



Hindu philosophy: bridging corporate governance and CSR

Hindu
philosophy

Manoj K. Sharma

*Faculty of Commerce and Business Management, Panjab University,
Chandigarh, India*

Punam Agarwal

*Government College for Girls, Chandigarh, India and
Jewan Adhar Society, Chandigarh, India, and*

Tarja Ketola

University of Vaasa, Vaasa, Finland

299

Received 13 November 2008
Revised 20 December 2008
Accepted 6 January 2009

Abstract

Purpose – The purpose of this paper is to highlight how fast the divide between the good corporate governance (CG) and corporate social responsibility (CSR) is declining. The concepts covered under CG and the areas covered under CSR are no longer distinctive. Both the philosophies advocate doing good and disclosing the good done.

Design/methodology/approach – The study does a brief survey of Indian mythology to make its point clear that Indian philosophy is positive and it inculcates positive values in Indians, which influence their socially responsible behaviour. The study further analyses the annual reports of 50 Indian private corporate houses to show the extent of CG and CSR undertaken by them. The information is shown in the tabular form or in statement form, both are included for the purpose of the study.

Findings – In India, the CG practices are mandatory as per the clause 49 of the listing agreement of Securities and Exchange Board of India (SEBI) for all the companies listed on recognized stock exchanges of India. However, there are two parts of disclosure – mandatory and non-mandatory. In so far as mandatory requirements are concerned, 100 per cent compliance exists. But with regard to non-mandatory requirements the results are quite disheartening. Similarly, when the study analyzed the annual reports to examine the extent of corporate responsibility disclosure the results are equally discouraging for reasons discuss below in the introduction part of the paper.

Originality/value – The study has revealed certain awakening facts, which will serve as a useful guide for policy formulation in relation to Indian corporate sector.

Keywords Corporate governance, Corporate social responsibility, Philosophy, India

Paper type Research paper



Introduction

*om sarve bhavantu sukhino sarve santu nirramayan
Sarve bhadrani pashyantu maa kashichitn dukhbhak bhavett*

The more of everything you share,
The more you will always have, to spare

.....

For only what we give away
Enriches us from day to day.

Modhmannam vindate apracheta satyam bravimi vadh eti se tasya narmanyam pushyati no sakhyam kevalagho bhevati kevaladi

Meaning thereby – an individual who consumes money and material all alone without using it for social welfare, he is destined to go to hell (*Indian Rig Veda*-section on helping the deserving).

The verses from Indian mythology cited above advocate sharing, wishing everybody a happy and healthy living for what we give comes back to us with a multiplier factor. Indian philosophy does not favour accumulation of wealth. It preaches us to have prudently enough money so that neither the owner nor the employee (or any other stakeholder for that matter) suffers a loss.

Hindu philosophy has a strong influence on everyday life in India. Individually every Indian makes some contribution towards the society directly or indirectly. The concepts of community food, giving alms to the poor and destitute, making offerings in the temple, serving the underprivileged and feeding orphans on their own birthdays, keeping some part of their monthly income aside for donations or in the name of the almighty, etc. are an indication of rich and socially responsible behaviour of every Indian. All this possibly is a way to serve humanity. And these individuals collectively constitute a company. What the authors are trying to emphasize here is that the concept of socially responsible behaviour is deep-rooted in Indians. The concept of social responsibility is not new to Indians. If as individuals they can serve the society, service through corporate entity is inevitable. However, Indians never show off what they donated as *Bible* also says “Even your left hand should not know what right hand has donated”. This is one of the reasons why such contributions find no mention in Indian accounting system.

Moreover, such service may not find an appropriate head in the Indian accounting system to get reflected. The Indian accounting system has been so developed and framed that if a particular expenditure is incurred under a specific category, it finds a place in the annual report, otherwise not (Agrawal, 1997). So hundreds and thousands of social work endeavours undertaken by people go unrecorded and unnoticed. Indians by nature are god-fearing and start their prayers, which are the shlokas (as referred in the beginning as hymns), so that their day is meaningful and successful. These morning prayers spread positive vibrations and are also a driving force for doing well for the society. They give an Indian meaning to CSR.

Corporate social responsibility in India

To be globally competitive and acceptable, companies have to ensure that they establish a reputation base that would support their efforts (Firestein, 2006). Corporate reputation is the external manifestation of corporate excellence and is built upon a company’s product or service reputation (Bendixen and Abratt, 2007), its business reputation and credibility in financial markets (Das and Ghosh, 2004; Jorgensen and Isaksson, 2008) and its social reputation (Neville *et al.*, 2005). Hence, corporate reputation is dependent on corporate responsibility (Hillenbrand and Money, 2007).

Companies need to reconfirm and reiterate to themselves that they operate with in a society with its sanction and authority and ultimately for the common good of its

largest part, not just for itself or its shareholders, employees and managers alone (Ogletree, 2002). Without this understanding there will be no social cohesion between and among government, business and society (Oketch, 2004). When there is complete understanding and appreciation of these imperatives, the country and business as a subset will thrive. Without it, there will be social chase with different constituents pulling in diverse directions.

Companies depend for their survival and long-term prosperity on society providing the resources like people, raw materials, services, infrastructure, etc. These companies in turn have impact on society in three ways: they impact society in environmental, social and economic dimensions (Ketola, 2008). In the first category items, such as emission and waste control, energy usage, product life cycle/recycling and sustainable development, are included. Social impact covers areas like equal opportunities, community regeneration, human rights, education and culture and so on. Wealth generation, job creation, ethical business practices, avoiding corruption and bribery and enhancing products value could constitute the elements of economic impact. In each of these areas, the way a corporation chooses to act will determine its claim to good corporate citizenship or otherwise (Papania *et al.*, 2008).

In fact, the best form of social responsiveness (Carroll, 1999) is adequate performance within the company's own aims and objectives. Ethical value addition (Gates, 2004) and ensuring equitable distribution of value among all legitimate stakeholders (Mele, 2008) are the most important aspects of social responsibility. A company serves society best if it acts ethically and efficiently.

In India, corporate social responsibility (CSR) has its origin since time immemorial. The famous, *Kural*, *The Great Book of Tiru Valluvar's* verses, is a treatise par excellence on the art of living. It stipulates moral verses for discharge of social responsibilities (Raja Gopalachari, 2003). Indian *Vedas* say: man can live individually but can survive only collectively. *Vedas* further advocate application of *Samasta Janaanam sukhino Bhavantu* (maximum welfare of the maximum people).

Not only the Hindu philosophy but also great Indian leaders of pre- and post-independent India suggested and followed CSR. Gandhi (1908/1951) suggested the "Ethical Model" where companies voluntarily committed to public welfare and participated in nation building (Sharma, 2003). Nehru (1946) propounded the "Static Model" which calls for state ownership and legal requirements of CSR (Venkateswaran, 1962). As a consequence, a large number Indian corporate houses are practicing CSR in one form or the other even today. Tata Group's companies have been very active in the area of town planning, education, community health, water management, supporting sports and games. The Birla group has been associated with a number of activities including temple building, running large multi-specialty hospitals. Infosys, too, has undertaken community projects in the area of education, rural development, promotion of art, science, culture and music. WIPRO is working for the under privileged sections of the society. Many others like Pfizer, Jubilant Organosys, Coca Cola and Vodafone are actively participating in the fulfilment of Millennium Development Goals of UN. These goals included combat HIV/AIDs and other disease, ensure environmental sustainability, promote gender equality and empower woman, eradicate poverty and hunger, achieve universal primary education, reduce child mortality, improve maternal health, etc. (Annual Reports of Tata, Birla, WIPRO and Infosys 2005, 2006). CSR is changing corporate governance (CG) in India.

Corporate governance in India

In India CG requirements have been developed in close cooperation between the government and the business community. The SEBI has appointed influential business leaders to chair committees such as the K.M. Birla Committee (2000) and the N.R. Narayana Murthy Committee (2003) and the Department of Company Affairs commissioned the Naresh Chandra Committee (2002). Such high-level corporate involvement has strengthened the impact value of the recommendations of the committees.

The basic rationale for high standards of CG stems from the inherent character of the corporate form of organization (Clarke, 2004). As the size of an organization expands, so does its equity requirements. Joint stock companies are obliged to raise required capital from a large number of shareholders. Other than those in control of the operations of the company, shareholders cannot have any active participatory role in the management of the organization. In these joint stock companies, with vastly dispersed shareholdings, the executive is all powerful, in matters relating to the management of the affairs of the company. While there is general agreement that the principal objective of corporations is to maximize shareholders' wealth (K.M. Birla Committee, 2000; Friedman, 1970), there is always a nagging suspicion that the executive may siphon off some part of the created wealth through excessive rewards to themselves and thus denying transmission of all created wealth to its rightful owners, i.e. shareholders (Lichtenstein and Dade, 2007; O'Brien, 2006).

The board of directors in a company is vested with the responsibility of stewardship and surveillance over the affairs of the corporation (CCG, 2001), no doubt acting through the executive, but ensuring that the executive does not appropriate to themselves a larger than due share of the shareholders' wealth, which is why CG is needed. Thus, the shareholders' interests need to be safeguarded from possible induced diversion of created wealth. It is in this context that the need to have an independent board of directors becomes highly imperative (K.M. Birla Committee, 2000). In many analyses, the concept and definition of CSR, in fact, seems to be the stakeholder theory of CG (Bansal, 2005; Ingley, 2008).

CG is being redefined so as to include newer stakeholders (Grover *et al.*, 2007). CSR is gradually getting fused into company's CG practices (N.R. Narayana Murthy Committee, 2003; Thomsen and Larring, 2008). Not only government and corporations, but private sector, too, is playing an ever-increasing role in building a fair, equitable and sustainable world. There is also increasing transparency with more and more companies coming out with exhaustive sustainability reports (Hossain and Reaz, 2007; Price, 2008; Sahay, 2004). And, these sustainability reports are something that the investors and society definitely expect from socially responsible and efficiently governed companies. According to the McKinsey (2002) *Global Investor Opinion Survey on Corporate Governance*, investors rate CG as equal to or more important than financials in their investment decisions. India is one of the leading developing countries of the world. National, international, social and economic pressures are compelling the modern Indian corporations to redefine their functions and disclosure practices so as to find a name in international face (All India Management Association, 1997; Banerjee, 2001; Machold and Vasudevan, 2004).

The Sachar Committee (1978), which was formed by Government of India to consider and report on the changes that are necessary in the form and structure of the legislation, observed that:

[...] the company must behave and function as a responsible member of the society just like any other individual. It cannot shun moral values nor can it ignore actual compulsion. The real need is for some focus on the accountability on the part of management not being limited to shareholders only, proper utilization of resources for the benefit of others also [...] the company must accept its obligations to be socially responsible and to work for the larger benefit of the community.

The committee further recommended the disclosure of social activities undertaken by the company on yearly basis and its future plans regarding the same. An in depth examination of the observation made by Sachar Committee also suggests the declining divide between CSR and CG.

Objectives of the empirical study

The present empirical study aims to evaluate CSR and CG practices in various Indian companies and analyze the correlation between the two. CSR was measured by identifying significant social variables and compiling them in an index form. Similar index of CG was used to measure the extent of CG in the selected companies. The study was carried out by analyzing the Annual Reports 2005-2006 of 50 private sector companies in India.

Construction and scoring of disclosure index

Social reporting index

After going through various studies carried out on specific areas of CSR, journals related to the topic and annual reports of various companies regarding corporate social information, a comprehensive list of 20 variables was identified and prepared. A total of 100 company's annual reports for the years 2005-2006 were studied and the final sample included 50 private sector companies. The results are based upon the 50 companies. The variables collectively constituted the social variables. Although these variables varied in importance, yet equal weight was assigned to each of them to avoid subjectivity. Once the index was finalized, the annual reports of the selected companies were thoroughly searched and fitted into the social reporting index (SRI). If a variable was found disclosed in the annual report of a company in any form it was assigned a score "1" otherwise it was assigned "0". These scores were finally summed up to represent total score of the company on SRI. The various variables identified were:

- (1) information on energy conservation;
- (2) expenditure on social overheads;
- (3) pollution control/waste disposal;
- (4) import substitution;
- (5) expenditure on research and development;
- (6) human resource accounting;
- (7) value added statement;
- (8) net foreign exchange inflow/outflow;
- (9) contribution to national exchequer;
- (10) community welfare schemes;
- (11) training programmes for employees;

- (12) donations for national cause like earthquakes, flood, etc.;
- (13) industrial safety;
- (14) capital expenditure on township for the employees;
- (15) family planning and welfare;
- (16) promotion of sports;
- (17) development of ancillary units in nearby areas;
- (18) consumer grievance handling procedures;
- (19) industrial relations; and
- (20) suggestion box schemes.

All the variables identified above relate to one or the other category of stakeholders or nation as a whole. These variables are self-explanatory and need no further detailing. Some of the variables are mandatory to be disclosed under various acts (disclosure of particulars in the report of Board of Directors Rules 1988, Consumer Protections Act, Factories Act, Industrial Disputes Act, etc.), while others are important though not mandatory.

Corporate governance index

Good CG provides a competitive edge in the global marketplace, enables companies to raise capital widely, easily and economically, improves employee morale and generates higher productivity. Well-governed companies last longer, and stand the test of time and changing environment.

After going through the revised clause 49 of listing agreement (SEBI, 2005), which talks about CG in listed companies, it was found that there are two components of CG – one part is the mandatory requirements and the other part includes non-mandatory information. Mandatory information includes (per Annex IC of clause 49):

- (1) Composition of board of directors.
- (2) Non-executive directors compensation and disclosure.
- (3) Qualified and independent audit committer.
- (4) Information on subsidiary company.
- (5) Disclosures relating to:
 - related party transactions;
 - accounting treatment;
 - risk management;
 - proceeds from public issues, right issued, preferential issues, etc.;
 - remuneration of directors;
 - management discussion and analysis report; and
 - communication to the shareholders relating to changes in directorships, company news financial or otherwise.
- (6) CEO/CFO certification of the financial statements and the cash flow statements.
- (7) A separate section on CG has to be made in the annual report of the company.

-
- (8) Certificate from auditors/practicing company secretaries regarding compliance of the condition of CG as stipulated in clause 49 and attach the same to the director's report.

The list of non-mandatory requirements as per Annex ID of clause 49 of listing agreement includes:

- (1) • Non-executive chairman to be entitled to maintain a chairman's office at the company's expense to enable him perform his duties diligently.
 - Tenure of independent directors not to exceed nine years.
- (2) Setting up of the remuneration committee to determine the compensation payable to executive directors.
- (3) Half yearly declaration of financial performance including summary of the significant events in last six months, to be sent to each shareholder.
- (4) Opting for unqualified financial statements.
- (5) Training of board members in the business model of the company, risk management, their responsibilities as directors and the best way to discharge them.
- (6) Performance evaluation of non-executive directors by a peer group comprising the entire board of directors excluding the director being evaluated.
- (7) Formulating whistle blower policy to encourage employees report to the management about unethical behaviours, actual or suspected fraud and violation of the company's code of conduct (SEBI, 2005).

305

Matters provided above are of such a nature that they do not directly concern the shareholders or any other stakeholders but nevertheless are an expense for the company to comply with. However, as a good CG measure, it would be advisable for the companies to comply with these non-mandatory requirements, as the benefits are notional and for reaching in nature.

Results of the study

As stated in the introduction of this paper, individuals and companies on their own are doing public welfare, but the same is not reflected in the annual accounts of the company as no proper head covers that expenditure. Whatever good is done by them and is covered under some defined head of accounting is shown in their reports.

An analysis of annual accounts of selected companies on the basis of above selected parameters (SRI) testifies the statement. The results of the analysis are shown in Table I and interpretation follows in below paragraphs.

Table I indicates that the picture of SRI is not very encouraging in the light of well-defined parameters (as reported in the table) of various accounting bodies. Some of the areas, which are most popular for disclosure, are energy conservation (62 per cent), import substitution (72 per cent), R&D expenditure (70 per cent), payment of taxation (100 per cent), information on industrial relations (76 per cent) and consumer grievance (66 per cent) as procedures. The most neglected items are family planning welfare expense disclosure, promotion of sports, development of ancillary units, information on capital expenditure on township and expenditure on social overheads. Rather low disclosure of industrial safety issues (40 per cent) must also be noted because of its importance to human health.

Table I.
Scores of various
parameters of the SRI

SRI no.	Social variable	Companies disclosing	
		<i>n</i>	%
(1)	Energy conservation	31	62
(2)	Expenditure on social overheads	11	22
(3)	Pollution control and waste disposal	21	42
(4)	Import substitution	36	72
(5)	R&D expenditure	35	70
(6)	Human resource accounting	31	62
(7)	Value added statement	20	40
(8)	Net foreign exchange inflow/outflow	24	48
(9)	Contribution to national exchequer	50	100
(10)	Community welfare schemes	20	40
(11)	Training expenses	30	60
(12)	Donations for national causes	28	56
(13)	Industrial safety	20	40
(14)	Capital expenditure on township	11	22
(15)	Family planning and welfare	7	14
(16)	Promotion of sport	6	12
(17)	Development of ancillary units	7	14
(18)	Consumer grievances	33	66
(19)	Industrial relations	38	76
(20)	Suggestion box schemes	27	54

With regard to CG disclosure index, 100 per cent companies are disclosing the mandatory requirements of clause 49 Annex IC of the listing agreement. In other words as a part of legal requirement all the 50 companies were found to be adhering to the requirement of Annex IC of the clause 49. But with regard to items covered under Annex ID of the clause 49 of the listing agreement, the results are not encouraging. Only 15 companies (30 per cent) are disclosing information relating to non-mandatory items. Items like whistle blower policy and information on half yearly financial performance of a company are vital for the health of a company but unfortunately not many companies are disclosing this information. Twenty companies (40 per cent) do have a whistle blower policy but no case has been reported under it.

Elkington (1997) in his book *Cannibals with Forks: The Triple Bottom line of 21st Century Business*, talks of CG as a phenomenon which is to satisfy all stakeholders (Human Capital, 2008; Jain, 2008; Miller *et al.*, 2007; Sangle and Babu, 2007). Elkington propounds that the three prongs of the fork constituting triple bottom line are:

- (1) economic prosperity;
- (2) environmental preservation; and
- (3) social justice.

If the companies are evaluated from Elkington's viewpoint, an alignment between CG and CSR can be seen. The CG results indicate that companies provide economic prosperity and simultaneously try to participate in the development of social justice by 100 per cent compliance with mandatory CG requirements and 30 per cent compliance with non-mandatory CG requirements. The CSR results show that 100 per cent of companies report on tax payments, over 70 per cent on import substitution and R&D expenditure, 56 per cent on donations for national causes and 48 per cent on net foreign

exchange inflow/outflow, all of which contribute to economic prosperity. Furthermore, 76 per cent of companies report on industrial relations, some 60 per cent on human resource accounting, training of employees and handling consumer grievances, 54 per cent on having suggestion box schemes, and 40 per cent on value added statements and community welfare schemes – all issues of social justice. In addition, 62 per cent of companies report on energy conservation and 42 per cent on pollution control and waste disposal, which belong to environmental preservation activities. The concept of sustainability reporting increasingly used by companies to report on issues of environment and society is a step towards the fulfilment of good governance.

As the number of stakeholders in the business increases, so does the responsibility of executives to show better governance towards each category of stakeholders. CG will gradually cover key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to it. This trickle is gradually becoming a torrent. CG is being redefined so as to include newer stakeholders. CSR is gradually getting fused into companies' CG practices.

Conclusion and suggestions

For any programme to be successful it must have the support of the top management and some form of implicit benefit in the near future of the business. As such, the top management can play a significant role in creating a climate of socially responsible behaviours of the business and ensuring that the same is reflected in the annual reports of the company. Professional bodies like the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), Confederation of Indian Industry (CII), etc. can play an important role in bringing uniformity in disclosure and encouraging companies to take more steps towards CSR and its disclosure (CII, 1998; ICAI, 2006; ICSI, 2003). Similarly, as far as CG is concerned, these professional bodies should encourage companies to:

- disclose more and more relevant information in their annual reports; then, as the business environment matures, these non-mandatory items should be made a part of mandatory disclosures; and
- include more stakeholders in their business list and disclose activities undertaken by the company to satisfy these stakeholders.

The concepts of CSR and CG are getting fused as newer stakeholders are added in the business list. This is what is felt today, but Hindu philosophy talked about overall welfare ages back, when it said we must share the gains of business with society or else we are destined to go to hell. The need in the Indian context is, therefore, to create awareness about what our holy books said and what our ancestors practiced, and all the rest will fall in line with what is needed in modern day world.

References

- Agrawal, R.S. (1997), "Social reporting practices in India", *Journal of Accounting and Finance*, Vol. XI No. 2, pp. 94-103.
- All India Management Association (1997), *Corporate Governance and Business Ethics*, Excel Books, New Delhi.

- Banerjee, B. (2001), "Corporate financial reporting practices in India", *Indian Journal of Accounting*, Vol. 32, pp. 1-17.
- Bansal, C.L. (2005), *Corporate Governance – Law Practice and Procedures with Case Studies*, Taxmann Publishers, New Delhi.
- Bendixen, M. and Abratt, R. (2007), "Corporate identity, ethics and reputation in supplier-buyer relationships", *Journal of Business Ethics*, Vol. 76, pp. 69-82.
- Carroll, A.B. (1999), "Corporate social responsibility: evolution of a definitional construct", *Business and Society*, Vol. 38 No. 3, pp. 268-95.
- Clarke, T. (Ed.) (2004), *Theories of Corporate Governance: The Philosophical Foundations of Corporate Governance*, Routledge, London.
- Committee on Corporate Governance (CCG) (2001), *The Code of Corporate Governance*, Committee on Corporate Governance, Singapore.
- Confederation of Indian Industry (CII) (1998), *Desirable Corporate Governance Code*, Confederation of Indian Industry, New Delhi.
- Das, A. and Ghosh, S. (2004), "Corporate governance in banking system – an empirical investigation", *Economic and Political Weekly*, Vol. 20, pp. 1263-6.
- Elkington, J. (1997), *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, Capstone Publishing, Oxford.
- Firestein, P.J. (2006), "Building and protecting corporate reputation", *Strategy & Leadership*, Vol. 34 No. 4, pp. 25-31.
- Friedman, M. (1970), "The social responsibility of business is to increase its profits", *New York Times Magazine*, 13 September, pp. 122-6.
- Gandhi, M.K. (1908/1951), *Unto this Last: A Paraphrase*, Navajivan Publishing House, Ahmedabad (in Gujarati (1908) translated in English (1951) by V.G. Desai).
- Gates, J.B. (2004), "The ethics commitment process: sustainability through value-based ethics", *Business and Society Review*, Vol. 109 No. 4, pp. 493-505.
- Grover, D., Shankar, R. and Khurana, A. (2007), "An interpretive structural model of corporate governance", *International Journal of Business Governance and Ethics*, Vol. 3 No. 4, pp. 446-60.
- Hillenbrand, C. and Money, K. (2007), "Corporate responsibility and corporate reputation: two separate concepts or two sides of the same coin?", *Corporate Reputation Review*, Vol. 10 No. 4, pp. 261-77.
- Hossain, M. and Reaz, M. (2007), "The determinants and characteristics of voluntary disclosure by Indian banking companies", *Corporate Social Responsibility and Environmental Management*, Vol. 14 No. 5, pp. 274-88.
- Human Capital (2008), "Cover story: beyond the bottom line", *Human Capital*, March 2008.
- ICAI (2006), *Guidance Note on Certificate on Corporate Governance (Revised 2006)*, The Institute of Chartered Accountants of India, New Delhi.
- ICSI (2003), *Governance: Module of Best Practices*, The Institute of Company Secretaries of India, New Delhi.
- Ingle, C.B. (2008), "Company growth and board attitudes to corporate social responsibility", *International Journal of Business Governance and Ethics*, Vol. 4 No. 1, pp. 17-39.
- Jain, L. (2008), "Fusion of corporate governance and CSR practices", *Chartered Secretary*, April 2008, pp. 483-8.

-
- Jorgensen, P.E.F. and Isaksson, M. (2008), "Building credibility in international banking and financial markets: a study of how corporate reputations are managed through image advertising", *Corporate Communications*, Vol. 13 No. 4, pp. 365-79.
- Ketola, T. (2008), "A holistic corporate responsibility model", *Journal of Business Ethics*, Vol. 80 No. 3, pp. 419-35.
- K.M. Birla Committee (2000), *Report of the Kumar Mangalam Birla Committee on Corporate Governance*, Report of the Committee Appointed by the SEBI on Corporate Governance under Chairmanship of Shri Kumar Mangalam Birla, Securities and Exchange Board of India, Bombay.
- Lichtenstein, S. and Dade, P. (2007), "Changing societal and executives' values: their impact on corporate governance", *International Journal of Business Governance and Ethics*, Vol. 3 No. 2, pp. 179-203.
- McKinsey (2002), *Global Investor Opinion Survey on Corporate Governance*, In Cooperation with the Global Corporate Governance Forum, available at: www.mckinsey.com/clientservice/organizationleadership/service/corpgovernance/pdf/globalinvestoropinionsurvey2002.pdf (accessed 31 December 2008).
- Machold, S. and Vasudevan, A.K. (2004), "Corporate governance models in emerging markets: the case of India", *International Journal of Business Governance and Ethics*, Vol. 1 No. 1, pp. 56-77.
- Mele, D. (2008), "Shareholder and stakeholder-oriented management – toward a more complete approach", *1st IESE Conference, Humanizing the Firm and Management Profession, 30 June-2 July, IESE Business School, University of Navarra, Barcelona*.
- Miller, E., Buys, L. and Summerville, J. (2007), "Quantifying the social dimension of triple bottom line: development of a framework and indicators to assess the social impact of organisations", *International Journal of Business Governance and Ethics*, Vol. 3 No. 3, pp. 223-37.
- Naresh Chandra Committee (2002), *Report of the Naresh Chandra Committee on Corporate Audit and Governance*, Ministry of Finance and Company Affairs, New Delhi.
- Nehru, J. (1946), *The Discovery of India*, Oxford University Press, Oxford.
- Neville, B.A., Bell, S.J. and Menguc, B. (2005), "Corporate reputation, stakeholders and the social performance-financial performance relationship", *European Journal of Marketing*, Vol. 39 Nos 9/10, pp. 1184-98.
- N.R. Narayana Murthy Committee (2003), *Report of the N.R. Narayana Murthy Committee on Corporate Governance*, Report of the Committee Appointed by the SEBI on Corporate Governance under Chairmanship of N.R. Narayana Murthy, Securities and Exchange Board of India, Mumbai.
- O'Brien, J. (2006), "Ethics and corporate governance: banking on scandal", *International Journal of Business Governance and Ethics*, Vol. 2 Nos 1/2, pp. 183-96.
- Ogletree, T.W. (2002), "Corporate capitalism and the common good: a framework for addressing the challenges of a global economy", *Journal of Religious Ethics*, Vol. 30 No. 1, pp. 79-106.
- Oketch, M.O. (2004), "The corporate stake in social cohesion", *Corporate Governance*, Vol. 4 No. 3, pp. 5-19.
- Papania, L., Shapiro, D.M. and Peloza, P. (2008), "Social impact as a measure of fit between firm activities and stakeholder expectations", *International Journal of Business Governance and Ethics*, Vol. 4 No. 1, pp. 3-16.
- Price, M. (2008), "Is environmental reporting changing corporate behaviour?", *International Journal of Business Governance and Ethics*, Vol. 4 No. 2, pp. 189-205.

- Raja Gopalachari, C. (2003), *Kural, The Great Book of Tiru Valluvar*, Hindu Books Universe, available at: www.hindubooks.org/dynamic/modules.php?name=Content&pa=showpage&pid=44 (accessed 29 December 2008).
- Sachar Committee (1978), *Report of the High-powered Expert Committee on Companies and MRTTP Acts*, Ministry of Law, Justice and Company Affairs, Government of India, New Delhi, August.
- Sahay, A. (2004), "Environmental reporting by Indian corporations", *Corporate Social Responsibility and Environmental Management*, Vol. 11 No. 1, pp. 12-22.
- Sangle, S. and Babu, P.R. (2007), "Evaluating sustainability practices in terms of stakeholders' satisfaction", *International Journal of Business Governance and Ethics*, Vol. 3 No. 1, pp. 56-76.
- Securities and Exchange Board of India (SEBI) (2005), *Securities and Exchange Board of India Press Release*, PR 182/2005, Securities and Exchange Board of India, New Delhi, 30 December.
- Sharma, J.N. (2003), *Alternative Economics: Economics of Mahatma Gandhi and Globalisation*, Deep & Deep, New Delhi.
- Thomsen, C. and Luring, J. (2008), "Practicing the business of corporate social responsibility: a process perspective", *International Journal of Business Governance and Ethics*, Vol. 4 No. 2, pp. 117-31.
- Venkateswaran, R.J. (1962), *The Impact of Jawaharlal Nehru on Indian Economy*, Oxford Book, Oxford.

About the authors

Manoj K. Sharma is a Reader in the Faculty of Commerce and Business Management, Panjab University, Chandigarh, India. He took his PhD at Guru Nanak Dev University, Punjab, India. He has been teaching post-graduate and MBA students since 1982. He specializes in business environment. He has guided many PhD students successfully. He is widely travelled and has presented many papers in international conferences. Manoj K. Sharma is the corresponding author and can be contacted at: manojsharma_ubs@indiatimes.com.

Punam Agarwal is a Senior Lecturer at the Government College for Girls, Chandigarh, India, and has 20 years of undergraduate and nine years of postgraduate teaching experience to her credit. She took her PhD at Panjab University Chandigarh, India. She has published many research papers in national journals. She has guided many MPhil students.

Tarja Ketola is an Associate Professor of Sustainable Development at the University of Vaasa, Finland, and Adjunct Professor of Environmental Management at the Turku School of Economics, Finland. She took her PhD at Imperial College, University of London, and worked at Brunel University before returning to Finland. She has written several books and published articles in a number of scientific journals.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.