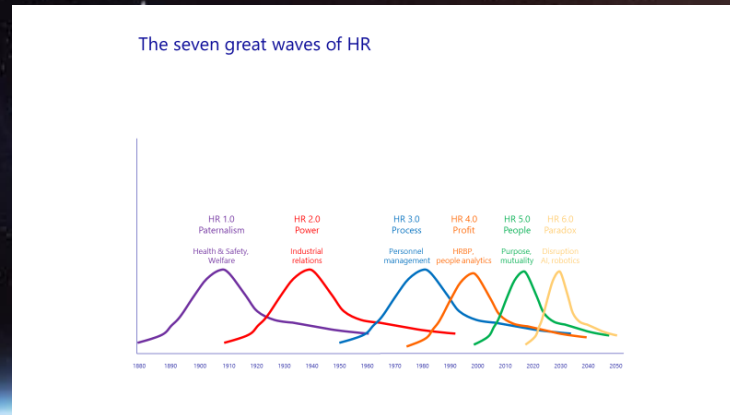
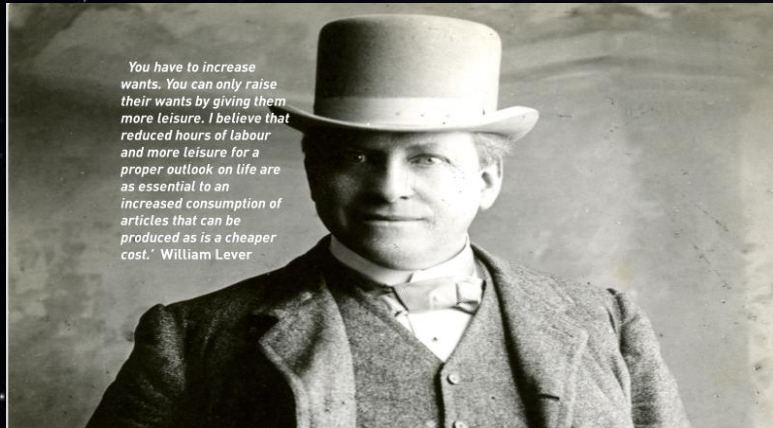


CRF: Responsible Business

10 September 2019
Westminster, London

Unilever People & Purpose - Agenda



About Unilever

The Company DNA
Lord Lever & Port
Sunlight

The 3 Eras of FMCG

The Great Waves of HR
P Waves and Unilever

The age of People & Paradox

Unilever Today

UNILEVER IS A GLOBAL COMPANY

A world map with three callout boxes highlighting regional performance. The Americas are highlighted in blue, Europe in dark blue, and Asia/Amet/Rub in purple. The rest of the world is in light blue.

EUROPE

- €12.1 BILLION TURNOVER
- 24% OF GROUP TURNOVER

THE AMERICAS

- €16.0 BILLION TURNOVER
- 31% OF GROUP TURNOVER

ASIA/AMET/RUB

- €22.9 BILLION TURNOVER
- 45% OF GROUP TURNOVER

2018 TURNOVER = €51.0
BN

WE MAKE MANY OF THE WORLD'S FAVOURITE BRANDS

AXE

Dove



WALL'S

'BRING OUT THE BEST'
HELLMANN'S


Knorr


Lipton


M
MAGNUM


OMO


Rexona
IT WON'T LET YOU DOWN


sunsilk
CO-CREATIONS


Surf

LUX

CATEGORY HIGHLIGHTS IN 2018

BEAUTY & PERSONAL CARE



40%

Turnover: €20.7 billion
Underlying sales growth: 3.1%

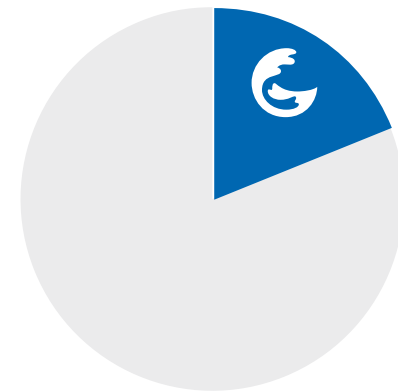
FOODS & REFRESHMENT



40%

Turnover: €20.2 billion
Underlying sales growth: 2.0%

HEMECARE



20%

Turnover: €10.1 billion
Underlying sales growth: 4.2%

THE 3 ERAS OF FMCG

1890s- 1970s

The Advertising age

1970s- 2010s

The Retail age

Today

The Digital age



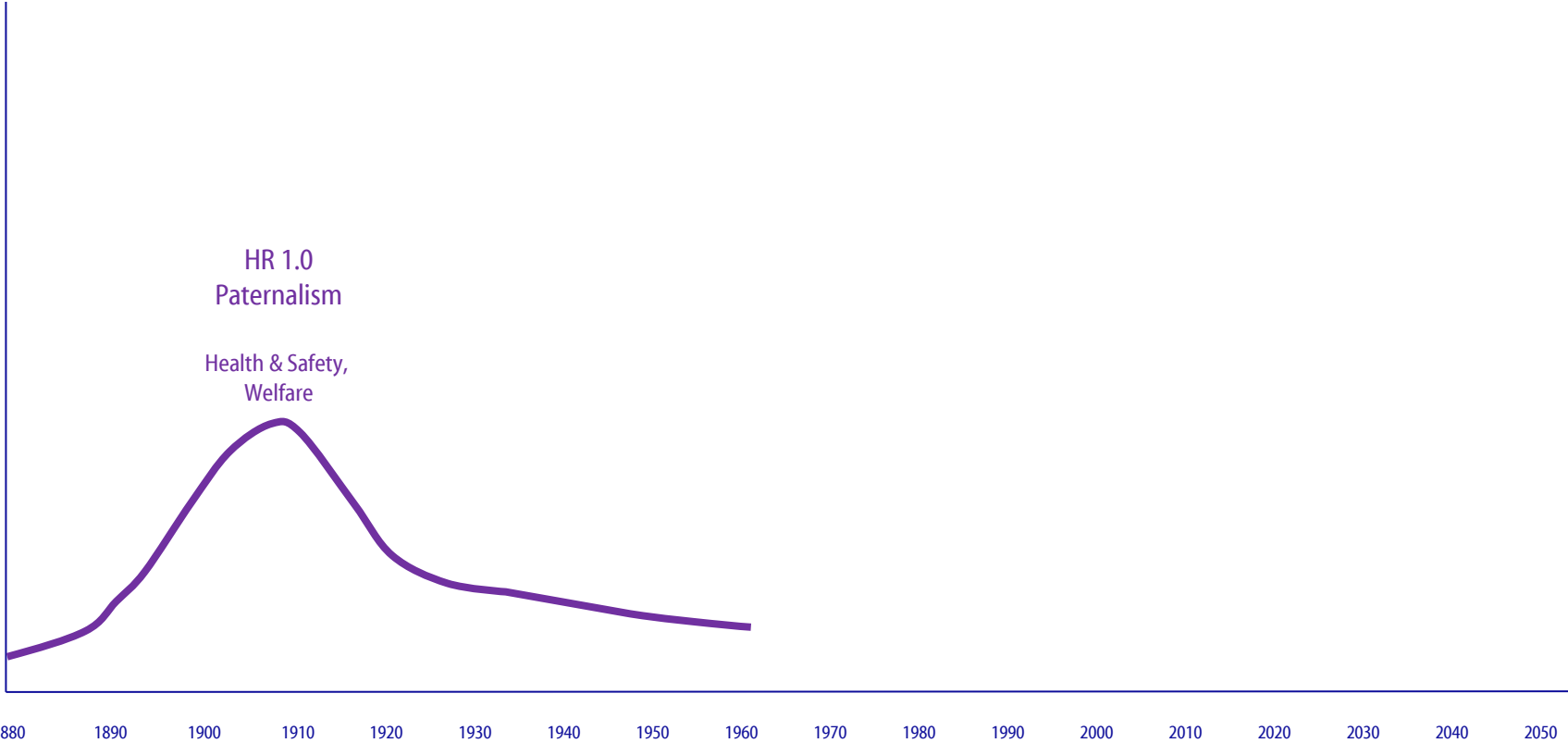
THE 3 ERAS OF FMCG

1890s- 1970s

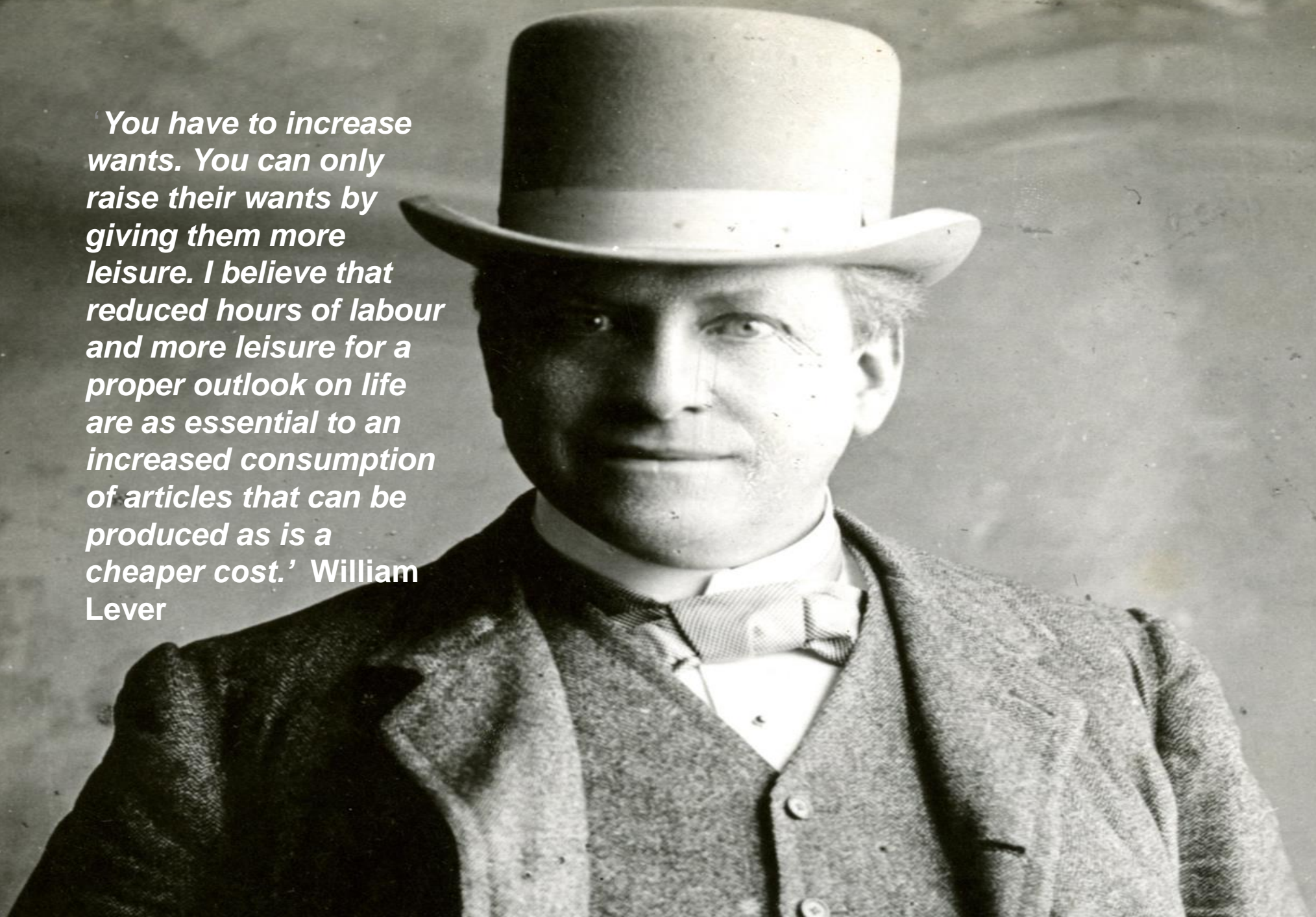
The Advertising age



The seven great waves of HR



'You have to increase wants. You can only raise their wants by giving them more leisure. I believe that reduced hours of labour and more leisure for a proper outlook on life are as essential to an increased consumption of articles that can be produced as is a cheaper cost.' William Lever

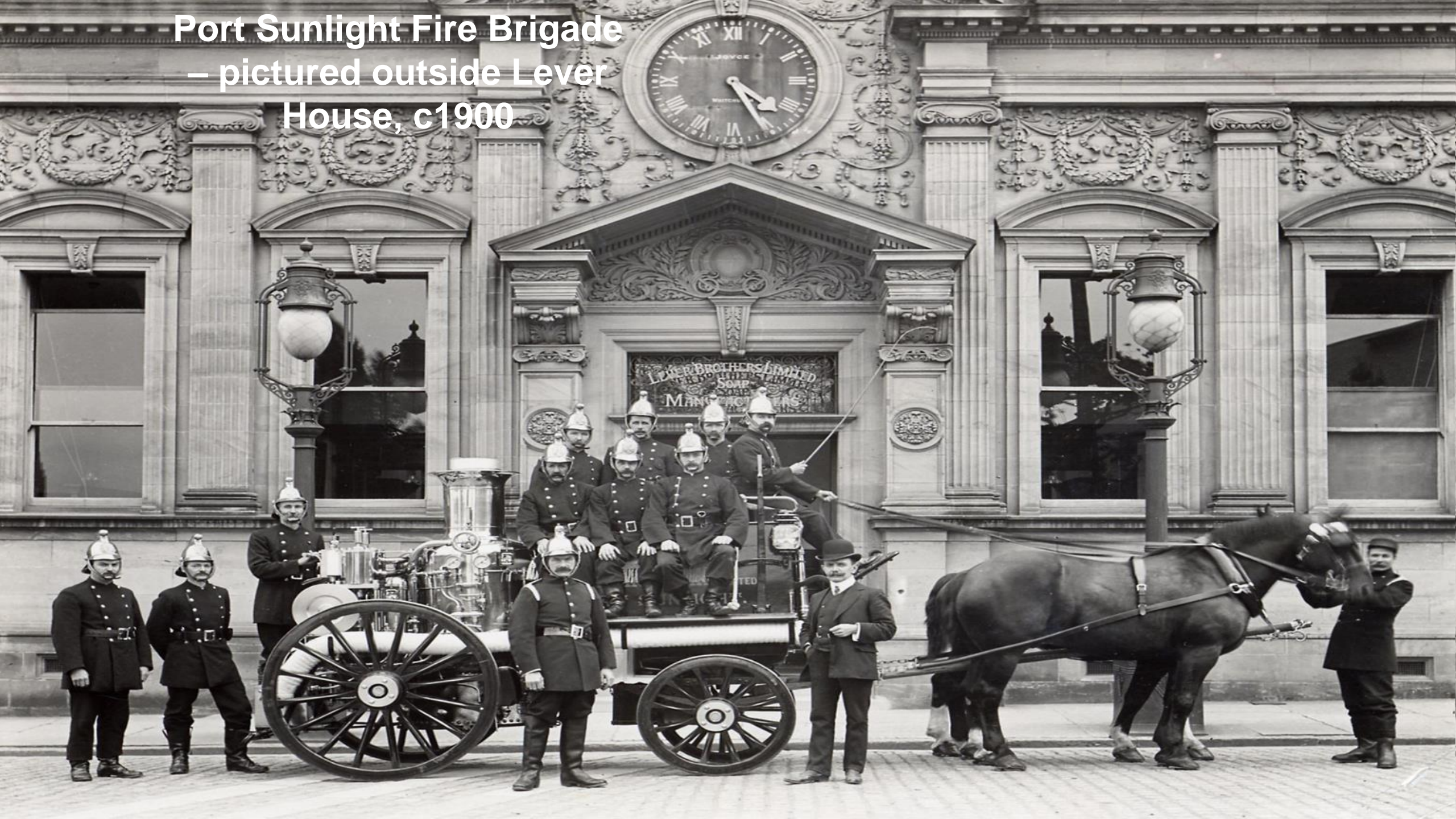


Port Sunlight Works & Village, c1910

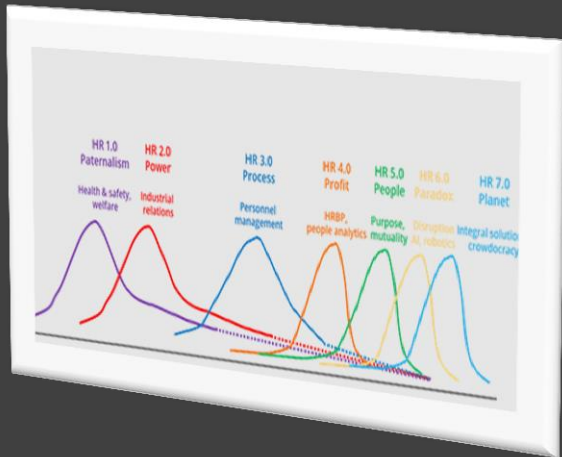




Port Sunlight Fire Brigade
– pictured outside Lever
House, c1900



Paternalism Wave



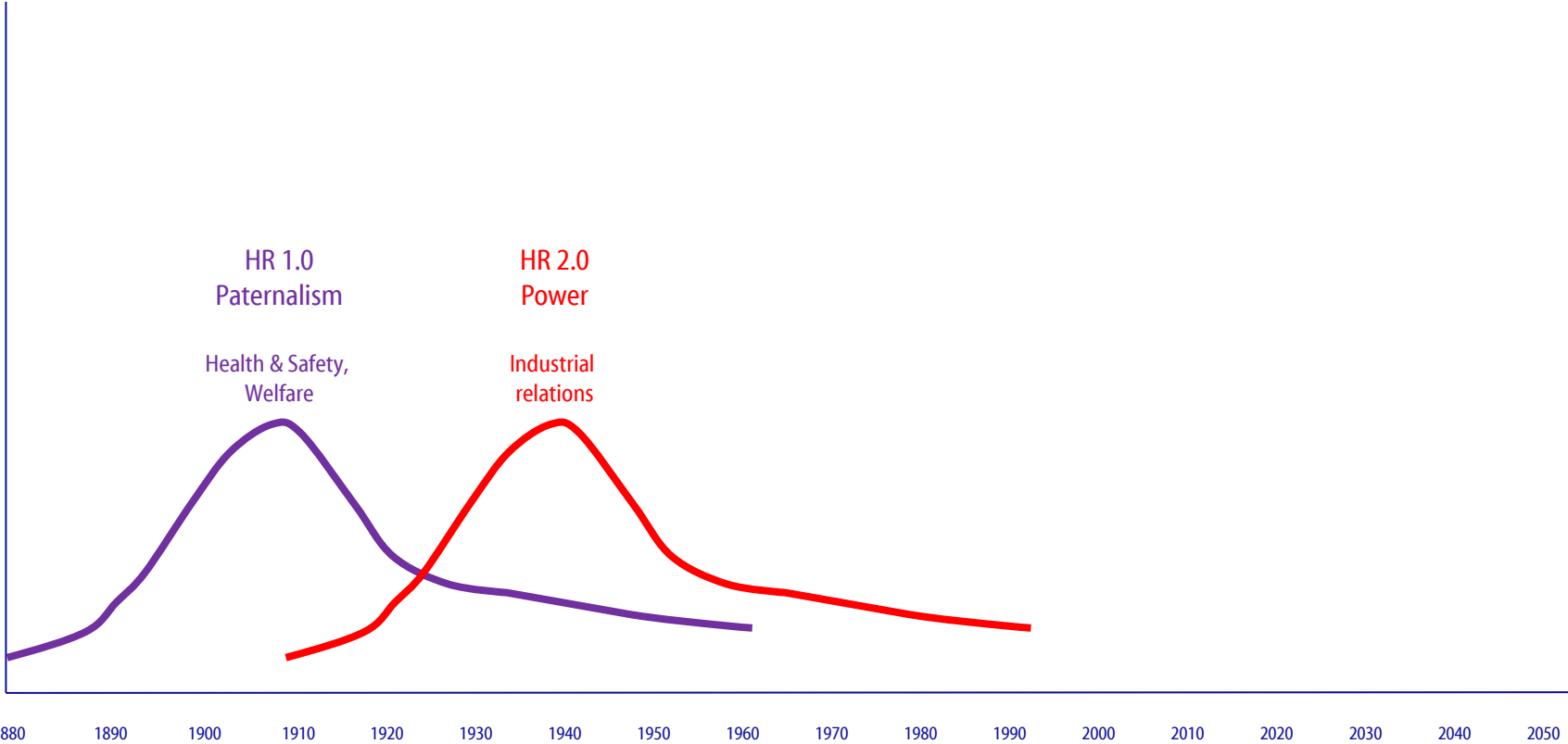
The Positives

- Family analogies/ Clear Father figure
- ‘Factory trips/ days out’ / Family events
- Duty of care – taken seriously
- Focus on Health & Safety, welfare and conduct
- Identity – us v them – evident
- Unitary philosophy
- Above’ Market’ terms and conditions
- Acts of spontaneous ‘generosity’

The Negatives

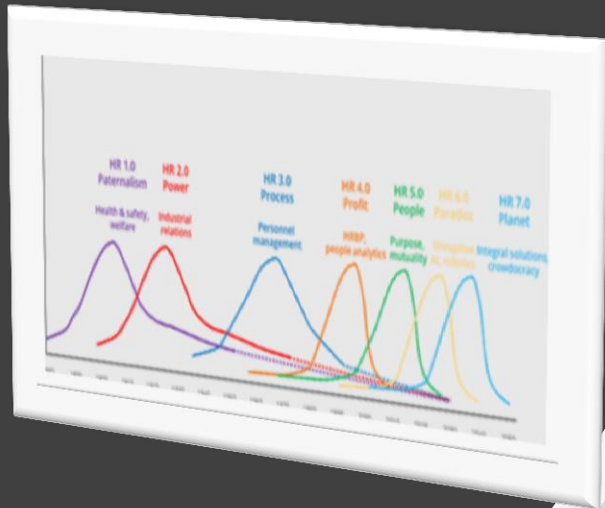
- Dictatorial – ‘ my way or the high way’
- Manipulative – control being seen as crucial ‘ My name on the door’
- Tribal – can lead to ‘tribes’ within
- Cautious – unwillingness to take risks – move into new areas/ innovate
- If Business not growing – generosity and above market rates cannot be maintained
- Lack of empowerment as ‘Father’ decides everything

The seven great waves of HR





The Power Wave



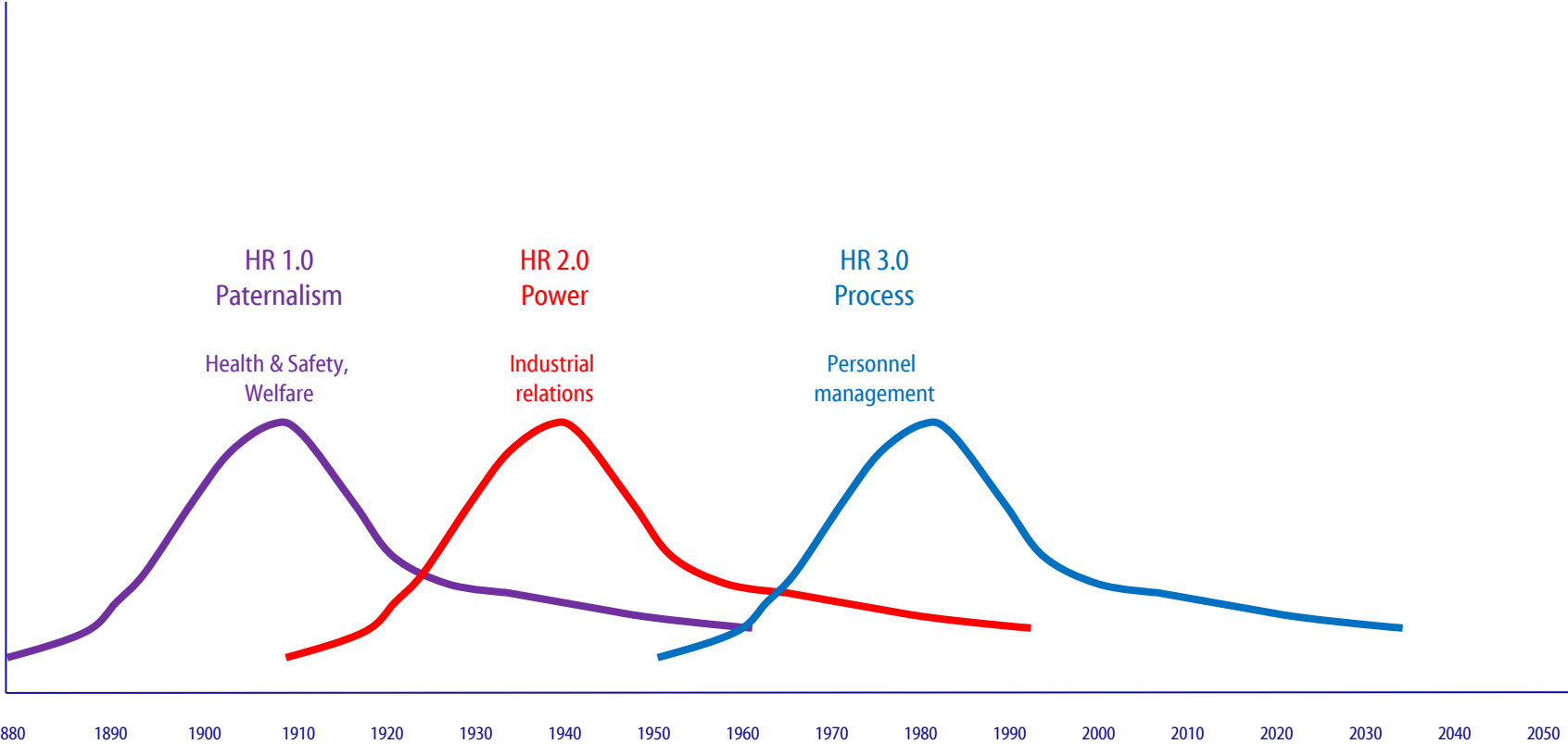
The Positives

- Things happen – ‘JDI’
- Inspiration/ energy/ can do attitude
- Innovation/ Risks/ New endeavours
- Speed & Decisiveness
- Charismatic leadership- individuals able to stand out and ‘ make a name for themselves’

The Negatives

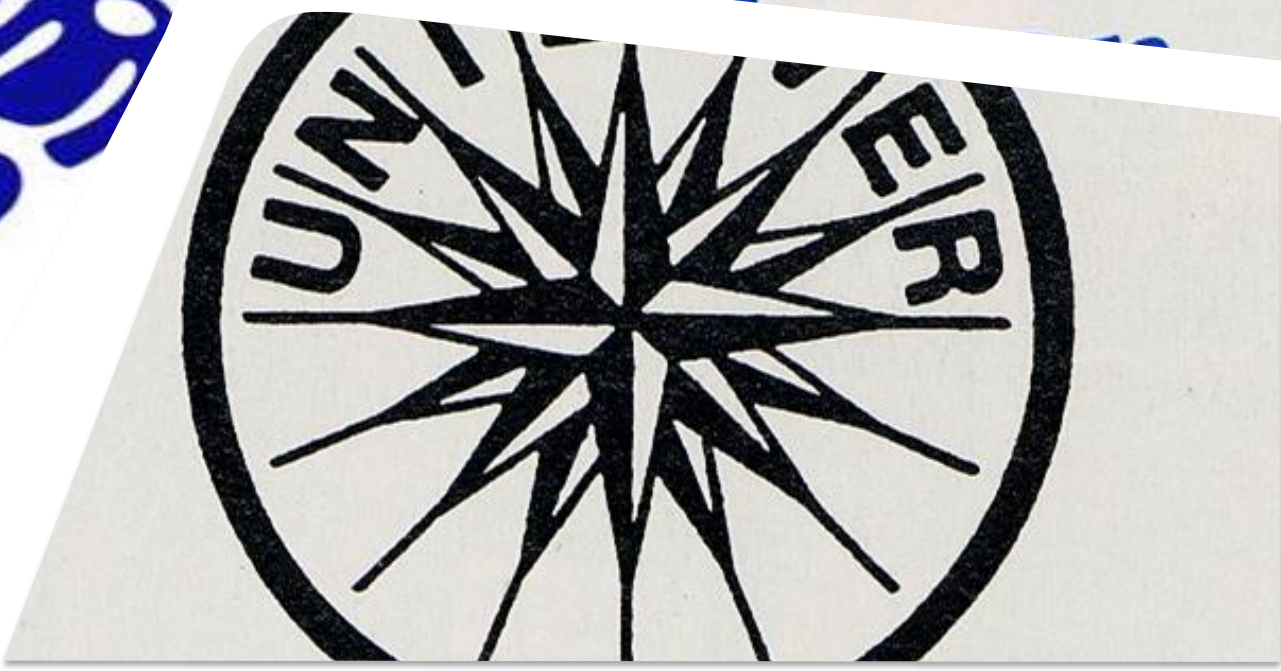
- Leader believes ‘own propaganda’ – stops listening
- Employees begin to object and form own ‘ power group’
- Focus becomes internal – on internal disputes and differences
- Egos of charismatic leaders create ‘ Win – Lose ‘ scenarios

The seven great waves of HR

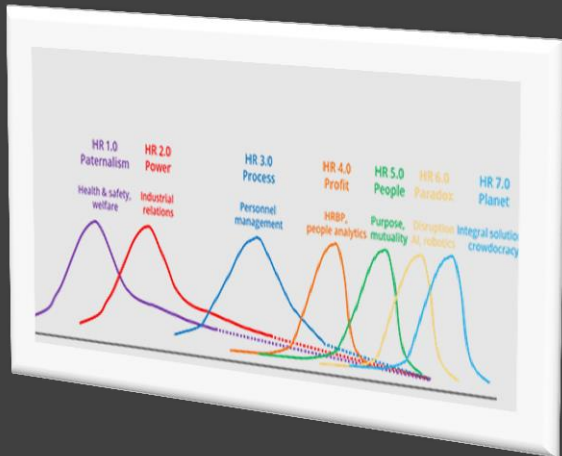




nile



The Process Wave



The Positives

- Rules are clear-consistency and ‘ fairness’
- Professionalism and technical know how flourish
- Increased productivity as standards are followed
- People know where they stand/ clear job descriptions/ clear hierarchy
- TPM/ TQM – attention to detail

The Negatives

- Bureaucratic and slow
- ‘ work to rule’
- Hierarchies and rules inhibit individual initiative
- Process and Procedures inhibit change, innovation and risk taking
- Collective inhibits individual initiative

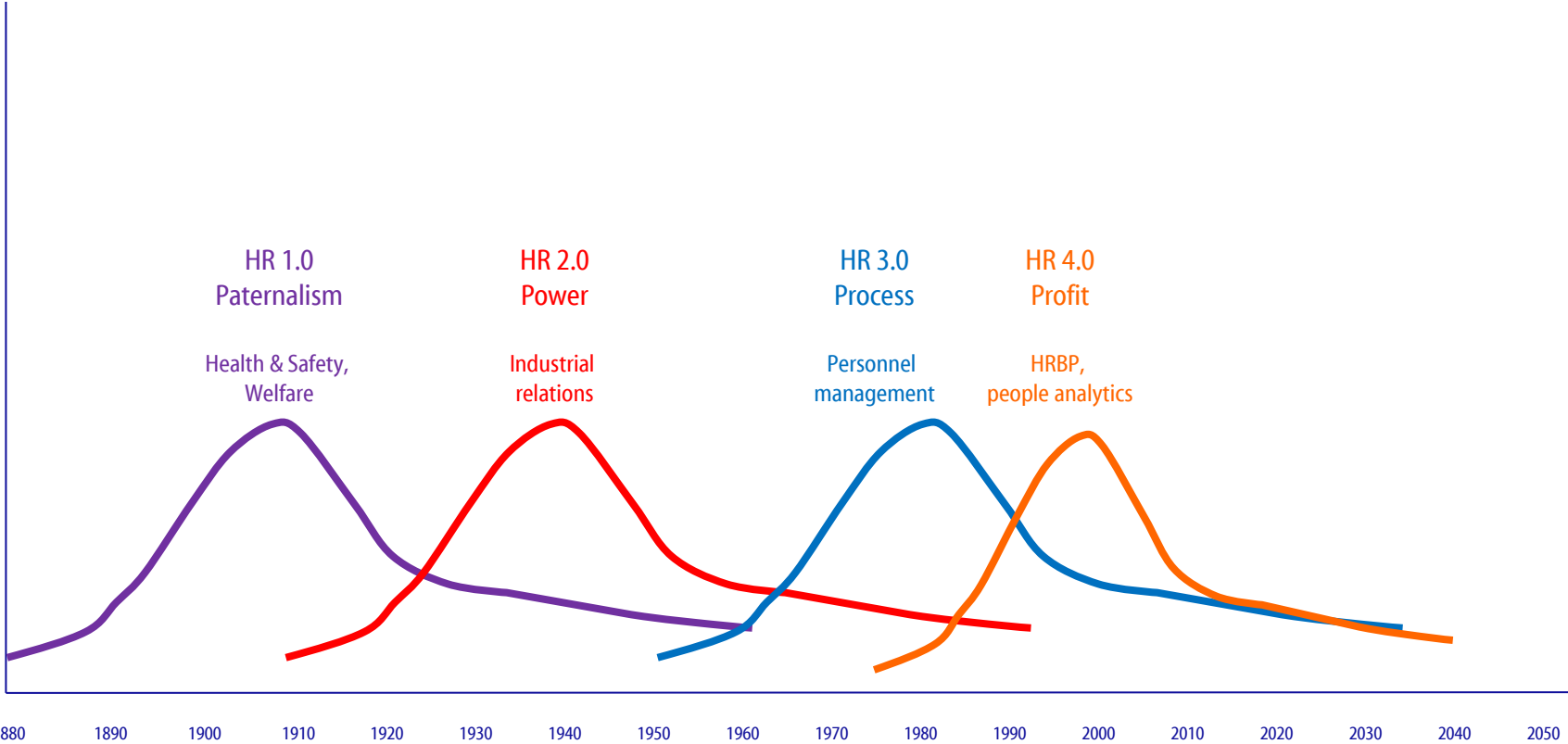
THE 3 ERAS OF FMCG

1970s- 2010s

The age of retail



The seven great waves of HR

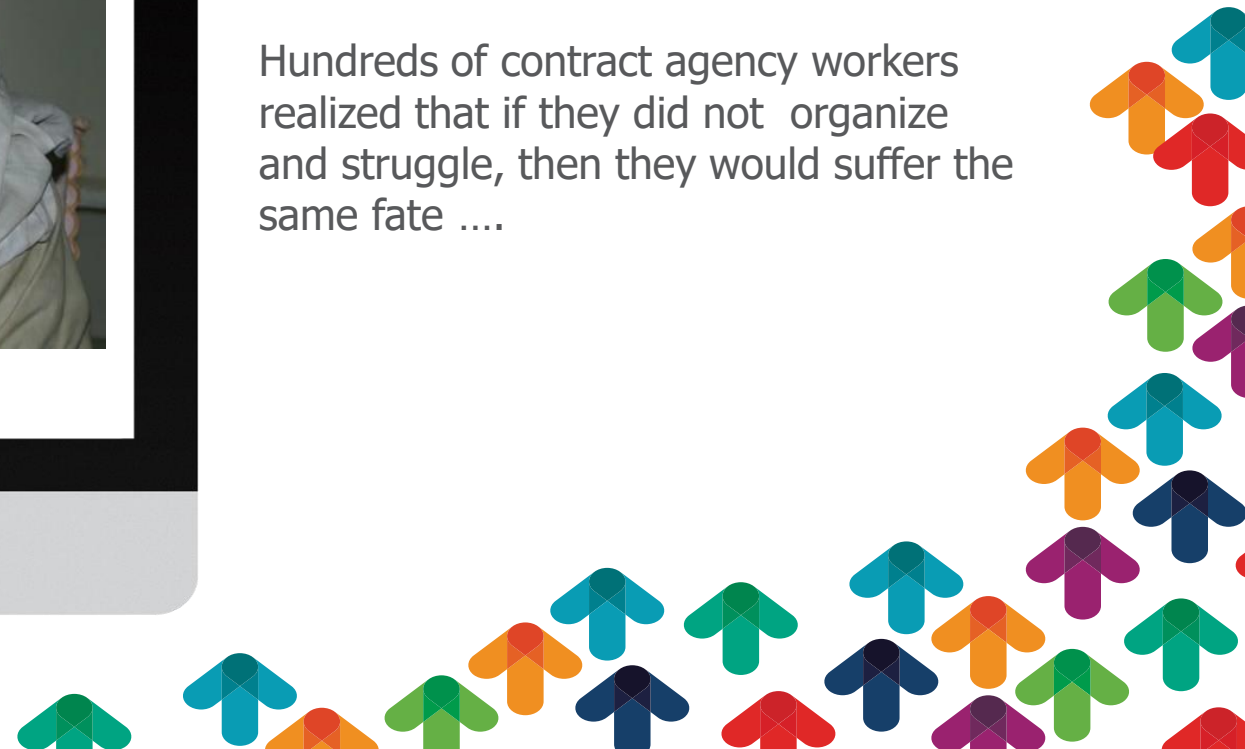


SUPPORT THE CAMPAIGN FOR DECENT WORK IN UNILEVER !

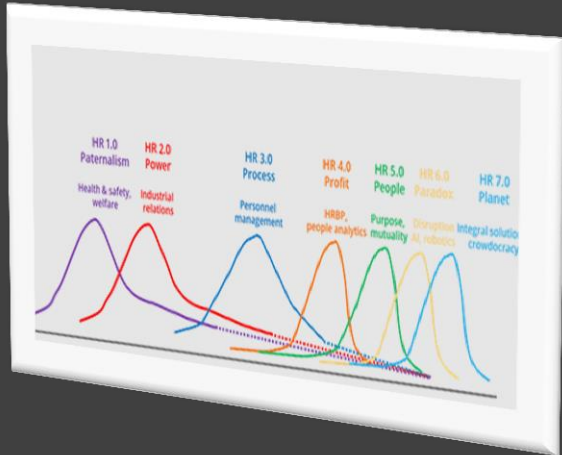


In August 2008 Zafar Iqbal and Abdul Hameed were dismissed after working at the Unilever Lipton factory in Khanewal for 30 years on minimum wage. They received no pension or retirement benefits.

Hundreds of contract agency workers realized that if they did not organize and struggle, then they would suffer the same fate



The Profit Wave



The Positives

- Balances Rules with ‘can do’ attitude
- Builds on ‘Standards’ to enable innovative developments
- People able to experiment more in the workplace as ‘freedom within a framework’ replaces the ‘operating manual’
- Individual recognition grows
- ‘Managers’ become ‘Leaders’

The Negatives

- Excessive focus on shareholder value
- Excessive focus on individual reward at expense of collective’
- Increased employee disengagement as gap between ‘top’ and ‘bottom’ of organisations increase
- Negative social externalities vis climate and society emerge

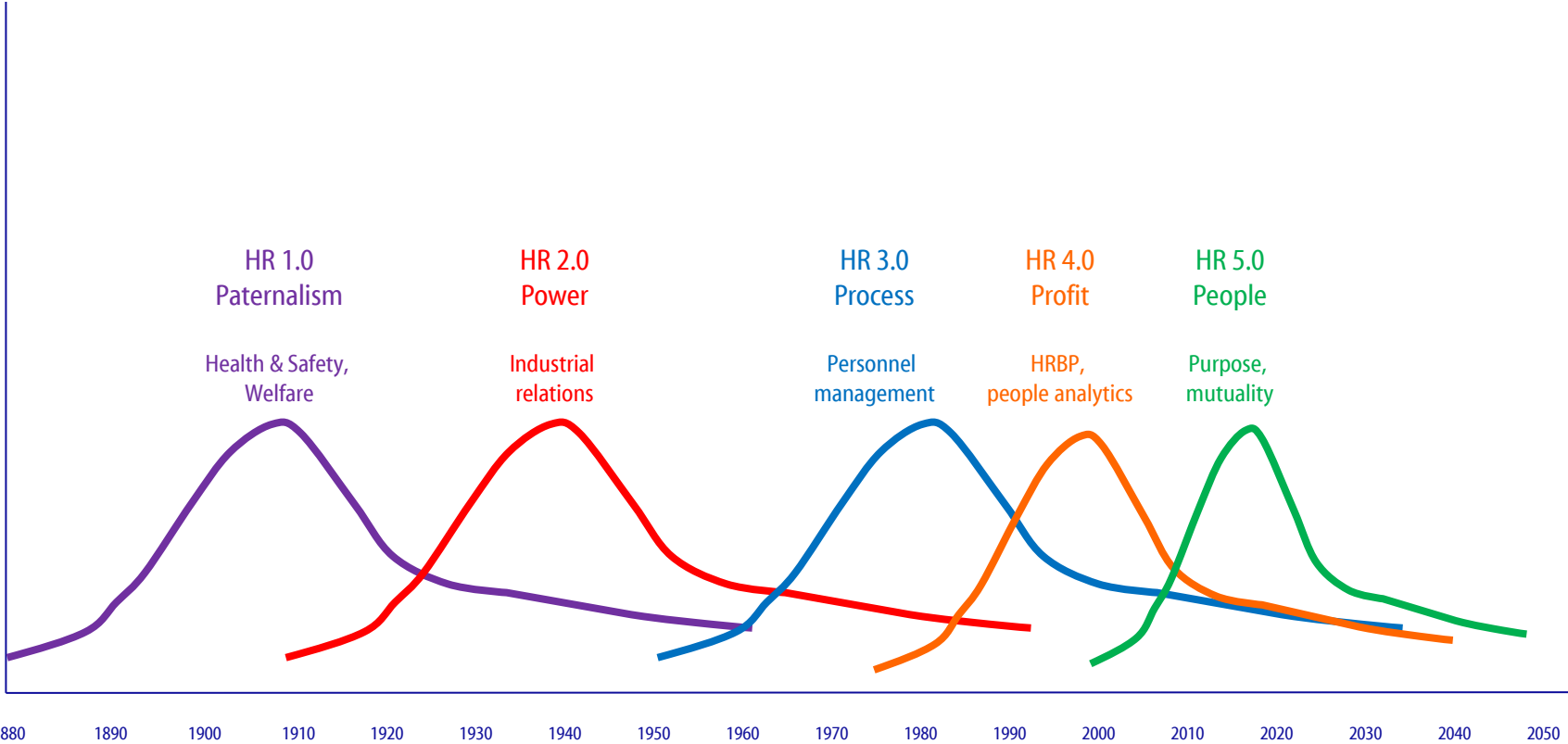
THE 3 ERAS OF FMCG

Today

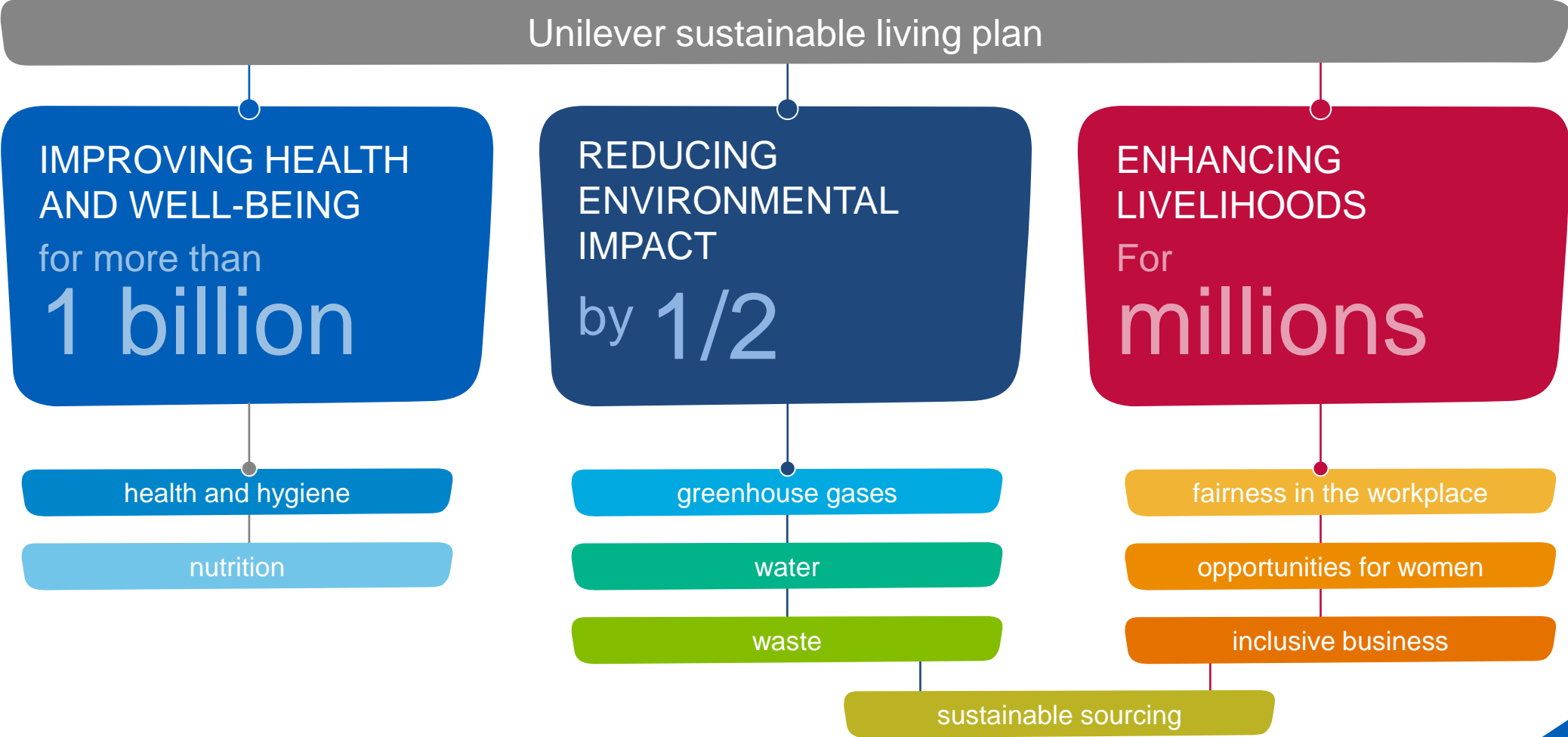
The digital age



The seven great waves of HR



OUR PLAN





3 BIG GOALS

- **HELP MORE THAN 1 BILLION PEOPLE IMPROVE THEIR HEALTH & WELLBEING**
- **HALVE ENVIRONMENTAL FOOTPRINT OF OUR PRODUCTS**
- **ENHANCE THE LIVELIHOODS OF MILLIONS OF PEOPLE AS WE GROW OUR BUSINESS**

**SUSTAINABLE LIVING
BRANDS HELP
GROW OUR
BUSINESS**

GREW 46%

**FASTER
THAN THE REST OF
THE BUSINESS**

70%
OF UNILEVER'S
GROWTH

**GREW
FASTER
R**

**THAN THEY DID
IN 2014**

2X
THE RATE OF
GROWTH

**SUSTAINABLE LIVING
PURPOSE**

**SUSTAINABLE
LIVING
BRANDS =**

+

**SUSTAINABLE LIVING
PRODUCTS**



Unilever

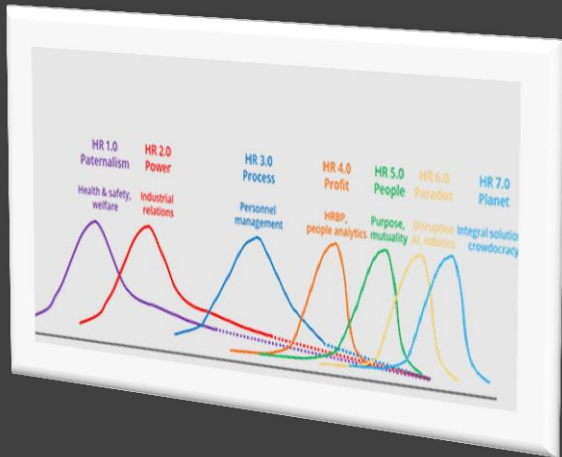
**EVERY VOICE MATTERS.
EVERY STORY NEEDS TO BE
CELEBRATED.**



Statement of Mission

BEN & JERRY'S
VETY
CLUNCH

The People Wave



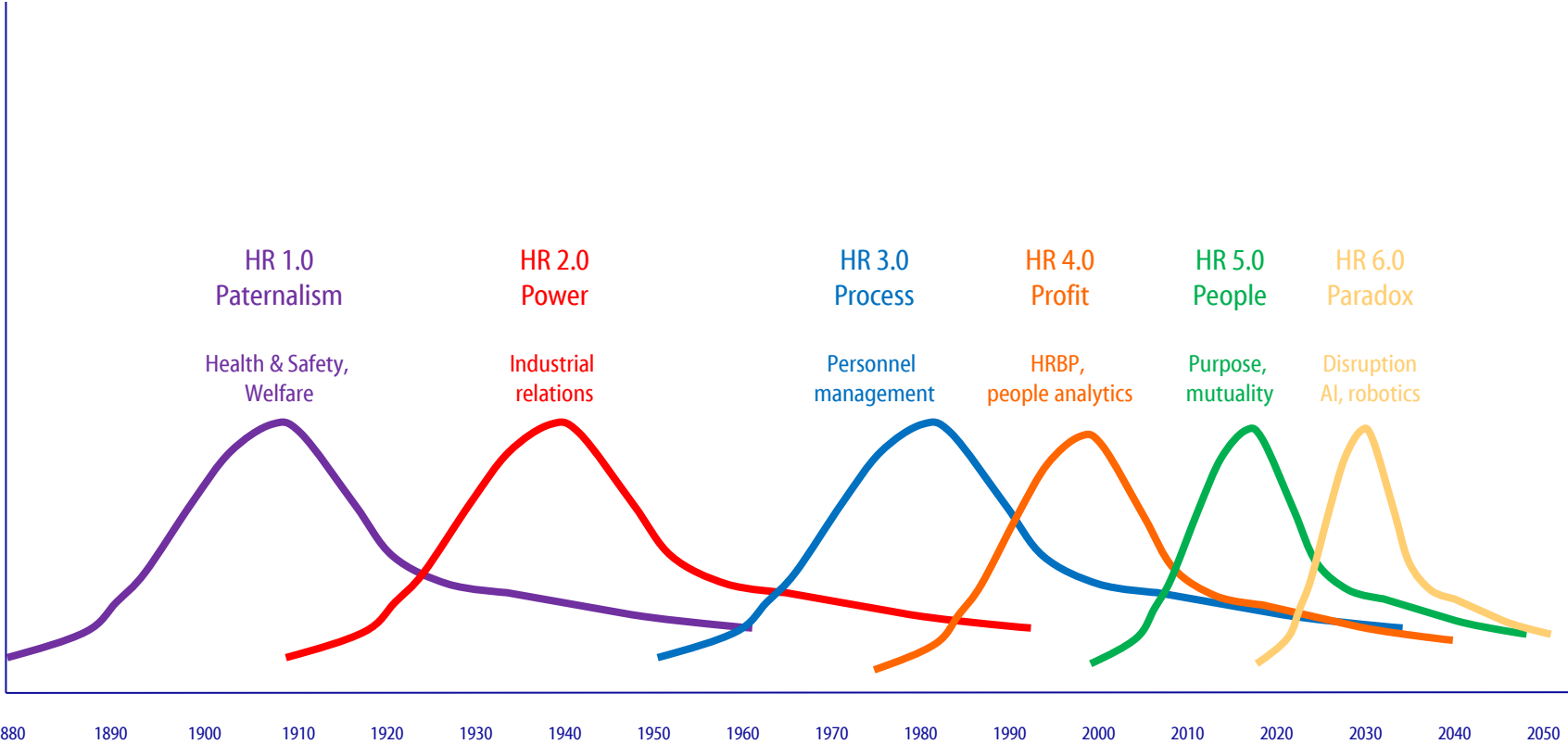
The Positives

- Focus on 'Purpose' at Org and individual levels
- Diversity & Inclusion become strategic imperatives as 'marketing' changes
- Focus on Relationships and Teams as drivers for growth and move away from 'star players'
- collective recognition grows
- 'Team leadership becomes key

The Negatives

- Excessive focus on consensus and political correctness
- D&I agenda seen as exclusionary
- Speed and agility and individual initiative slowed down due to need for consensus
- Rejection of all hierarchy including healthy hierarchy leading to accountability fogs.

The seven great waves of HR



WE HEAR THE NEED TO CREATE ~~CAPACITY~~

*WORKLOAD
ON THE RISE*

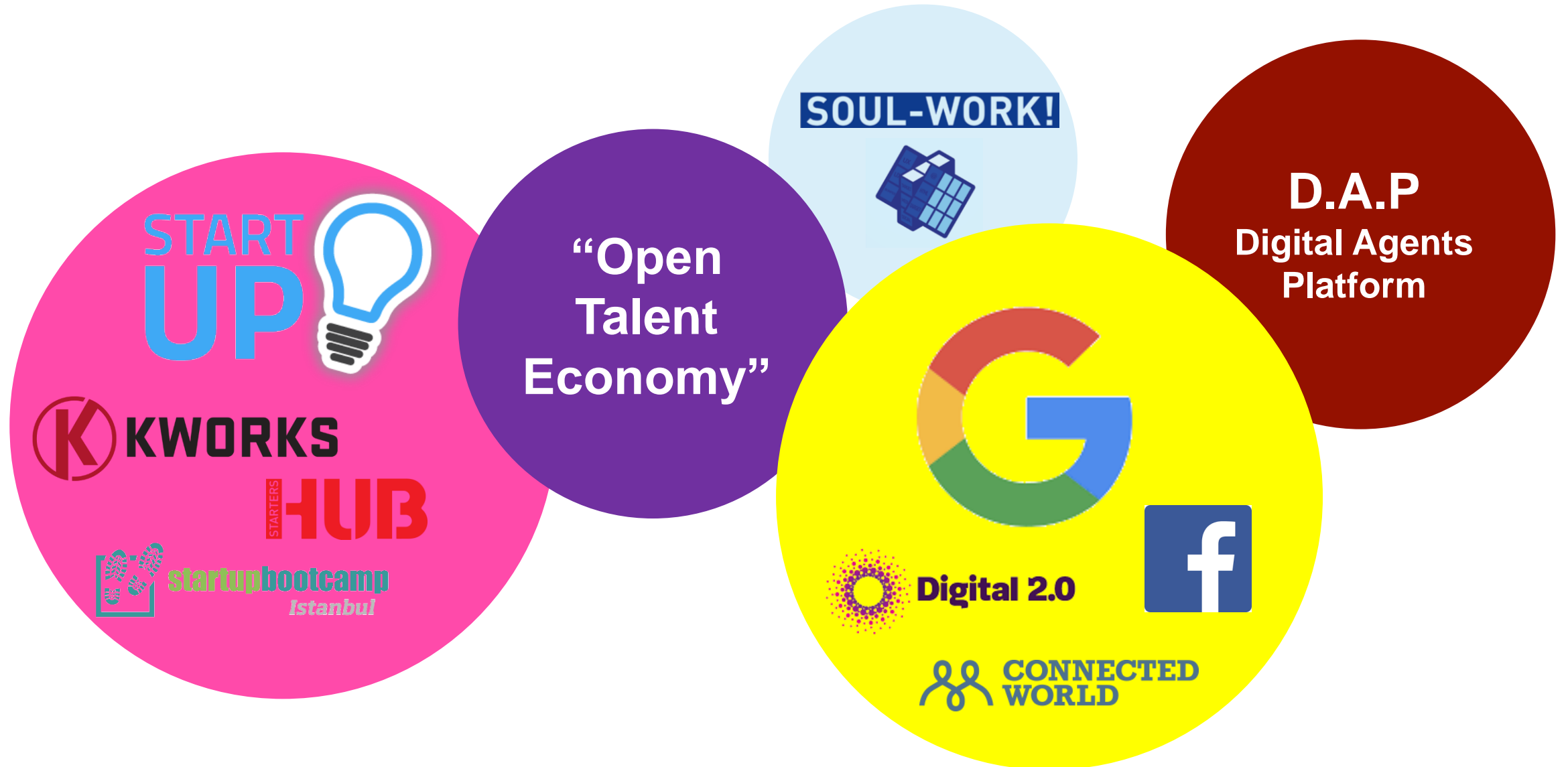
*SHORT
TERMISM
PREVAILS*

*LINE
MANAGEMENT
FEELS
PRESSURE*

*TRUST IN
LEADERSHIP
DROPPING*



UNLIMITED RESOURCES & SKILLS OUTSIDE-IN & INSIDE-OUT !



CASUAL-T CAMPAIGN



Greetings from London



“We need an entirely different way of responding to the challenges of the 21st century.

Our failure to understand complex systems and networks, and learn new ways of influencing them, may well be the death knell for many 20th century organizations and institutions.”

- Sudhanshu Palsule
Cambridge University

**BRANDS
WITH PURPOSE GROW**

**COMPANIES
WITH PURPOSE LAST**

**PEOPLE
WITH PURPOSE THRIVE**



**MAKE
SUSTAINABLE
LIVING
COMMONPLACE**

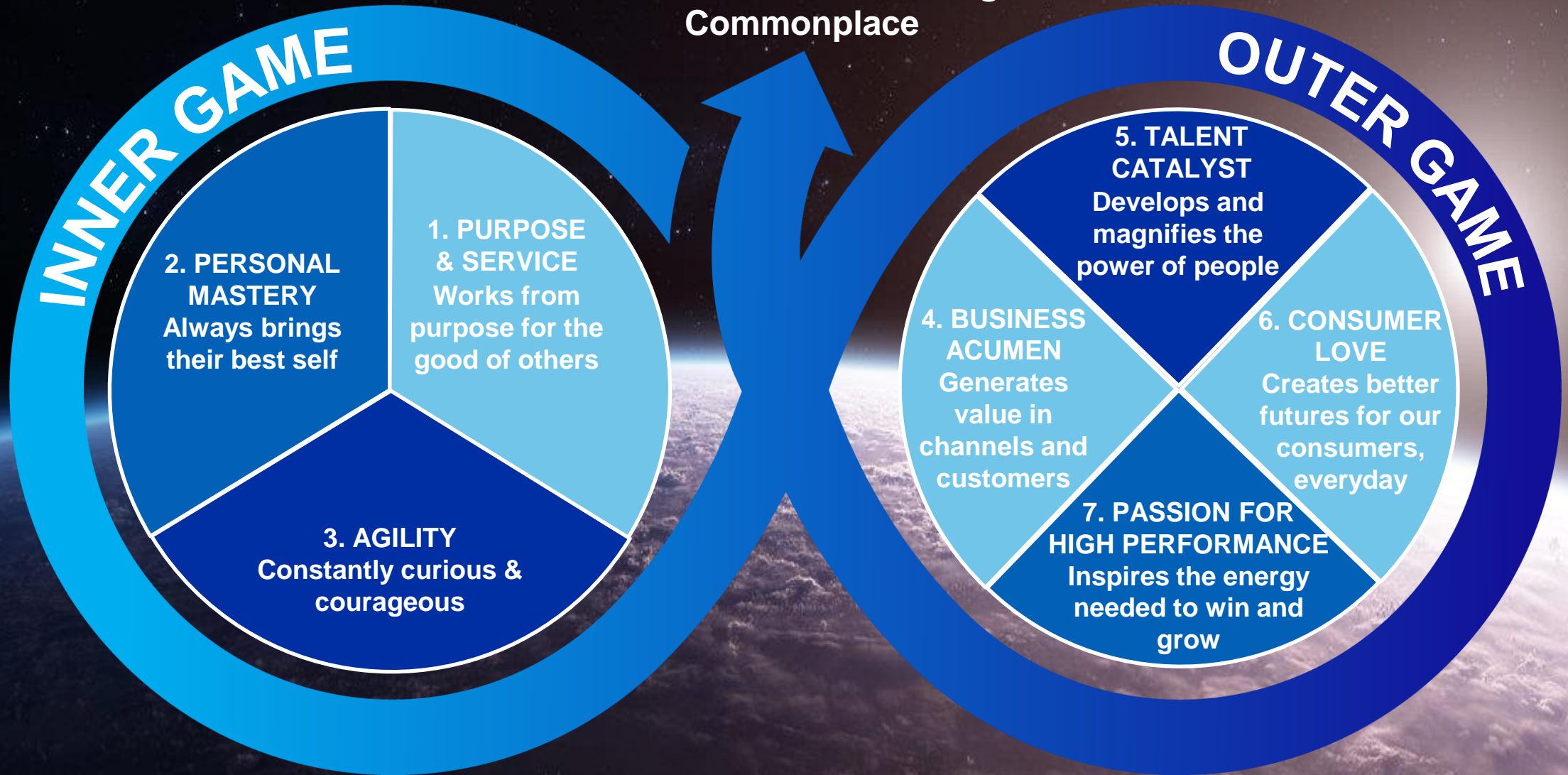


Unilever

UNILEVER STANDARDS OF LEADERSHIP



Make Sustainable Living
Commonplace



These Standards of Leadership sit alongside the enduring values of Unilever

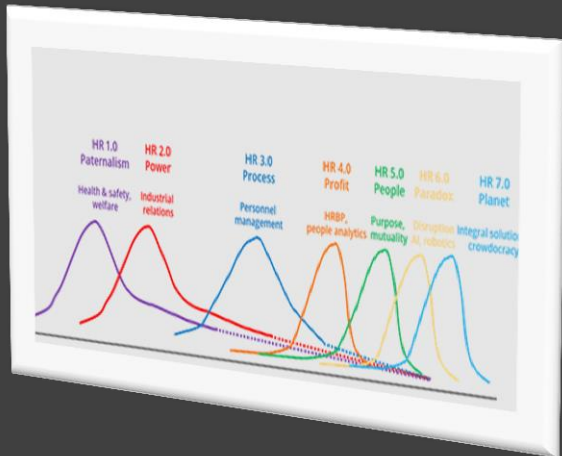
Respect

Pioneering

Integrity

Responsibility

The Paradox Wave



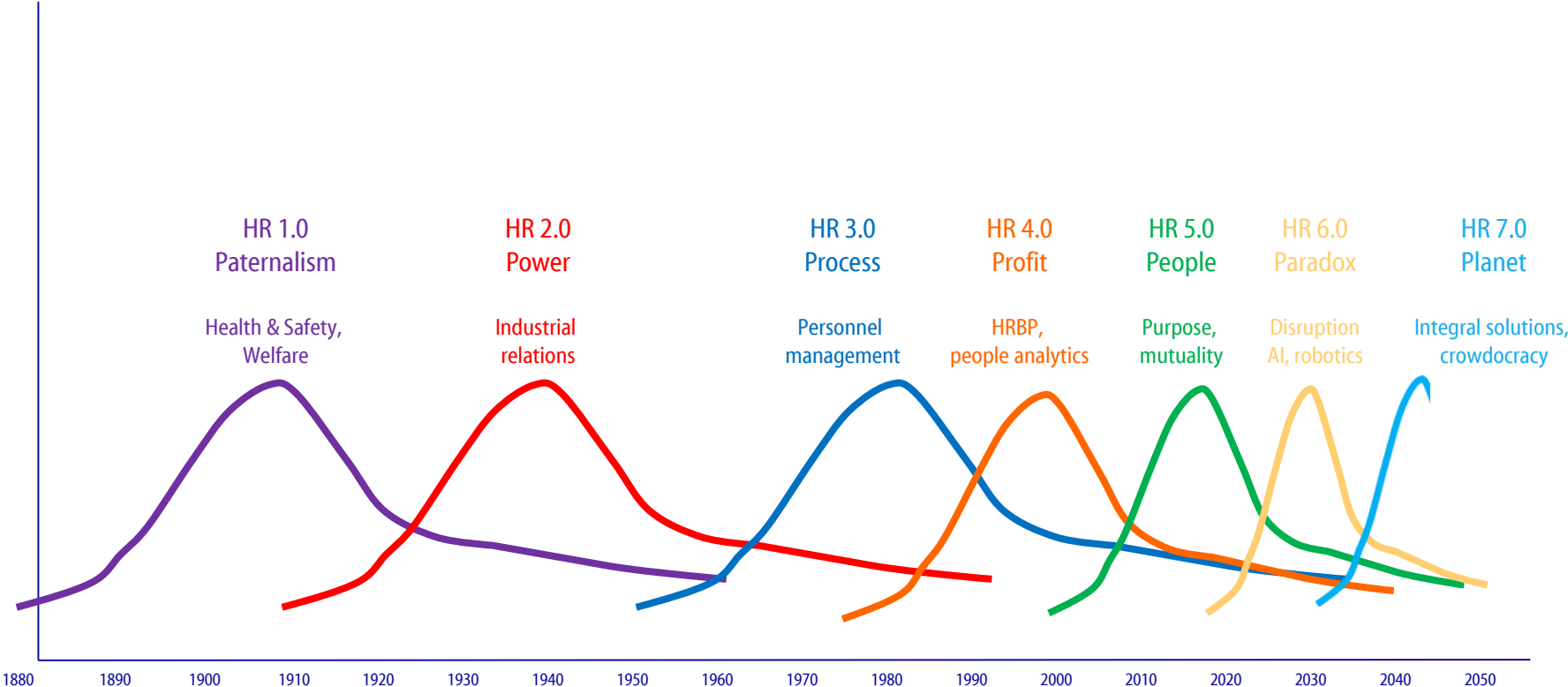
The Positives

- Closure of 'say : do' gap as Business governance addressed (B corp etc)
- Focus on Vertical Leadership and people development as ' wellbeing' becomes strategic
- Widespread use of 'agile' as way of working – full enablement of digitalization
- Increased ' employee voice' as hierarchies get replaced by networks
- ' Leaders' become ' integrators'

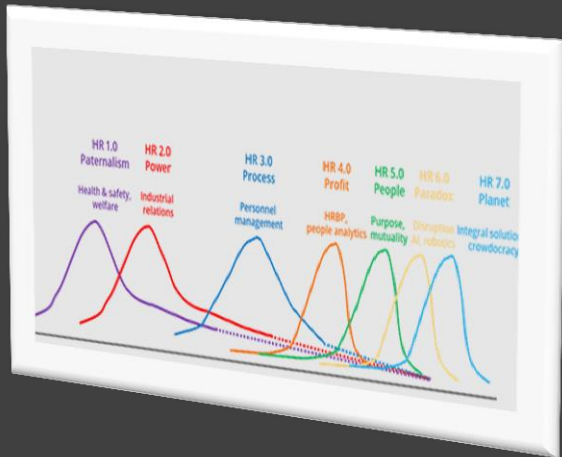
The Negatives

- Planetary concerns not fully addressed
- Paradox leaders create confusion and not followed
- Paradox leaders fail to address the 'say : do' gap
- Networks too weak and underdeveloped
- Government unable to legislate to enable & inhibit development

The seven great waves of HR



The Planet Wave



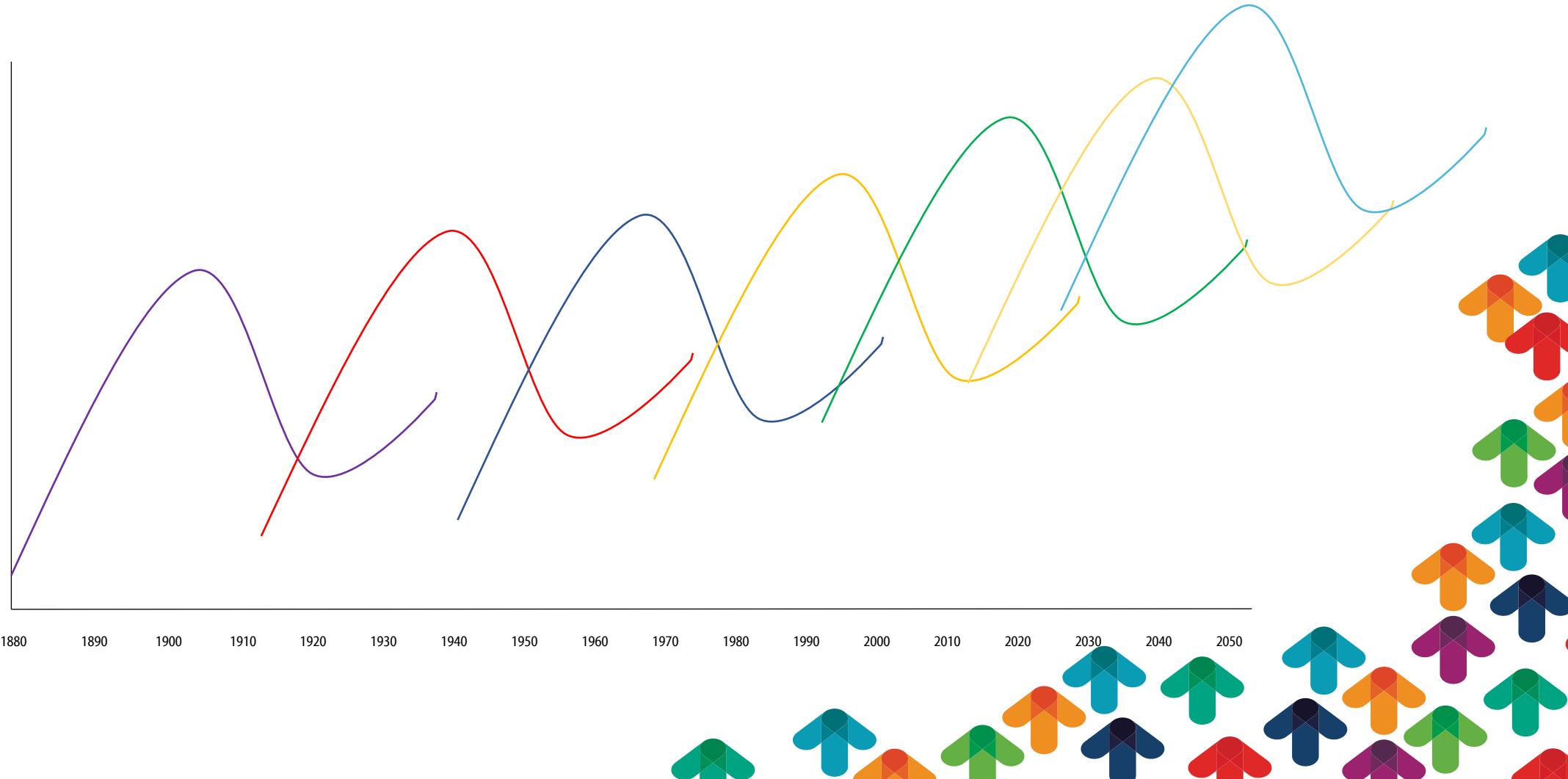
The Positives

- Jobs/ jobs/ jobs – as focus on saving planet
- Human development becomes prime goal of organisations
- Democratic workplaces – networked teams ‘Dunbar number’

The Negatives

- Planetary concerns not fully addressed
- Paradox leaders create confusion and not followed
- Networks too weak and underdeveloped
- Government unable to legislate to enable & inhibit development

The seven great waves (S Curves) of HR





Back UP



**CHANGE
LEADERS**
CONFERENCE
2017

	'HR' Job Titles	Day-to-Day HR Activities	Pay and Reward	Training approach	Appraisal & Performance Management systems	Culture	Dominant Org Dev. Theory	Leadership Style	Teams Style	Employee Relations strategies
HR 1.0: Paternalism	Welfare officer/ Safety Officers May be called HRBPs today – but key is the focus on the day to day activity	Generalist HR officers focused on welfare, safety, facilities. Main time on transactions – recruitment, HR admin, payroll.	Piece rates. Non- wage benefits	'Sitting with Nellie' – learning by watching someone else.	Silent monitors/ line-based measurements. 'father-figure' or supervisors enforce day to day performance.	The business is operated as a family for the family.	'Father' knows best. Trust the father-figure leader.	Father-Figure or pairing that rules for everyone in the company's own good.	Individuals operate pre-teams. Often in family units or specialist groupings	'look after' people. Conservative approach to change. Will ensure proper 'duty of care' 'Father knows what his people want'
HR 2.0: Power	Industrial Relations Officers/ Employee Relations officers Management Development managers	Industrial Relations Officers focused on managing conflict between owners and workers. In some geographies focus also on Union avoidance. Management Development specialists may also be deployed.	Collective bargaining	Apprenticeship schemes/ systemic professional training	Role or job-based performance system- pace dictated by machine or process (calls in call centres etc)	Business is a clash of interests – 'Us and Them' evident in the workplace. Hierarchy of control on military model.	'Management right to manage' Functional organisations	Charismatic leadership- Dominant control-based hierarchy. Management hierarchies very evident.	Battling Experts. Cross functional conflict evident/ Industrial relations conflict evident. High use of third party agency labour	Whoever has the most power wins- charismatic leaders battle it out for power High incidence of industrial action Employee voice starts to organise but resisted by Management
HR 3.0: Process	Personnel Officers- may also be called HRBPs – see activities.	Generalist HR Officers focused on codifying rules. Employee record keeping, payroll, hiring and firing. Management development function will be evident. Other specialist areas such as Reward & Remuneration also apparent.	Fixed pay based on job evaluation. Each role thoroughly assessed and ascribed a value. Non- wage benefits Defined benefit pensions.	Work Study to deconstructing each task to establish best way to do each task and optimise each process. Work study instruction manuals.	Job or role-based performance system- pace set by process / work study.	Rule based- work to rule and compliance culture. Process is the reference point. Hierarchy of control on professional model.	Scientific Management or Taylorism. TQM. Functional or Product or Geography orgs	Technocratic leadership- Do the right thing in the right way. Rules not opinions determine approach. – valuing of professional managers/ specialists	Dependant Experts -rules provide focal point for integrating plans. Management by objectives deployed	Procedure based approach to ER, Procedural agreements provide the 'Rules'. Bias towards a 'compromise' being reached when a dispute. Co-determination may be prescribed by law. Minimal transformational change evident. Employee voice via representative structures
HR 4.0: Profit	HRBP HR Expertise HR Services	Human Resource management – organised along the Ulrich model of HRBP/Expertise/ Shared Services. Outsourced shared services in place	Reward more based on individual contribution. Individual Performance bonuses Share awards and long-term remuneration Defined contribution pension schemes	Skills training supplemented by attitude/ cultural and 'Transformational' training interventions.	People/ individual focused reward. Attitude assessed as well as results. 'Rank and Yank' assessments every year	Empower people and teams to work end to end – speed of decision making valued. Hierarchies supplemented by cross departmental teams	Team working/ QWL Matrix Orgs but with defined lead of either Product, Geography & product	'Transformational' leadership with focus on productivity and profit.	Independent Achievers work more constructively - 'Mission statement used as uniting focus'- performance management systems deploy goals and targets uniformly	Direct to employee communication either by passing or in parallel with existing procedures. Transformational I Leaders seek to convince through compelling narratives. Employee voice via employee surveys
HR 5.0: People	People Development Managers Chief of Staff Offices/ Chief Productivity Officers / Services platforms	People Development Managers work alongside 'Core HR Service' organisations. Service organisations. Expertise roles integrate into People Development manager roles or if junior become part of the Services platform.	Emergence of total reward- employees can decide how to distribute total reward – fixed, variable, non -wage, health insurance, short term, long term.	Focus on individual needs, purpose and employability	Annual reviews replaced by more regular project reviews Performance management more collective, and linked to people and purpose. 360 feedback. Rating systems discontinued in favour of use of tech to provide immediate feedback	Purpose becomes a driving force- corporate mission statements become purpose focussed. Diversity and inclusion became important. Network orgs become evident. Agile working methods become the norm	Matrix Orgs now seeking to integrate product, geography and product as equals	Inclusive & Purpose orientated leadership- renewed focus on purpose, people and wellbeing	Interdependent Achievers value the team diversity. Leaders and teams working spontaneously to anticipate and resolve issues. Not simply debate them. Meetings deploy IDMP process. Balanced scorecards deployed	People focused approach to ER. Not process. Purpose initiatives integrated into ER approaches. Co-invention of change Use of hackathons/ crowdsourcing Emphasis on employability/ reskilling and upskilling as part of ER processes.
HR 6.0: Paradox	Chief of staff/ Productivity Officer/ Services / Platforms People & Team Performance Consultants/ specialists	HR Services organisation integrates into a cross functional Chief of staff office providing a 'platform' of services to one or many organisations in a network. People Development activities specialise – being	Total Reward approach broadened to enable Flex employment models	Focus on collective/ purpose and lifelong learning	Performance management withers away – flow to work and project assessment methodologies introduced	The Culture embraces complexity and is able to manage ambiguity as a competitive advantage Functions disappear -end to end units emerge- scaled via shared 'platform' orgs	Network Organisations within sectors- limited networks enabling shared capability building clusters/ employee sharing platforms/ innovation platforms 'modern chaebols'	'Nelson Mandela's of the business world' 2 nd tier thinkers. Complexity embraced	Diverse Pluralists are skilled at integrating diverse views. Skilled deployment of IDMP process and use of mindfulness techniques in meeting management. Refocus of purpose re- defines goals- social goals included in target deployment	Co-created change as part of continuous change Agile ways of working deployed in employee relations approaches
HR 7.0: Planet		Line Managers replace core People Development leaders- curating expertise as needed. Services Platform supports all routine activities and provides an eco-system for multiple employment models	Rise of flex employee- flex benefits- accrued time banks. Paid by project not job.	Focus on collective societal development needs and lifelong learning	Performance management withers away as extended cross sector working emerges. People work for the planet not an org.	Orgs integrate into networks across sectors	Network organisation across sectors. Networks focus on planetary and social outcomes enabling them to also act as buying/selling alliances	Network leaders – working cross sector	Integrated Pluralists can integrate ideas from inside and outside the business. Scope of leadership team impacts crosses sectors and boundaries. Goals primarily social.	Agile approaches complemented by Trade Union / emp reps as change agents provided key nodes in the organisations wider network of companies.