Available online at www.sciencedirect.com

ScienceDirect

Procedia Computer Science 122 (2017) 556–563

Procedia Computer Science

www.elsevier.com/locate/procedia

Information Technology and Quantitative Management (ITQM 2017)

Social Return on Investment (SROI) for Hindustan Unilever's (HUL) CSR initiative on livelihoods (Prabhat)

Varinder K Gambhir1, Niraj Majmudar2, Shubham Sodhani3*, Neema Gupta4

1Kantar Public, 8,Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi-110019, India
2Kantar Public, 8,Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi-110019, India
3Kantar Public, 8,Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi-110019, India
3Kantar Public, 8,Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi-110019, India

Abstract

Despite knowing and even appreciating the importance of intangible benefits of social interventions, like – increase in confidence and self-esteem, furthering in linkage of social bonds, leap in hopes and aspirations, rise in spending on essential goods and services etc., conventional methods of return on investment (RoI) end up comparing investment made into the intervention with tangible and visible social outcomes like increase in income levels (as a result of programme). Erroneously the social benefits or intangible gains are ignored while calculating the total monetary gains. For instance, Cost Benefit Analysis (CBA) would only compare monetary inputs in the programme with monetary outputs created by the programme (in present case – increase in income levels).
These limitations in conventional approach can be addressed by following SROI i.e. adding 'social' benefits while arriving at 'RoI'. Through participatory process of consulting stakeholders, SROI monetises all experienced social, environmental and financial outcomes (both tangible and intangible) for every rupee invested in social welfare initiatives of a programme through a combination of Cost Benefit Analysis (CBA), Opportunity Cost Analysis and Impact Assessment methods. Entire process of SROI analysis provides a ratio and a story. The story of how the programme has created values during the course of its intervention and after and; the ratio being how much social value is created per rupee of investment. Thus, after due process of stakeholder consultation and primary research one could come to the conclusion "that Rs. X of investment in social intervention has been able to create Rs. Y of social value". Thereby, helping the management and implementers of the programme to self-evaluate efficiency and impact of the social intervention.

Peer-review under responsibility of the scientific committee of the 5th International Conference on Information Technology and Quantitative Management, ITQM 2017.

KeyWords: Social Return on Investment; SROI; Impact Evaluation;

* Shubham Sodhani. Mobile: +91-9990914599
E-mail address: *shubham.sodhani@kantarpublic.com*

1877-0509
Peer-review under responsibility of the scientific committee of the 5th International Conference on Information Technology and Quantitative Management, ITQM 2017.
10.1016/j.procs.2017.11.406

1. Introduction

In December 2013, HUL launched 'Prabhat - a Unilever Sustainable Living Plan linked programme aimed at providing holistic solutions to improve the lifestyle of communities living around Unilever South Asia locations. As a part of its livelihood initiative, HUL has launched multiple Prabhat Livelihood Skill Development centres which offer employable vocational training to youth and women, in order to address nationwide shortage of employable workforce and support in Government of India's mission towards a 'Skilled India'. Prabhat's enhancing Livelihoods programme is aimed to transform the lives of youth and women in identified communities by equipping them with employable skills and competencies. Courses range from beauty and tailoring to computer, IT skills and welding. To understand the Social Return on Investment (SROI) of Prabhat programme as well as to get an understanding of any rub-off impact of these social benefits on the HUL brands, an evaluation study was conducted by Kantar Public - a specialised development research unit of Kantar.

1.1. How SROI can help?

These limitations of impact evaluation of development interventions (of only considering tangible benefits and ignoring intangible benefits) can be addressed by following SROI research approach with a mix of brand health related questions to the beneficiaries. SROI measures the total value generated for every rupee invested in social welfare initiatives. Through participatory process of consulting stakeholders, SROI monetises all experienced social, environmental and financial outcomes (both tangible and intangible) of a programme through a combination of Cost Benefit Analysis (CBA), Opportunity Cost Analysis and Impact Assessment methods. Entire process of SROI analysis provides a ratio and a story. The story of how the programme has created values during the course of its intervention and after and; the ratio being how much social value is created per rupee of investment. [1]

2. Approach

2.1. Literature review

According to SROI guide [2], SROI is a framework to measure and account for the value created by programme initiatives, beyond financial value. It incorporates social, environmental and economic costs and benefits. SROI puts a value on the amount of change (impact) that takes place as a result of the programme and looks at the returns to those who contribute to creating the change. It estimates a financial value for this change and compares this value to the investment required to achieve that impact, resulting in an SROI ratio.

SROI method is a participatory, beneficiary-led approach which uses financial values defined by programme beneficiaries to represent social, environmental and economic outcomes. One of the most important aspects of the process is the development of an impact map demonstrating the impact value chain for each stakeholder group [3]. It links a stakeholders' objectives to inputs made into the programme, to outputs, through to the outcomes. It then identifies indicators of achievement of outcomes which are capable of being quantified by applying financial proxies.

The next step in the process is to estimate how much of the outcome would have happened anyway and what proportion of the outcome the programme is responsible for. This is achieved by looking at four filters, namely: Deadweight, Displacement, Attribution and Drop off [4].

In the end, comparison of net programme impact (converted in monetary terms) with investment value required to achieve thee impact yields a ratio of benefits to costs. E.g. a ratio of 3:1 indicates that an investment of $1 delivers $3 of social value.