

**LEGITIMATION STRATEGIES IN CONTROVERSIAL
INDUSTRIES: CASE STUDY OF A TOBACCO
CONGLOMERATE**



**A THESIS
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Abstract

This thesis followed “Case Study Research” to uncover the legitimation strategies of a Tobacco Conglomerate as a significant controversial industry.

Any “normal” industry aspires to achieve a measurable organizational outcome. The most common and coveted goal is profitability. Other goals which may be pursued are productivity, sales, market share, and status, etc. Certain industries are considered “controversial” based on their product, services or business conduct. Industries, such as tobacco, alcohol, gaming, and adult entertainment, are controversial because their products or services are viewed as harmful or sinful by society based on social norms, their addictive nature, or potential undesirable social consequences resulting from their usage.

There had been insufficient studies on controversial industries (CI) due to the problem of access and more than reasonable information control in such industries. The recent literature also stresses the need for research on controversial sectors as there have been many calls from academics for further research. The objective of the present study is to understand how the organizations in controversial industries build their corporate legitimacy?

As limited research, has been carried out on the topic, a qualitative case study research approach was followed. The ITC was chosen for two reasons; first, the ITC has been suffering from controversies due to its foreign origin and foreign control. Second, ITC is facing controversies due to the addictive nature and other health hazards associated with tobacco and tobacco products. Data for this work was collected from published reports, annual reports, environmental and financial reports, internal documents and procedures and interviews with ITC officials, management, and retired employees.

This study reports that the corporate legitimation strategy of ITC is an outcome of complex interactions. In these interactions, the prevailing national economic environment and the organizational issues in the concerned organization play the role of ‘origin.’ The promulgated

acts, administrative regulations and legal & judicial developments at any point in time are the 'catalyst' for actions by the organization. The organizations in CI respond to those developments by taking various strategic and legitimation activities.

Based on a historical analysis of the strategy development in ITC, the present study proposes a "Layered Legitimation Model." The model comprises of four stages of legitimation activities: neutralization, identity management, assertive and virtuous legitimation. The present research proposes that there exists a conscious and driven approach in ITC to build its legitimacy and the results appear generalizable to other such controversial industries.

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