

Do family businesses lead the way in sustainability—or lag behind?

What do we know about environmental sustainability of family firms?

SOLVEJ LORENZEN · MAIKE GERKEN · HOLGER STEINMETZ · JOERN BLOCK · MARCEL HÜLSBECK · FRIEDERIKE SOPHIE LUX

Published on January 11, 2024

Family businesses play a crucial role in the global economy, but as environmental sustainability becomes an increasingly pressing concern, it is important to examine how these firms compare to non-family businesses in terms of environmental performance. Recent studies suggest that family firms (FFs) may differ in their approach to environmental sustainability, driven by concerns about reputation, generational longevity, and socioemotional wealth. This article provides a detailed exploration of these differences, focusing on two key aspects: environmental handprints (positive impacts) and footprints (negative impacts). The findings are based on a comprehensive meta-analysis of 87 studies, encompassing over 118,000 firms globally.

WHAT WE STUDIED

The study investigates how family firms perform on environmental sustainability compared to their non-family counterparts. The research focuses on differentiating between environmental footprints, which include negative impacts like pollution and resource depletion, and handprints, which represent positive contributions to the environment, such as sustainability innovations. The meta-analysis also explores the heterogeneity within family firms, considering factors like firm size, public versus private ownership, and the type of family involvement in management and ownership.

KEY FINDINGS

1. No Overall Difference in Environmental Sustainability Performance

The meta-analysis revealed no significant difference between family firms (FFs) and non-family firms (non-

FFs) in terms of overall environmental sustainability performance. However, when specific components like footprints and handprints were examined separately, distinct patterns emerged.

2. Lower Environmental Footprint

Family firms generally demonstrated a lower environmental footprint compared to non-family firms. This means that FFs tend to engage in fewer environmentally harmful activities, likely driven by a desire to maintain a positive public image and protect family assets.

3. No Significant Difference in Handprint

There was no significant difference between FFs and non-FFs in terms of environmental handprint. This suggests that family firms are not necessarily more proactive than non-family firms in adopting sustainability-enhancing innovations, possibly due to a cautious approach towards high-risk and high-cost sustainability investments.

4. Heterogeneity Within Family Firms

The analysis also found significant variations within family firms. Small family firms (SMEs) had a more positive environmental sustainability performance than large family firms, likely due to their stronger ties to local communities and greater sensitivity to reputation. On the other hand, large family firms and publicly listed FFs performed worse than their smaller, private counterparts, particularly in terms of sustainability actions.

5. Influence of Family Involvement

Family ownership was found to negatively affect environmental sustainability performance, whereas family management had an insignificant effect. This indicates that ownership-focused family firms may

prioritize the preservation of family wealth over environmental investments, while the influence of family management alone does not seem to significantly change environmental outcomes.

IMPACT

For family businesses, these findings offer several actionable insights:

1. Focus on Transparency

Family firms should capitalize on their lower environmental footprint by communicating their environmental performance transparently to stakeholders. This can enhance their reputation and potentially attract eco-conscious consumers and investors.

2. Collaborative Sustainability Initiatives

To reduce the risks associated with environmental sustainability investments, family firms, especially SMEs, should consider collaborating with other firms or organizations. This could help them share resources and knowledge, leading to more effective sustainability outcomes.

3. Policy Recommendations

Policymakers should consider creating incentives for family firms to engage more in sustainability actions, such as offering tax breaks or grants for environmental innovations. These incentives could help offset the

financial risks that often deter family firms from making substantial environmental investments.

CONCLUSION

The environmental sustainability of family firms is a complex issue, with FFs generally performing better in terms of minimizing their negative environmental impact (footprint) but showing little difference from non-family firms in their positive contributions (handprint). The size and type of family involvement are key factors that influence sustainability performance, with small, private family firms demonstrating the most environmentally sustainable behaviors. Going forward, family businesses and policymakers should work together to enhance the environmental contributions of family firms, particularly by supporting them in overcoming the financial and operational barriers to adopting more proactive sustainability strategies.

TAKEAWAYS

Family business leaders should assess their environmental impact and consider adopting more proactive sustainability measures. Working with local communities, other businesses, and policymakers could help these firms enhance their environmental contributions while maintaining their reputation and socioemotional wealth.

Spotlight by CeFEO, *Do family businesses lead the way in sustainability—or lag behind? What do we know about environmental sustainability of family firms?.* Downloaded on 7 July 2026 from <https://spotlight.cefeo.se>

CEFEO AUTHORS



Jörn Block

Affiliated Professor

University of Trier

block@uni-trier.de

PUBLISHED IN



Lorenzen, S., Gerken, M., Steinmetz, H., Block, J., Hülsbeck, M., & Lux, F. S. (2024). Environmental Sustainability of Family Firms: A Meta-Analysis of Handprint and Footprint. *Entrepreneurship Theory and Practice*, 10422587231221799.

<https://doi.org/10.1177/10422587231221799>

Spotlight is an online magazine that translates research from the Centre for Family Entrepreneurship and Ownership (CeFEO) at Jönköping International Business School, Jönköping University, into accessible insights for family business owners, practitioners, and policymakers.

Spotlight is supported by the WIFU Foundation. This partnership advances dialogue and education in responsible family entrepreneurship and ownership.

