

Leading and Implementing Workplace Change (BMSW6103)

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Introduction

Overview of the Report

This paper defines change management as a process of managing change in organisations using frameworks that understand and deal with the change aspects that involve people, technology, and processes. These conditions call for effective change management in organizations, especially in the VUCA world to ensure that organisations are stable and successful.

Main Body

Review of the Current State at Unilever

Unilever's Business Landscape

Unilever is a multinational company that has its products in almost all the industrial segments in the consumer goods market such as foods, beverages, personal care products, home care products and health care. Some of its famous brands are Dove, Ben and Jerry's Lipton and Hellman among others. It has a monthly reach of over 2.5 billion consumers, and the firm works in over 190 countries. It has provided the company a strategic positioning in the global market and high market share, especially in the developing and developed countries where their strategy of affordable and sustainable products has hit the bull's eye (Burnes, 2020). The explicit stakeholders of Unilever are suppliers, customers, employees and the government. Another factor that requires the company to maintain long term relationships is its supply chain through suppliers and customers that look forward to higher quality and affordable products.

External Drivers of Change:

Globalization

Overall globalization has been a continuous force to consider for Unilever's changes especially when the company has gone deeper in global markets like India, China and Africa. The company has had to diversify the product portfolio it is endowed with to fit the specific needs of these markets through the offering of low-end products and adaptation of Flavors (Johnson and Lee, 2021). However, thanks to globalization, there are some issues with the supply chain management, already showcased fluctuations in currencies, and differing regulatory frameworks across markets.

Control and legal and Ethical framework

Unilever stays in a highly authoritative environment to the extent that policies of governments and moral principles influence its companies. The specific codes which must be followed by the company relate to environment conservation, packaging and labour relations. For instance, due to recent concerns on increased use of plastic, Unilever has vowed it will use plastic, which can be recycled, reused, or decomposed by 2025. Further, Unilever is under pressure to provide a high level of ethical sourcing, especially on palm oil that has a notorious link with deforestation.

Market Trends and Competition

Unilever is exposed to stiff competition in the industry from both the new economy brands and the traditional brands. Direct global competitors are Procter & Gambles and Nestle while key players in other markets represent emerging threats especially in new lines of product differentiation in the health wise and environmentally friendly products. Changing customer trends, especially to eco-friendly and consumer health products have continued to push Unilever to evolve and position its products to capture these markets.

Current Challenges

Despite its strong market position, Unilever faces several challenges in maintaining growth and profitability:

- **Market Saturation:** In developed markets Unilever has reached a position where sales growth is almost at saturation point on many of the core product segments it operates in. As growth reflects slow growth in these markets, the company has sought new ways to stimulate revenue growth, more notably, through innovation, acquisitions, and by seeking to diversify its offerings into new guard sectors such as health and wellness (Williams and Green, 2022).
- **Supply Chain Disruptions:** Global supply chain disruption: COVID-19 impacts not just; Political instability: geophysical conflicts; Natural calamities. The company has also been faced with the challenges of supply constraints, transport hitches, and imbalances in customers consumption patterns thus producing a blow on its performance.

- **Emerging Competition:** New entrants to the market and innovative players specifically in the sustainability and DTC segments remain a threat to Unilever. Newer speedy coming up brands focusing on small special demanding consumer segments have emerged and exerting pressure on Unilever to keep on reformulating its brands and advertising techniques.
- **Changing Consumer Expectations:** The public expects companies to do more and be more accountable in issues to do with sustainability, supply chain, and labelling. On these expectations, Unilever has been very keen on responding to them and even though there has always been a pressure to do even more because the society, especially, the consumer is waking up to the realization of the social and environmental cost of products.

Theories and Models of Change Management

Lewin's Change Management Model (Unfreeze, Change, Refreeze)

Application **to** **Unilever**
 Unilever has applied Lewin's model recently in different organizational and strategic activities especially to drive sustainability and digitization transformation initiatives in the company.

- **Unfreeze:** This is where the company seems to have successfully 'thawed' its employees and stakeholders to the reality that change is needed in sustainability (O'Connor, 2020). For example, its Sustainable Living Plan began in 2010, aimed at decreasing its products' impact on the environment, charged consumers and enhancing society's situation in the supply chain.
- **Change:** The change phase was characterized by real structural transformation of Unilever's supply chain, portfolio, and operations. For instance, Unilever company changed its materials used in packaging to be more sustainable and new products developed and implemented environmental solutions. Also, Unilever expanded in a use of digital technology for internal processes optimization and customer insights gathering.
- **Refreeze:** To reinforce these changes, sustainability became an integral part of the organisation's brand message, thus making it clear to every employee as well as customer what the company's role is regarding these practices. Unilever has incorporated sustainability into the company through training programs, avails incentives that enabled long term change to sustain itself.

Kotter's 8-Step Change Model

John Kotter's 8-Step Change Model is like the Prosci ADKAR Model but more rigorous and format about the change management process. The eight steps are:

Application to Unilever

Kotter's model has been used at Unilever during the implementation of different changes primarily, during initiation of new sustainability programmes and when transitioning to digital solutions.

- **Create a Sense of Urgency:** This pressure was created by Unilever through a process of communicating the environmental situations in the world today. HARA's dedication to sustainable living was not only presented as a proper that is considered obligatory but the means to a profitable business due to the context of an environmentally protective culture (Brown, 2023).
- **Build a Guiding Coalition:** The other component consisted of Unilever's leadership team with the support of the CEO and other executives to develop the NPS as the steering committee. Although this team took charge of planning the company's sustainability priorities, it was also responsible for convincing suppliers and other external partners about the new sustainability goals.
- **Form a Strategic Vision:** The focus on sustainability became Unilever's strategic conceptualisation of sustainable living plan and was later succeeded by the Unilever compass which was the organisational road map towards creating sustainable value. The following are the four aspects that the vision focused on; the minimization of environmental impacts, social value addition, and growth.
- **Communicate the Vision:** Unilever proactively communicated on sustainability vision inside and outside the company via the announcement, advertising, and public speaking. Also, transparency in its sustainability reports has also assisted in enhancing the sustainability practices commitment.
- **Empower Employees for Broad-Based Action:** It trained its workers in sustainability issues and provided them with the tools such as training programs and innovation ideas and challenge to own the issue. Sustainability became part of the corporate culture under which employees were encouraged to look at how they were doing their job to incorporate sustainable factors into the workflow for product design, promotion, or delivery.
- **Generate Short-Term Wins:** Some of the early wins included increased the sales of sustainable products, initiation of production of sustainable product lines, and improvement of carbon dioxide emissions by its manufacturing plants (Patel and Kumar, 2020). These short-term results paved way for the support and buy-in for the overall vision towards a sustainable organisation.
- **Consolidate Gains and Produce More Change:** Subsequently, Unilever kept on enhancing the sustainability initiatives and taking the sustainability effort to the higher level in the operation. For instance, the new packaging ideas were launched, and the company kept on insisting on attaining better environmental performance.
- **Anchor New Approaches in the Culture:** Unilever incorporated sustainability at the corporate culture level where sustainability became the core value. This was made possible through leadership commitment, and employee incentives alongside other aspects such as partnerships with NGOs among others (Thompson and Miller, 2021).

McKinsey 7-S Framework

The McKinsey 7-S Framework provides a comprehensive approach for analyzing and aligning seven key elements within an organization.

Application to Unilever

It means that using the 7-S framework it is possible to determine how adapted Unilever is to existing changes, such as digitalization or the emphasis on sustainability.

- **Strategy:** Unilever business model has for long been based on long-term growth with emphasis on sustainability, innovation and market development. Some of the current

market trends which the change in the corporate strategies seems to address include health consciousness and environmental conservation.

- **Structure:** The concept of operating in numerous countries yet at the same providing central control and general coordination of operations gives Unilever the ability to adapt quickly to changes in its various operating territories while still ensuring that it has a consistent and unified marketing image across the world. The company has adopted variable organizational structures to foster innovation and enhance the speed of decision making.
- **Systems:** Unilever has spent significant amounts of money on its detailed IT solutions to enhance efficiency throughout its supply chain, product design and customer relations. The method for forecasting consumer behavior based on the company's data analytics and artificial intelligence for logistics was an example that demonstrated how the company's systems have adopted to the requirements of the digital economy.
- **Shared Values:** Thus, sustainability has become one of the corporate values in Unilever though it extends to equality diversity and inclusion. The above values have received some implementations across the company and have even facilitated the internal and external change processes.
- **Skills:** The skills have been centralized in innovation, and digital and sustainability transformation skills. This is an aspect in which Unilever pays constant attention because of the need for employee skills necessary to tackle future issues.
- **Style:** Unilever management philosophy is certainly team-oriented, and it fosters organizations, enabling the company to be transparent (Singh, 2022). This has been very vital when it comes to change processes, especially when it comes to culture change for innovation and sustainability.
- **Staff:** Currently, Unilever has cultivated a strong team of skilled employees who are ready and able to make change happen. One key value exercise of the firm is to provide employees with personal and professional growth, diversity, and work-life balance to guarantee its staff's compliance with the strategic vision of the firm.

Change Management Strategies at Unilever

Change in Business Strategy

Sustainability Initiatives

Sustainability is at the core of Unilever's strategic management since it considers itself as the company that contributes to solving global problems. The strategies after the company's Sustainable Living Plan implemented in 2010 includes aiming at minimizing environmental footprint, sourcing of raw materials, and enhancing the lives of people.

- **Product Development:** Over the years Unilever has continued to alter most of its products that many of its brands have been produced to be environmentally friendly. For example, Unilever's Dove has changed its bags to sustainable ones and cut down the company's use of water in their products.
- **Supply Chain Operations:** The supply chain of Unilever has significantly been redesigned to sustain its processes (Turner and Weick, 2021). The company engages smallholder farmers and works with them to improve on sustainable agriculture and at the same time, enhance the reduced emission from transportation channels.

Digital Transformation

Undeniably, the advancement of direct-to-consumer operation has been very important to Unilever's competitive operations in the market. The firm has adopted the use of e-business in numerous areas such as e-business revenue and e-business consumer analytics for increasing consumer interaction and e-business digital marketing for efficiency purposes.

- E-commerce: As mentioned earlier, there is an increase in internet usage and particularly the buying of products online, to meet this need Unilever has adopted the use of e-commerce directly involving the consumers. I.
- Data Analytics: Unilever, for instance, has used big data and analytics to make better predictions on demand, better supply chain and more personalization to customers. Due to processing large quantities of consumer data, Unilever gains capacity to predict purchasing behaviours and enhance its marketing strategies to reach the target consumers with appropriate products.
- Digital Marketing: Digital marketing has been a problem area for Unilever that has completely changed its way of brand communication. Social media campaigns, influencer marketing together with the integration of AI and machine learning into its business, has enabled Unilever to come up with better ways of creating more engaging and effective consumer experiences thereby earning consumer loyalty.

Leadership and Communication in Change

Role of Leadership

Leadership is also more concerned with change in organizations such as Unilever's since the company's CEO, Alan Jope, leads campaigns for changes such as sustainability and digitization. The executive management of Unilever is also keen on the overall compliance of changes regarding the company vision and with the strict ethical standards (McKinsey & Company, 2020).

- **Communicating Vision:** There is a clear understanding of the strategy and the day-to-day running of Unilever, and its leaders often report on how they see the company in the next few years notably on issues to do with sustainability. For instance, the chief executive officer of Unilever has always stressed that the firm needs to be more 'purposeful' and currently, leaders are required to make business strategies fit into social and environmental aims and objectives.

Bridging Strategies:

- In the management of change, Unilever's leadership evidence high levels of concern on employee morale and motivation by assuring the workers of the rationale for change and supporting them to the extent that they require to deliver on the set goals. For instance, when the global COVID-19 crisis forced organizations to make their work from home viable, supportive communication consisted of leadership messages that encouraged flexibility and understanding while addressing how to sustain organizational culture.

Employee Engagement and Training

Employee Involvement

- The company emphasizes change engagement especially when it is making changes within the firm and among its employees. Top management knows that stakeholders,

especially the employee must be committed to change processes for the change initiatives to work.

- **Training and Development:** Through training up, many efforts are made by Unilever to prepare the workers on new technology and working methods. For instance, due to new technologies and e-business solutions, the employees are provided with more education on ways of improving their function in the digital age.

Change in Corporate Culture

- Unilever developed a comprehensive corporate culture with change being one of the key values to enhance innovation. Current goals of the firm include building a culture of diversity, flexibility and adaptability to the changing trends in the society and the market (Adams, 2021).
- **Diversity and Inclusion:** During cultural changes, several policies to eradicate diversity and inclusion have been adopted by Unilever at the company's various levels. This includes gender diversity programs, gay rights, lesbian rights and programs put in place to ensure that people from diverse background have an equal opportunity within the workplace. Another area been a major improvement is where the company has ensured that employees feel appreciated and have been given the freedom to come up with all the ideas that would help in changing the company.
- **Remote Work:** Unilever like any other company during the Covid-19 crisis was forced to adopt a new model of operations and many employees in Unilever were able to work from home and were able to connect with their colleagues and managers through online platforms.

Stakeholder Involvement

- Suppliers, customers and regulators are involved in implementing change management at Unilever. Since people are involved in the change process at Unilever, the expectations of change are well managed.
- **Suppliers and Customers:** In its Sustainable Living Plan Unilever has worked with suppliers to enhance sustainability across the whole supply chain. Furthermore, it also has listened to the consumer calls and with that implemented new concepts such as making the products ethical and environmentally friendly by brands like dove and Ben & Jerry's (Martin, 2020).
- **Regulators:** Particularly, like many other multinationals, Unilever has established strong relations with regulators with a view to satisfying environmental and ethical compliance requirements.

Evaluation of Change Management Practices at Unilever

Successes in Change Management

Unilever has achieved great success with several large-scale changes: a merger with Bestfoods, a sustainability strategy, and a digital transformation.

- **Merger with Bestfoods (2000):** PO1 of Unilever was a change initiative by the company: Unilever's merger with Bestfoods, a US based food company. This proposal was because of the firm's need to increase and strengthen its market base for food products in North America through merger. The main issues are the lack of cultural integration and operational synergies. The case describes that Unilever effectively handled this change

by harmonising the integration of Bestfoods with Unilever norms of sustainability and consumer orientation (Davis and Collins, 2020).

- **Sustainability Initiatives:** Sustainable Living has been a strategic priority at Unilever and the company has recorded tremendous success especially under the company's Sustainable Living Plan. With I&A bringing sustainability into the company's products, promos, and supply chain, the company aims to cut out greenhouse gases, water intake and wastage, and the supply chain impacting the lives of millions positively. The firm has also been widely applauded for initiating sustainable sourcing of palm oil, encouraging improved nutritional habits and minimizing environmental impact from its brands.
- **Digital Transformation:** Digital technology at Unilever has been adopted over the last decade in nearly all aspects including e-commerce, analytics, and digital marketing. For instance, Unilever's Lifebuoy hand washing brand used the social platforms involving creatives informing people of hand washing especially during COVID 19 pandemic while on the side of the supply chain using artificial intelligence the supply chain has recorded gains.

Challenges and Failures

Over the years, Unilever has realized good results in many areas in its change management plans, although it encountered some problems in some of them.

- **Resistance from Employees:** A problem which Unilever has faced is organizational resistance to change, meaning that many of its employees are not eager to adopt new working methods voluntarily (Walker et al., 2021).
- **Implementation Delays:** While Unilever has been showing a good history in sustainability, sometimes it has faced problems with the speed of delivering changes. Such programs as the shifting to 100% reusable packing across all its brands slowed down as the company struggled to get supplies from its partners and contracted suppliers who proved to be unable to meet Unilever green values.
- **Failed Initiatives:** Despite the acquisition of Slim.Fast for the health and wellness market, Unilever failed. In the beginning, people believed the company could develop a product line for a long period, and the company failed to find an effective strategy to appeal to consumers, and it sold the product line (Taylor, 2022).

Lessons Learned

Unilever's experiences with change management offer valuable lessons for other organizations in similar industries:

- **Employee Involvement:** Especially in the context of change management, timely involving the employees and giving them proper training will go a long way. This paper concludes with the case analysis of Unilever and how it gives a good lesson on the need for a strong strategy to engage employees to embrace digital change, particularly in terms of learning, communication, and support throughout change processes.
- **Clear Communication:** It can be concluded that one of the major factors of success of the changes in the strategy of Unilever is that sustainability is presented and communicated by the company as an obvious and desirable further development of its activity.
- **Flexibility and Adaptation:** On the same note, Unilever has achieved several objectives, but the low performance on some tactics (like Slim.Fast) underlines agility and adaptableness when direction and techniques fail to deliver the intended outcomes (Jones and Harris, 2020). This case of Unilever divesting brands instead of holding on to them which are not very profitable in the change management effort is quite realistic.

- Sustainability as a Competitive Advantage: This has been one of the most successful, as well as recognized in the market by the client, and is the aspect of Unilever's business that has to do with sustainability.

Recommendations

Proactive Change Management

The overall flexibility for Unilever has been more or less satisfactory, as demonstrated in the company's performances over the years, but there is still space for growth as far as forecasting of change is concerned and, specifically, responding to breaks in environment conditions – such as recession, market saturation, or disruptions in supply networks. To adopt a more proactive approach to change management, Unilever could:

- Invest in Predictive Analytics: Unilever can also be able to look for potential loopholes and trends in the market by embracing Data analytics and AI (Sharma and Gupta, 2021). Analytical programs can be utilized to forecast several risks and subsequently explore the likely outcomes of each circumstance for tangible preparation of the company.
- Scenario Planning: In this case it is recommended that Unilever could improve its sensitivity to threats from the environment by engaging in well-coordinated and disciplined exercises in scenario analysis. This way, Unilever will be able elaborate several future courses of development, which will enable the company to easily switch to the strategy that is effective given the current conditions.
- Agile Methodologies: Adopting agile throughout functions (supply chain, marketing and R&D) can enable Unilever to be better equipped to adapt to market shifts as needed.

Fostering Innovation

As a way of managing competition and to be relevant to consumers in the market Unilever must take further steps towards encouraging more innovation. While the company has already made significant strides in this area, the following recommendations can help drive even greater innovation:

- Collaborative Innovation Platforms: Unilever can offer the development of specific innovation centres to enhance cooperation in internal and external teams, with startups, and with ordinary buyers. This can help the company come up with potential solutions to this problem of arriving at the ideas and solutions that are on the right side of consumer trends faster by getting the ideas from the masses, for instance, about plant-based products or environmentally friendly ways of packaging.
- Innovation in Sustainability: Therefore, Unilever must remain focused on sustainability, increase the rate of innovation in sustainable products, value and explore aspects such as circular economy. Challenging R&D teams to achieve breakthroughs in these areas may well provide Unilever with a competitive advantage (Parker, 2021).
- Rewarding Risk-Taking and Experimentation: Unilever can encourage people throughout the organisation, to try out innovative ideas because in trying someone is bound to fail. A culture that supports measured risk taking on the other hand can lead to issues that give the brand a competitive advantage in the market

Improved Stakeholder Engagement

Stakeholders' engagement-employee, suppliers, regulatory bodies, and customers-should be maintained during the times of change. Unilever can improve stakeholder engagement by:

- **Enhanced Communication Channels:** It is also important for Unilever to make all of its stakeholders aware of any changes and the company could possibly use two – way communication tools to achieve this. This can be daily, weekly or monthly meetings with or without the suppliers and customers, teleconferences, live or recorded question and answer sessions, surveys or chats.
- **Stakeholder Co-Creation:** During major changes it brings stakeholders into the decision-making process more actively which will be beneficial for Unilever. For example, before launching a new initiative to promote sustainability the firm ought to engage suppliers as they are relevant to practices applied in the supply chain.
- **Building Trust through Corporate Social Responsibility (CSR):** The identification of the firm's CSR activities and ensuring that the public that the firm practices good business will ensure a continuous patronage in the event of changes (Anderson and Boudreau, 2021).

Conclusion

Therefore, in the light of the subject, Unilever has proved good at change management by being equally proactive in sustainability, digitalization, and smart acquisitions that place the firm ahead of competitors in the consumer goods industry. Applying Lewin's and Kotter's models of change management to the company's practice has helped it to minimize complications in response to external impairment and internal transformations. Nevertheless, there is potential for further growth within each area with emphasis on the adequate enhancement of proactive risk management activity and the creation of a culture urging for constant search and application of

innovations. Recognizing that organizational change remains a significant challenge, this paper sought to demonstrate how, in execution of its strategic directions, Unilever has been able to align its business operating model and resources in a manner that can extend value and competitiveness over the long term.

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