

Corporate Social Responsibility: An Initiative of HUL

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ABSTRACT: Hindustan Unilever Limited (HUL) is number one Fast Moving Consumer Goods (FMCG) Company in India. Corporate responsibility is a part of Hindustan Unilever Limited's (HUL's) vision. The mission of the company aims to improve quality of life through their products and interventions in the community. In addition, HUL has a wide range of CSR activities that encompass health, welfare and rehabilitation. This paper focuses on how the HUL is standing as a leader in the market as a part of which it has taken up the social responsibility activities especially in the rural context.

Key Words: Corporate Social Responsibility, HUL Shakti, community development, vision.

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I. INTRODUCTION

Corporate responsibility is integral to Hindustan Unilever Limited's (HUL's) vision: "To earn the love and respect of India by making a real difference to every Indian...". In India, multi-national companies (MNCs) have been increasingly involving themselves in serving and creating products for the rural consumer (Kalyani and Madhav,2004) HUL's Corporate Responsibility (CR) philosophy is embedded in its corporate purpose and vitality mission. The company firmly believes that it has commitment to all its stakeholders - consumers, employees and the community in which it operates. The vitality mission of the company aims to improve quality of life through their products and their interventions in the community.

CR Governance

HUL has established a CR Governing Council spearheaded by a Management Committee (MC) and is responsible for the corporate reputation and CR strategy of the company.

One of our other key initiatives is built around our commitment of reducing our carbon footprint. We have embraced Unilever's ambitious target of 25% reduction in CO2 from energy in manufacturing operations per tonne of production by 2012, against a baseline of 2004.

CSR POLICIES

The commitment of the company to environment, quality and energy conservation can be understood by the initiatives it has taken.

CSR – COMMUNITY SERVICES

The community oriented projects addressed various issues like employment, industrial development and support to agriculture. In addition, HUL has a wide range of CSR activities that encompass health, welfare and rehabilitation.

Employment

Hindustan Unilever recognised the importance of the national objective of providing employment and have integrated it in their business strategies.

Industrialisation

At Hindustan Unilever their corporate purpose is to meet the everyday needs of people everywhere which is well matched with the national objective of spreading the benefits of industrialisation.

The process of industrial development also brings about a change in the quality of life for the local community

Adding value to Agriculture

The linkages between the company and the agricultural sector are many. The company is dependent on the agricultural sector for much of its raw material in its Foods & Beverages operations and also in its Home & Personal Care business.

Happy homes -special education & rehabilitation

Under the Happy Homes initiative, HUL supports special education and rehabilitation of children with challenges.

Asha Daan: Home in Mumbai for abandoned

The initiative began in 1976, when HUL supported Mother Teresa and the Missionaries of Charity to set up Asha Daan, a home in Mumbai for abandoned, challenged children, the HIV-positive and the destitute.

At any point of time, about 370 inmates comprising of boys, girls, men and women are housed at the Home. Food, clothing and medicines required by inmates are taken care of by the donations received from the locals of Mumbai city. The needs of the abandoned/challenged children are met through special classes of basic skills, physiotherapy, etc. being taken care of by the Sisters of the Home. Wherever necessary, corrective surgery is also arranged for in the city hospitals by the Home.

Until November 2008, 15,933 individuals were benefited from Ashadaan.

Ankur: Special education of challenged children

In 1993, HUL's Doom Dooma Tea Plantation Division set up Ankur, a centre for special education of challenged children. Since 2006, HUL Personal Products Factory, Doom Dooma took over the reign from the Tea Divisions. The centre takes care of children with challenges, aged between 5 and 15 years. Ankur provides educational, vocational and recreational activities to over 50 children with a range of challenges. Since inception it has covered more than 80 children. Ankur received the Lawrie Group's World aware Award for Social Progress in 1999 from Her Royal Highness in London.

Kappagam: Shelter for challenged children

Encouraged by Ankur's success, Kappagam ("shelter"), the second centre for special education of challenged children, was set up in 1998 on HUL Plantations in South India. The focus of Kappagam is the same as that of Ankur. The centre has 17 children, who are taught self-help skills and useful vocational activities. So far it covers about 28 children.

Anbagam: Day care centre

Yet another day care centre, Anbagam ("shelter of love"), has been started in 2003 also in the South India Plantations. It takes care of 11 children. Besides medical care and meals, they too are being taught skills such that they can become self-reliant and elementary studies. Over 16,000 individuals have benefited from the Happy Homes initiatives since inception.

Water Conservation and Harvesting

Water scarcity is one of the biggest crises facing India. Water management has been a focus area for HUL, and has been made one of the key performance indicators of all HUL factories.

Sanjivani - Free Mobile Medical Facility

True to its meaning "Sanjivani" (a Hindi word meaning rejuvenation in English) has brought back a smile on the faces of thousands of villagers who were deprived of basic health facilities in remote areas of Assam in India. HUL started Sanjivani –2003 near its Doom Dooma factory in Assam. The aim was to provide free mobile medical facility to the interior villagers in Assam.

The mobile medical vans camp for six hours in a village everyday and treat nearly 100 patients. The factory has tie-up with the village headman for setting up the camp in a central area of the village. And the camp items are left back in the village at the end of the day.

Relief and Rehabilitation

The relief and rehabilitation activities undertaken by HUL at three places are given here.

Yashodadham:

After the devastating earthquake in 2001, HUL reconstructed a village in the Bhachau Taluka of Gujarat's Kachchh district in December 2002. The village, which has been named Yashodadham, was dedicated to the 1100 residents of Nani Chirai village, which was completely wrecked by the earthquake.

Tondiarpet:

HUL contributed more than Rs. 10 crore towards relief and rehabilitation of Tsunami affected families by way of relief material and land besides the construction of facilities.

Bihar:

After the floods in Bihar in 2008, HUL contributed 10,000 kits worth Rs. 60 lakh as first instalment of relief material for the immediate relief of the flood-affected families of Araria District in Bihar. The kit contained essential items such as utensils, clothes, blankets and other useful material.

CAUSE BRANDING

Hindustan Lever's core belief is that bringing social responsibility to the heart of their business requires putting brands at the forefront of this effort. Banga observed thus:

“It is because the brands are at the heart of our business. It is through our brands that we engage with and build relationships with our consumers and communities. Organisations are initiating innovative model of social responsibility campaigns in the rural areas, which also exhibit the potencies and the values that a brand illustrates. Corporate world needs these campaigns which create valuable word of mouth publicity for the brand in rural india, which the short ten second commercial advertisements are not in a position to do(Mohapatra, Moharana and Behara, 2009). To help drive social change, the company decided to incorporate a social and environmental agenda into its innovation and development strategies.

Lifebuoy Swastya Chetna (LBSC)- Health and Hygiene

Being India's leading personal wash health brand, Lifebuoy saw a role for itself in propagating the message of hygiene and health in villages. Lifebuoy Swastya Chetna (LBSC) is a rural health and hygiene initiative which was started in 2002

The programme involves meeting the local Panchayat bodies, especially the Anganwaadi workers and takes their help in its implementation at the village level. The programme was working closely with government bodies such as NRHM and also UNICEF (2008) for Initiatives on Hand washing programs.

Fair & Lovely (FAL) Foundation -- Women's Empowerment

The Fair & Lovely (FAL) Foundation aims at economic empowerment of women across India by providing information, resources and support in the areas of education, career and enterprise. A series of projects drawn up to achieve the vision comprise the following:

- *Fair & Lovely Scholarships* awarded scholarships to over 600 deserving girls since 2003. Recently HUL has taken special interest to extend the scheme of awarding scholarships to children of SHAKTI AMMA candidates who are part of HUL social initiative in rural India.
- *Fair & Lovely Career Fairs* To date, over 6,00,000 students have been benefited from Career Fairs conducted in cities all over India
- *Fair & Lovely Shikhar* This is aimed to explore the inspiring stories of women achievers who have overcome all obstacles with their strong will and positive attitude and “changed their destinies”.
- *Fair & Lovely Project Suvarna* Project Suvarna is an identification and training activity aimed at harnessing available talent in selected events in women athletes in the age groups of under 12, 14, under 16 and under 18.
- *Fair & Lovely Project Swayam* is an initiative in the area of education and enterprise for women by Fair & Lovely Foundation in association with Vanasthali Rural Development Centre (VRDC). Under this project women were trained to become Pre-school teachers.

Surf Excel-Water Conservation.

Hindustan Lever's vision is to innovate continuously in technologies to reduce water consumption and to conserve water in their manufacturing operations. Vikas Shrotriya (2008) observed that rural markets are heterogeneous in nature dependent However, saturation in urban markets, improvement in infrastructural facilities (road, telecom and internet) as well as raising incomes from non- farm activities have made rural markets attractive. The challenge is in providing access and gaining acceptance.

RURAL ORIENTATION

The company is a pioneer in rural marketing and it has experimented in many ways to increase its rural reach. Rama Krishnan (2006) presented a SMILE (Sustainable Model In Lighting Everywhere) model for business approach and partnerships. The critical success factors include: a right channel reach, the reliability of product, partnerships with NGOs and MFIs and good after sales service.

Rural divisions

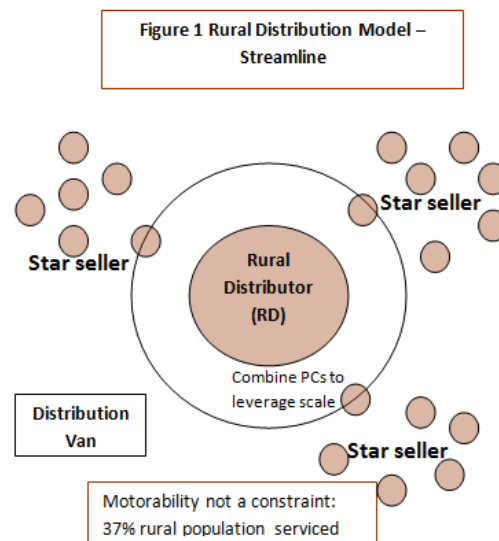
Earlier each business division of HUL dealt with Rural market on an individual basis. Now with creation of rural market division, company deals with rural markets as a single organization. Debashis Sengupta (2006) postulated that corporate social responsibility leads to rural market development. He listed 10 areas of social concern and three cases: Uttam Bhandan Scheme of Chambal Fertilisers and Chemicals Limited, e-Choupal of ITC and Project Shakti of HUL.

On the Job training for Rural Markets

The company expects executive recruits to spend atleast 8 weeks in villages of India to get a gut level experience of India's bottom of the pyramid markets. Siva Sankar Tripathi and Sadhana K. De (2007) in their paper appreciated the BOP concept of C.K. Prahalad and 12 forms of innovations, and discussed the experiments of Cavin Kare, HLL, ITC and Amul.

Distribution oriented projects

Sivadatta Gouda.H (2008) explained how corporates adjusted their marketing strategies in Rural Markets. Small-pack-lower-pricing (Rs. 2 Lifebuoy soap and Rs. 5 Coke 200 ml.), new distribution initiatives (ITC's e-Choupal, HUL-Shakti, Godrej Agrovet's 'Godrej Aadhar', IOC's Kisan Kendras, MP Government's 'Rural Shopping Malls'), and below the line communication through haats, melas and mandis are some of the initiatives examined. The well recognised distribution programmes of HUL are: Project Bharat, Project Streamline, and Project Shakti.



Source : WWW.HUL.com

Project Bharat

In 1998, HUL's personal products unit initiated Project Bharat, the first and largest rural home-to-home operation to have ever been prepared by any company

The objective is penetration in 2,35, 000 villages with less than 2k population and increasing HUL's reach in rural India from 43% to 75%.

Project Streamline (Super Stockist Channel)

HUL has mounted an initiative, Project Streamline, (Figure 1) to further increase its rural reach with the help of rural sub-stockists.

Ranjan Yadav (2006) showed how information technology can be utilised to promote products and services & explained the IT initiatives of EID Parry (www.indariline.com), Amul's Disk Dairy information system Kiosk, and ITC e-Choupal.

IT for inclusive development

Purba Basu (2008) considered taking IT to rural India and recommended the formation of a 'National Alliance for ICT for poverty eradication' for launching 'every village a knowledge centre movement' which should include the private sector, cooperatives, NGOs, R&D institutions, women's associations, mass media and appropriate government agencies.

IT developments gave rise to two major opportunities: new demand at the lower end of the market spectrum, and a dramatic shift in the nature of demand at the upper end. A round table discussion on "Rethinking the BOP: New models for the new millennium" (IIM-Bangalore, 2008) highlighted HLL's Shakti models like Project Shakti, I-Shakti, M-Shakti and Shakti-kuls.

I – Shakti

I-Shakti kiosks have been set up in 8 villages in Andhra Pradesh, and have been functional since August 2003. During the launch of these kiosks, important village members like the Sarpanch, school teacher

and doctor are invited to help reinforce relationships with the villagers. The kiosks remain open from 9 a.m. to 7 p.m., six days of the week.

Through i-Shakti kiosks, ICICI Bank and HUL provide a new delivery channel for rural India, which offers a multitude of products and services to the rural customer.

PROJECT SHAKTI – A NEW PARADIGM

Navya Chaudhary (2007) discussed the distribution innovations like ITC e-Choupal and HUL-project Shakti in detail. She recommended integration of profit motive with social motive and empowerment of rural consumers

The project with social orientation and innovative approach conceived by HUL was Project Shakti.

John Mano Raj and Selva Raj (2007) traced the social changes in rural market by adopting innovative marketing strategies. Godrej Consumer Products Limited (GCPL) launched Rs.5 soaps, Cavin Kare made live demonstration of hair and dye, and HUL embarked on Project Shakti.

It dramatically shifts the paradigm in rural distribution and communication, touching very large number of rural Indians in a compelling manner.

Xavier, Raja and Usha Nandhini (2008) studied the impact of HUL’s Project Shakti on Shakti Ammas in Tamil Nadu based on three constructs - social empowerment, entrepreneurial development and economic empowerment

Project Shakti creates a win-win partnership for consumers, rural women and Hindustan Lever.

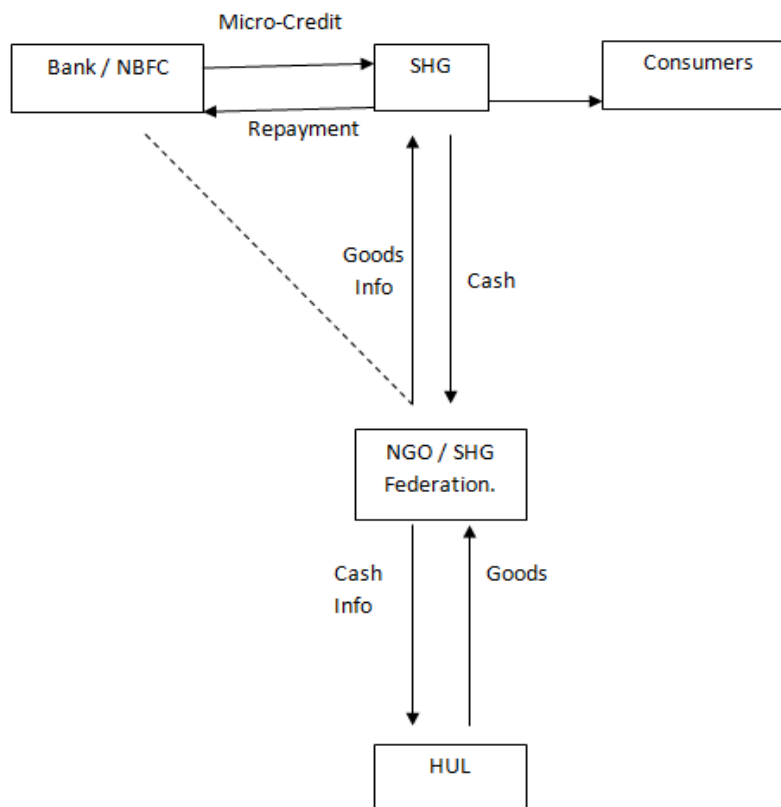
Rangan and Rajan (2005) examined HUL project Shakti as a win-win initiative aimed at triggering micro enterprising that creates livelihoods for the rural community

Project Shakti provides micro-enterprise (Figure 2) opportunities for women from Self-help Groups, making them direct-to-home distributors of Hindustan Lever.

A member of a Self Help Group (SHG) in each of the 50 chosen villages was appointed a Shakti entrepreneur. As Shakti brand endorsers – known as Shakti Ammas – they borrowed money from their respective SHGs and with that capital purchased HUL products for sale in their villages

Project Shakti has played a significant role in aiding economic development in rural India. The Shakti brand endorsers earn on an average close to Rs. 750 per month and in some cases, their earnings even touch as much as Rs. 2,500 per month.

Figure 2: Project Shakti - The Modified Micro-Credit Model



Source: WWW.HUL.com

II. CONCLUSION

HUL, the largest consumer products company of India is accomplishing its goal of satisfying and very much being in the minds of every Indian by the release of so many initiatives for the community development and also as a part of CSR policy. It stands as a pioneer in introducing a number of rural experiments to increase the rural reach like project Shakti which lead to the economic development of rural India. So any corporate to have a long term success in the market the CSR has become even the survival manthra.

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Teaching Notes:

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