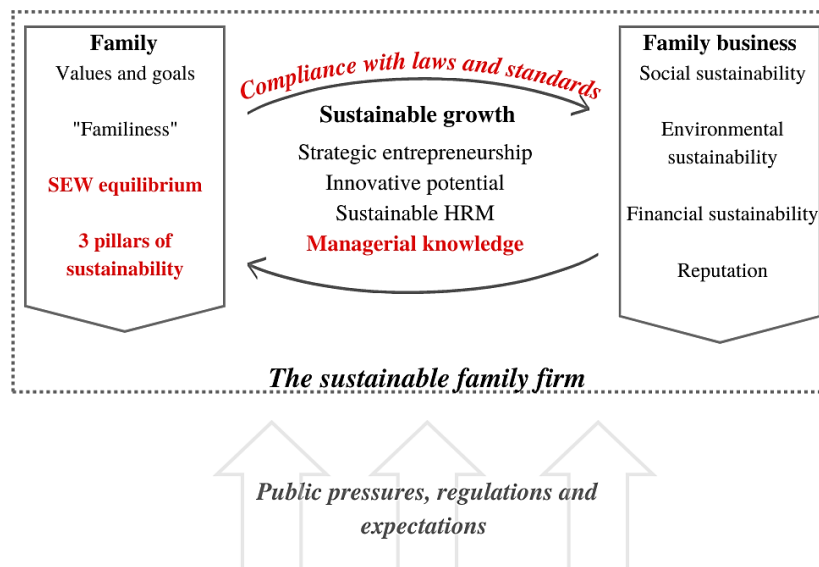


Figure 10- Revised and final version of the framework

CONCLUSIONS. A family firm, given its financial sustainability, is able to pursue a sustainable growth path, reinvesting its profits in sustainability-related projects, if the family owners are committed to an idea of sustainability that involves all its three pillars, being able to balance their nonfinancial goals, with the financial goals and needs of the company, prioritizing the well-being and developments of the firm, rather than the family’s desire of control. This last concept is a key one because, it is true that family owners typically encourage the sustainability in company’s operations as it is beneficial for the reputation of the family, but this tendency, at least considering the conclusions of the studied theories, seems to be true when initiatives and projects do not imply risky investments and radical changes and this is not always the case for sustainable developments. In fact, the ability of prioritizing the need of the company over the desires of the family, has resulted in a factor of success for the Rigoni di Asiago case.

In any case, according to the Beehoney&co case study, it seems that the willingness of the owners is not enough to push for a proactive approach in sustainability, because given the profitability of the business, which provides the family members with earnings that can be reinvested, it is fundamental to have the managerial knowledge and the know-how necessary for knowing how to comply with the increasingly sustainability-related regulations, standards and laws affecting the industry. This aspect is fundamental for a company in order to disclose its efforts toward sustainability, that otherwise are not recognized by the market, and they do not lead to legitimization.

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9. Appendix

9.1 Semi-structured interview protocol

INTRODUCTORY QUESTIONS

1. Career path:

- a. How many years have you worked for the family company?
- b. What is your role?

2. Family firm's history:

- a. How and who has started the company?
- b. What have been the most important facts and developments?
- c. Do the production plants have been expanded over the years?

3. Family's involvement:

- a. Who are the other members of the family, working for the company and what are their roles?

4. Decision-making process:

- a. How are the decisions taken, in normal conditions? (Examples)
- b. Have the company's needs ever pushed in a different direction than the family's wants? Can you give us an example?
- c. How do you act in case of disagreement?

FAMILY'S INPUTS

5. Sustainable production:

- a. Why, as a family, did you decide to implement sustainable production methods?

6. Tradition:

- a. What are the traditional values of your family?
- b. How did they impact on company's choices?

7. Innovation:

- a. What are your family's goals, in terms of company's innovation?
- b. How have they changed over the years?
- c. How do they impact the company's initiatives?

8. Sustainability:

- a. What is the meaning of "sustainability" for your family?
- b. Given that the sustainability is now an imperative for company, which are the most recent initiatives taken by the company, in this direction?

9. Reputation:

- a. How has the tie between the family, the local environment and community, developed over the years?

10. Market:

- a. Which are the most relevant market pressures for a family firm like yours?

11. Future:

- a. Which are your ideas about the future of the company?

9.2 Traduzione in italiano

DOMANDE INTRODUTTIVE:

1. Percorso di carriera:

- a. Da quanti anni lavora per l'azienda di famiglia?
- b. Qual è il suo ruolo all'interno?

2. Storia dell'azienda di famiglia:

- a. Come e chi ha avviato l'attività imprenditoriale?
- b. Quali sono stati i maggiori sviluppi?
- c. Come si sono espanse le sedi produttive?

3. Coinvolgimento della famiglia:

- a. Quali altri membri della famiglia sono in Beehoney&co e che ruolo ricoprono?

4. Processo decisionale:

- a. Come vengono normalmente prese le decisioni? (Esempi)
- b. Ci sono stati casi in cui le necessità dell'impresa, hanno spinto in una direzione opposta alla volontà della famiglia? Può fornirci un esempio?
- c. Come agite in caso di disaccordo?

FAMILY'S INPUTS:

5. Produzione sostenibile:

- a. Come mai, come famiglia, avete scelto di utilizzare metodi di produzione sostenibili?

6. Tradizione:

- a. Quali sono i valori tradizionali della vostra famiglia?
- b. Come hanno impattato sulle scelte aziendali? (Esempi)

7. Innovazione:

- a. Quali sono i vostri obiettivi come famiglia, rispetto all'innovazione dell'azienda?
- b. Come sono cambiati nel tempo?
- c. Quanto incidono sulle attività dell'azienda?

8. Sostenibilità:

- a. Cosa significa "Sostenibilità" per la famiglia Beehoney?
- b. Dato che la sostenibilità è ormai un imperativo, quali sono le iniziative prese di recente a riguardo? (finanziamenti, formazione, nuovi impianti, codice etico per i dipendenti, ecc..)

9. Reputazione:

- a. Come si è sviluppato il legame tra la famiglia, il territorio e la comunità?

10. Mercato:

- a. Quali sono stati i cambiamenti più significativi?
- b. Quali sono le maggiori pressioni (normative, regolamenti, ecc..) del mercato per la vostra azienda familiare?

11. Prospettive future:

- a. Quali idee avete riguardo al futuro dell'impresa?