AN EXPLORATORY STUDY OF STEWARDSHIP AND UNIVERSAL FAMILY FIRMS:

THE IMPORTANCE OF UNIVERSAL CARE AND BENEFACTION

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ABSTRACT

In order to address social and ecological crises that business-as-usual practices have contributed to, we will need firms that emphasise Universal care (e.g., who place greater commitment on the well-being of the larger community versus of the firm itself) and Benefaction (e.g., who treat stakeholders with dignity and generosity rather than seeing them as means to instrumental financial ends). This study examines two kinds of family firms that have been identified as exhibiting Universal care and Benefaction, which are two components of the social emotional wealth (SEW) family firms are thought to be more likely to emphasize than business-as-usual firms. In particular, we compare Stewardship family firms and Universal family firms, and find support for the proposition from the literature that Universal firms place greater emphasis on Universal care and Benefaction. Implications are discussed.

KEWORDS

Benefaction, socio-emotional wealth, sustainability, Universal care, Universal and Stewardship family firms

INTRODUCTION

There is increasing recognition that business-as-usual practices that focus on self-interested profit-maximization create negative externalities that contribute to all manner of social and ecological crises, ranging from a widening gap between rich and poor (e.g., Tsui et al. 2018) to climate change (e.g., Wiedmann et al. 2020). In response, scholars are developing approaches to management that pay greater attention to what we call Universal care (e.g., commitment to the larger community rather than just the firm) and Benefaction (e.g., treating stakeholders with dignity rather than solely as means for getting ahead financially) (e.g., Dyllick and Muff 2016; Dyck et al. 2018; Waddock 2021). Family firms in particular, because they emphasize socio-emotional wealth (SEW) rather than merely financial wealth, are often held up examples of businesses that overcome the firm-centric and profit-centric nature of business-as-usual (e.g., Aronoff and Ward 1995; Corbetta and Salvato 2004; Lubatkin et al. 2007; Pirson et al. 2021; Wade-Benzoni 2002).

This study examines and compares two types of family firms that have been identified as especially adept at addressing social and ecological crises facing the planet. First, Stewardship family firms—which represent about 10 percent of all kinship-based firms—serve as an antidote to business-as-usual because of their relatively high emphasis on Universal Responsibility and Benevolence (e.g., Rau et al. 2019; Kurland and McCaffrey 2020; Miller et al. 2014). Second, Universal family firms—non-kinship-based firms that describe themselves as family—also place high emphasis on the well-being of the larger community and on treating stakeholders with dignity (Dodd and Dyck 2015).

This study argues that scholars and practitioners interested in addressing ills associated with business-as-usual would do well to better understand and emulate the practices in both

Stewardship and Universal family firms. We also recognize kinship-based family firms have received more examination—both in terms of their benefits and weaknesses—than non-kinship-based family firms. However, it has been argued that Universal family firms have characteristics that may make them more effective in addressing social and ecological issues facing the planet than kinship-based firms (Arora and Kaul 2013; Dodd and Dyck 2015; Fischer and Friedman, 2021). For example, compared to Universal family firms, Stewardship family firms may be vulnerable to focusing on the SEW of the focal family to the detriment of the social and ecological well-being of non-family stakeholders (e.g., Gómez-Mejía et al. 2007; Madison et al. 2016; Miller et al. 2014; Wiseman and Gómez-Mejia 1998). Whereas others have theorized about potential differences between Stewardship vs. Universal family firms (e.g., Dodd and Dyck 2015; Rau et al. 2019), ours is the first empirical study we are aware of to examine these differences. In particular, we examine the following two-part research question: *Compared to Stewardship family firms, do Universal family firms place greater emphasis on: 1) a long-term commitment to the larger community versus to the firm (Universal care), and 2) stakeholder relationships characterized by dignity and generosity versus an instrumental and financial focus (Benefaction).* Whereas Stewardship family firms are often considered exemplary for their emphasis on Universal care and Benefaction, our findings suggest that (non-kinship) relationship-based Universal family firms may be even more exemplary. Our study provides a method and theoretical support for future research on these important types of businesses.

The remainder of the paper is divided into three sections. First, we review the literature underpinning our study and develop the two propositions that guide our exploratory study. Second, we introduce our sample of Stewardship and Universal family firms, describe the we methods used to examine the propositions, and present our analyses and findings. In the final section we discuss the implications of our study.

LITERATURE REVIEW

Stewardship and Universal family firms

The goal of the present study is to examine differences between two types of family firms that address social and ecological issues associated with business-as-usual: Stewardship family firms and Universal family firms (Dodd and Dyck 2015; Rau et al. 2019). Our aim is to develop theory and a better understanding of these two types of firms, and thereby to enhance our understanding of two key types of firms well-suited to address social and ecological crises facing the planet. Much past theorizing has looked at differences between different types of business-as-usual firms versus firms that address the shortcomings of business-as-usual. For example, Dyllick and Muff (2016) describe three profit-centric types (which they call Business-as-usual, Business Sustainability 1.0, Business Sustainability 2.0) and one type that places people and planet ahead of profits (Business Sustainability 3.0). Similarly Dyck, Caza and Starke (2018) compare two variations of profit-centric firms (Financial Bottom Line, and Triple Bottom Line) and one type that places people and planet ahead of maximizing profits (Social and Ecological Thought) (for a similar typology, see Marcus et al. 2010). Less attention has been given to addressing different sub-types of non-business-as-usual firms (e.g., sub-types of Sustainability 3.0 or Social and Ecological Thought). Our study helps to develop theory along these lines by providing an empirical examination of two sub-types of firms that place people and planet ahead of maximizing profits.

In particular, we will examine the differences of these two sub-types vis a vis their relative emphasis on Universal care and Benefaction. As used here, *Universal care* refers to firms' long-term relative commitment to the well-being of members of the out-group versus the in-group, in our case the members of the larger community ("all people") versus the firm itself (Dodd and Dyck 2015). Previous research has examined universalism using a variety of measures, including how much money participants in a "'by-stander' money-allocation game" distribute to in-group members versus strangers (Enke et al. 2022), survey respondents' agreement to statements like: "Every person in the world have equal opportunities" (Beierlein et al. 2016, p. 16), and emphasis on values like community (Rau et al. 2019). Universal care can be seen as an antidote to self-interested individualism.

Benefaction, as used here, refers to firms' characterizing their relationships with stakeholders in terms of dignity and generosity (e.g., personal and giving relationships that emphasize the intrinsic value of relationships), rather than instrumental/financial utilitarianism (e.g., monetized/commodified value of relationships) (Dodd and Dyck 2015). Researchers have examined benevolence using a variety of measures including value dimensions such as "equality" and "respect" and defined it as "understanding and appreciating the dignity of human beings" (Rau et al. 2019, p. 202). Others have measured benevolence by examining the emphasis organizational members place on seeking to help, acting in the interests of, and being genuinely interested the well-being of those whom they are supposed to serve (Grimmelikhuijsen and Knies 2017). Benefaction can be seen as an antidote to financial wealth-maximizing materialism.

Before we discuss differences between Stewardship and Universal family firms, it is important to note key similarities they share vis a vis other types of business-as-usual firms. Both Stewardship and Universal family firms place people and planet ahead of maximizing profit, and sharing an emphasis on nonfinancial goals to foster social and ecological well-being that trumps the need to *maximize* profits (though both recognize the need for *enough* profits to remain viable). Both types of firms eschew the norms of traditional agency theory and *homo economicus,* and both reject the primacy of maximizing financial self-interests for understanding and managing business. Instead, both are more consistent with stewardship theory, which suggests that people are motivated to be altruistic, to serve others, and to be generous (e.g., Le Breton-Miller and Miller 2009; Le Breton-Miller et al. 2011). Both types seek to produce goods and services that are truly good and truly serve society, even if doing so does not *maximize* the firm's (or its owners') financial return (Dodd and Dyck 2015; Rau et al. 2019).

Thereby both types of firms seek to create positive, and minimize negative, social and ecological externalities. Reducing negative externalities is evident when firms become "less bad" thanks to decreasing their ecological footprint or reducing physical hardship or stress for employees. This is consistent with the common understanding of sustainable development as "meeting the needs of the present generation *without compromising* the ability of future generations to meet their needs" (Brundtland 1987, p. 8; emphasis added here), which tends to emphasize *preserving* (rather than *enhancing*) the natural environment and social well-being (e.g., decreasing waste, reducing fossil fuel emissions, reducing toxins in the environment). Enhancing positive externalities is evident when firms provide desired goods and services in ways that increase the ecological well-being (e.g., use of organic agronomic practices that sequester carbon from the atmosphere and add nutrients to the soil) and increase social well-being (e.g., providing jobs for ex-convicts to enhance their opportunity to establish a happy and stable home). Whereas reducing negative externalities may slow down climate change and income inequality, enhancing positive externalities is crucial to improving social and ecological issues facing the planet.

Their ability to put people and planet ahead of maximizing profit may be related to the emphasis that both Stewardship and Universal family firms place on Universal care and Benefaction, which are related to two of the six SEW-related values associated with family firms identified by Rau and her colleagues (2019, p. 203). Universal Responsibility ("Understanding one's responsibility for and protecting the welfare of all people and nature") and Benevolence ("Understanding and appreciating the dignity of human beings" via respect, tolerance and equality) clearly go beyond (merely) the focal firm and family. Of the five types of kinship family firms in their taxonomy, Rau and her colleagues (2019) found that the Stewardship family firm placed the highest emphasis on Universal Responsibility (over twice as high as the other types) and Benevolence (over six times as high).

However, the impact of Universal Responsibility and Benevolence may be reduced by the presence of one or more of the four remaining SEW values (described in Rau et al. 2019) which are more aligned with the focal biological family: Family (Firm) Persistence ("Respecting and being proud of and committed to the history, customs, and achievements of family"); Cohesion and Solidarity ("Accepting challenges and standing together, even in times of struggle"); Power and Innovation ("Valuing and aspiring independence and control over people and resources"); and Embeddedness ("Being proud of, appreciating, and wishing to preserve one's origins"). Consistent with (and building upon) Dodd and Dyck (2015), these latter four SEW values may be emphasized more in kinship-based Stewardship family firms than in affinity-based Universal family firms, with the result being that Universal family firms may place greater *relative* emphasis on Universal care and Benefaction. These observations bring us to our research question.

Propositions

Our two propositions build upon two general arguments. First, both Universal and Stewardship family firms are able to place people and planet ahead of maximizing profits because of their high emphasis on Universal care and Benefaction (i.e., related to two of the six SEW values identified in Rau et al. 2019). Second, Universal family firms' emphasis on Universal care and Benefaction will be *relatively* greater than Stewardship family firms because the latter place relatively greater emphasis on specific values/outcomes associated with the focal biological family that owns the firm (e.g., the four remaining SEW values identified in Rau et al. 2019).

In particular, our first proposition builds on Dodd and Dyck's (2015) speculation that Universal family firms will place relatively greater long-term commitment on the well-being of the larger *community* (e.g., Universal care), and that Stewardship family firms will place relatively greater long-term commitment on the well-being of the *firm* (e.g., Family Firm Persistence). Note that this is a bold proposition to make, in light of Rau and colleagues' (2019) finding that emphasis on Universal Responsibility was the defining characteristic of Stewardship family firms, who placed six times greater emphasis on Universal Responsibility than any score for any of the six SEW values for any of the five biological family firm types in their study.

Our second proposition builds on Dodd and Dyck's (2015) speculation that Universal family firms will place greater emphasis on treating all stakeholders with dignity (benevolence; see also Esteso-Blasco et al. 2021) than Stewardship firms, whereas Stewardship family firms will place greater emphasis on emphasizing the financial or utilitarian value of relationships with stakeholders (e.g., patron-client relationships) than Universal firms. This is because Universal family firms are presumably less concerned with maintaining the ancestral legacy of the firm itself (e.g., Family Firm Persistence, Embeddedness), and thus members of the Universal family firm can be more generous with everyone, not always needing to get something in return, and not facing the temptation to have kinship family members capture more than their fair share of the financial value created by the firm. Rau and colleagues (2019) found that the emphasis on Benevolence in Stewardship firms was “low,” but even so this was higher than the “very low” emphasis on Benevolence associated with all of the other types of biological family firms in their study (on average, Stewardship firms rated more than six times higher on Benevolence than the average non-family firm in their study).

Propositions:

Compared to Stewardship family firms, Universal family firms will place greater emphasis on:

1) a long-term commitment to the larger community versus to the firm (Universal care), and

2) stakeholder relationships characterized by dignity and generosity versus an instrumental and financial focus (Benefaction).

OUR RESEARCH

Sample

The organizations we examine in this exploratory study are drawn from a larger research project of 22 firms (which was not designed to be a study of Stewardship and Universal family firms per se, but more a general study of firms consistent with Business Sustainability 3.0). The firms in the study were located in, or near to, a large midwestern Canadian city, and were chosen for the study because they placed people and planet ahead of maximizing profit. These 22 firms were recruited based on their reputation in the community (snow-ball sampling) and information provided on their websites and the larger media. Their emphasis on placing people and planet ahead of maximizing profits was also probed during the interview.

A manager from each firm, usually the founder, was interviewed for the study. Interviews ranged from 30 to 90 minutes, depending on the length of interviewee responses. Interviewees were asked nine open-ended questions about the firm, its founding, how it relates to its employees/customers/suppliers/competitors, its management style, and its performance. All of the interviews were conducted and transcribed by a trained Research Assistant (who eventually became the second author) with deep knowledge of management theory and practice associated with the types of organizations chosen for the sample.

Our analysis here focuses on a subset of 15 of the 22 firms, which includes all the firms that were either Stewardship family firms (N=8) or Universal family firms (N=7). These interviews averaged about 40 minutes each (572 minutes in total) and resulted in 140 pages of transcribed data. The selection criteria for inclusion in the study were quite simple. The Stewardship family firms were the ones who responded "yes" when asked: "Would you describe this as a family business?" and proceeded to describe the biological kin involved in the firm. The Universal family firms were those who responded "no" to the question of being a family business, but nevertheless went on to describe how their firm was "like a family." These self-declarations of being like a family were unprompted, and thus seemed a strong signal that these were Universal family firms. Here are some illustrative interviewee responses from Universal family firms to the question of being a family business:

> "Like, yeah, in like a cheesy, cute way; but not in a blood-related way."

> "It depends how you define family. I think we would define family in a very Indigenous way, meaning that we want to create a society where everyone belongs to each other. ... But family in the way that the question is asked, no."

Indeed, it was these unexpected responses that prompted us to examine whether there were differences between Universal and Stewardship family firms. When doing exploratory research in a new area such as this, it is appropriate to choose research sites where the phenomenon under investigation is most transparently observable (e.g., De Massis and Kotlar 2014; Edmondson and McManus 2007; Eisenhardt 1989). Research based on multiple-case studies like ours, where sampling is based on different types of family firms, is encouraged because it can demonstrate that a (new) phenomenon is relevant and helps to explain differences between the types (e.g., De Massis and Kotlar 2014).

Consistent with expectations about Stewardship and Universal family firms, all the firms in our sample placed greater emphasis on reducing negative externalities and enhancing positive externalities than on maximizing profits. This de-emphasis on maximizing profits was often made explicit, as is evident in the following illustrative interviewee quotes:

> "I don't actually have any mission to maximize profit. I need to break-even, so for right now that means 'maximizing profit,' because we're losing money. But we were $40,000 in the plus last year, and that's more than enough. The board was like: 'Oh cool, keep it there.' Any money we make gets recycled back into the company" (Universal family firm).

> "It isn't about making money. If I can pay my bills, great. But I didn't get into this to get rich. I really just saw a problem, and wanted to help people find the solution. That was the start of why I did it all" (Stewardship family firm).

> "If we wanted to make more money, we could increase our prices. We've had so many people say: 'You could be so much bigger, or you could do so much more: people are willing to pay.' But that's never been the point. We want everybody to be able to purchase this product" (Stewardship family firm).

Their status as firms that place people and planet ahead of maximizing profit was also consistent with the interviewees' response to the final interview question, which asked them to choose which of three approaches to management best describes how the firm operates. The first approach was profit-first: "management focuses on *maximizing* the organization's financial well-being, and leaves the care for social and ecological well-being to other stakeholders (e.g., government)." The second was profit-first but with sustainable development: "management seeks to *maximize* the organization's financial well-being by focusing on reducing its social and ecological externalities." And the third was placing people and planet ahead of maximizing profit: "management seeks to optimize social and ecological well-being while remaining financially viable (e.g., this approach seeks to make enough money, but not necessarily to *maximize* profits)." All interviewees described their firm as following the third approach.

As is appropriate for this type of qualitative research, in addition to our textual description, we developed four tables to help present our analysis and findings (Cloutier and Ravasi, 2021). The first, Table 1, describes the industry, age and size of the firms (not using their real names), and also summarizes our analysis of the transcripts regarding whether firms were active in reducing negative—and/or enhancing positive—social and ecological externalities.

- - insert Table 1 about here - -

Measures and Data Analysis

Data analysis was informed by the two propositions regarding possible differences between Stewardship and Universal family firms along two dimensions: long-term commitment to the well-being of community vs. the firm (Universal care); emphasis on treating exchange partners with dignity and generosity rather than with a financial exchange-based focus (Benefaction). As depicted in Table 2, our measures of Universal care and Benefaction were consistent with other measures from the larger literature (Beierlein et al. 2016; Dodd and Dyck 2015; Enke et al. 2022; Grimmelikhuijsen and Knies 2017; Rau et al. 2019). Illustrative quotes drawn from the data describing Universal care and Benefaction are provided in Table 3.

- - insert Tables 2 and 3 about here - -

A trained research assistant who had conducted the interviews but was unfamiliar with the propositions guiding the study, was asked to code each of the 15 interviews looking for evidence of the four fundamental measures for the study, including mentions of and emphasis on: i) long-term commitment to the well-being of the larger community, ii) long-term commitment to the well-being of the firm, iii) relationships with stakeholders emphasizing dignity and generosity, and iv) relationships with stakeholders emphasizing instrumental and financial goals. The first two of these four were combined to examine proposition 1 on Universal care, and the final two were combined to examine proposition 2 on Benefaction. The data analysis is described in further detail below.

Proposition 1. For the first proposition, two separate scores were developed—one a "commitment to community score" and the other a "commitment to firm score"—each of was was scored on a scale from 1 (low commitment) to 5 (high commitment). The RA analyzed each transcript for comments related to the well-being of the larger community and/or the firm, paying particular attention to statements where there was a sense of tension/trade-off/balance between the well-being of the larger community vs. the well-being of the firm.

For example, the following comment was rated "high" on commitment to the well-being of the larger community because the firm is clearly seeking to improve society, and not trying to maximize its own financial profits:

> "We understand that poverty is not about poor people: it's about the failure of the systems they're interacting with. Then *we can only measure our success [as an organization] by how much we've changed the damn system*, from a colonial problem-making system, into a decolonial problem-solving system … I think when privileged people like me are able to work in an environment like this it obviously changes my life. I think that's the main thing it offers to people like me is the ability to live richly [in non-financial terms]. I think that that's pretty key if we were really honest with ourselves, *that's what we all want. It's not money; it's the ability to live a meaningful life*" (Universal family firm).

Other examples of relatively high commitment to community include firms whose interviewees talked about reducing profit margins on products that create positive long-term externalities for consumers, supporting local suppliers by sourcing exclusively from them despite extra costs or inconvenience, and deliberately choosing to locate in a poor inner-city neighborhood in order to better serve society's most marginalized stakeholders.

In contrast, the following comment was rated "high" on commitment to the firm because it focusses on maximizing the firm's business opportunities, even if this meant closing their still-viable original location (and abandoning those customers):

> "That five-year lease [at our original location] came up, so we decided not to renew … because we already started expanding into [a neighboring province]. Now we have five locations with a sixth one that's signed up [with only one in our home province]. … Now our focus is on [expanding in the neighboring province]. … We started off making [our product]—me and my wife—and now we're flying back and forth and dealing with a lot of business stuff that I wasn't even thinking about. I've kind of been forced into a position like having to deal with stuff that's completely not [product]-related" (Stewardship family firm).

The following comment was also rated on high on commitment to the firm because the owner's focus was on growing the firm for its own sake, rather than allowing its contribution to and success in the community to inform its growth:

> "I've been in business now a long time. With this next business, [name of current firm], I'm using my experience from my last business to grow this one at a more rapid rate. So my goal with this business is to do what I did in 10 years, in 5 years. … Rather than just growing slowly, I wanted to grow really fast. And I did a couple of things at first, that I was like: 'Nope, I'm just going for it.' But my company wasn't ready, so I did lose some money at first" (Stewardship family firm).

Although firms typically rated higher on one type of commitment than the other, they could also rate relatively high (or low) on both commitment to the firm and to the community, such as the following Stewardship family firm:

> *Very high on commitment to well-being of larger community:* "Our focus and [the founder's] focus right from the beginning has always been the well-being of people, has always been the well-being of her customers, the planet, people's health … [The founder] didn't start this thinking it was going to be her family's entire life. … If they [the founders] wanted to make more money they could increase their price."

> *High on commitment to building firm's team culture:* "So I think that has been a huge part of why we function well and how we're so organized, because she [the founder] has

> created this team environment … We've become a team of women who are extremely supportive of each other and supportive of [the firm] as a brand. … We all speak from personal experience; we all use [the firm's product]. Like I said, it's really easy when you've experienced such an amazing brand that's worked for you, to work even harder in the factory, to promote it and share it with others. It's an atmosphere of positive attitude, hard work ethics, and then a commitment to our processes, our brand philosophy, and to customer service and helping other people discover [the firm's product] as well."

Accordingly the entire transcript was examined to measure the firm's overall commitment to the larger community and its commitment to the firm itself. For many interviews there were several key passages where such commitments were relatively apparent and clear, but in other parts of the interview commitments were presented in a more subtle way, and required interpretation in their overall context. The RA was ideally-equipped to perform such interpretation since, in addition to her training in qualitative methods, she was attuned to the overall context because she had conducted the interviews, transcribed them, and read them numerous times. Following this process, the entire interview was scored along each dimension on a scale of 1 (low commitment) to 5 (high commitment).

Proposition 2. A similar approach was used for the second proposition, which called for measuring each firm's emphasis on treating stakeholders with dignity and generosity versus with an instrumental and financial focus. The RA analyzed each interview transcript to find instances where interviewees mentioned the firm having personal and giving relationships with stakeholders, versus relationships that emphasized instrumental economic exchange (again, the RA was not aware of the research question). Two separate scores were created, one we call an "emphasis on dignity and generosity," and the other an "emphasis on instrumental and financial," with each score placed on a scale from 1 (low emphasis) to 5 (high emphasis).

The following quote describes a high emphasis on personal and giving relationships, which in this case includes customers and suppliers:

> “You know what, I love my customers. Honestly, I’ve had customers from the beginning … and I’ve gotten to see some of them get married and have babies. And I’m a bit of a baby freak here, so if someone comes in [I’ll say]: ‘Let me hold the baby, you go shop.’ They trust me now, I can take the baby. So I genuinely care about them, and this is where I saw that people just need to be heard and to be seen … [Similarly with suppliers] it’s about forming those relationships, which are really, really important to me. Anybody that’s local, I have a relationship with them, I know their story for sure” (Stewardship family firm).

The following quote is also from a firm with high emphasis on stakeholder relationships characterized by an emphasis on dignity and generosity, evident in the interviewee’s description of her relationship with her firm’s two main competitors (who also seek to provide multi-barriered people with entry-level jobs and training in the construction industry):

> “We are all kind of best friends, we meet all the time. And at the same point, they are also kind of our direct competition. But we like it. It drives us all to be more competitive, it drives us to expand our markets. Like, it keeps us from getting lazy, so it’s nice. … I think we all do this for the social piece. I could be making significantly more working in the traditional construction sector—which is my background—like double. … So people get stuck in these lifetimes of recidivism and what they need is a job more than anything else. And it is not about willingness to work. The folks that work for us work harder than anyone I have ever met; all they want is a chance. So I feel like that’s the biggest take away. These people are excellent employees, they are just fine. A lot of them actually don’t need that much extra support from us, they just need someone who will hire them [even though they come in] with a criminal record. Then [once they’ve worked for us for a while] we recommend them on to bigger employees; they feel safer after they’ve been with us for a couple of years” (Universal family firm).

Other examples that point to an emphasis on relationships characterized by dignity and generosity include interviewees who described efforts to treat their stakeholders with respect, and especially having a giving posture to the most marginalized. This includes firms that ensure their products and services are affordable for a broad range of consumers, and that explicitly hire multi-barriered individuals. Perhaps the most inspiring example in our sample was a bakery where customers are invited to participate in treating people with dignity and generosity by purchasing vouchers (which are pinned to a “voucher board”) which can subsequently be redeemed by other customers who cannot afford to pay.

In contrast, the following example illustrates a high emphasis on instrumental relationships, because it focuses on how the firm emphasizes the financial dimension of its exchange with customers:

> "So we go to [a key potential customer] and say: 'We have this offer [for you to consider]. It is of zero risk to you. Every time you write us a cheque, every time you buy our services, you're saving money [by lowering your future costs]. So you'll find very quickly that you want to buy more and more and more because you're going to get more and more and more savings. And you'll also be able to participate in making the world a better place'" (Universal family firm).

Other examples that point to an emphasis on instrumental and financial exchange-based relationships include interviewees who describe their consumers paying a premium price for a high quality product or service, interviewees who discuss forming relationships with stakeholders that allow them to expand their customer base and network to sell more product, and interviewees who emphasize customer relationships based on extrinsic product and service qualities rather than on intrinsic qualities.

Again, similar to the discussion of commitment to the larger community and the firm, firms could also place high (or low) emphasis on both generous dignity and on financial instrumentality. For example, a bakery scored high on both when it described exchanges with suppliers in terms of financial transactions: the bakery benevolently paid more than market rate, but it also gained financial benefits from doing so. The owner described a federal government study that found farmers typically receive about 2 cents from the sale of a conventional loaf of bread (e.g., Wonderbread) but that farmers in the bakery's region would need at least 5 cents to stay viable. The bakery decided to pay the local farmers who supply it with organic grain the equivalent 14 cents per loaf, hoping that this would provide incentives to avoid the farmland being sold to conventional large-scale agribusiness. The owner describes a time when there was great demand for organic grain, and the bakery's suppliers were offered huge sums of money to sell their grain to New York. Even though the bakery freed the suppliers to cash in on this business opportunity, they chose not do so, preferring instead to sell it at the 14-cents-per-loaf rate to the bakery (Universal family firm). This example shows how what may seem to be financial exchange-based relationships (e.g., emphasis on 14 cents per loaf of bread) can inform and be informed by mutually beneficial relationships built on trust and dignity.

As with the scores for the firm's overall commitment to the larger community and to itself, the stakeholder relationships in each interview in its entirety were scored based on their emphasis on dignity and generosity (scale of 1=low to 5=high), and emphasis on financial instrumentality (scale of 1=low to 5=high).

Findings

Table 4 provides the scores for each firm's ratings along the four dimensions, and the average scores for Stewardship and Universal firms. Overall, the results lend support to both of our propositions.

- - insert Table 4 about here - -

Proposition 1 (Universal care). As showing in Table 4, our analysis of the interview data lend support to the proposition that, compared to Stewardship family firms, Universal family firms have a greater long-term commitment to the well-being of the larger community (versus to the firm). This pattern is true on both dimensions related to the proposition. Consistent with the proposition, on average Universal family firms (4.1) placed greater emphasis on the well-being of the larger community than Stewardship firms (3.3), and Universal firms (4.1) placed lower emphasis on the well-being of the firm than Stewardship firms (4.8).

A closer inspection of Table 4 shows that four of the seven Universal firms placed *equal* commitment to the firm and the larger community, whereas no Stewardship firms showed such balance. This suggests that it may be more accurate to say that Universal firms tend to balance their commitment to the firm and community, whereas Stewardship firms tend to place greater emphasis on their firm. Moreover, with regard to the latter, six of the eight Stewardship firms had the highest possible rating for commitment to the firm (i.e., 5), but for the two remaining Stewardship firms where the commitment to firm rating was "only" a 4, the commitment to larger community was rated a 5 (note that the commitment to larger community was rated a 5 in two of the seven Universal family firms). This may suggest that when Stewardship firms do temper their commitment to the firm, even mildly, it can have very positive effects on their commitment to the larger community.

Proposition 2 (Benefaction). The data also lend support to Proposition 2. Compared to Stewardship family firms, Universal family firms place greater emphasis on dignity and generosity (versus financial instrumentality). As shown in Table 4, this pattern is true for both dimensions related to the proposition. Consistent with Proposition 2, on average Universal firms (3.4) placed greater emphasis on dignity and generosity than Stewardship firms (2.8), and Universal firms (2.9) placed less emphasis on instrumental and financial aspects of relationships than Stewardship firms (3.8).

A closer examination of Table 4 shows that six of the eight Stewardship firms placed relatively high emphasis (scored a 4) on financially instrumental relationships, and the remaining placed medium emphasis (scored a 3). Both these two firms who tempered their emphasis on financially instrumentality had higher emphases on dignity and generosity (scored a 4). This echoes the observation from proposition 1 that suggested that when Stewardship firms temper their commitment to the firm, even mildly, it can have very positive effects on their commitment to the larger community.

DISCUSSION

Ours is the only empirical study we are aware of which examines and compares Stewardship and Universal family firms, two kinds of firms that place people and planet ahead of maximizing profit. Compared to conventional businesses, all the firms in our study showed a much greater commitment to the well-being of the larger community than to the firm (Universal care). And consistent with our first proposition, compared to Stewardship firms, on average Universal family firms appear to have greater commitment to the larger community than to the firm. Similarly, compared to conventional businesses, all the firms in our study had a greater focus on treating stakeholders with dignity and generosity than on instrumental and financial utilitarian exchange-based relationships (Benefaction). And consistent with our second proposition, compared to Stewardship family firms, on average Universal family firms appear to have a greater focus on benefaction than on exchange-based relationships. We will now discuss some implications of our findings.

Implications

Our study has several key implications for management theory and practice, in particular for family business scholars interested in firms that place people and planet ahead of maximizing profit. Whereas the study of kinship-based family firms and the benefits of SEW for addressing social and ecological concerns is well-established in the literature, our study provides a rare empirical examination of *non*-kinship-based family firms that exhibits similar benefits (see also the study of "family entrepreneurship" evident in Benedictine monastic non-biological family organizations; Hanson and Keplinger 2021). To be clear, previous research has also looked at non-kinship firms where employees are treated "like family," but past references have typically been to conventional firms who use paternalistic practices to motivate employees and enhance productivity and profits (e.g., El-Sawad and Korczynski 2007). This is very different from the idea of a Universal family firm that places people and planet ahead of maximizing profit.

In particular, the observation that the Universal family firm may be better-suited than the Stewardship family firm to express socio-emotional wealth values like Universal care and Benefaction has important implications for conventional family business scholars regarding the benefits of kinship-owned businesses (e.g., Nigri and Di Stefano 2021). For example, whereas Universal care and Benefaction may be seen as an outgrowth of kinshipness-based SEW, our analysis suggests that other outgrowths of kinshipness (e.g., Family Firm Persistence) that may serve to constrain Universal care and Benefaction, and thus point to relative benefits of Universal family firms. Future research may examine our speculation in the findings that when Stewardship family firms even mildly temper their commitment to the firm and their emphasis on financial instrumentality, this can have very positive effects on their commitment to the larger community and emphasis on treating stakeholders with dignity and generosity.

Future research should also examine factors that may affect the level of Universal care and Benefaction in both Stewardship and Universal firms. For example, we might expect higher levels of Universal care in firms founded by a team versus by an individual (because a team is by definition more collective than an individual) (Ruef 2010), in an emerging versus a mature industry (because the former may have not have developed as many business-as-usual institutionalized norms) (DiMaggio and Powell 1983), and in a collectivist culture rather than an individualistic culture (because the former is more universalistic by nature) (Hofstede 2003). Similarly, we would expect Benefaction to be more prevalent in firms located in poorer economic regions (where they have greater first-hand appreciation of mutual benevolence) (Alonso-Ferres et al. 2020; Piff and Robinson 2017), when owners themselves have family members who are multi-barriered (because they are more sensitized to the needs and benefits of benefaction) (Orm et al. 2022), and in post-materialist cultures (because they recognize the shallowness of profit-first business) (Inglehart 1981).

Building on this, future research could also examine factors that help to explain the overall relative frequency of Stewardship and Universal family firms in an economy. For example, there may be differences across regions and countries depending on the emphasis on collectivism vs. individualism, materialism vs. post-materialism, and sociodemographic characteristics (e.g., Triandis 2018; Uhlaner and Thurik 2004). Based on our own anecdotal observations, we would expect Stewardship and Universal family firms to be less common in the USA (with its higher emphasis on materialism and individualism) than in Nordic countries (Hofstede 2003).

We were surprised to find that in our sample of 22 firms which place people and planet ahead of maximizing profit, 68 percent were either Stewardship and Universal family firms. We await future research to determine whether these two types are as common as our data suggest. For example, if 63 percent of all firms in Canada are family firms (Forbes and Bassett 2019), and if 10 percent of family firms are Stewardship firms (i.e., 6.3% of all firms; Rau et al. 2019), and if for every 8 Stewardship firms there are 7 Universal firms (i.e., 5.5% of all firms; this study), then we would expect 11.8 percent of all firms in Canada to be Stewardship or Universal family firms. Of course, we do not claim that over ten percent of firms in Canada (or anywhere in the world) are Stewardship or Universal family firms: that is a question for future research.

On a methodological note, we found it relatively easy to identify businesses—like Stewardship and Universal family firms—that place people and planet ahead of maximizing profit. This may come as somewhat of a surprise because such businesses are seldom discussed in the research literature, perhaps because they counter the self-fulfilling prophecies of economic theories that have come to dominate management research that assume business is all about self-interested firms seeking to maximize their profits (Ferraro et al. 2005). That said, given the growing interest in studying businesses that address the social and ecological crises facing the planet (e.g., Dyllick and Muff 2016; Waddock 2021), and interest in fields like humanistic management and Economy of Communion (e.g., Esteso-Blasco et al. 2021), future researchers may want to use a similar method to identify samples of such firms in order to, for example, examine their strategic orientation, structure and control systems, communication patterns, decision-making practices, and leadership and motivation (Melé 2016; Dyck 2020).

Limitations of the study

As with any exploratory study, this one has significant limitations, and there is still much left to "prove" our findings. On the one hand, ours is the only empirical study we are aware of that examines a sample of Universal family firms (and also the only one that compares Universal family firms to Stewardship family firms), and our multi-case study method helped us to describe the relevance of the idea of Stewardship and Universal firms and provided preliminary support for theoretical propositions related to the two types (De Massis and Kotlar 2014). On the other hand, our sample size was small (N=7 Universal family firms, N=8 Stewardship family firms) which inhibited statistical analyses. Additionally, all of the organizations were from one city, which reduces generalizability to other cities or even across industries. We simply do not know whether the organizations in our sample are representative of Stewardship and Universal family firms in the region they were drawn from, nor nationally or internationally. These are all questions for future research.

Another limitation, and possible contribution, is that we used a relatively simple criterion to identify our sample of firms, namely firms that: 1) place people and planet ahead of maximizing profit, and 2) self-identify as kinship family firms (Stewardship) or nonkinship family firms (Universal). Future research can examine the practical utility and appropriateness of our criterion. Another limitation is that the data were based on a single interview in each organization, using nine relatively simple questions, and a relatively simple data analysis protocol. We encourage future studies to involve more participants from each organization (e.g., include other stakeholders like customers, suppliers, industry experts), include interview questions more directly related to the hypotheses being tested, be based on more fully-developed survey and questionnaire instruments, and draw on supplementary data from company websites and newspaper articles. Such research will not be quick or easy, but the new field of studies it engenders promises to be rewarding, interesting, timely, and relevant.

In conclusion, this exploratory study provides an empirically-grounded description and analysis of two types of firms of growing importance: the Stewardship family firm and the Universal family firm. Beyond studying them in order to further family business and SEW theory, we would be remiss if we did not underscore that these firms are important for addressing social and ecological crises facing the planet. Indeed, for this reason alone scholars should be studying and learning from and about such firms. If the Stewardship family firm is the most important type of (kinship-based) family firm for addressing the socio-ecological crises facing the planet, then it behooves scholars to learn more about it. For similar reasons, we expect scholars to be motivated to learn more about the Universal family firm. We hope that our study will inspire future research that develops theory and best practices associated with such firms.

CONFLICT OF INTEREST STATEMENT

On behalf of all authors, the corresponding author states that there is no conflict of interest.

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Table 1: Description of Stewardship and Universal Family Firms in the Study

Name of Firm	Type of Firm/ Industry	Size	Age	Reduce Negative Social Externalities (Y/N)	Enhance Positive Social Externalities (Y/N)	Reduce Negative Eco-logical Externalities (Y/N)	Enhance Positive Eco-logical Externalities (Y/N)
Stewardship firms							
Vegan Burger	Restaurant	19	11	Y	Y	Y	N
Green Gen Café	Restaurant/ Personal Care	12	9	Y	Y	Y	N
Happy Brewery	Beverage: Retail & Manufacturing	15	5	N	Y	Y	N
Sew Good Slow Fashion	Clothing: Retail & Manufacturing	3	6	Y	Y	Y	N
Wholesome Skincare	Manufacturing	32	18	Y	Y	Y	N
Clean Skincare	Personal Care (Retail)	8	8	Y	Y	Y	Y
Wholegrain Farms	Farm	2	21	Y	Y	Y	Y
Earth Farms	Farm	3	27	Y	Y	Y	Y
Average		11.8	13.1	88%	100%	100%	38%
Universal firms							
True Juice Bar	Restaurant	9	5	Y	Y	Y	N
Tasty and Classy Bakery	Bakery	12	6	Y	Y	Y	N
Granola Heights Bakery	Bakery	60	30	Y	Y	Y	Y
Sourdough Bakery	Bakery	5	5	Y	Y	Y	Y
Geothermal Energy	Construction	7	8	Y	Y	Y	N
Anti-Recidivism Construction	Construction	20	12	Y	Y	N	N
Community Farms	Farm	5	6	Y	Y	Y	Y
Average		16.9	10.3	100%	100%	86%	43%

Table 2: Measures of Universal Care and Benefaction*

Universal care	*High commitment to community*	• Willingly reduce firm's own benefits in order to reduce negative externalities o Seek to dismantle dysfunctional social structures and systems o Seek to help improve overall society (so all have equal opportunity) o Seek and support local suppliers in the community • Support firms in related industries • Promote and use organic/fair trade practices and products • Emphasize overall holistic value creation
	High commitment to firm	• Seek to optimize growth of firm, even it compromises well-being of community o e.g., drop loyal supplier, abandon loyal customers o e.g., emphasis on firm growth beyond its capacity • Prioritize interests of firm over larger community • Seek to monopolize/dominate the market and gain competitive advantage • Emphasize firm's financial value capture
Benefaction	*High emphasis on dignity and generosity in relationships with stakeholders*	• Genuinely care about and being interested in the well-being of stakeholders • Getting to know/appreciate stakeholders as persons/beings • Providing mutual support with competitors • Treating marginalized stakeholders with dignity (via hiring practices, products/services offered, affordable pricing, location) • Ensuring employees (and suppliers) are paid at least the equivalent of a living wage (even if this is more than the going rate in the industry)
	High emphasis on instrumental and financial relationships with stakeholders	• Emphasizing the extrinsic (vs. intrinsic) qualities of their products and services • Focusing on the price point of premium products • Exploiting stakeholder relationships for economic gain • Treating relationships as economic transactions

*The measures in this table are drawn from: Beierlein et al., 2016; Dodd and Dyck 2015; Enke et al. 2022; Grimmelikhuijsen and Knies, 2017; Rau 2019; and examples from the current study

Table 3: Illustrative Quotes of Universal Care and Benefaction

Firm	Examples of Universal care (commitment to larger community vs to firm)
Geothermal installation company: Universal	That to me is what social innovation is about: Making solutions [that are] valued. And that's how Indigenous economies were always structured. If you went out, killed a moose, and didn't tell anybody about it, you'd kind of be ostracized from the community because you're breaking the social code. But the way Indigenous economies were always oriented is that *doing the things that were good for the community were valued*. So you go and kill a moose, you cut it in 15 pieces and distribute it to 15 different families. That is the good job: you're doing your job, you are contributing to the community. We value that. … We're really focused on things that promote better social outcomes.
Organic farm: Stewardship	I'm working on my conventional neighbours, to work on their soil. Just to get the soil or the farmland into better shape, kind of a long-term thing.
Slow fashion clothing company: Stewardship	We like to say, 'community over competition.' I really don't like the essence of the word competition. I think community is amazing. So here in [our city] I'm so happy to have such a great group of community fashion designers, and beyond even that, our maker community is amazing. So even though there's a handful of us fashion designers growing, *I really think the entire community, whether it be a ceramic artist, or jewelry artist, an actual painting artist, a candlemaker, that whole community is what's amazing*.
	Examples of Benefaction (stakeholder relationships characterized by generous dignity vs. financial instrumentality)
Sourdough bakery: Universal	We recently started a voucher system. So our customers *with* more money can pre-pay for products so that people who *don't have* money can get our products. (Our products are, I would say, expensive compared to what a lot of people are used to paying for bread.) So this opens up our customer base considerably. And it's also people who literally live on the street in our neighborhood are now able to come in and access the bread and the products.
Vegan restaurant: Stewardship	From a social standpoint, we embrace everybody that comes here. So we've actually had -- I'm not going to say a lot of people -- but we've had a handful of people that I can probably count on both my hands that have come here, and this has sort of become their new family. Some people have been thrown out of their homes because they've "come out" to their parents. …. I think the staff also really love to be a part of somebody's journey, when somebody's going through a very difficult time and they don't have that support at home, then they become the support at work. I've really seen that, and that has been really touching for me over the years, to see how people that come from very difficult families have found a family here. And that to me is really sweet.
Natural alternative retail shop: Stewardship	I will even lose the margin on something if I really think: "[All] people need to have this." Especially when it comes to things like deodorant. That's a big one for me, everybody needs to get off conventional [i.e., unhealthy] deodorants. I will take a margin cut on it and try to get it back somewhere else instead so that I can have that product available for people.

Table 4: Ratings of the Four Measure and Two Dimensions for Each Firm

	Proposition 1 (Universal care): Commitment to Community vs. Firm		**Proposition 2 (Benefaction): Emphasis on Dignity vs. Instrumentality**	
Name of Firm	Community	Firm	Dignity and generosity	Instrumental and financial
Stewardship firms				
Vegan Burger	2	5	2	4
Green Gen Café	5	4	4	3
Happy Brewery	5	4	3	4
Sew Good Slow Fashion	3	5	4	3
Wholesome Skincare	4	5	5	4
Clean Skincare	3	5	2	4
Wholegrain Farms	2	5	1	4
Earth Farms	2	5	1	4
Average	***3.25***	***4.75***	***2.75***	***3.75***
Universal firms				
True Juice Bar	4	4	3	3
Tasty and Classy Bakery	4	4	3	4
Granola Heights Bakery	5	5	5	3
Sourdough Bakery	5	4	5	3
Geothermal Energy	4	3	3	2
Anti-Recidivism Construction	3	5	3	2
Community Farms	4	4	2	3
Average	***4.14***	***4.14***	***3.43***	***2.86***