# **1. Problem Identification and Analysis**

## 1.1. Planning and Controlling

The key problem associated CEO Polman’s planning efforts is underlined by the principles of SMART goal setting, the USLP is not positioned in an attainable and relevant framework for both corporate and functional level. Whilst the USLP provides a specific and measurable target for Unilever, it has not considered its achievability in the context of profitability.

Williams, McWilliams and Lawrence (2017) assert that employee involvement in goal setting will enhance the directional strategy of an organisation allowing for the realistic determination of goals. In the way the Unilever Leadership Executive (ULE) has determined the goal without input from lower levels of management however, it lacks basis in attainability contexts. Expressed by Financial Times columnist “where were the figures on cost savings?” (Bartlett, 2016, p.4) and evident in employees adopting a “wait and see” (Bartlett, 2016, p.4) approach, the USLP presented by Polman lacks planning infrastructure to incorporate middle-management in tactical decision-making limiting ability to operationalise corporate targets in an attainable manner.

Where the achievability and attainability of a goal is out of focus Burdina, Scott Hiller and Metz (2017) suggest that performance will be negatively impacted, the attainability of the goal holding greater significance than simply having a specific target. In examining the attainability, or lack thereof within the USLP, a key problem can be determined where the goal itself does not plant sustainability attainment in the context of business profitability preventing it serving as a well-constructed SMART goal.

# **2. Generation and Evaluation of a Range of Alternative Solutions**

## 2.1. Planning and Controlling

### 2.1.1. Expand ‘USLP Refresh’

Hollingworth and Valentine (2014) suggest that business strategy can only be effectively implemented through communication and “evaluation of feedback” (p.214). One solution is to expand the current ‘USLP Refresh’ program to provide an ongoing liaison for every brand, the focus of this being to direct assimilation of the USLP into each specific operating market. Evaluating the concerns and efforts of each brand- building on the CB4L workshops (Bartlett, 2016), detailed planning can be undertaken to achieve positive results. Further, the consistency in simply widening an existing program will serve well in limiting further disruptive change.

However, this proposal does not reevaluate the goal itself to address the attainability issue, simply deepens its connections to middle level management. This therefore may not address the root cause of the unattainability issue simply trying to lessen symptoms. Further, in order for success to be noted with this solution, significant resources need to be funneled towards development of ‘USLP Refresh’ which will detract from initial profit margins.

### 2.1.2. Reform the USLP

Dorobantu, Kaul and Zelner (2016) assert that faced with weak institutional policy, review must be undertaken to adapt strategy to meet commitments. This review is what Unilever needs to undertake to reassess USLP feasibility.

The advantage for Unilever in conducting this review, and, potentially conceding in some areas of significance (eg. the reduction of GHG emissions) (Bartlett, 2016), that profitability should be sacrificed for social ideals to be achieved, is in demonstrating to both internal and external stakeholders Unilever’s commitment and responsiveness to company position. This elicits support for the ULE despite areas of weakened market performance as it demonstrates commitment to goal driven reform. Further, it allows for Unilever to reposition its goals in an achievable framework for future positive outcomes.

However, for Unilever to recognise its shortcomings and reframe its goals may itself be unattainable as potentially requiring sacrificing either environmental or financial commitments, Unilever’s public image, if it chose to sacrifice environmental goals may face negative public backlash, while sacrificing potential financial progress may see intervention from key stakeholders.

### 2.1.3. Implement a policy of sustainability reporting

Implement a policy of monthly USLP and profitability reporting by each brand within the Unilever group. This simultaneous interaction between monthly profit and sustainability achievement, will cohesively examine brand performance on both platforms. Coşkun-Arslan and Kisacik (2017) suggest that incorporating sustainability accounting into the reporting process allows stakeholders to obtain a more developed view about company position. Through the recognition that corporate strategy is two-tiered with both financial and social impact, it can be concluded that two-tiered reporting is necessary to effectively evaluate performance, shaping the value of the firm (Le, 2018). Further, where individual brands are reporting on both sustainability and profitability, brands that are low performers can be targeted and new managers brought in to achieve the desired outcomes.

However, if the corporate goal is ultimately unattainable it does not directly reform the USLP, simply delivers more rounded evaluation of the unattainable nature of the goal.

# **3. Recommendations**

## **3.1. Planning and controlling**

**The recommendation being put fourth is to expand ‘USLP Refresh’ strengthening the relationship between corporate and individual brand strategy. The theoretical drive suggesting this to be the ideal solution is that it will allow for specific brands to coordinate corporate goals, defined by the USLP, within their specific operating environment, making it attainable at an operational level (Williams et al., 2017).**

**Whilst a policy of sustainability reporting may be beneficial in providing deeper analysis of USLP outcomes, it will not address the root attainability issue, simply analysing conditions more closely. Although going forward this analysis may be desired to reform and control strategy, it is not the primary recommendation being made. As an initial step, expanding ‘USLP Refresh’ is also recommended above an entire overhaul of strategy as changing direction at such as early stage in the USLP’s implementation would cause significant disruption which should not be undertaken unless deemed the only applicable course of action.**

**Therefore, the recommendation of this report is that ‘USLP Refresh’ be expanded to provide each brand a liaison to effectively coordinate the implementation of the USLP on an operational level.**

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