Chapter V

Summary, Findings and Conclusion
SUMMARY, FINDINGS AND CONCLUSION

5.1. Summary

This research study mainly focused on evaluating the role of CSR in promoting inclusive development in Kerala. CSR initiatives of a well-known public sector company - Hindustan Latex Limited is selected for this study. Using a the framework of stakeholder theory, the present study attempted to understand the nature, scope, design, implementation style, operational mechanism and impact of CSR activities of the organization in the promotion of inclusive development.

There are several definitions of inclusive development. This study used the definition provided by the UN Report of the World Social Situation. It defines inclusive development as “the implementation of policies in health, education and economic development that can contribute to development of human capital and enabling the poor to develop their full productive potential” (UN, 2006). To make the concept holistic and inclusive, the current research also used the key goals identified in the MDGs as broad criteria for inclusive development across the world. Thus, combining the MDGs and UN definition of inclusive development, the present study has developed the following indicators for measuring inclusive development of the respondents:

1. Reduction in poverty level
2. Increase in educational opportunities
3. Empowerment of women
4. Improvement in health and access to medical care
5. Improvement in livelihood opportunities
6. Improvement in access to vocational trainings

The core focus of this thesis is to critically evaluate the role of CSR activities implemented by the Hindustan Latex Limited in promoting inclusive development and the role of community stakeholders in this entire process.

In the previous chapters, the theoretical issues with regard to CSR, review of the existing literature on the topic, methodology followed in the study, conceptual framework and finally, an empirical analysis of the perception of the CSR team and beneficiaries about the CSR in Hindustan Latex Limited. This chapter presents now present the major findings of the study and validation of the hypotheses on the basis of the findings of the empirical analysis, limitations of the study and major recommendations for future CSR initiatives.

The study was carried out with the following objectives:
1. To identify the vulnerable communities in the study area
2. To understand the diverse methods and strategies used by Hindustan Latex Limited while implementing CSR initiatives;
3. To list out the various activities being implemented by the Hindustan Latex Limited under CSR;
4. To understand the perception of the beneficiaries about CSR initiatives of Hindustan Latex Limited.
5. To evaluate the impact of CSR activities on inclusive development of the beneficiaries;
6. To understand the key challenges faced by Hindustan Latex Limited while implementing the CSR activities

7. To suggest suitable measures for successful implementations of CSR activities for promotion of inclusive development of the stake holders

5.2. Major findings of the study

The study throws light upon some interesting factors about CSR initiatives of Hindustan Latex Limited in general and its role in promoting inclusive development in particular. The following are the main findings of the study.

1. **CSR is perceived as a Core value in Hindustan Latex Limited:** Although many of the corporate entities in India still follow CSR as a charity or brand building activity, the empirical study finds that Hindustan Latex Limited considers CSR as a *core value of the company rather than an effort to build brand or building legitimacy among the community*. Since CSR is embedded in the core philosophy of the company, other business divisions of the company work in close association with the CSR divisions and change their strategy in accordance with CSR priorities. The social marketing model and social franchise model of business in Hindustan Latex Limited are direct response to address the CSR through mainstream business channels of the company. Further, Hindustan Latex Limited is driven by the strong business philosophy to offer high quality products and services at extremely affordable costs. All its products, contraceptives, blood bags, surgical suture, sanitary napkins and pharmaceuticals are offered
with a mission to **ensure affordability and reduce out of pocket expense**. In Hindustan Latex Limited, CSR is not only perceived as a philanthropic function but also as a core value of the organization and its business strategy. During the interview all the 15 team members selected from Hindustan Latex Limited, recognized that CSR is a core function of Hindustan Latex Limited. When we asked the respondents to define CSR in the context of Hindustan Latex Limited, 53.4% of the respondents identified CSR with social commitment and ethics in operations. 32.8% of the respondents identified CSR with improving the health and wellbeing of the community. Hence, it is evident that CSR is a core element of the organisation which is embedded deeply into the organizational structure, functions and business practices.

II. **There is ambiguity within the CSR team about the role of CSR in inclusive development:** Though CSR is a core philosophy of the Hindustan Latex Limited, the drive towards inclusive development has not yet proliferated into the CSR team as an approach and practice. From the research, it is evident that 53.4% of the company representatives equated CSR with social commitment and ethics and 32.8% of them perceived it as promoting health and wellbeing of the community. Only 13.8% of the respondents were able to relate CSR with welfare and economic empowerment of the people. Hence, it is evident that in Hindustan Latex Limited, CSR is broadly considered as an effort to highlight it social commitment and ethics rather than inclusive development of the community. An interesting feature is that none of the respondents stated that the key factor is corporate
philanthropy. This shows that although inclusive development has not emerged as a popular agenda among Indian corporate sector, there is a positive sign that shows the transition of companies from undertaking CSR activities with charity based or philanthropic approach to a better understanding and response of the social realities and role of business in society. In other words, we can assume that Hindustan Latex Limited has slowly evolved from charitable CSR to a broader, community based approach to CSR focusing on overall development of the community.

III. **CSR is not perceived as a marketing tool**: In the case of Hindustan Latex Limited, it is evident that CSR is not used as marketing tool as the company never used CSR for marketing its products. In contrast, CSR is used as a core philosophy of the organization and is well absorbed by the staff and supply chain.

IV. **Stakeholder Involvement Strategy was used by Hindustan Latex Limited in the CSR implementation process although stakeholder involvement/engagement was minimal in CSR planning and design stage**: In the field research, the CSR team stated that stakeholder engagement and involvement is utilized in each stage of the CSR process- right from planning to evaluation of the activities. However, this was not verified in the beneficiary survey. In the survey, the beneficiaries stated that they were not involved in the planning and designing of CSR process. The community has already articulated their need for livelihood generating initiatives in the locality which was not
included in the CSR plan of the company. However, except the CSR planning and evaluation, the community and their representatives are adequately involved. Beneficiaries were informed about each program at least one week before the commencement. Also, the beneficiaries stated that CSR activities were communicated properly by the CSR team. Beneficiaries were informed about each program at least one week before the commencement. Also, the beneficiaries stated that CSR activities were communicated properly by the CSR team.

V. The Key challenges in CSR implementation: The lack of participation by beneficiaries in the programs, difficulty in getting trained CSR staff, lack of ability to adapt to the community, and lack of adequate funding were identified by the respondents as the key challenges in CSR implementation. The CSR professionals are career oriented and leave the job when they get better opportunities. This affects the implementation process, continuity and trust which have already built with community. Another important challenge is lack of participation by beneficiaries. Even if the beneficiaries are informed through various channels, people often do not participate in the programs unless and until they are specifically mobilized using other means including the networking with local Panchayat representatives. This often leads to additional expenses for communication and networking. 60 % of the respondents stated this as a core issue in implementation. Third important aspect is funding problem. Often the demands of the community exceed the fund allotted for CSR in the company and it is difficult to attain the target in accordance with the
priorities of the stakeholders. Since Hindustan Latex Limited follows a stakeholder involvement strategy in CSR implementation, funding often creates hurdles. Hence, 46.6% of the team members still perceive it as a major problem.

VI. Satisfaction with CSR activities: It is found that majority of the respondents are satisfied with the CSR activities. This is a positive sign. In the survey, 64.5% of the respondents stated that they are satisfied with the CSR activities of the company. 23.5% of the respondents admitted that they are not satisfied with the programs. The community has positive impression about the CSR activities and majority of them do not consider this as a strategy of the Hindustan Latex Limited to enhance legitimacy or brand image among the people. Although the respondents strongly feel that ‘inclusive development’ content is largely missing with an overwhelming presence of health related programs, the approach and delivery of CSR cannot be perceived as a marketing strategy or penetrating mechanism. There is transparency, honesty and compassionate approach in CSR implementation process.

VII. Rating of CSR activities by the respondents: Among the CSR activities, the majority of the respondents rated access to health care as the most significant activity followed by provision of vocational trainings. 86.7% of the respondents rated access to better health care as the most important element of the CSR implemented by Hindustan Latex Limited. Majority of the beneficiaries are
economically and socially vulnerable and they face difficulty in financing their health care needs. Since Hindustan Latex Limited has provided free and affordable treatment under the program, it has helped them to reduce their out of pocket expense on health care. Second significant aspect of the CSR is provision of job oriented vocational training for the youth. Almost all the young respondents identified this as the most critical aspect of CSR. As discussed above, majority of the beneficiaries are well educated comparing their social and economic status. Third important element that is considered important by the beneficiaries is direct financial assistance in the form of scholarships, medical aid etc.

VIII. There is marked difference in the perception of CSR team and the beneficiaries with regard to the importance of the CSR activities: The key milestones of the program like counseling, health checkups and awareness camps were considered as less important by the beneficiaries. According to them, the critical issues that they face in life are secured livelihood, economic support and access to health care. Although the company has been instrumental in bridging the gaps in these areas, they feel that instead of the awareness campaigns, the company should invest their fund in such a way that it can provide permanent solution to their social and economic vulnerability. The study reveals that 18.5 % of the respondents got job and income security through joining the vocational training program conducted by the company as part of CSR.
IX. **Role of CSR in inclusive Development**: With regard to the role of CSR in inclusive development, the research study find that CSR of Hindustan Latex Limited has positive role in increasing access to health care, improving education opportunities and promoting employment generation. However, the role of CSR in reducing poverty and enhancing empowerment of women is minimal and limited.

X. **CSR has limited impact on reducing poverty**: The study finds that the contribution of the Hindustan Latex Limited towards reducing poverty level in the community is relatively less as there is no significant increase in income and durable assets. Except the decline in out of pocket expenses on health and some direct financial assistance, the CSR programs do not address any of the economic problem although the community is a classic example of excluded, vulnerable and marginalized group that need concrete interventions for inclusive development. Hence, it can be concluded that in terms of poverty reduction, the CSR programs didn’t reflect the parameters of inclusive development. Only, 19.5% of the beneficiaries feel that the CSR program of Hindustan Latex Limited has substantially improved their income.

XI. **CSR has contributed to economic benefit to the community**: In the study, it is revealed that CSR has helped the beneficiaries through economic benefit. The economic benefits are gained through reduced health expenses, scholarships for children, free medicines, medical check-up etc. Since medical and educational expenses constitute major portion of the monthly income in most of the households, the
provisions of free medical care and educational assistance indeed helped them to reduce expenses substantially. Besides, their children got opportunity to enroll in vocational programs without any fee. Elder members of the households were given medicines and check up freely. This has reflected in their total expenses and hence overall economic benefit from the program is much higher. Therefore, approximately 60% of the respondents feel that there is substantial economic benefit from the CSR which has future implications as well.

XII. **CSR has contributed to better education:** In the study, it is found that 76.5% of the respondents felt that there is improvement in school infrastructure in the area because under CSR, the company has constructed more blocks and class rooms in the existing government schools. It is striking to note that 61.5% of the respondents feel that the CSR has provided ‘inclusive education’ to their children. This is especially evident in the case of SC/ST students. The parents decided to discontinue their children’s education after 10th standard as the higher secondary schools are far away. Besides, they are unable to send their children to private school due to higher fees. Now, there are more class rooms in the school building which has resulted in increased facility and increased seats for higher secondary. Hence, they were able to secure admission for their children. These children would have remained as drop outs if Hindustan Latex limited hasn’t invested in school infrastructure development. **Thus it is evident that the indicators of inclusive education are attained through the CSR activities.**
XIII. **CSR has no significant impact on empowerment of women:** In the study it is revealed that the CSR activities of the Hindustan Latex Limited have not influenced the status of women in the society. 81.5% of the respondents argued that the CSR activities have not helped them to attain equal role in society. In terms of empowerment of women, there are three aspects which the program addressed partially. One is more freedom in reproductive and sexual health, better choice in health care decisions and finally increased confidence thorough attending programs and sessions of counseling.

XIV. **CSR has highest impact on improvement in health care of the community:** CSR has transformed the healthcare outcome of the region immensely. CSR provides low cost medical care to the beneficiaries which have reduced their dependence on private hospitals and government hospitals considerably. It is find out that 64.5% of the respondents exclusively access the medical care facility provided by the company as it provides better treatment at affordable rates. Before the CSR program and setting up of the Hindustan Latex Limited health care in the locality, 48.5% of the respondents were exclusively using private hospitals where as after the establishment of the Hindustan Latex Limited hospital as part of CSR, it has reduced to 9.5%. Similarly, there is less dependence on government hospitals and other clinics. Respondents mainly depend on Hindustan Latex Limited hospital because of the proximity, good service with minimal cost and cheaper options for specialized services.
XV. There is overall improvement in health indicators of the region after CSR program: From the study it is evident that there is reduction in infant mortality, childhood diorehhea, TB and diabetes after respondents began to attend the health awareness camps. There is positive behavioral change towards better sanitation, hygiene and family planning as well. Almost all the beneficiaries are benefited from the programs and therefore they rate it as the best services of the company in terms of satisfaction and impact. Since majority of the beneficiaries belong to the socially and economically backward section with no access to specialized health care at affordable rate, it can be concluded that CSR has played a critical role in facilitating inclusive development through better access to health care.

XVI. Vocational training also has higher impact on inclusive development: It is found that vocational training has positive contribution on inclusive development as 78.6 % of the respondents agreed that vocational courses are extremely helpful. 19.5 % of the beneficiaries have already got job after the training and 42.5 % are availed the training so far. These courses are usually expensive and they are unable to afford such courses provided by the mainstream institutes.
5.3 Hypothesis Testing

This section tests the hypothesis of the study

H1: *The CSR activities of the Hindustan Latex Limited is more focused on health related issues.*

The first hypothesis of the research that the CSR activities of the Hindustan Latex Limited are more focused on health related issues. From the desk review and field work, it is evident that majority of the CSR activities in the Hindustan Latex Limited revolve around health care and related activities. The major programs include family planning awareness camps, provision of low cost medical care, free sanitary napkins, free health check-ups, counseling on reproductive health care, hygiene, sanitation etc. The scope of other programs like vocational education, direct financial assistance and infrastructure development are relatively limited. Also the number of beneficiaries is more than 2000 in the case of health care where as it is less than 200 in the case of vocational training and education. Besides, the beneficiaries themselves stated that there is importance to health care related issues although they have other priorities.

**Hence, it is important to note that the first hypothesis is validated in the research.**
**H2: The operational mechanism and design of CSR implementation process in Hindustan Latex Limited is still philanthropic in nature and content.**

The second hypothesis of the study is about the content of the CSR. In the survey and interviews, the respondents clearly stated that they perceive CSR in terms of community development and empowerment of the community. None of the respondents equated CSR of the company with charity or philanthropy. The CSR of the company is not limited to charity. Rather, CSR is a policy that is reflected in all the business functions of the company including production, marketing, costing and outsourcing. The company imbibed ethics, sustainability goals and inclusive development in all the activities ranging from production to waste disposal. Naturally, there is close link between CSR and other divisions of the company. The design and implementation of CSR is conducted after need assessment survey and selection of beneficiaries after communicating with other agencies in the locality. Also, the company regularly monitors the activities and continues until there is considerable change in outcome. In charity based CSR, it implies providing donations and outsourcing CSR to other NGOs.

Therefore, it is evident from the study that CSR in Hindustan Latex Limited is strategic in nature and is absorbed as a core value of the company. It is not philanthropic at all.

**Hence, the second hypothesis is not validated in the research.**
**H3: The stakeholders have positive perceptions about the CSR efforts of the company**

The research shows that majority of the stakeholders are satisfied with the CSR activities of the company. 64.5% of the respondents have admitted that they are satisfied with the CSR program. Besides, they have stated that CSR has played a key role in improving their access to low cost health care, providing inclusive education, providing market relevant vocational courses etc. All these activities have contributed towards inclusive development of the community. Most of the beneficiaries have attended the medical camps for the first time in their life. Also, their dependence on private hospitals has declined to 9.5%. The beneficiaries also felt that except the CSR planning and evaluation, they have greater say in CSR process. Hence, they have positive perceptions about the CSR.

Thus, it is evident that the third hypothesis is validated in the study.

**H4: There is some impact of the CSR initiatives of the company on the inclusive development of the beneficiaries.**

It is a complex situation to analyze the degree of success of CSR and inclusive development within a limited period. To measure the impact of CSR on inclusive development, this study has used the following indicators: reduction in poverty, improvement in access to health care, improvement in education opportunities, empowerment of women and improvement in access to vocational training. However, the field research came out with a mixed result. In terms of access to health care, improved access to inclusive
education and access to vocational trainings, the CSR program has played a vital role. These programs have helped the community to reduce their out of pocket expenses on health and education. This has also helped them to get employment to some extent. Hence, it is relevant to state that the impact of the CSR programmes on inclusive development is visible.

Thus, we can conclude that the fourth hypothesis is validated.

5.4. Recommendations of the Research

- How can organizations implement CSR in order to create a more inclusive community? The present research shows that there is not one specific form of execution but rather the organizations’ philosophical and the structural management of CSR is very important. Instead of viewing CSR as a short term commitment or charitable act, the organizations must create a CSR culture within the organization and make it the core value of the firm. If the organization is able to inculcate a CSR spirit within the organizational structure and ensure stakeholder engagement effectively, it will certainly reflect in successful CSR outcome. The effect of CSR on inclusive development may not be always spontaneous. It may take a long time to influence the outcome. Yet, the intangible benefit of CSR on inclusive development is enormous.

- Research findings of the study indicate that CSR is crucial for community development and it can potentially extend to the fulfillment of inclusive development. However, considering the rising awareness
of beneficiaries and the expectations of stakeholders CSR will be at stake if they discount the significance of their legitimate stakeholders while planning and designing the CSR process. Therefore, CSR managers and the board must need to integrate the active participation of stakeholders into their future activities to ensure long-term survival of their programs.

- Similarly, CSR policy-makers will have to recognize the psychology and attitudes of the community with regards to social participation. An in-depth understanding of beneficiary behavior should be taken into consideration for planning and implementing rules that will effectively assist these organizations to operate efficiently and at the same time produce greater social benefits.

- There are several factors that help to implement CSR successfully. The main role of CSR in the process of development is to facilitate social and economic inclusion through participatory development. One way to achieve this is through clear and consistent CSR communication. The research suggests that a key point in an organization’s CSR strategy is to always take action before communicating. By offering total transparency with the organizations CSR work and efficiently conveying its possible impact, the company can better serve the community.

- CSR can serve as an effective tool in educating and engaging the community about the need for making change agents in development process. A more emotional and personal CSR engagement strategy can
help the company to create a genuine and deeper relationship with the community where in bold and unrealistic advertising campaigns without any social commitment may fail to attract them. Hence, what Hindustan Latex Limited requires in a realistic and pragmatic strategy to engage with all stakeholders in a meaningful manner so that the aims of CSR can be attained. In this process, the company needs to listen to the priorities of the community and devise their strategies in tune with the felt needs of the beneficiaries.

In a period when organizations seek to build relationship between the community and company, a value based and honest approach towards CSR help in creating a more genuine and loyal relationship which certainly enhances the value of the company.

5.5. Conclusion

While concluding, one can assume that CSR is a critical tool in development process. In an attempt to reconcile the achievement of social goals with business opportunity and competitiveness, CSR has established as an international guide largely supported and applauded by corporate executives, NGOs, governments, pressure groups, business community, academics and international and local development agencies alike. This is manifested in the fact that corporate bodies as well as international development agencies set up CSR-related departments or policies to facilitate its implementation. So far as the poor and marginalized are affected through globalization and retreat of welfare state, there is a possibility for them to benefit from CSR. CSR can indeed enhance opportunities and enhance
capabilities. But CSR’s potential is much weaker if poverty and marginalization is structural rather than, as much of modern development theory implies, a matter of capacity, access and opportunity. Consequently, even when CSR makes a positive contribution to development goals, there will still be gaps that need to be tackled by government and civil society. More thought needs to be given in policy-making circles to what is the best balance between voluntary and state centric approaches to inclusive development. Indeed, perhaps the CSR’s biggest contribution has been to stimulate new thinking about the business–society relationship, and even if we are a long way from finding solutions, CSR will at least promote the need for new forms of dialogue and engagement between the society and business world.