ANALYSIS OF IMPORTANT FACTORS EFFECTING THE FUSION OF CORPORATE SUSTAINABILITY INTO STRATEGIC MANAGEMENT: AN INTERDISCIPLINARY EMPIRICAL RESEARCH IN THE FIELDS OF STRATEGIC MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

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ABSTRACT

The objective of the research paper is to study and comprehend the important factors that affect the fusion of corporate sustainability into strategic management. An in-depth survey was performed among the companies of various industries. The important data collected through the survey was analyzed by the method of Partial Least Squares (PLS) for evaluating the relationship among the constructs of the Conceptual research model. The results of the current interdisciplinary empirical research study disclosed that management control has the strongest effect on the fusion of corporate sustainability into strategic management, followed by stakeholder’s engagement in the discipline of Strategic Management. The present research study also revealed that organizational culture has the strongest effect on the fusion of corporate sustainability into strategic management followed by managerial attitude and behavior in the discipline of Organizational Behavior. The hypothesized path relationships between important factors and the fusion of corporate sustainability into strategic management were found to be Statistically Significant. The companies in the information technology, auto ancillary, and knowledge process outsourcing (KPO) industries have to focus and create novel strategies for effective management control and organizational culture factors which are critical to the growth and development of an organization.

Key words: Corporate Sustainability, Strategic Management, Organizational Behavior, Significant Factors, Interdisciplinary Empirical Research, Management Control.
1. INTRODUCTION

The business economy in India is growing at a rapid rate with positive capital market reactions and Increased Foreign Exchange Reserves. The Gross Domestic Product (GDP) during the Months from October to December 2017 has increased and the same was carried into the last quarter of the financial year 2017. The strong GDP also resembles high public capital spending and increased government consumption growth. (Focus Economics, 2018, March 20). Further, the Indian consumer goods production increased at a fast pace in the Month of February 2018. In the light of the above growth statistics, the corporate businesses in India should emphasize on the corporate sustainability and its fusion into strategic management for a holistic development.

2. DEFINITIONS

2.1. Business Sustainability

Business sustainability is defined as “the ability to conduct business with a long-term goal of maintaining the well-being of the economy, environment and society” (Hassini et al., 2012).

2.2. Corporate Sustainability

It is a business approach that creates long-term consumer and employee value by creating a green Strategy aimed at the natural environment and taking into consideration every dimension of how the business operates in the social, cultural, and Economic environment. It also formulates strategies to build a company that fosters longevity through transparency and proper employee development. (Wikipedia, 2014).

2.3. Strategic Management

Strategic management involves the formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. (Nag et al., 2007)

3. REVIEW OF LITERATURE

The present empirical research study and its objective is to study and comprehend the important factors which influence the fusion of Corporate Sustainability into strategic management. The previous literature and related research findings and studies in the domain of corporate sustainability, strategic management, organizational behavior, and important factors such as management control, stakeholder’s engagement, managerial attitude and behavior, and organizational culture is as below:

3.1. Management Control

Hulsmann & Grapp, 2005 studied the management situations which are of dilemmatic and also the research focuses on the various ranges of options and strategies about the management control. The sustainable strategic management and the relevant development and practice of
strategies were studied through the research by (Parnell, 2008). Baumgartner, & Ebner, 2010 through research studied the consistency in the practice of strategies related to sustainability by the management of the Corporate Companies. Schaltegger, 2011 studied a defined structure related to the management control and its associated sustainability through the technique of sustainability balanced scorecard. Gond et al., 2012 through their research designs a framework for the fusion of sustainability into company’s strategy. Arjalias, & Mundy, 2013 revealed through their research study that proper systems related to management control will impact the sustainability strategy. Crutzen et al., 2017 through the study revealed the two ways of management control for sustainability which includes both the formal and informal.

3.2. Stakeholder’s Engagement
The important factors such as strategic partnerships, projects, training of employees, certification, and co-operation in the sphere of research constitute Stakeholder engagement (Kourula, 2006). Waddock and Graves, 1997 reveals that stakeholder engagement includes a range of elements and respective factors related to the groups of stakeholders. Lee, 2008 stated that the latent literature constitutes a range of research papers on the theories related to stakeholders and the fusion of corporate sustainability. A well-structured, implementable and defined strategy is one of the important factors of Stakeholder’s engagement (Galbreath, 2006). Paraschiv et al., 2012 studied the importance of the leadership of responsible form for developing strong ties with stakeholders, eco-innovation, and change in the companies as the important factors of corporate sustainability. Lozano, 2015 through their research disclosed that expectations, demands of the customers, and reputation as the external drivers and business leadership as the internal driver for Corporate sustainability. Provasnek et al., 2017 in their research work studied the fusion of stakeholder engagement, and eco-innovation for the development of sustainable nature.

3.3. Managerial Attitude and Behavior
The managerial attitude and behavior are directly proportional to the economic performance and as a result it limits the acceptance of the employees towards the fusion of corporate sustainability into strategic management (Bonn and Fisher, 2011). The manager’s attitude towards the fusion of corporate sustainability into strategic management leads to the development of an effective strategic design (Maon et al., 2008). The positive attitude of managers toward the integration of corporate sustainability into strategic management decreases the deficiencies of a company (Harmon et al., 2009). Millar et al., 2012 through their study identified that the change in manager’s attitude and also the change from the organization perspective leads to the effective implementation of the integration of corporate sustainability into strategic management. From the perspective of leadership, the managerial attitude and behavior pave the way for the fusion of corporate sustainability into strategic management (Lozano, 2015). The company’s care towards the manager’s participation in the sustainability leads to the fusion of corporate sustainability into strategic management (Carmeli et al., 2017).

3.4. Organizational culture
Brown, 1998 through the research study on organizational culture defined it as the development and occurrence of patterns of dealing with the experience, values and related belief systems in a Company’s history. The perceptions and view related to the employees of a company constitutes the culture and later it evolves into actions (Schein, 1985). The companies have to develop a culture which can sustain for longer periods to overcome the problems of social and external environmental forms (Linnenluecke & Griffiths, 2010). Bonn and Fisher, 2011 reveals through the research on organizational culture that for the fusion of corporate sustainability into
strategic management the company’s culture related activities have to be positively and proactively oriented. Borland, 2009 stated that the companies have to design a framework for a culture which constitutes both the strategies and Activities related to sustainability. Epstein, & Buhovac, 2014 in their research study disclosed that strategies of sustainability nature have to be supported by people, organizational culture, and mission. An effective organizational culture leads to the enhancement of corporate sustainability and innovativeness (Matinaro and Liu 2017).

4. RESEARCH GAP
The whole potential of the fusion of corporate sustainability into strategic management is not completely captured by various sectors of the business world. The research activities related to the academic community should focus on key variables such as transparency and communication, organizational learning, managerial attitude and behavior, complexity, investments, stakeholders’ engagement, organizational culture, knowledge management and management control.

5. THE SCOPE OF THE RESEARCH STUDY:
The scope of the current interdisciplinary empirical research paper is to critically examine, study, and comprehend the impact of the important variables such as management control, stakeholder’ engagement, managerial attitude and behavior, and organizational culture on the fusion of Corporate Sustainability into strategic management. The hypotheses for testing the relationship between the important factors of the Strategic Management and Organizational Behavior disciplines and the fusion of corporate sustainability into strategic management are as below:

4.1. Hypothesis
H1: There is a significant relationship between management control and the fusion of corporate sustainability into strategic management
H2: There is a significant relationship between stakeholder’s engagement and the fusion of corporate sustainability into strategic management
H3: There is a significant relationship between managerial attitude and behavior and the fusion of corporate sustainability into strategic management
H4: There is a significant relationship between organizational culture and the fusion of corporate sustainability into strategic management
5.2. Conceptual Research Model

The management control, stakeholder’s engagement, managerial attitude and behavior, and organizational culture form the independent variables of the research model. The fusion of corporate sustainability into strategic management is the dependent variable. The significant factors impacting the fusion of corporate sustainability into Strategic management are adapted from (Engert et al., 2016). The population of the present research paper includes the companies from various industries of Tamil Nadu such as information technology (IT), auto ancillary, and knowledge process outsourcing (KPO).

After an in-depth review of the literature, a pilot study was performed through the questionnaire framed with the relevant scale items related to management control adapted from Schaltegger, S. (2011), stakeholder’s engagement adapted from Gao, S. S., & Zhang, J. J. (2006), managerial attitude and behavior adapted from Khoreva, V. (2016), and organizational culture adapted from Ogbonna, E., & Harris, L. C. (2000).

The key senior managers, business leaders, project heads, and the important personnel related to top management constitute the key respondents of the survey. The first part of the questionnaire included eight characteristics related to the respondents of the survey. The second part included 23 questions with regard to the independent variables and the final part included five questions related to the dependent variable.

Around 193 questionnaires were distributed through e-mail to the respondents. After a follow-up, 165 Responses were received, and 13 questionnaires with incomplete information...
were discarded. Out of the total questionnaires distributed, the valid questionnaires return rate was around 78.75%.

6. DATA ANALYSIS AND SUCCESSIVE FINDINGS

The conceptual research framework and respective analysis was carried through Partial Least Squares (PLS) Method. The Measurement and Structural Models constitute PLS. The Measurement model is estimated through the Confirmatory Factor Analysis for evaluating the validity and reliability of constructs. The constructs’ validity was performed via the convergent and discriminant validity method. The reliability of the constructs was tested through the values of Cronbach Alpha and Composite Reliability. The below table, discloses that the factor loadings of all constructs exceeded 0.71 (threshold value 0.70), the composite reliability for all the constructs exceeded 0.83 (threshold value – 0.70), and the average variance extracted (AVE) for each construct exceeded 0.56 (threshold value – 0.50). The Cronbach’s Alpha for all the constructs exceeded 0.73 (threshold value – 0.70).

6.1. Reliability & Validity Table 1

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor Loadings Range</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Control</td>
<td>0.75-0.82</td>
<td>0.6141</td>
<td>0.8641</td>
<td>0.7909</td>
</tr>
<tr>
<td>Stakeholder’s Engagement</td>
<td>0.74-0.89</td>
<td>0.6308</td>
<td>0.8364</td>
<td>0.7375</td>
</tr>
<tr>
<td>Managerial Attitude and Behavior</td>
<td>0.73-0.87</td>
<td>0.5763</td>
<td>0.8709</td>
<td>0.8137</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.74-0.93</td>
<td>0.5661</td>
<td>0.8667</td>
<td>0.8072</td>
</tr>
<tr>
<td>Fusion of Corporate Sustainability into Strategic Management</td>
<td>0.72-0.84</td>
<td>0.6016</td>
<td>0.8822</td>
<td>0.8317</td>
</tr>
</tbody>
</table>

6.2. Discriminant Validity Table 2

The table below discloses that the square root of average variance extracted of each latent variable is greater than the latent variable correlations (LVC). Thus, the current research study’s discriminant validity is attained.

<table>
<thead>
<tr>
<th>Construct</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Control (1)</td>
<td>0.7836</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Stakeholder’s Engagement (2)</td>
<td>0.7075</td>
<td>0.7942</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Managerial Attitude and Behavior (3)</td>
<td>0.7325</td>
<td>0.7526</td>
<td>0.7591</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Organizational Culture (4)</td>
<td>0.7120</td>
<td>0.7628</td>
<td>0.7221</td>
<td>0.7523</td>
<td>0</td>
</tr>
<tr>
<td>Fusion of Corporate Sustainability into Strategic Management (5)</td>
<td>0.7339</td>
<td>0.7881</td>
<td>0.7448</td>
<td>0.7259</td>
<td>0.7756</td>
</tr>
</tbody>
</table>
The Measurement Model and its analysis were carried out to evaluate the hypothesized relationships of the conceptual research framework.

### 6.3. Measurement Model Table 3

<table>
<thead>
<tr>
<th>Path From</th>
<th>Fusion of Corporate Sustainability into Strategic Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Control</td>
<td>0.421</td>
</tr>
<tr>
<td>Stakeholder’s Engagement</td>
<td>0.2031</td>
</tr>
<tr>
<td>Managerial Attitude and Behavior</td>
<td>0.2313</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.3412</td>
</tr>
<tr>
<td>R^2</td>
<td>0.72</td>
</tr>
</tbody>
</table>

The coefficient of determination, R^2 is 0.72 for the fusion of corporate sustainability into strategic management dependent latent Variable. This means that the four latent variables (management control, stakeholder’s engagement, managerial attitude and behavior, and organizational culture) substantially explain 72% of the variance in the fusion of corporate sustainability into strategic management.

The inner model discloses that management control (0.421) has the strongest effect on the fusion of corporate sustainability into strategic management followed by stakeholder’s engagement (0.2031) in the discipline of Strategic Management. And organizational culture (0.3412) has the strongest effect on the fusion of corporate sustainability into strategic management followed by managerial attitude and behavior (0.2313) in the discipline of Organizational Behavior. If the standardized path coefficient is greater than 0.10, then it is Statistically Significant. (Ken Kwong-2013)

The hypothesized path relationship between management control and fusion of corporate sustainability into strategic management is Statistically Significant. The hypothesized path relationship between stakeholder’s engagement and fusion of corporate sustainability into strategic management is Statistically Significant. The hypothesized path relationship between managerial attitude and behavior and fusion of corporate sustainability into strategic management is Statistically Significant. The hypothesized path relationship between organizational culture and fusion of corporate sustainability into strategic management is Statistically Significant.
6.4. Structural Analysis (Bootstrap Process) Table 4
The path significances and its estimation were carried out through the bootstrapping resampling technique of 500 subsamples.

| Construct                                             | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T-Statistics (|O/STERR|) |
|-------------------------------------------------------|---------------------|-----------------|---------------------------|------------------------|------------------|
| Management Control -> Fusion of Corporate Sustainability into Strategic Management | 0.4848              | 0.4832          | 0.1269                    | 0.1269                 | 2.8191           |
| Stakeholder’s Engagement -> Fusion of Corporate Sustainability into Strategic Management | 0.5002              | 0.5003          | 0.1219                    | 0.1219                 | 3.1039           |
| Managerial Attitude and Behavior -> Fusion of Corporate Sustainability into Strategic Management | 0.3190              | 0.3176          | 0.1405                    | 0.1405                 | 2.2698           |
| Organizational Culture -> Fusion of Corporate Sustainability into Strategic Management | 0.3532              | 0.3122          | 0.1433                    | 0.1433                 | 2.3264           |

The Path Coefficients (Original Sample), Sample Mean, STDEV, and T-Statistic Values denote the significance of the conceptual research model. The T statistics value should be larger than 1.96 when using a two-tailed t-test with a significance level of 5%, then the path coefficient will be significant. In this interdisciplinary empirical research study all the relationships are found to be significant.

7. DISCUSSION
After an in-depth literature review and post empirical analysis of the data collected through the survey instrument, questionnaire, it is found that management control has the strongest effect on the fusion of corporate sustainability into strategic management followed by stakeholder’s engagement in the discipline of Strategic Management. The present research study also revealed that organizational culture has the strongest effect on the fusion of corporate sustainability into strategic management followed by managerial attitude and behavior in the discipline of Organizational Behavior.

The key operational managers have to develop new business strategies related to management control for increasing the rate of integration framework related to corporate sustainability and strategic management. The significant factors of stakeholder’s engagement such as strategic partnerships, projects, training of employees, certification, and co-operation lead to the formation of shared value. The firms have to organize and execute programs which
develop positive attitude and behavior among the managers and other employees which in-turn would minimize the deficiencies of an organization internally. The companies have to develop and implement an effective organizational culture which can sustain for longer periods to overcome the problems of social and external environmental forms.

8. CONCLUSION
The companies have to develop and organize a range of employee training programs in the disciplines of corporate sustainability, business strategy formulation and implementation, Organizational Behavior, Strategic Management, and other relevant fields. The empirical results drawn from the present interdisciplinary research study reveal that management control has the strongest effect on the fusion of corporate sustainability into strategic management followed by stakeholder’s engagement in the discipline of Strategic Management. The present research study also revealed that organizational culture has the strongest effect on the fusion of corporate sustainability into strategic management followed by managerial attitude and behavior in the discipline of Organizational Behavior. The companies in various industries such as information technology, auto ancillary, and knowledge process outsourcing have to focus and create novel strategies for effective management control and organizational culture factors which are critical to the growth and development of an organization. The companies also have to give due importance to the ever-changing business atmosphere both internal and external and develop and enforce novel business strategies. As a result, the fusion of corporate sustainability into strategic management leads to a sustainable growth of the organization.

9. LIMITATIONS AND FUTURE SCOPE
The current interdisciplinary empirical research study includes limitations from the perspective of geographic nature. This research paper and its study was performed on the companies of Tamil Nadu in various industries. But the statistically drawn results of the present research study would be of better applicability if the sample comprises of companies from all the states of the country in India.

The fusion of corporate sustainability into strategic management has scope for further research in various segments, fields, and dimensions. The future research can emphasize on important variables such as transparency and communication, complexity, organizational learning, Knowledge Management, and investments; and further research scholars can also focus on interdisciplinary research across various innovative disciplines. A comparative study can also be performed among the companies of various industries and sectors in different countries for drawing and developing innovative strategies, new variables, relevant business practices, and feasible policies for effective implementation and fast outcomes.

REFERENCES


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