Sustainability Approach in Family Business: A Study in Food Sector from Isparta, Turkey

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Abstract

One of the most important issues of sustainable development strategy is to comply with the principles of sustainability in the production, preparation and services of food stuffs. The study aimed to reveal family business firms’ attitudes on the sustainability of family businesses operating in the food sector, economic, social and environmental dimensions. Even though this study exemplifies aver small percentage of enterprises in our country, it has surveyed restaurants operating in the food industry, manufacture of bakery products that reveals family business' approach to sustainability issues. The study has been applied to on 33 enterprises in Isparta. Even though business owners have indicated a high rate of positive opinion about the sustainability, they have not enough success on the way of sustainable application.

Keywords: family business, sustainability, sustainability strategies, food sustainability

Introduction

The problems such as rapid exhaustion of natural sources, climate change, and violation of human rights are gradually growing. Consequently, resolutions of these problems are loading heavy responsibilities over the shoulders of nongovernmental organizations and private sector.

Much as the family-owned enterprises themselves constitute an economical structure, they have to carry out activities on the spheres of social and institutional management, too.

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In spite of the studies made over small-sized and medium-sized enterprises, and in spite of so many studies regarding the attitudes and behavior of the enterprises towards the environment; too little of the result-oriented statistical information and large-scale studies are published (Uhlaner et al., 2012:411-429).

Motivation enhancing activities of governments for the enterprises to perform environmental activities are of considerable quality. Also, it is rightful to bear in mind the driving power of the enterprises stemming from themselves, not from the governments. For example, in Germany and Holland, motivating roles of the enterprises stemming from themselves regarding sustainability has to be noticed. Another example is that in 2011, in a research that Bertens and his friends made, about one-half of the enterprises that took part in the research making planning of sustainability actively put forward economic and innovative products and services (Uhlaner et al., 2012:411-429).

According to the results of a research that Uhlaner and his friends made in 2011, positive-directional social pressures on family-owned enterprises, gave considerably positive results in the family-owned enterprises.

Also, in a quantitative research made in America, the bond between family-owned enterprises and the environmental performance was put forward. The family-owned enterprises suggested that they are more socially responsible than the ones that are not family-owned (Dyer and Whetten, 2006:785-802). The result which came out of the researches is that; being environmentally-friendly acts as a protector of the family image for the family, along with giving a good image to the society for the family-owned enterprises (Fuller and Tian, 2006:287-304).

Also in Turkey, some different studies are carried out on the enterprises that operate on different spheres, in order to increase the awareness of the enterprises about sustainability and analyse the attitudes and behavior of the enterprises regarding sustainability. For example, in 2011, a research was made on the enterprises that give service at the sector of construction material, and in 2012, the results of this research was published (İMSAD, 2012). According to the results of the research, the degree of importance given on the matter of sustainability by the enterprises and their sensibility level on this matter proved to be quite high. By the anxiety of falling behind the rivalry, enterprises get weak both in terms of the strategy of sustainability and data collection, usage and extension to activities regarding the application of sustainability. Also, according to the same research, the importance given on the issues relating to economic dimension of sustainability is quite high. Yet, the importance given on the issues relating to the social and environmental dimension of sustainability is low.
According to another research, in a global-scaled study that the international Mc. Kinsey Company made in 2010; more than half of the participants of the questionnaire describe sustainability as “important” or “very important” for their enterprises. In the research, 81% of the 766 senior managers stated that sustainability has a place in the strategy of their enterprises and 96% of these managers stated that they want to make sustainability the main agenda of their enterprises. But Mc Kinsey Company conclude that many enterprises don’t fulfill sustainability actively or make future-oriented sustainable investments. Another important result of the same research is that; according to sustainable performance measurements that Accenture made on 275 enterprises out of 1000 that are situated in Fortune; the enterprises that are among the first 50 take part in sustainable practices, and the 50th one derived 16 % profit out of sustainability practices in three years.

Over the results of this research, Mc Kinsey emphasized that enterprises must take part in sustainable development practices no matter what the cause or effect is (Sustainable Value Creation Report, 2010:11).

Enterprises give high importance to the issues that are enforced by laws and regulations, just as the issue of occupational health and safety regarding social dimension. So, it is important that government officials bring forth legal obligations in order to increase the importance that enterprises give concerning social and environmental dimension. In the same research of IMSAD (2012), it is noticed that enterprises give much more importance to the issues -which are within side the expenditure that can be converted into money in the short term- such as eco-efficiency in the way of reducing waste, raw material, and the amount of energy.

In Turkey, there aren’t any sufficient researches about the issues of sustainability on different business lines. So, the studies -that are to be made on the family-owned enterprises- aimed at increasing the awareness of sustainability are of great importance. As sustainability has become an important trend in terms of permanent and long-term stability for the last decade, sustainability approach is considered as an important key for expansion, besides providing competitive advantage for the enterprises.

Although some institutionalized family-owned enterprises develop sustainability strategies and projects, not awareness has been created in small-sized family-owned enterprises in this respect yet.

The reason why the enterprises which constitute the resource of our research are selected among the ones especially operating on the sphere of food is that there haven’t been adequate researches made on this sphere, and the safe and sustainable food production and consumption is extremely important.
According to the data of United Nations World Health Organization (2014); it is a fact that one billion and six hundred thousand people in the world have health problems due to being overweight, while one billion people are suffering from starvation. This unbalanced distribution of food consumption makes food sustainability obligatory and it makes urgently putting forth influential studies on this sphere inevitable for humanity. Studies that are to be made on the spheres of sustainability of food production, food safety, and reliability will undoubtedly increase the awareness of the society. In this respect, great responsibility falls to the shoulders of small or large-sized enterprises.

1. Literature Review

1.1. Family Enterprises

Family enterprises refer to the type of business that survives in the most common ways. Family-run enterprise concept is not related to the size of a business; it is rather related to the management of the business. Either it is small, medium or large, or even huge, therefore, in this sense; each business is considered family enterprise the management of which is run by the members of a family (Family Oper. Congress 2008: viii).

Family business is used for social organizations which are established by individuals of the same kinship to produce goods or services for profit. (Bilgin, 2007: 6). In the majority of developed countries, influential businesses are either family businesses or continuation of businesses that were originally set up as family businesses. 95 percent of private enterprises in Turkey are Small and Medium-Sized Enterprises (SMEs), and approximately 99.8 percent of them are family businesses (Çemberci, 2013:1).

Therefore, family businesses occupy an important place in social and commercial life in terms of their numbers and contribution to employment in the world economy. As they are the most active actors of commercial life today, family businesses hold the most important place for the ecological balance and there is a necessity for these enterprises to adapt themselves to "sustainable enterprises". Differentiation and changes brought by economic, social and cultural areas due to globalization force family businesses to create new strategies for future (Yelkikalan and Aydın, 2010:117).

One of the most powerful aspects of the family businesses in decision-making is their ability to make quick decisions and capabilities in growth areas. Shared common history, culture, values, trust, effective communication and decision-making facilitate the entry into practice (AIK, 2010).
Thus, joint efforts to be made by business owners will give an impetus to increase the awareness of sustainability. Surely, the change is an inevitable process it is extremely important in terms of the healthy growth of the company and providing its continuity. Efficient use of scarce resources in the world and leaving a livable world for future generations will only be possible through sustainable enterprises.

1.2. Sustainable Development

Although there is a long history of the concept of sustainability, in the report called "Our Common Future" published in 1987, a link has been established between the concept of "sustainable development" and economic development and environmental problems. (Schomberg, 2002:2). The absence of a single universal definition for sustainability inevitably leads to occasional confusion with the concept. Although it sounds like an exaggerated number, over three hundred definitions have been proposed for sustainability until now.

In the Brundtland Report sustainable development or growth is defined as to meet today's generations' needs without jeopardizing the ability of "to meet future generations' own the needs" (Brundtland and Report, 1987). This definition is more used widely than other definitions. Surely, many compelling reasons can be listed for sustainable development. Today, depriving our world of a livable world and forcing future generations to live in danger, five major reasons can be listed. These are overcrowding, pollution of our water resources, deforestation, greenhouse gas emissions and the melting of glaciers.

These dangers that surround the world pose risks that cannot be compensated for future generations. Based on the data from the Natural Resources Council (2013), a rise in the sea level between fifteen to twenty centimeters have occurred due to one degree increase in temperature of the globe especially over the last hundred years. Antarctica constitutes 90% world glacial volume and 70% clean potable water. As a result of the melting of the polar ice caps in the North and South poles, habitats of many species and organisms are damaged. Biodiversity is in decline and the decline causes endangers the lives of these species or cause their extinction. However, wealthy countries constitute a large proportion of the worldwide consumption of resources. For example, although the United States does not constitute even 5% the world's population, it consumes 26% of the world energy. According to all this information, because the advanced countries use the large proportion of the world's resources, the developed countries must contribute to the underdeveloped countries and developing countries in terms of sustainability.
1.3. Sustainability of Food

In parallel to population growth, increasing consumption culture in the world threatens the food security, thus, on the one hand about a billion people suffer from hunger, on the other hand, one billion six hundred thousand people suffer from health problems due to overweight. By the year 2050, if necessary urgent measures are not taken, the world population will inevitably reach to nine billion (News Center, 2013). The United Nations’ “Millennium Development Goals” cover eliminating extreme poverty and hunger by 2015. Based on the 2013 annual report of the United Nations, one in every eight is chronically undernourished in the world and there is a long distance to be driven in this matter. According to the UN Food Organization’s estimates, by 2050, it will be necessary to produce sixty percent more food than from the current situation in order to feed 9.3 billion people (UN News Center, 2013).

There is already difficulty in obtaining enough food; also the hunger persists due to the failure of providing people in need to access to food. Unless necessary precautions are taken, three hundred million people will have to fight the hunger and misery in the future (Turkey Sustainable Development Report, 2012:35). In other words, some other part of the world will continue to complain about starvation while others suffer from obesity (TUSIAD, 2013).

Based on the United Nations 2013 data; an average of about one billion three hundred tons, that is one third of the produced agricultural products is wasted. While food waste in developed and democratic countries is about 670 million tons per year, this amount is about 630 million in developing countries. In developing countries, 40 percent of loss of raw materials occurs in post-harvest stage, while the same amount of food waste in developed countries occurs in retailers and consumers stages. The loss of raw materials for food in developing countries occurs due to harvesting techniques, technological, financial and administrative problems in storage conditions (BM News Center, 2013).

With “Green Revolution” in the 1960s, an agricultural model based on intensive use of chemicals, intensive energy and capital consumption was applied. Although with this agricultural model the production increased by two times between the years 1960 - 2000, sustainable food production and consumption became necessary due to reasons such as narrowing the land to make agriculture, increase in greenhouse gas oscillations, and reduction in bio-diversity and nitrate pollution of water resources. Sustainable food consumption and practices refers to products whose genetics are not modified, local or not processed products. Sustainable consumption is the delivery and transportation of food in sufficient quantities to consumers with a price that they can afford. Food sustainability reminds consumers their responsibilities about sustainability (Gerson et al., 2013:1).
The main interest of the food industry is processing and converting agricultural raw materials into high-quality food and beverage products. Key issues such as energy use, greenhouse gas emissions, resource and waste management, water and waste water management and packaging are indispensable parts of sustainable food. Those who attempt to sustainable nutrition and food security must come together at every opportunity and they must create platforms, in addition, they must create grounds in these platforms to develop projects to prevent waste.

The solution of these resulting problems, fight in preventing food waste and hunger will be possible with increasing the coordination between the retailer and farmers and raising the awareness of stakeholders such as producers, retailers and consumers who are the people in the food chain. Food and Agriculture Organization of the United Nations (UNFAO), The Environment Programme (UNEP) and their global partners in the globe have launched a campaign called “Think, Eat, Save, Reduce Your Food Print” (UNFAO, 2013). With this action, targets were determined to minimize the waste for consumers, retailers and service sector. Through this campaign, families, supermarkets, hotels, schools, sports clubs, private sectors, public sectors, social organizations, mayors and world leaders are asked to raise their voice on the food consumption and conduct researches on this matter.

The United Nations Food and Agriculture Organization (FAO) run activities throughout the world for sustainable feeding and food safety within the scope of "United Nations Sustainable Development Agenda", however, food safety will only be possible with the support, active participation and dialogues of governments, international organizations, non-governmental organizations and other sectors. It should be spread to all layers of society by working together.

Turkish Industry and Businessmen's Association (TUSIAD, 2013) organized an important meeting for food sustainability and security. In this meeting, issues related to "food safety and food reliability", food and agriculture sector together with the 2015 G20 presidency of Turkey were discussed at this meeting. At the meeting, issues related to Turkish agriculture were discussed the established gene banks and the importance of drought testing center were highlighted. Turkey is the seventh largest agricultural countries in the world, thus sustainability is of great importance in the economy because the rate of the agricultural sector in GDP is 7.9 per cent, 24.6 per cent in employment in exports the amount is 3.5 percent (9.8 percent including food products). According to TUSIAD, the ways to contribute to sustainable food are increasing agricultural productivity and developing physical and economic access to food (TUSIAD, 2013).

There is no doubt that widely consumption of animal protein should be avoided to encourage sustainable production. Nine billion people will not be able to be fed with animal protein in the future.
Considering that about 70 percent of the people struggling with hunger live in rural areas in the world, cooperatives and farmers associations should be empowered, in addition, coordination should be ensured and the supports that are needed should be able to be accessed easily. According to data of the United Nations World Food Organization, hunger rate in Turkey is given as 5 percent of the entire population. This rate is higher than the averages of North America, Europe, Australia and North Asia. In Turkey in which grain-based diet habit is common, every day five hundred thousand tons of bread, that is, 5 percent of the total production, go to waste (FAO, 2013). In order to avoid wastage of food the way to creating Food Banks were opened with the law enacted in 2004 and tax incentives were introduced for aid to food banks. All kinds Edible over-production of food is aimed to be stored in appropriate conditions and they are intended to be reached the people in need.

"Local Agenda 21" was established as a result of the Agenda 21, an important item of The Rio Conference in 1992; the ground for new management change in local government was established, thus, "City Councils" were formed. Through this Council, they have the chance of quick decision-making on environmental issues and implementing the enforcement mechanisms. Through its applications, Food, Agriculture and Livestock Ministry continues to support for basic sustainable development in agricultural development policies, rural development and food security (Turkey Sustainable Development Report, 2012:35).

1.4. Relationship between Family Businesses and Sustainability

The importance of the family businesses in terms of sustainability stems from numerical and functional size. A large part of the work for the family business is composed of continuity of family businesses and institutionalization of family businesses. We cannot meet adequate Turkish source on sustainable development for family businesses. Sometimes the concept of "sustainability" is used in the context of "continuity" (Yelkikalan and Aydın, 2010:117).

As known; a large proportion of businesses in Turkey and in the world are family businesses. Compared to other businesses, family businesses exhibit different features in many respects. Some of these features are advantages, whereas some pose disadvantages (Kalkan, 2006:71). These disadvantages and risks can be turned into opportunities through sustainable development activities. In the Brundt and Report (1987), sustainable development is achieved not only through the government or the state, but also the business world. Sustainable development has contributed to the development of the business from different perspectives. First, sustainable development shows what areas businesses should focus to ensure sustainable development. Second, sustainable development allows businesses, governments and civil society to create and realize common objectives in terms of social economic sustainability (ISE, 2011).
Since 2000 with the United Nations Global Compact (UNGC), new steps have been taken in line with the concept of sustainability and corporate responsibility in order to determine policies in parallel with the globalization and implement these policies. It is an important step for establishing innovative approaches, creating a common sustainable development culture for enterprises, determining the mass principles. This agreement is a contract covering not only United Nations bodies and civil society but also all private sector businesses and public institutions. The agreement accepts ten key issues as basic principles regarding human rights, labor standards, fight against corruption and the environment. Transparency is expected in businesses adopting these principles on strategy determination and implementation phases. The UNGC members are asked to report practices on these fundamental issues and share them with public (UN Compact 2010 Annual Review, 2011:35).

1.5. Identifying a Sustainable Strategy

In respect of the term sustainability upon which there is no agreement yet, it cannot be thought that the countries and business enterprises accept and apply the same strategy. Every country and business will show their global sustainable contribution through their potential and opportunity by making their own ‘green growth’ (sustainable improvement) scenario/strategy (Sustainable Development Report of Turkey, 2012:39). It is beneficial to evaluate the sustainable improvement approaches on sectorial and thematic base. It needs huge financial resources to adapt the sustainability to the strategic plan of any businesses, to make the whole value chain as a part of the running process, to provide the all sub units of the business to take part in the process and cultural change of the business and also to settle the strategy and apply it. From the point of the enterprises it should be taken into consideration that the preferable and primary important sustainability issues are found out within a plan.

This plan should be done by caring about the shareholders, the expectancy of the business, environmental, social and moral problems (e.g. climate change, food security, social rights of the employees), global tendencies like waste water and clean energy in other words renewable energy etc. The extent of the accountability in the corporate sustainability approach of the businesses needs to be also accountable about the social and environmental performance. Since 1992 as there is sensitiveness about the sustainability the goals of sustainable improvement and economic development of Turkey has been supported; to handle the environment legislation continuously in the Turkish Grand National Assembly an environment committee has been established.

In 1992 in addition to this to run the sustainable environment politics by searching the environmental problems that occurred in Turkey the temporary research committee has been established to show the additional precautions.
2. Methods and Outputs

2.1. Objective of Research

The aim of this research is to expose the social, economic, environmental awareness of the sustainability of businesses that are active in the food industry in Isparta, Turkey and to contribute to the attitude and behavior of the enterprises to the sustainability.

2.2. The Preparation of the Questionnaire

The content of the questionnaire is compiled by examining the national and international studies. Based upon the awareness of sustainability comprehensive survey consequences are identified about the main issue. In the sample survey studies it has been found out those 10-15 minutes are enough to fill the questionnaire. The items in the questionnaire are mostly from the İMSAD Sustainability Awareness Sample Survey Scale (2012) which was applied in the Turkish construction material industry. The process that comprehends the conclusions of the application of sustainability dimensions in businesses is classified in three titles.

These are: the degree of importance of the economic dimension of sustainability concept, the degree of importance of the social dimension of the sustainability concept and the degree of importance of the environmental dimension of the sustainability concept. To measure the economic dimension 6 items, about the environment dimension 8 items and for the social dimension 6 items were used. There has been 20 questions in total about how the enterprises perceive sustainability and how much they care. The questions are prepared by 5 Likert Scale and rearranged to be easier to answer and mark.

2.3. The Application of the Survey

The survey forms are delivered to the 88 enterprises and collected by visiting the businesses again. Yet only the 33 of them turned back. The questions were answered only by the owner of the businesses.

2.4. Results and Discussion

In the research results the degree of the importance given to the environment aspect gained the first place with the average of $X = 4.1$, the second one was the social aspect and the economic aspect was the third. According to the results of a survey about the building trade (İMSAD, 2012) the order was like the environment extent was the first, the second was economic and the following was the social aspect.
According to the results about the environmental aspect, participants see ‘the contamination of the water’ as a very important issue in terms of the sustainability concern of their businesses with the percentage of %75.8. Only the one of the business owners that participated in the search see the contamination of the water resources as insignificant and the other four owners claim that it is partly important. There is no doubt that the decrease in the amount of water sources and the contamination by different kinds of ways is very significant. Especially the release of the used oil into the nature by the restaurants is very important factor of the water pollution. In this aspect the consciousness of the businesses in food industry is a very important step about the saving of the nature. While the water contamination has the first place in the environmental aspect with the average of $X = 4.5$, the other items are in the order of ‘the reduction of the energy consumption’, ‘the reduction of the gas using’, and ‘the reduction of the petrol or petroleum-derived products using’ and ‘the supply of the fossil-based electricity by the renewable resources’.

Noticeable results within the way of application cannot be observed from the replies to the questionnaire despite it was clearly explained that the survey concerning the environmental aspect was very important in terms of their businesses. There is no transition from the environmentalist view which is really widespread in the world to the pragmatist dimension. From the point of social aspect of the sustainability concept the average importance degree of the businesses is $X = 4.0$. The participant business owners of the search give importance to the work safety supply in the first place in terms of the social aspect of the sustainability concept. The business owners see the job security supply as ‘very important’ with the percentage of 84.8.

The other items are in order like ‘very respectful behavior to the employees’, the increase of charity events’, ‘the permission of workers on important dates like festivals etc. and lastly ‘giving high salary’ comes.

In general it is seen that the business owners give more importance to the job and worker safety because of the legal obligation. In such issues legal sanction and high penalty fines force the employers to take the necessary precautions. The business owners can show more flexible attitudes in the application of the sustainability if it is voluntary. Especially in food industry there is a flexible behavior in terms of the issues like ‘the permission of workers on important dates’ and ‘giving high salary’.

It is really hopeful that businesses know they are not only an economic organization but they have social responsibilities. One of the most important things that the scholars have disagreement about the sustainability concept is economic dimension of the sustainability. In the global world, economy is in the center of everything and sustainability is one of those. Although the concept of sustainable management comes from an environmental movement, to ignore or underestimate the economy means not to consider the trivet of the sustainability.
In addition to this the economic aspect that is one of the components of sustainability is not understood well by the enterprises. As the sustainability practices do not bring high profits in short term and there is not enough researches on this issue; it forces the enterprises to be unwilling to step forward about sustainability. For this reason economic aspect does not find a considerable place in researches.

The enterprises participated in the survey attribute less importance to the economic aspect of the sustainability rather than the environmental and social aspects. The average of the importance degree that the enterprises give to the economic aspect of the sustainability is X = 3,9. The investments that are made or going to be made in sustainability have shown the highest tendency to the item ‘It affects the financial performance of our enterprise in mid and long term’. The other items are orderly ‘The reduction of the waste in our enterprise affects financial performance positively’ and ‘Extending the encouraging practices like tax reduction for the environment-friendly products or privileged credit affects the economic performance of the enterprise positively’. The items ‘The reduction of the energy consumption in the enterprise affects the financial performance positively’ and ‘Customers do not only care the price but also they are interested in the manufacturing process of the products’ are followed by the item ‘The reduction of the material consumption in the enterprise affects the financial performance positively’.

According to the research results there is a middle level positive correlation between the economic and environmental aspects of the sustainability (r = 47, n=33, **p< 001). More detailed studies done by the researchers about the positive correlation between the environmental factors and economic factors are going to be very contributive.

2.5. Limitations

The fact that the research has been done with a limited number of enterprises causes the limits of the search. The busy working hours of the businesses created drawback for the willingness to fulfill the questionnaire. Though it needs a very short time to fulfill the questionnaire most business owners did not want to support the study with a limited time excuse. Some of the business owners did not contribute to the study with the argument of lack of information about the sustainability.

The validity and the reliability of the search could be only acceptable because most business owners were high school graduate and they did not have enough knowledge about sustainability (DeVellis, 2003; Briggs and Cheek, 1986:106). During the plot scheme of the research participants refuse to give demographic information so demographic information part was removed from the questionnaire.
Conclusions

Sustainable enterprises contribute to economic development in a healthy environment, social solidarity, increase the quality of life, steps about saving nature, identify the attitudes toward those issues and as part of this idea they provide social peace in the world.

According to the research results the family businesses active in food industry state that they highly participate in the questions about environmental, economic and social aspects of the sustainability. The highest average was for environmental factors in the search and social and economic factors follow it. The most important obstacle in front of sustainability causes from the order of economic aspect as the third one and sustainability do not promise a short term profit in the economic area for the businesses.

Like the worldwide samples it is hard to say we succeeded to transit to the practice part from the idea of sustainability in Turkey. There is no doubt that there are some obstacles in front of sustainable management like being volunteer is more important in environmental and social issues and there are not enough legal and social compulsory factors yet.

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