

**RESPONSIBLE BUSINESS BEHAVIOUR OF COMPANIES FOR  
SUSTAINABLE SOCIETY AND BUSINESS: A STUDY OF  
SELECTED INDUSTRIES IN GUJARAT**

**Synopsis of the Ph.D. Thesis**

**Submitted By**  
**MS. RASHMI S. LOTWALA**  
**Research Scholar**  
**Faculty of Management Studies**

**FOMS/06**

**Under the guidance of**  
**DR. SUNITA UPENDRA SHARMA**  
**ASSOCIATE PROFESSOR (HR/OB)**  
**Faculty of Management Studies**



**M.S. Patel Institute of Management Studies**  
**Faculty of Management Studies**  
**The Maharaja Sayajirao University of Baroda**  
**Vadodara: 390002**

**NOVEMBER, 2019**

**RESPONSIBLE BUSINESS BEHAVIOUR OF COMPANIES FOR  
SUSTAINABLE SOCIETY AND BUSINESS: A STUDY OF  
SELECTED INDUSTRIES IN GUJARAT**

**Synopsis of the Ph. D. Thesis**

**Submitted by**

**RASHMI S. LOTWALA**

**Research Scholar**

**Faculty of Management studies**

**FOMS/06**

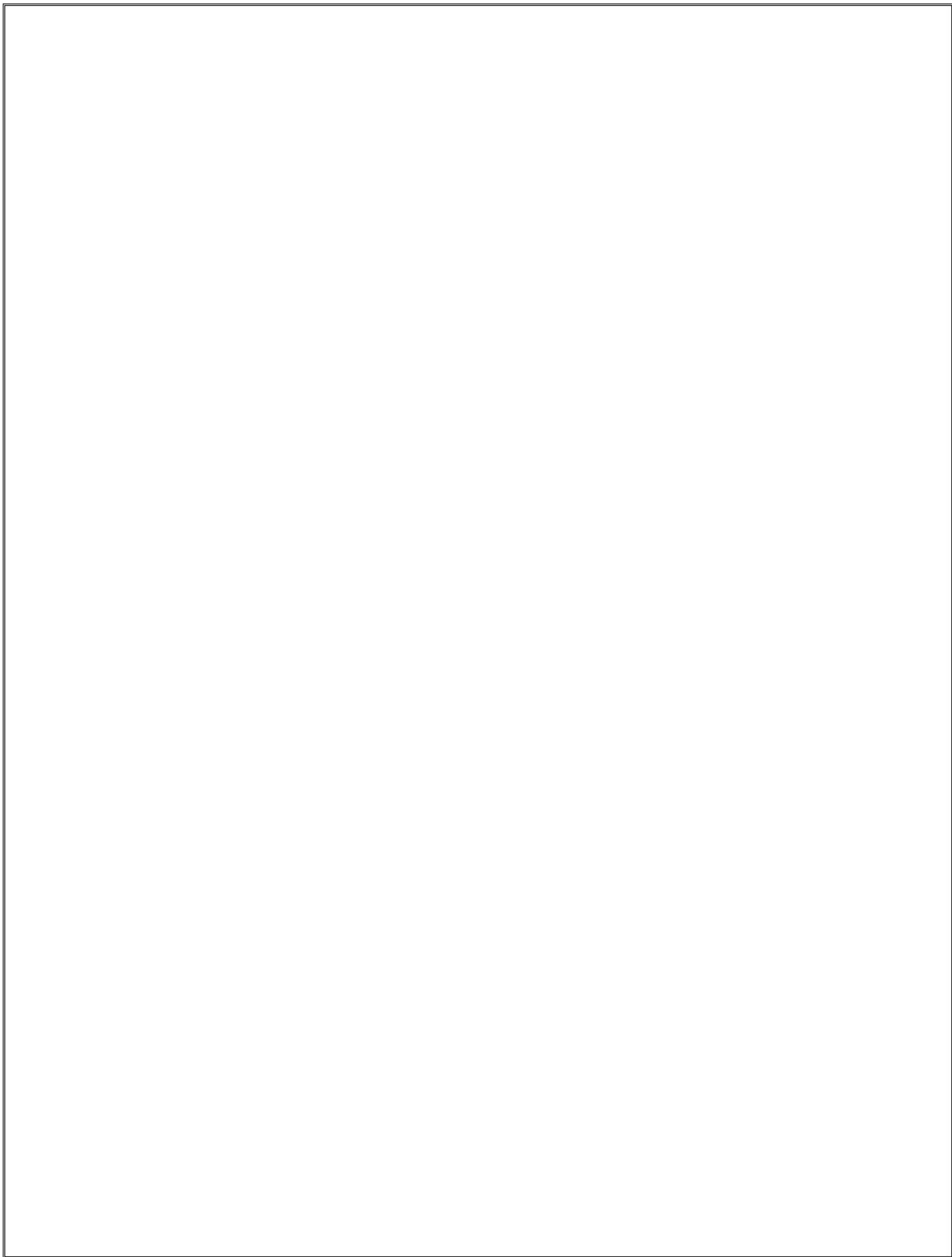
**(Rashmi S. Lotwala)  
Research Scholar**

**(Dr. Sunita Upendra Sharma)  
Associate Professor  
Research Guide**



**M.S. Patel Institute of Management Studies  
Faculty of Management Studies  
The Maharaja Sayajirao University of Baroda  
Vadodara-390002**

**NOVEMBER, 2019**



## **ABSTRACT**

From Philanthropy to mandatory shouldering Social Responsibility India Inc's approach has gone under a sea change from social trustees to complaint behavior. Topsy turvy approach of government towards its social obligations has made legislators to mandate companies to fulfill social obligations. After 68 years of Independence, various governments in the power at the center and at state failed in their duties to bring in professional approach to society's development. Therefore, answers were found in mandating the private players than accelerating its own governance style. Various laws in bits and pieces are not the robust answers to this ailment. Historically, Indian business honchos & business houses believed in giving back to the society due to their philanthropic approach by building religious places, serving orphans and poor. In modern times, the New Companies Act, 2013 went a step further to mandate companies to spend 2% of the net profits towards corporate social responsibility to pursue the goals set by the government. Academic discourse on this topic reveals that while most of the researchers support giving back to society under the title of Corporate Social Responsibility but few researchers have risen opposite echo. They advocated government's role and responsibility to fulfill social development obligations and leave profit making objective to business in a bid to enhance shareholders value. In such debate, we failed to appreciate the issues that were caused due to industrialization and irresponsible behavior of businesses. Hence, this research will focus on Responsible Behavior of Corporate and Government's role to enhance the social texture of society at large in a bid to reap the fruits of government's mission under Clean India, Make in India and Skilled India that are basic to harness the demographic dividend of India.

The Managerial Implication of the study would be to provide guidelines to government for enhancing its role as facilitator of businesses and sketching Responsible Business attitude to strengthen government's various mission for India's sustainable business environment.



## INTRODUCTION

Providing value to society is the only way to sustain profitability (Drucker, 1954). A growing body of empirical evidence associates value creation with superior firm profits (Kirca et al. 2005). The society and business have been coexisting for their mutual benefits. Prior to industrialization, businesses were never been considered parasites of society. However post industrialization era begun with the exploitation of various resources for the benefit and profit of the business. The first evident exploitation started with Human Resources as they worked in shabby conditions and with low pay. Across the globe employees protested in bits and pieces against such exploitations and for the establishment of their Human Rights. However, natural resources could not voice their protest against their exploitation initially. Off late towards the end of 20<sup>th</sup> century, various natural disasters and ozone layer depletion were linked with the exploitation of natural resources by industries. Such disasters are the possible outcome of the nature's protest against its own exploitation for the material profit of irresponsible industrialists. Labor union protest was instrumental to bring reforms against the exploitation of labor in the form of labor legislation. The environmental protection laws were enacted to protect natural resources including ozone layer. These legislations in a nutshell are protective of various stakeholders.

Government and various organizations worldwide are working with an objective to restore and enhance the natural resources<sup>1</sup> along with protection of employees' human rights. However, in India, the end result was making social responsibility mandatory by spending 2% of Net Profit of the business<sup>2</sup>. This seems to be scratching the back of responsibility without analyzing the roots of responsibility. Though India is the first country in the world to make the Corporate Social Responsibility mandatory, Industrialists in India were giving generously to the society to meet various interests viz., freedom fighting movement, building temples, giving best possible amenities to employees, building sheds, etc.

---

<sup>1</sup> In context of India, government initiated the protection of all stakeholders of business specially society at large by introducing voluntary guidelines on CSR in the year DEC-2009.

<sup>2</sup> In the year 2013 the new Companies Act, 2013 was enacted by emphasizing the mandatory corporate social responsibility norms for the companies so that companies will spend 2% of the net profit of previous three years.

There have been two parallel thinking on Social Responsibility of Business. While the majority belong to the school of thought that the business must carry out CSR, must fulfill Corporate Citizenship (Marsden & Andriof, 1998; Logsdon & Wood, 2002; Matten & Crane, 2005), must give generously to the society from where they draw resources for their businesses (Bowen, 1953; Davis, 1960; Carroll, 1979). However the second school of thought proposes that the business must concentrate on Business activities and leave the other activities to various experts namely viz. Business must concentrate on its core competencies, business must do business only (Hayek, 1960, 1969; Friedman, 1962, 1970; Jensen, 2002), as there are dangers of social responsibility of business (Levitt, 1958; Marshall, 1970). Moreover, Friedman went a step further stating that "There is one and only one social responsibility of business--to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." (Friedman, 1970, p.230). Therefore these arguments suffice the need to have a different outlook at what Business should do to show that they are responsible to each of their stakeholders and not taking a piecemeal approach in the form of Social Responsibility as it is in its present form.

### **The Problem Statement**

Various forums at the world level thought of saving the planet Earth and hence various guidelines were proposed to the businesses to make the business sustainable. India went a step ahead from proposal mode to prescriptive mode and suggested businesses to fulfill CSR as a part of their Social Responsibility. Though there is no punishment for not fulfilling such Social Responsibility, there is always a gap between prescription, practice and the outcome. Hence the problem of CSR is not the prescription but what is prescribed, how it is prescribed and why it is prescribed. As the government could not fulfill socio-economic equality promise since independence and did not have a robust policy to reach to those stakeholders who need attention of Government in its absolute form, it was easy to direct business enterprises to fulfill the obligations which was the primary duty of the government.

Therefore, the problem of this study is whether the business can be sustainable when they are concentrating on the function which is neither their main objective nor their subsidiary objective.

Moreover, is guiding business enterprises to do something which is against shareholders value creation will satisfy the need of long term shareholder's wealth maximization.

### **Rationale of the study**

In modern era of CSR, is the piece meal approach as evident by various guidelines a guarantee, that in future, companies will not face further guidelines on the same issue. The issues of Business Responsibility are much larger than the social responsibility. Recent events of financial scams (Satyam, 2008) not fulfilling Corporate Governance norms in context of Director's appointments (mostly PSU's), not fulfilling the guidelines of Food & Drug Department of India (e.g. Maggi - Nestle), pollution of a river on a large scale (Ganga, Yamuna, Vishwamitri) are much larger in scope than CSR.

What is that scope wherein the companies are not just limited to CSR for their sustainability but go beyond and show their Responsible Behavior covering all aspects of business enterprise namely Disclosure of Profit & Loss Account without cosmetizing. Hence in the present time a study should be conducted which can help the businesses in India to have Responsible Business Models and to help government at both central and state level to frame policy which are not limited only to section 135 of New Companies Act of 2013 or clause 49 of listing agreement or any such acts and enactments which restrict the organization only to tick mark approaches rather than behave sensibly and responsibly while fulfilling their business objective. Hence this study will fulfill these aspirations.

## **LITERATURE REVIEW**

Extensive Literature Review has been carried out by researcher to identify and study the variables that determines Responsible behavior of business (RBB). Very few literature on the topic can be traced upon especially in developing countries (Heemskerk, 2012) but the construct (RBB) has started receiving attention worldwide and has been identified as a potential to make noteworthy contribution in achieving sustainable development goals (Heemskerk, 2012). Some of the Research scholars in last decade have made an attempt to provide an overview of different theoretical concepts and frameworks in the field of responsible business (Visser 2006, 2008, and 2011), studied the link between responsible business and different stakeholders (Freeman 1984; Mitchell et. al., 1997). These theoretical frameworks forms the basis of the research and is used to study the responsible business behavior and practices of chemical, petrochemical and pharmaceutical industry operating in the state of Gujarat. Exploring through literature, it is found that while the CSR is considered as top most priority of businesses due to mandatory requirement, the scope of RBB is much more than CSR and infact if RBB is followed in true spirit, there will be less scope of 'CSR Only' thinking of corporates in the larger interest of society.

### **The Start**

The origin of Responsible Business in India can be traced from Vedic literatures, Upanishads, Bhagvad Gita, Ramayana, Mahabharata etc... In Vedic philosophy, Business is viewed as legitimate and an integral part of society. It is discussed well in Vedas that the wealth has to be earned only through fair means and one should put his best efforts to acquire wealth through ethical and moral practices. Vedic literature also states about 'well-being of stakeholders' (stated as Sarva Loka Hitam) where ethics and responsibility acts as fundamental in functioning of businesses.

Ancient treasures reveal the undesirable effects of environmental degradation, caused by natural factors or human activities. It has emphasized on the protection of environment. Many of the Rig Vedic hymns therefore vividly describe both Heaven and Earth together. Hindu religious book Bhagavad-Gita gives insights on 'Dharma' and 'Karma' wherein Dharma means one's righteous duty and Karma deals with the totality of our actions. Karma believes in "As we

sow, so we reap”, which states that we are responsible for our deeds and actions. Chatur dharma theory shows that businesses need to exist in harmony at four levels: nature, human, society and individual. Thus, this states that maintaining and restoring ecological balance supersedes other groups because industry acts as a largest user of natural resources and the greatest polluter of the environment (Ashokkumar, 2014).

In epic Ramayana, “Ram Rajya”, exemplifies the best practices in governance and responsibilities where the prime role of the State was to work for the wellbeing of its citizens. It is also well stated in Mahabharata that “dharma” sustains the society, “dharma” maintains the social order; “dharma” ensures wellbeing and progress of humanity, “dharma” is surely that which fulfills objectives. Mahabharata gives excellent analogies to identify the ethical boundaries. It demonstrates “Rules of ethical conduct” popularly known as ‘Dharmayuddha’.

Chanakya in 4<sup>th</sup> Century BC, highlighted about responsibility in his seminal work ‘Kautilya’s Arthshastra’. His work portrays the art of governance which is based on the two pillars - nyaya (justice) and dharma (ethics). He has stresses upon the need for Ethical behaviour and Dharma while running kingdom. He was of the opinion that strong and wealthy monarchy would be in a position to protect the interest of the people similarly a strong and wealthy business can protect the interest of all stakeholders and at the same time can fulfill responsibilities. According to Kautilya, attainment of good governance entails that the objectives of the state are realized, similarly following strict corporate governance and doing business in an ethical way can help in winning the confidence of all stakeholders (Das & Mahapatra, 2012).

Thus, going back to the roots of Indian history, it is observed that our ancient treasure strongly emphasized on the need of Responsible Behaviour deliberated in terms of incorporating ethics, economic welfare through good governance, fulfilling social and environment responsibilities, ensuring sustainability and wellbeing of various stakeholders.

### **CSR regarded as ultimate goal**

CSR over the years has gained unprecedented momentum in research, business and at public debate. The concept has its origins in western countries, notably in USA and has a long journey, especially from the early 1950s till present time.

**CSR Prior to 1950's** - There are very few literature on CSR prior to 1950's. This period was considered as “Philanthropy” era wherein corporate contributions and donations gained

momentum. CSR was influenced by family values, religion, culture and traditions, as also industrialization. Businessmen spent their wealth for wellbeing of society, by setting up temples and religious institutions, providing food & clothing to the poor especially during flood and drought times.

**CSR from 1950's to 1960's** - The actual beginning of modern philosophical thinking on CSR could be traced at the starting of 1950's which is considered to be modern era of CSR. This decade can be characterized as 'Awareness era' and different academic scholars attempted to give shape to the concept of CSR and therefore the decade was known for more 'talks' than 'actions'. **Bowen (1953)** planted the seed of modern CSR by defining CSR and therefore crowned as the Modern 'Father of Corporate Social Responsibility'. According to him, CSR is an obligation of the businessman to pursue those policies, decisions, and actions which are desirable in terms of fulfilling social objectives. **Drucker (1955)** firmly believed that management should consider the impact of every business policy and action upon society and also need to take care whether the action is likely to promote the public good, to advance the basic beliefs of our society to contribute to its stability, strength and harmony (p. 382). **Levitt (1958)** raised the voice against social responsibility of Business. According to him, social concerns and the general welfare were not the responsibility of business, but of government, and that business's job was to 'take care of the more material aspects of welfare'.

**CSR from 1960's to 1970's** - The decade of 1960's marked a significant growth in an attempt to formalize or state what CSR meant. **Keith Davis (1960)**, one of the most prominent writers in this period defined social responsibility as: 'Businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest' (Davis, 1960:70). **Frederick (1960)** stated that Social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are utilized for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. (1960:60). **McGuire (1963)** defended on the idea that companies has other responsibilities for the society which goes beyond their legal and economic affair (p. 144). **Walton (1967)** recognizes the intimacy of the relationships between the corporation and society and that such relationship must be kept in mind by top managers as the corporation and the related groups pursue their respective goals (p.18).



**Friedman (1970)** the Nobel Prize winner and economist argued vehemently against spending of shareholder's money for anything that does not directly contribute to increasing shareholder wealth. He was the strong opponent of CSR, as he proposed that primary responsibility of the company is to make money as much as possible but within the boundary of societal and ethical rule (p. 230).

**CSR from 1970's to 1980's** - During 1970's, definitions on CSR began to proliferate suggesting the importance of managerial approach towards CSR. The understanding of CSR was influenced by social movements and new legislations. **Harold Johnson (1971)** introduced four defining objectives/features of social responsibility which are Conventional wisdom, **CED (1971)** articulated three concentric circles notion of social responsibility, **Eilbert and Parket (1973)** defined CSR as 'good neighbourliness'. **Davis's (1973)** argued that if the businessman voluntarily engages himself in socially responsible behavior, he can prevent the government from introducing new regulations. **Eells and Walton (1974)** believed that CSR movement is concerned with business's role in supporting and improving the social order. **Preston and Post (1975)** stated that corporations have a public responsibility. **Sethi (1975)** wrote about distinction between the concepts like social obligation, social responsibility, and social responsiveness. **Bowman and Haire (1975)** conducted a study using annual reports to understand CSR and explored the extent to which companies were engaged in CSR. **Fitch (1976)** defined CSR in terms of solving social problems. **Carroll (1979)** proposed a three dimensional conceptual model of CSR, which consisted of: i). Corporate responsibilities ii). Social issues of business and iii). Corporate actions.

**CSR from 1980's to 1990's** - In 1980's, fewer original definitions of CSR emerged and attempts were made to come out with the alternative theme. Major environmental and societal concerns and expectations of corporate behavior during the 1980's revolved around "environmental pollution, employment discrimination, consumer abuses, employee health and safety, quality of work life, deterioration of urban life, and questionable/ abusiveness practices of multinational corporations" (Carroll, 2008, p. 36). This gave way for scholars to write on different alternative themes or complementary concepts such as corporate social responsiveness, corporate social performance, business ethics, and stakeholder theory/management etc...**Jones (1980)** stated that the CSR is the notion that corporations have an obligation to constituent groups in

society other than stockholders and beyond that prescribed by law and union contract. **Tuzzolino and Armandi (1981)** developed a better mechanism for CSR assessment by proposing a need hierarchy framework after Maslow's (1954) need hierarchy theory. **Dalton and Cosier (1982)** presented a model of 2×2 matrix, with "illegal" and "legal" on one axis and "irresponsible" and "responsible" on the other axis. They postulated that there were "four faces" of social responsibility and concluded that a firm is said to be socially responsible if it is operating "legally" and "responsibly". **Strand (1983)** proposed a systems model to represent the link between an organization and its social responsibility, responsiveness and responses and identified internal and external effects of company's behavior. **Carroll (1983)** further elaborated on his previous work published in 1979 on four-part definition of CSR. **Drucker (1984)** emphasized that profitability and responsibility were compatible notions. He brought newness in the idea that business ought to "convert" its social responsibilities into business opportunities. **Corchran and Wood (1984)** examined the impacts of social responsibility on corporation financial performance using reputation index as an indicator. **Freeman (1984)** presented stakeholders theory which brought a new dimension in CSR literature. **Wartick and Cochran (1985)** presented a "Corporate Social Performance Model" which also integrates three areas: the principles of CSR (using Carroll's four categories of social responsibilities as "principles"); the processes of corporate social responsiveness (reactive, defensive, accommodative, and proactive); and the policies developed to address social issues (social issues management). **Epstein (1987)** provided a definition of CSR in his quest to relate social responsibility, responsiveness, and business ethics. He pointed out that these three concepts dealt with closely related, even overlapping, themes and concerns (p. 104).

**CSR from 1990s to 2000 -** The trend of 1980s continued in the 1990s, and the hunt for CSR accelerated in terms of its global outreach. During 1990s, significant level of international events like globalization, IT revolution, sustainable development, concern for environment and its reporting has influenced CSR. This period had observed major corporate scandals (Enron, WorldCom) and therefore CSR was institutionalized with standards like ISO 14001 and SA 8000, guidelines like GRI and corporate governance codes like Cadbury and King. CSR gained international appeal as the result of the international approach to sustainable development. Most of the researchers have wrote on three themes related to CSR - Corporate Social Performance, Business ethics and Stakeholders theory that have captured attention in 1990's. **Carroll (1991)**



presented Pyramid of CSR what he defined as the four main responsibilities of any company: 1) the economic responsibilities which are the foundation for the other levels of the pyramid; 2) the legal responsibilities of the firm; 3) the ethical responsibilities that shape the company's behavior beyond the law-abiding duties, and; 4) the philanthropic responsibilities of the corporation with regards to its contribution to improve the quality of life of society. Carroll also asserted that a firm should be a *good corporate citizen*. **Wood (1991)** presented broader and more comprehensive than the ones presented earlier by Carroll (1979) and Wartick and Cochran (1985). **Hart (1995)** presented 'Resource-Based View of the Firm' which discusses the relationship between companies and environment. He has developed his conceptual framework dealing with three main inter- connected strategic capabilities: 1. **Pollution prevention** – deals with how to minimize Industrial emission, effluents and waste. According to him, pollution abatement can be achieved by two means – First, by controlling pollution through pollution – control equipment or technology and Second, by pollution prevention in which emission and effluents are reduced or prevented through better house keeping, material substitution, recycling or process innovation. Such strategies results in lower cost and benefits to environment and society. Second is **Product stewardship** – deals with minimizing life cycle cost of the products, environmental impacts in the value chain. As explained by him, through product stewardship, firm can exit from environmentally hazardous business, redesign existing product system to reduce liability, develop new products with lower life cycle cost. Third, **Sustainable development**- this minimize environmental burden of the firm, growth and development.

(**Swanson, 1995, 1999**) proposed a derived model in which she tried to include the ethical dimension explicitly, through a theory of values. She identified three motivations that encourage firms to commit to CSR. First motivation is Utilitarian perspective; Second motivation is termed as negative duty approach which means businesses are compelled to adopt social responsibility initiatives in order to conform to stakeholder norms defining appropriate behavior. Third motivation deals with the positive duty approach - weaves CSR principles into the corporation's identity. **Burke and Logsdon (1996)** evaluated the benefits of the strategic implementation of CSR by studying the link between CSR and positive financial performance of the firm. They identified five dimensions of strategic CSR - 1) centrality, which represents how close or fit is CSR to the company's mission and objectives; 2) specificity - represents the ability to gain specific benefits for the firm; 3) proactivity, in terms of being able to create policies in

anticipation of social trends; 4) voluntarism, explained as the discretionary decision making process that is not influenced by external compliance requirements, and; 5) visibility, refers to the relevance of the observable and recognizable CSR for internal and external stakeholders. **Elkington (1998)** presented the concept of “The Triple Bottom Line” as a sustainability framework in 1994 that balances the company’s social, environmental and economic impact. Later in 1998, he explained the way to achieve triple bottom line performance (social, environmental, and economic. (**Clarkson, 1995; Maignan, et.al., 1999**) proclaimed that businesses bear no responsibility towards society. Sole responsibility of business is towards their stakeholders.

### **CSR from 2000 till present**

In early 2000s, the business community was enthralled with the notion of sustainability, or sustainable development, and such theme became an integral part of all CSR debates (Carroll, A., Shabana, K., 2010). Decade 2000 started with most notable achievement by UNGC in the form of ten principles that guides corporate behavior of its members having major focus on human rights, labor, environment and anti-corruption. In the same year, United Nations presented eight Millennium Development Goals (MDGs) and set the international agenda for the following 15years and as a result the concept became stronger with the global recognition. CSR debates entered into corporate board rooms as Strategic CSR, disclosure on CSR activities became prominent during this period. **Holmes and Watts (2000)** provided CSR definition as the ‘continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large’. **Smith (2000)** emphasized on the need for making CSR part of a company’s strategic perspective so as to fulfill its long term obligation towards society. **Lantos (2001)** fetched our attention towards difference between Mandatory (ethical) versus Voluntary (Social) CSR. He clarified the concept by distinguishing three archetypes of CSR – ethical CSR, altruistic CSR, and strategic CSR. Ethical CSR deals with moral dimension and is mandatory in nature and goes beyond fulfillment of firm’s economic and legal responsibilities. Actions are taken because they are right, not merely because they are enforced by law or for repeating profit. Thus companies should take all possible steps to avoid harm or social injuries even in those cases where business where does not get direct benefits. Examples –

money spent on pollution control or on product safety etc... Second is Altruistic CSR – deals with selfless commitment of the firm for the social wellbeing. This implies doing well to the society, irrespective of whether firm will gain any profit or not. It goes beyond ethical responsibilities of firm and examples may include steps taken for alleviating social and environment issues. And third is Strategic CSR – focus on firm's strategic philanthropic activities leading to win- win situation for both firm and society. **Jensen (2002)** criticized the concept of CSR as he believes that social responsibility shouldn't be incorporated into the business because business already contributes to the society by making profit. **Porter & Kramer (2006)** presented a link between competitive advantage and CSR. They coined a new concept known as CSV – Creating shared Value which means providing benefits to both society and the firm. According to their framework, all companies needs to address social issues that falls into three categories – 1. Generic social issues are those which neither affected by company operations nor they affect competitiveness in the long run but may be important to the society. 2. Value chain social impact includes those issues which are significantly affected by company's activities in regular course of business. 3. The social dimension of competitive context includes those social issues in an external environment that affects the underlying drivers of competitiveness in those locations where company operates. However, company should give more weightage to social dimension of competitive context compared to generic social issues. Business strategies should be formulated keeping in mind social dimensions of a competitive context, the social impact of the value chain or generic social issues. Further, they classified CSR into two types – Strategic CSR & Responsive CSR. Strategic CSR benefits both the firm and society and moves beyond good corporate citizenship. Whereas in Responsive CSR, the focus is more on improving corporate image through CSR actions and acting as a good corporate citizen by mitigating damages arising from the activities of the company in the value chain. Therefore, companies should emphasize more on Strategic CSR as it acts as a source of opportunity, innovation and can lead to competitive advantage rather than cost, constrained or a charitable deed. Company should undertake all such actions which add value to its business. **Matten & Mood (2008)** provides a comparative overview on implicit and explicit elements of CSR. **Porter and Kramer, (2011)** introduced CSV (Creating Shared Value) and emphasized more on CSV rather than CSR. They distinguished CSR and CSV on three points. First, CSR activities help to improve firm's reputation. It is just a response to external pressure, whereas the

goal of CSV is to enhance the core competitiveness of a company by simultaneously addressing the economic and social conditions. Second, CSR activities tend to be disconnected with business objectives, whereas CSV activities are more connected with business goals. Third, CSR deals with redistributing profits that were already generated by firms, while CSV activities benefits both society and corporations. Therefore, CSR is a zero-sum game, whereas CSV is more of a positive-sum approach. Theory also suggests that firm can create shared value at three levels – first, by reconceiving customer needs, products, and markets which include redesigning of products / services that meets social needs, opening new markets by serving unmet needs of undeserved communities. Second, by redefining productivity in the value chain and third by enabling local cluster development. **Craine et. al., (2014)** presented a comprehensive critique of Creating Shared Value (CSV) coined by Porter & Kramer in 2011. They identified four main problems related to CSV in their article – First, CSV is unoriginal. Second, CSV ignores the tensions between social and economic goals. Third, CSV is naive about business compliance and fourth, is based on a shallow conception of the corporation's role in society.

## **Historical Events leading to Responsible Business Behaviours (RBB)**

### **The Irresponsible Business Behaviour Events**

The above detailed literature indicates Business as one of the leading factor and major source to achieve sustainable development objectives. The Social Responsibility of Business is to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition without deception or fraud. (Friedman, 1983) The responsibility of business has not remained limited to do business in a profitable way (Friedman, 1983) but to ensure the ways business operations impacts society and the environment. Increasing numbers of corporate scandals, playing and concealing with financial data (Enron, 2001; Worldcom, 2002; Satyam, 2009; Kingfisher, 2012; Sahara, 2013), sudden collapse of major financial institution due to their unethical lending practices during global recession 2008 and 2009 (Lehman Brothers, 2008; ABN-Amro, 2008; The Royal Bank of Scotland, 2008), endemic corruption level and bribery cases (Telia Sonera's bribing scandal, 2011; Siemens colossal corruption scandal and settlement case, 2006) was unprecedented in scale and geographic reach, largest environmental catastrophes (Deepwater Horizon – BP Gulf of Mexico Oil Spill case, 2010; Volkswagen emission scandal, 2015; Bhopal Union Carbide pesticide plant case, 1984), unethical labour

practices (Foxconn sweatshop issue leading to 16 employees suicide case, 2010) illustrates corporate irresponsible behavior, lacking concerns for communities and environment (Lange and Washburn, 2012). A cursory look towards these corporate scandals and crises episode epitomize irresponsibility towards its stakeholders and questioned the credibility of large corporate houses.

### **Events Prescribing Guidelines to Behave Responsibly**

The foregoing corporate irresponsible acts which question sustainability of business and society started getting global attention and resulted into various guidelines, principles and frameworks related to responsible business practices that companies should incorporate while formulating their business policies and strategies. Prominent amongst these are ten principles given by UN Global Compact (UNGC, 2004) covering areas of Human Rights, Labor Rights, Environment and Governance derived from various UN conventions; National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE, 2011) given by Ministry of Corporate Affairs, India essentially dealing with set of nine principles that offers Indian businesses an approach to inculcate responsible business conduct, serving as a guidance document for businesses, irrespective of size, ownership, sector, and geographical location to achieve the triple bottom line; Organization for Economic Cooperation and Development (OECD, 2011) guidelines covering areas of Employment, Human Rights, Environment, Information Disclosure, Combating Bribery, Science and Technology, Competition and Taxation specially focusing on multinational enterprise; SEBI, the market regulator of India in 2012 (SEBI circular dated August 13, 2012) mandating the inclusion of Business Responsibility Reporting (BRR) as a part of Annual Reports for top 100 listed entities based on market capitalization at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) w.e.f. FY ending on March, 31, 2012 which were in line with NVG – SEE guidelines; Global Reporting Initiative (GRI) releasing different guidelines and standards (G1 – 2000, G2 - 2002, G3 - 2006 and G3.1 – 2011, G4 – 2013, GRI standards - 2016) which require companies to communicate and report stakeholders about their business impact on the economy, the environment and society, be it positive or negative, and show how they contribute towards the sustainable development goals; Mandated CSR in India as per The New companies Act, 2013. While going through all such guidelines and frameworks, it is observed, any business house irrespective of its size, sector, ownership, location should examine how it operates and makes



profit (responsible behavior) rather than how much it earns and spends profits (CSR). In spite of having numerous regulations, frameworks and guiding principles, the number of irresponsible behaviour by companies has not reduced. Hence, there is a need to develop inclusive business models /responsible business behaviour model that vary from traditional CSR discourse in existence (Srinivasan, 2012).

## **What is Responsible Business Behaviour (RBB)?**

In the present scenario, a business's main objective has not remained limited to doing business, but has percolated down to having social responsibility due to legislative intervention. This may not suffice the need for inclusive business sustainability due to its ad hoc approach, namely, spending 2% of net profit (Companies Act, 2013). Moreover, the businesses are interdependent on many stakeholders that are intertwined with each other and therefore the need for responsible behavior of business is felt. But Responsible business as a concept has not been understood by firms due to the dominance of Philanthropic approach and often jumbled up with CSR concept (Batham *et. al.*, 2013). Moreover, socially irresponsible behavior of organizations can be witnessed due to inefficient legal systems that have teeth without the ability to bite. Hence, two aspects of business, viz., responsibility of business and responsible business draw our attention. As understood in the traditional context, these two terms can be divided based on the profit making aspect. 'Responsibility' can be fulfilled when the businesses are in sound position making profits, i.e., compliant behavior as per the Companies Act, 2013, and 'Responsible Business' has nothing to do with profits. 'Responsiveness' is inbuilt in each practice of business while attempting economic activity and growth. The first aspect is implied when a business grows to a profit-making stage, while the latter has inbuilt cultural and social aspect of behaving responsibly irrespective of the stage of business.

## **Defining Responsible Business Behaviour**

After digging through lot of literature, researcher was unable to search any uncontested, globally or nationally accepted definitions on Responsible Business Behavior. Multiple terms like Corporate Social Responsibility 2.0 (Visser, 2011), Shared or Mutual Value creation (Porter & Kramer, 2011; Crane *et. al.*, 2014), corporate citizenship (Moon *et al.*, 2004; Mohan, 2001),

corporate social performance (Wood, 1991; Wang & Choi, 2013), corporate sustainability (Dyllick and Hockerts, 2002; Montiel, 2008; Visser, 2011; Lozano 2015; Camilleri, 2017), stakeholder engagement (Freeman 1984; Sen et. al., 2006; Bhattacharya et al., 2009; Camilleri, 2015). Inclusive business (WBCSD and SNV, 2006, 2010 & 2011; Bonnell and Veglio, 2011; Golja, 2012; Golja and Požega 2012), corporate social responsiveness (Salbu, 1993; Frederick, 1994) are often used interchangeably to show the relationship of business with society and the environment

A few researchers (Porter and Kramer, 2006; Avram and Kuhne, 2008; Visser, 2011; Srinivasan, 2012; and Bathamet *al.*, 2013) have recognized Responsible Business Behavior (RBB) and not CSR to underscore economic, social and environmental responsibilities. Researchers have viewed RBB as those behaviours that consist of value creation or value-addition (Porter and Kramer, 2011; Visser, 2011; and Srinivasan, 2012), good governance (Visser, 2011; and Srinivasan, 2012), societal contribution (Visser, 2011) and environmental integrity (Visser, 2011; and Srinivasan, 2012), customer responsive (Porter and Kramer, 2006; and Avram and Kuhne, 2008) or product stewardship (Avram and Kuhne, 2008), sustainable development (Avram and Kuhne, 2008; and Srinivasan, 2012), ethics (Srinivasan, 2012), reduce social and environmental problems arising out of the business activities (Vaidyanathan and Scott, 2012), inclusive business activity (Visser, 2011).

Visser (2008) identified ten drivers of responsible business in developing countries, i.e., cultural and societal tradition, local business ethics, social and economic environment, reforms in politics, crisis response, filling up governance gaps, socially responsible investments, market access, supply chain integrity and stakeholder activism.

Visser et al. (2007) defined Responsible Business as “The formal and informal ways in which business, next to making a profit, consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement of the developing countries in which they operate, through their business model and activities, while remaining sensitive to prevailing religious, historical and cultural contexts’ (Visser, 2011; Visser et al., 2007).

Visser (2011) condemned the CSR behavior of companies as they failed to uplift the community, society and environment, and he called this the triple curse of modern responsible business as they were quick fix, aimed at short-term solution and had little positive impact. CSR failed to

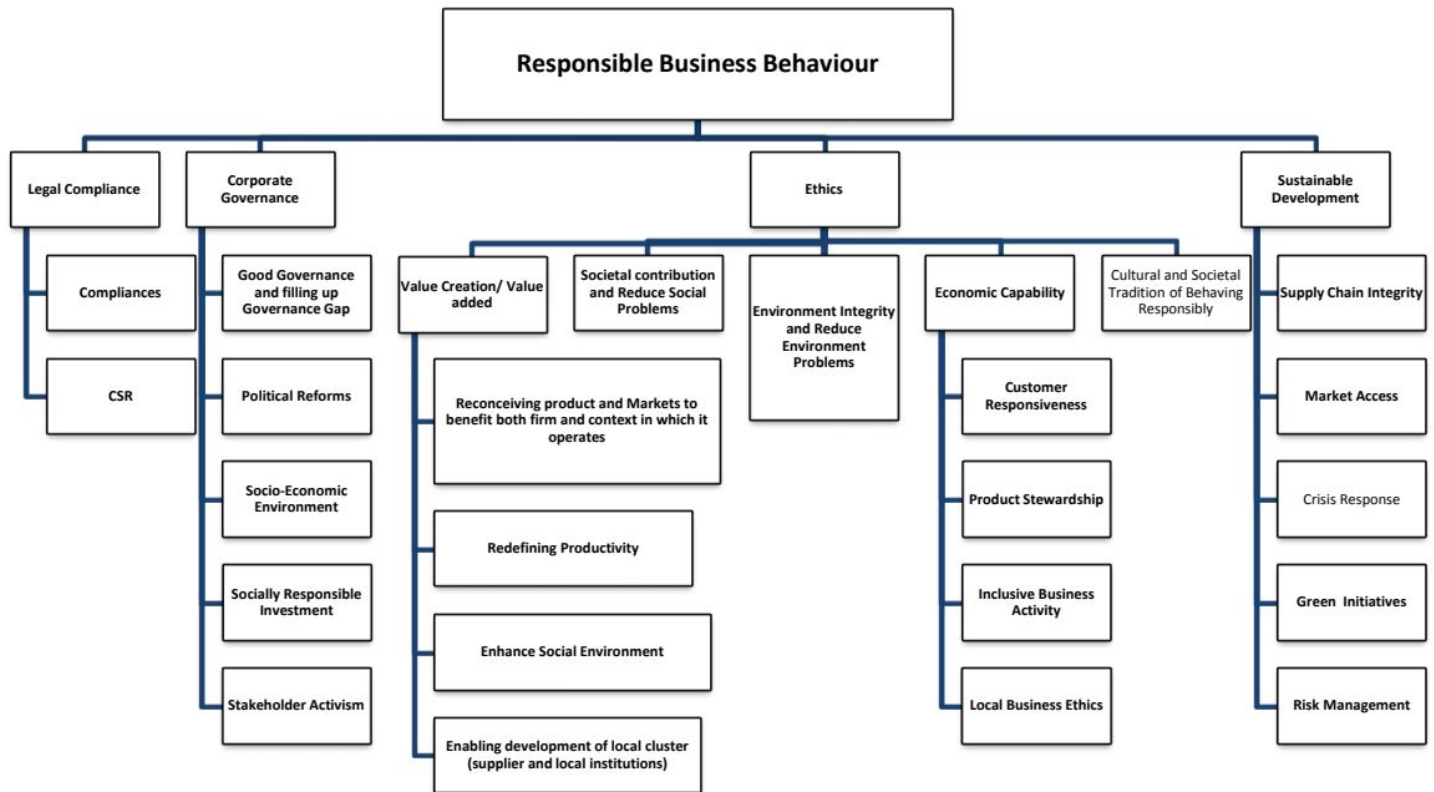
address the issue in accordance with the gravity and priority of the problem and unviable to the main objective of any business. Moreover, Farnsen (2012) was of the view that CSR arose as an alternative to fill governance gaps and to cover up government's failure to achieve the social objectives. CSR initiatives may lack the legitimacy (Scherer and Palazzo, 2011; Diller, 2013 cited in ILO Research Report No. 13, 2016) and limitations of surveillance and enforcement. Additionally, a number of stakeholders will compete for the share in CSR initiatives leading to varied standards of CSR, their interpretation and monitoring (O'Rourke, 2003; Trebilcock, 2004; Fransen, 2012 cited in ILO Research Report No.13, 2016). However, Srinivasan (2012) stated that CSR is one part of responsible business.

### **Developing the RBB Model**

After getting insights from Literature, the Researcher tried to consolidate various aspects that recognized Responsible Business Behaviour instead of only CSR to constitute real economic, social and environmental responsibilities (Ortiz & Ku'hne, 2008). Researcher further explored the competitive advantage of RBB as a part of strategic planning (Ortiz & Ku'hne, 2008; Hart 1995; Porter and Kramer, 2006). RBB means doing good to the environment and the society by adding value, quality orientation, customer responsiveness through operational and strategic decisions in business for business. Firm competitiveness and a proactive environmental and sustainability strategy do have positive causal relationship (Aragón- Correa and Sharma, 2003; Fowler and Hope, 2007; Porter and Van der Linde, 1995; Avram and Ku'hne's, 2008). Reforms in the regulatory environment are vital and urgent, but at the same time it is also essential to create a culture of Responsible Business Behavior in the industry (Batham et. al., 2013). Thus extracting various concepts from previous literature, Responsible Business Behaviour Model has been created by researcher which includes four dimensions i.e. CSR & Legal Compliance, Corporate Governance, Ethics and Sustainable Development. (Refer figure 1.1). At the basic level Responsible Business Behaviour (RBB) is inclusive of company, society, nation and the globe. It includes activities that are inclusive of all four dimensions of a business activity. Thus, activities under RBB model (figure 1.1) are as under:



**Figure – 1.1: - Responsible Business Behaviour Model**



*(Source: Model by Sharma & Lotwala, 2017)*

1. **Legal Compliance-** This aspect covers compliance behaviour including labour legislation and CSR, etc. viz., Use CSR as mitigating strategy to already damaged environment and enhancing living experience of the nearby community, use of ethical practices while paying revenue i.e. curbing the menace of black money.
2. **Corporate Governance –** Adhering to good governance and filling up governance gap, acceptance of political reforms, socio-economic environment, socially responsible investment and responding to stakeholder activism. This can be achieved by implementing Corporate Governance practices to the advantage of enhancing transparency in control and direction, Government policies and infrastructure development suggests building best-in-class manufacturing infrastructure (Sahoo, G., 2015) to enhance manufacturing experience by smooth and less stressed technology on manufacturing ecosystem.

3. Ethics – Activities related to ethics are value creation (through reconceiving product and markets to benefit both firm and context in which it operate, redefining productivity, enhancing social environment, enabling development of local cluster - supplier and local institutions, societal contribution and reduce social problems, environment integrity and reduce environment problems, economic capability (through customer responsiveness, product stewardship, inclusive business activity, local business ethics), and cultural and societal tradition of behaving responsibly. Viz., Environment integrity can be fulfilled by activities concerning technology development, one can enhance his company's image in the region by doing things beyond mandatory requirement demonstrating non-mandatory or exemplary behaviour such as developing water and air treatment system in a bid to recycle the water and restoring quality of air respectively. Secondly, economic capability could be gauged by product stewardship strategy which measures the impact of the product on the environment throughout product's whole life cycle and be proactive to avoid or at least minimize the negative impact on environment (Fowler and Hope, 2007).
4. Sustainable Development – include supply chain integrity, market access, crisis response and risk management. Viz., Promote Craftmanship to promote Skilled youth to take advantage of Skill-India, Start-up India, Entrepreneurial capabilities of young India, promote green technology by discarding old technology. According to Fowler and Hope (2007) sustainable development strategy must be guided towards a commitment to a Triple Bottom Line. Triple Bottom Line that includes profitability, environmental and social goals.

It is suggested that, CSR & Sustainability should be interwoven within the governance practices of the firm. Nation growth and development is incomplete without manufacturing industries as it fulfills the products demand, generates revenue and contribute to GDP, create employments etc... but this has to be done with responsibility and in a sustainable manner. Corporate should not only consider that what it should earn and do with its profits but also need to ponder upon how it made its profits i.e. to look at the impact on all its primary and secondary stakeholders. For e.g. while emitting within accepted level of pollution prescribed by the government, company must be thinking that it has acted in a most responsible way and contributed to environmental sustainability. But over a period of time, effluents gets accumulated and will reach at an unacceptable level which will be difficult to manage even after spending crores and billions to restore it (e.g. Case of River Ganga & Yamuna in India). At the same time, in long

run company may be forced to close down its units as the region has been declared as environmentally unsafe due to intense level of pollution spread through accumulation as seen in case of China where 40% of factories were shut down and penalized in order to curb down air pollution (forbes, Oct, 2017). This may end up into loss or collapse of the firm, unemployment, affects dependent industries business, affects revenue of the government in the form of taxes etc... Thus this example illustrates that how little ignorance towards environment by industries not only affects sustainability of society but also affects economic sustainability of the firm. It is also observed that by the same government and law, which has permitted a company to release the effluents within the prescribed limit can result into havoc situation and things can become uncontrollable.

Corporate compliance behavior will not suffice the long term goals of sustainability. Company has to operate with responsibility which is beyond compliance behavior as responsibility is intertwined with ethical and moral values which will be helpful for long term sustainability of business as well as society.

The concept of CSR today is just limited to compliance behavior i.e. polluters will be asked to pay for the damage done and repair the same through CSR activities. But the issue is, can the harm / damage done to the nature or environment be repairable? Can it be compensated through money? The present CSR context is trying to find out monetary equivalence to the damage done to the nature (Sharma, 2011).

The business responsibility should not be limited to their business operations but should be extended in the whole value chain. Drucker (1984) has rightly said that “But the proper ‘social responsibility’ of business is to tame the dragon, that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth.”

## **Research Questions**

Main Research Question: As Gujarat is one of the large business hub, specifically for chemical, pharmaceuticals and petrochemical businesses which are most environment polluting businesses, the researcher tried to understand that if this industry alone starts behaving responsibly (as per the RBB model), most of the social and environmental issues can be curbed to an extend to make society and business survive together with success i.e. sustainable existence. Hence, the question

that the researcher wanted to seek answer was – How far industries in Gujarat (chemical, pharmaceuticals and petrochemical businesses) understand the concept of RBB and what are the aspects of RBB that are followed mostly by these industries to bring in sustainable society and business?

In order to attain answers to the above stated main research question, following are the sub - research questions which will help to fulfill the study need.

- Research Question 1: What are various long term and short term business objectives?
- Research Question 2: What different Sustainability Objectives based on sustainability models are set and implemented by business organizations?
- Research Question 3: What are various aspects of Responsible Behaviour of Business enterprise in context of their Business activities?
- Research Question 4: What are different dimensions of Business activities that go into the roots of Responsible Behaviour?
- Research Question 5: What types of conflicts and mitigations efforts can take place in between growth and Sustainable society?
- Research Question 6: What steps need to be taken by the Government and Businesses for mutual sustainability of business and society?

### **Research Objectives**

Based on the above research problem, the Primary Objective of the study is “To study the Responsible Business Behaviour of chemical, petrochemical and pharmaceuticals companies operating in Gujarat for bringing in sustainable society and business.

To achieve the primary objective, the sub-objectives are framed as under:-

- To identify various long term & short term Business Objectives of chemical, petrochemical and pharmaceuticals companies operating in Gujarat
- To explore the sustainability objectives of the business enterprise depending on various sustainability models.
- To understand various aspects of Responsible Behaviour of Business enterprise in context of their Business activities

- To explore various dimensions of Business activities that goes into the root of Responsible Behavior
- To investigate the conflicts and mitigation between Sustainable society and Business
- To suggest steps to be taken by the Government and Businesses for mutual sustainability, judicious use of resources, common amenities to support businesses by the government.

### **Research Hypothesis**

To explore the above objectives and in consultation with the review of literature following hypotheses are framed.

**Ho1:-** There is no significant association between various factors of Responsible Business Behaviour and Profitability of the company.

**Ha1:-** There is significant association between various factors of Responsible Business Behaviour and the Profitability of the company.

**Ho2:-** There is no significant association between various factors of Responsible Business Behaviour and the Reserve fund of the company.

**Ha2:-** There is significant association between various factors of Responsible Business Behaviour and the Reserve fund of the company.

**Ho3:-** There is no significant association between various factors of Responsible Business Behaviour and the type of the business.

**Ha3:-** There is significant association between various factors of Responsible Business Behaviour and the type of the business.

**Ho4:-** There is no significant association between various factors of Responsible Business Behaviour and the sector of business that company belongs to.

**Ha4:-** There is significant association between various factors of Responsible Business Behaviour and the sector of business that company belongs to.

**Ho5:-** There is no significant association between various factors of Responsible Business Behaviour and age of the company.

**Ha5:-** There is significant association between various factors of Responsible Business Behaviour and age of the company.

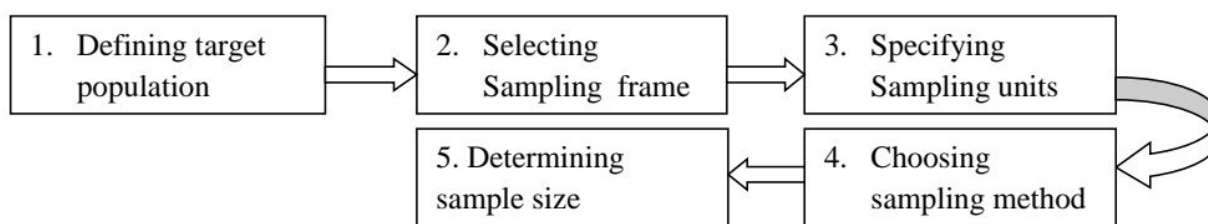
Independent variables i.e various factors of Responsible Business Behaviour like CSR, Corporate Governance, Business Ethics and sustainable development will be tested for searching association and correlation with dependent variables like profitability, reserve fund of the company, type and sector of the company etc.

## RESEARCH METHODOLOGY

This section presents methodology employed for examining framework developed, during the literature review, for the purpose of present study. The study adopts a deductive approach which involves four steps viz. (i) review of the existing theories (ii) deduction of hypotheses from the literature (iii) testing of the proposed theory (iv) confirming / modifying / rejecting theory in the light of hypotheses testing (Sampe, 2012).

**Research Design & Method** – The research design used in the study is descriptive as well as exploratory in nature. It is descriptive as it describes the characteristics of the phenomenon that is being studied and exploratory as it explores various associations between dependent and independent variables. In case of research method, both Quantitative and Qualitative research is applied in the study. Quantitative method is applied with the objective to generate numerical data and hard facts about study variables, by employing statistical technique. Qualitative method is applied for taking expert views on the topic, content validity of various variables and analysis of current literature available on the topic.

**Sampling Design** – According to Zikmund et.al., 2010, the sampling design incorporates five steps given below:-



(Source: Based on Zikmund et. al., 2010)

- **Defining target Population of the study**–Identifying right population of the study acts as important part of research activities as right sample size is determined on right population. The target population in this study comprises of all Chemical, Petrochemical and Pharmaceutical manufacturing units operating in the state of Gujarat, India. Researcher has used different sources to identify right population which is shown below at table - 1.1.



**Table - 1.1:- Sources referred by researcher to identify population of the study.**

No.	Sources used	Published by
1	Directory of Chemical (Large and Medium scale) units, 2017-18	Government of India, New Delhi,
2	Directory of Petrochemical (Large and Medium scale) units, 2017-18	Government of India, New Delhi,
3	Vibrant Gujarat, 7 <sup>th</sup> Global Summit Report, 2015 (includes detail on chemical, petrochemical and pharmaceuticals sector)	Government of Gujarat
4	Vibrant Gujarat report on Pharmaceuticals sector profile, 2018-19	Government of Gujarat
5	Vibrant Gujarat report on Chemicals and Petrochemicals Sector Profile, 2018-19	Government of Gujarat

As per FICCI, Department of Chemicals & Petrochemicals – Govt. of Gujarat and GPCB, 2015, Gujarat is the major hub of chemical & petrochemical industry in India, accounts for 62 % of India's petrochemical production, 53% of other chemicals production and 18% of India's chemical exports. Gujarat's chemical & petrochemicals industry comprises of about 500 large and medium scale industrial units, about 16,000 of small scale industrial units and other factory units and providing 16% of employment in the state. (Vibrant Gujarat, 7<sup>th</sup> Global Summit Report, 2015).

According to source - Annual Survey of Industries 2014-15; Chemicals & Petrochemicals Statistics at a glance: 2017, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India specified Vibrant Gujarat – chemical and petrochemical sector profile report, 2018-19, there are Presence of **more than 4,400** industrial units that manufacture chemicals and petrochemical chemical products

In Pharmaceutical industry, Gujarat acts manufacturing base for bulk drugs and formulations, and speedily moving towards Global manufacturing hub. The government has created several pharma products based clusters, located in the districts of Baroda, Ankleshwar, Ahmedabad, Bharuch, Vapi and Valsad.



According to DNA, FDCA Gujarat, IBEF, ASI, Pharmexcil source, specified in Vibrant Gujarat report, 2018-19 report, Gujarat is currently home to **3099 allopathic, 698 ayurvedic and 556 cosmetic manufacturing pharma units** (Vibrant Gujarat - Pharmaceuticals sector profile report, 2018-19).

Thus, after peeping into multiple sources, the researcher has used following data source to identify true population. In case of Pharma companies, researcher has considered all three categories of pharma products i.e. allopathic, ayurvedic and cosmetic products. Thus, the population of the study is shown at table – 1.2.

**Table – 1.2:- Sources used by researcher to get population of the study**

No	Type of companies as population of the study	No. of companies operating in Gujarat as per 2018 -19	Source of Data used
1	No. of chemical and petrochemical units in Gujarat. (large, medium and small)	<b>4400</b> Chemical & petrochemical Manufacturing units in Gujarat	Source - Annual Survey of Industries 2014-15; Chemicals & Petrochemicals Statistics at a glance: 2017, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India published in Vibrant Gujarat chemical and petrochemical sector profile report, 2018-19)
2	Pharma licensed mfg units in Gujarat <ul style="list-style-type: none"> <li>• Allopathy</li> <li>• Ayurvedic</li> <li>• Cosmetic</li> </ul>	<b>3099</b> <b>698</b> <b>556</b>	Source - DNA, FDCA Gujarat, IBEF, ASI, Pharmexcil specified in Vibrant Gujarat Pharmaceuticals sector profile report, 2018-19)
<b>Total population</b>		<b>8753</b>	Units in Gujarat

Thus, it can be inferred from the above table 1.2 that there are total **8,753** Chemical, Petrochemical and Pharma units operating in the state of Gujarat which will be treated as population of the study.

- **Sampling Technique** - Stratified convenience sampling has been used as sampling methodology to collect data for the present study. For the purpose of sampling, the population has been divided into three mutually- exclusive and exhaustive strata i.e. large scale, medium scale and micro & small scale units so as to minimize the within-stratum variation and maximize the between-stratum variation. Thereafter, convenience sampling is used because it is convenient to researcher and quick in response. Subsequently, proportionate allocation is adopted to avoid under-sampling or over-sampling of any sub-group and to ensure that the size of the sample in each of the stratum is proportional to the size of the stratum as it improves the efficiency of sampling by increasing homogeneity of the units within a strata as well as heterogeneity between the strata. Second, it reduces variance and thus increases the precision of survey estimates. Third, the method facilitates comparison between strata and fourth it ensures coverage of elements from each unit
- **Sample size determination** – To determine right sample size to be adequate enough to represent all the characteristics of the population, a formula could be used however, getting data from industries in large number may have time limitation. Therefore, the sample size was kept approx. 100. However, the care was taken that all three sectors Chemical, Pharmaceuticals and Petrochemicals are represented adequately to come to the rational conclusion of the study. Moreover, the care was also taken so that the sample is representative of various sizes of the company.

## **Data collection**

**Data Source:** - The data is collected from both primary and secondary sources. Primary source is used to elicit firsthand information collected from Unit head, EHS head and HR head belonging to Chemical, Petrochemical and Pharmaceutical Industry. The necessary Secondary data is ferreted from Journals, Newspapers articles, Annual Reports of Companies, Government reports, committee reports established by Government and Non-Government agencies and various websites related to the concerned topic like Shodhganga,

INFLIBNET etc...Websites were explored to identify the research studies conducted on related topics within India.

**Data collection tools and techniques:** - Since the research design is survey, structured questionnaire was administered to the target population. Research instrument used in the study includes both measurement scales, continuous (Summated Rating Scale) and categorical (Binary, MCQ's and Rank order scale) data. Questionnaire covers four main variable i.e. CSR and other legal compliance, Corporate Governance, Corporate ethics and sustainable development. The researcher has used a closed questionnaire for this research. Hard copy of data collection tools is distributed among target population. Further, unstructured expert interviews for qualitative analysis are being carried out to get more insights into Responsible Business Behaviour. Researcher administering the instrument had an opportunity to establish rapport, explain the purpose under study, and as well explain the meanings of items covered to get views of respondents. The researcher has used a closed questionnaire for this research.

**Instrument Validation Procedure** - Pilot Testing of the questionnaire was carried out by the researcher with the objective to know - a) whether the questions enlisted in the questionnaire are relevant with the objective of the study, b) Understanding of the questionnaire items by the respondents, and c) whether respondents are willing to share information.

#### **Validity –**

Validity states the *accuracy* of measurement. It is the extent to which Research Instrument measures what it is supposed to measure. Basically, there are four types of Validity - Face validity is the extent to which a **tool** appears to measure what it is supposed to measure. Construct validity is the extent to which a **tool** measures an underlying construct. Content validity is the extent to which items are relevant to the content being measured. Criterion-Related Validity correlates results of assessment with another criterion of assessment. To Validate the Research Instrument, expert opinion in addition to guiding teacher and departmental research committee has been sought. Because this study is about Responsible Business Behaviour for Sustainable Development of Business and Society, experts from Chemical, Petrochemicals and

Pharmaceuticals Industry have been consulted. Following experts from Industry have been consulted for validation of instrument

**Table 1.3: Name of Experts and their Designations for Content Validity**

No.	Name of Expert	Designation & Name of the company
1	Shri Pradip Keshwani	EHS – Head, GNFC, Bharuch
2	Shri Tapan Shah	EHS – Manager, OPAL, Dahej, Bharuch and expert in the area of research
3	Shri Bhadresh Patel	EHS – Head, Jay Chemicals, for Dahej & Khambhat plant,
4	Mr. Nikunj Bhatnagar	EHS – Head, GAIL

Content Validity has been checked through Responsible Business Behavior Model established by a researcher which includes Variables like CSR & other Compliance, Corporate Governance, Ethics and Sustainable Development. The model got published in Blind peer reviewed and UGC approved reputed Business Strategy Journal named ‘The IUP Journal of Business Strategy’ by The IUP Publication. The title of research paper is “Learning from China: Mitigating Problems of Make in India through Responsible Business Behaviour”. The paper was under review by Journal Editorial team for six months and during this period various inputs were given by them which were considered for finalizing the model. Questionnaire was developed based on the RBB model (refer fig. 1.1, Literature Review), thereafter factors leading to variables were decided, thereafter the items of factors were developed leading to depended variables and its contents. Following table states the factors used in Questionnaire derived from published model along with their Question No.

**Table - 1.4: Factors of RBB used in questionnaire with their Question No.**

Section	Factors / Variables of RBB	Covered under Question No. (from – to)
1	CSR & other compliance	Ques No. - 1 to 5
2	Corporate Governance	Ques No. - 6 to 19
3	Ethics	Ques No. - 20 to 43
4	Sustainable Development	Ques No. - 44 - 56

### Reliability

Reliability of instrument demonstrates whether instrument *consistently* measures what it is supposed to measure. It denotes stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a measure (Shekharan U, Bougie R., 2010; Zigmund, 2003). Stability determines the ability of a measure to remain the same over time which is measured through - test-retest reliability and parallel-form reliability. The internal consistency indicates the homogeneity of the items in the measure that tap the construct which is examined through Inter-Item Consistency and split-half reliability. Cronbach's alpha ( $\alpha$ ) is a coefficient of internal consistency and widely used in social sciences research. Cronbach (1951) stated, “A reliability coefficient demonstrates whether the test designer was correct in expecting a certain collection of items to yield interpretable statements about individual differences” (p. 297). In this study, Cronbach Alpha has been carried with the help of received responses as a pilot test. Responses were selected randomly from bunch to find out internal consistency. For conducting such test, SPSS software version 21 is used. Cronbach  $\alpha$  normally ranges between 0 and 1. George and Mallery (2003) provide the following rules of thumb: “if  $\alpha > 0.9$  – Excellent,  $\alpha > 0.8$  – Good,  $\alpha > 0.7$  – Acceptable,  $\alpha > 0.6$  – Questionable,  $\alpha > 0.5$  – Poor, and  $\alpha < 0.5$  – Unacceptable” (p. 231). Table 1.5 shows the internal consistency of constructs used in instrument.

**Table 1.5: Internal consistency of constructs**

Section	Ques. No.	Construct	No. of Variables	Instrument	Cronbach's Alpha $\alpha$
1	2	Attitude of company towards CSR	11	Likert Summated Rating scale	<b>0.841</b>
2	19	Stakeholder / shareholder activism	5	Likert Summated Rating scale	<b>0.977</b>
3	33	Customer Responsiveness	5	Likert Summated Rating scale	<b>0.948</b>
3	43	Product stewardship	9	Likert Summated Rating scale	<b>0.896</b>
4	47	Supply Chain Integration policies and practices	16	Likert Summated Rating scale	<b>0.921</b>
4	54	Crisis management response	9	Likert Summated Rating scale	<b>0.911</b>

Thus from above table 1.4, it can be inferred that as Cronbach Alpha  $\alpha$  in case of statements related to constructs - Stakeholder / shareholder activism, Customer Responsiveness, Supply Chain Integration policies and practices, Crisis management response is more than 0.9 which indicates 'Excellent' internal consistency. Further, statements on Attitude of company towards CSR, Product stewardship has Alpha value more than 0.8 which demonstrates 'Good' internal consistency.

### **Statistical Tools and Techniques**

Researcher has used both descriptive and inferential statistics for data analysis. Scales like nominal, ordinal, interval and ratios were used to get response from respondents.

SEM model has been used to show graphical presentation of intra and inter- association and relationship between independent and dependent variables. Parametric test like z-test, Factor Analysis, ANOVA, Multiple Regression Analysis and Non-parametric test like  $\chi^2$  test, K-S test, were conducted. Further, Spearman  $\rho$  and Pearson's  $r$  have been carried out to establish correlation for parametric and non-parametric test respectively.

### **Limitation of the study**

This study is limited to analyze the Responsible Business Behaviour of Chemical, Petrochemicals and Pharmaceutical Industries operating in Gujarat State. Thus, this study does not cover other states of our country. Furthermore, the sample selected for the study is convenient sampling and hence future study can be conducted by random sampling and larger sample with the help of government agencies and funding.

### **Future scope of study**

This study is limited to analyze the Responsible Business Behaviour of Chemical, Petrochemicals and Pharmaceutical Industries operating in Gujarat State and hence such studies can be conducted in other states in same categories of industry. Further, similar studies can be conducted by taking different types of industries viz., textile, coal, mine, metal, etc. within Gujarat or outside Gujarat.

## References:

- Arago'n-Correa, J.A., Sharma, S., (2003). "A contingent resource-based view of proactive corporate environmental strategy." *Academy of Management Review*. Vol. 28, pp. 71–88.
- Ashokkumar, S., (2014). "Thoughts on Business Ethics and Corporate Social Responsibility from Vedic Literature". *Procedia Economics and Finance*, Vol. 11, pp.15–22.
- Avram, Daniel Ortiz and Sven Kühne., (2008). "Implementing Responsible Business Behavior from a Strategic Management Perspective: Developing a Framework for Austrian SMEs". *Journal of Business Ethics*, Vol. 82, pp.463-475.
- Batham, V., Sengupta, R. &Srinivasan, V., (2013). "Rethinking Business Responsibility in India; A review of pharmaceutical & Private Healthcare sectors". *CUTS International*, Jaipur.
- Bhattacharya C.B., Korschun D, Sen S., (2009). "Strengthening stakeholder – company relationships through mutually beneficial corporate social responsibility initiatives". *Journal of Business Ethics*, Vol. 85, No.2, pp. 257-272.
- Bonnell, V. and Veglio, F. (2011), "Inclusive business for sustainable livelihoods, Field Actions Science Report". *The journal of field actions*, Vol.5, pp.1–5.
- Bowen, H.R., (1953). "Social Responsibilities of the Businessman", *New York: Harper & Row*.
- Bowman, Edward H. and M. Haire, (1975). "A Strategic Posture Toward Corporate Social Responsibility." *California Management Review* Vol.18, pp. 49-58.
- Bowman E.H. and M. Haire, (1976). "Social Impact Disclosure and Corporate Annual Reports," *Accounting, Organizations and Society*, pp. 11-21.
- Burke, L., & Logsdon, J. M. (1996). "How corporate social responsibility pays off. Long Range Planning", Vol.29, No.4, pp.495–502
- Camilleri, M. A., (2017). "Corporate sustainability and responsibility: creating value for business, society and the environment". *Asian Journal of Sustainability and Social Responsibility*, Vol. 2, pp. 59-74.



- Camilleri, M.A., (2015). "Valuing stakeholder engagement and sustainability reporting". *Corp Reput Rev*, Vol. 18, No. 3, pp. 210-222
- Carroll, A.B. (1979). "A three-dimensional conceptual model of corporate performance". *The Academy of Management Review*, Vol. 4, No.4, pp. 497-505
- Carroll, AB (1983). "Corporate social responsibility: Will industry respond to cutbacks in social program funding?" *Vital Speeches of the Day*, Vol. 49, pp. 604-608.
- Carroll, A. B. (1991, July/August). "The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders". *Business Horizons*, Vol. 34, pp.39-48.
- Carroll, A. B. (1999). "Corporate Social Responsibility: Evolution of definitional construct". *Business & Society*, Vol. 38, No.3, pp. 268-295 © 1999 Sage Publications, Inc.
- Carroll, A.B. (2000), "The four faces of corporate citizenship", in Richardson, J.E. (Ed.), *Business Ethics 00/01*, Dushkin/McGraw-Hill, Guilford, pp. 187-91
- Carroll, A. B. (2008). "A history of corporate social responsibility: concepts and practices". In A. M. Andrew Crane, D. Matten, J. Moon, & D. Siegel (Eds.), *The Oxford handbook of corporate social responsibility* (pp. 19–46). New York: Oxford University Press.
- Carroll, A.B. and Buchholtz, A.K. (2009). "Business and Society: Ethics and Stakeholder Management". 7th ed. Mason, OH: South-Western Cengage Learning
- Carroll, A., Shabana, K. (2010) 'The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice.' *International Journal of Management Reviews*, pp. 85-105, Blackwell Publishing Ltd.
- Clarkson, Max B. E. (1995). "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance". *Academy of Management Review*, Vol. 20, No., pp. 92-117
- Cochran, PL & Wood, RA (1984). "Corporate social responsibility and financial performance", *Academy of Management Journal*, Vol. 27, pp. 42-56.



- Committee for Economic Development, (1971). "Social Responsibilities of Business Corporations". (New York: CED, 1971).
- Crane, A., Palazzo, G., Spence, L.J. and Matten, D. (2014), "Contesting the value of creating shared value", *California Management Review*, Vol. 56 No. 2, pp. 130-153.
- Cronbach, L.J., (1951). "Coefficient alpha and the internal structure of tests". *Psychometrika*, Vol.16, No.3, pp.297–334.
- Dalton, D. R., & Cosier, R. A., (1982). "The Four Faces of Social Responsibility." *Business Horizons*, pp. 19-27
- Das. S., & Mahapatra. D., (2012). "Business Ethics and Society: An insight to Arthasastra". *International journal of social sciences & Interdisciplinary Research*. Vol.1, No. 4.
- Davis, K., (1960) (Spring), "Can business afford to ignore social responsibilities?" *California Management Review*, Vol. 2, pp. 70-76.
- Davis, K., & Blomstrom, R. L. (1966). "Business and its environment". New York: McGraw-Hill.
- Davis, K. (1967). "Understanding the social responsibility puzzle: What does the businessman owe to society?" *Business Horizon*, Vol. 10 (4), pp. 45-50.
- Davis, Keith (1973). "The Case For and Against Business Assumption of Social Responsibilities," *Academy of Management Journal*, 1, pp. 312-322.
- Diller, J. (2013). 'International Labour Law and Challenge of Pluralism in the International Order', *Manchester Journal of International Economic Law*, Vol. 10, No. 2, pp.128-147.
- Drucker, Peter F. (1954). *"The Practice of Management"*. London: Heinemann
- Drucker, P. F. (1984). "The New Meaning of Corporate Social Responsibility." *California Management Review*, Vol. 26, pp. 53-63
- Dyllick T, Hockerts K (2002). "Beyond the business case for corporate sustainability". *Business Strategy Environment*. Vol.11, No.2. pp.130-141

- Eilbert, Henry and I. Robert Parket. (1973). "The Current Status of Corporate Social Responsibility." *Business Horizons*. Vol. 16, pp. 5–14.
- Eells, Richard and Clarence Walton. (1974). "Conceptual Foundations of Business". Homewood, IL: R. D. Irwin.
- Epstein, E. E. (1987). "The Corporate Social Policy Process: Beyond Business Ethics, Corporate Social Responsibility, and Corporate Social Responsiveness". *California Management Review*, Vol. 29, No.3 pp. 99-114.
- Elkington, J. (1997). "Cannibals with Forks: Triple Bottom Line of 21st Century Business". Capstone Publishing Limited, Oxford.
- Elkington, J. (1998). "Partnerships from cannibals with forks: The triple bottom line of 21st-century business". *Environmental Quality Management*, Vol. 8, No.1, pp.37–51.
- Fitch, H. G. (1976). "Achieving corporate social responsibility". *Academy of Management Review*, Vol. 1, pp. 38-46.
- Fowler, Hope, (2007). "A Critical Review of Sustainable Business Indices and Their Impact. *Journal of Business Ethics*. Vol. 76, No. 3, pp.243 - 252.
- Fransen L., (2012). "*The Embeddedness of Responsible Business Practice: National Institutional Environments and Corporate Social Responsibility*". Osgood Hall Law School Research Paper no. 14/2012, TBGI Project Subseries no. 2.
- Frederick, WC (1960), "The growing concern over business responsibility". *California Management Review*, Vol. 2, pp. 54-61.
- Frederick, W. C., (1986). "Toward CSR-3: Why Ethical Analysis is Indispensable and Unavoidable in Corporate Affairs". *California Management Review*, Vol. 28. No.2, pp. 126-142
- Frederick W., (1994). "From CSR1 to CSR2". *Business and Society* Vol.32, No. 2, pp.150–164
- Freeman, R. E. (1984) *Strategic Management: A Stakeholder Approach*. Boston: Pitman/Ballinger (Harper Collins).
- Freeman, R. E., (1984). *Stakeholder Management: Framework and philosophy*. Pitman, Mansfield, MA. USA
- Friedman, Milton (1962). "*Capitalism and Freedom*". USA: The University of Chicago Press.
- Friedman, M (1970), "The Social Responsibility of Business is to Increase its Profits", *New York Times Magazine*, September 13th, pp. 32–33, 122, 126

- Friedman, M., (1983). "The Social Responsibility of Business is to Increase its Profits", *New York Times Magazine*, 13 September 1970, reprinted in Donaldson T and Werhane P, *Ethical Issues in Business: A Philosophical Approach*, 2<sup>nd</sup> Edition, Englewood Cliffs, NJ: Prentice Hall
- George, D., & Mallery, P. (2003). "SPSS for Windows step by step: A simple guide and reference". 11.0 update (4th ed.). Boston: Allyn & Bacon
- Golja, T. and Požega, S., (2012). "Inclusive business –What is it all about? Managing inclusive companies," *International Review of Management and Marketing*, Vol.2, No.1, pp. 22–42.
- Hart, S.L., (1995). "A natural resource based view of the firm". *Academy of Management Review*, Vol. 20, No. 4, pp. 986-1014
- Hayek, F.A. (1960). "The Corporation in a Democratic Society: In whose Interest Ought it and Will it be Run?" in I. Ansoff (ed.) (1969): *Business Strategy*, pp. 225-239. GB: Penguin Books.
- Heald, M. (1957), "Management's responsibility to society: The growth of an idea, *The Business History Review*", Vol. 31(4), pp. 375-384
- Heald, M. (1970). "The social responsibilities of business: Company and community, 1900-1960". Cleveland, OH: Case Western Reserve University Press.
- Heemskerk, L. (2012). "How Responsible is Responsible Business?", (Master's Thesis). Utrecht University, Utrecht.
- Holmes, S. L. (1976). "Executive perceptions of corporate social responsibility". *Business Horizons*, 19, 34-40.
- Holmes L, Watts R. 2000. *Corporate Social Responsibility: Making Good Business Sense*. World Business Council for Sustainable Development.
- Jensen, M. C. (2002, April). "Value maximization, stakeholder theory, and the corporate objective function". *Business Ethics Quarterly*, 12(2), 235-256
- Johnson, H. L. (1971). *Business in contemporary society: Framework and issues*. Belmont, CA: Wadsworth.
- Jones, T.M. (1980). "Corporate social responsibility revisited, redefined". *California Management Review*, Spring, pp. 59-67.

- Kirca, A.H., S. Jayachandran, W.O. Bearden. (2005). "*Market Orientation: A Meta-Analytic Review and Assessment of its Antecedents and Impact on Performance*". *Journal of Marketing*. Vol.69, pp.24-41.
- Lantos, G.P. (2001). "The Boundaries of Strategic Corporate Social Responsibility". *Journal of Consumer Marketing*, Vol.18, pp. 595-632
- Levitt, T. (1958). "The dangers of social responsibility". *Harvard Business Review*, September–October, pp. 41–50
- Longsdon, J.M. & Wood, D.J., (2002). "Business Citizenship: from Domestic to global level of analysis". *Business Ethics Quarterly*, Vol.12, No.2, pp. 155-187
- Lozano, R., 2015. "A holistic perspective on corporate sustainability drivers". *Corporate Social Responsibility, Environment Management*, Vol. 22 (1), 32e44
- Maignan, I., Ferrell, O.C., and Hult, G.T. (1999). "Corporate Citizenship: Cultural Antecedents and Business Benefits". *Journal of the Academy of Marketing Science*, Vol.27, No.4, pp. 455-469
- Marshall, H. D. (Ed.), (1970). "Business and government: The problem of power". D.C. Heath and Company, Lexington, Massachusetts
- Marsden, C./J. Andriof (1998). "Towards an understanding of Corporate Citizenship and how to influence it". In: *Citizenship studies* Vol.2, No.2, pp. 329-352.
- Malhotra NK. *Marketing Research: An Applied Orientation*. 4th ed. New Jersey: Pearson Education, Inc. 2004
- Matten, D. and Crane, A. (2005). "Corporate Citizenship: Toward an Extended Theoretical Conceptualization". *Academy of Management Review*, Vol.30, No.1, pp.166-179.
- Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility". *Academy of Management Review*, Vol. 33, No. 2, pp. 404 – 424.
- McGuire, J.W., (1963). "Business and Society", New York: McGraw-Hill

- Mitchell, R. K., B. R. Agle & D. J. Wood (1997). "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts". *The Academy of Management Review*, Vol. 22, No.4, pp. 853-886.
- Mohan, A. (2001), "Corporate citizenship: perspectives from India", *Journal of Corporate Citizenship*, Vol. 12.
- Montiel I., (2008). "Corporate social responsibility and corporate sustainability: Separate pasts, common futures". *Organization and Environment*. Vol. 21, No.3, pp. 245–269.
- Moon, J., Crane, A., & Matten, D. (2004). "Can Corporations be citizens? Corporate Citizenship as a metaphor or business participation in society". *Business Ethics Quarterly*, Vol.15, No.3, pp. 427-451
- N. Craig Smith, "Changes in Corporate Practices in Response to Public Interest Advocacy and Actions," in Paul N. Bloom and Gregory T. Gundlach, eds., *Handbook of Marketing and Society* (Thousand Oaks, CA: Sage, 2001)
- O'Rourke, A. (2003). "A new politics of engagement: shareholder activism for corporate social responsibility". *Business Strategy and the Environment*, Vol. 12 No. 4, pp. 227-239.
- Porter, M.E. and Kramer, M.R., (2006). "Strategy & Society, the Link between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review*, Vol. 84 (12), pp. 78-92.
- Porter, M. E. & Kramer, M.R., (2011). "Creating Shared Value. How to reinvent capitalism and unleash a wave of innovation and growth". *Harvard Business Review* January–February.
- Porter, M., and C. Van der Linde, (1995). "Toward a New Conception of the Environment Competitiveness Relationship", *Journal of Economic Perspective* Vol. 9, No. 4, pp. 97–118.
- Preston, L.E. and Post, J.E., (1975). "Private management and public policy: The principle of public responsibility", ed. Englewood Cliffs, NJ: Prentice Hall.
- Sahoo, G., (2015). "Make In India: an Innovation for Transforming India Into A Manufacturing Leader". *International journal of scientific research*. Vol.4, No. 5, PP. 3-5
- Sampe, F., (2012). The influence of organizational learning on performance in Indonesian SMEs

- Salbu S. (1993). "Corporate social responsiveness: choosing between hierarchical and contractual control". *Journal of Business Ethics* Vol.12, No.1, pp. 27–35.
- Scherer, A., Palazzo, G. (2011). 'The New Political Role of Business in a Globalized World – A Review of a New Perspective on CSR and Its Implications for the Firm, Governance, and Democracy', *Journal of Management Studies*, Vol. 48, No.4, 899-931.
- Sen, S., Bhattacharya C.B., Korschun D, (2006), "The role of corporate social responsibility in strengthening multiple stakeholder relationships: a field experiment". *Journal Academy Mark Science*, Vol. 34, No.2, pp. 158 -166.
- Sethi, S. P. (1975, Spring). "Dimensions of corporate social performance: An analytic framework". *California Management Review*, XVII, 58–64
- Sharma, J.P., (2011). "Corporate Governance, Business Ethics and CSR", Ane Books pvt. Ltd., New Delhi.
- Sharma, S.U. & Lotwala, R., (2017). "Learning from China: Mitigating the problems of Make in India through Responsible Business Behaviour", *The IUP urnal of Business Strategy*, Vol.14, No. 14, pp.55-71
- Shekharan U, Bougie R., (2010). "Research Methods for Business: A Skill Building Approach". 5th ed. New Delhi: John Wiley.
- Smith, N.C. (2000), "Changes in corporate practices in response to public interest advocacy and actions: the role of consumer boycotts and socially responsible corporate social responsibility", *Working Paper*, No. 00-704, London Business School, London.
- Srinivasan, V. (2012). "Developing a 'Responsible Business' Course for Business Schools in India". *Vikalpa*, Vol. 37, No. 2, pp.102-108
- Strand, R. (1983). "A systems paradigm of organizational adaptations to the social environment". *Academy of Management Review*, Vol. 8, pp. 90-96.
- Swanson, Diane L. (1995). "Addressing a Theoretical Problem by Reorienting the Corporate Social Performance Model". *Academy of Management Review*, Vol.20, No.1, pp. 43-64.



- Swanson, D. L., (1999), 'Toward an Integrative Theory of Business and Society: A Research Strategy for Corporate Social Performance', *Academy of Management Review*, Vol.24, No.3, pp. 506–521.
- Trebilcock, M., (2004). 'Trade Policy and Labour Standards: Objectives, Instruments, and Institutions' in Kirton J.J. and Trebilcock, M.J. (eds.) *Hard Choices, Soft Law. Voluntary Standards in Global Trade, Environment and Social Governance*.Survey: Ashgate.
- Tuzzolino, F., &Armandi, B.R., (1981). "A need-hierarchy framework for assessing corporate social responsibility". *Academy of Management Review*, Vol. 6, No.1, pp.21–28.
- Vaidyanathan, L. & Scott, M. (2012) "Creating Shared Value in India: The Future for Inclusive Growth". *Vikalpa*, Vol. 37, No. 2, pp.109-113
- Visser, W., (2006). "Revisiting Carroll's CSR Pyramid: An African Perspective". In: Pedersen, E. R. Hunicke, M (eds.), *Corporate Citizenship in Developing Countries*, Copenhagen: Copenhagen Business School Press, pp.29-56.
- Visser, W. (2008). "Corporate Social Responsibility in Developing Countries".Ch 21 in: Crane, A. McWilliams, A. Matten, D. Moon, J. Seigel, D. (eds.) *The Oxford Handbook of Corporate Social Responsibility*, Oxford: Oxford University Press, pp. 473-479.
- Visser, W, (2011). "The age of responsibility: CSR 2.0 and the new DNA of business". London: Wiley publishing.
- Visser, W., D. Matten, M. Pohl & N. Tolhurst (2007). "The A to Z of Corporate Social Responsibility". London: Wiley publishing.
- Wang H, Choi ., (2013). "A new look at the corporate social- financial performance relationship the moderating roles of temporal and inter domain consistency in corporate social performance". *Journal of Management*, Vol.39, No.2, pp. 416-441
- Walton, CC (1967). *Corporate Social Responsibilities*, Wadsworth, Belmont, California.
- Wartick, S.L. and Cochran, P.L. (1985). "The Evolution of the Corporate Social Performance Model". *Academy of Management Review*, Vol.10, pp.758-769.

WBCSD and SNV (2006). "Inclusive Business: Profitable business for successful development". Geneve and The Hague: WBCSD and SNV, available at: <http://www.wbcds.org/web/publications/inclbiz.pdf>

WBCSD and SNV (2011). "Inclusive Business: Creating Value in Latin America". Geneve and The Hague: WBCSD and SNV.

WBCSD (2010). "Inclusive Business: Mapping of Tools and Resources", available at: [http://www.inclusivebusiness.org/WBCSD\\_inclusive\\_business\\_resources\\_tools.pdf](http://www.inclusivebusiness.org/WBCSD_inclusive_business_resources_tools.pdf), retrieved on: 28/09/2011 <http://www.growinginclusivemarkets.org/>

Wood, D. J., (1991). "Corporate Social Performance Revisited". *Academy of Management Review*, Vol. 16, No.4, pp.691-718

Zikmund W.G.(2003). "Business Research Methods". 7th ed. Ohio: Thompson South-Western.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). "Business Research Methods". Mason, Ohio: South Western Cengage Learning

## Reports

UNGC Report. (2014), Guide to Corporate Sustainability – Shaping a Sustainable future. UNGC [https://www.google.com/search?q=ungc+10+principles+corporate+sustainability&tbm=isch&source=iu&ictx=1&fir=VSPzQ96QAYB4cM%253A%252CMezH335Tk2IaAM%252C\\_&vet=1&usg=AI4\\_-kRk-Dbm-kGM247t\\_C2pSTCQKOLEA&sa=X&ved=2ahUKEwjs27SP3I3mAhWPxDgGHW5MAhkQ9QEwAXoECagQAaw#imgsrc=VSPzQ96QAYB4cM](https://www.google.com/search?q=ungc+10+principles+corporate+sustainability&tbm=isch&source=iu&ictx=1&fir=VSPzQ96QAYB4cM%253A%252CMezH335Tk2IaAM%252C_&vet=1&usg=AI4_-kRk-Dbm-kGM247t_C2pSTCQKOLEA&sa=X&ved=2ahUKEwjs27SP3I3mAhWPxDgGHW5MAhkQ9QEwAXoECagQAaw#imgsrc=VSPzQ96QAYB4cM):

National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business Report (2011), Ministry of Corporate Affairs [https://www.mca.gov.in/Ministry/latestnews/National\\_Voluntary\\_Guidelines\\_2011\\_12jul2011.pdf](https://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf)

Vibrant Gujarat, 7<sup>th</sup> Global Summit Report, (2015). Vibrant Gujarat - Manufacturing Sector profile by Government of Gujarat. <http://vibrantgujarat.com/writereaddata/images/pdf/Manufacturing-Sector-Profile.pdf>

Vibrant Gujarat, 8<sup>th</sup> Global Summit Report, (2017). Chemicals and Petrochemicals Sector Profile by Government of Gujarat. <http://vibrantgujarat.com/writereaddata/images/pdf/chemical-and-petrochemical-sector.pdf>

Vibrant Gujarat, 8<sup>th</sup> Global Summit Report, (2017). Pharmaceuticals Sector Profile by Government of Gujarat. <http://vibrantgujarat.com/writereaddata/images/pdf/pharmaceutical-sector.pdf>

Directory of Chemicals Units, 2017-18 (Large and Medium scale units), Government of India. <https://chemicals.nic.in/sites/default/files/Directory%20of%20Chemical%20Units%20%28Large%20and%20Medium%20Scale%20units%29-%202017-18.pdf>

Directory of Petrochemicals Units, 2017-18 (Large and Medium scale units), Government of India. <https://chemicals.nic.in/sites/default/files/Directory%20of%20Petrochemical%20units.pdf>

Report on Gujarat – The growth engine of India (2019). IBEF. <https://www.ibef.org/download/gujarat-jan-2019.pdf>

Report on Pharmaceuticals sector profile, (2019) by Government of Gujarat. [http://index.tb.com/documents/VG%202019\\_Pharmaceuticals\\_Sector%20Profile.pdf](http://index.tb.com/documents/VG%202019_Pharmaceuticals_Sector%20Profile.pdf)

<https://www.forbes.com/sites/trevornace/2017/10/24/china-shuts-down-tens-of-thousands-of-factories-in-widespread-pollution-crackdown/#57bc721c4666>, accessed on 8/11/2019

<https://www.mbaknol.com/business-ethics/case-study-worldcom-accounting-scandal/>

[https://nidm.gov.in/PDF/pubs/chemical\\_mdc.pdf](https://nidm.gov.in/PDF/pubs/chemical_mdc.pdf)

## ANNEXURE

### Instrument Reliability (Internal Consistency) Report

#### Reliability – Scale from Section - 1 CSR

##### 1. Scale: Company attitude towards CSR

###### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.841	.831	10

#### Reliability – Scale from Section -2 Corporate Governance

##### 1. Scale: Stakeholder / Shareholder activism

###### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.977	.977	5

#### Reliability – Scale from Section – 3 Ethics

##### 1. Scale: Customer Responsiveness

###### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.948	.951	5

### Reliability – Scale from Section – 3 Ethics

#### 2. Scale: Product Stewardship

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.896	.903	9

### Reliability – Scale from Section – 4 Sustainable Development

#### 1. Scale: Supply Chain Integration Policies and Practices

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.921	.934	16

### Reliability – Scale from Section – 4 Sustainable Development

#### 2. Scale: Crisis Management Response

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.911	.950	9

