



## **Introduction**

The report describes the Unilever's strategy and HR commitments, as a global leader in Fast-Moving Consumer Goods industry faces unique challenges and opportunities in today's business dynamic environment. The report examines Unilever's corporate and business level strategy with a particular focus on HR analytics and workforce management approaches. By analysing key metrics from the HR dashboard and conducting PESTLE and SWOT analysis, this report offers insights into Unilever current performance and actionable recommendations for improvement

## **Overview of Unilever**

Unilever is British Fast-Moving Consumer Goods company founded on 2<sup>nd</sup> September 1929 following the merger of British soap maker Lever Brothers and Dutch margarine producer Margarine Unie.

The company's products include baby food, beauty products, bottled water, breakfast cereals, cleaning agents, condiments, energy drinks, healthcare and hygiene products, ice cream, instant coffee, pet food, pharmaceuticals, soft drinks, tea, and toothpaste. It is the largest producer of soap in the world, and its products are available in over 190 countries.

Unilever's largest brands include Axe, Ben & Jerry's, Dove, Lux etc. the company is structured into five business groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition, and Ice Cream (Unilever Plc, 2023).

## **Vision**

*"To be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry."* (Young, 2023)

Unilever's vision statement makes understand that the company not only wants to be global leader but making it business completely sustainable and environmentally friendly.

## **Mission**

*"To meet everyday needs for nutrition, hygiene and personal care with brands that help people look good, feel good and get more out of life."* (Young, 2023)

Unilever's mission statement is very clearly telling that the company wants to create sustainable living a reality for everyone. Unilever's mission to make sustainable living commonplace is not merely aspirational, it's tangible and measurable.



## Unilever customer-centric business strategy

A business-level strategy is an integrated and coordinated set of commitments and actions the firm uses to gain a competitive advantage by exploiting core competencies in specific product markets. (Volberda, 2011)

Unilever's has a competitive advantage due its continuously enhancing values amongst global consumers, furthermore the diverse portfolio of strong brands in which 13 brands alone contributed 50% of turnover (Unilever Plc, 2022) achieving a unique position with the global consumer's preference. Unilever hands significant decision-making power to the local management to strengthen their diverse markets and decide instantly based on local consumer preferences and changes.

In October 2023, Unilever set out a Growth Action Plan to drive performance and competitiveness. The plan is divided into three elements but underpinned by one simple premise: *"the need to fewer things, better, with greater impact"* (Unilever Plc, 2024).

## Growth action plan



Figure 1( Growth Action Plan)

### Faster Growth

The top 30 Power brands will be prioritized for investment, R&D and scientific innovation, 30 brands contributed 75% of group's turnover (Unilever Plc, 2024), investing more and prioritizing these 30 brands can help Unilever to innovate and experiment new things and with the outcomes they can try the same with other brands. (Unilever Plc, 2024)

### Productivity and growth

Unilever's sustainability efforts around four key problems: climate, nature, plastics and livelihood can drive progress against their long-term commitment of achieving carbon neutrality by 2030 and 100% sustainable agricultural raw materials sourced by 2025.



## **Performance culture**

The new reward framework is introduced which is closely aligned to value creation, investment in continuous learning and development can build a future-ready workforce capable of driving Unilever's strategic objectives.

## **Unilever's Corporate Strategy**

A corporate-level strategy specifies actions a firm takes to gain a competitive advantage by selecting and managing a group of different businesses competing in different product markets. (Volberda, 2011)

## **Mergers, Acquisitions and Portfolio optimization**

Unilever's Corporate Strategy involves strategic acquisitions, mergers and portfolio optimization to enhance its market presence. Acquisitions like K18, Yasso, Nutrafel, Paula's Choice and divesting non-core and underperforming brands like the sale of Elida beauty, Dollar Shave Club (Unilever Plc, 2024) this helps us to understand that Unilever is ready to acquire brands and company which matches their strategies and commitments at the same time they're ready to sell the under-performing brands.

## **Corporate governance**

Unilever emphasizes strong corporate governance and ethical business practices, the company's comprehensive framework includes clear policies on ethics, anti-corruption, and compliance. This ensures regulatory compliance and strengthens the group's reputation and fostering trust among shareholders.

## **Five Business Groups**

Unilever announced that they created an operating model organised around five business groups:

- Beauty & Wellbeing
- Personal Care
- Nutrition
- Homecare
- Ice Cream

These five groups will handle their own operations, innovation, revenue, strategy, growth and profits. (Unilever Plc, 2022)

The five distinct business groups will help each group to be more independent and creating their own strategy to increase the growth of the business groups, meanwhile Unilever Business Operations will provide the technology, systems



and operations excellence across all the business groups. Unilever Corporate Centre will set the overall strategy of the group.

### **HR Strategy**

Unilever is known for its futuristic workforce strategy and policies, the three pillars of the Unilever's future work plans are, *"change the way we change, ignite life-long learning and redefining the Unilever system of work"* (Harvard Business Review, 2023).

### **U-work**

U-work gives employees the freedom and flexibility associated with contract roles with job security and benefits linked to regular employment. (Unilever Plc, 2016)

People in U-work don't have a fixed role, they work on varying assignments and free to do other things that are important to them, assignments have varying work patterns from few days a week to few months, and the employees get paid for each assignment they're working. Unilever's Managers have access to skilled talent who are familiar with Unilever, and this avoids the cost of finding freelance workers.

### **U-Renew**

An experimental model of Unilever which allows employees to get a sabbatical for their education and Unilever pays their salary. (Time, 2021)

This can accelerate the employees to get full-time education along with salary and confirmed employment

### **Future fit Plan**

*"We're essentially replacing job titles with skills - that means a complete reinvention of the way we do HR to develop a future-fit workforce."* (Hull, 2020)

50% of the global workforce needs reskilling by 2025. (World Economic Forum, 2020)

Future-fit-plan plays a crucial role in connecting employees with priority and niche skills, this helps employees to upskill them for their current role and reskill them for future opportunities and roles across different teams.

Flex experience program help the people to gain hands-on experience by working on assignments with other teams across different sectors inside Unilever.

*"The more granular the skill data on each role, the more opportunities begin to present themselves. The AI eliminates human bias in terms of who's truly capable of doing which job"* (Whittal, 2020).



Walmart and Unilever joined forces to launch a pilot that ran from December 2020 to February 2021, Accenture along with SkyHive an award-winning workforce analytics startup lead the program.

The program assessed with three hypotheses:

1. Can hidden skills be identified and unlocked?
2. Can workers be better prepared for the future?
3. Can people move between organizations?

This program proved that a person might only need to get a few added skills to switch between roles, AI found that many people don't realize the skills they have.

The pilot program showed that people can be upskilled for an entirely new role in distinct functions within six months.

Pathways were also found that people can move between organisations within and across industry based on their skillset and not their past work experience. (Accenture, 2021)

Unilever's strong legacy and strategies help them to be the industry leader for the past century and their future strategies with workforce, sustainability and customer-centric approaches can help them to be future-proof and ready to be the leader in Fast-moving consumer goods sector.

## **Strategic analysis of Unilever**

### **PESTEL Analysis**

#### **Political**

- Unilever works in numerous countries, each with its own set of regulations and standards. Ensuring compliance with varying regulatory requirements, including food safety, labour laws, and environmental regulations, is essential but challenging.
- Political instability or changes in government policies in key markets can disrupt business operations.
- Political tensions and trade disputes can also affect the availability and cost of raw materials.

#### **Economic**

- During economic slowdown consumers may shift to lower-cost alternatives.



- Global economic conditions, including inflation rates, and currency fluctuations influence consumer spending power and demand for Unilever's products.
- Economic instability in key markets is risk for Unilever.

### **Social**

- Trends in consumer preferences over sustainability, health and wellness are shaping the demand for Unilever.
- Tailoring products to meet the needs of diverse demographic groups is essential and challenging.

### **Technological**

- Unilever adoption of automation and advanced manufacturing technologies can improve efficiency and reduce costs.
- Innovation in product development, manufacturing process, and supply chain, management can lead to new and improved products.
- E-commerce and digital marketing are increasingly important. Unilever's ability to leverage digital platforms for sales and marketing can drive growth.

### **Legal**

- Unilever must comply with diverse legal frameworks including labour laws, health and safety regulations and environmental laws in different countries.
- Intellectual property is crucial for maintaining competitive advantage and brand value.
- Stricter regulations on product safety and quality can lead to increased scrutiny and legal issues.

### **Environmental**

- Unilever has a strong focus on sustainability, aiming to reduce its footprint, this aligns with the consumer preferences and regulatory requirements.
- Unilever's efforts to reduce plastic and waste disposal can improve waste management are critical to compliance and brand.



## **SWOT Analysis**

### **Strengths**

- Strong brand portfolio with a diverse range of brands across various categories.
- Global presence in over 190 countries with loyal customers.
- Sustainability enhances its brand image and attracts environmentally conscious customers.
- Decades of investments in research and development, acquisitions, patents and partnerships.

### **Weakness**

- Dependence on developed markets, economic stability or changes in customer preference can change company's overall performance.
- High operations cost can affect overall revenue and profit.
- Large and complex organizational structure can lead to inefficiencies and slow decision making.

### **Opportunities**

- Consumers become more health conscious, there are opportunities for Unilever to expand its product lines with healthier and organic products.
- Significant growth potential in emerging markets where rising incomes and urbanization are increasing demand for consumer goods.
- Leveraging digital technologies like AI and ML for marketing, sales and operations can enhance efficiency, reduce costs and improve customer engagement.
- Expanding its e-commerce presence can provide Unilever with direct access to consumer and boost sales.
- Buying businesses and forming strategic partnership can Unilever expand its product offerings and market reach.

### **Threads**

- Unilever faces stiff competition from other global brands like Proctor & Gamble, Nestle, Colgate-Palmolive etc.
- Economic downturns and instability in key markets can lead to reduced consumer spending on non-essential goods.

- Rapid changes in consumer preferences, driven by trends in health, sustainability, and convenience, require Unilever to continuously adapt its product offerings, which can be challenging and costly.
- Global supply chain disruptions, due to factors like natural disasters, geopolitical tensions, or pandemics, can affect the availability and cost of raw materials and finished products.

## Unilever Attrition Data Analysis

### Department Attrition count

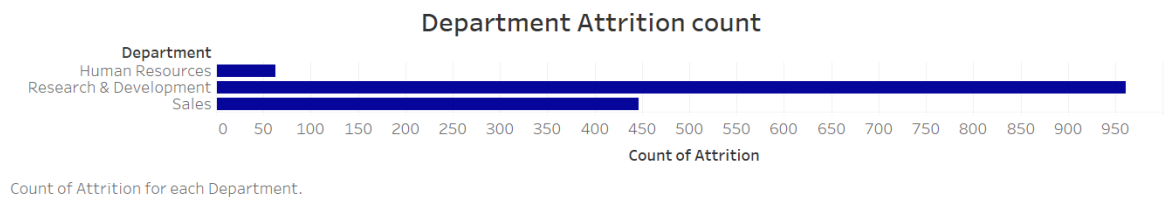


Figure 2(Department Attrition Count)

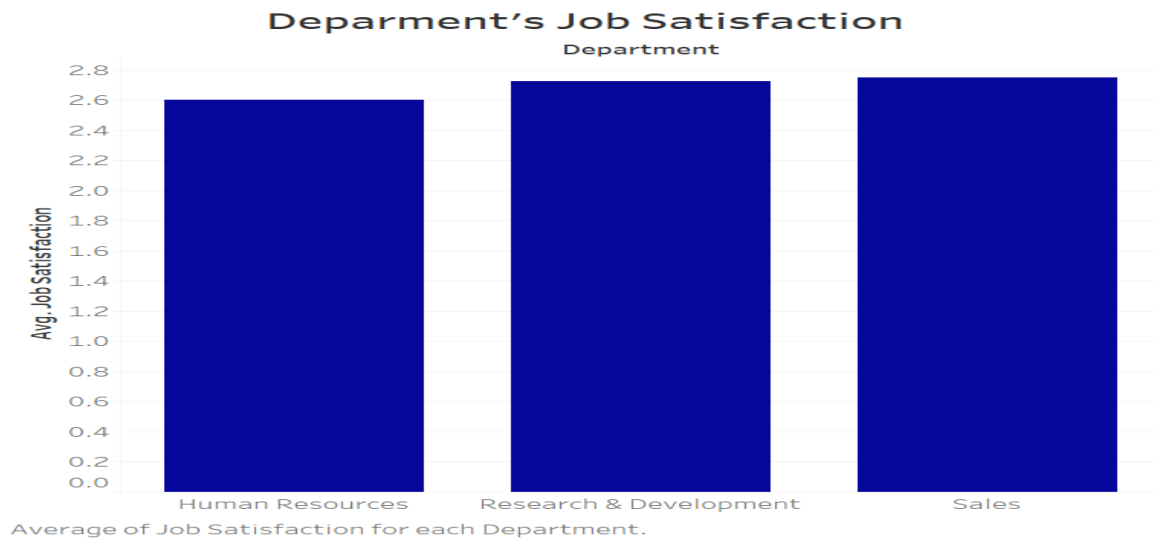
The research and development team has high number of attrition count, this is a huge loss for Unilever as R&D is one of the important departments in Unilever, the attrition count in R&D is a very serious concern, Unilever should Identify the problems and employee expectations and engagement in the department by directly discussing with the employees rather than discussing with the managers.

### Department and Job satisfaction

Here you can find the job satisfaction average of each department HR department average job satisfaction is low than the other two and this is very clearly making us understand that HR department needs some improvement in their overall work environment as they play a vital role in overall firm's success of handling all the employees, they need prioritize to achieve group's overall goals and commitment.

R&D department stands next to HR, and this is one of the reasons behind the high attrition count in R&D department.

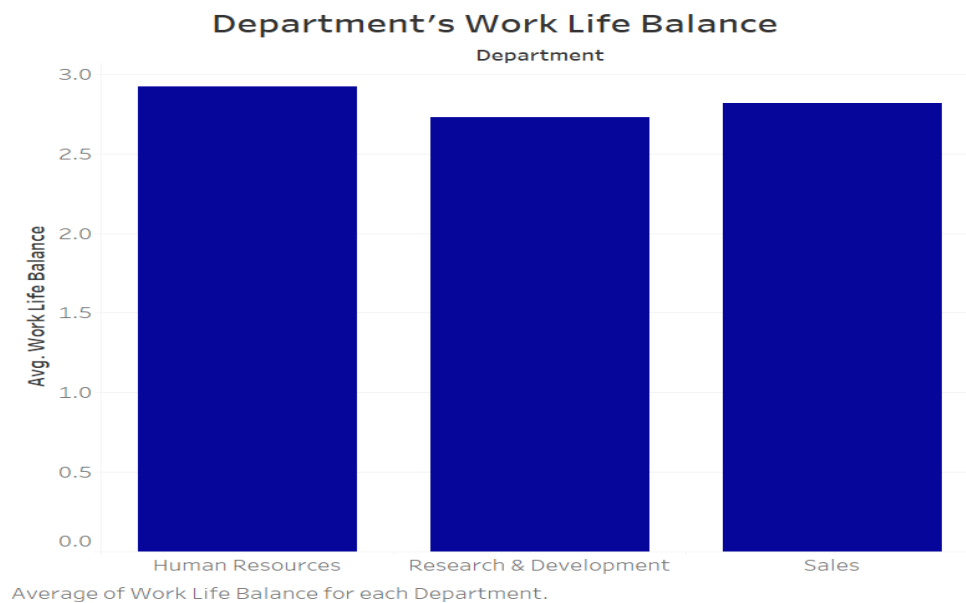




*Figure 3( Department Job Satisfaction Average)*

### Department's Work Life Balance

Unilever's R&D department average work life balance is very less comparing other departments this is the reason behind high attrition count in R&D department, Unilever should work on the work life balance of the R&D department by focusing on employee wellbeing and the introduction of U-work and Future-fit-plan can help the employees to have good balance between their personal and professional life implementation of these plans can help Unilever to build Future ready work force.



*Figure 4(Department Work life Balance)*

## Department's Average Salary

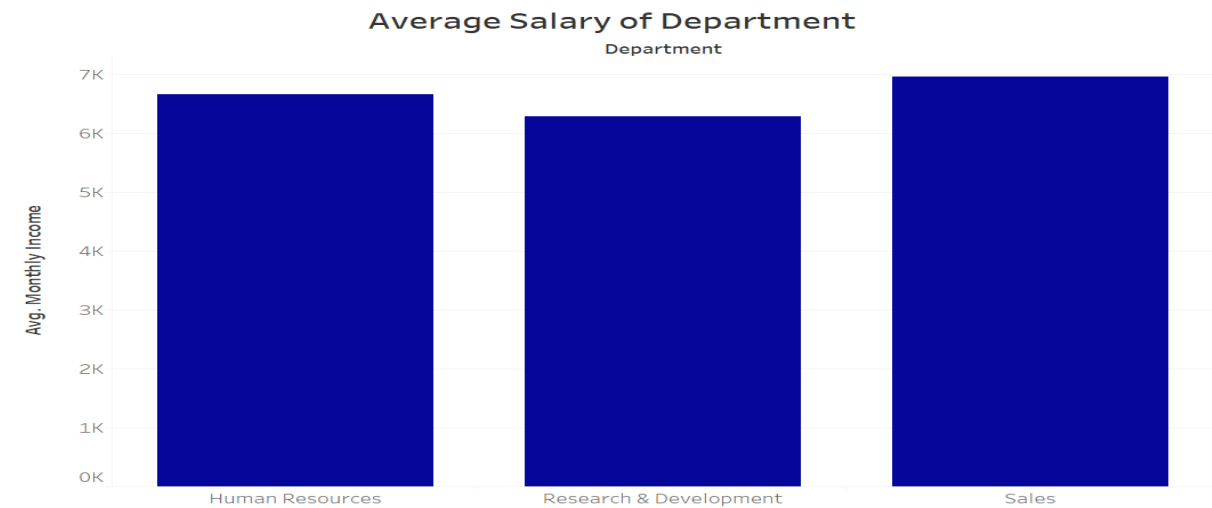


Figure 5(Average Monthly Income)

The average monthly income of the R&D department is the least comparing the other departments this is one among the reason behind the high attrition count in R&D, poor work life balance and less average salary in R&D is an alarming issue and if the employees from R&D joins the rival companies it's very dangerous for Unilever's future product innovation and growth in FMCG.

## Unilever HR Dashboard

The dashboard is designed for analysis of critical HR metrics such as job satisfaction, attrition count, work life balance, and average salary at Unilever.

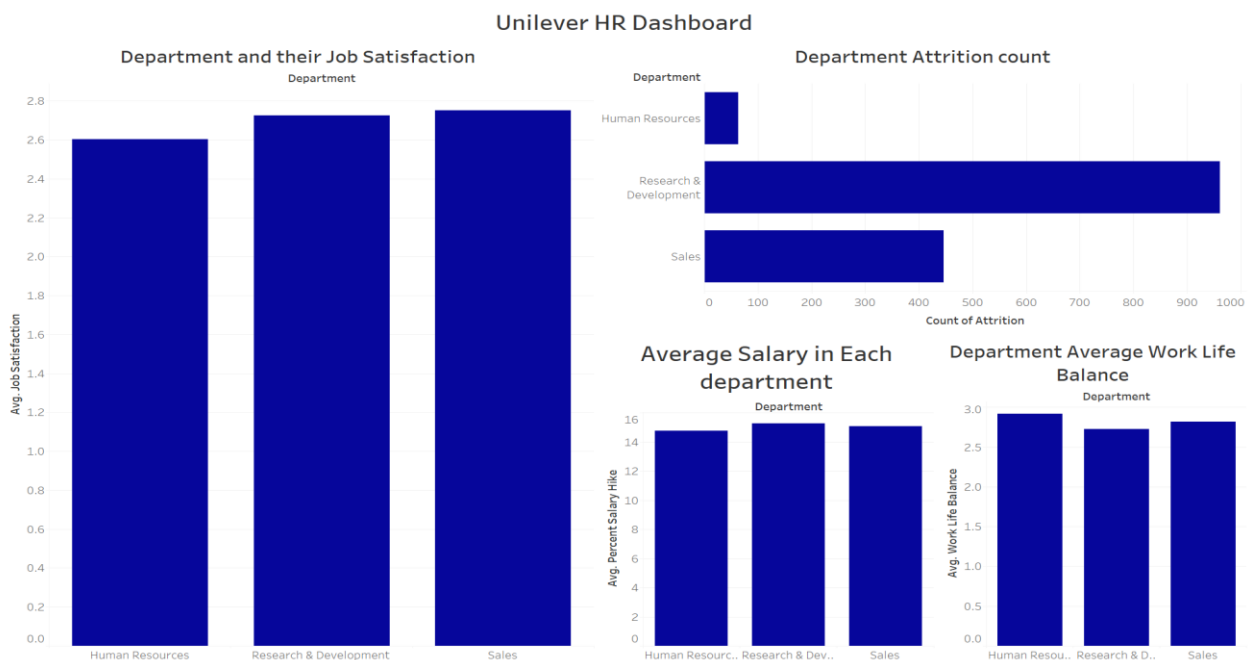


Figure 6(Unilever HR Dashboard)

## User Manual

### How to interpret the data:

1. Department and their Job Satisfaction
  - Bar chart showing job satisfaction scores for Human Resources, Research & Development, and Sales departments.
  - Y-axis represents satisfaction score from 0 to 3.
  - Higher bars indicate higher job satisfaction.
2. Department Attrition count
  - Horizontal bar chart displaying attrition numbers for each department.
  - Longer bars represent higher attrition.
  - Research & Development has the highest attrition, followed by Sales and Human Resources.
3. Average Salary in Each department
  - Bar chart comparing average salaries across departments.
  - Y-axis shows salary in thousands.
  - Research & Development appears to have the highest average salary, followed by Human Resources and Sales.
4. Department Average Work Life Balance
  - Bar chart illustrating work-life balance scores for each department.
  - Scale likely ranges from 0 to 5, with higher scores indicating better work-life balance.
  - Human Resources seems to have the highest work-life balance score.

### How to use this Dashboard effectively:

- Compare the metrics across departments to identify patterns.
- Identify the departments that needs attention.
- Use the data to set departmental and company level HR policies and strategies.
- Use the insights to frame the compensation structures, retention and future goals.
- Regularly update and review the dashboard to track the changes over time.

Implementing this dashboard can help Unilever to track the employee retention count, work life balance, average salary and job satisfaction of three departments this can help the upper management to strategic HR decisions to



improve employee retention, work life balance and increase the productivity of all three departments and as the result the implementation of new strategies can help Unilever to achieve their goal towards sustainability, performance, increase in revenue and innovation.

### **Recommendations**

Based on the dummy data analysis, Unilever needs improve their HR policies and strategies to improve the work-life balance, job satisfaction, and reduce the attrition count, R&D needs to be focused more as it plays a vital role new product experimentation and creation of new products patents and Unilever's future growth. Sales department has the second most attrition count it needs to be reduced as in Fast Moving Consumer Goods segment sales department is the customer facing role which helps the company to get revenue and profit, HR department has poor job satisfaction than rest of the department HR department is the one which connects the entire company the poor job satisfaction in HR department will affect the group's overall performance, growth and affects other departments as well.

Implementation of recent plans and frameworks like U-work, U-renew and Future-fit plan (Unilever Plc, 2016) can help to reduce the attrition count, increase the employee wellbeing and help the Unilever to achieve their goals and future ambitions.

### **Conclusion**

Unilever's commitment to innovation, sustainability, innovation and strategic workforce management has positioned it as a leader in FMCG industry. However, the analysis reveals several areas of improvement, particularly in Research and Development department. To maintain its competitive advantage Unilever should prioritize addressing the issues highlighted in the HR Dashboard particularly focusing on improving work-life balance and job satisfaction in critical departments. By implementing the recommendations outlined in the report, Unilever can improve employee retention and strengthen its position as a global leader in sustainable business practices.

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