

Critically examining the impact of contemporary global forces on a
UK-based multinational organisation

Name: Diana Luhova

Student ID: 2428698

Module code: LCBB4016

Module name: Global Business Environment

Component 2 – Individual Essay

Lecturer: Dr Prithwa Bhattacharya

Programme: BA in Business and Management

University of Wales Trinity Saint David

Table of Contents

1. Introduction.....	3
2. Opportunities Created by Contemporary Global Forces.....	3
3. 3.1 Technological Innovation & AI.....	3
3.2 Sustainability as a Strategic Opportunity.....	4
3.3 Market dynamics, global standardisation.....	5
4. Corporate Social Responsibility and Stakeholder Pressure.....	5
5. Challenges: Global Supply Chain Complexity.....	6
6. Impact on Unilever's Strategy and Operations.....	7
7. Strategic Recommendations.....	8
8. Conclusion.....	8
9. References.....	10

Introduction

Multinational corporations must constantly adapt to various external factors that affect their operational efficiency and strategic decisions in an increasingly interconnected and unstable global economy. Rapid technological advances, heightened geopolitical tensions, and expanding regulatory constraints related to sustainability and corporate responsibility all contribute to a more complex global business environment.

This paper presents a critical analysis of the impact of key contemporary global forces on **Unilever**, a multinational organization headquartered in the UK and operating in many international markets. The main topics of discussion are the impact of artificial intelligence, geopolitical events affecting international supply chains, and sustainability-related legislation such as the European Union's Corporate Sustainability Reporting Directive (CSRD). The study examines how these dynamic processes affect Unilever's global operations and strategic orientation, as well as the opportunities they present. The essay attempts to demonstrate how global environmental factors influence organizational decision-making in a highly competitive international environment by analyzing these external elements.

Opportunities Created by Contemporary Global Forces

Technological Innovation & Artificial Intelligence

For multinational corporations like Unilever, current global forces—particularly developments in artificial intelligence (AI), digitalisation, and changing international trade dynamics—create enormous strategic potential. AI is becoming more widely acknowledged as a general-purpose technology that has the potential to transform global economic activity by affecting the production, exchange, and consumption of goods and services (World Trade Organisation, 2025).

According to the World Trade Report 2025, AI has the potential to substantially reduce operational trade costs by improving supply chain visibility, automating customs procedures, reducing language barriers and strengthening contract

enforcement (WTO, 2025, p. 8). Because AI-enabled systems can improve efficiency and responsiveness across intricate worldwide supply chains, these innovations are particularly pertinent to internationally integrated organisations. These technologies provide Unilever, which operates in several markets and geographical areas, the chance to enhance demand forecasting, boost resilience in international operations, and optimise logistics.

Additionally, WTO (2025) notes that by 2040, AI-driven growth in digitally deliverable services is anticipated to greatly increase global trade, especially in industries related to data analytics, digital services, and cutting-edge technologies. Unilever has strategic potential to use AI-based data to customise products and marketing tactics to local markets while preserving global scale efficiencies as a result of this trend. Unilever is well-positioned to bolster its competitive edge in an increasingly digitalised global business environment by coordinating its digital transformation projects with these international trade and technology advancements.

From a strategic perspective, technological change represents a critical external driver shaping organisational strategy. Johnson et al. (2017) argue that advances in digital technologies increasingly form a key source of competitive advantage, as firms that successfully integrate technology into their operations are better positioned to respond to environmental complexity and global competition. In this context, Unilever's adoption of AI-driven systems supports not only operational efficiency but also strategic adaptability in a rapidly evolving global business environment.

Sustainability as a Strategic Opportunity

Sustainability has become a major force shaping modern business practices, requiring organisations to adapt their strategies in response to environmental and social pressures. According to Blowfield and Blowfield (2013, p. 3–5), sustainability represents a transformational challenge for businesses operating in a global context, as it reshapes how organisations define success and long-term value creation. Furthermore, sustainability pressures require firms to reconsider their strategic priorities, particularly in relation to environmental responsibility and social impact (Blowfield and Blowfield, 2013, p. 5–7). For multinational organisations such as Unilever, this creates opportunities to align sustainability initiatives with competitive advantage and stakeholder expectations.

Furthermore, growing international regulatory and governance demands exacerbate sustainability challenges. According to Morrison (2017), multinational corporations must include sustainability into their strategic decision-making since global legal frameworks and environmental standards are becoming essential elements of the external business environment. The strategic relevance of sustainability efforts is strengthened for Unilever by this legislative framework, which turns compliance needs into long-term chances for legitimacy and distinctiveness.

Market dynamics, global standardisation

Global market dynamics create opportunities for multinational corporations to benefit from product standardisation while simultaneously requiring responsiveness to local market differences. Quelch and Deshpande (2004, pp. 129–130)) explain that global market expansion increases the potential for standardised products through economies of scale; however, demand growth and heterogeneity across countries often necessitate local adaptation to remain competitive. As global demand expands beyond niche or elite segments into mass markets, firms must balance cost efficiencies from standardisation with sensitivity to local consumer preferences and market conditions (Quelch and Deshpande, 2004, pp. 129–134).

For Unilever, this dynamic presents a strategic opportunity to leverage its global scale while adapting products to local tastes and demand patterns. Operating across diverse international markets, Unilever benefits from standardised production, branding, and supply chain efficiencies, while simultaneously localising product formulations, packaging, and marketing to reflect regional consumer needs.

Corporate Social Responsibility and Stakeholder Pressure

In addition to technological change, social and environmental pressures increasingly shape the global business environment. Corporate Social Responsibility (CSR) reflects the ways in which organisations exceed their minimum legal obligations towards stakeholders. Johnson, Scholes and Whittington (2017, p. 146) define CSR as an approach through which organisations recognise the interests of a wide range of stakeholders, including employees, communities and pressure groups, whose expectations may not be protected by law.

Global firms face growing scrutiny regarding their environmental impact, labour practices and ethical standards. As sustainability becomes a central concern for consumers and governments, organisations are required to integrate social and environmental considerations into their strategic decision-making. According to Johnson, Scholes and Whittington (2017, p. 147), different organisations adopt varying stances towards CSR, ranging from minimal compliance with regulation to more proactive and inclusive approaches that embed responsibility into core strategy.

CSR programs do, however, present operational and financial difficulties even as they improve legitimacy and brand repute. Investments in supplier compliance, emissions reduction, and sustainable sourcing raise short-term costs and complicate global supply chain management. This demonstrates a crucial conflict Unilever faces: striking a balance between cost containment, competitive performance, long-term sustainability objectives, and stakeholder expectations. As a result, CSR serves as both a strategic trade-off and an ethical requirement in Unilever's international business.

Unilever states that it integrates responsible business practices into its strategic framework by focusing on climate action, nature preservation, plastics reduction, and improving livelihoods, reflecting the importance of social and environmental factors on corporate strategy. According to Unilever (2024), the company has reduced its overall carbon footprint by 40% since 2015, increased the use of recycled plastic in its packaging to 60%, and reached over 2 million smallholder farmers through social programmes, demonstrating measurable progress toward its sustainability commitments. Unilever also reports that its sustainability governance structure involves cross-functional leadership teams and transparent reporting mechanisms, which ensure accountability and progress towards its strategic sustainability goals (Unilever, 2024).

Challenges: Global Supply Chain Complexity

Managing global supply chain complexity represents a significant strategic challenge for multinational organisations such as Unilever. As highlighted by Stank et al. (2015), global supply chains have become increasingly complex due to longer international networks, regulatory pressures, growing product variety, and exposure

to geopolitical and environmental disruptions. The authors emphasise that without end-to-end supply chain visibility, firms are unable to respond effectively to unexpected disruptions, noting that *“supply chain performance breakthroughs result from creating visibility across the supply chain from suppliers to customers”* Stank et al., (2015).

For Unilever, which oversees intricate, multi-tier global supply chains in a variety of regulatory and infrastructure contexts, this difficulty is especially pertinent. Regular interruptions brought on by demand fluctuation, regulatory change, and geopolitical upheaval raise operational risk and strategic complexity, necessitating higher investments in supply chain resilience, digital technologies, and coordination.

Impact on Unilever’s Strategy and Operations

The interaction of contemporary global forces has significantly influenced Unilever’s strategic decision-making, requiring the company to balance innovation, sustainability objectives, and cost control across its global operations. Digital transformation and the adoption of artificial intelligence (AI) have been incorporated into Unilever’s operational strategy, enhancing data-driven decision-making and improving operational excellence. For example, by the end of 2024, Unilever had trained 23,000 employees in the use of AI and digital tools to support automation, process standardisation, and improved decision-making throughout the business, helping the company drive operational excellence across its functions (Unilever, 2025).

Sustainability remains a core strategic priority that shapes Unilever’s long-term planning and investment decisions. According to Unilever’s official sustainability news, the company updated its sustainability goals and embedded sustainability into its Growth Action Plan 2030, emphasising four key areas — climate, nature, plastics and livelihoods — as strategic imperatives rather than peripheral activities (Unilever, 2025). These initiatives have driven structural changes in how Unilever manages its environmental footprint, such as significant reductions in greenhouse gas emissions and increased sustainable sourcing, which are integral to the company’s global strategy.

Furthermore, Unilever's 2024 Annual Report and Accounts highlights strategic shifts in response to global market conditions, including reevaluation of its portfolio and prioritisation of its Power Brands in key markets to support growth and profitability. This reflects the company's efforts to maintain competitiveness while responding to economic pressures and evolving consumer demand across regions (Unilever Annual Report and Accounts 2024).

Given all of the above, Unilever's strategic response shows how multinational corporations must modify their activities and strategies to balance technological development, environmental requirements, and economic uncertainty in the global business climate.

Strategic Recommendations

In response to contemporary global forces, Unilever's strategic priorities should focus on reinforcing digital capabilities while maintaining alignment with sustainability and cost-efficiency objectives. Further integration of artificial intelligence and data analytics into supply chain and procurement functions can enhance visibility, improve demand forecasting, and mitigate risks arising from geopolitical disruptions. At the same time, embedding regulatory frameworks such as the EU's Corporate Sustainability Reporting Directive (CSRD) into performance management and supplier governance would strengthen compliance, transparency and stakeholder trust. This integrated approach reflects the need for strategic coherence, enabling Unilever to balance innovation, sustainability commitments and operational resilience within an increasingly uncertain global business environment.

Conclusion

This article critically examines the influence of contemporary global forces on the strategy and activities of Unilever, a multinational organization based in the United Kingdom. The study shows that in an increasingly complex global business environment and changing global market conditions, multinational corporations are radically changing the ways they compete and create long-term value.

Advances in digitalization and artificial intelligence offer Unilever significant opportunities to improve data-driven decision-making, enhance operational efficiency, and strengthen its competitive position in international markets. At the same time, growing expectations in the area of sustainable development, regulatory requirements, and pressure from stakeholders have made environmental and social responsibility one of the central strategic priorities. Sustainability initiatives contribute to long-term value creation, brand legitimacy, and reputation, but at the same time lead to short-term costs and operational challenges that require careful strategic trade-offs. By balancing technological innovation, sustainability goals, and cost control, the company demonstrates a consistent strategic approach that supports sustainability, competitiveness, and sustainable growth.

References

Morrison, J. (2017). *The Global Business Environment: Towards Sustainability?*. Великобритания: Macmillan Education UK.

PricewaterhouseCoopers (2025). *AI Jobs Barometer* | PwC. [online] PwC. Available at:

https://www.pwc.com/gx/en/services/ai/ai-jobs-barometer.html?utm_source=chatgpt.com.

World Trade Organization, 2025

Unilever PLC (2024). *Responsible business*. [online] Unilever. Available at: https://www.unilever.com/sustainability/responsible-business/?utm_source=chatgpt.com.

Blowfield, M. and Blowfield, M. (2013) *Business and Sustainability*. Oxford: Oxford University Press.

Johnson, G., Scholes, K. and Whittington, R. (2017) *Exploring Corporate Strategy*. 10th edn. Pearson.

Johnson, G., Whittington, R., Scholes, K., Regnér, P. and Angwin, D. (2017) *Exploring Strategy: Text and Cases*. 11th edn. Harlow: Pearson Education.

Unilever PLC (2024a). *Annual Report and Accounts 2023*. [online] Unilever. Available at: https://www.unilever.com/investors/annual-report-and-accounts/?utm_source=chatgpt.com.

Pegah Nikzat and Noorymotlagh, M. (2025). Artificial Intelligence in Business: Driving Innovation and Competitive Advantage. *International journal of industrial engineering and operational research*, [online] 7(3), pp.50–62. <https://doi.org/10.22034/ijieor.v7i3.180>.

Quelch, J. A., Deshpande, R. (2004). The Global Market: Developing a Strategy to Manage Across Borders. Германия: John Wiley & Sons, Incorporated.

Stank, T., Dittmann, J. P., Burnette, M., Autry, C. (2015). The Supply Chain Game Changers: Applications and Best Practices that are Shaping the Future of Supply Chain Management. Великобритания: Pearson Education.