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Harvest Home. On Social Responsibility Consciousness and Motivations of Family Business Wineries

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Abstract

Our research seeks to answer the question of what motivates a family business to fulfil ethical expectations of CSR. The stakeholder theory, the theory of socio-emotional wealth, and the theoretical framework of responsible ownership are relied upon to interpret the findings. The study covers two dimensions of CSR: the issues of social and environmental responsibility. The main contribution of the paper is that it provides an insight into the motivations behind different participant behaviours and the background of their decisions.

Keywords: corporate social responsibility, family business, stakeholder theory, wine sector

JEL Classification Codes: L21, L25, L26

Introduction

Numerous studies on corporate social responsibility (CSR) have been published in recent years, but only a few of them focused specifically on CSR activities of family businesses despite the fact that family businesses, on the whole, constitute a major player in world economy (Sharma et al., 1996). Some publications compare the CSR activities of family and non-family businesses (Craig & Dibrell, 2006), while other studies emphasise the positive outcomes of CSR activities of family businesses, their ethical behaviour with respect to image enhancement and reputation retention (Dyer & Whetten, 2006). Several researchers, however, argue that family businesses are less likely to be characterised by responsible thinking because they focus exclusively on their own interests (Morck & Yeung, 2003).

Responsible social and environmental thinking and behaviour have always been a feature of family businesses, although the activities involved previously were not referred to as corporate social responsibility. These activities are inherent to the nature of family businesses, where non-financial aspects (Gomez-Mejia et al., 2007) and long-term orientation are of paramount importance. CSR is rarely implemented in an institutional framework in small and medium-sized enterprises, especially in family-owned enterprises. The financial resources devoted to CSR measures depend on the will and emotions of the family who owns the firm. Considering that family members and employees share the same values and beliefs regarding the importance of non-financial goals, and that everyone is aware of the importance of non-financial goals, there is no need to institutionalise CSR (Fernando & Almeida, 2012). Fair behaviour towards customers and employees, rational use of natural resources and fair relations with local communities also serve the company's own objectives. To some extent, these objectives are achieved through CSR activities.

With wine consumption on the rise throughout the world, the responsibility to improve environmental sustainability is becoming increasingly important (Marshall et al., 2010). An increasing number of wineries are becoming more environmentally conscious in the production of sustainable wines, while consumers are also becoming increasingly conscious about the quality of wines. Information on the environmental impact of production and the existence of various environmental certifications can influence their purchasing decisions and wine preferences (Alonso, 2010). Silverman and Lanphar (2003) identified energy and water consumption, waste-water production, the use of chemicals and packaging materials as some of the most significant environmental liabilities of the wine industry. Accordingly, wineries need to prioritise the impact of water consumption on the community and waste management.

Our research primarily focuses on the goals and motivations of family businesses in relation to corporate social and environmental responsibility (CSR). Our question is how CSR is systematically embedded in business operations. It is important to understand that a family business undertakes CSR activities either in response to some external influence, or because of the intrinsic motivation of the owners and/or the family, or both. Thus, these issues constituted a research question in our study. Furthermore, it is examined how CSR affects the relationship with stakeholders, in particular with the local community, employees, and business partners.

In the first part of our study, the theoretical framework outlined in the literature on corporate social responsibility in family businesses is presented, which is followed by our research methodology and analysis, and then by the presentation of our findings.

Theoretical background

There is no single definition of CSR because of the inherent diversity and multidimensionality of the concept. In our study, corporate social responsibility is seen as a contribution of the enterprise to the betterment of society (Etzioni, 1996): this is an approach that aims to achieve a balance between individual freedom, on the one hand, and the community and society as a whole (Etzioni, 1993), on the other hand.

The heterogeneity and uniqueness of family businesses can explain significant differences between such firms' responsible behaviour. Such differences may be due, on the one hand, to differences in the values cherished by the leader, by the owner, or/and by the founder, as well as to the degree of family influence or to the differences in the cultural context in question, on the other hand. The findings of numerous research efforts on the drivers of family business CSR behaviour have

yielded conflicting results (Mariani et al., 2021). In their literature review, Mariani et al. identified five topics as drivers with a potential impact on CSR activity. According to the researchers, the features of the firm, family involvement, corporate governance, ethics, and religion, as well as socio-emotional wealth function as drivers of CSR activities.

Different theories will explain family businesses' CSR activity. One such framework is socio-emotional wealth, which explains CSR activities based on non-rational logic. According to another theory, namely the stakeholder theory, a company has responsibility to those stakeholders or groups who influence its actions. In addition, it is also important to mention the theory of responsible ownership, which explains the balance between privileges as well as tasks and risks associated with ownership.

The relationship between socio-emotional wealth and CSR aspirations of family firms

Among researchers in environmental disciplines, there is a widespread assumption that companies are driven to be environmentally friendly primarily by institutional and societal pressures. In contrast to this, family business owners are likely to be driven by quite different motivations, namely the preservation of socio-emotional wealth, a concept which will be discussed in more detail below. According to surveys by Berrone et al. (2010), family firms perform environmentally better—especially at the local level—than non-family firms, because they protect their socio-emotional wealth. The social and emotional pressures arising from their embeddedness tend to prompt them to take environmentally conscious actions, which naturally have an impact on the local environment. On the one hand, family business owners are perceived as more vulnerable to possible negative evaluations by external stakeholders, and, on the other hand, they attach greater importance to environmentally responsible behaviour in their own interests, regardless of financial considerations. In the case of family businesses, poorer environmental performance would damage the family's reputation, create a feeling of shame and lead to the loss of socio-emotional wealth, even if responsible behaviour may be economically risky.

An equally important argument in favour of family businesses' environmentally responsible behaviour may be their long-term vision (Aragón-Correa & Sharma, 2003): business owners who care about the long-term sustainability of their business are more likely to make decisions that benefit their descendants. In the literature on family businesses, views on CSR activities vary widely. Many authors argue that family businesses are socially more sensitive as they seek to preserve their reputation, non-economic preferences, and socio-emotional wealth (Cennamo et al., 2012).

However, unethical ‘familyism’, distrust of non-family members and putting family before everything else can have a negative impact on social responsibility.

“Socio-emotional wealth refers to the non-economic aspects of the firm that can be associated with the emotions of the family. Examples include identity, the ability to exercise family influence and the long-term survival of the family” (Gomez-Mejia et al., 2007, p. 2). The socio-emotional wealth framework can also explain the social responsibility actions of family businesses based on non-rational logic. According to the socio-emotional wealth theory, firms make decisions while keeping in mind their reference points, their core beliefs, or their so-called socio-emotional wealth. Because of these baseline assumptions, businesses may make decisions that can be considered critical from a business point of view; however, they can maintain the degree of family embeddedness and socio-emotional wealth.

To measure socio-emotional wealth, family business researchers, Berrone et al. (2012) developed a five-dimensional system, known as the FIBER scale, which consists of the following elements: family control and influence; family members’ identification with the firm; social ties; family members’ emotional attachment; and the renewal of family ties through dynastic inheritance.

In light of this and in the context of sustainability, (a) the identification of family members with the firm, (b) the role of social ties, and (c) the renewal of family ties through dynastic inheritance should be highlighted.

- (a) The second dimension of the FIBER scale demonstrates that the family identifies itself with the firm. Many researchers have concluded that the interconnectedness of the firm and the family is what makes family firms unique. The identity of the family that owns the company is inseparable from the company itself, so the company often appears to be an ‘extension’ of the family (Bingham et al., 2011). Thus, family firms are likely to be willing to support any social practice that enhances their image and legitimacy in the eyes of their environment. At the same time, their family businesses suffer a loss of socio-emotional wealth due to their personal visibility or potentially irresponsible social behaviour (Berrone et al., 2010). In addition, family businesses often use corporate social responsibility to meet the emotional needs of the family and the business, for example to maintain and enhance image and reputation (Dyer & Whetten, 2006).
- (b) The next dimension, the binding social ties, refers to the social relations of family businesses. Socio-emotional wealth can provide ties that manifest themselves in collective benefits such as trust, solidarity, close knit social capital, etc. Mutual ties are not only specific to family members but can also extend to a wide range of other types of relationships (e.g., suppliers). Family businesses are often deeply embedded in the local community, for example as sponsors or supporters, for charitable reasons rather than for financial gain. As a way of protecting their

socio-emotional wealth, family businesses are more sensitive to the needs of external stakeholders (environment, community, customers) than non-family businesses.

- (c) The dimension of the renewal of family ties through dynastic inheritance refers to the intention to leave the firm to the next generation. Zellweger and Astrachan (2008) considered transgenerational sustainability the central element of socio-emotional wealth. Research shows that the intention to pass on the firm to the next generation is one of the most important goals of family businesses (Zellweger & Kellermanns, 2011).

The stakeholder theory in the specific operational system of family businesses

According to the stakeholder theory, a company is in contact with a variety of interested individuals or groups, i.e., companies do not operate in isolation, but in a social environment of diverse relationships. A company is responsible for those who influence its actions.

The stakeholder theory, originally described by Freeman (1994), is based on the idea that stakeholders can contribute to the success of the company. The theory suggests that stakeholders may not only relate to the company through profit but can also reconcile economic and non-economic considerations.

Spence (2014) concludes that small and medium-sized enterprises are likely to place more emphasis on family and stakeholders because of the importance of personal relationships. According to Spence (2014) and Carroll's (1979) theory, originally formulated for the large business environment, a combination of four components is necessary for CSR to be implemented in small businesses. Carroll (1979) sees economic responsibility as a foundation, on top of which legal and subsequently moral/ethical responsibility can be built, and at the top of the pyramid is philanthropic behaviour, which is a responsible behaviour undertaken voluntarily to improve the quality of life and is motivated by intrinsic causes. In Spence's (2014) model adapted to family businesses, the easily understandable building blocks of the pyramid allow for the prioritisation of CSR areas. The order of importance of the building blocks may vary, depending on the responsibility and decisions of the owner-manager. At the bottom of the pyramids are the starting points of responsible behaviour, while at the top of the pyramid desirable but not essential aspects are located. The building blocks are as follows:

- (a) Responsibility towards oneself and the family: on the one hand, the survival of the business is a fundamental requirement. Personal attachment, in particular

that of the founder, the possibility of losing one's economic and legal status and the responsibility to ensure livelihood belong to this category.

- (b) Responsibility towards employees: the immediacy of the working environment means that for most small businesses' employees are extremely important to the functioning of the organisation.
- (c) Responsibility towards the local community.
- (d) Responsibility towards business partners (suppliers, customers, etc.).

The theory of responsible ownership

Family businesses' CSR activities can also be explained by the theory of responsible ownership. The concept, originally developed for large companies, was put forth by Uhlaner et al. (2007). Aminoff et al. (2004) defined responsible ownership as a position, a role, a task with risks, obligations, and concerns. Responsible ownership is a balance between the privileges that come with ownership (such as power, motivation, pleasure, wealth) and the responsibilities and risks that also come with it. The essence of responsible ownership is that companies contribute to social development beyond the provision of goods and services (Besser, 1998). Social responsibility, therefore, involves responsibility towards the external and internal stakeholders of the company (Maher & Andersson, 2002). Amonarriz and Landart (2016) extended social responsibility to the concept of responsible family ownership. According to the authors' definition, this entails the long-term commitment of owners to family and stakeholders, responsible behaviour, and balancing the privileges and rights that come with family ownership with obligations and risks.

Methodology

Data collection, sample selection

In our primary research, we collected information directly through primary research – i.e., in the scope of semi-structured interviews – on the actors of Hungarian family businesses in the wine sector. We were able to observe their behaviour and learn about the opinions and motivations of major entrepreneurs in the sector regarding sustainability efforts.

A qualitative methodology has been chosen to conduct our research because this framework fits our research objectives best. Due to the exploratory nature of our research, the most appropriate instrument (interview) also justified the use of

qualitative methodology. Our data were collected via face-to-face interviews because our aim was to understand the phenomenon, and thus the topic under scrutiny could be explored and understood most thoroughly using this method.

The following research questions were formulated:

- (1) What are the social responsibility objectives of family businesses?
- (2) What are the motivations of family businesses in relation to social and environmental responsibility?
- (3) How was/is corporate social responsibility reflected in different areas of business operations; and
- (4) How does sustainability activity affect relationships with stakeholders?

No database of Hungarian family wineries was available for our research, so a non-random sampling procedure was used as also proposed by Babbie (2017). The interviewees were selected based on a database we had created through personal contacts. We contacted family entrepreneurs whose businesses qualify as family businesses and operate in the wine sector. The size of the company or the number of generations working in the business was not specified. For defining family businesses, the 2019 definition of Budapest LAB Entrepreneurship Centre of Budapest Business School (Kása et al., 2019) was used. This definition recognises as family businesses those businesses that (1) consider themselves to be family businesses and (2) at least fifty percent of the firm is owned by at least one family, or (3) the family in question participates in the management of the business, or (4) family members participate in the operation of the business as employees, or (5) the transfer of management and ownership is taking place partly or fully in the family.

We started our research by formulating research questions, which was followed by data collection and data entry. Transcripts were made of the audio recordings of the interviews and the resulting data were structured using the NVivo 12 software. Data were collected between November 2020 and April 2021. Our study is based on 21 interviews. The most relevant data of the interviewed wineries are summarised in the table below (Table 1).

Table 1. Presentation of the sample

Wine region	Founder	Wine maker	Size of cultivation area	Number of interviews	Interview code
Balatonboglár	Active	Family member	<20 Ha	1	B20
Csongrád	Active	Family member	21–60 Ha	1	B1
Eger	Active	Not family member	61–120 Ha	1	B2
Hajós-Baja	Active	Family member	<20 Ha	1	B16
Hajós-Baja	Active	Family member	21–60 Ha	1	B13

Hajós-Baja	Active	Family member	61–120 Ha	1	B11
Máttra	Active	Family member	21–60 Ha	1	B10
Mór	Active	Family member	<20 Ha	1	B17
Pannonhalma	Active	Family member	<20 Ha	1	B3
Pannonhalma	Active	Family member	21–60 Ha	1	B5
Pannonhalma	Active	Not family member	21–60 Ha	1	B4
Szekszárd	Active	Family member	<20 Ha	1	B7
Szekszárd	Active	Family member	21–60 Ha	1	B18
Szekszárd	Active	Family member	61–120 Ha	1	B21
Tokaj	Active	Family member	<20 Ha	1	B14
Tokaj	Active	Family member	<20 Ha	1	B15
Tokaj	Active	Family member	<20 Ha	1	B19
Tokaj	Active	Family member	21–60 Ha	1	B12
Villány	Active	Family member	<20 Ha	1	B6
Villány	Active	Family member	21–60 Ha	1	B9
Villány	Active	Family member	61–120 Ha	1	B8
Σ				21	

Source: own work.

Analysis of interviews

The role of family in assuming responsibility

The analysis of the interviews began with an introduction to the role of the family, as the family is a specific dimension in family businesses. We then followed Spencer's (2014) fourfold division, which corresponds to the external and internal stakeholder dimensions of the stakeholder theory. In the current situation, internal stakeholders are the family and employees, while external stakeholders are the local community and business partners, in the case of both stakeholder groups we also examined joint responsibility towards consumers, suppliers, and competitors, and finally the responsible behaviour towards the natural environment.

CSR is a management decision; the values of the manager and the family determine the CSR activities of the company. Economic, ethical, and legal responsibility were found to be fundamental in the case of all companies studied. *"I was socialised as such, I grew up with it, and it gave me this value system, this way of looking at the world, this way of looking at issues outside my profession. I would say it's a good thing"* (B1).

The patterns provided by the grandparents or parents can be discerned in the quite varied behaviours exhibited by the coming generations: *“And then Luca walked out with me... We planted Irsai Olivér Rhine, Riesling and Kadarka, about five hectares here on the slope. And then she walked out with me, looked at the vineyard and said, ‘Mum, from now on you can call me Luca Kadarka and I’ll call you Mummy Kadarka.’ And she remembered and used the names for about six months”* (B2).

The entrepreneurs interviewed were of the same opinion about the love and respect for nature as a family value and essentially expressed the following: *“... we definitely try to give more space to nature. You don’t have to plough every single square centimetre. but leave it in a more natural state.”* (B3). The values that are taken for granted in the family permeate the whole operation of the business. The values of the founder are crucial to the life of the company and are also essential for the survival of the family business.

I. Responsibility for the business and the family subsystem

The first dimension of the pyramid developed by Spence (2014) is the responsibility of the enterprise towards itself and the family. Without personal integrity, self-expectations, and predictability (Spence, 2014), the head of the company cannot assume responsibility for the business or others. After the personal image of the company’s head comes the responsibility of keeping the business alive in economic terms and ensuring its survival. In the interviews, securing the livelihood of the family and the economic success of the business emerged as the two most important goals.

II. Responsibility for employees

The second group of internal stakeholders examined is the employees. There is a strong sense of responsibility on the part of the owners, which often manifests in financial (long-term contracts, predictable bonuses, provision of a staff apartment) and psychological support. Personal contact with employees is important. A familial organisational culture provides security for both family and employees. Mutual commitment leads to lower turnover. A well-equipped, safe working environment and employee training funding are also mutually beneficial for both the company and the employees.

It was observed that long-term employees are important for long-term strategic decisions, and that the aim is to select employees who, in line with the values important to the family, think long-term about their work. *“Here in Somogy it has always been difficult to find the proper workforce. They always had to be brought from abroad or further afield, and we also had to ensure in some way that they would stay here.*

It was also in the interest of the owner that they should feel comfortable here, stay to work here and continue farming” (B3).

Fair and equitable treatment is particularly important for family businesses. *“Well, yes, we have employees, not many, but yes, we try to treat them well because they have been with us for a long time now. And I think they are satisfied. It’s also important out in the fields, you always have to be nice and treat your employees well and try to keep them no matter what” (B3).*

III. Responsibility for the local community

Astrachan (1988) pointed out that the family business and the local community in which it operates are closely linked. The family nature of the enterprise affects such firms’ relationships with the local environment. At the bottom of the third dimension of Spence’s (2014) pyramid is ethical responsibility towards the local environment; this includes not only payment on time but also good quality products. Personal relationships between the family and the manager can strengthen the relationship with the local community. This is particularly important for families whose business and/or product bears the family name, as in this case the family’s reputation is at stake. *“Well, yes, they know it because, I suppose, they talk about it. It’s nice to be known, and it’s important to maintain a good reputation because of the great tradition that is behind it” (B3).*

Focusing on environmental conformity leads to the long-term success and equilibrium of the firm (Astrachan, 1988). A willingness to cooperate earns recognition and enhances the family’s reputation. *“Recently we acquired twelve hectares of grapes. The old man – he is eighty-something, or I don’t know, and said, ‘John, listen, I can’t do it anymore, my daughter doesn’t want it because she has other interests, and my granddaughter is only eight years old. Keep the vineyard for another ten years and then give it back to her in the condition it is now.” (B1).*

The personal motivation of the founder can also be seen in the work they do for the local community, and in many cases commitment to the local community extends to the natural environment as well. As one interviewee phrases it: *“For example, when we plant a forest, we plant native trees, which grow more slowly, like oaks, but at least they are not acacia, which is not native and is bad for nature” (B3).*

IV. Responsibility towards business partners

(1) Suppliers

When we asked our respondents about their suppliers, they spoke mainly about the long-standing relationship they have with them and emphasised their commitment.

These suppliers are often from the local community and carry out maintenance work; perhaps they are families from whom they bought the vineyards. If possible, family businesses prefer to choose locals.

Supplier relationship also includes tenant relationships, whose notion emphasises responsibility for nature as well as financial interests. *“The fields are rented out, so if there is a tenant who wants to farm organically, he or she would have an advantage as a potential tenant”* (B3).

(2) Consumers

A family’s commitment to entrepreneurship also becomes tangible in their concern for their consumers (Leach, 2007). *“Wine is a trust product, and I always tell people at the opening of each of our store that if someone brings our product home for a Sunday lunch, we have in fact formed a trust relationship”* (B1). Most of the interviewees strive to have as direct a relationship with their customers as possible, because a personal, direct relationship leads to more loyal customers. *“Family businesses are attentive to customer needs and provide better quality products and services”* (B1).

For family businesses, the interaction with consumers is usually more personal, so emotional reactions are important and are usually much appreciated. In our experience, family businesses are characterised by greater flexibility and adaptability towards customers: *“We organise road shows and parties at the shops so that the locals feel like they own the place, they come to have fun, taste the wine, listen to music, get to know each other better”* (B1).

According to Leach (2007), these types of firms are more customer-oriented and, therefore, pay more attention to the quality of their products and services. They see quality as a strategic objective (Poza, 1995): *“So it matters whether you give a product like this to a small child or the juice of an over-sprayed grape”* (B1). The rewards and outcomes of high quality can be measured in economic terms: customer loyalty and an increase in the reputation of the business and/or family.

The reputation and image of the family is also of paramount importance, as the product often bears the family’s name. *“Obviously I want it to be damn good because we put our name on it”* (B1).

(3) Cooperation with competitors and the wine community

There are outstanding examples of cooperation with competitors in the Hungarian wine sector. Cooperation by different wine regions for common goals is achieved in a variety of ways.

In the Pannonhalma wine region, the PH-Value is the result of cooperation: *“The purpose of creating the PH-Value was to enhance the reputation of the wine region, to improve the quality of the wines of others as a result of the cooperation, to increase each*

other's knowledge and to put a product on the table that everyone, from the Archabbey of Pannonhalma to the smallest cellars, could put their name to; we considered this a cardinal issue" (B1).

The Tokaj Community Infrastructure (Tokaj Grape and Wine Community Infrastructure Centre Nonprofit Ltd.) *"... is a public investment; it has tractors and undertakes various jobs from soil work to spraying. It has been operating for about three years now and we use them for major works" (B4).*

Somló Superior is the result of collaboration among the wineries of the Somló wine region: this Somló wine of protected origin can only be made from grapes grown in organic farming, which constitutes a unique feature in Hungary.

Szekszárd was perhaps the first wine region to show how to think together and implement joint projects in the past ten years, for example the joint tastings and the Szekszárd bottle, which brings together local varieties (Kadarka, Kékfrankos, Bikavér wines) and producers. *"We are talking about a wine region or what. Now, the image of a wine region is nothing if we, producers, don't stick together" (B5).*

V. The emergence of nature awareness or the importance of environmental responsibility

In everyday life, passionate love of nature and a commitment to the environment permeate the management and mindset of the wineries surveyed, both in viticulture and in winemaking, which originates from family values. The personal values of the founder are a key factor in the relationship with the environment, which can override even the financial interests of the business. *"We don't buy the best ploughs, but rather small meadows that may not be as valuable, but that's how we protect them. We try to keep them, we do not plough them, but keep them in their natural state, just mow them. Yes, we maintain all the pastures and meadows, because it's more natural than a ploughed area.... And we also try to keep the forest in its natural state" (B20).*

Moreover, our research has shown that environmental sustainability and the protection of the environment are important goals for Hungarian family wineries. In addition to preserving the environment, we have also identified a noble goal that goes beyond the business goals and is linked to the domestic wine sector. *"We have an important task, to have propagating material from the oldest Furmint types and to save the best Furmint types. It's a constant process, so it never stops, but the wine region does not really deal with it and in the meantime Furmint varieties are becoming extinct, which, afterwards, can no longer be revived... we are working on this with the Eszterházy University" (B12).*

CSR behaviour of family wineries' drivers

A number of studies have been carried out on the sustainability of various industries, including the wine industry (Silverman et al., 2005), and on the motivations behind the environmental responsibility of SMEs. These studies suggest that motivations may be voluntary, market or government driven, and customer or consumer driven. Doane (2005) identifies four classic market-type drivers of CSR activity: risk and reputation management; protection of human capital; meeting consumer needs; and regulatory compliance. However, in his study, Doane (2005) distinguishes between ethical minnows and global mammoths. The former are smaller, so-called niche firms that aim to do business differently by applying completely different rules.

We assume that the wineries examined in the scope of this research fall into this category. They do not act responsibly from a purely commercial-market point of view, but because of their moral standpoint in social, environmental, and economic aspects. Both voluntary and market-based incentives surfaced during the interviews. Porter and Kramer (2002) highlight the positive impact of incentives on the quality of the business environment, educational conditions, and local quality of life, as well as the improvement of competitiveness, which can make the company's philanthropic activities more effective than before.

In the case of Hungarian wineries, the following motivational factors were identified in the interview transcripts:

Voluntary motives: include motives that are related to the preservation of the socio-emotional wealth of the family business, which may be internal (e.g., generational transition or the preservation of the family's reputation) or external (e.g., social ties or the local community); they may motivate managers to make decisions to this effect. Long-term orientation is particularly important for agricultural enterprises. Specific farming knowledge and practices have a greater incentive for intergenerational transmission. Family farms tend to pay more attention to water and soil conservation and energy efficiency than non-family farms (Tweeten, 1987; James, 1999). *"If you also want to pass it on to your children and grandchildren in this way, you have to think about it. After all, if you over-fertilise the soil, because fertiliser is salt, what will your grandchildren produce on that land? A person who thinks this way, in the long term, is not ruining the future of his own descendants"* (B4).

Another important element of socio-emotional wealth is family reputation, which may also encourage the family to take environmental considerations into account, although such considerations were not observed in the family businesses under scrutiny.

It was found in all the cases that, in addition to economic considerations, finding efficient and as nature-friendly ways of cultivation as possible with regard to drainage, waste management, spraying, and applied machinery was of particular importance, which simply stems from a love and respect for nature, an intrinsic motivation. The attitude to innovation was also very much emphasised. *“There is the weather forecast: now there are also tenders to spray when we need to. Nowadays, with the help of a computer, we can achieve very good results”* (B5).

Regulation driven CSR: another explanation to practising organic farming surfaced during the discussions, namely the question of EU support schemes. *“So, there are not that many of us yet, but it is developing. I think that the organic sector is getting stronger because there is EU support for it... the EU requires you to leave three-metre strips at the edge of areas where there are bushes. So, this is greening. Farmers, who would not realise on their own why this is good, are getting some financial incentive”* (B4).

Consumer-driven CSR: in addition to intrinsic motivation and legal requirements, the competitive advantage of environmental responsibility is also an important aspect. Respondents pointed out that, in their experience, environmental considerations and organic farming do not motivate consumer choice in Hungary. *“The majority of Hungarian consumers are not [interested]. One reason for this is that organic wines perhaps do not yet have a distinct image, they are not well marketed, or perhaps consumers are not yet looking for organic products”* (B4).

Philanthropy: philanthropic behaviour is responsible behaviour undertaken voluntarily to improve the quality of life and is typically motivated by intrinsic reasons. This can mean the following: a cause or institution that is important to the family of the manager and/or owner or sometimes to an employee is supported (such as a sports team or club favoured by the owner), support for charities, participation in charity wine auctions, or smaller or larger grants, donations of goods or services to local schools or communities.

Results

Our first research questions concerned the social responsibility objectives of family businesses. According to the Basco (2017) division, the non-economic objectives of the enterprise are planned and appear as conscious objectives, including the issue of the pressures on the environment, the protection of nature or related innovation, product, and service development.

The second research question concerned the motivations of family businesses in relation to social and environmental responsibility (see Table 2).

Table 2. Motivations for CSR in family businesses

	Characteristics	Motivation
Internal stakeholder group		
Towards family	predictability trustworthiness of the manager personal image responsibility for the economic survival of the business	ensuring the family's livelihood
To employees	the financial appreciation of workers material liability fairness safety at work	developing a familial organisational culture lower turnover
External stakeholder group		
Local community	of outstanding importance accurate payments commitment to the local natural environment supporting the local community	know and use the resources offered by their environment
Consumers	product responsibility considering customers' needs, expectations, and reactions, customer focus desire for direct contact	serving real needs information on consumers loyal customers enhancing the family's reputation
Suppliers	timely payment rarely change	personal, trust relationships
Competitors	cooperation is important competitive spirit	joint marketing, better performance
Natural environment	considering the load capacity of nature environmental considerations	supporting renewable capacity

Source: own work.

Table 3. Motivations for family businesses to assume environmental responsibility

Voluntary motivations	motivations linked to the retention of socio-emotional wealth long-term orientation family reputation intrinsic motivation, e.g., belief system
Encouraged by regulations	EU support scheme legal requirements
Encouraged by consumers	can provide a competitive advantage

Source: own work.

Three groups were identified in terms of motivation (see Table 3). The first group consists of non-conscious (i.e., instinctive) motivations, the second of CSR activities

imposed by various regulations, and the third group includes CSR activities imposed by consumers or market competition.

The first dimension of motivation is the set of instinctive motivations that arise from inner urge. Instinctive motivations are based on the founder's values, beliefs, and culture, which permeate the entire operation of the family business, including CSR activities; they include the manager's personal commitment to the company and openness to innovation. Our respondents agreed that their CSR practices are not driven by financial considerations. The family nature of the business also influences the relationship with stakeholders, which can be described as mostly personal, trustful, friendly, and caring. Also, in the instinctive category one finds the desire to preserve the family's socio-emotional wealth, which includes the importance of maintaining a good reputation and the desire for generational transitioning. The long-term orientation of the family is a condition for the success of the family business. Long-term orientation is about prioritising those decisions and actions that exert their effects in the long term or whose consequences are felt in the long run (Lumpkin & Brigham, 2011). The second group of motivations is the need to comply with legal regulations, which was mainly observed in relation to environmental responsibility, including the need to comply with strict rules imposed on domestic wineries, the possibility of switching to organic production, the need to meet certain conditions for accessing EU funds, but also the need to comply with voluntary schemes (see Demeter certification). The third group is the desire to meet consumer demands and gain a competitive advantage. No such strategic considerations were found in the case of the companies surveyed.

With our third research question, we wished to find out how CSR is embedded in the businesses' different areas of operation. The first group of internal stakeholders are the managers themselves and the family in the ownership of which the business is. Our research underpins the pyramid structure described by Spence (2014); based on this, the starting point is the responsibility to ensure personal integrity, directly followed by the economic responsibility towards the family, and the responsibility to ensure the survival of the business. The third element of the first dimension is ethical responsibility, which is implicit in all the activities of all the businesses examined. The results of our research show that the management's responsibility manifests itself in economic, legal, and ethical responsibilities. At the top of the pyramid there is philanthropic responsibility, which we did not encounter in the family dimension.

The second group of internal stakeholders is responsibility towards employees. This is demonstrated by a long-term relationship based on mutual trust and treating employees with respect and dignity. With regard to external stakeholders, cooperation with suppliers and customers is important. As for suppliers, it can be observed that companies rarely replace well-established old suppliers and that there is a preference

for cooperation with similar environment-oriented stakeholders. A strong focus on consumers and the development of personal relationships plays an important role in the CSR activities of the enterprises surveyed, and so do strategic objectives, which require the provision of quality products and services. It has been observed that cooperation with the local community is important, and this type of commitment is most often expressed through engaging local labour and support for the local community. Cooperation with competitors can take the form of the creation of joint products and the formation of alliances to promote the reputation of the wine region. Responsible behaviour towards the natural environment is integrated into everyday operations, including obtaining certifications and introducing environmentally friendly, technological, and conservation innovations.

Our fourth research question was how CSR practices affect the relationship with stakeholders. The entrepreneurs interviewed reported that personal relationships and caring behaviour towards employees, including for example a good working environment or managing diversity appropriately, lead to a reduction in staff turnover. A close, trusting relationship with suppliers leads to a more reliable supply chain, while knowing your locality is an advantage in making better use of human resources. As regards competitors, the companies surveyed are more likely to cooperate than compete. Philanthropic activities are mostly manifested in voluntary financial support to the local community and such activities, in fact, do not make a big difference to the life of the business.

Responsible ownership, as formulated by Lambrecht and Uhlener (2005), is a long-term commitment to family, business, and community. Our empirical research shows that social and environmental responsibility plays an important role alongside cost-effective and profitable operations. Intrinsically motivated CSR activities have been observed in the case of the family businesses examined, and these firms were able to align the three pillars of CSR: the expectations of ‘sustainable, profitable, and ethical’ operations.

Conclusion

The diverse CSR activities of family businesses are based on close family ties, a shared history, thinking together in the long term, and socio-emotional wealth. Our research has shown that strong emotional ties to the business further reinforce long-term orientation and commitment, and, in the case of our sample, family values determine the CSR activities of the family business. Based on the interviews, it can be concluded that the CSR activities carried out by the examined enterprises can be explained by the theory of responsible ownership (Amonarriz & Landart, 2014),

as these enterprises can contribute to the development of society not exclusively by providing products and services. It is the owners of the family businesses who are responsible for deciding on CSR practices and taking responsibility for them.

The interviewed entrepreneurs reported that in many cases the CSR activities of family businesses are not a result of conscious corporate behaviour but rather stem from the nature of business operation, including the relationship with internal and external stakeholders of family businesses, which is mainly dependent on decisions taken in relation to socio-emotional wealth. However, in the case of environmental responsibility, there is a much more complex, more conscious, and responsible behaviour that considers both economic and ecological interests. Our results also show that in the enterprises studied CSR was not implemented within an institutional framework. The financial resources allocated to CSR measures depend on the intentions, emotions, and belief systems of the owner family.

The CSR pyramid can be seen as a dynamically adaptable framework that focuses on both the present and the future (Carroll, 2016). The pyramid can be used in different organisational environments and in practice it can help Hungarian family businesses to think holistically and consciously about their CSR related activities.

Wineries play a significant role in the sustainability of the rural environment, so the goals and motivations identified in our research expand the knowledge about Hungarian family businesses. Knowledge of the motivations associated with sustainability initiatives collected in the scope of this research project is necessary for both management and environmental protection, as internal factors strongly influence the promotion of social and environmental sustainability in the case of family businesses.

Limitations to the research, possibilities for research extension

The challenge in family business research is to understand the interactions between the business, the family as well as the individual and their impact on the business. Our present study focuses on CSR activities. This research explored the socially responsible behaviour of family businesses on the example of Hungarian wine enterprises. Our sample consisted of one prominent representative from each of the five Hungarian wine regions. Family businesses as social and organisational phenomena are particularly suitable for research using an interpretative approach. The depth of their many characteristics that make them unique could be captured within a heterogeneous population through the application of this research method.

Our study is exploratory and as such does not address the extent of social responsibility towards the different groups concerned. As a continuation of the current

research, a deeper understanding of the nature of CSR activities would be required. Due to the heterogeneity of family businesses, different types of CSR activities can be observed in the individual businesses. Due to the small number of enterprises included in our sample, the observations described cannot be generalised, and this research did not extend to differences in sustainability practices due to generational characteristics of family businesses.

The examination of family businesses can be important and useful not only for family-owned firms, but also because many family businesses engage in practices that can serve as an example for non-family firms. For example, the loyalty of employees of a family business to the business, and the question of how this loyalty affects the family business are also interesting issues. This may also be critical for non-family businesses seeking loyal employees.

Finally, the aim of our study is to draw attention to the importance of responsible behaviour in Hungarian family businesses, where it is an ownership and/or family decision to integrate CSR into everyday operations. In addition to generating economic wealth and improving the family's quality of life, the values of environmental consciousness and social sensitivity are also crucial.

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