GREEN BUSINESS AND ENVIRONMENTAL ISSUES:
FAMILY VERSUS NON-FAMILY BUSINESS

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PROMOTER: DR MARGARET CULLEN
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2012
DECLARATION

I, Marthinus Petrus Johannes Grobler, student no.: S210125969, hereby declare that:

- All the work in this treatise is my own original work;

- All sources that have been used are acknowledged and properly referenced;

- The research paper has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised educational institution.

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MPJ Grobler               Date
ABSTRACT
The aim of the study was to understand whether family businesses and non-family business differ from one another regarding green business and environmental issues.

Green business issues are of global importance for the continued existence of business within the world. Businesses do not exist in isolation but within the context of the environment within which they function. Business has an impact on the environment and the environment has an impact on business.

Furthermore, family businesses constitute a large part of the world economy and estimates range from 60-90% of GDP contributed by family businesses. In the South African context family businesses also form a significant part of the business environment.

A literature study was conducted. The study identified five factors and considered each of these factors in the study. The five factors are:

- Green Business;
- Values;
- Stewardship;
- Succession; and
- Stakeholders.

In addition to a literature, primary research was conducted and data were collected by means of a questionnaire that collected data on the factors identified as well as some biographical information, including race, age and the sectors in which the respondents operated.

The study's findings correspond with the literature study, although no clear difference was found between family business and non-family business relating to green business and environmental issues. Family businesses do however believe that they are stewards of the environment and need to care for the environment.
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Inus Grobler – November 2012
DECLARATION

ABSTRACT

ACKNOWLEDGEMENTS

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CHAPTER 1
SCOPE OF THE STUDY

1.1 INTRODUCTION

Family businesses are an extremely important part of the economy. It is estimated that family businesses make up 60-80 percent of businesses globally (Blodgett, Dumas and Zanzi, 2011; Duh, Belak and Milfelner, 2010; Huang, Ding and Kao, 2009; Adendorff, Venter and Boshoff 2008; Allio, 2004). This study will attempt to identify how family businesses manage green business and environmental issues and whether there is a difference in management between family and non-family firms.

Studies have found that family businesses are more likely to be environmentally friendly (Huang, Ding and Kao, 2009). Green business issues are of great importance to the business world and businesses do not operate in isolation to the environment. Green business issues will become more and more important as globalisation and environmental issues such as sustainability become more and more important.

The Brundtland Report on sustainable development in 1987 as quoted in Weybrecht (2010, p13) states that: “development that meets the needs of the present without compromising the ability of future generations to meet its own” has particular businesses that are concerned with the continued existence of their businesses for future generations. This is important when considering green business issues and also touches on issues such as stewardship, succession and stakeholders.

Family Businesses are also connected to the environment and because they form such a large part of businesses globally. It is important to study them and this study aims to address whether green business issues are dealt with differently in family businesses versus non-family businesses.

The study’s findings correspond with the literature study, although no clear difference was found between family business and non-family business relating to green
business and environmental issues. Family businesses do however believe that they are stewards of the environment and need to care for the environment.

1.2 BACKGROUND TO THE STUDY

• What is my claim?
  ➢ Family businesses are more likely to be environmentally friendly and have policies that comply and support legislation than ordinary firms.

• What reasons support my claim?
  ➢ Family businesses globally form a very significant part of the economy. (60% or more);
  ➢ There is significant pressure from various groups or stakeholders to be more environmentally responsible and sustainable;
  ➢ Corporate governance forces companies to comply with legislation and ethical behaviour;
  ➢ Family businesses are based on values;
  ➢ Succession is a important consideration for family businesses and influence actions considered by these firms;
  ➢ Family businesses are also stewardship driven and the firm does not only exist for profit maximisation.

Questions and definitions required?
As the study progressed, several questions were raised and in addition it was clear that several definitions need to be considered.

• Definition - family business. How is family business defined according to literature?
• What part do values play in family business? Is it different form non-family business?
• What is meant by environmentally friendly?
• What is meant by sustainable business?
• Why are environmental policies important?
• Is the assumption that family business is value driven correct?
• What impact does this have?
• What impact do environmental concerns have on business?
• Is this research relevant in South African and global terms?

1.3 PROBLEM STATEMENT
Family business and green business are important topics in the study of the business issues and research is required.

The study aims to understand the approach of family businesses to green business and environmental issues and how it differs from non-family businesses.

It is important to understand how family businesses manage the environmental and green business issues.

1.4 RESEARCH OBJECTIVES

1.4.1 Primary objective

Primary research objective, secondary research objectives and research questions

During the initial thoughts about the research and after the literature review, the primary objective and research question were identified. The Primary Objective of this research is to understand if family business manages green businesses differently to non-family businesses. From the primary objective, secondary objectives flowed and each also has a research question attached which the research should answer.

The secondary objectives include the following:

• To define family businesses;
• To investigate value systems of family businesses and whether it is different from non-family businesses;
• To investigate the succession management family businesses have in place versus non-family businesses;
• To investigate the role of stewardship in family businesses versus non family businesses;
To investigate the role of stakeholders regarding green business and environmental issues in family businesses versus non-family businesses.

Table 1.1 below condenses the primary objective and secondary objectives and the relevant research question.

**Table 1.1 Primary objective, secondary objectives and research questions**

<table>
<thead>
<tr>
<th>PRIMARY OBJECTIVE</th>
<th>RESEARCH QUESTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand if family businesses manage green business and environmental issues differently from non-family business</td>
<td>Do family businesses manage green business and environmental issues differently than non-family businesses?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECONDARY OBJECTIVES</th>
<th>SECONDARY QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>To define family business</td>
<td>What criteria are used to define family businesses?</td>
</tr>
<tr>
<td>To investigate value systems on family businesses which are a component of family business and whether it differs from non-family businesses</td>
<td>Do value systems differ from family businesses non-family business?</td>
</tr>
<tr>
<td>To investigate the management of succession on family businesses relating to the environment</td>
<td>Is succession planning and considerations important for family businesses and is it different for non-family business?</td>
</tr>
<tr>
<td>To investigate the stewardship role of family businesses relating to the natural environment</td>
<td>Do family businesses accept a stewardship role of the natural environment and does it differ from non-family businesses?</td>
</tr>
<tr>
<td>To investigate the management of stakeholders have on family businesses regarding green business and environmental issues</td>
<td>How is stakeholder management regarding issues of green business different between family businesses and non-family businesses?</td>
</tr>
</tbody>
</table>

(Source- authors own)
1.5 METHODOLOGY
1.5.1 Research paradigm
This study will use a quantitative research paradigm.

1.5.2 The sample
A sample refers to a subset of the population and is chosen to represent an unbiased subset of the population (Collis and Hussey, 2009). Convenience sampling was used during the primary research. Convenience sampling refers to samples that are selected based on the ease in which the data can be collected (Evans, 2010).

In this regard, the convenience sample used was made up from a database of the Family Business Unit of the Nelson Mandela Metropolitan University. In addition, 108 students MBA students of the Nelson Mandela Metropolitan University Business School were also requested to complete the questionnaire. The students were selected as a convenience sample representing non-family businesses being based in Port Elizabeth and as the researcher had access to them.

1.5.3 The measuring instruments
A questionnaire will be utilised as a measuring instrument. The questionnaire consists of carefully constructed questions to test the understanding and relationship between family business and green business practise.
1.6 HYPOTHESES

Hypotheses

Model

A model was created and five factors were identified. It was further thought that by being a family business that how the factors were dealt with would be different than being a non-family business. The figure below (figure 1.1) indicates family businesses and the factors that were identified:

Figure 1.1: Model: Family Business and 5 Factors

The following hypotheses were formulated and tested during the research:

Null Hypotheses

1. Being a family business has no influence on how green business issues are managed.
2. Values do not differ between family and non-family firms.
3. The stewardship role is not unique to family businesses
4. Succession does not have an influence on business and considerations toward the natural environment
5. Stakeholders does not have an effect on decision regarding green business and environmental issues
1.7 DEFINITIONS OF KEY CONCEPTS
During the literature study, several key definitions were identified and are stated below:

Family Business Definition:
For the purposes of this paper, the broad definition as proposed by Chau, Chrisman and Sharma (1999) that family business refers to a business that is managed and or owned by a family and that the family has a strong influence on the vision of the firm will be accepted. The term family business and family enterprise may be used interchangeably in this paper.

Green Business Definition:
Weybrecht (2009) defines a green business as a business that have sustainable business practises and who monitor and control and manage their business environment in respect of the natural environment.

Sustainability Definition:
Weybrecht (2009) refers to environmental issues under the broad umbrella term of sustainability and argues that sustainability encompasses social equity, environmental protection and economic development.

1.8 OUTLINE OF CHAPTERS
1.8.1 Chapter 1
Chapter 1 is an introductory chapter and serves to introduce the aims of the study.

1.8.2 Chapter 2 - LITERATURE REVIEW – GREEN BUSINESS ISSUES
The literature review is conducted in chapter 2. The literature review deals with green business issues. The following main points are discussed:
- An Introduction to Green Business is provided;
- A definition of Green Business is provided;
- Sustainability is discussed;
- Stakeholders are discussed;
- Ethics including issues relating to values are discussed;
Benefits of increased or improved environmental performance is discussed;
The Chapter is concluded and introduces chapter 3.

1.8.3 Chapter 3 – LITERATURE REVIEW – FAMILY BUSINESS
Chapter 3 deals with the literature review regarding family business. The following main points are discussed:

- An Introduction to Family Business is provided;
- A definition of Family Business is provided;
- Values as an important part of family business is discussed;
- The importance of Succession and Stewardship is discussed in a family business;
- Stakeholders in terms of family businesses are discussed;
- Issues of particular relevance regarding family business and green business issues are discussed;
- The conclusion and introduction to chapter 4 follows.

1.8.4 Chapter 4
Theoretical Model and research methodology and the empirical results of the study are dealt with in chapter 4. The following are discussed:

- Model;
- Research Paradigm;
- The sample;
- The measuring instrument;
- The reliability and validity of the measuring instrument;
- The empirical results of the study;
- Conclusions.

1.8.5 Chapter 5
Chapter 5 deals with further empirical analyses of the study

- Introduction;
- Factor discussion;
  - Green Business;
o  Values;
o  Stewardship;
o  Succession;
o  Stakeholders;
  • Conclusions.

1.8.6 Chapter 6

Chapter 6 deals with
  • data analysis;
  • interpretation;
  • managerial implications;
  • recommendations for future studies;

1.9 CONCLUSION

Chapter one has dealt with the introduction and background to the study as well as providing a breakdown of the chapters that are to follow.

The following chapter, chapter 2 consists of a literature review of green business and provides an introduction into green business, a definition of green business. It further deals with stakeholders and corporate governance.
CHAPTER 2
LITERATURE REVIEW – GREEN BUSINESS

2.1 INTRODUCTION
Green business and environmental issues in business can no longer be ignored or not considered by firms. These issues and business are interlinked and the famous poet John Donne’s (1624) quote “no man is an island” also applies to businesses. Businesses do not act and exist in isolation and their activities have impact on the natural and social environment in which they operate, just as the natural and social environment has an impact on the activities of the firm. Times are changing and businesses are required to accept more wide ranging responsibilities for the environment and social context in which businesses operate (Saha and Darnton, 2005).

In the green business environment the idea of a triple bottom line, that is a business that does not only consider profits, but also the people and the planet is not new (Hough, et al., 2011). In fact, considering the environment and social dimension of the firm is a business imperative that cannot be ignored and must be treated as part the new business environment reality (Gamble, Thompson Jr. and Peteraf, 2013).

Firms that do not act in an environmentally and socially considerate way, may suffer the consequences of such action and be perceived in a negative light by stakeholders thereby increasing business risk. This can affect the firm’s ability to operate and may even make the firms continued existence questionable (Gamble, Thompson Jr. and Peteraf, 2013).

When considering green business, a variety of issues need to be considered, including matters such as sustainability, corporate social responsibility, stakeholders, corporate governance, ethics and the effects of environmental performance. The theory of the firm which holds that firms exist to maximise profits for their shareholders also needs consideration as it still holds true, but cannot any longer be seen to be the only rationale for business. The question of whether it pays to be good is also at the forefront. Recent research indicates that firms can be good (act in
a sustainable and environmentally friendly way) and do well financially (Margolis, Elfenbein and Walsh, 2007).

In this regard, corporate governance and ethics are at the core of the matter, as they ensure that firms act within a legal and regulatory framework yet still are able to ensure that the firm optimises returns and minimises risk (Hough, et al., 2011). It ensures that ethical behaviour flows from the values and moral conduct to which the firm ascribes. Governance also provides a framework for green business that encompasses the economic, social and environmental sphere (Weybrecht, 2010).

Stakeholders also have an important influence on green business issues (Huang, Ding and Kao, 2009). Stakeholders consist of several groups and include external stakeholders such as government, internal stakeholders such as employees, management and shareholders and market stakeholders such as clients and suppliers (Huang, Ding and Kao, 2009). Pressure from stakeholders is a motivating reason for companies to be green (Saha and Darnton, 2005).

New research has also shown that firms that increase their environmental performance are likely to increase their financial performance (Ambec and Lanoie, 2008). This is a positive indication that green business makes good business sense.

2.2 GREEN BUSINESS
2.2.1 Definition
Weybrecht (2010, p 5) states that: “The world’s challenges are also business challenges”. In this regard, businesses do not operate separately from the environment in a world that is experiencing significant changes. The impact of business on the environment has been an issue of discussion for several decades. Green issues are undisputedly a large part of business concerns (Weybrecht, 2010). Business do not act and exist in isolation and their activities have impact on the natural and social environment in which they operate, just as the natural and social environment has an impact on the activities of the firm. It is also important to balance the social, environmental and economic spheres for future generations (Weybrecht, 2010).
Weybrecht (2010) defines a green business as a business that has sustainable business practises and who monitors, controls and manages their business environment in respect of the natural and social environment in which the business operates. The meaning and definition of green varies considerably (Saha and Darnton, 2005). Being green can include all aspects including matters such as ecological concerns, conservation of the natural environment, corporate social responsibility and sustainability (Saha and Darnton, 2005). The new business reality is that business requires environmentally sustainable and socially responsible strategies to enable them to operate effectively in an ever changing and globalised world (Gamble, Thompson Jr. and Peteraf, 2013). In addition, the move to green globally resulted in a focus on sustainability and subject the business world to stakeholder pressure to be greener (Saha and Darnton, 2005). Firms are being forced to become greener (Ambec and Lanoie, 2008). This is occurring through the demands that various stakeholders are placing on the firm. Yet, in this regard, Ambec and Lanoië (2008) found that it was difficult to find strong empirical evidence that a firm's green image sways customers to buy the products or make use of their services.

Saha and Darnton (2005) indicate that environmental concerns are moving from a local to global perspective because of the fact that substantial damage has been done to the environment on a global level as a result of business activities. Therefore environmental concerns are a global issue that affect all humans and businesses and do not exist or take place in isolation. Furthermore, Takashi and Nakamura (2010) noted that environmental concerns are important factors in a firm's decision-making process. In this context, Scherer and Palazzo (2011) indicate that the theory of the firm needs to be reconsidered and that businesses operate in a complex and globalised world.

Research from Huang, Ding and Kao (2009) further indicates that businesses have to respond to pressure from stakeholders regarding environmental issues and that family businesses are more probable to take on environmentally friendly practices. Scherer and Palazzo (2011) note that businesses are becoming more involved in environmental issues affecting not only the business, but also public and environment.
Weybrecht (2010) refers to environmental issues under the broad umbrella term of sustainability and argues that sustainability encompasses social equity, environmental protection and economic development. There is however disagreement within business communities worldwide about what constitutes environmental issues and how to deal with them (Andersson and Bateman, 2000). However, it is generally accepted that issues such as climate change, air and water pollution and the excessive use of resources constitute such environmental issues. Social issues such as working conditions and labour relations are also considered. Contemplation regarding environmental issues will be compensated in the business and companies will benefit greatly (Neubaum, Dibrell and Craig, 2012). However, some argue that companies should only engage in green management, if it makes business sense and is not based on feelings or concerns for the environment per se (Siegel, 2009). There is however usually a driving concern for companies to go green and may include, but is not limited to strategic reasons, stakeholder pressure and response to competitors (Saha and Darnton, 2005).

Blodgett, Dumas and Zanzi (2011) describe environmentalism as a firm’s dedication to be green and further qualify it as an intentional action and contend that sustainability is a key issue. Neubaum, Dibrell and Craig (2012) indicate that firms that are able to identify, manage and lessen the environmental impacts can benefit from this and may also be able to gain competitive advantage against competing firms. Siegel (2009) notes that firms should adopt green management practices when they can further the firm’s strategic goals. Saha and Darnton (2005, p126) states it succinctly: “Green issues are not just about the environment and business is not just about supplying goods and services.”

2.2.2 Sustainability
Sustainable development is one of the most prominent issues facing the world and indeed business today. Green business cannot be considered without contemplating issues such as sustainability. The basis of sustainable development is more resources cannot be used than are available. The Brundlant Report on sustainable development in 1987 as quoted in Weybrecht (2010, p13) states that: “development that meets the needs of the present without compromising the ability of future
generations to meet its own” has particular businesses that are concerned with the continued existence of their businesses for future generations. Saha and Darnton (2005) contend that sustainability further relates using natural resources at a rate that allows it to be restocked where possible and minimising pollution and waste to such an extent that it can be digested by the environment. Sustainability is a process of interrelated and inter-disciplined actions resulting in actions that allow business to grow and move forward yet not to consume more resources than available. Sustainability includes proper design, better planning, better manufacturing or process flows – inherently its good business. Yet importantly, sustainability is not a single step, rather it’s a continuous process. Environmental sustainability further involves deliberate actions by the firm to protect the environment and maintain ecological systems for future generations (Gamble, Thompson Jr. and Peteraf, 2013).

The deliberate actions translate into useful practical strategies to ensure sustainability. These are often practises that reduce costs or increase revenues (Ambec and Lanoie, 2008). In this regard it therefore makes good business sense to adopt better environmental practises. Ambec and Lanoie (2008) indicate that an increase in environmental performance can lead to an increase of revenues as well. This is echoed by Weybrecht (2010) by indicating that sustainability needs to be incorporated into daily business practises. She identifies ten reasons for firms to introduce sustainability into their operations:

1. **Cost Reduction** – cost reduction is an easy way of introducing sustainability and also makes good business sense;

2. **Preservation of Resources** – to preserve resources is a core element of sustainability and companies are grasping that there is limited resources that they are relying upon;

3. **Legislative requirements** – there is increasing legislative requirements that force companies to be more sustainable;

4. **Reputation** – companies that are socially and environmentally sustainable tend to have better reputations. Ambec and Lanoie (2008) report similar findings;

5. **Differentiation** – differentiation is a key strategy that business can apply and sustainability provides a means of differentiation. Hough, et al., (2011) also
describe differentiation as a strategic option that companies have when attempting to stand out from competitors. Gamble, Thompson Jr. and Peteraf (2013) also conclude that socially responsible and environmentally friendly businesses have an advantage by differentiating from competitors;

6. **Recruiting and retaining quality employees** - talented and innovative employees are able to provide employers a competitive advantage. Gamble, Thompson Jr. and Peteraf (2013) indicate that companies with good reputations and that are considered ethical are able to recruit and retain quality employees;

7. **Customer satisfaction** – consumers that are ecologically aware can be attracted and served by sustainable companies;

8. **Meet stakeholder expectations** - Ambec and Lanouie (2008) found that a variety of stakeholders are increasingly demanding that firms become greener;

9. **Attraction of capital investment** – investors are targeting companies that are socially and environmentally responsible. Margolis, Elfenbein and Walsh (2007) found that companies with a good social performance are likely to attract investors who are socially conscious;

10. **New opportunities** – sustainable business create new business opportunities. Saha and Darnton (2005) also found that new business opportunities are created because of green business and an alternative view in which to approach business.

The proper consideration of the reasons as indicated by Weybrecht (2010) add to the argument that firms can be good and act in a sustainable and environmentally friendly way and do well financially (Margolis, Elfenbein and Walsh, 2007). Sustainability makes good business sense and provides solid motives for the firm to consider implementing it (Gamble, Thompson Jr. and Peteraf, 2013). It can even be suggested that firms and managers that do not consider this, are not acting in the best interest of the firm and its shareholders.

### 2.2.3 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a contentious issue in business literature (Siegel, 2009). In the new business reality, businesses are required to accept more
wider ranging responsibilities for the environment and social context in which businesses operate (Saha and Darnton, 2005). CSR refers to a firm’s action that further social good beyond the interest of the firm and what is required by law (McWilliams, Siegel and Wright, 2006). It refers to businesses that engage in issues that have been regarded as governmental responsibility, such as education, protection of human rights and environmental protection (Scherer and Palazzo, 2011). It requires that firms act in a responsible and ethical manner on social and environmental levels within the communities in which they operate and society in general (Gamble, Thompson Jr. and Peteraf, 2013).

The Friedman doctrine postulates that the single social responsibility of a company is to increase profitability, as long as it stays within the law (Hill, 2011). It can be seen that CSR challenges the assumptions of the theory of the firm that exists for purely the maximisation of profits, but needs to include environmental and social considerations. Environmental issues and social issues play a significant role and firms are expected to contribute to the social dimension. Socially and environmentally responsible behaviour by the firm is increasingly being expected of firms by stakeholders (Margolis, Elfenbein and Walsh, 2007).

The firm of the future may in fact rather harness private interest to serve the public interest according to research done by a multi-stakeholder initiative in the United States called Corporation 20/20 (Weybrecht, 2010). Furthermore, corporations will return fair interest to shareholders, but not at the expense of the environment, shareholders or future generations (Weybrecht, 2010).

2.2.4 Stakeholders

Huang, Ding and Kao (2009) found that stakeholders are very important and affect firms’ behaviour and responses. Ambec and Lanouie (2008) found that a variety of stakeholders are increasingly demanding that firms become greener. Pressure from stakeholders is a motivating reason for companies to be green (Saha and Darnton, 2005). Stakeholder theory has been well researched and this includes external and internal stakeholders. According to Freeman as cited by Neubaum, Dibrell and Craig (2012, p.29) stakeholders include “any group that affects or is affected by the achievement of an organisation’s objective”. McWilliams, Siegel and Wright (2006)
indicate that stakeholder pressure is increasing in a globalised business context and also expects firms to have increased corporate social responsibility and include environmentally responsible behaviour.

For the purposes of this study the three main stakeholder groups that affect corporate environmental decisions being regulatory stakeholders, internal stakeholders and market stakeholders are considered (Huang, Ding and Kao, 2009).

### 2.2.4.1 Regulatory stakeholders

Regulatory stakeholders include government and protective organisations that regulate the natural environment and enforce laws and legal compliance. In the South African context various laws have been promulgated that regulate the relationship between business and the environment.

This includes the South African Constitution (1996) which indicates that citizens have a right to a naturally safe environment. Furthermore, legislation such as the Consumer Protection Act (2010) and Health and Safety Act (1998) and labour legislation such as the Basic Conditions of Employment Act (1998) have a significant influence on businesses in South Africa.

### 2.2.4.2 Internal stakeholders

Internal stakeholders of the firm refer to shareholders, management and employees. The attitudes and values of managers are likely to influence the way the firm acts in business and is therefore of critical importance in dealing with environmental issues. Research by Neubaum, Dibrell and Craig (2012) has further indicated that if internal stakeholders have values that are environmentally friendly or green, they would pressure the firm to act in an environmentally friendly manner.

### 2.2.4.3 Market stakeholders

Market stakeholders include consumers, competition and suppliers. Several studies (Zhu and Zhou, 2010; Stafford and Hartman, 2007) found that consumers buy products mainly for their practical and consumer value and not for environmental reasons. Ambec and Lanioe (2008) found that it was difficult to find strong empirical evidence that a firm’s green image sways customers to buy the products or make
use of their services. However, Stafford and Hartman (2007) found that successful
green products consisted of six shared characteristics that consumers would
consider when they buy products:
- Combining with consumers values;
- Convenience component;
- Health and safety component;
- High performance component;
- Savings or energy component;
- Status.

However with changing attitudes and the growing importance of consumers,
consumers will become more important as they will force firms to consider green and
environmental issues (Weybrecht, 2009). In this regard, Siegel (2009) indicates that
firms should respond to such pressures if it is a legitimate demand from stakeholders
to be green which can contribute to the firm’s profit maximisation duty. Consumers
may also not always be aware of company’s environmental performance, particularly
regarding issues such as carbon footprint, but rather of its green or environmental
products (Ambec and Lanoie, 2008). Companies can further use this environmental
performance by advertising or making it known to the public and help in creating a
better image (Siegel, 2009). Improved environmental performance may result in
improved relationships between firms and external stakeholders (Ambec and Lanoie,
2008). With improved relationships, companies that make use of environmental
management often also influence their supply chains to be more green (Ambec and
Lanoie, 2008). By engaging with the supply chain a firm can involve the suppliers
and business partners to include sustainable business practises (Weybrecht, 2010).

Huang, Ding and Kao (2009) stated that stakeholder salience, or the most prominent
and noticeable areas of stakeholders consists of three parts:
1) Power;
2) Legitimacy;
3) Urgency.

It is of particular importance to consider this in terms of family businesses as well.
Stakeholders have power when they are able to obtain particular results.
Stakeholders are legitimate when they act within certain values. Urgency refers to the stakeholders’ ability to obtain the focus of the firm.

Neubaum, Dibrell and Craig (2012) have further found that concern for the natural environment is a key consideration for stakeholders, with specific reference to business. They have further found that there is increased stakeholder demand for the consideration of environmental issues in business. In conclusion, McWilliams, Siegel and Wright (2006) conclude that multiple stakeholders and maximisation of profits can be obtained by satisfying the demand for corporate socially responsible and ethical behaviour.

2.2.5 Corporate Governance and Ethics

Corporate governance can be defined as the laws and regulations and the manner in which a business operate within the legal and regulatory framework of the country and environment. Proper corporate governance ensures that firms act in an ethical manner. Corporate governance also often includes best practises that go beyond mere legal compliance. Firms should conduct business in an ethical manner (Hough, et al., 2011). Furthermore, corporate governance is also concerned with maintaining and balancing a set of scales between economic and social interests of stakeholders (Hough, et al., 2011). Corporate governance also allows for a division between ownership and control. The firm is owned by the shareholders and management controls the firm (Hough, et al., 2011). Governance is also an overarching principle for sustainable development that ensures development that is regulated and guided by a legal framework (Weybrecht, 2010).

Ethics underpin corporate governance and can also be further described as moral principles and generally include society’s idea of what is right and wrong (Gamble, Thompson Jr. and Peteraf, 2013). Ethical behaviour flows from the values and moral conduct to which the firm ascribes. Personal ethics and business ethics do not exist apart from one another (Hill, 2011). Ethical behaviour by the firm is not possible without ethical values (Duh, Belak and Milfelner, 2010). Ethics provides a structure for corporate governance and are key to sustainable strategy (Hough, et al., 2011) Adendorff, Venter and Boshoff’s (2008) research confirmed that a direct connection exists between good corporate governance and the success and continued existence of the firm.
Businesses that have strong corporate governance are likely to fare better in social and financial performance (McGuire, Dow and Ibrahim, 2011). Duh, Belak and Milfelner (2010) found that the ethical behaviour of firms will be influenced by an interaction between values, ethical climate and culture. This interaction will also support formal and informal measures of business ethics and include issues such as communication regarding ethics in a firm and formal issues such as mission statements that include ethical requirements.

In the South African context, the King III report (2009) on corporate governance requires firms to submit and include the details of their environmental impact, including issues such as carbon footprint and the steps they are taking to lessen their impact. The growing local and global importance of sustainability issues had inculcated the need for reporting on sustainability issues. King III requires that firms include reporting on sustainability as part of a firm’s annual reports (Hough, et al., 2011).

However, firms do not always act in an ethical manner. This observation can easily be made in the light of recent corporate scandals, including issues such as the sub-prime mortgage rate scandal which included banks such as Leyman Brothers and in a South African context, Arthur Brown’s Fidentia scandal. Gamble, Thompson Jr. and Peteraf, (2013) identify three main drivers for unethical behaviour by businesses:

- **Overzealous pursuit of wealth and selfish interest** – some people are motivated by the drive to acquire more and more material wealth and they would ignore ethical behaviour. Hill (2011) further suggests that personal ethics are not detached from business ethics. Pitiable personal ethics will result in pitiable business ethics;

- **Heavy pressure on company managers to meet or beat performance targets** – the theory of the firm which postulate the profit maximisation by a firm is often taken to far, and the pressure is on managers to perform result in ethical considerations being pushed aside. Hill (2011) suggests that the pressure of unrealistic targets result in the unethical behaviour as managers can only meet it by acting in unethical ways;
A company culture that puts profitability and good business performance ahead of ethics – in some companies the work climate and culture is of such a nature that it is acceptable to act in an unethical manner as long as good profits are obtained.

Such behaviour can however damage the reputation of the company and can in serious instances even lead to criminal prosecution. Shareholders undergo major harm when a company’s unethical behaviour is found out and punished (Gamble, Thompson Jr. and Peteraf, 2013). It was also found that firms whose unethical behaviour was revealed contended with poor financial performance and included a reduction in share price (Margolis, Elfenbein and Walsh, 2007). Firms with entrenched ethical standards and behaviours make it possible for employees and managers to have moral courage and not to accept unethical behaviour. Hill (2011) defines moral courage as the ability to turn their back on what may be a profitable business opportunity which contains unethical contents.

2.2.6 Benefits of environmental performance

The question of whether it pays to be good is crucial for business. Recent research indicates that firms can be good by acting in a sustainable and environmentally friendly way and do well financially (Margolis, Elfenbein and Walsh, 2007). The theory of the firm holds that management has the responsibility to maximise profits for the shareholders by ensuring an increase of revenue or reduction of costs. Siegel (2009) also contends that maximisation of company profit should be the most important driver of business decisions and should not be based on any specific environmental reason. The link between corporate financial performance and corporate social behaviour has received a significant amount of study (Margolis, Elfenbein and Walsh, 2007) and research in the past has also focused on the question of ‘whether it pays to be good’. The answer seems to be that businesses can do both well and be socially and environmentally responsible. Sustainability initiatives of companies are aimed at increasing the triple bottom line, in other words, increased and sustainable performance at financial, environmental and social spheres of business (Gamble, Thompson Jr. and Peteraf, 2013).
Businesses also realise that by adopting sustainable development and positive environmental attitudes, new business opportunities are created (Weybrecht, 2010). Siegel (2009) indicates that companies such as Wal-Mart and BP were able to boost their profitability whilst also reducing pollution. Ambec and Lanoie (2008) further indicate that companies that can improve their environmental performance can achieve the profit maximisation function by either increased revenue or reduced costs as required by the theory of the firm.

Accordingly, revenue can be increased by three means:

1) **Better access to certain markets** – Saha and Darnton (2005) also identified better access to certain markets as an advantage from being a green company;

2) **Differentiating products** – Weybrecht (2010) indicates that products that are differentiated from other products by being sustainable or green will become increasingly important. Furthermore Saha and Darnton (2005) found that marketing products as green has even resulted in a green marketing industry;

3) **Selling pollution control technology** – Ambec and Lanoie (2008) found that by selling pollution control technology, firms are creating new business opportunities which benefit the firm and resolving environmental problems at the same time.

Reductions of costs are in four areas:

1) **Risk management and relations with external stakeholders** – potential failures that have been avoided reduce costs which could have been incurred through failures and assist with a positive stakeholder relationship (Margolis and Walsh, 2007). Insufficient environmental management systems often cause environmental damage that involve high clean-up costs and spoilt image for the firm (Saha and Darnton, 2005).

2) **Cost of material, energy and services** – Porter as quoted in Ambec and Lanoie (2008, p 51) indicated that: “Pollution is a manifestation of economic waste and involves unnecessary or incomplete utilisation of resources”. Therefore the reductions in cost from better use of resources result in savings for firms and the environment. Furthermore, Ambec and Lanoie (2008) also state that firms that have flexible and optimised production processes are able
to bring about cost reductions of materials, energy and services. Gamble, Thompson Jr. and Peteraf (2013) also contend that improved operational efficiency from social and environmentally friendly actions that result in a cost reduction will yield benefits for firms. Weybrecht (2010) further argues that sustainability is a mechanism that promotes cost reductions by focusing on using fewer resources.

3) **Cost of capital** – research (Gamble, Thompson Jr. and Peteraf, 2013; Ambec and Lanoie, 2008; Margolis, Elfenbein and Walsh, 2007) clearly indicates that companies that are green or can be regarded as socially responsible and environmentally friendly have better access to financial capital at a lower cost than non-green firms. Siegel (2009) also indicates that investment in green companies is on the basis of preference for value added by green activities.

4) **Cost of labour** - Gamble, Thompson Jr. and Peteraf (2013) indicate that companies with good reputations and that are considered ethical are able to recruit and retain quality employees. In addition, Weybrecht (2010) contends that sustainable companies have quality employees. Ambec and Lanoie (2008) also indicate that companies with higher environmental performance report lower labour costs due to decreased absenteeism, better recruitment and lower turnover. Furthermore, Ambec and Lanoie (2008) contend environmentally friendly firms’ workers health is less likely to be affected than those that have high levels of pollution emissions.

Neubaum, Dibrell and Craig (2012) have further found that all firms, whether family or non-family firms benefit by paying special attention to environmental concerns of stakeholders. Siegel (2009) further indicated that companies with greater environmental performance also had greater financial performance and managers can maximise profits by implementing green management to the extent that profit maximisation and wealth creation occurs. Andersson and Bateman (2000) further suggest that organisations that embrace a strong environmental performance will be likely to have a strong attitude towards the environment. It would seem to indicate that by reacting in a socially and environmentally responsible manner that companies can ‘do good (socially and environmentally responsible) and do well (financial performance)’ (Margolis, Elfenbein and Walsh, 2007). Companies whose strategies are crafted to ensure not only financial performance, but also include
environmental and social dimensions can result in a competitive advantage for the firm (Gamble, Thompson Jr. and Peteraf, 2013). The extent to which companies are motivated to improving environmental performance and the strategies that they choose to implement and use to achieve their improved performance will also have an effect (Saha and Darnton, 2005).

2.3 CONCLUSION

Green business encapsulating sustainable development, environmentally friendly and socially responsible behaviour enable companies to ensure a sustainable growth for companies.

Some authors, (Siegel, 2009) contend that business should only adopt green strategies to the extent in which it maximises profit and wealth for the organisation. However, others (Scherer and Palazzo, 2011) contend that the theory of the firm needs to be reconsidered and that businesses operate in a complex and globalised world. Furthermore, there is a business case to be made for socially responsible and environmentally friendly behaviour by firms (Gamble, Thompson Jr. and Peteraf, 2013) and in answering the question of does green business pay, one can come to the conclusion that it would seem to indicate that by reacting in a socially and environmentally responsible manner that companies can do good by being socially and environmentally responsible and do well regarding financial performance (Margolis, Elfenbein and Walsh, 2007).

Sustainability makes good business sense and provides solid motives for the firm to consider implementing it (Gamble, Thompson Jr. and Peteraf, 2013). It can even be suggested that firms and managers that do not consider this, are not acting in the best interest of the firm and its shareholders - Green business pays!

As stated in the introduction, consideration for the environment and social dimension of the firm is a business imperative that cannot be ignored and must be treated as part the new business environment reality (Gamble, Thompson Jr. and Peteraf, 2013).
To quote Sir Winston Churchill: “This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning”. Firms that do not consider the reality of the new business environment and that do not act in a socially responsible and environmentally friendly manner face the possibility of that it will no longer be able to do business at all.

Chapter three deals with family businesses and the literature reviewed covers aspects such as a definition of family business, values of family businesses, issues of succession and stewardship and also include stakeholders in family businesses. It furthermore covers some aspects that relate to family business and green business in particular.
CHAPTER 3
LITERATURE REVIEW – FAMILY BUSINESS

3.1 INTRODUCTION

Family businesses are found across all industries globally (Allio, 2004) and can range from manufacturing to the service industry. The theory of family business is based on the distinct relationship that exists between family and business (Basco and Rodriguez, 2011). Family business forms the bulk of global businesses. It is estimated that family businesses contribute between 60-90% of countries gross domestic product (GDP) (Blodgett, Dumas and Zanzi, 2011; Duh, Belak and Milfelner, 2010; Huang, Ding and Kao, 2009; Adendorff, Venter and Boshoff 2008; Allio, 2004).

Although there is scant agreement on a general definition of family business, family business relates to management, ownership and the vision and culture of a firm. Adendorff, Venter and Boshoff (2008) contend that family business is one of the most multifaceted structures in contemporary civilisation. The relations between family and business are the core supposition in the family business body of knowledge. The definition of family business will receive more attention in the following section.

The value system of family businesses is different from non-family businesses. It is also clear from research that these values influence the way in which the family businesses are managed. Blodgett, Dumas and Zanzi (2011) further indicate that values affect the business decision making process. In family businesses the values are linked to those of the owners or founders of the family business.

Furthermore, taking into consideration the size and contribution of family businesses to the economy, one also needs to consider the environmental impact of these businesses. Neubaum, Dibrell and Craig (2012) postulates that firms that consider, manage and lessen their environmental impact can gain competitive advantage over other firms that they are competing with. Environmental issues and green business are part of the new business environment in which companies need to function and operate. In fact, considering the environment and social dimension of the firm is a
business imperative that cannot be ignored and must be treated as part the new

Succession and future concerns also impact on the actions of family firms and this
can encourage socially responsible and environmentally friendly actions by firms
(McGuire, Dow and Ibrahim, 2011).

The influence of stakeholders is also an important consideration, as they affect the
way the firm does business. In family businesses, the influence of internal
stakeholders is even greater, as family members have an impact on the way the
business is managed and what its vision is. Internal stakeholders can be regarded as
shareholders, owners, management and employees.

The substantial number and influence of family businesses has made it an important
field for research, yet not enough research has been done into family business
(Blodgett, Dumas and Zanzi, 2011). This treatise aims to add to the existing body of
knowledge relating to family business.

3.2 FAMILY BUSINESS

3.2.1 Definition

Family business is an area of business that has received more attention in recent
times, although a standardised family business definition is difficult to come by
(Mazzi, 2011.) Importantly, family businesses contribute between 60-90% of the
gross domestic product (GDP) globally (Blodgett, Dumas and Zanzi, 2011; Duh,
Belak and Milfelner, 2010; Tucker, 2011; Adendorff, Venter and Boshoff 2008; Allio,
2004). In the United States of America, it is estimated that 60% of all businesses are
family businesses (Allio, 2004).

In any study involving family business, the definition thereof is of great importance.
Several authors (Blodgett, Dumas and Zanzi, 2011; Addellatif, Amann and Jassaud,
2010; Chua, Chrisman and Sharma, 1999) define family business with reference to
management and ownership by family or groupings of families and include a vision
by the principal family. However there is no common definition for family firms (Duh,
Belak and Milfelner, 2010). Furthermore it is the behaviour and uniqueness that
differentiates family and non-family firms (Duh, Belak and Milfelner, 2010; Chua, Chrisman and Sharma, 1999). This behaviour also relates to what Habbersohn describes as “familiness” (Mazzi, 2011). Familiness is made up of a distinctive collection of resources and consists of matters relating to the particular human resources component of the business, organisational resources that includes matters such as learning and decision-making and also social capital such as the unique relations and networks that exist (KPMG Family Business Survey, 2011) This “familiness” is also cited as a source of competitive advantage for family businesses (KPMG Family Business Survey, 2011).

The KPMG Family Business Survey (2011) found that it becomes more difficult to distinguish between ownership and maintaining control, particularly when a business passes between generations. Furthermore the PWC Family Business Survey (2011) holds that a family business is an amalgamation of three different components namely the company, the family and the owners whose combined needs form a family business as illustrated in Figure 3.1

**Figure 3.1: Overlap of family, owners and company form family business**

Adendorff, Venter and Boshoff (2008) contend that family business is one of the most multifaceted structures in contemporary civilisation. The relations between
family and business are the core supposition in the family business body of knowledge (Basco and Rodriguez, 2011). Mazzi (2011, p.167) concurs and indicates that the family firm is a “dynamic system of interactions between all its subsystems”. The family’s involvement in the business make it distinctive from other businesses (Duh, Belak and Milfelner, 2010).

In addition, Villalonga and Amit (2006) expand the definition of family business to include various levels of ownership, control and management. They identify at least nine categories, which would qualify:

1) One or more family members are officers, directors;
2) At least one family officer and director;
3) The family is the largest voteholder;
4) The family is the largest shareholder;
5) One or more members form the second generation are officers, directors or blockholders;
6) The family is the largest shareholder and hold at least one officer and director;
7) The family is the largest shareholder and hold at least 20% of the vote;
8) One or more of the family are blockholders, but there are no officers;
9) The family is the largest blockholder, and hold at least 20% of the votes and one director or officer is in the second generation or later.

However for the purposes of this study, the broad definition as proposed by Chua, Chrisman and Sharma (1999) that family business refers to a business that is managed and or owned by a family and that the family has a strong influence on the vision of the firm will be accepted. The term family business and family enterprise may be used interchangeably in this study.

3.2.2 Values, ethics and governance

Values

Values are a very important part of family business (Addellatif, Amann and Jassaud, 2010; Duh, Belak and Milfener, 2010; Allio, 2004; Haugh and Mckee, 2003). It has also been found that family businesses have distinctive values when compared to non-family business (Blodgett, Dumas and Zanzi, 2011). In addition the founder or owners personal values family business are often found to have corresponding
values with the family that owns or runs the business and therefore there are distinct
differences between family and non-family firms, specifically in corporate objectives
and organisational culture (Huang, Ding and Kao, 2009; Barker, Rimler and Kaplan,
2004)

Duh, Belak and Milfelner (2010) indicate that family values have a significant impact
on corporate culture and business decisions. They further imply that principled
conduct by firms is not possible without principled core standards and values.
Blodgett, Dumas and Zanzi (2011, p29) further found that it is important to identify
the firm’s values, as they have a significant impact on a firm’s decision-making and
sustainability. The three primary findings from their research are as follows:
1) “U.S. Family business expressed a higher frequency of ethical values
   compared to non-family firms and international family firms;
2) U.S. family business strong in “integrity” and honesty vs. International family
   firms strong in “environmentalism”, globalism and social responsibility;
3) Frequency of ethics values for all family businesses globally increased.”

Haugh and Mckee (2003) identify the following shared values that they believe
create a family culture within a firm:
• A sense of belonging;
• Honesty;
• Loyalty ;
• Trust ;
• Respect.

Duh, Belak and Milfelner’s (2010) research substantiates the importance of core
values and they also identify certain values which are common to family business
including integrity, credibility, fairness, dialogue, transparency, legality, civic
commitment, environment and responsibility. Huang, Ding and Kao (2009) found
family firms more socially responsible than non-family firms.
In a similar trend, Blodgett, Dumas and Zanzi (2011) identify six values, which they
consider to be general and widespread within family businesses. These values are
listed as follows:
1) Trustworthiness;
2) Respect;
3) Responsibility;
4) Fairness;
5) Caring;
6) Citizenship.

Trust also seems to be the most important value from their research. Trust further contributed to the formation of shared values within the family business. In this regard, it can be seen from research that values are of great importance in family businesses. These values create the direction and dictate behaviour and business practice. This is confirmed by Blodgett, Dumas and Zanzi (2011) and they further show family business values influence sustainability. In addition, they found that international firms lead the United States firms regarding issues of environment and sustainability.

In the PWC Family Business Survey (2011) it was reiterated that values are of great importance to family firms and that family businesses do not have a pure profit maximisation purpose, but are also concerned with the family and therefore the social context in which the family operates. In addition, family business values are sometimes formalised in corporate documents such as the family constitution (KPMG Family Business Survey, 2011) or in a corporate mission and vision statement (Blodgett, Dumas and Zanzi, 2011).

Koiranen, as quoted in Duh, Belak and Milfelnner (201, p 478) states that family business values are “explicit or implicit conceptions of the desirable in both family and business life....., family business values should be defined and shared so that they create a common ground for durable value system that benefits both realms”. Therefore, it can be seen that family values are of great importance in the family business context.

**Ethics**

Ethical core values are of great importance when considering the ethical behaviour of firms (Duh, Belak and Milfelnner, 2010). Ethics can be further described as moral principles and generally include society’s idea of what is right and wrong (Gamble,
Ethical behaviour by the firm is not possible without ethical values (Duh, Belak and Milfelner, 2010). Hill (2011) states that personal ethics and businesses ethics do not exist apart from one another. Ethical behaviour flows from the values which a firm hold and this is also true for family business. Integrity and ethical behaviour were also identified during the PWC Family Business Survey as key values (PWC Family Business Survey, 2011).

Duh, Belak and Milfelner (2010) further found that research in the field of ethics relating to family businesses are still in early stages of development. However, they found that no significant differences existed regarding the type of ethical issues that family businesses and non-family businesses face. The response to such issues however, might be different.

**Governance**

Adendorff, Venter and Boshoff’s (2008) research confirmed that a direct connection exists between good corporate governance and the success and continued existence of the family firm. Corporate governance can be defined as the laws and regulations and the manner in which a business operates within the legal and regulatory framework of the country and environment. Proper corporate governance ensures that firms act in an ethical manner. Corporate governance also often includes best practices that go beyond mere legal compliance. Firms should conduct business in an ethical manner (Hough, et al., 2011). Successful family businesses have robust governance procedures in place (PWC Family Business Survey, 2011).

In general business, corporate governance creates a division between ownership and control, the firm is owned by the shareholders and management controls the firm (Hough, et al., 2011). In family businesses this often creates a problem, as the family that own the business is controlled and managed by the same family. If there is a separation of ownership and control, there is conflict of interest between management and owners (Hough, et al., 2011). An agency problem or a problem regarding the principal-agent relationship occurs when there is a separation between ownership and management. Adendorff, Venter and Boshoff (2008) found that there is good governance in a family business when there is a harmonious family relationship.
McGuire, Dow and Ibrahim (2011) found that family firms differ from other firms in the control and involvement in the decision making process. In addition, businesses that have strong corporate governance are likely to fare better in social and financial performance (McGuire, Dow and Ibrahim, 2011). Family businesses are very concerned with corporate governance and compliance. Research has found that close to 56% of family business wanted stricter corporate compliance (PWC Family Business Survey, 2011). Furthermore, the KPMG Family Business Survey (2011) found that family businesses considered corporate governance as a very important facet in their businesses.

3.2.3 Succession and Stewardship

The continuance and longevity of the firm is a major concern to family business owners (Blodgett, Dumas and Zanzi, 2011; PWC Family Business Survey, 2011; Tucker, 2011; Addellatif, Amann and Jaussaud, 2010). Succession and issues related to the continuance of business therefore receive a lot of attention from family businesses. Succession in family businesses refers to keeping the business in the family or at least being able to influence the business with a long-term view and pursuing strategies that are able to ensure the existence of the business into the future and protect it for future generations (Addellatif, Amann and Jaussaud, 2010). It is about leaving behind a legacy that is more than just a business, but includes the relational aspect of family as well (Tucker, 2011). Therefore safeguarding the business for the future is very important to family businesses (KPMG Family Business Survey, 2011).

Succession is a major risk in family businesses (PWC Family Business Survey, 2011). The transition from one generation to the next is a big risk and the failure rate of family business from second to third generations is high (Tucker, 2011). Family businesses tend to be risk-averse and conservative in their approach to business (Addellatif, Amann and Jaussaud, 2010) to preserve the business. Family businesses consider the loss of wealth as a great risk factor and take considerable action to ensure that it is avoided.
In addition, the business is also seen as a way to provide work and economic well-being for several family members into the future (Blodgett, Dumas and Zanzi, 2011). Therefore succession plays an important role in family businesses. The Brundlant Report on sustainable development in 1987 as quoted in Weybrecht (2010, p13) states that: “development that meets the needs of the present without compromising the ability of future generations to meet its own” has particular reference for family businesses that are concerned with the continued existence of their businesses for future generations.

Stewardship is an important theoretical base for family business (Addellatif, Amann and Jaussaud, 2010). Stewardship theory allows that managers do not only consider profit maximisation for the firms, but also act as stewards and obtain long term results from considering the environment (Mazzi, 2011). Huang, Ding and Kao (2009) identified that family firms can be expected to be more environmentally friendly than non-family firms. This is confirmed by Duh, Belak and Milfetner (2010). They also found that profit maximisation is not the only objective of family business but that the social construct in family business plays an important role. This is particularly relevant when considering green business management. Blodgett, Dumas and Zanzi (2011) further point out that when considering stewardship issues there is a great link between the family and business regarding ownership and control that influences the firm’s stewardship role. Family business experiences a strong drive towards stewardship and succession for the next generation (KPMG and Family Business Australia, 2011).

McGuire, Dow and Ibrahim (2011) further argue that family business issues, particularly issues such as succession and remaining in control of the family business encourage socially responsible actions. Therefore family businesses may actively take part in such action to benefit the family reputation and ensure visibility such as participating in socially and environmentally responsible actions. This relates particularly to green business and corporate social responsibility programmes. In this regard, Neubaum, Dibrell and Craig (2012) found that family firms seem to be concerned about the environment and not only finance.
Sustainability and the ability to create value are of chief significance for family business firms (Salvato and Melin, 2008). By implementing sustainable business practices firms realise that it makes good business sense.

3.2.4 Stakeholders
The issue of stakeholders has been dealt with in the previous chapter, however there are significant issues relating to stakeholders and family firms that need to be noted and understood. Huang, Ding and Kao (2009) found that stakeholders are very important and affect firms’ behaviour and responses. Stakeholder theory has been well researched and this includes external and internal stakeholders. According to Freeman as cited by Neubaum, Dibrell and Craig (2012, p.29) stakeholders include “any group that affect or is affected by the achievement of an organisation’s objective”. McWilliams, Siegel and Wright (2006) indicate that stakeholder pressure is increasing in a globalised business context and also expecting firms to have increased corporate social responsibility and include environmentally responsible behaviour.

Although three main stakeholder groups exist, namely regulatory stakeholders, internal stakeholders and market stakeholders are considered (Huang, Ding and Kao, 2009). The consideration of internal stakeholders is of particular importance to the issue of family business.

Internal stakeholders
Family businesses face different stakeholder concerns than non-family firms according to Neubaum, Dibrell and Craig (2012). Internal stakeholders of the firm refer to shareholders, management and employees. The attitudes and values of managers are likely to influence the way the firm acts in business and is therefore of critical importance in dealing with environmental issues.

In the context of family business, internal stakeholders are of the utmost importance and require firms to be attentive to them (Neubaum, Dibrell and Craig, 2012). Research by Neubaum, Dibrell and Craig (2012) has further indicated that if internal stakeholders have values that are environmentally friendly or green, they would pressure the firm to act in an environmentally friendly manner.
Neubaum, Dibrell and Craig (2012) have further found that concern for the natural environment is a key consideration for stakeholders, with specific reference to family business. They have further found that there is increased stakeholder demand for the consideration of environmental issues in business. In conclusion, McWilliams, Siegel and Wright (2006) conclude that multiple stakeholders and maximisation of profits can be obtained by satisfying the demand for corporate social responsibility.

3.3 ISSUES OF PARTICULAR RELEVANCE BETWEEN FAMILY BUSINESSES AND GREEN BUSINESS

During the literature review, it was found that some aspects of family businesses and green business have particular relevance to one another and need to be noted.

Socially responsible actions are of importance regarding family business because of the particular nature of family business and the overlap between family and firm (McGuire, Dow and Ibrahim, 2011). Furthermore, family businesses possess a strong sense of stewardship that continues into successive generations and does not disappear even though the business may be sold (KPMG Family Business Survey, 2011).

Family firms tend to avoid negative or poor social action. Research has found that family businesses tend to engage in positive social programmes that can enhance family reputation and visibility (McGuire, Dow and Ibrahim, 2011). Therefore, family businesses may actively take part in such action to benefit the family reputation and ensure visibility such as participating in socially and environmentally responsible actions. This relates particularly to green business and corporate social responsibility programmes as mentioned earlier in the chapter. It was also noted that a socially responsible firm can help to differentiate the firm from companies that do not act in environmentally and socially responsible ways (PWC Family Business Survey, 2011).

Family firms have a concern for the environment that is above and beyond financial motives (Neubaum, Dibrell and Craig, 2012). The particular motive for this may lie in the family’s particular concern to maintain control and provide for the future.
generations by means of the family business. In addition their values are distinct from firms being managed purely for profit (PWC Family Business Survey, 2011). It was also found that there is a growing emphasis on corporate socially responsible behaviour by family businesses (PWC Family Business Survey, 2011). This finding is further echoed by Huang, Ding and Kao (2009) who found that family businesses are more likely to be environmentally friendly and considered a green business than non-family businesses.

3.4 CONCLUSION
Family businesses seem to be green orientated in their business philosophy. The use of social capital to influence strategy and the direction of the family business is clearly established within the literature. The research will aim to find whether South African family businesses are also managing their businesses with concern for the environment and whether it differs from the way in which non-family business manage green business and environmental issues.

Family businesses are also particularly concerned with leaving a legacy and a business that is able to provide for future generations. In this regard the safeguarding of the business for the future is a key consideration for family businesses.

Research conducted also found that being part of a family is of great value and importance to family businesses (PWC Family Business Survey, 2011).

Chapter 4 deals with the methodology that was chosen for research in this study and also includes hypotheses that were formulated to further the study.
4.1 INTRODUCTION

Chapters 2 and 3 included the literature review on Green Business and Family Business which provided the foundation for this study. The focus of this chapter, chapter 4, is to discuss the methodology approach. This includes the model hypotheses and the research paradigm and how data were collected and analysed for this study. It further outlines how the sample was determined and also includes the questionnaire that was used as instrument to collect the data. Some of the findings of the study are also discussed in chapter 4, with a further analysis following in chapter 5.

Collis and Hussey (2009) states that a research paradigm is a structure that directs scientific research. Furthermore there is a continuum within the two main paradigms of research from Positivism to Interpretivism. The research conducted in this study relates to the Positivism paradigm and the data that are used are of a quantitative nature. Burke and Christensen (2012) indicate that studies conducted in the Positivistic paradigm hope to find common patterns in thoughts and behaviour allowing researchers to make broad assumptions. Quantitative research relies on the collection of qualitative data that can be used to test hypotheses and theory.

**Primary research objective, secondary research objectives and research questions**

The primary objective of this research is to determine if family business manages green business issues differently than non family businesses. From the primary objective, secondary objectives flowed and each objective also has a research question attached which we the research will attempt to answer.

The secondary objectives include the following:

- To define family businesses;
- To investigate value systems of family businesses and whether it is different from non-family businesses;
• To investigate the succession management family businesses have in place versus non-family businesses;
• To investigate the role of stewardship in family businesses versus non family businesses;
• To investigate the role of stakeholders regarding green business and environmental issues in family businesses versus non-family businesses.

Below is a table that condenses the primary objective and secondary objectives and the research question that is relevant to each one next to it as indicated in table 4.1

<table>
<thead>
<tr>
<th>PRIMARY OBJECTIVE</th>
<th>RESEARCH QUESTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand if family businesses manage green business and environmental issues differently from non-family business</td>
<td>Do family businesses manage green business and environmental issues differently than non-family businesses?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECONDARY OBJECTIVES</th>
<th>SECONDARY QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>To define family business</td>
<td>What criteria are used to define family businesses?</td>
</tr>
<tr>
<td>To investigate value systems on family businesses which are a component of family business and whether it differs from non-family businesses</td>
<td>Do value systems differ from family businesses non-family business?</td>
</tr>
<tr>
<td>To investigate the management of succession on family businesses relating to the environment</td>
<td>Is succession planning and considerations important for family businesses and is it different for non-family business?</td>
</tr>
<tr>
<td>To investigate the stewardship role of family businesses relating to the natural environment</td>
<td>Do family businesses accept a stewardship role of the natural environment and does it differ from non-family businesses?</td>
</tr>
</tbody>
</table>
To investigate the management of stakeholders have on family businesses regarding green business and environmental issues

<table>
<thead>
<tr>
<th>How is stakeholder management regarding issues of green business different between family businesses and non-family businesses?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Source: authors own)</td>
</tr>
</tbody>
</table>

4.2 THE MODEL AND HYPOTHESES

Whilst doing the secondary research by conducting a comprehensive literature review on green business as discussed in chapter two and family business as discussed in chapter three, several factors came to light and led to the development of a theoretical model to explain and test some of the factors that were identified during the literature review. Factors that were identified which have been subject of previous studies were:

- Green Business;
- Values;
- Stewardship Role;
- Succession;
- Stakeholders.

Furthermore this research attempts to determine if family business manages green business issues differently than non family businesses.

Green Business

Green business issues are a large part of business concerns according to Weybrecht (2010) as indicated in chapter 2, p11. Businesses do not act and exist in isolation and their activities have impact on the natural and social environment in which they operate (Weybrecht, 2010). Green business and being green can include all aspects including matters such as ecological concerns, conservation of the natural environment, corporate social responsibility and sustainability (Saha and Darnton, 2005) as indicated in chapter 2, p10.
Values
Values play an important role in business and as indicated in chapter 2. Ethics underpin corporate governance and can also be further described as moral principles and generally include society’s idea of what is right and wrong (Gamble, Thompson Jr. and Peteraf, 2013). Ethical behaviour flows from the values and moral conduct to which the firm ascribes. Personal ethics and businesses ethics do not exist apart from one another (Hill, 2011). Ethical behaviour by the firm is not possible without ethical values (Duh, Belak and Milfelner, 2010). Ethics provides a structure for corporate governance and are key to sustainable strategy (Hough, et al., 2011). Adendorff, Venter and Boshoff’s (2008) research confirmed that a direct connection exists between good corporate governance and the success and continued existence of the firm. Furthermore the review of the literature in chapter 3 indicates that values are a very important part of family business (Addellatif, Amann and Jaussaud, 2010; Duh, Belak and Milfelner, 2010; Allio, 2004; Haugh and Mckee, 2003). Specific values such as trust have been identified in the literature review, chapter 3 by Haugh and Mckee (2003) and Duh, Belak and Milfelner's(2010) research also identify certain values which are common to family business including integrity, credibility, fairness, dialogue, transparency, legality, civic commitment, environment and responsibility.

Stewardship
As indicated in chapter 3 of the study, stewardship is an important theoretical base for family business (Addellatif, Amann and Jaussaud, 2010). Stewardship theory allows that managers do not only consider profit maximisation for the firms, but also act as stewards and obtain long term results from considering the environment (Mazzi, 2011). Huang, Ding and Kao (2009) identified that family firms can be expected to be more environmentally friendly than non-family firms. This is confirmed by Duh, Belak and Milfelner (2010) and they also found that profit maximisation is not the only objective of family business but that the social construct in family business play an important role. Family business experiences a strong drive towards stewardship and succession for the next generation (KPMG and Family Business Australia, 2011)
Succession

In Chapter 3 of the study, it was found that the continuance and longevity of the firm is a major concern to family business owners (Blodgett and Zanzi, 2011; PWC Family Business Survey, 2011; Tucker, 2011; Addellatif, Amann and Jaussaud, 2010). Succession and issues related to the continuance of business therefore receive a lot of attention in family businesses. Succession in family businesses refers to keeping the business in the family or at least being able to influence the business with a long-term view and pursuing strategies that are able to ensure the existence of the business into the future and protect it for future generations (Addellatif, Amann and Jaussaud, 2010). Therefore safeguarding the business for the future is very important to family businesses (KPMG Family Business Survey, 2011). Succession is furthermore viewed as a major risk in family businesses (PWC Family Business Survey, 2011).

Stakeholders

In chapter 2, Huang, Ding and Kao (2009) found that stakeholders are very important and affect firms' behaviour and responses. Ambec and Lanouie (2008) found that a variety of stakeholders are increasingly demanding that firms become greener. Pressure from stakeholders is a motivating reason for companies to be green (Saha and Darnton, 2005). Stakeholder theory has been well researched and this includes external and internal stakeholders. According to Freeman as cited by Neubaum, Dibrell and Craig (2012, p.29) stakeholders include “any group that affects or is affected by the achievement of an organisation’s objective”.

For the purposes of this study the three main stakeholder groups that affect corporate environmental decisions being regulatory stakeholders, internal stakeholders and market stakeholders are considered (Huang, Ding and Kao, 2009). Furthermore, research by Neubaum, Dibrell and Craig (2012) has further indicated that if internal stakeholders have values that are environmentally friendly or green, they would pressure the firm to act in an environmentally friendly manner.
Therefore when considering the various factors and family businesses the following model was created to find if a family business is different when considering the factors than when being a non-family business:

1. Green Business
2. Values
3. Stewardship Role
4. Succession
5. Stakeholders

**Figure: 4.1: Model: Family Business and 5 Factors**

The following hypotheses were developed and will be tested in this study:

**Family Business**

H0: Being a family business has no influence on whether a business is a green business.

H1: Being a family business has a positive influence on whether a business can be considered to be a green business.

**Values**

H0: Values of firms do not differ between family and non-family firms.

H1: There is a positive difference between values of family businesses compared to non-family businesses.
Stewardship Role

H0: The stewardship role is not unique to family businesses.
H1: There is a positive relationship between family business and the stewardship role.

Succession

H0: Succession considerations do not differ in family businesses when compared to non-family businesses.
H1: Succession considerations differ between family businesses when compared to non-family businesses.

Stakeholders

H0: There is no difference between stakeholder expectations for green business as seen by family businesses versus non-family businesses.
H1: There is a positive difference between stakeholder expectations for green business as seen by family businesses versus non-family businesses.

4.3 RESEARCH PARADIGM

In this particular study as indicated in chapter 1, the research objective is to understand if family businesses manage green business and environmental issues differently from non-family businesses. In this regard, the research paradigm used within this study is Positivism paradigm and is sometimes also referred to as the Quantitative Research approach.

The main research paradigm of this study is of a Positivistic nature. Studies from a Positivistic nature use mostly quantitative data from large samples and are concerned with hypothesis testing and allow for results to be applied to the generalised population (Collis and Hussey, 2009). Positivism is a paradigm that began in studies in the natural sciences and presupposes that the social environment is particular and is not affected by the act of studying it (Collis and Hussey, 2009).
Quantitative Research relies on the collection of quantitative data (Burke and Christensen, 2012). The quantitative data that is collected by the study is then used to compile descriptive statistics. Quantitative data is used to identify statistical relationships amongst the identified variables within a study (Burke and Christensen, 2012). Descriptive statistics is defined as a group of statistical methods that are used to sum up, explain and exhibit quantitative data that were collected (Collis and Hussey, 2009).

Quantitative Research further tests the hypotheses and theory with the data that is collected (Burke and Christensen, 2012). The knowledge is thereby confirmed by empirical confirmation of the hypotheses (Burke and Christensen, 2012).

In this study, quantitative research was undertaken in the form of questionnaires that were sent to 543 family businesses which are in a database as part of the Nelson Mandela Metropolitan University's Family Business Unit. In addition 108 of MBA students from the Nelson Mandela Metropolitan University's Business School were also requested to participate in the research. The MBA students were requested to participate as managers of their respective businesses and reflect non-family businesses.

4.4 THE SAMPLE
Collis and Hussey (2009, p.62) define a population as: “any precisely defined body of people or objects under consideration for statistical purposes.”

For the purposes of this study, the population would be:

- A business operating within South Africa.

The population for this study is therefore vast and a sample is therefore required. A sample refers to a subset of the population and is chosen to represent an unbiased subset of the population (Collis and Hussey, 2009). Furthermore, convenience sampling was used. Convenience sampling refers to samples that are selected based on the ease in which the data can be collected (Evans, 2010).

In this regard, the convenience sample used was made up from a database of the Family Business Unit of the Nelson Mandela Metropolitan University. The researcher
was assisted to send e-mail’s to the various businesses requesting participation in the research. The e-mails were sent and included an electronic link to the questionnaires that could be completed online. A total of 543 businesses were sent the e-mail with the link and 30 businesses responded and completed the questionnaire. This is a low response rate of 5.52%.

In addition, 108 students MBA students of the Nelson Mandela Metropolitan University Business School were also requested to complete the questionnaire. The students were selected as a convenience sample as being based in Port Elizabeth and the researcher had access to them. 55 students completed the questionnaire reflecting a response rate of 50.92%. The students were provided with a paper copy of the questionnaire and were asked to complete the questionnaire.

Table 4.2 Response rate:

<table>
<thead>
<tr>
<th>Sample</th>
<th>Sample Size</th>
<th>No. of Responses</th>
<th>Response Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Business Unit Data Base (NMMU)</td>
<td>543</td>
<td>30</td>
<td>5.52%</td>
</tr>
<tr>
<td>MBA Students</td>
<td>108</td>
<td>55</td>
<td>50.92%</td>
</tr>
</tbody>
</table>

Several of the MBA students indicated in the questionnaire that the business in which they work are family businesses and they were therefore included with the Family Business Unit respondents and form the family business respondents. All the other MBA Students are have indicated that they are working for non-family businesses and are therefore considered as the non-family business respondents.

These students that were included with the other family business respondents and therefore 48 respondents represented family business and 37 respondents that represent non-family business.
4.5 THE MEASURING INSTRUMENT

A questionnaire was used as a measuring instrument. The questionnaire consists of carefully constructed questions to test whether family business and non family businesses differ on green business issues, values, stewardship, succession and stakeholders.

Collis and Hussey (2009) indicate that a questionnaire is a list of questions that have been chosen to extract a reliable response from the sample group.

A questionnaire was developed for this study and contained coded questions relating to the hypotheses that were developed. The questionnaire was developed using a 5 point Likert-type scale where 5 indicated Strongly Agree and 1 indicated Strongly Disagree. The questionnaire contained questions relating to the factors that were identified during the literature review. The factors that were identified were the following:

- Green Business;
- Values;
- Stewardship Role;
- Succession;
- Stakeholders.

Each factor that was identified also contained several questions per factor in the questionnaire. Descriptive and some inferential statistics were drawn from the responses that were received.

The questionnaire was also used to gather biographical data from the respondents such as age, gender, race and education. This data are reflected in the findings as well in descriptive statistics.

The questionnaire that was sent to the Family Business Unit was in electronic format and was completed online by the respondents. The MBA students that participated in the research completed paper questionnaires.
4.6 THE RELIABILITY AND VALIDITY OF THE MEASURING INSTRUMENT

Collis and Hussey (2009) define reliability as the absence of differences in results if the research was conducted again. If a study was conducted again the study should be able to obtain the same results if it was to be considered reliable.

Furthermore, Collis and Hussey (2009) indicate that the reliability of findings is usually high in Positivistic studies regarding quantitative data. They additionally indicate that reliability is of great importance in a positivistic study.

The results of the study indicate that there was a high level of consistency as indicated in the table below.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Business</td>
<td>0.8956</td>
</tr>
<tr>
<td>Values</td>
<td>0.737</td>
</tr>
<tr>
<td>Stewardship</td>
<td>0.857</td>
</tr>
<tr>
<td>Succession</td>
<td>0.806</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>0.927</td>
</tr>
</tbody>
</table>

Cronbach Alpha measurements of below are 0.6 are considered poor and from 0.7 and acceptable and from 0.8 they are considered good. The results of this study indicate that there were very high levels of consistency.

The validity of research refers to the degree to which the research findings accurately reflect the studied subject (Collis and Hussey, 2009). The study could be considered irrelevant if the questions and the purpose of the study do not correspond to each other (Collis and Hussey, 2009).

4.7 THE EMPIRICAL RESULTS

The biographical data

It is important to record the biographical data results of the study. In this regard, the race, gender and age are considered. It is also important to note the comparison between the respondents of the family businesses and non-family business.
Family Business

In line with research findings as indicated in the literature review, it was found that more than 60% of the respondents indicated that their business was a family business. In the questionnaire the question asked whether the business could be classified as ‘Wholly family owned’, ‘Partly family owned’, ‘Family Managed’ or if the business did not fit into the categories mentioned that respondents should then indicate that the business was not by ticking ‘none of the above’.

The pie chart in figure 4.2 indicates that:

- 49% of the respondents indicate that their business could be described as ‘Wholly family owned’;
- 8% of the respondents indicate that their business could be described as ‘Partly family owned’;
- 4% of the respondents indicate that their business could be described as ‘Family managed’;
- 38% of the respondents indicated that their business could not be described as in the terms mentioned, and it was therefore indicated as therefore accept as being non-family businesses;
- 1% of the respondents indicated that the terms used was not applicable to describe their business.

It is important to note the respondents from the Family Business Unit all indicated their businesses to be family businesses and furthermore several of the MBA students that responded to the questionnaires, indicated that their business can be considered family business. These students were then lumped together with the other family business respondents and therefore 48 respondents represented family business and 37 respondents represented non-family business.
Furthermore the study found the following applied to the respondents of the Family Business Unit and that the pie chart in figure 4.2 indicates that:

- 79% of the respondents indicate that their business could be described as ‘Wholly family owned’;
- 13% of the respondents indicate that their business could be described as ‘Partly family owned’;
- 6% of the respondents indicate that their business could be described as ‘Family managed’;
- 2% of the respondents indicated that their business indicated that the descriptions used were not applicable to describe their business although they consider themselves a family business.
From the above it is important to note that the vast majority, 97%, of family business respondents from the indicated that their businesses could be regarded as family businesses and it is in line with the research expectations.

**Figure 4.3: Pie Chart – Family Business as per Family Business Respondents**

<table>
<thead>
<tr>
<th>Legal Type of Business Entity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly family owned</td>
<td>79%</td>
</tr>
<tr>
<td>Partly family owned</td>
<td>13%</td>
</tr>
<tr>
<td>Family managed</td>
<td>6%</td>
</tr>
<tr>
<td>None of the above</td>
<td>2%</td>
</tr>
<tr>
<td>None of the above</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Authors own

**Legal Type of Business Entity**

The study also found that the respondents identified their businesses in the following legal business entity types as found in the South African business landscape and as per South African legislation. The pie chart in figure 4.4 is a graphic representation indicates that:

- 36% of the respondents indicate that their business could be described as ‘Public Listed Company’;
• 22% of the respondents indicate that their business could be described as ‘Private Company’;
• 23% of the respondents indicate that their business could be described as ‘Closed Corporation’;
• 6% of the respondents indicate that their business could be described as ‘Partnership’;
• 11% of the respondents indicate that their business could be described as ‘Sole Proprietor’;
• 2% of the respondents indicated that their business could not be classified in the entities mentioned above and marked it ‘Not Applicable’.

This biographical data is just not as per the study findings and could be a field of further research for future studies concerning family businesses.

**Figure 4.4: Pie Chart – Type of Business by Legal Entity**

![Pie Chart - Type of Business by Legal Entity](image-url)
**Gender**

Data regarding the gender of the respondents were also collected, as per standard of research studies. A total of 65% of the respondents were male, 34% were female and 1% did not provide details. The pie chart in figure 4.5 graphically depicts the differences in gender as indicated by respondents.

**Figure 4.5: Pie Chart – Gender**

<table>
<thead>
<tr>
<th>Gender: Total Study</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Male</td>
<td>65%</td>
</tr>
<tr>
<td>Total Female</td>
<td>34%</td>
</tr>
<tr>
<td>Not completed</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Authors own

In the family businesses that responded to the questionnaire, 73% were male and 27% female. The non-family businesses that responded were 56% male, 44% female.
The difference that was highlighted should be studied further, and it is not the scope of this study to study this phenomena. However in Table 4.1 on page 54 shows the differences between the Family Business versus Non-Family Business:

Table 4.4: Gender – Family Business versus Non-Family Business

<table>
<thead>
<tr>
<th>Gender</th>
<th>Family Business</th>
<th>Non-Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73%</td>
<td>56%</td>
</tr>
<tr>
<td>Female</td>
<td>27%</td>
<td>44%</td>
</tr>
</tbody>
</table>

From this data it would seem that South African family businesses are mostly headed by males and that they females are not as well represented. The non-family business figures can also be perhaps explained by the fact the respondents whilst representing non-family businesses were also studying further and that females are becoming actively involved in equipping themselves with higher skills by studying further.

**Race:**

As a standard practise with research of this nature, biographical data were also collected regarding the race composition of the respondents. The results of this study is of particular interest in the South African context and it was found that 56% of the respondents were White and 19% African, 17% Coloured, 1% Indian, 1% Asian and 1% did complete the question.

The pie chart in figure 4.6 graphically depicts this on page 55 of the study.
A further analysis of the data revealed that of the family business respondents, 75% are white, 8.33% Indian and 8.33% African and 8.33% are Coloured. The non-family business respondents indicated that 33.33% were white, 33.33% African, 27.78% Coloured, 2.78% Indian and 2.78% of the respondents classified themselves as Asian. It is further set out in Table 4.2 on page 56:
Table 4.5: Comparison of Race: Family Business vs. Non-Family Business

<table>
<thead>
<tr>
<th>Race</th>
<th>Family Business %</th>
<th>Non-Family Business %</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>8.33%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Coloured</td>
<td>8.33%</td>
<td>27.78%</td>
</tr>
<tr>
<td>Indian</td>
<td>8.33%</td>
<td>2.78%</td>
</tr>
<tr>
<td>White</td>
<td>75.00%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Asian</td>
<td>0%</td>
<td>2.78%</td>
</tr>
</tbody>
</table>

The majority of businesses in South Africa are still white-owned and this corresponds with the findings from the family business respondents. It is however encouraging to note from the data there is a more equal distribution of race groups as reflected by the combined total of 66.67% of non-family business are from previously disadvantaged groups. This however does not indicate ownership.

The topic of race and business ownership will remain important in the South African context and will require significant research in future. In this regard, the topic of entrepreneurship also becomes more relevant and important, and South Africans taking part in business should be more reflective of the country’s demographical make-up.
Age:
The data collected by the study indicates that the largest portion of the respondents, 41% falls into 30-39 years age category. The 20-29 years category comprises of the second largest part having 24% of the respondents, 40-49 years category comprises 19%, 50-59 years comprises 12% and 60+ age group comprised of 3%. 1% of the respondents did not complete the questionnaire. This is graphically depicted in the pie chart in figure 4.7.

Although further research would be required, these figures correspond with the South African employment figures and economically active part of the community.

Figure 4.7: Pie Chart – Age

Source: Authors own
The table below indicates the differences between family businesses and non-family businesses regarding age:

**Table 4.6: Age Comparison: Family Business vs. Non-family Business**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Family Business</th>
<th>Non-Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29 years</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>30-39 years</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>40-49 years</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>50-59 years</td>
<td>21%</td>
<td>0%</td>
</tr>
<tr>
<td>60+</td>
<td>6%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Family businesses are represented in all the age categories. 55% of respondents in the family business category were in between 20-39 years of age. Comparatively 81% of non-family business respondents were between 20-39 years. This can probably be explained by the fact that the non-family respondents were post graduate students, and would also explain why there were no respondents over 50 years in the non-family business respondents.

In addition, it is good to note that a large percentage of the family business respondents are in the age group 20-29 years indicating that young people are getting involved in family businesses. It will require further study to ascertain whether these are second generation family business members or young entrepreneurs starting their own businesses.

However, it is important to note that a large percentage of family business respondents fall within the age group 50-59 years and that a further significant figure of 6% falls in the category above 60 years of age. This can probably be explained in the South African context that there has been increased entrepreneurial activity where the white South African men previously employed by the state opened businesses.
Qualifications

The data regarding qualifications that were collected represent the following results:

- 10% of respondents possessed at least a Grade 12 certificate;
- a further 20% of respondents had a diploma;
- the largest part of the respondents, 34%, possessed a degree;
- a further 25% have obtained an Honours degree;
- 10% of the respondents had a Masters degree; and
- 1% possesses a doctorate degree.

This data is graphically depicted in figure 4.8.

Figure 4.8: Pie Chart - Qualifications

Source: Authors own
A further analysis of the data revealed that the respondents mostly have higher qualifications. It is further set out in Table 4.7 as follows:

**Table 4.7: Qualification comparison: Family Business vs. Non-family Business**

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Family Business</th>
<th>Non-Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 12</td>
<td>17%</td>
<td>0%</td>
</tr>
<tr>
<td>Diploma</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Degree</td>
<td>30%</td>
<td>39%</td>
</tr>
<tr>
<td>Honours Degree</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>Doctorate</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>

This data, particularly relating to the non-family business is not surprising and as expected the respondents mostly possessed a high level of education because they were selected from a post graduate course. Furthermore, as part of the requirements for the MBA qualification students have to have a high level of education.

It was, however noted with interest that more than a third of Family Business respondents only posses a Grade 12 or Diploma. This certainly is an avenue of further research that will be of particular interest to institutions such as the university. It also possibly identifies that family businesses may require further training and education. This in itself may present an entrepreneurial opportunity to provide such training and education.
Work Category

As part of the research, data was also collected of the work category that respondents identify themselves in. The data reveals that the largest portion of respondents is at Executive level and Management.

This finding is not surprising when considering the targeted respondents. As business owners, it was expected that family business respondents would be at Executive level or at Management level. Furthermore considering the level of MBA students it was expected that the respondents should be at executive or managerial level. Figure 4.9 graphically sets out the findings of the study.

Figure 4.9: Pie Chart – Work Category

![Pie Chart – Work Category](image)

Source: Authors own
A further analysis of the data revealed that Family Business respondents were mostly at executive level and that non-family business respondents were mostly at management level. It is further set out in Table 4.8 as follows:

Table 4.8: Work Category Comparison: Family Business vs. Non-family Business

<table>
<thead>
<tr>
<th>Work Category</th>
<th>Family Business</th>
<th>Non-family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Worker</td>
<td>2%</td>
<td>17%</td>
</tr>
<tr>
<td>Supervisory Level</td>
<td>6%</td>
<td>28%</td>
</tr>
<tr>
<td>Management Level</td>
<td>26%</td>
<td>56%</td>
</tr>
<tr>
<td>Executive Level</td>
<td>66%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Sector**

In the course of the research, as part of the questionnaire, data was collected regarding the sectors in which the respondents operate. Figure 4.10 sets out to depict the various sectors which were identified by respondents.

The following sectors of significant size were noted:

- Agriculture - 7%
- Automotive – 13%
- Manufacturing – 11%
- Tourism – 9%
- Wholesale and retail – 11%

This is graphically depicted in the pie chart in figure 4.10.
Furthermore, an analysis of data showed that the agriculture, manufacturing, tourism and wholesale and retail are significant sectors in the family business that responded.

In addition, the largest single sector identified in the non-family business is the automotive sector. This data is not unexpected as a number of students in the MBA programme and specifically Port Elizabeth are involved in the motor industry.

This is further set out in Table 4.9 that provides a complete breakdown of sectors as indicated by respondents on page 64.
Table 4.9: Sector Comparison: Family Business vs. Non-family Business

<table>
<thead>
<tr>
<th>Sector</th>
<th>Family Business as%</th>
<th>Non-Family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>Automotive</td>
<td>6%</td>
<td>23%</td>
</tr>
<tr>
<td>Chemical</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Financial and Banking</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>ICT and Electronics</td>
<td>0%</td>
<td>8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Mining and Minerals</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Other - Education</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>Other - Engineering</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Other - Health</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>Other - Unspecified</td>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>Tourism</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>17%</td>
<td>3%</td>
</tr>
</tbody>
</table>

4.8 CONCLUSION

Chapter 4 dealt with the research methodology of the study and included the model that was considered and the hypotheses that were created.

Chapter 4 further dealt with the empirical findings of the study relating to demographical data which included data on race, age, gender and qualifications of the respondents.

Further empirical findings on the specific factors that were identified in the literature review and the model as indicated in chapter 4 will be discussed in chapter 5.
CHAPTER 5
FURTHER EMPIRICAL RESULTS OF THE STUDY

5.1 INTRODUCTION
Chapter four dealt with the empirical findings of the study, particularly relating to the demographical data and also data regarding the work category of the respondents and in addition data on the business sectors from which the respondents were.

Chapter five will deal with the following areas of the empirical findings and include some further analyses:
- hypotheses;
- each factor as identified in detail; and
- the chapter is then concluded.

The hypotheses will be restated and after each statement it will be indicated whether the hypotheses were accepted or rejected.

Each factor will be dealt with and the empirical results as per the questionnaire indicating the factor, the Cronbach Alpha for the factor, the specific question asked and the results. The results of specific questions are also compared between family business and non-family business.

5.2 HYPOTHESES
The hypotheses as indicated in the model in chapter 4 is restated per factor and thereafter it is indicated which of the hypotheses are accepted or rejected.

Family Business
H0: Being a family business has no influence on whether a business is a green business.
H1: Being a family business has a positive influence on whether a business can be considered to be a green business

No significant difference (p-value >0.05 – 0.1561)
Accept null hypotheses
Values
H0: Values of firms do not differ between family and non-family firms.
H1: There is a positive difference between values of family businesses compared to non-family businesses
No significant difference (p-value is >0.05 – 0.3928)
Accept null hypotheses

Stewardship Role
H0: The stewardship role is not unique to family businesses
H1: There is a positive relationship between family business and the stewardship role
Significant Difference (p-value<0.05 – 0.0447)
Reject null hypotheses and accept hypotheses 1 that there is a positive relationship between family businesses and stewardship

Succession
H0: Succession considerations is not different in family businesses when compared to non-family businesses
H1: Succession considerations differ between family businesses when compared to non-family businesses
No significant difference (p-value is >0.05 – 0.1344)
Accept null hypotheses

Stakeholders
H0: There is no difference between stakeholder expectations for green business as seen by family businesses versus non-family businesses
H1: There is a positive difference between stakeholder expectations for green business as seen by family businesses versus non-family businesses
No significant difference (p-value is >0.05 – 0.0560)
Accept null hypotheses
The following table lists the t-value and p value of the factors as well as the means of each factor that were identified:

**Table 5.1: T-Value, P-Value, Mean and Factors Means**

<table>
<thead>
<tr>
<th>Factor</th>
<th>t-value</th>
<th>p-value</th>
<th>Mean - Family Business</th>
<th>Mean – Non-family Business</th>
<th>Total Mean for Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Business</td>
<td>-1.02</td>
<td>0.1561</td>
<td>3.11</td>
<td>3.33</td>
<td>3.20</td>
</tr>
<tr>
<td>Values</td>
<td>0.27</td>
<td>0.3928</td>
<td>3.90</td>
<td>3.94</td>
<td>3.92</td>
</tr>
<tr>
<td>Stewardship</td>
<td>1.72</td>
<td>0.0447*</td>
<td>3.98</td>
<td>3.65</td>
<td>3.84</td>
</tr>
<tr>
<td>Succession</td>
<td>1.11</td>
<td>0.1344</td>
<td>3.89</td>
<td>3.68</td>
<td>3.80</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>-1.61</td>
<td>0.0560</td>
<td>2.94</td>
<td>3.30</td>
<td>3.09</td>
</tr>
</tbody>
</table>

* Significant difference of (p<0.05)

### 5.3 THE EMPIRICAL RESULTS OF THE FACTORS

#### 5.3.1 Factor: Green Business

A Cronbach Alpha coefficient of 0.8956 was obtained for the factor relating to Green Business, indicating a good internal consistency. The mean for the factor is 3.20 indicating that most respondents were fairly neutral towards the factor which is surprising as the literature indicated that green business issues are of great importance.

This is set out in table 5.2

**Table 5.2: Green Business: T-Value, P-Value and Means**

<table>
<thead>
<tr>
<th>Factor</th>
<th>t-value</th>
<th>p-value</th>
<th>Cronbach Alpha</th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Business</td>
<td>-1.02</td>
<td>0.1561</td>
<td>0.8956</td>
<td>3.20</td>
</tr>
</tbody>
</table>

**General Discussion:**

The questionnaire contained seven questions relating to Green Business. The questions and results are listed in the table 5.3. The table indicates the questions
that relate to the factor of green business and indicate the responses from the respondents per question and furthermore, a mean for each question is included in the table.

This allows for the discussion of the data as obtained during research and all the factors will be dealt with in a similar way to enable uniformity and consistency of factors.

A general discussion is followed by specific discussion based on a further analysis between the family business respondents and the non-family respondents.

Table 5.3 Green Business Questionnaire Responses

<table>
<thead>
<tr>
<th>Green Business</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 My company is environmentally friendly</td>
<td>4.76%</td>
<td>9.52%</td>
<td>28.57%</td>
<td>33.33%</td>
<td>23.81%</td>
<td>3.62</td>
</tr>
<tr>
<td>2 My company can be considered a green company</td>
<td>7.14%</td>
<td>21.43%</td>
<td>34.52%</td>
<td>16.67%</td>
<td>20.24%</td>
<td>3.21</td>
</tr>
<tr>
<td>3 My company believes in sustainable business practices that for example result in the reduction of emissions</td>
<td>4.76%</td>
<td>8.33%</td>
<td>33.33%</td>
<td>27.38%</td>
<td>26.19%</td>
<td>3.62</td>
</tr>
<tr>
<td>4 My company implements green policy</td>
<td>8.33%</td>
<td>17.86%</td>
<td>36.90%</td>
<td>19.05%</td>
<td>17.86%</td>
<td>3.20</td>
</tr>
<tr>
<td>5 MY company has an implement an accredited green policy such as ISO14001</td>
<td>32.14%</td>
<td>17.86%</td>
<td>22.62%</td>
<td>11.90%</td>
<td>15.48%</td>
<td>2.61</td>
</tr>
<tr>
<td>6 My company has innovative green business services or products</td>
<td>17.86%</td>
<td>23.81%</td>
<td>21.43%</td>
<td>17.86%</td>
<td>19.05%</td>
<td>2.96</td>
</tr>
</tbody>
</table>
If only question one of the factor is considered green business is an important part of business and more than 50% of respondents agreed (33.33%) or strongly agreed (23.81%) that their companies are environmentally friendly. This corresponds with the findings in the literature review that green issues are a large part of business concerns (Weybrecht, 2010)

Worryingly though, respondents further indicated that the implementation of specific green policies, such as ISO 14001, are still lagging behind. A total of 50 % of respondents (32.14% ‘Strongly Disagree’ and 17.86% ‘Disagree’) indicated that their companies do not implement green policies, such as ISO14001.

However, on a more positive note, 36.91% of the respondents indicated that their companies do have green business services or products. Furthermore question 2.7 of the questionnaire focus on companies that do not have green business policy or products in place, however 34% of respondents indicated that are planning to introduce green policy or products within the next year and a further 32% are planning to do so within the next five years.

Specific Discussion:
The feedback that was obtained from the questionnaire regarding green business also yielded further results that are worth noting.

Table 5.4 compares the mean between Family Business respondents and Non-family Business.

Table 5.4: Green Business Means

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean - Family Business</th>
<th>Mean – Non-Family Business</th>
<th>Factor Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Business</td>
<td>3.11</td>
<td>3.33</td>
<td>3.20</td>
</tr>
</tbody>
</table>
From the mean provided for each grouping it can be seen that Family businesses is more neutral regarding green business and compared to non-family businesses who also seem fairly neutral to green business.

Furthermore table 5.5 provide highlighted differences between family business and non-family businesses regarding their responses to the questionnaire. Agree and Strongly Agree areas were highlighted as being most relevant.

**Table 5.5 Green Business Questionnaire Responses – Highlighted Family Business vs. Non-family Business**

<table>
<thead>
<tr>
<th>Green Business</th>
<th>Family Business</th>
<th>Non-family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My company is environmentally friendly</td>
<td>25.00% 27.08%</td>
<td>44.44% 19.44%</td>
</tr>
<tr>
<td>2. My company can be considered a green company</td>
<td>18.75% 20.83%</td>
<td>13.89% 19.44%</td>
</tr>
<tr>
<td>3. My company believes in sustainable business practises that for example result in the reduction of emissions</td>
<td>27.08% 35.42%</td>
<td>27.78% 13.89%</td>
</tr>
<tr>
<td>4. My company implements green policy</td>
<td>14.58% 18.75%</td>
<td>25.00% 16.67%</td>
</tr>
<tr>
<td>5. MY company has implement an accredited green policy such as ISO14001</td>
<td>6.25% 14.58%</td>
<td>19.44% 16.67%</td>
</tr>
<tr>
<td>6. My company has innovative green business services or products</td>
<td>16.67% 18.75%</td>
<td>19.44% 19.44%</td>
</tr>
</tbody>
</table>
Question 2.1 of the questionnaire dealt with the issue of whether respondents viewed their business as green or environmentally friendly. As noted earlier, more than 50% of respondents agreed (33.33%) or strongly agreed (23.81%) that their companies are environmentally friendly. The responses of the family businesses that replied indicated that 25.00% ‘Agreed’ and 27.08% ‘Strongly Agreed’ that their businesses were environmentally friendly. Compared to non-family business, 44.44% ‘Agreed and 19.44% ‘Strongly Agreed’.

Questions 2.5 and 2.6 also related to whether companies have an implemented accredited policy such as ISO 14001 and whether they have a green business or products. The results from the respondents indicated that family businesses do not have accredited policies as 47.92% of the respondents ‘Strongly Disagreed’ and a further 16.67% ‘Disagreed’ with the question compared to non-family businesses that indicated 11.11% ‘Disagree’ and 19.44% ‘Strongly Disagree’.

Furthermore 47.91% (27.08% ‘Strongly Disagree’ and 20.83 ‘Disagree’) of family business respondents indicated that they do not have green products or services, compared to 35.42% of family businesses (16.67% ‘Agree’ and 18.75% ‘Strongly Agree’) that do have green business products or services.

However, a large percentage (47.83%) of the family businesses that do not have any green policy or products in place are planning to implement green policy and/or products within the next year and a further 15.22% are planning to implement within the next five years. In this regard, it is important to note that only 16.9% of all respondents indicated that they do not intend to introduce or implement any green policy or product.

The foreseen implementation of green measures or products/service by family and non-family business are graphically depicted in figure 5.1.
5.3.2 Factor: Values

A Cronbach Alpha coefficient of 0.737 was obtained for the factor relating to Values, indicating a good consistency. The mean for the factor is 3.92 and indicates a high positive mean and that most respondent agree with the factor relating to values.

This is set out in table 5.6

Table 5.6: Values: T-Value, P-Value and Means

<table>
<thead>
<tr>
<th>Factor</th>
<th>t-value</th>
<th>p-value</th>
<th>Cronbach Alpha</th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>-0.27</td>
<td>0.3928</td>
<td>0.737</td>
<td>3.92</td>
</tr>
</tbody>
</table>
General Discussion:

The questionnaire contained seven questions relating to Values. The questions are listed in the table 5.7 below:

Table 5.7: Values Questionnaire Responses

<table>
<thead>
<tr>
<th>Values</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 My company can be considered ethical</td>
<td>3.53%</td>
<td>2.35%</td>
<td>7.06%</td>
<td>38.82%</td>
<td>48.24%</td>
<td>4.26</td>
</tr>
<tr>
<td>2 My company values the environment</td>
<td>1.19%</td>
<td>3.57%</td>
<td>11.90%</td>
<td>40.48%</td>
<td>42.86%</td>
<td>4.20</td>
</tr>
<tr>
<td>3 Trust is important in my company</td>
<td>3.53%</td>
<td>2.35%</td>
<td>5.88%</td>
<td>30.59%</td>
<td>57.65%</td>
<td>4.36</td>
</tr>
<tr>
<td>4 Integrity is important in my company</td>
<td>2.35%</td>
<td>3.53%</td>
<td>2.35%</td>
<td>32.94%</td>
<td>58.82%</td>
<td>4.42</td>
</tr>
<tr>
<td>5 My company has a mission statement that defines the company values</td>
<td>4.71%</td>
<td>7.06%</td>
<td>11.765</td>
<td>32.94%</td>
<td>43.53%</td>
<td>4.04</td>
</tr>
<tr>
<td>6 My company has Corporate Social Responsibility (CSR) programme</td>
<td>15.48%</td>
<td>13.10%</td>
<td>19.05%</td>
<td>25.00%</td>
<td>27.38%</td>
<td>3.36</td>
</tr>
<tr>
<td>7 My company submit company reports that adhere to the King III recommendations</td>
<td>27.71%</td>
<td>14.46%</td>
<td>26.51%</td>
<td>16.87%</td>
<td>14.46%</td>
<td>2.76</td>
</tr>
</tbody>
</table>

As evidenced from the literature, values play a very important role. Ethical behaviour by the firm is not possible without ethical values (Duh, Belak and Milfelner, 2010). The high mean indicate that most of the respondents agreed positively with the factor and that they consider values of great importance to their company.
Firms should conduct business in an ethical manner (Hough, et al, 2011) and when analysed further a large percentage of respondents felt that their company could be considered ethical, as indicated by 38.82% ‘Agree’ and a further 48.24% ‘Strongly Agree’.

Furthermore, most respondents indicate that their company’s value the environment. This is evident from the 40.48% of respondents who ‘Agree’ with the statement and 42.86% who “Strongly Agree”.

Integrity and trust are also important as 88% respondents felt trust was important (30.59% Agree and 57.65% Strongly Agree) and 92% (32.94% Agree and 58.82% Strongly Agree) indicated that integrity was important.

**Specific Discussion:**
It was further found the mean, 3.90, of family business respondents very high and that most family business respondents would ‘Agree’ or ‘Strongly Agree’ that values are important to their business.

Table 5.8 below compares the mean between Family Business and Non-family Business

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean - Family Business</th>
<th>Mean – Non-Family Business</th>
<th>Factor Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>3.90</td>
<td>3.94</td>
<td>3.82</td>
</tr>
</tbody>
</table>

In a further analysis of the statistics, family businesses agree that values are important. Table 5.9 tabulates the responses of family business compared to non-family business.
Table 5.9 Values Questionnaire Responses – Highlighted Family Business vs. Non-family Business

<table>
<thead>
<tr>
<th>Values</th>
<th>Family Business</th>
<th>Non –family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company can be considered ethical</td>
<td>33.33%</td>
<td>45.95%</td>
</tr>
<tr>
<td>My company values the environment</td>
<td>22.92%</td>
<td>63.89%</td>
</tr>
<tr>
<td>Trust is important in my company</td>
<td>16.67%</td>
<td>48.65%</td>
</tr>
<tr>
<td>Integrity is important in my company</td>
<td>22.92%</td>
<td>45.95%</td>
</tr>
<tr>
<td>My company has a mission statement that defines the company values</td>
<td>25.00%</td>
<td>43.24%</td>
</tr>
<tr>
<td>My company has Corporate Social Responsibility (CSR) programme</td>
<td>20.83%</td>
<td>30.56%</td>
</tr>
<tr>
<td>My company submit company reports that adhere to the King III recommendations</td>
<td>14.58%</td>
<td>20.00%</td>
</tr>
</tbody>
</table>

Family business considers itself to be very ethical, as 91.66% of the respondents indicated (33.33% ‘Agree’ and 58.33% ‘Strongly Agree’). Comparatively, 81.09% of non-family business considered itself ethical with 45.95% ‘Agree’ and 35.14% ‘Strongly Agree’.

Trust is also important in family businesses as 91.67% agreed (16.67% ‘Agree’ and 75% ‘Strongly Agree’). This is compared to non-family respondents which indicated 83.79% agree (48.65% ‘Agree’ and a further 35.14% ‘Strongly Agree’).
In addition, integrity had a very high agreement rate of 86.67% of family business ‘Strongly Agree’ and 10% Agree. This is compared to Non-family Business which indicated a 45.45% ‘Agree’ and a further 43.64% ‘Strongly Agree’.

The findings confirms the literature that values are of particular importance to family businesses (Addellatif, Amann and Jaussaud, 2010; Duh, Belak and Milfener, 2010; Allio, 2004; Haugh and Mckee, 2003). It further confirms that trust and integrity are of great importance to family businesses as identified by several authors (Blodgett, Dumas and Zanzi, 2011; Haugh and Mckee, 2003).

It was therefore found that values are of great importance to all business, and includes family businesses. These values create the direction and dictate behaviour and business practise for businesses. Duh, Belak and Milfelner (2010) indicate that values have a significant impact on corporate culture and business decisions and they further imply that principled conduct by firms is not possible without principled core standards and values.

5.3.3 Factor: Stewardship

A Cronbach Alpha coefficient of 0.857 was obtained for the factor relating to Stewardship, indicating a high consistency. The factor mean as 3.84 indicating respondents felt that stewardship was important and that most would ‘Agree’ that is was important.

Furthermore the t-value, p-value, Cronbach Alpha and mean is set out in table 5.10

Table 5.10: Stewardship: T-Value, P-Value and Means

<table>
<thead>
<tr>
<th>Factor</th>
<th>t-value</th>
<th>p-value</th>
<th>Cronbach Alpha</th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewardship</td>
<td>1.72</td>
<td>0.0447*</td>
<td>0.857</td>
<td>3.84</td>
</tr>
</tbody>
</table>

* Significant difference of (p<0.05)
**General Discussion:**

The questionnaire contained four questions relating to Stewardship. The questions and the responses are listed in the table 5.11 below:

**Table 5.11: Stewardship Questionnaire Responses**

<table>
<thead>
<tr>
<th>Stewardship</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My company believes that we are stewards of the environment</td>
<td>1.18%</td>
<td>15.29%</td>
<td>25.88%</td>
<td>25.88%</td>
<td>31.76%</td>
<td>3.72</td>
</tr>
<tr>
<td>2. My company believes stewardship imply looking after the environment</td>
<td>1.18%</td>
<td>10.59%</td>
<td>30.59%</td>
<td>28.24%</td>
<td>29.24%</td>
<td>3.74</td>
</tr>
<tr>
<td>3. My company believes we should take care of the environment and have policies in place to ensure this</td>
<td>4.71%</td>
<td>8.24%</td>
<td>16.47%</td>
<td>40.00%</td>
<td>30.59%</td>
<td>3.84</td>
</tr>
<tr>
<td>4. My company believes that we should take care of the community within which we operate</td>
<td>2.35%</td>
<td>5.88%</td>
<td>15.29%</td>
<td>37.65%</td>
<td>38.82%</td>
<td>4.05</td>
</tr>
</tbody>
</table>

The respondents indicate that the environment is of particular concern to them, with more than 26% ‘Agree’ indicating that they believe they are stewards of the environment and a further 32% ‘Strongly Agree’ that they are stewards of the environment.

A significant portion (70% - 40% Agree and 30% Strongly Agree) of the respondents also indicated that they believe that their company's take care of the environment and have policies in place to deal with this.
Furthermore, 76% of respondents indicated that they believed that the company should take care of the community in which it operates.

**Specific Discussion:**
It was further found the mean, 3.98, of family business respondents were very high and that most family respondents would have ‘Agree’ that stewardship is important to their business.

Table 5.12 compares the mean between Family Business respondents and Non-family Business.

**Table 5.12: Stewardship Means**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean - Family Business</th>
<th>Mean – Non-Family Business</th>
<th>Factor Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewardship</td>
<td>3.98</td>
<td>3.65</td>
<td>3.84</td>
</tr>
</tbody>
</table>

In a further analysis of the statistics, family businesses agree that stewardship is important and that family businesses view themselves as stewards of the environment. It must also be noted that family business respondents “Strongly Agree” in most instances and compared to non-family business respondents that mostly ‘Agree’ indicating that family businesses feel very strongly regarding stewardship and the environment.

Table 5.13 tabulates the responses of family business compared to non-family business on page 79.
Table 5.13 Stewardship Questionnaire Responses – Highlighted Family Business vs. Non-family Business

<table>
<thead>
<tr>
<th>Stewards</th>
<th>Family Business</th>
<th>Non-family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>1. My company believes that we are stewards of the environment</td>
<td>14.58%</td>
<td>50.00%</td>
</tr>
<tr>
<td>2. My company believes stewardship imply looking after the environment</td>
<td>22.92%</td>
<td>43.75%</td>
</tr>
<tr>
<td>3. My company believes that we should take care of the environment and have policies in place to ensure this</td>
<td>31.25%</td>
<td>37.50%</td>
</tr>
<tr>
<td>4. My company believes that we should take care of the community within which we operate</td>
<td>33.33%</td>
<td>45.83%</td>
</tr>
</tbody>
</table>

It is of particular interest to note that family businesses in particular ‘Strongly Agree’, 50.00%, with the statement that companies is stewards of the environment, in addition, a further 14.58% ‘Agree’ accumulating to a total of 64.58% that indicate stewardship.

This is compared to the 48.65% (40.54% Agree and 8.11% ‘Strongly Agree’) of non-family business that indicated that they believe their companies are stewards of the environment. The research would seem to confirm that stewardship is an important theoretical base for family business (Addellatif, Amann and Jaussaud, 2010).

In addition, 66.67% of the family business respondents believed that stewardship implies looking after the environment, compared to 45.95% of non-family business. This ties in with the literature as (Mazzi, 2011) indicates stewardship theory allows
that managers do not only consider profit maximisation for the firms, but also act as stewards and obtain long term results from considering the environment.

Furthermore, 37.50% of family business ‘Strongly Agree” and a further 31.25% ‘Agree’ that they have policies in place to ensure that the environment is taken care of. In this regard however the non-family business had a higher response to having policies in place with a collective of 72.85% agreeing that they have policies in place, (51.35% ‘Agreed’ and 21.62% ‘Strongly Agreed’). This may indicate an area of need for family businesses insuring that they do have policies in place to ensure their stewardship role is fulfilled. It also indicates an area of further research.

50% of Family Business respondents ‘Strongly Agreed’ and a further 30% ‘Agreed’ that companies should take care of the community in which they operate, compared to 41.82% of Non-family Business that ‘Agree’ and 32.73% that ‘Strongly Agree’.

It is important to note that it was the only factor that contained a statistically significant p-value of 0.0447.

5.3.4 Factor: Succession
A Cronbach Alpha coefficient of 0.806 was obtained for the factor relating to Succession, indicating a good consistency. The factor mean was 3.80. This further indicates that most respondents had considered the issue of succession.

Furthermore the t-value, p-value, Cronbach Alpha and mean is set out in table 5.14

<table>
<thead>
<tr>
<th>Factor</th>
<th>t-value</th>
<th>p-value</th>
<th>Cronbach Alpha</th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Succession</td>
<td>1.11</td>
<td>0.1344</td>
<td>0.806</td>
<td>3.80</td>
</tr>
</tbody>
</table>

**General Discussion:**
The questionnaire contained four questions relating to Succession. The questions and responses as well as the mean of each question are listed in the table 5.15. It
will be noted from the table that future of the companies are of great importance to them.

**Table 5.15: Succession Questionnaire Responses**

<table>
<thead>
<tr>
<th>Succession</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  My company has implemented a succession policy</td>
<td>10.71%</td>
<td>19.05%</td>
<td>26.19%</td>
<td>23.81%</td>
<td>20.24%</td>
<td>3.24</td>
</tr>
<tr>
<td>2  My company considers the future</td>
<td>2.38%</td>
<td>4.76%</td>
<td>8.33%</td>
<td>47.62%</td>
<td>36.90%</td>
<td>4.12</td>
</tr>
<tr>
<td>3  The future of the company is important to my company</td>
<td>2.38%</td>
<td>11.90%</td>
<td>45.24%</td>
<td>45.24%</td>
<td>40.48%</td>
<td>4.21</td>
</tr>
<tr>
<td>4  It is often considered within my company who will be able to take over in future</td>
<td>7.14%</td>
<td>8.33%</td>
<td>29.76%</td>
<td>23.81%</td>
<td>30.95%</td>
<td>3.63</td>
</tr>
</tbody>
</table>

Only 44% (23.81% ‘Agree’ and 20.24% ‘Strongly Agree’) of the respondents indicated that their companies have a succession policy in place. However, a large majority, 84.52% (47.62% Agree and 36.90% Strongly Agree) of respondents indicated that they consider the future. This further tie in with the statement that the future of the company is important, where 45.24% respondents ‘Agree’ and 40.48% ‘Strongly Agree’.

Furthermore, the question of who should take the company into the future is considered by most companies, with 23.81% of the respondents who ‘Agree’ and 30.95% ‘Strongly Agree’.

**Specific Discussion:**
Family business respondents indicated that nearly 47.92% of them have an implemented succession policy (22.92% ‘Agree’ and 25.00% ‘Strongly Agree’) compared to the non-family business that only reported a 38.89% implementation of a succession policy (25.00% ‘Agree and 13.89% ‘Strongly Agree’). This finding
seems to substantiate research that the continuance and longevity of the firm is a major concern to family business owners (Blodgett, Dumas and Zanzi, 2011; PWC Family Business Survey, 2011; Tucker, 2011; Addellatif, Amann and Jaussaud, 2010).

Table 5.16 compares the mean between Family Business respondents and Non-family Business indicating that family businesses consider succession a very important factor.

**Table 5.16 Succession Means**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean - Family Business</th>
<th>Mean – Non-Family Business</th>
<th>Factor Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Succession</td>
<td>3.89</td>
<td>3.68</td>
<td>3.80</td>
</tr>
</tbody>
</table>

In a further analysis of the statistics, family businesses indicates the importance of succession and future related issues in family business. Table 5.17 tabulates the responses of family business compared to non-family business.

**Table 5.17 Succession Questionnaire Responses – Highlighted Family Business vs. Non-family Business**

<table>
<thead>
<tr>
<th>Succession</th>
<th>Family Business</th>
<th>Non–family Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company has implemented a succession policy</td>
<td>22.92%</td>
<td>25.00%</td>
</tr>
<tr>
<td>My company considers the future</td>
<td>35.42%</td>
<td>50.00%</td>
</tr>
<tr>
<td>The future of the company is important to my company</td>
<td>29.17%</td>
<td>54.17%</td>
</tr>
<tr>
<td>It is often considered within my company who will be able to take over in future</td>
<td>16.67%</td>
<td>43.75%</td>
</tr>
</tbody>
</table>
Succession and issues related to the continuance of business therefore receive a lot of attention from family businesses. Furthermore, it is clear that family businesses consider the future and succession issues when one compare family business and non-family business.

In addition, 85% of family businesses consider the future and 83.36% consider the future of their company and that it is important to them. Compared to similar findings regarding non-family respondents that also indicated that the future is of great consideration to them 83.33% and 88.89% indicated that the company’s future is important to them.

Family businesses also consider who will take the company into the future more than the non-family business. 60% (16.67% ‘Agree’ and 43.75% ‘Strongly Agree’) of family businesses indicated that they consider who to take over in the future, compared to 44.45% (30.56% Agree and 13.89% ‘Strongly Agree’) of non-family business.

These findings corresponds with research that succession in family businesses refers to keeping the business in the family or at least being able to influence the business with a long-term view and pursuing strategies that are able to ensure the existence of the business into the future and protect it for future generations (Addellatif, Amann and Jaussaud, 2010). Therefore safeguarding the business for the future is very important to family businesses (KPMG Family Business Survey, 2011).

5.3.5 Factor: Stakeholders
A Cronbach Alpha coefficient of 0.927 was obtained for the factor relating to Stakeholders, indicating a very high consistency. The factor mean was 3.09. The t-value, p-value, Cronbach Alpha and mean is set out in table 5.18.

<table>
<thead>
<tr>
<th>Table 5.18: Stakeholder: T-Value, P-Value and Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor</td>
</tr>
<tr>
<td>Stakeholders</td>
</tr>
</tbody>
</table>
General Discussion:

The questionnaire contained six questions relating to Stakeholders. The questions and responses as well as the mean of each question are listed in the table 5.19.

Table 5.19: Stakeholders Questionnaire Responses

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 My internal stakeholders such as employees expect my company to be green</td>
<td>9.52%</td>
<td>28.57%</td>
<td>22.62%</td>
<td>27.38%</td>
<td>11.90%</td>
<td>3.04</td>
</tr>
<tr>
<td>2 My external stakeholders such as suppliers expect my company to be green.</td>
<td>7.14%</td>
<td>30.95%</td>
<td>19.05%</td>
<td>27.38%</td>
<td>15.48%</td>
<td>3.13</td>
</tr>
<tr>
<td>3 My customers expect my company to be green.</td>
<td>7.14%</td>
<td>17.86%</td>
<td>22.62%</td>
<td>30.95%</td>
<td>21.43%</td>
<td>3.42</td>
</tr>
<tr>
<td>4 My customers require green products and services</td>
<td>8.43%</td>
<td>28.92%</td>
<td>27.71%</td>
<td>20.48%</td>
<td>14.46%</td>
<td>3.04</td>
</tr>
<tr>
<td>5 My internal stakeholders such as employees expect my company to implement green measures</td>
<td>10.71%</td>
<td>27.38%</td>
<td>29.76%</td>
<td>22.62%</td>
<td>9.52%</td>
<td>2.93</td>
</tr>
<tr>
<td>6 My external stakeholders such as suppliers expect my company to implement green measures</td>
<td>11.90%</td>
<td>26.19%</td>
<td>25.00%</td>
<td>21.43%</td>
<td>15.48%</td>
<td>3.02</td>
</tr>
</tbody>
</table>

The factor mean of the stakeholder factor is the lowest of the factors that was tested. The factor mean was 3.09 indicating that most respondents were neutral toward stakeholders expecting them to be green. This is against the expectation from the literature research which indicate that from for example Ambec and Lanouie (2008) that found that a variety of stakeholders are increasingly demanding that firms become greener or that pressure from stakeholders is a motivating reason for companies to be green (Saha and Darnton, 2005).
The stakeholder factor yielded interesting results as it also featured various negative results. Less than 40% (27.38 ‘Agree’ and 11.90% ‘Strongly Agree’) of respondents indicated that internal stakeholders expect them to be green and 38.09% (28.57% ‘Disagree’ and 9.52% ‘Strongly Disagree) indicated that internal stakeholders did not expect them to be green.

Furthermore, 30.95% of respondents indicated that they ‘Disagree’ and a further 7.14% ‘Strongly Disagree’ that external stakeholders expect the company to be green. 42.86% indicated that external stakeholders expect them to be green, with 27.38% ‘Agree’ and 15.48% “Strongly Agree’.

The majority of respondents (52.38% - 30.95% ‘Agree’ and 21.43 ‘Strongly Agree’) however, indicated that their customers expect them to be green. A quarter (25%) of the respondents indicated that their customers do not expect them to be green (17.86% Disagree and 7.14% Strongly Disagree).

37.35% (28.92% ‘Strongly Disagree’ and 8.43% ‘Disagree’) indicated that their customers do not require green products or services. This is compared to 34.94% (20.48% ‘Agree’ and 14.46% ‘Strongly Agree’) that felt their customers require green products or services.

Furthermore 38.09% did not feel that their internal customers expect them to implement green measures. 32.14% indicated that their internal customers expect them to implement green measures.

38.09%(26.19 ‘Strongly Disagree’ and 11.90% ‘Disagree’) of the respondents indicated that their external customers did not expected them to implement green measures, compared to 36.91% (21.43% Agree and 15.48% Strongly Disagree) that indicated that their customers did expect them to implement green measures.
Specific Discussion:
Furthermore when the factor mean scores are considered family businesses were neutral, leaning to that they not feel that their stakeholders expect them to be green, as indicated by the mean of 2.94 and non-family business were also neutral, however they had a slightly higher mean of 3.30.

Table 5.20 compares the mean between Family Business respondents and Non-family Business.

**Table 5.20: Stakeholder Means**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean - Family Business</th>
<th>Mean – Non-Family Business</th>
<th>Factor Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders</td>
<td>2.94</td>
<td>3.30</td>
<td>3.09</td>
</tr>
</tbody>
</table>

In a further analysis of the statistics the responses of family business compared to non-family business are noted in Table 5.21 on page 87. It is important to note that this table indicates ‘Disagree’ and ‘Strongly Disagree’ where it was the most pertinent responses, and otherwise it indicates ‘Agree’ or ‘Strongly Agree” where indicated.

Family business respondents indicated that 45.83% (31.25% ‘Disagree’ and 14.58% ‘Strongly Disagree’) did not feel that their internal stakeholders expect their companies to be green. The comparison with non-family business however indicated that 27.78% (25.00% ‘Disagree’ and 2.78% ‘Strongly Disagree’) of the respondents did not feel that their internal stakeholders expect them to be green.

However, the non-family business indicated that 44.44% (36.11 ‘Agree’ and 8.33 ‘Strongly Agree’) did feel that their internal stakeholders require them to be green. This is compared to only 35.41% of family businesses that felt their internal stakeholders require them to be green (20.83 ‘Agree’ and 14.58 ‘Strongly Agree’).
### Table 5.21 Stakeholders Questionnaire Responses – Highlighted Family Business vs. Non-family Business

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My internal stakeholders such as employees expect my company to be green</td>
<td>31.25%</td>
<td>14.58%</td>
<td>25.00%</td>
<td>2.78%</td>
</tr>
<tr>
<td>2. My external stakeholders such as suppliers expect my company to be green.</td>
<td>33.33%</td>
<td>10.42%</td>
<td>27.78%</td>
<td>2.78%</td>
</tr>
<tr>
<td>3. My customers expect my company to be green.</td>
<td>AGRE 27.08%</td>
<td>STRONGLY AGREE 20.83%</td>
<td>AGRE 36.11%</td>
<td>STRONGLY AGREE 22.22%</td>
</tr>
<tr>
<td>4. My customers require green products and services</td>
<td>31.91%</td>
<td>12.77%</td>
<td>25.00%</td>
<td>2.78%</td>
</tr>
<tr>
<td>5. My internal stakeholders such as employees expect my company to implement green measures</td>
<td>33.33%</td>
<td>16.67%</td>
<td>19.44%</td>
<td>2.78%</td>
</tr>
<tr>
<td>6. My external stakeholders such as suppliers expect my company to implement green measures</td>
<td>27.08%</td>
<td>18.75%</td>
<td>25.00%</td>
<td>2.75%</td>
</tr>
</tbody>
</table>
Question 6.2 reveals that 43.75% (33.33% ‘Disagree’ and 10.42% ‘Strongly Disagree’) of family business respondents did not believe that external stakeholders such as suppliers expect them to be green, compared to 30.56% (27.78% Agree and 2.78% ‘Strongly Agree’) of non-family business who believed external stakeholders did expect them to be green.

However, the largest part, 44.45% (30.56 ‘Agree’ and 13.89% ‘Strongly Agree’) of non-family business indicated that external stakeholders required them to be green compared to 41.67% (25% ‘Agree’ and 16.67% ‘Strongly Agree’) of family business that indicated their external stakeholders expect them to be green.

Of great importance however, both family business and non-family business indicated customers expect them to be green, with family businesses reporting 47.91% (27.08% ‘Agree’ and 20.83% Strongly Agree’) and 58.33%) non-family business (36.11% ‘Agree’ and 22.22% ‘Strongly Agree’) Family businesses also had a high percentage, 29.17% (18.75% ‘Disagree’ and 10.42% ‘Strongly Disagree’) that did not feel that customers require them to be green.

In question 6.4, that asks whether customers require green products and services, the majority – 44.68% - of family business respondents, indicated that they did not agree (31.91%) or strongly disagreed (12.77%). Comparatively, non-family business indicated that only 27.78% (25% ‘Disagree’ and 2.78% ‘Strongly Disagree’) did not feel that customers require green products and services.

However, 36.11% (19.44% ‘Agree’ and 16.67% ‘Strongly Agree’) of non-family business indicated that they believed customers require green products and services, compared to 34%(21.28% ‘Agree’ and 12.77% ‘Strongly Agree’) of family businesses that believe their customers require green products or services. This could support that research from several studies (Zhu and Zhou, 2010; Stafford and Hartman, 2007) that found that consumers buy products mainly for their practical and consumer value and not for environmental reasons.
The majority, 50%, (33.33% ‘Disagree’ and 16.67% ‘Strongly Disagree’) of family businesses do not believe that their internal stakeholders require them to implement green measures, comparatively, 22.22% (19.44% ‘Disagree’ and 2.78% ‘Strongly Disagree’) of non-family business do not believe their internal stakeholders require them to implement green measures.

However, 41.66% (33.33% ‘Agree’ and 8.33% ‘Strongly Agree’) of non-family business do believe that their internal stakeholders require them to implement green business measures. Strikingly, only 25% (14.58% ‘Agree’ and 10.42% ‘Strongly Agree’) of family businesses believe that their internal stakeholders require them to implement green measures.

Furthermore, family businesses do not believe their external stakeholders require them to implement green measures, as evidenced by 45.83% (27.08% ‘Disagree’ and 18.75% ‘Strongly Disagree’) of respondents indicating they do not believe their external stakeholders require implementation of green measures.

The Non-family Business by contrast, indicated that 27.78% (25% ‘Disagree’ and 2.78% ‘Strongly Disagree’) of respondents believe that external stakeholders do not require green measures to be implemented.

In comparison, only 33.33% (18.75% ‘Agree’ and 14.58% ‘Strongly Agree’) of family businesses feel that external stakeholders require them to implement green measures. The largest number of respondents 41.67% (25.00% ‘Agree’ and 16.67% ‘Strongly Agree’) of non-family business however indicated that indicated that their external stakeholders do require them to implement green measures.

This is against the literature review and that family businesses face different stakeholder concerns than non-family firms (Neubaum, Dibrell and Craig, 2012) and that in the context of family business, internal stakeholders are of the utmost importance and require firms to be attentive to them (Neubaum, Dibrell and Craig, 2012).
5.3.6. Correlations

Correlation refers to the measure of the direction and strength of association between variables (Collis and Hussey, 2009). In this study the empirical findings indicate that there were also some correlations between factors. Green businesses correlated strongly with Values at 0.54, with Stewardship at 0.60, and stakeholders at 0.62. There was a medium correlation with succession at 0.29.

In addition to Values having a strong correlation with Green Business at 0.54, it further had strong correlations with Stewardship at 0.62, with Succession at 0.58 and a medium correlation with Stakeholders at 0.38.

Furthermore, Stewardship has a strong correlation at 0.5 with Succession and only a medium correlation with Stakeholders. Succession also has a small correlation at 0.17 with Stakeholders.

Table 5.22 indicates the correlations as discussed.

<table>
<thead>
<tr>
<th></th>
<th>Green Business</th>
<th>Values</th>
<th>Stewardship</th>
<th>Succession</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Business</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Values</td>
<td>0.54</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stewardship</td>
<td>0.60</td>
<td>0.62</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Succession</td>
<td>0.29</td>
<td>0.58</td>
<td>0.50</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Stakeholders</td>
<td>0.62</td>
<td>0.38</td>
<td>0.35</td>
<td>0.17</td>
<td>1.00</td>
</tr>
</tbody>
</table>

5.3.7 Regression Analysis

Collis and Hussey (2009) assert that linear regression is a measure of the ability of the variable to predict an outcome where a relationship exists between the variables. The extent to which the factors have an influence on green business was tested and 57% of the total variation in Green Business factor could be explained in when considering the other variables. It is further clear from the standardised coefficients
that Stewardship at 0.37 and Stakeholders at 0.43 have a strong influence on whether a business will be considered green.

Furthermore Stewardship and Stakeholders are the only factors that have a significant relationship with Green Business as indicated by their p-values of 0.0031 and 0.0000 respectively.

Table 5.23 indicate the results of the regression analysis that was conducted.

Table 5.23: Regression

Regression Summary for Dependent Variable: GreenBusiness

<table>
<thead>
<tr>
<th></th>
<th>b*</th>
<th>Std.Err.</th>
<th>b</th>
<th>Std.Err.</th>
<th>t(78)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
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<td>-0.10</td>
<td>0.11</td>
<td>-0.94</td>
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<td>0.42</td>
<td>0.08</td>
<td>5.28</td>
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</table>

5.4 CONCLUSION

The empirical findings regarding the factors that were identified in the literature, namely Green Business, Values, Stewardship, Succession and Stakeholders were discussed in Chapter 5.

It can be seen from the research findings that green business is indeed an important part of business in the modern business world. However, it seems that green business issues are not as important to the South African business yet.

Values play an important role in business and the research findings confirmed the same. Family business accepts their role as stewards and realise their importance, and it confirmed the research of the literature review.
The findings further underlined the importance of succession issues in family businesses and confirm the previous research in this regard.

The surprising finding of the study regarding stakeholder influence is one of the areas that need further research, as it did not indicate as strongly as of previous research indicating that stakeholders influence business to be greener.

The next chapter will deal with the interpretation of the findings as well as with suggestions for future studies. Chapter 5 will also deal with some of the limitations of the study.
CHAPTER 6
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION
Chapter 6 deals with the interpretation of the results of the study and builds on chapter 4 and 5 that dealt with methodology and findings of the study. Chapter 6 also indicates what the managerial implications of the study’s results are and how the information can be utilised by managers. During the study, some limitations were found. This is also discussed in chapter 6. Chapter 6 concludes with recommendations for future studies.

6.2 INTERPRETATION OF EMPIRICAL FINDINGS
This study intended to find whether family businesses are more likely to be green and environmentally friendly than non-family businesses. From the research findings it would indicate that there is no difference in being green between family businesses and non-family businesses.

Green business is indeed an important consideration for business; however it could not be conclusively found that family businesses differ from non-family businesses regarding green business matters. However the correlation between the factors indicates that there is a generally a strong association between the factors.

The research indicated that family businesses have not implemented green policies or measures when compared to non-family business. Further research in this area is required to determine why this is. The research also found that nearly 56% - of companies that do not have any green policies or products and services plan to do so within the next few years (33.80% within the next year and 32.39% within the next five years). This would further indicate that green business measures are being considered in the short to medium term by businesses.

Although the research could not identify a statistically significant difference between family business and non-family businesses, it did however indicate that values, particularly trust and integrity are of great importance to family businesses. This concurs with the research that values are a very important part of family business
(Addellatif, Amann and Jaussaud, 2010; Duh, Belak and Milfener, 2010; Allio, 2004; Haugh and Mckee, 2003). The findings of the research indicate that more non-family businesses have Corporate Social Responsibility programmes than family businesses. This is an area on which family business can work to translate the values into actionable programmes.

The majority – 65% - of family businesses indicated that they believe that they are stewards of the environment and that it implies looking after the environment. The non-family businesses indicated that only about 49% of the companies felt that they were stewards of the environment.

This seems to indicate that the findings in the literature review that stewardship is very important for family business (Addellatif, Amann and Jaussaud, 2010) and also that family businesses act as stewards and obtain long term results from considering the environment (Mazzi, 2011).

It is however of concern that although family business regard themselves as stewards of the environment that this has not translated into green business measures as can be seen from the study. This needs to be checked by family business to ensure that they do not pay mere lip service to values and green business, but that it translates into real results.

With over 47% of family businesses indicating that they have implemented a succession policy seem to agree that succession in family businesses refers to keeping the business in the family or at least being able to influence the business with a long-term view and pursuing strategies that are able to ensure the existence of the business into the future and protect it for future generations (Addellatif, Amann and Jaussaud, 2010).

Furthermore, 85.42% (29.17% ‘Agree’ and 54.17% “Strongly Agree’) of family businesses indicated that the future of the company is important to them and this would further substantiate and agree with the literature review that the safeguarding the business for the future is very important to family businesses (KPMG Family Business Survey, 2011).
It was expected that stakeholders, particularly the internal stakeholders in family businesses have a strong influence on decision making and influence business to be green. However the findings of the study did not indicate that internal stakeholders had a significant influence on being green.

6.3 MANAGERIAL IMPLICATIONS
The managerial implications of the study are as follows:

The concept of a triple bottom line, considering the profit, planet and people is becoming increasingly important in business and managers need to understand that companies do not operate in isolation.

Green Business issues are of importance in business and will become only more so in the future. Therefore managers of business need to take cognisance of green business issues in their business environment.

Green Business issues may in fact represent business opportunity for entrepreneurs by providing means to differentiate from competitors and green business measures can help businesses to reduce cost and increase revenue and can therefore make great business sense.

Values play an important role in business and ethical behaviour cannot occur in the absence of such values. Trust and integrity are two of the most important values and this has been confirmed by the research.

Managers need to understand that the environments in which they operate are important and unless they act as stewards, the business can face serious business risk and may in fact not be able to operate. The indication that family businesses in particular consider themselves to be stewards of the environment might be leveraged by managers to ensure care and consideration for the environment.

In addition, managers should consider the future and issues such as succession with great care to ensure the business remain viable and able to function.
Stakeholders are of great importance and affect firms’ behaviour and how they respond them. Customers will remain one of the main reasons of a firm’s existence and in the managers need to ensure that they aware of the needs and requirements of their stakeholders.

6.4 LIMITATIONS OF STUDY AND RECOMMENDATIONS FOR FUTURE RESEARCH

6.4.1 Limitations
The study is limited in its scope however it makes a contribution to the body of knowledge in the South African family business sector.

The research is limited in context by having been conducted in South Africa and furthermore, the non-family business respondents were only based in Port Elizabeth.

Furthermore, some respondents indicated that Question 2.7 was not clearly formulated and respondents struggled to complete the question. The question was stated as follows:

7. My company does not have any green policy, but plans to implement green policy and/or products:
   Within the next year:
   Within the next 5 years:
   Not planning to adopt any green policy/products:

In hindsight, a further category stating ‘Not Applicable’ should have been included.
6.4.2 Further Research

In addition, some of the respondents of the family business indicated that the cost of adopting green business policies or measures was too great. This requires further research to find whether there is indeed a greater cost for companies to be green or if it is beneficial in financial terms to be green.

Further research is required to understand why family businesses have not implemented accredited green measures such as ISO14001 and whether it also relates to the perceived cost of green business.

The topic of race and business ownership will remain important in the South African context and will require significant research in future. In this regard, the topic of entrepreneurship also becomes more relevant and important, and South Africans taking part in business should be more reflective of the country’s demographical make-up.

The stewardship role of family business may require further research to further understanding of the role family business is playing.

6.5 CONCLUSION

The substantial number and influence of family businesses has makes it an important field for research and this study contributes to the body of knowledge pertaining to family business in South Africa.

Green business issue are of great importance and South African business should take note of its growing importance. Business cannot keep doing business the way it used to and should consider the environment.

As indicated in the literature study, businesses do not act and exist in isolation and their activities have impact on the natural and social environment in which they operate (Weybrecht, 2010). Green business is everbody’s business as without it; there will be no other business.
Furthermore, the findings of the study should also be taken in conjunction with the importance of values and the clear acceptance of the stewardship role of family business and be utilised by business to become greener.
REFERENCE LIST


Weybrecht, G. 2010. *The Sustainable MBA*. Chichester: John Wiley and Sons Ltd.

ADDENDUM

Questionnaire
Dear Respondent

I am a post-graduate student studying towards my MBA (Masters in Business Administration) at the Nelson Mandela Metropolitan University Business School.

The topic of my research project aims to understand how family businesses manage green business and environmental issues and whether it differs from non-family businesses. We believe that this study would make a contribution to the body of knowledge regarding family businesses. The empirical results of the study will be made available to the participants on request.

We guarantee the confidentiality and anonymity of all participants. The names of participants and firms will be known only to the researchers of this study and will not be divulged to anyone else.

You are part of our selected sample of respondents whose views are of interest to the particular field of research which we are conducting. We would therefore appreciate it if you could answer a few questions in this regard, which should not take more than twenty minutes of your time. Please note that the information gathered will not be used against any organisation in any way and that all your responses will be strictly confidential.

The questionnaire can be completed online, by clicking on the following link:

Please complete the questionnaire by the 14 September 2012. We thank you in advance for your highly appreciated contribution towards this study.
Please note that there are no correct or incorrect answers. Please answer the questions as accurately as possible. For each statement, tick the block that best applies to your businesses and situation.

My study supervisor is Dr. Margie Cullen and she can be contacted at (041) 504 3772

Thank you very much for the time and your participation in the study.

MPJ Grobler
S210125969
Questionnaire:

Please complete the questions below by ticking only one box:

**Family Business**

1. Is the company a family owned or managed business?
   - Wholly family owned
   - Partly family owned
   - Family managed
   - None of the above

2. The company is a:
   - Public Listed Company
   - Private Company
   - Closed Corporation
   - Partnership
   - Sole Proprietor

<table>
<thead>
<tr>
<th>Green Business</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My company is environmentally friendly</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>My company can be considered a green company</td>
<td></td>
<td></td>
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<td>3</td>
<td>My company believes in sustainable business practises that for example result in the reduction of emissions</td>
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<tr>
<td>4</td>
<td>My company implements green policy</td>
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</tr>
<tr>
<td>5</td>
<td>MY company has an implement an accredited green policy such as ISO14001</td>
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<tr>
<td>6</td>
<td>My company has innovative green business services or products</td>
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</table>

7. My company does not have any green policy, but plan to implement green policy and/or products:
   - Within the next year:
   - Within the next 5 years:
   - Not planning to adopt any green policy/products:
<table>
<thead>
<tr>
<th>Values</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My company can be considered ethical</td>
<td></td>
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</tr>
<tr>
<td>2. My company values the environment</td>
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<tr>
<td>3. Trust is important in my company</td>
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<td></td>
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<tr>
<td>4. Integrity is important in my company</td>
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<tr>
<td>5. My company has a mission statement that defines the company values</td>
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<tr>
<td>6. My company has Corporate Social Responsibility (CSR) programme</td>
<td></td>
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<tr>
<td>7. My company submit company reports that adhere to the King III</td>
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<table>
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<th>Stewardship</th>
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<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1. My company believes that we are stewards of the environment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>2. My company believes stewardship imply looking after the environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. My company believes that we should take care of the environment and have policies in place to ensure this</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4. My company believes that we should take care of the community within which we operate</td>
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<td></td>
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</table>

<table>
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<tbody>
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<tr>
<td>2. My company considers the future</td>
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<tr>
<td>3. The future of the company is important to my company</td>
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<tr>
<td>4. It is often considered within my company who will be able to take over in future</td>
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### Demographic

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<th>Agree</th>
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</tr>
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<tbody>
<tr>
<td>1 My internal stakeholders such as employees expect my company to be green</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>2 My external stakeholders such as suppliers expect my company to be green.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 My customers expect my company to be green.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 My customers require green products and services</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>5 My internal stakeholders such as employees expect my company to implement green measures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 My external stakeholders such as suppliers expect my company to implement green measures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Gender

- Male
- Female

### Race

- African
- Coloured
- Indian
- White

### Age (Years)

- 20-29
- 30-39
- 40-49
- 50-59
- 60+
I have the following qualifications: (Tick only highest)
Grade 12
Diploma
Degree
Honours Degree
Masters Degree
Doctorate

I am employed at the following level: (Tick only most applicable)
General Worker
Supervisory Level
Management
Executive level

Our company is based in the following business sector: (Tick only most applicable)
Agriculture
Automotive
Chemical
Financial and Banking
ICT and Electronics
Manufacturing
Mining and Minerals
Textile and Clothing
Tourism
Wholesale and Retail
Other

Thank you for participating in our study, it is greatly appreciated!!!