



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

UNIVERSITY OF WALES TRINITY SAINT DAVID

FACULTY OF BUSINESS

SEMESTER: JUNE 2024

MODULE NAME: LEADING AND DEVELOPING PEOPLE

MODULE CODE: IUBA6003

ASSIGNMENT TITLE: THE COMPLEXITY OF MODERN LEADERSHIP

LECTURER: EMMA ROBERTS

Name	HANNAH BINTI IRWAN
Student ID	2132029

Table of Contents

1.0 INTRODUCTION	3
2.0 LEADERSHIP STYLES IN UNILEVER.....	3
2.1 Transactional vs. Transformational Leadership	3
2.2 Situational Leadership	4
3.0 TRAIT THEORY AND UNILEVER’S LEADERSHIP	4
3.1 Trait Theory in Context.....	4
3.2 Critique of Trait Theory	5
3.3 Examples of Pivotal Traits	6
4.0 NEW WAYS OF CONCEPTUALIZING LEADERSHIP AT UNILEVER.....	6
4.1 Distributed Leadership.....	6
4.2 Inclusive Leadership	7
4.3 Agile Leadership	7
5.0 ETHICAL LEADERSHIP AND CORPORATE SOCIAL RESPONSIBILITY	7
5.1 Analysis.....	7
5.2 Example	8
5.3 Critique	8
6.0 CRITICAL EVALUATION OF LEADERSHIP EFFECTIVENESS AT UNILEVER.....	9
6.1 Strengths and Weaknesses.....	9
6.2 Comparison with Other Contemporary Organizations.....	10
7.0 C0NCLUSION.....	11
8.0 REFERENCES	12

1.0 INTRODUCTION

In today's changing business world having leadership is crucial, for the success and longevity of organizations (Avolio & Yammarino, 2013). Leadership plays a role in overcoming obstacles encouraging innovation and cultivating a work environment that can adapt to worldwide shifts (Yukl, 2017). As major companies like Unilever, a player in the consumer goods industry grapple with challenges stemming from globalization and technological progress strong leadership becomes indispensable for staying in the competition (Jones, 2019). Unilever's dedication to sustainability and social responsibility underscores the influence of leadership in shaping principles and reaching long-term objectives. This assignment delves into Unilever's leadership tactics specifically exploring how different leadership styles and Trait theories are applied while being aligned with human resources strategies to nurture a culture of performance. By looking into these leadership methods valuable insights are offered into their role in contributing to Unilever's achievements, within a global marketplace.

2.0 LEADERSHIP STYLES IN UNILEVER

2.1 Transactional vs. Transformational Leadership

Unilever way of leading has played a role, in its achievements in sustainability, innovation, and inclusivity. The company has set a standard in social responsibility and global business practices by using fair and distributed methods (Eccles et al, 2014). These leadership approaches have reinforced Unilever's place as a promoter of business conduct and sustainable practices. The future leadership at Unilever will be shaped by emerging trends like transformation, sustainability, and adaptability in a shifting market. Leaders must then be more adaptable and forward-thinking, embracing innovations and encouraging an innovative environment to meet these obstacles. (Avolio, 2009).

Unilever's leadership approaches must change to fit both possibilities and difficulties with an eye towards flexibility and using previous results. By emphasizing leadership that's adaptable and capitalizes on progress Unilever can uphold its position as an industry leader in FMCG while contributing significantly to sustainability goals (Kotter, 2014). Unilever operates within the moving consumer goods (FMCG) sector on a scale and has employed transactional as well as transformational leadership approaches to drive its business objectives forward (Judge et al., 2004).

Transactional leadership at Unilever centers around efficiency maintenance, target achievement, and ensuring adherence, to established guidelines. This particular approach is crucial, for maintaining the consistency and reliability of Unilever's array of products spanning across than 400 brands worldwide (Bass & Riggio 2006). Under the guidance of Paul Polman transformational leadership reshaped Unilever's business tactics concerning sustainability and corporate social responsibility. Polman aimed to minimize its impact enhance the welfare of over a billion individuals and uplift livelihoods within its supply chain (Jones, 2019).

Conversely, transformational leadership within Unilever encouraged innovation and looking strategies that emphasized sustainability and challenged term financial measures. This approach resonated well with employees, stakeholders, and consumers alike positioning Unilever as a pioneer in sustainability practices and ethical business conduct (Kanter, 2015). Nevertheless, it also entailed overcoming challenges such, as meeting shareholder expectations and aligning sustainability objectives with performance criteria (Kotter, 2014).

2.2 Situational Leadership

Globally, Unilever's performance depends on its leadership style. This is significant considering its presence in many cultural contexts, market dynamics, and legal surroundings (Hersey et al, 2013). More directive leadership is used in emerging markets to maintain standards and negotiate changes in the market. On established markets like Western Europe and North America, a participative or delegative approach is used instead. Empowering local managers to drive their plans and develop depending on consumer preferences and market changes, Unilever helps them to Unilever's capacity to remain competitive and adaptable across markets is partly attributed to this flexible leadership approach. Under such circumstances, as COVID-19, Unilever showed adaptability by striking a mix between long-term strategic vision and temporary crisis management. Unilever's leadership is effective in combining strategies to maintain excellence, encourage innovation, and adapt to the always-changing global market.

3.0 TRAIT THEORY AND UNILEVER'S LEADERSHIP

3.1 Trait Theory in Context

According to one of the theories, which is also known as trait theory, is that some people have traits that fit them for positions of leadership. Usually, these features consist of intelligence, confidence, integrity, and outstanding interpersonal abilities (Zaccaro, 2007). Unilever trait

theory has contributed to the choice and development process of leaders chosen to find and support those guiding the strategic goals of the business (Porter & Kramer 2019).

The leadership development initiative of Unilever is the attempt to find people who share the values and long-term objectives of the business. For example, the Unilever Future Leaders Program (UFLP) emphasizes spotting and supporting leaders who exhibit resilience, foresight, and ethical values for negotiating the global corporate scene of today (Unilever, 2023). Resilience is particularly vital, for Unilever leaders as it enables them to overcome challenges and lead towards sustainability and innovation (Eccles, Ioannou & Serafeim 2014).

Paul Polman, the CEO of Unilever serves as an example of how Trait theory influences leadership selection, within the company (Jones, 2019). Polman's leadership was characterized by a compass and a forward-thinking approach, to sustainability both of which resonate with Trait theory's emphasis on the significance of innate qualities in effective leadership (Porter & Kramer, 2019). During Polman's tenure, Unilever's dedication to sustainability went beyond being a move; it reflected the ethical integrity and far-sighted vision he instilled in the organization. This alignment of leadership attributes with values played a role, in propelling Unilever to the forefront of corporate social responsibility (Porter & Kramer 2019).

3.2 Critique of Trait Theory

Trait theory, while influential in leadership development at Unilever, has limitations in today's business landscape (Zaccaro, 2007). It assumes that certain traits are universally effective, which may not be applicable in today's dynamic and diverse business environment. Qualities like resilience and ethical integrity are essential but need to be combined with the ability to adapt quickly to changing market conditions and cultural diversity. Unilever has acknowledged the importance of adaptability and flexibility beyond innate traits, incorporating training that emphasizes awareness and cross-cultural competence (Nishii & Rich, 2014). This shift acknowledges that successful leadership requires learned skills and flexible behaviors. Unilever's leadership approach emphasizes the importance of team dynamics and organizational culture in determining leadership effectiveness. This aligns with distributed leadership and collaborative decision-making, which are crucial for innovation and strategic initiatives in global corporations like Unilever (Graen & Uhl-Bien, 2017).

3.3 Examples of Pivotal Traits

Although Trait theory has its limitations it still offers insights, into the qualities that have played a role in the success of Unilever leaders (Zaccaro, 2007). Resilience as previously mentioned stands out as a trait in leaders like Paul Polman enabling them to remain dedicated to long-term objectives despite facing short-term obstacles (Eccles, Ioannou & Serafeim 2014). Vision is another trait, among leaders who have championed Unilever's sustainability efforts. This thinking leadership has not only established Unilever as a pioneer in sustainability but has also fostered a cultural shift within the organization by encouraging employees across all levels to think innovatively about how they can contribute to the company's long-range goals (Kanter, 2015).

Of all traits ethical integrity holds significance in Unilever's leadership ethos. Leaders at Unilever are held to standards and are expected to make decisions that benefit not only the company's financial performance but also society as a whole (Porter & Kramer 2019). This dedication to leadership has been instrumental in shaping Unilever's image as a forward-thinking corporation, especially at a time when consumers and stakeholders are increasingly demanding transparency and accountability, from businesses (Unilever, 2023).

In summary despite its drawbacks Trait theory still influences how leadership is chosen and developed at Unilever. By blending the principles of Trait theory with a responsive leadership style Unilever nurtures leaders who not only exhibit the essential traits but also demonstrate the capabilities needed to deal with the intricacies of today's business landscape (Porter & Kramer, 2019).

4.0 NEW WAYS OF CONCEPTUALIZING LEADERSHIP AT UNILEVER

4.1 Distributed Leadership

Distributed leadership at Unilever involves decentralizing leadership duties to empower employees across various levels to make decisions and drive innovation (Bolden, 2011). This approach, exemplified by the "Connected 4 Growth" program, enables Unilever to respond swiftly to market changes by promoting agility and collaboration across cross-functional teams (Unilever, 2020). The Unilever Sustainable Living Plan (USLP) further demonstrates how distributed leadership integrates sustainability into all operations, making it a collective effort throughout the company (Eccles, Ioannou & Serafeim, 2014). This leadership style fosters

innovation and efficiency, essential in the fast-paced consumer goods industry (Graen & Uhl-Bien, 2017).

4.2 Inclusive Leadership

Inclusive leadership is central to Unilever's diversity and inclusion efforts. This approach ensures that every employee feels valued and empowered to contribute, enhancing innovation and decision-making (Nishii & Rich, 2014). Unilever's commitment to gender balance, demonstrated by women comprising 50% of its global management team, highlights its dedication to fostering a diverse leadership pool (Unilever, 2023). The "#Unstereotype" campaign exemplifies Unilever's effort to promote inclusive leadership that challenges norms, benefiting both the workplace environment and the company's global audience (Unilever, 2023). This strategy strengthens Unilever's ability to innovate and meet the needs of a diverse customer base (Cox & Blake, 1991).

4.3 Agile Leadership

Agile leadership is crucial for Unilever in navigating unpredictable environments, as evidenced during the COVID-19 pandemic (Rigby et al, 2016). Unilever's ability to swiftly adapt its operations and meet changing consumer demands showcased its agility (Jones, 2019). The company's focus on rapid product development, using methods like prototyping and iterative development, allows Unilever to stay ahead of consumer trends and maintain its industry leadership (Avolio et al, 2009). Agile leadership also aligns with Unilever's sustainability goals, encouraging innovation and experimentation to tackle environmental and social challenges (Jones, 2019).

5.0 ETHICAL LEADERSHIP AND CORPORATE SOCIAL RESPONSIBILITY

5.1 Analysis

Ethical leadership plays a role, in how Unilever handles social responsibility (CSR) and engages with stakeholders worldwide (Porter & Kramer, 2019). It involves making decisions and leading based on values like fairness, transparency, and accountability. At Unilever ethical leadership is not about morals. Is also seen as a strategic approach that aligns with the company's sustainability and social impact goals (Unilever, 2020).

Under Paul Polman's leadership, Unilever became a frontrunner in integrating CSR into its core business strategy (Jones, 2019). Polman believed that businesses should have an impact on society while also creating value for shareholders (Porter & Kramer, 2019). This mindset was reflected in the Unilever Sustainable Living Plan (USLP) which aimed to grow the company while reducing its footprint promoting health and well-being and improving livelihoods throughout its supply chain (Eccles et al, 2014). Ethical leadership at Unilever has steered the company towards sustainability targets influencing not only internal operations but also setting benchmarks for corporate responsibility, in the industry (Unilever, 2023)

5.2 Example

Unilever's top executives have integrated considerations, into their decision-making processes in ways significantly influencing both business practices and global sustainability endeavours (Porter & Kramer, 2019). For instance, the company's pledge to source all its materials sustainably by 2020 stemmed from ethical leadership guiding strategic choices (Unilever, 2020). This commitment necessitated Unilever leaders to collaborate with suppliers, NGOs, and governments to uphold standards across the supply chain. By giving priority to factors in sourcing decisions Unilever not only lessened its environmental impact but also advocated for fair labor practices and enhanced the lives of small-scale farmers globally (Unilever, 2023).

Another instance is Unilever's strategy concerning packaging. The company has established goals to slash its virgin plastic usage by half by 2025 motivated by the duty to address the environmental repercussions of plastic waste (Unilever, 2023). This choice reflects the leadership at Unilever that values long-term environmental sustainability over immediate financial benefits (Jones, 2019). These endeavours showcase how ethical leadership, at Unilever translates into measures that benefit society and nature bolstering the company's standing as a corporate entity (Porter & Kramer, 2019).

5.3 Critique

Unilever's strong ethical leadership has brought about outcomes, but it also comes with challenges, in a business world focused on profits (Ghoshal, 2015). One major challenge is finding a balance between sticking to values and meeting the expectations of shareholders (Porter & Kramer, 2019). An example of this is Unilever's emphasis on sustainability, which can clash with short-term profit targets since sustainable practices often involve costs and may not show immediate financial gains (Jones, 2019). This conflict can put pressure on leaders to prioritize results, potentially jeopardizing standards (Rigby et al, 2016)

Additionally upholding leadership globally is complex due to the regulations and cultural norms in various markets (Hartmann, 2011). Unilever leaders must navigate these variations while ensuring that the company maintains its standards across all regions (Blanchard, 2018). This demands attention and flexibility along with a dedication to ethical principles at every level of the organization (Porter & Kramer, 2019).

In summary, although Unilever's commitment to leadership has boosted its social responsibility efforts and improved its worldwide reputation it also poses challenges that need careful handling (Ghoshal, 2015). Sustaining a focus on leadership will be essential for Unilever as it strives to juggle profitability demands, alongside its social and environmental obligations (Porter & Kramer, 2019).

6.0 CRITICAL EVALUATION OF LEADERSHIP EFFECTIVENESS AT UNILEVER

6.1 Strengths and Weaknesses

Unilever has excelled globally thanks to its leadership strategies with a focus, on sustainability, innovation, and inclusivity. A standout quality of Unilever's leaders is their dedication to transformative leadership aligning the company's actions with long-term sustainability goals (Jones, 2019). Led by Paul Polman Unilever set targets to lessen its impact and enhance social outcomes establishing itself as a frontrunner in corporate responsibility (Porter & Kramer, 2019). This forward-thinking approach has not boosted Unilever's reputation. Also attracted consumers who value ethical business practices (Kanter, 2015).

Furthermore, Unilever's leadership values distributed leadership leveraging the knowledge and perspectives of its workforce (Bolden, 2011). By empowering employees at all levels to own their work and contribute to decisions Unilever has nurtured an environment of innovation and adaptability (Graen & Uhl-Bien, 2017). This strategy proved successful in enabling the company to respond to market shifts and consumer needs through initiatives like "Connected 4 Growth " fostering collaboration, across functions while streamlining processes (Unilever, 2020).

Despite the strengths of Unilever's leadership approach some weaknesses need to be acknowledged. One significant challenge lies in balancing the company's sustainability goals, with the pressure to deliver results (Jones, 2019). While Unilever has been commended for its focus on long-term value creation it has faced criticism from shareholders who prioritize short-

term gains (Hartmann, 2011). This dilemma poses a test for leaders who must navigate between leadership and meeting objectives (Porter & Kramer, 2019).

Moreover, relying on distributed leadership styles may not always be effective in every situation, especially in regions or circumstances that call for a more directive approach (Yukl & Mahsud, 2010). For instance, in emerging markets with regulatory frameworks and infrastructure Unilever leaders may have to adopt a more hands-on transactional strategy to ensure compliance and operational efficiency (Ghoshal, 2015). This necessity, for adaptability emphasizes the drawbacks of a leadership model. Stresses the importance of tailoring leadership styles to specific environments (Hersey, Blanchard & Johnson, 2013).

6.2 Comparison with Other Contemporary Organizations

When we look at how Unilever leadership style compares to that of companies, in the moving consumer goods (FMCG) industry we can see some differences and similarities (Jones, 2019). For example, Procter & Gamble (P&G) another player in the FMCG sector has typically followed a centralized and hierarchical approach to leadership (Ghoshal, 2015). While P&G has also made progress in sustainability efforts its leadership focus has been on maintaining efficiency and cutting costs through centralized decision-making (Ghoshal, 2015). On the hand, Unilever's decentralized leadership model stresses agility. Empowering local teams enables the company to better adapt to regional market dynamics and consumer preferences (Avolio & Yammarino, 2013).

Similarly, if we compare Unilever with Nestlé both companies have integrated sustainability into their core business strategies (Jones, 2019). However, Nestlé's leadership has drawn criticism for being more reactive than proactive when it comes to addressing social issues, like water usage and plastic waste (Hartmann, 2011). In contrast under Polman's guidance, Unilever took a stance on sustainability by setting goals and actively collaborating with stakeholders to bring about industry-wide change (Eccles, Ioannou & Serafeim 2014). The contrast underscores Unilever's proficiency in employing forward-thinking leadership not just to meet. Also to anticipate and take the lead, on emerging global challenges (Kotter, 2014).

Nevertheless, both Unilever and its competitors encounter hurdles in upholding leadership efficacy throughout their diverse international operations (Eccles, Ioannou & Serafeim, 2014). The intricacies of operating in markets with differing economic and regulatory landscapes necessitate leaders to constantly adjust and enhance their approaches (Yukl & Mahsud, 2010). Unilever's adeptness at incorporating distributed, transformational, and

situational leadership styles has served as a distinguishing factor enabling the company to navigate these obstacles more effectively than some of its rivals (Avolio et al, 2009).

In summary, while Unilever's leadership tactics have generally proven successful in propelling the company's achievements, they also pose challenges that demand handling (Jones, 2019). The advantages of distributed leadership must be harmonized with the requirement for adaptability and flexibility across scenarios (Hersey, Blanchard & Johnson, 2013). By refining its leadership methods Unilever can uphold its edge in the FMCG sector and uphold benchmarks, for corporate responsibility and sustainability (Porter & Kramer, 2019).

7.0 CONCLUSION

Unilever's leadership has been instrumental in its success, promoting sustainability, innovation, and inclusivity (Jones, 2019). Its ethical and distributed leadership models have solidified its position as a trailblazer in corporate social responsibility and global business practices (Porter & Kramer, 2019). The company's future leadership will be influenced by transformation, sustainability, and agility in a changing global marketplace. Unilever's leaders must remain flexible, embrace technology, and foster innovation to maintain its position as a leader in the FMCG industry and contribute to global sustainability objectives (Kotter, 2014).

8.0 REFERENCES

- Armstrong, M., & Taylor, S. (2014). *Armstrong's Handbook of Human Resource Management Practice* (13th ed.). Kogan Page.
- Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current Theories, Research, and Future Directions. *Annual Review of Psychology*, 60, 421-449. DOI: 10.1146/annurev.psych.60.110707.163621
- Avolio, B. J., & Yammarino, F. J. (2013). *Transformational and Charismatic Leadership: The Road Ahead* (2nd ed.). Emerald Group Publishing. DOI: 10.1108/S1479 357120130000005021
- Bass, B. M., & Riggio, R. E. (2006). *Transformational Leadership* (2nd ed.). Psychology Press. DOI: 10.4324/9781410617095
- Blanchard, K. H. (2018). *Servant Leadership in Action: How You Can Achieve Great Relationships and Results*. Berrett-Koehler Publishers.
- Bolden, R. (2011). Distributed Leadership in Organizations: A Review of Theory and Research. *International Journal of Management Reviews*, 13(3), 251-269.
- Bolden, R. (2016). *Leadership, Management, and Command: Rethinking D-Day*. Oxford University Press. DOI: 10.1093/acprof/9780199655864.001.0001
- Cox, T., & Blake, S. (1991). Managing Cultural Diversity: Implications for Organizational Competitiveness. *The Executive*, 5(3), 45-56.
- Day, D. V., & Antonakis, J. (Eds.). (2012). *The Nature of Leadership* (2nd ed.). SAGE Publications. DOI: 10.4135/9781452226382
- Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The Impact of Corporate Sustainability on Organizational Processes and Performance. *Management Science*, 60(11), 2835-2857. DOI: 10.1287/mnsc.2014.1984
- Eccles, R. G., & Serafeim, G. (2013). The Performance Frontier: Innovating for a Sustainable

Strategy. *Harvard Business Review*, 91(5), 50-60. Retrieved from

<https://hbr.org/2013/05/the-performance-frontier-innovating-for-a-sustainable-strategy>

Ghoshal, S. (2015). Bad Management Theories Are Destroying Good Management Practices.

Academy of Management Learning & Education, 4(1), 75-91. DOI:

10.5465/amle.2005.16132558

Graen, G. B., & Uhl-Bien, M. (2017). Relationship-based approach to leadership: Development

of leader-member exchange (LMX) theory of leadership over 25 years: Applying a

multi-level multi-domain perspective. *The Leadership Quarterly*, 6(2), 219-247. DOI:

10.1016/1048-9843(95)90036-5

Hartmann, M. (2011). Corporate Social Responsibility in the Food Sector. *European Review of*

Agricultural Economics, 38(3), 297-324. DOI: 10.1093/erae/jbr031

Hersey, P., Blanchard, K. H., & Johnson, D. E. (2013). *Management of Organizational*

Behavior: Leading Human Resources (10th ed.). Prentice Hall.

Jones, G. (2019). *Profits and Sustainability: A History of Green Entrepreneurship*. Oxford

University Press. DOI: 10.1093/oso/9780198706970.001.0001

Judge, T. A., & Piccolo, R. F. (2004). Transformational and Transactional Leadership: A Meta

Analytic Test of Their Relative Validity. *Journal of Applied Psychology*, 89(5), 755

768. DOI: 10.1037/0021-9010.89.5.755

Kanter, R. M. (2015). *Move: Putting America's Infrastructure Back in the Lead*. Harvard

Business Review Press.

Kotter, J. P. (2014). *Accelerate: Building Strategic Agility for a Faster-Moving World*. Harvard

Business Review Press. Retrieved from [https://hbr.org/product/accelerate-building](https://hbr.org/product/accelerate-building-strategic-agility-for-a-faster-moving-world/11528-HBK-ENG)

[strategic-agility-for-a-faster-moving-world/11528-HBK-ENG](https://hbr.org/product/accelerate-building-strategic-agility-for-a-faster-moving-world/11528-HBK-ENG)

Northouse, P. G. (2018). *Leadership: Theory and Practice* (8th ed.). Sage Publications. DOI:

10.4135/9781506362899

- Nishii, L. H., & Rich, R. E. (2014). Creating Inclusive Climates in Diverse Organizations. In B. M. Ferdman & B. R. Deane (Eds.), *Diversity at Work: The Practice of Inclusion* (pp. 330-363). Jossey-Bass.
- Porter, M. E., & Kramer, M. R. (2019). Creating Shared Value: How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth. *Harvard Business Review*, 89(1-2), 62-77. Retrieved from <https://hbr.org/2011/01/the-big-idea-creating-shared-value>
- Rigby, D. K., Sutherland, J., & Takeuchi, H. (2016). Embracing Agile. *Harvard Business Review*, 94(5), 40-48. Retrieved from <https://hbr.org/2016/05/embracing-agile>
- Sandberg, S., & Grant, A. (2015). Speaking While Female. *The New York Times*. Retrieved from <https://www.nytimes.com/2015/01/11/opinion/sunday/speaking-while-female.html>
- Unilever. (2020). *Connected 4 Growth: Annual Report 2020*. Retrieved from <https://www.unilever.com>
- Unilever. (2023). *About Us*. Retrieved from <https://www.unilever.com/about/>
- Unilever. (2023). *Unilever Future Leaders Program (UFLP)*. Retrieved from <https://www.unilever.com/careers/early-careers/unilever-future-leaders-programme/>
- Yukl, G., & Mahsud, R. (2010). Why Flexible and Adaptive Leadership is Essential. *Consulting Psychology Journal: Practice and Research*, 62(2), 81-93. DOI: 10.1037/a0019835
- Zaccaro, S. J. (2007). Trait-Based Perspectives of Leadership. *American Psychologist*, 62(1), 6-16. DOI: 10.1037/0003-066X.62.1.6