

Unilever challenges faced and HRM strategy

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(Svetlin Pavlov)

Introduction.

Human Resource Management is the backbone of an organization which provides the structure and task force to run the company. We need to understand the impact of this management to use it the best way – to support our organisation and to enhance productivity for better outcomes.

In this report, we will discuss the challenges that Unilever is facing regarding its Human Resource Management (HRM) which is the composite of different practices that an organization uses to manage the activities of employees. It also manages the operational activities related to workforce like personal data of employees, performance, leave record, salaries bonuses, employee's medical related problems, training arrangements and many more.

Company background.

The Unilever is the merger of Lever Brothers and Margarine Unie.



The Unilever Company was founded on second of September 1929 and the company's headquarters are in London, England and Rotterdam, Netherlands. It is a British-Dutch Company which offers products like food, energy drink, ice cream and beverages, cleaning agents, beauty products and personal care products. Unilever occupies a leading position like the largest producer of soap in the world (Lengnick-Hal & Moritz, 2013).

The Company owns more than 400 brands around the world. Its products are available in more than 190 countries which means the area served by Unilever is world-wide. The total revenue of the Unilever in 2019 is 51,980 billion pounds with 155 000 employees around the earth (Unilever, 2020).

Unilever is a company that is not focused on the production and development of only one type of product or service. It is a broad-spectrum organization, representing various brands. For this reason, we need to consider in general its HRM strategies, which are applied in each spectrum of work.

Human Resource challenges.

The Human Resource is the working group that carries out the operational activities of the company. Any Human Resources challenges can lead to adverse effects on the company's productivity and profitability.

Here are the main challenges for Unilever in terms of human resources:

- **Compliance**

Keeping up with changing employment laws is not easy for any company.

The operational compliance requires a lot of efforts to meet the outlined criteria especially when there is large scale organization like Unilever.

There are many employment laws which are not in the favor of the company and this is a reason that the company feels reluctant to fulfil the criteria. When any employment law has been introduced by relevant institution then HRM department must plan a framework to design a policy to meet employment law which takes time to implement in true letter and spirit (Lussier & Hendon, 2017).

If a new employment law has been introduced, then the Human Resource Management department again must go through a long process to implement new law requirements, so it disrupts the routine activities.

(Viktoriya Tancheva)

- **Changes in the management**

In every growing organization, it is necessary to do some essential changes in the management chain. These management changes may affect the productivity of an organization.

For example, if a person is already performing his duties very well but Human Resource Management as per requirement replaces this person with the new one, then newcomer will take time to handle the same task perfectly. During his learning process the productivity will suffers.

The Human Resource department is ultimately facing disruption in this task. Sometimes it becomes a big challenge for HRM to handle the effects of management changes (Lussier & Hendon, 2017).

- **Lack of leadership development**

Employee leadership skills have always been a requirement of every organization. Companies continue to look for employees who have strong leadership skills because the company knows how useful those employees are for an organization.

In some organizations there is a lack of such programs that build leadership qualities in their workers. The recruiting hiring and placing an employee is the part of Human Resource Management department, so leadership skills of an employee are directly related to HRM.

Due to a lack of awareness of leadership development programs or training within the company, HRM may need to face challenges in employee performance as well as organizational productivity (Briscoe & Schuler, 2014).

- **Training and development**

Employee training and development programs are always fruitful not only for the employee, but ultimately for the company. Such programs increase the productivity of employees in relation to the overall work of the company.

The Human Resources Management department may have to face problems with development and training programs. For example, sometimes front-line workers

are not free enough to participate in programs created for home training to polish their skills.

It always remains a challenge for the Human Resources department how to manage training and development programs with the ongoing operational activities (Briscoe & Schuler, 2014).

If HRM sends some employees on training, then behind work suffers from that seat or department.

(Niya Papazova)

- **Lack of innovation adoption**

In different organizations, many employees have the attitude that they never change over time means they remain stagnant. The organization's performance or productivity due to such employees suffers. The companies always try to use innovative products and techniques to reshape their production, administration, services departments, to keep company upgraded and it is only possible if the company's employees are ready to adopt such innovations.

Some staff members always show this attitude that they cannot or are unable to learn innovative techniques and procedures. This scenario affects the productivity of the company (Storey, 2007).

The corporation must hire new employees who can learn and adopt innovations. So, the employees with a lack of interest to adopt innovations are a big challenge for HRM to enhance the human source competency.

- **Salary structure**

Nowadays in the competition world, the companies are facing the challenge of making the best salary structure for employees. The best salary structure always motivates employees and they remain satisfied and work hard for company growth.

The Human Resource Management department of Unilever facing a challenge to create the best salary structure. This way maximum employees can be retained. The retention of the employees increases the company's performance and ultimately growth (Storey, 2007).

- **Employees non-financial benefits**

The rising prices of the healthcare services and products compel the organizations to increase the non-financial benefits of the employees so that they can meet their medical expenses and children's educational fee. The rising healthcare and education cost either company must bear itself or transfer it to employees.

This is a big challenge for companies to manage this issue (Gospel & Sako, 2010).

- **Recruitment**

The process of analyzing employees, creating jobs, planning Human Resources and offering a role to work through advertising channels is called recruiting and this is the responsibility of the Human Resources department. Offering a job role and attracting talented candidates to hire them is a time consuming and expensive process for HRM.

It is not easy for a company to support the business and look for the best talent at the best time. It is very difficult for the interviewer to judge whether the candidate is best suited for the company or not, but in any case, he must be hired (Gospel and Sako, 2010).

- **Employees Retention**

The competent employees are always the key for the success of an organization. Their need is extremely high. The company makes every effort to retain such employees.

Business pays its employees as per designed salary structure, so if some workers feel dissatisfied with current salaries then they will try to look for another organization that can pay better wages and non-financial benefits. It will be a great challenge for Human Resource department to retain such staff (Haslinda, 2009).

- **Workplace diversity**

Nowadays, in many organizations, the working group consists of different cultures or ethnicities, so it has become difficult for organizations to manage people of different cultures or ethnicities.

In the same way, Unilever has a great challenge from employees of different cultures and ethnicities to deal with them in the workplace. It is not easy task for HRM department to communicate with employees from different geographical locations and cultures. Unilever is a large-scale company, so it requires a lot of effort and a diverse communication network to work with so many different people (Haslinda, 2009).

(Petar Lambev)

Reasons for HRM policies requirement.

Following are the main reasons which show why HRM policies are necessary for an organization:

- **Human resource planning**

In Human Resource planning, HRM assesses how much task force is working and what is the requirement of the company regarding manpower. Is the existing manpower enough to carry on the operations or they need more manpower?

When there is a shortage of staff then Human Resource Management department creates a plan to hire new employees. If there is an excess of manpower, HRM decides where to use this excess task force (Bratton & Gold, 2017).

- **Training and development**

It is the duty of Human Resource Management department once they hire new employees, to make sure they are ready to work. To prepare them Human Resource Management department makes a schedule of their training. When the training of new employees gets complete then HRM assigns them to a specific task (Bratton & Gold, 2017).

- **Employee compensation**

Once employees perform well then, the Human Resource Management department blesses these employees with bonuses, perks and many other benefits. The criteria of employee's compensation are always decided by HRM.

- **Employee motivation**

Employee motivation means encouraging staff to perform well and contribute to the company's profitability. The Human Resources department uses various tricks to retain or encourage employees. The strategy for motivating Human Resources

helps to increase worker productivity. One method of motivation is to provide monitoring and benefits (Beidat, 2012).

- **Employee welfare**

The Human Resource Management department provides different facilities such as a canteen, rest and lunchroom, a place to pray, transportation, education, houses, medical coverage, recreation place for the well-being of workers.

- **Job analysis**

Another obligation of the Human Resources Management department is to analyze the requirements for work. Job analysis allows the Human Resources department to hire staff and provide them with relevant training. So operational activities continue smoothly. Job analysis helps to outline the necessary skills and qualifications of employees (Beidat, 2012).

- **Evaluation of job**

When evaluating work, the Human Resources department determines the salary of the employees. Each job varies according to its nature and significance for the company.

The Human Resources department compares the different jobs as per their importance in the organization and then decides on the relevant salary and other benefits. It can be justified by the skills and competence of the employee.

This is the performance evaluation process that allows the company to design a pay structure for the task force (Foster, 2014).

- **Recruitment and selection**

Work analysis and Human Resource planning allow HRM what kind and where labor can be hired, and it must ensure that the workforce must be according to the requirements of the work. The process of designing the requirements for hiring employees is called recruiting.

But later, when the Human Resources department hires or selects a person, it's called selection (Foster, 2014).

- **Performance appraisal**

The Human Resources department analyzes or evaluates the work of employees using predefined parameters. The department gets to know the efficiency, strengths and weaknesses of the teams. The performance appraisal also tells employees whether they meet the job requirements.

Based on the results, Human Resource decides on the promotion, increases and benefits of employees (Wright, 2008).

(Elena Petrova)

- **Industrial relation**

Human Resource department always tries to maintain a good relationship between employees and organization. For this HRM design policies to maintain the balance between the interests of employees and organization. Some time to resolve any issue arises by the employees due to problems in wages or any other, Human Resource plays a role by getting interact with the employees (Wright, 2008).

- **Compliance**

The Human Resource department is responsible to design policies to comply with state employment laws. The HRM is also responsible to monitor the implementation of policies in true letter and spirit and make changes in policies if required.

- **Employee safety**

The Human Resource must design such policies which enable an organization's employees to work in a secure atmosphere and feel comfortable to work with an organization.

- **Minimizing liability issues**

The Human Resource Management department is responsible to minimize the chances of employee's wrong practices which may lead to penalties imposed by concerned institutions.

Recommendations.

- It is the responsibility of the Human Resources department to analyze the work and plan the Human Resources in order to properly decide the selection.

- The Human Resources department must design the requirements of the required staff.
- The application process on the company's website should be facilitated.
- The interviewer's staff should work with the candidates in a friendly environment.
- The interviewer should not ask inappropriate questions from the candidates.
- Interviewer staff must be well trained so that real talent can be selected.
- The salary structure must be redefined by the concerned department, so that an employee's satisfaction can be achieved, and the maximum employee's retention can be made possible.

Conclusion.

According to the above discussion, we concluded that the Human Resources Management department plays a major role in the growth and profitability of the company. The importance of the Human Resources department for an organization is proven by the reasons why Human Resource Management

policies are needed, so in the absence of HRM, an organization cannot think of surviving, especially in the case of large companies like Unilever.

We also found some weaknesses in Unilever's Human Resources department in the recruitment and selection process. These weaknesses must be countered by the recommendations for increasing the efficiency of the Human Resources Management department.

If a company takes care of its employees, it will benefit it, as employees in return will perform well to contribute to its development. Some internal and external factors can influence Human Resource Management decisions. The company must have good relationships with employees to ensure continued growth.

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