

Iterative Sustainable Practices Fosters Conglomeration in a First-Generation Entrepreneur an Analysis of KPR Group Using Integrative Justice Model

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Abstract

Amidst a highly competitive market, sustainability practices in marketing are vital for business owners looking in new areas, competing against established companies, and guarantee sustainable business growth over the long term. This research examines the ways in which these entrepreneurs implement sustainable marketing practices employing an Integrative Justice Model (IJM) as a conceptual framework. Through one case study on KPR Mills, the researcher examines the existence of sustainable marketing practices in a first-generation portfolio business. The study moved in the ways in which concepts like fairness stakeholder dignity, mutual valuation, as well as long-term social well-being are integrated in marketing plans. The analysis shows that sustainable strategies helps entrepreneurs build trust relationships with customers in addition of having advantage in competition. These practices ultimately aid in sustained growth of the business and the development of the institution in to a multi-faceted portfolio entrepreneur in conglomerate business.

Keywords: Sustainable Marketing, Integrative Justice Model, First-Generation Portfolio Entrepreneur, Long-Term Sustainability.

I. INTRODUCTION

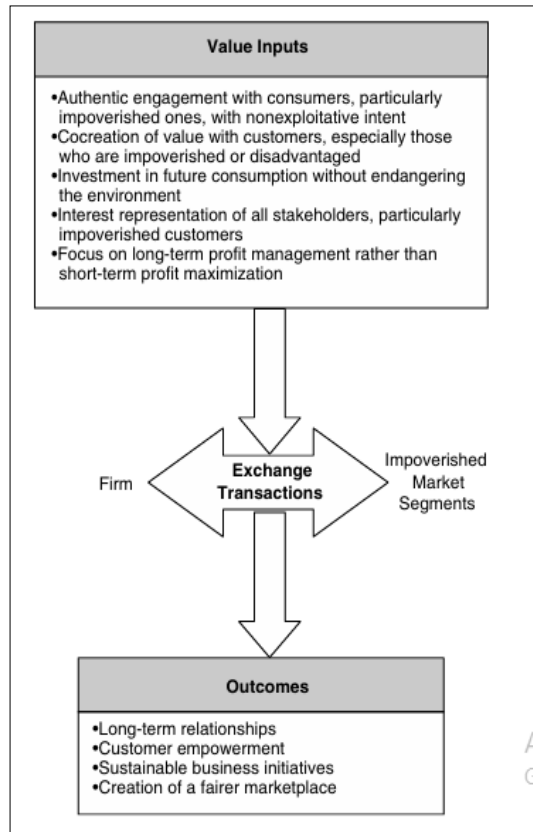
Portfolio entrepreneur, a person owning multiple businesses at the same time, This type of permits entrepreneurs to spread investment and also the risk across their portfolio and maintain stable business and income. Portfolio entrepreneurs typically utilise the skills, resources and experience acquired from one company to assist and develop others. A higher level of personal capital, as well as entrepreneurial experience, enhances the chances of participating in portfolio-based entrepreneurship. Portfolio entrepreneurship promotes the growth of an organisation, exploitation of opportunities, as well as long-term sustainability of businesses (Carbonara et al. 2019) only the experience gained through establishing their first venture, they slowly develop confidence, networks and financial strength, allowing expansion of their institution. It is widely acknowledged that a large percentage of business founders gaining experience as business owners, are able to manage more than one business at the same time (Oxenfeldt, 1943; Donkels et al., 1987; Birley & Westhead, 1993). A portfolio entrepreneur usually initiates other ventures to build on the initial business, increase the wealth of their families or personal lives, or improve profitability by utilizing diversifying income sources (Carter, 1998; Iacobucci, 2002). In certain instances, portfolio entrepreneur expansion may be a strategy for survival in the event that the primary business is not generating enough returns (Iacobucci & Rosa, 2003). Particularly in small or niche markets, smaller companies might be more efficient than larger that, which makes the expansion of horizontally oriented businesses more beneficial as opposed to vertical integration (Iacobucci, 2002). Through the establishment of new ventures, First generation portfolio entrepreneur spreads the risk and boost wealth without compromising the stability of the initial company (Iacobucci, 2002; Westhead & Wright, 1998a). In the process of managing and expanding multi-business ventures, strategy is a crucial element in maintaining and expanding business operations. A well-planned strategy allows entrepreneurs to improve customer relationships, draw the stake holder in front differentiate their products, and expand into new markets, helps ensure stability as well as growth. Based on Facca-Miess and Santos (2014), fair and sustainable marketing strategies help companies expand their operations by establishing trust, collaborating to create value with communities, and ensures long-term stakeholder benefits.

Sustainability in enterprise management focuses on balancing economic performance, environmental responsibility, and social protection to ensure long-term organizational performance (Mamatova et al., 2020). It requires companies to integrate stakeholder concerns, into their decision-making processes. Sustainable

development also requires aligning strategic management systems with information support and environmental adaptation mechanisms, while innovation and technological advancement enhance efficiency and sustain competitive advantage. Sustainability therefore enables businesses to achieve steady growth while remaining accountable to society and the natural environment (Mamatova et al., 2020).

This sustainability understanding is strengthened further by, The Integrative Justice Model (IJM) offers a standard framework that promotes fair and ethical interactions with stakeholders, especially in situations involving economically vulnerable groups. Figure 1 presents the Integrative Justice Model (IJM), that outlines the core principles of fair and ethical marketing. The model emphasizes authentic engagement with consumers, value co-creation, investment in future consumption, stakeholder interest representation, and long-term profit management. Together, these elements guide organizations in promoting social equity, environmental responsibility, and sustainable market relationships. While sustainability emphasizes the balance of economic, social, and environmental responsibilities, IJM advances these goals through authentic customer engagement, stakeholder representation, and long-term value creation. By promoting fair exchange, investment in future consumption, and inclusive value co-creation, IJM supports responsible resource use and socially equitable market development. For portfolio entrepreneurs those managing multiple ventures, integrating IJM principles ensure that business expansion and diversification win out compromise social equity or environmental responsibility. IJM operationalizes sustainability by guiding ethically grounded decision-making, strengthening stakeholder trust, and fostering inclusive growth and long-term business resilience. Accordingly, Integrative Justice Model (IJM) provides a strong ethical foundation for sustainability-oriented business practices, however there remains a limited understanding of how portfolio entrepreneurs operationalize these principles in real-world marketing contexts.

Figure 1
Integrative Justice Model (IJM) guiding sustainable and ethical marketing practices



Source: Adapted from Santos and Laczniak (2009b).

Research Gap

Studies have been conducted on ethics and sustainability in marketing practices. For business performance, however little research has been conducted to understand how portfolio managers of the first generation apply these principles in new markets. The use of the Integrative Justice Model (IJM) to guide fair, inclusive and sustainable practices in marketing requires more thorough examination.

Research Objectives

The study attempts to examine the ways sustainable marketing practices are implemented by the first-generation portfolio businesses using Integrative Justice Model (IJM). It also analyses how ethical practices in marketing help to sustain long-term sustainability.

Methodology

This research employs case study qualitative approach to study the methods of sustainable marketing practices within an enterprise that represents First generation Portfolio entrepreneur. KPR group was selected for the study's as it is a thriving first-generation conglomerate business that integrates ethics, sustainability in its diversified business operations, The researcher analysed the group using IJModel. The data were gathered from secondary sources, such as corporate reports on Sustainability disclosures, sustainability reports, as well as documented practice. .

KPR Groups – A brief Introduction

To contextualize the story and comprehend the entrepreneurial premise behind growth of the concern it is crucial to understand the background of the founder, whose vision was the basis of the business. Dr. K. P. Ramasamy, popularly known as “KPR,” was born in 1949 into an agricultural family in Kallimpudur Village, Erode District, Tamil Nadu. He is the Chairman, Founder, and Mentor of the KPR Group and is widely recognized as a first-generation portfolio entrepreneur. Due to financial constraints, he discontinued his university education and assisted his father in agricultural work. Driven by a strong desire for financial independence and success, he borrowed Rs. 8,000 from his uncle in 1971, established a modest power loom unit. The formal expansion of KPR’s industrial journey began in 1984, when the maiden business was launched in Coimbatore, marking the foundation of organized operations. In 1989, the company established its first knitted garment export facility in Tirupur with a capacity of 11 million garments per year. A significant step toward vertical integration occurred in 1995 with the establishment of the first spinning unit at Sathyamangalam, initially with 6,000 spindles and expanded to 30,240 by 1999. Expansion accelerated in the early 2000s. In 2001, a new spinning mill and knitting facility powered by wind energy was established at Karumathampatti. This was followed by a spinning and knitting unit at Neelambur in 2003, also supported by wind-powered captive energy. In 2005, an integrated facility at Arasur combined spinning, knitting, and garment production, further strengthening vertical integration and initiated sustainability practice. The company secured \$25 million in private equity investment in 2006, strengthening its expansion strategy, in 2007 it went public with listings Bombay and National Stock Exchanges. In 2008, a processing division with 9,000 MT capacity was launched at Perundurai-SIPCOT. By 2010, KPR expanded compact spinning capacity and enhanced green energy capabilities, followed by the introduction of a mélange yarn project at Karumathampatti in 2012. Diversification beyond textiles began in 2013 with the establishment of a sugar plant and co-generation power unit in Karnataka. Garment capacity expanded at Arasur in 2014, and a Greenfield air-conditioned garment facility was opened at Thekkalur in 2015. Further expansion at Thekkalur in 2016 increased garment production capacity significantly. Sustainability and technological

advancement remained central to growth. In 2017, eco-friendly processing and high-resolution printing facilities were introduced. In 2018, KPR expanded globally by establishing a garment manufacturing unit in Ethiopia and introduced vortex yarn technology. The year 2019 marked strategic expansion and diversification: processing and garment capacity were expanded; an ethanol plant was established alongside sugar mill expansion; the FASO retail brand was launched; and an international office was opened in Singapore to strengthen Asian export markets. Subsequent years reinforced capacity and sustainability initiatives. A new knitting facility was established at Karumathampatti in 2020. In 2021, Their processing capacity increased and a new garment facility was established at Changanapalli. A new sugar mill with co-generation and ethanol extraction capabilities was commissioned in 2022. KPR strengthened its renewable energy and technological capabilities in 2023 by installing a 12 MW rooftop solar power system at Arasur, introducing vortex spinning technology for viscose yarn production, and expanding ethanol extraction capacity. Growth continued in 2024 with a new vortex spinning facility at Sathyamangalam, expansion of solar power capacity to 40 MW, and an increase in garment production capacity by 30 million pieces across units. Through dedication, perseverance, and hard work, a small venture gradually evolved into a major textile enterprise.

With a strong foundation built on honesty, employee welfare, and customer commitment, the KPR Group has grown into a diversified enterprise with their annual revenues of approximately ₹7,500 crores. The group's interests today has extend beyond textiles to sugar, renewable energy, automobiles, power generation, and education. Its flagship company, KPR Mill Limited, is one of India's largest vertically integrated textile and apparel manufacturers, operating 12 state-of-the-art facilities in Tamil Nadu and employing nearly 31,000 workers. Over time, Dr. Ramasamy's vision expanded far beyond a single business line.

First-generation risk-taking, reinvestment of profits, long-term strategic thinking, and active stakeholder engagement building are part of the particular entrepreneur of the KPR Group, which exemplifies how a first-generation entrepreneur can transition from a survival-oriented startup to a strategically diversified and sustainable conglomerate, as evidenced by its recognition through the First Generation Entrepreneur Award (see Figure 1). Integrative Justice Model (IJM) in practice In the context of this study, the IJM framework provides a foundation for analysing sustainable marketing practices and inclusive business strategies. (Santos and Laczniak, 2009b, Santos & Laczniak, 2012). These principles help companies seek out inclusive growth, making sure that they balance economic performance with the environment and social wellbeing. In emerging economies, such as India and China, where the development of industry connects with rural

livelihoods the social equity and ecological accountability IJM's framework offers a logical way to assess responsible entrepreneurship.

Figure 2
First Generation Entrepreneur Award.



Note. Adapted from KPR Mill Official Website.

KPR group Limited represents a remarkable example of the principles of IJM in action. Beyond its economic success KPR's business model is a reflection of an emphasis on the welfare of employees, sustainable development of communities and stakeholder participation. Looking at the company's business model through IJM dimensions, we can see the ways ethical entrepreneurship has supported the development with more inclusive economy and long-term competitive advantage.

1. Authentic Engagement

Genuine engagement requires companies to engage with customers in ways that display an intention to not exploit in addition to empowerment and respect for the dignity of human beings (Santos and Laczniak 2009b and Santos 2013.). Instead of viewing work as a solely economic source authentic engagement is based on trust as well as inclusiveness and the long-term well-being. At KPR Mill, KPR has pushed the boundaries of the traditional practices of human resources by giving its employees the opportunity to be empowered which includes employing of women to a tune of 90 percent of the total. By offering education, training, secure accommodation and safe work conditions for its employees, the firm creates a more equitable and socially-conscious thus create trust and credibility. Through integrating activities from production of yarn to fabric and garment production, KPR ensures consistent quality and dependable delivery. This integrated structure further in still the trust of customers and builds long-term business relations. Skills development initiatives have educated more than 27,000 female workers resulting in increased productivity that a dramatically reduces. A well-trained and confident workforce directly contributes to a quality output in the number of defects .KPR is a model of social and environmental responsibility this can be extracted by their green energy initiatives and programs that supports local communities and women. This demonstrates a commitment to sustainable growth as well as ethical practices in business. Apart from textiles and apparel, the organization expanded into education and automotive sector (Audi Coimbatore and Madurai) this reflects an unwavering

commitment to his values of diversification. This diversity increases credibility and moral corporate behavior., KPR Group's genuine commitment to its employees is based on the "people first, profit later" concept. By giving employees the tools to succeed and maintain high standards of quality KPR Group has created an establishment and socially responsible brand that generates lasting value for its stakeholders.

2. Value Co-creation

Value co-creation is a key element of a Service-Dominant logic, it focuses on a collaboration in which companies and their stakeholders work together to create value (Vargo and Lusch, 2004). Instead of delivering benefits unilaterally businesses engage with groups and partners to develop solutions that increase both economic and social outcomes. KPR group initiatives for community development demonstrates value co-creation through collaboration and social development. The group contributes to rural education by developing schools' infrastructure, classroom development and educational resources for communities that are not well-served. These efforts enhance educational access while building a future talent pipeline those by strengthening community relationships. Environmental stewardship programs further illustrate collaborative value creation. KPR takes part in tree planting initiatives, biodiversity restoration and other initiatives to improve public hygiene that are aligned with national sustainability efforts. Employees actively participate in environmental awareness programs, reinforcing shared responsibility for ecological preservation. Workplace education represents another dimension of co-creation. KPR offers organized learning opportunities that permit employees to complete their education as well as vocational training and higher education. Through facilitating the development of skills and advancement in education, KPR enhances human capital and increases employees' job opportunities. In the same way KPR benefits from an improved and more motivated workforce. Community healthcare initiatives helps to conduct health camps, preventive programs and public health awareness campaigns it enhances the health of communities and increase the firm's legitimacy in the social commitment .KPR's efforts to promote organic cotton enhance value co-creation throughout the entire value chain. Support to sustainable farming practices help farmers' life and the environment, while also providing environmentally friendly products to customers. This collaborative ecosystem benefits farmers, customers, and the company simultaneously. Through educational support, environmental programs, health initiatives, and sustainable sourcing, KPR co-creates shared value that strengthens both community and sustains organizational.

3. Investment in the future Consumption

Future consumption is the term used to refer to the allocation of resources for initiatives that might not yield immediate profits but will help in the long run to improve social and economic sustainability (Santos and Laczniak in 2012). Investments in future consumption create demand in terms of workforce readiness, as well as environmental resilience. KPR group continues to show the strength of its growth, reporting the company's 10.3 percent increase in year-over-year in revenue to Rs 1,632 crore in Q2 FY26. This is a sign of the company's resilience to demand across all its business segments. The demand for clothing in the world is expected to rise because of the rise in incomes and urbanization and the rapid-changing fashion trends. KPR's apparel division, which is a significant factor in export revenue is growing capacity to meet the demand. The company is aiming for 10-12 percent CAGR. (CAGR) for the next 3 years. This will allow the company to reap the benefits of growing demand in international retail markets. The rising energy demands and the government's bio fuel policies are driving the use of ethanol. KPR is expanding its ethanol production by 360 kLPD by making use of its sugar operations. This diversification is in line with renewable energy objectives while creating a stable stream of revenue dependent on the future demand of fuel. To meet the future demand for premium and specialty yarn, the business has invested 100 crore in a new vortex spinning machine in 2023-24. This technology increases effectiveness, increases the quality of yarn and helps support the consumption of premium quality textiles. KPR produces more than 180 MW of renewable energy, which is in line with ESG demands that are increasingly demanded by buyers around the world. Sustainable practices for production increase KPR's appeal to eco conscious consumers and brands. Changes in global sourcing strategies such as Bangladesh+1 and China+1 create opportunities for Indian producers.

Furthermore, trade agreements like those of the Australia FTA are likely to expand KPR's presence in export markets like Europe, US, and other markets around the world. Market analysts are expecting a robust performance, anticipating 18.4 per cent annual growth in earnings and 13 percent revenue growth. Efficiency in operations is expected to boost the profitability of KPR as the fabric and yarn segment margins expected to rise to mid-term. The consolidated EBITDA margins expected to be around 23 percent in FY2026. KPR is debt-free in H1 FY26 and has a strong reserve of cash that allows to the group expand, modernize, and pursue strategic investment. KPR group is well placed to profit from the future trends in the fashion industry and sustainable textiles as well as bio fuels. Through expansion of capacity technological advancement and the adoption of renewable energy as well as diversification into ethanol production, the firm is adapting its operations to the changing demands of the world. With a strong economic health and favorable trade

opportunities for exports, KPR will be able to achieve steady growth in a consumer-driven global economy.

4. Interest Stakeholders' Representation

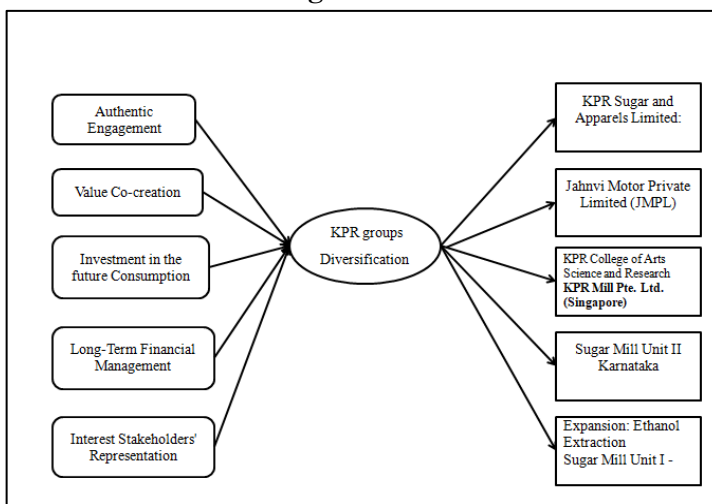
The IJM framework focuses on equitable representation of stakeholders, making sure that decisions made by businesses consider the concerns of employees, communities' customers, suppliers and investors (Santos and Laczniak, 2009b). Ethical markets need to balance these interests instead of focusing on the shareholder's wealth by itself. KPR groups CSR initiatives promote stakeholder participation through programs for community welfare which improve living conditions in the villages around. Facilities for sanitation, infrastructure support as well as educational aid strengthen rural wellbeing while increasing KPR groups social credibility. Employees are able to enjoy safe work areas, healthcare facilities, education opportunities and workplace policies that promote inclusion. These initiatives increase the satisfaction of employees, decrease employee turnover, and boost the commitment of employees. Farmers profit from sustainable cotton sourcing practices that help to ensure the balance of nature and the long term productivity of soils. Consumers enjoy the benefits of the products that are produced using environmentally responsible methods. Investors benefit from sustainability-oriented operations that reduce regulatory risks, improve resource efficiency, and strengthen long-term profitability. Transparent communication, accountable nature strengthens the trust of stakeholders and help build long-term relationships. This approach India's culture of business relationships and improves the credibility of the institution.

5. Long-Term Financial Management

Long-term profit management is focused on sustainability, resilience to operational changes and financial stability, rather than quick-term profits maximization. It aligns profit with environmental stewardship as well as social responsibility. KPR group integrated vertical structure spans from spinning, knitting, garments, manufacturing of sugars, electricity generation along with ethanol improves control over the supply chain and improves cost efficiency. Vertical integration helps reduce dependence on suppliers from outside and stabilizes the production costs Diversification into sugar and energy production helps stabilize income streams and decreases the risk of being exposed to market volatility. Investments on renewable sources of energy help reduce the cost of energy in the long run and shield the company from power price fluctuations. Environmental compliance technology reduces regulatory risks and promotes sustainable manufacturing. KPR's supply agreements with the top brands in apparel demonstrate international competitiveness backed by efficiency in operations as well as sustainability-related compliance. Welfare and workforce retention during the periods of crisis strengthened its operational continuity and facilitated quicker

recovery than competitors. This strategy of resilience demonstrates the long-term strategic vision. By integrating sustainability-related investments as well as diversification and efficiency in operations, KPR group aligns profitability with the ability to withstand and sustain competitive advantages over time. Figure 3: IJM-Based Sustainable Marketing Framework for Business Diversification shows how authentic engagement, value co-creation, future investment, stakeholder representation, and long-term management shape sustainable marketing, which in turn supports resilient growth and business diversification.

Figure 3
IJM-Based Sustainable Marketing Framework for Business Diversification



II.CONCLUSION

KPR group exemplifies the practical implementation, of Integrative Justice Model within India's inclusive development framework. Genuine engagement is evident in the welfare systems that are inclusive of culture and practices at work that promote dignity. Value co-creation is apparent in the development of communities sustainability, environmental stewardship, as well as educational empowerment programs. Renewable energy investments as well as technological innovation and education show an interest in the future of consumption. Stakeholder representation is achieved through broad-based CSR initiatives and accountable sources. Long-term profit management is supported by vertical integration, diversification, and sustainability-driven operational strategies. Together, these practices illustrate a shift from profit-centric industrialization toward responsible capitalism rooted in social inclusion, environmental stewardship, and sustainable economic growth. KPR group demonstrates that ethical entrepreneurship and sustainability-oriented strategies are

not obstacles to profitability but foundations for enduring competitive advantage and inclusive development.

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