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The Human Cost of Automation: An HRM Analysis of AI Adoption at Unilever UK

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INTRODUCTION

- Unilever Plc is a British multinational consumer goods company, headquartered in Blackfriars, London, UK.
- In 2025, the organisation reported a sales revenue of €50.5 billion (Unilever Global, 2026)
- The organisation operates in 190 countries with 96000 employees (Unilever Global, 2026)
- In the UK, Unilever has around 5,000 employees (Unilever, 2026)
- This presentation focuses on how artificial intelligence, automation, and workforce transformation are reshaping recruitment, manufacturing, and talent management practices at Unilever UK.

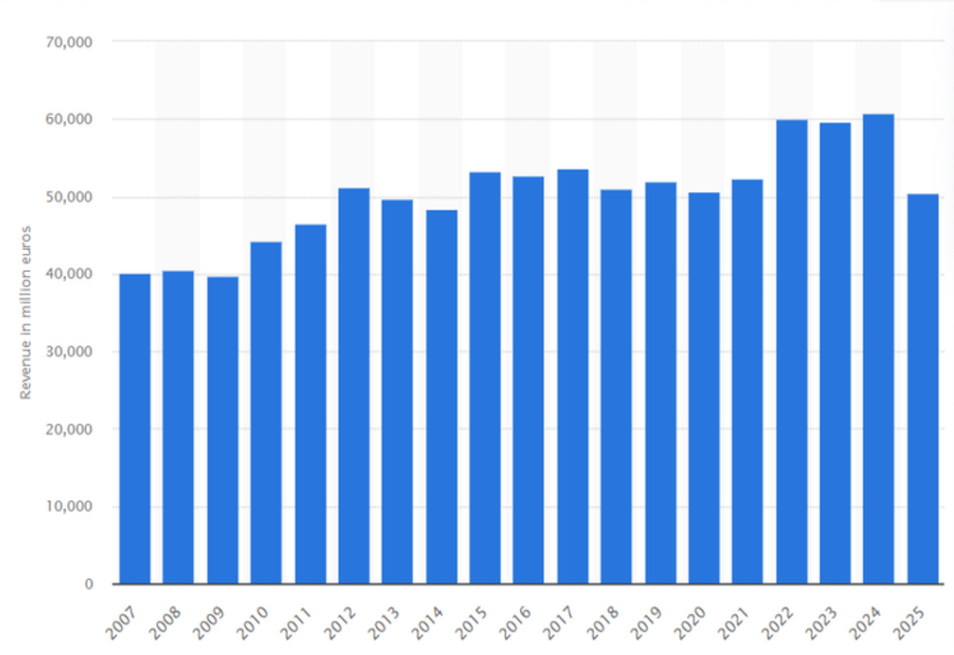


Figure 1: Unilever Revenue (2007-2025)

(Source: Statista 2026)

CURRENT POLICIES AND PRACTICES IN AI, AUTOMATION, AND WORKFORCE TRANSFORMATION AT UNILEVER PLC

AI

- Product innovation: In 2023, Unilever implemented the DataLab Ecosystem, which shifts its R&D from physical infrastructure to hybrid virtual modelling (Unilever, 2023)
- Demand forecasting: In 2023, Unilever implemented its global AI Horizon3 Lab in Toronto, prioritising forecasting, graph technology and generative insight generation (Unilever, 2023)
- Responsible AI practices: In 2024, Unilever implemented a cross-functional assurance framework that reviewed over 150 projects, which reduces bias in decision-making and enhances transparency (Unilever Global, 2024).

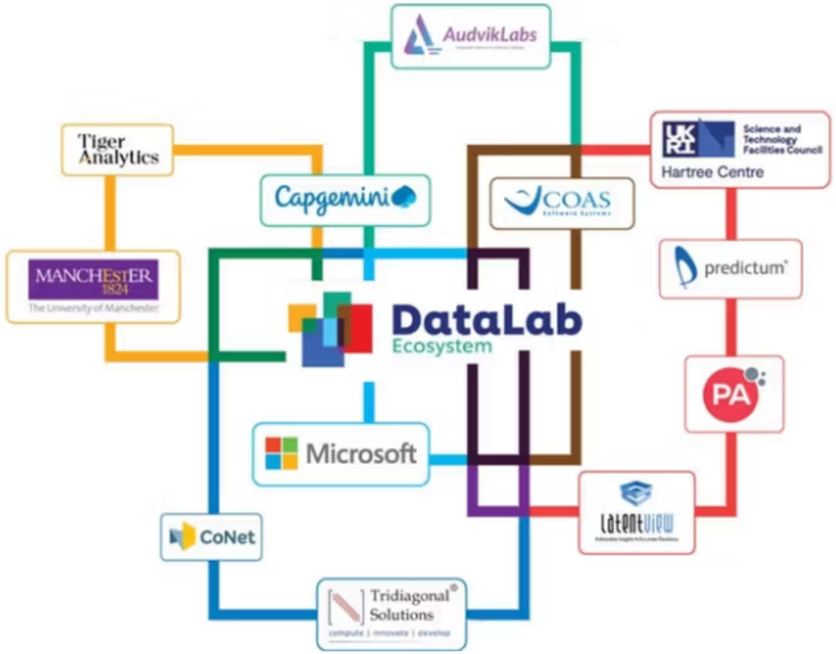


Figure 2: Unilever DataLab Ecosystem

(Source: Unilever, 2023)

CURRENT POLICIES AND PRACTICES IN AI, AUTOMATION, AND WORKFORCE TRANSFORMATION AT UNILEVER PLC

Automation

- Smart Factories & Manufacturing: Unilever is advancing its smart manufacturing capability with AI, IoT, and automation for creating the connected, highly efficient factories of the future (Unilever, 2025)
- Recruitment & Hiring: Unilever's AI-powered automated hiring system HireValue reported a 90% reduction in time-to-hire and saved about £1 million in annual hiring costs (Gentle, 2026).



Figure 3: Unilever Smart Automated Factories

(Source: Unilever, 2025)

CURRENT POLICIES AND PRACTICES IN AI, AUTOMATION, AND WORKFORCE TRANSFORMATION AT UNILEVER PLC

Workforce Transformation

- Upskilling Initiatives: The internal AI-developed programme runs function-tailored workshops under which “AI Champions” troubleshoot issues (Unilever, 2025)
- The programme enables 75% of the office-based personal carer employees to effectively use AI tools
- Internal Talent Marketplaces: Unilever’s internal online talent market FLEX matches employees to cross-functional projects based on skills profile (Unilever, 2026)



Figure 4: Unilever AI Upskilling
(Source: Unilever, 2025)

Current HR Opportunities & Performance Enhancers in AI, Automation, and Workforce Transformation at Unilever Plc

AI

- Further expanding the hybrid digital-physical R&D model has the opportunity to further reduce the simulation timescale beyond the present DataLab gains
- Unilever is leveraging the opportunity of robotic innovation to accelerate product discovery (Unilever, 2024)
- Deepening the Horizon3 Lab framework, including partnerships such as the Vector Institute collaboration, strengthens ethical AI governance capacity

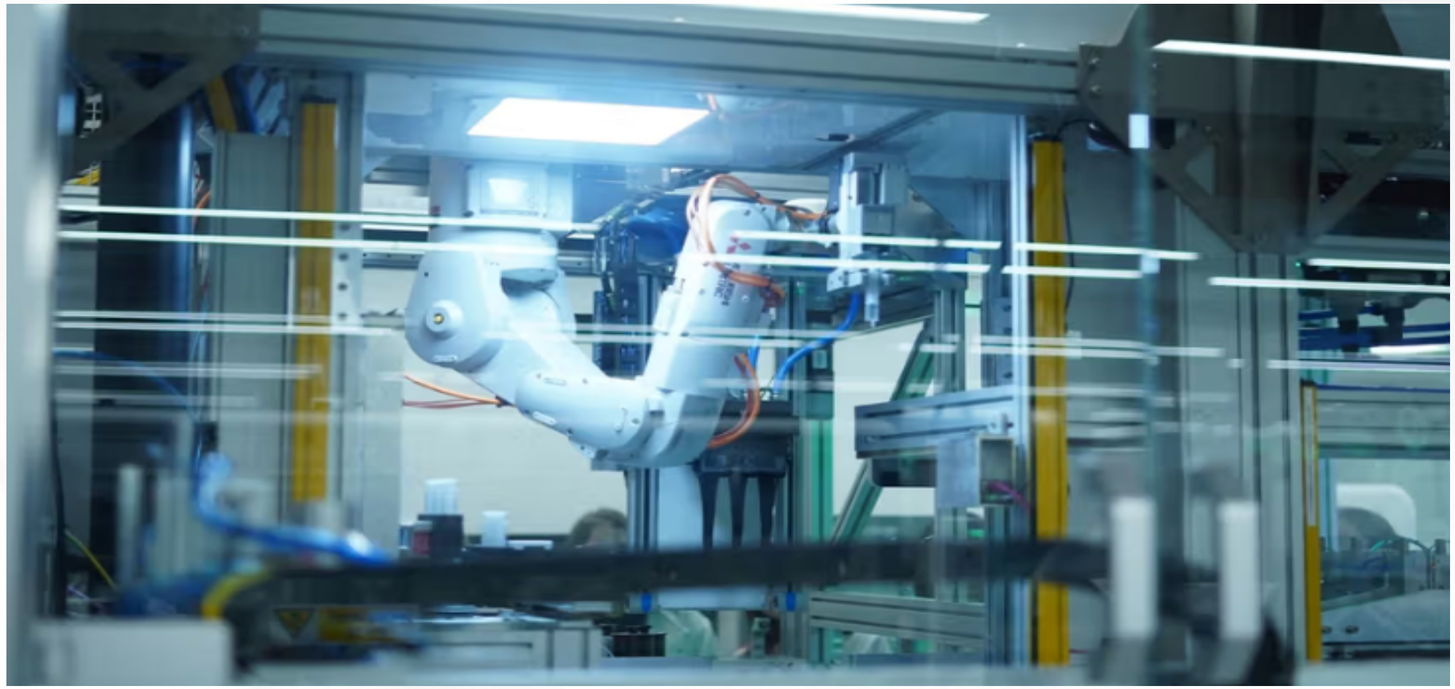


Figure 5: Unilever Robotic Capability
(Source: Unilever, 2026)

Current HR Opportunities & Performance Enhancers in AI, Automation, and Workforce Transformation at Unilever Plc

Automation

- Unilever’s 2026 partnership with Accenture creates the opportunity to add over 40 new AI-enabled digital twins, which extend its agentic capability across the network
- The digital twin technology already predicted 95% of process-flow restrictions at the Raeford, US site, lifting capability by 10% and cutting waste by 20% (Unilever Global, 2026)
- The AI and Automation in HR market is expected to grow at 24.8% CAGR between 2024 and 2030 (Grand View Research, 2026)
- Predictive decision intelligence could further enhance the recruitment process.

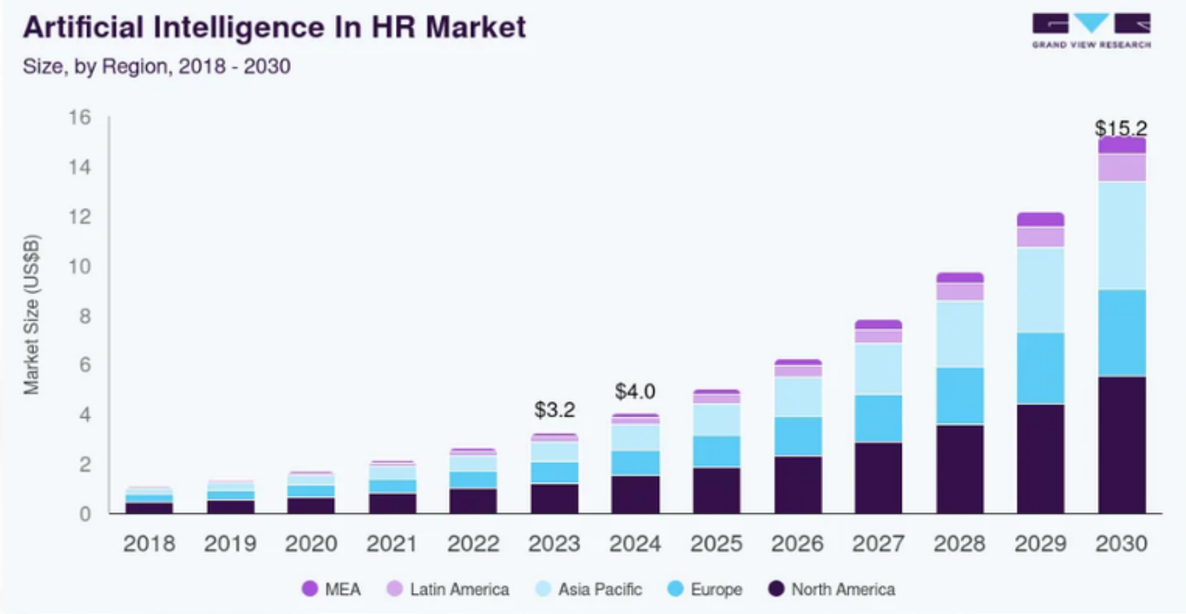


Figure 6: AI and Automation in HR Market

(Source: Grand View Research, 2026)

Current HR Opportunities & Performance Enhancers in AI, Automation, and Workforce Transformation at Unilever Plc

Workforce Transformation

- The further expansion of the peer-led AI Champion model could close the AI confidence Gap
- Only 21% of UK employees presently feel confident in using AI at work (Gov UK, 2026)
- The development of AI literacy pathways could further transform informal employees into formal, scalable career development routes
- The further expansion of FLEX Experience offers the capability to redeploy staff into high-value tasks, as automation is replacing routine tasks
- The further expansion of the FLEX marketplace could reduce the dependency on external recruitment



Figure 7: FLEX Experience marketplace

(Source: Unilever, 2026)

Current HR Challenges, Tensions & Performance Gaps in AI, Automation, and Workforce Transformation at Unilever Plc

Challenges related to AI Implementation

- Implementation of AI accelerates managerial and behavioural friction within Unilever, causing hyperproduction by 30% (Unilever PLC, 2025).
- Unilever is facing consistent conflicts between centralised, data-driven global truth and individual local market preferences that weaken marketing assets (Unilever PLC, 2025).
- The Desire at Scale model for Unilever has impacted their homecare brand due to a cultural shift in positioning from functional to emotive.

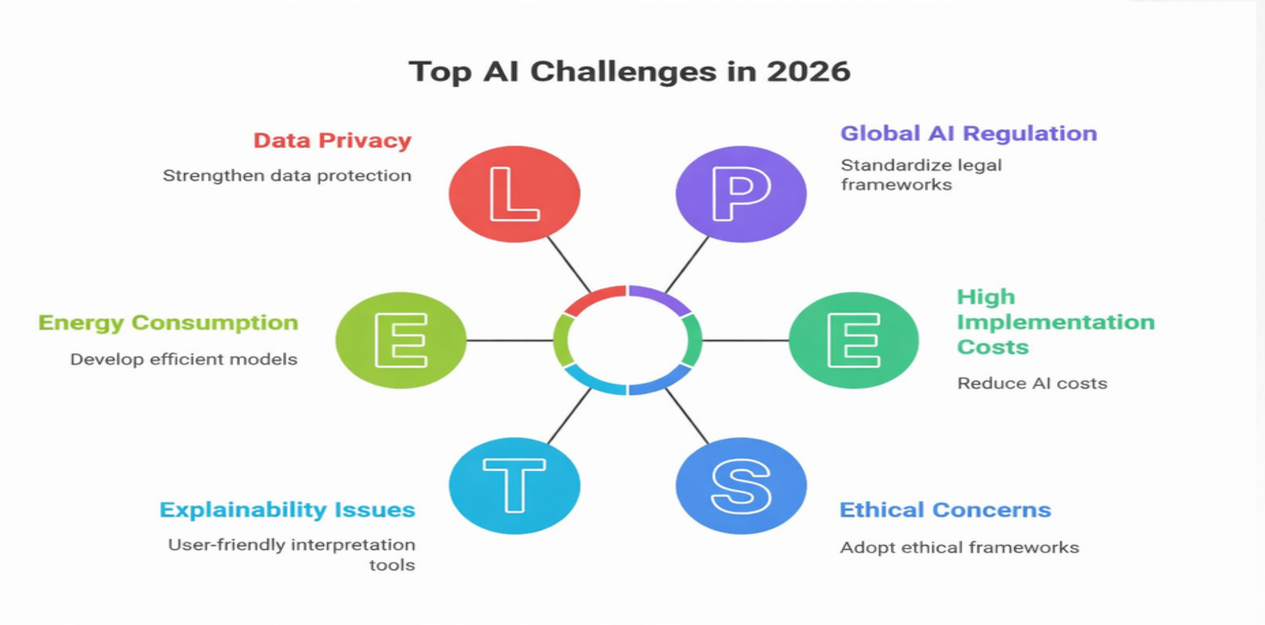


Figure 8: Challenges faced by Unilever Plc in AI implementation

(Source: Sanjay, 2025)

Current HR Challenges, Tensions & Performance Gaps in AI, Automation, and Workforce Transformation at Unilever Plc

Challenges related to Automation

- The adoption of industrial automation causes technical disruption and institutional resistance in existing shop-floor routines and roles.
- According to HireVue's algorithmic assessment, the automated hiring funnel in Unilever raises candidate transparency and data-privacy concerns (The Guardian, 2021).
- Unilever adopted HireVue's speech-recognition scoring that may cause discrimination against non-white and deaf candidates (Kalser, 2025).

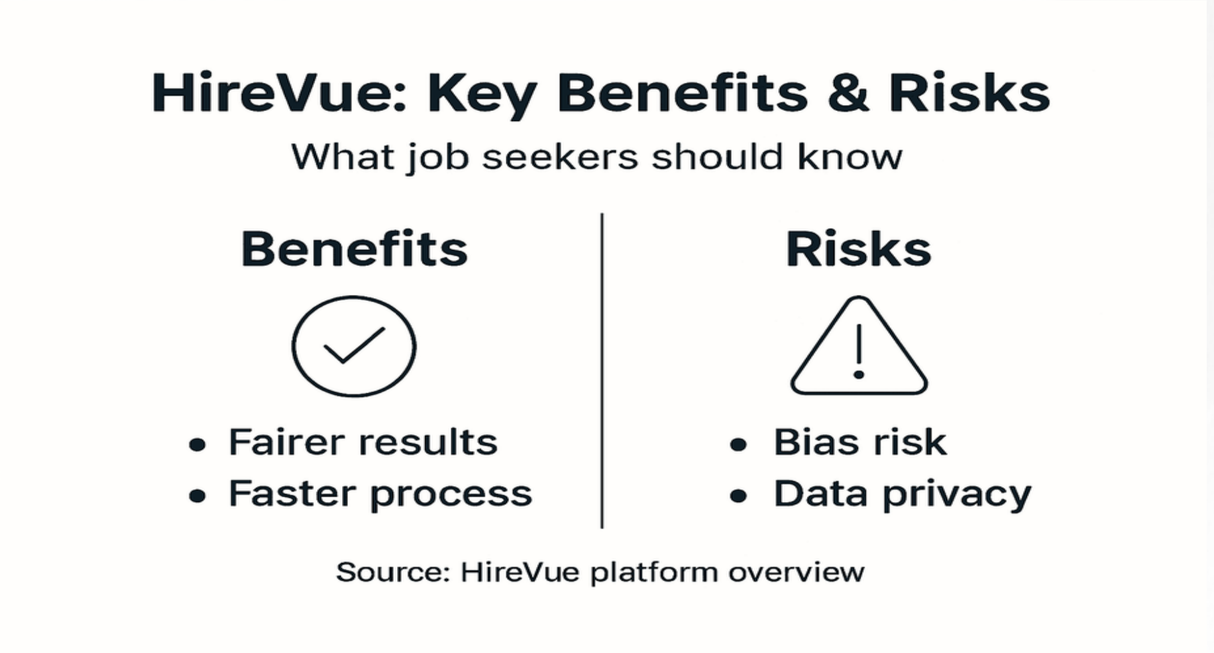


Figure 9: Benefits and Challenges associated with HireVue

(Source: Novak, 2026)

CURRENT HR CHALLENGES, TENSIONS & PERFORMANCE GAPS IN AI, AUTOMATION, AND WORKFORCE TRANSFORMATION AT UNILEVER PLC

Challenges related to Workforce Transformation

- Unilever announced 7500 job cuts globally in office-based positions as part of a major restructuring and cost-saving program by 2024, saving €800m in 3 years (Yahoo Finance, 2024).
- The mass layoffs have a negative impact on employee morale and the sense of security within a company as the roles are replaced by automation and AI for improved productivity (Harvard Business Review, 2026).
- Unilever is facing credibility-related challenges between the purpose-driven values of Unilever and the cost-cutting targets with HR and leadership communications (Unilever, 2021).
- The FLEX Experiences model of mobility is a project-based and non-hierarchical model that creates structural tension with traditional HR hierarchies in Unilever (Unilever, 2023).

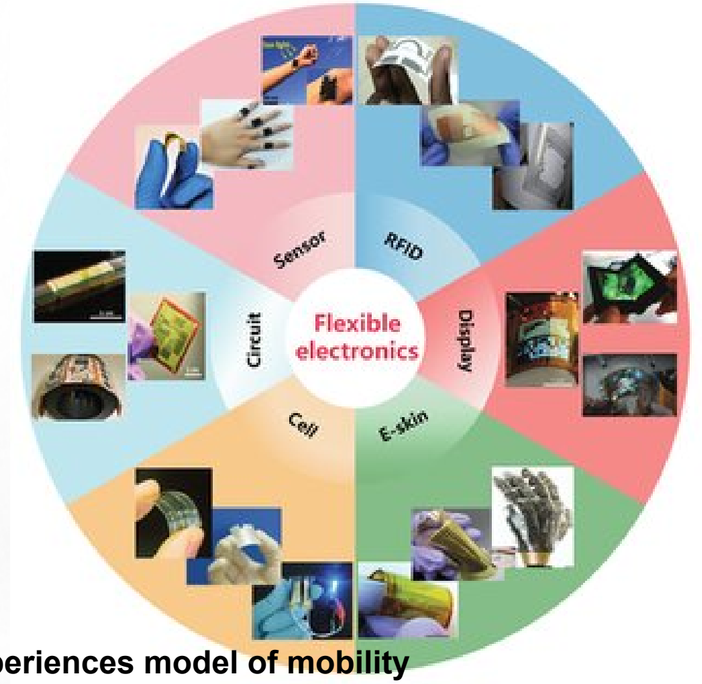


Figure 10: FLEX Experiences model of mobility

(Source: Jia *et al.,* 2022)

ROOT-CAUSE ANALYSIS

Fishbone Framework to identify the root cause of challenges

- The Fishbone diagram identifies the root cause on five drivers, which are policy design, leadership behaviour, organisational structure & culture, technology, and external pressures (Sakdiyah *et al.,* 2022).
- These seven risks identified on the previous risk heat map are each directed into a central spine that converges to the combined effect.
- This framework allows a systematic diagnosis in line with the HRM root-cause approach as adopted in organisational change analysis.

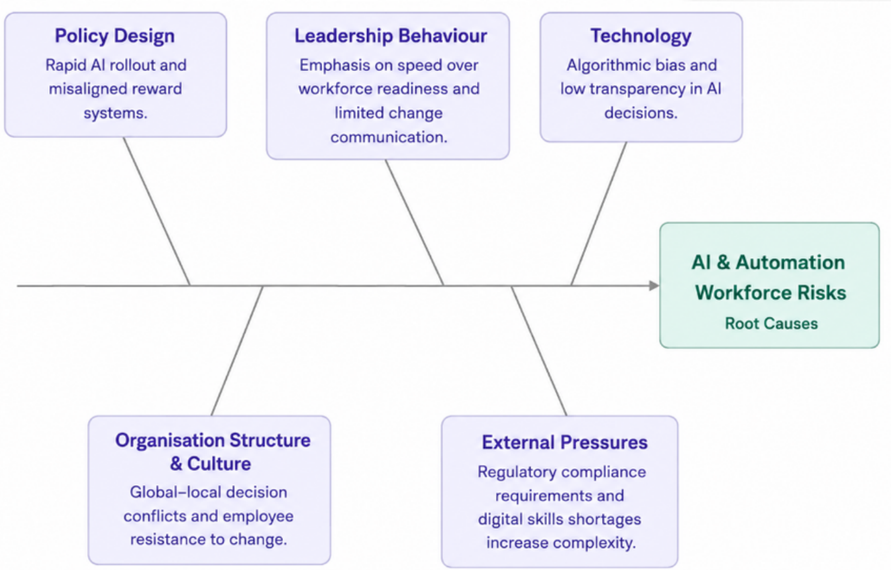


Figure 11: Fishbone Diagram for Unilever

(Source: Self-developed)

ROOT-CAUSE ANALYSIS

Risk Heat map to identify the frequency of the risks

Sl. No.:	*Risks*	*Priority*
Risk 1	Algorithmic hiring bias	High
Risk 2	Employee morale decline from job cuts	Critical
Risk 3	Brand inconsistency from AI content scaling	Medium
Risk 4	Data privacy concerns in automated hiring	High
Risk 5	Technostress from AI workflow integration	Medium
Risk 6	Regulatory non-compliance (EU AI Act)	Medium
Risk 7	Institutional resistance in factories	Medium

		Low	*Medium - Low*	*Medium*	*High*
Impact	*High*			R1, R4	R2
	Medium			R3, R5	
	Medium-Low			R7	
	Low				R6
Likelihood					

Table 1: Risk heat map

(Source: Self-developed)

ROOT-CAUSE ANALYSIS: DRIVERS OF THESE CHALLENGES

Policy design and Leadership behaviour

- A reward system based on productivity helps managers to rush into automation, which increases the risk of employee morale declining in Unilever.
- Leadership's restructuring campaign for 2024 in Unilever focuses on reducing costs and fast-forwarding the pace of job elimination instead of preparing the workforce (Unilever PLC, 2025).

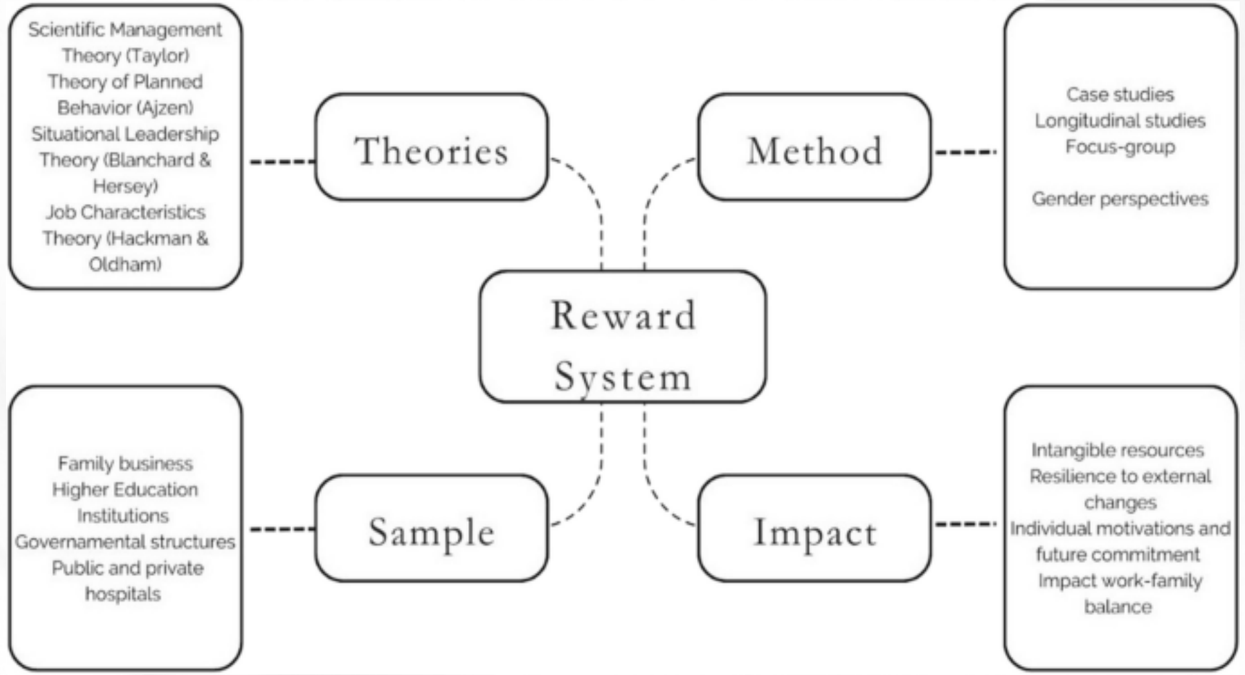


Figure 12: Reward system

(Source: Figueiredo et al. 2025)

ROOT-CAUSE ANALYSIS: DRIVERS OF THESE CHALLENGES

Organisational structure and Culture

- The global-local matrixed organisation of Unilever creates tension between centralised AI-generated content and local brand identity (Itdhiamornkulchai and Sthapitanonda, 2024). This poses a risk to the brand-inconsistency challenge within the organisation.
- The mobility model of FLEX Experiences is flat, project-based, and does not blend easily with the traditional hierarchical reporting structure, thus generating structural friction.



Figure 13: Organisational Culture and marketing strategy of Unilever

(Source: Unilever, 2025)

ROOT-CAUSE ANALYSIS: DRIVERS OF THESE CHALLENGES

Technology

- Existing algorithms used by HireVue and Pymetrics may be trained on a historical sample of hiring data that contains bias against non-white and deaf candidates.
- Proprietary and opaque scoring systems restrict candidates' ability to understand and challenge automated hiring decisions, leading to data-privacy concerns (Hosain et al., 2025)..

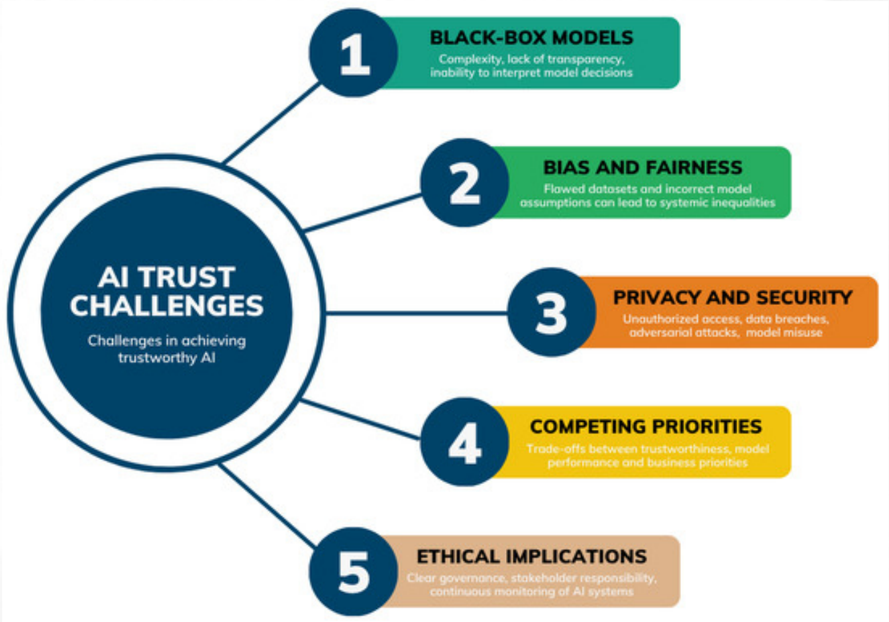


Figure 14: Risk associated with AI implementation

(Source: Self-developed)

ROOT-CAUSE ANALYSIS: DRIVERS OF THESE CHALLENGES

External pressures

- Hiring algorithms are classified as 'high-risk' under the EU AI Act, exposing Unilever's UK activities to regulatory non-compliance.
- Low levels of UK workforce AI confidence restrict the rate of safe assimilation of AI without resistance (GOV.UK., 2026).

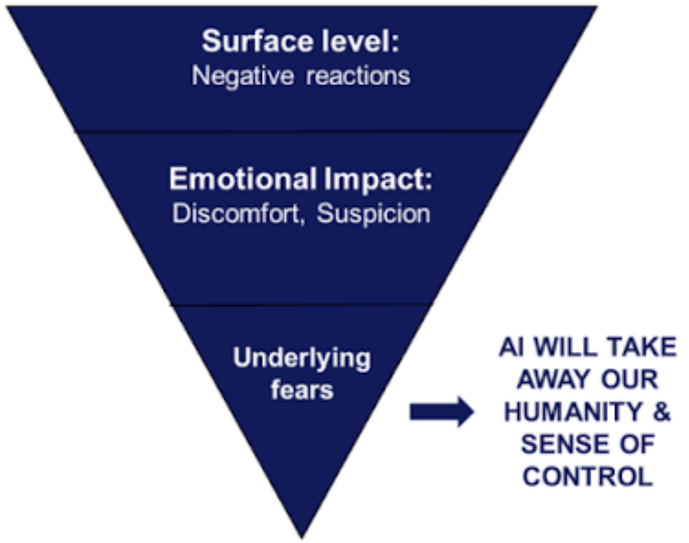


Figure 15: AI Skills for Life and Work

(Source: Gov, UK, 2026)

EVIDENCE-BASED HRM RECOMMENDATIONS & BEST PRACTICES

Rebuilding Trust through an AI Transition Charter using Psychological Contract Theory

- Psychological Contract Theory in AI automation refers to the unwritten, subjective expectations and mutual obligations employees believe they have with their employer introducing AI (Shekhar and Saurombe, 2026).
- The company need to create a special feedback program for employees impacted by the AI automation made by HireVue.



Figure 16: Psychological Contract Theory

(Source: Self-developed)

EVIDENCE-BASED HRM RECOMMENDATIONS & BEST PRACTICES

Scaling AI Literacy through Autonomy-Supportive Design Self-Determination Theory (SDT)

- SDT supports that improvement in AI literacy through autonomy-supportive design is associated with building learning environments that empower users (Li et al. 2025).
- Unilever need to create cross-functional AI Champion peer-mentoring circles to normalise learning and reduce isolation during change

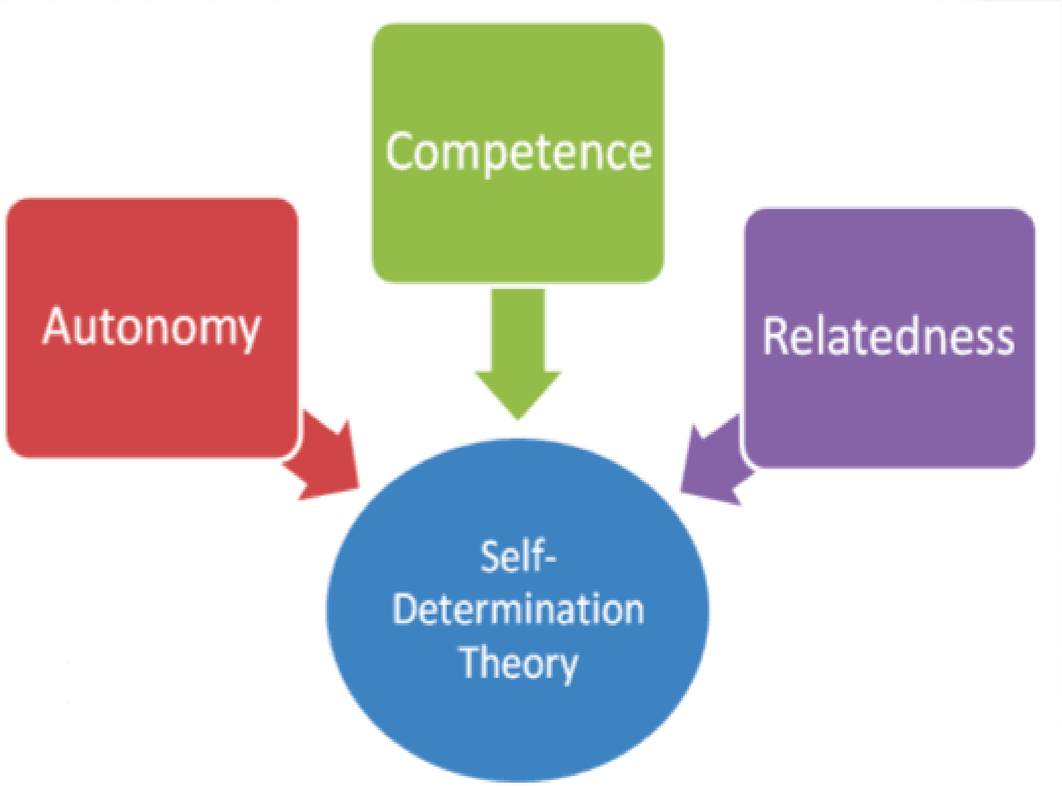


Figure 17: Self-Determination Theory (SDT)

(Source: Self-developed)

Future of Work: AI, Automation & Tech Implications in HR

- The number of AI-related jobs could increase from 158,000 in 2024 to 3.9 million in 2035, accounting for approximately 12% of the workforce (GOV.UK, 2026).
- This growth is driven by job content change, rather than new job types, suggesting ongoing reskilling needs for HR roles
- AI in manufacturing at Unilever is predicted to take over repetitive adjustments, leaving human workers with more time and focus on exception handling (Unilever, 2026).
- AI employment law is shifting, and recruitment is likely to be more and more automated end-to-end, which would pose greater regulatory scrutiny

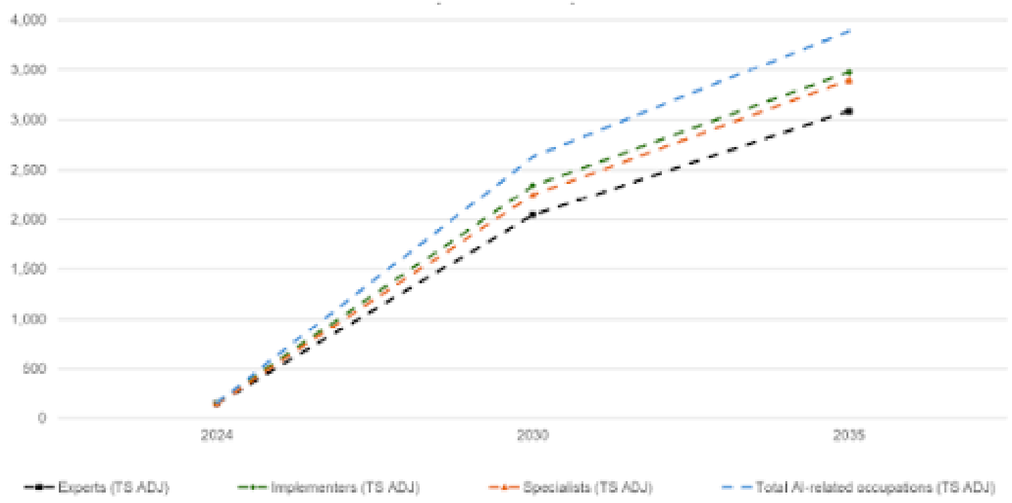


Figure 18: Labour Market and AI skill Projection

(Source: Gov, UK, 2026)

FUTURE OF WORK: AI, AUTOMATION & TECH IMPLICATIONS IN HR

- AI Content Ecosystems, such as Brand DNAi, are becoming the backbone of Marketing Functions, which requires greater governance to maintain brand authenticity.
- Internal talent marketplaces like FLEX Experiences need to be used for ongoing re-deployment, instead of only in times of crisis.
- HRM of Unilever require long-lasting governance arrangements, including the proposed AI–Psychological Contract Fit Model, to maintain trust among employees.



Figure 19: HRM in Unilever

(Source: Self-developed)

Conclusion and overall HRM strategy

- Unilever AI automation delivers real-time achievements in R&D, marketing, manufacturing and recruitment.
- Leadership, structural and technological root causes are driven by persistent bias, morale and brand consistency issues.
- Effective HRM strategy needs to be incorporated within ongoing investment in AI with psychological-contract-sensitive governance and redeployment-first workforce policies.
- Self-determination theory helps in designing automation in the next 5–10 years



Figure 20: Implementation of AI in R&D in Unilever Factory

(Source: Unilever, 2025)

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