

This infographic is designed for Sofidel's people management colleagues, providing a clear overview of the tool and illustrating how Social and Technological factors currently shape our HR priorities and workforce capability.

PESTLE Analysis and critical evaluation of the social and technological factors

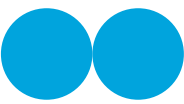


The PESTLE tool is widely utilised to determine the Political, Economic, Social, Technological, Legal and Environmental impacts on the decision-making process of an organisation. Richard Whittington et al. (2021) asserts that PESTLE enables organisations to interpret trends in the Macro Environment and to convert these into strategic choices. PESTLE examines the external environment to determine the drivers that will influence the organisation to consider both risks and opportunities (Barrington, 2023). In terms of Human resources, the use of PESTEL will assist the workforce in making informed decisions through evidence-based workforce planning, capability development, and policy implementation (CIPD, 2020; CIPD, 2025). All elements of PESTEL interact with each other continuously, the interaction between PESTEL factors means that social expectations often drive legal reforms and technological advancements generate new social pressures concerning skills, workplace fairness and job security (CIPD, 2024a; Florisson, 2024). This helps HR interpret not only what is changing, but why it matters for both the people and the organisational capability.



Social Factor

Ethical culture, Whistleblowing and Psychological Safety



Organisations are being challenged socially today by increased expectations that their culture support ethical behaviour, transparency and workplace psychological safety. Reporting issues and raising concerns is becoming an increasingly important part of “employee voice” (CIPD, 2022). The CIPD states that building trust and creating culture of psychological safety are key to developing a climate where employees feel comfortable in using formal reporting procedures (CIPD, 2024a). Similarly, ACAS (2024) points out that there is growing public expectation for employers to provide confidential, accessible and trustworthy speak-up mechanisms supported by clear protections against harm to employees who do so. Sofidel has addressed these social expectations through the implementation of an externally managed secure whistleblowing platform which has a comprehensive group whistleblowing policy that outlines the process and protections for employees to safely report wrongdoing (Sofidel, 2022). Although the formal whistleblowing reporting process seems clearly defined, Anvari et al. (2019) study, identified that social identity, organisational hierarchy and whether or not an employee believes that their manager will fairly address their issue influence an employee's desire to report wrongdoing. Similarly, the CIPD (2016) reported that although formal reporting systems exist, employees do not report wrongdoing due to a lack of confidence in their manager's ability to act on it.



Technological Factor

AI Adoption and Strategic Risks



Sofidel's announcement (November 2025) establishing a central AI department led by a Chief AI Officer and supported by AI representatives in each department marks a significant technological shift for the group (Sofidel, 2025). This move aligns with global technological trends where AI is becoming embedded in operational processes. The World Economic Forum (2023) identifies AI as the most disruptive force in the labour market and predicts that over 60% of workers will require major reskilling by 2027. Similarly, McKinsey's state of AI report shows that AI adoption is accelerating across industries and highlights the growing need for digital capabilities, data literacy and cross-functional collaboration (McKinsey, 2023). These trends present opportunities for Sofidel to enhanced predictive maintenance, production optimisation, sustainability modelling, HR analytics and supply chain efficiency. However, alongside these opportunities, Sofidel faces several Technological risks. One major risk is unequal access to digital learning, where certain employee groups particularly operational or shift-based workers may receive fewer developmental opportunities.

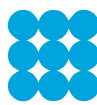
The work foundation (2024) warns that rapid technological change can deepen inequalities when training provision is inconsistent. A second risk relates to employee uncertainty around AI, particularly regarding job redesign, automation or new digital expectations. Employees may feel anxious or resistant without clear communication. A third emerging risk is the absence of clear AI governance policy, leaving ambiguity around data handling, ethical use, accountability and boundaries for AI-assisted decisions, which may undermine trust.

How the PESTEL Tool Helps Sofidel Improve These Issues



The PESTEL tool will help Sofidel move beyond developing a whistleblower reporting policy into developing a culture where employees are waiting to report wrongdoing. Specifically, by analysing the social aspect of the PESTEL framework (CIPD, 2025). Sofidel will identify cultural barriers, such a fear of retaliation, limited knowledge regarding reporting options, or uncertainty regarding what happens after a report is made, that inhibit employee's sense of psychological safety. Using this information, Sofidel will develop specific initiative, such as employee awareness programs, assurance of confidentiality, senior management endorsements, and transparent “you said, we did” communication to build the psychological safety necessary to encourage employees to report wrongdoing (CIPD, 2024a; Anvari et al.,2019). More broadly, the PESTEL tool will assist Sofidel in developing an evidence-based proactive planning perspective. Specifically, the PESTEL Tool will provide Sofidel the opportunity to assess its reporting processes against the expectations set forth by CIPD and ACAS, develop insights into the trends related to employee voice and trust, and assure that reporting opportunities remain accessible to all employees regardless of job title or work schedule (CIPD, 2025; Acas, 2024). Ultimately, utilising the PESTEL Tool, will allow Sofidel to increase employee trust, create a psychologically safe workplace environment and build an ethical organisation culture, where employees feel supported and encourages to report wrongdoing.

How the PESTEL Tool Helps Sofidel Overcome These Technological Challenges



The PESTEL too enables Sofidel to anticipate and mitigate the external technological pressures associated with AI adoption, supporting structured and evidence-based (CIPD,2025).

Technological

PESTEL identifies digital capability gaps, infrastructure needs and access barriers. This enables Sofidel to design-skills programmes, ensure equitable training access across roles and assess AI readiness at departmental and site level (Futuredotnow, 2024).

Social

PESTEL highlights how employees may perceive AI, helping Sofidel identify risks such as job- security concerns, mistrust or misunderstanding. This informs transparent communication, reassurance around job impacts and visible leadership involvement to increase confidence (World Economic Forum, 2025).

Legal

The framework prompts Sofidel to ensure AI adoption aligns with UK regulatory expectations for data protection, fairness transparency and safe use of emerging technologies. This supports development of a clear AI policy outlining governance, boundaries and accountability (ICO, 2025). Overall, PESTEL enables Sofidel to approach AI adoption as a strategic, ethical and people- centred transformation, strengthening capability, trust and long- term organisational readiness (CIPD, 2025).

References

✱ ACAS (2024) Whistleblowing AT Work. Available at: <https://www.acas.org.uk/whistleblowing-at-work> (Accessed: 25 November 2025)

✱ Anvari, F., Wenzel, M., Woodyatt, L., &Haslam, S.A. (2019). The social psychology of whistleblowing: An integrated model. Organizational Psychology Review <https://journals.sagepub.com/doi/10.41386613849085/10.1177> .

✱ Barrington, R. (2023) What is a pestle analysis?, Oxford College of Marketing Blog. Available at: <https://blog.oxfordcollegedmarketing.com/30/06/2016/pestle-analysis/> (Accessed: 26 November 2025).

✱ CIPD (2016) Employee Voice- When Silence isn't Golden. Available at: <https://www.cipd.org.uk/knowledge/bitesize-research/employee-voice-silence> (Accessed: 26 November 2025).

✱ CIPD (2020) People Profession 2030: A collective view of future trends. London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.org.uk/knowledge/factsheets/pestle-analysis-factsheet/> (Accessed: 18 November 2025).

✱ CIPD (2022) Employee voice, CIPD. Available at: <https://www.cipd.org.uk/knowledge/factsheets/voice-factsheet/> (Accessed: 27 November 2025).

✱ CIPD (2024a) PESTLE analysis. Factsheet. London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2024-pdfs/8625-good-work-index-2024-survey-report-1-web.pdf> (Accessed: 18 November 2025).

✱ CIPD (2024b) Whistleblowing: UK employment law. Available at: <https://www.cipd.org.uk/knowledge/employment-law/whistleblowing> (Accessed: 26 November 2025).

✱ CIPD (2025a) PESTLE analysis. Factsheet. London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.org.uk/knowledge/factsheets/pestle-analysis-factsheet> (Accessed: 18 November 2025).

✱ Florisson, R. (2024) The UK Insecure Work Index 2024. Lancaster: The Work Foundation. Available at: <https://www.lancaster.ac.uk/work-foundation/publications/the-uk-insecure-work-index-2024> (Accessed: 19 November 2025).

✱ Futuredotnow (2024) Closing the UK workforce digital skills gap. Available at: [https://futuresdotnow.uk/wp-content/uploads/01/2024/FDN-roadmap-update\\_final-spreads.pdf](https://futuresdotnow.uk/wp-content/uploads/01/2024/FDN-roadmap-update_final-spreads.pdf) (Accessed : 26 November 2025).

✱ ICO. (2023) Guidance on AI and data protection. Available at: <https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/artificial-intelligence/guidance-on-ai-and-data-protection> (Accessed: 25 November 2025).

✱ McKinsey & Company (2023) The state of AI in 2023: Generative AI's breakout years. Available at: <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai-in-2023-generative-ais-breakout-year> (Accessed: 20 November 2025).

✱ Richard Whittington, Patrick Regner, Duncan Angwin, Gerry Johnson and Kevan Scholes. (2021). Fundamentals of strategy (Fifth Edition). Harlow: Pearson Education Limited.

✱ Sofidel Group (2025) Group AI Department launch, Internal announcement email, November 2025. Unpublished internal company document.

✱ The Work Foundation (2024) Maximising the opportunities of a multigenerational workforce. Lancaster: The Work Foundation. Available at: <https://www.lancaster.ac.uk/work-foundation/publications/the-uk-insecure-work-index-2024> (Accessed: 20 November 2025).

✱ World Economic Forum (2023) The Future of Jobs Report 2023. Geneva: World Economic Forum. Available at: [https://www3.weforum.org/docs/WEF\\_Future\\_of\\_Jobs\\_2023.pdf](https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf) (Accessed: 26 November 2025).

✱ World Economic Forum (2025) AI and beyond: How every career can navigate the new tech landscape. Available at: <https://www.weforum.org/stories/01/2025/ai-and-beyond-how-every-career-can-navigate-the-new-tech-landscape> (Accessed: 26 November 2025).