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HOW DO BROADER EXTERNAL ENVIRONMENTAL FACTORS ALONG WITH COVID-19 AND ETHICAL DILEMMAS AFFECT ORGANISATIONAL CULTURE AND ITS PERFORMANCE?

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Workplace Culture and its Impact on Organisational Efficiency (BMSW5105)

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Introduction

Workplace culture is the illustration of organizational behavior with its employees in the workplace. On the basis of workplace culture, the performance of the organization is shaped. In this contemporary business world more emphasize in given upon building the most appropriate and strategic workplace culture that can maintain employee satisfaction, have the system for training and development for the employees, employee engagement, trust & integrity and so on. As working personnel in Unilever, the external environmental factors like covid-19 and ethical dilemmas that how



(Unilever Global: Making sustainable living commonplace, 2022).

these affect the organizational culture and performances and how Unilever can utilize their opportunities will be illustrated in this study (Manley, Sanders, Cardiff & Webster, 2021). To begin with environmental scanning specific analytical tools will be used in the later segment by which actual organizational phenomenon can be addressed. After addressing the internal and external influence on Unilever the workplace culture will be discussed. Then how cultural web model can suggest for better organizational culture will be explored accordingly. In the end by categorizing the ethical dilemmas for Unilever that can affect the performance and suggesting solutions to overcome those and individual essay will be represented from the understanding of first task. That is how workplace culture can impact on individual performance for the workplace setting will be discussed respectively.

Task 1- Individual Report

a) Brief introduction of Unilever

To complete this study Unilever has been selected. In this report all the details of Unilever will be illustrate and how the external environmental factors such as Covid-19 and ethical dilemmas did impacted on the organizational culture and performance as a whole. To begin with Unilever it is a multinational company and serving its products more than 190 countries. Though the headquarters is located at London in the UK, which is the heart of the business functions and where the organizational decisions are taken, those are carried out to all the branches and subbranches respectively (Unilever Global: Making sustainable living commonplace, 2022).

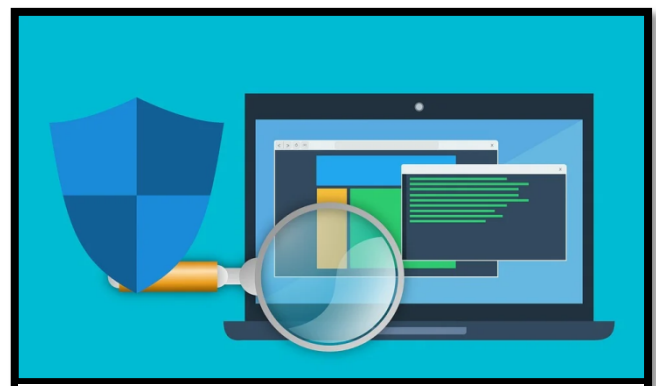
The manufactured products such as beauty products, food items, ice cream, cleaning agents, condiments and personal care products are delivered to the final consumer all around the world with more than thousands of outlets respectively. Unilever has been established in 1929, and at present there are almost 400 brands that are doing business around the world under Unilever group. The predecessors of this company are Lever brothers and Margarine Unie respectively. According to Statista (2022) the new revenue of Unilever is almost €52.444 billion and the operating income is nearly €8.72 billion in the year 2021.

b) Introducing the key business environmental scanning or analytical tools

Business environment scanning tools:

The scanning tools and techniques are used to assess the viability of the business. If the business may face any sort of challenges in the future, then by the environmental analysis those loopholes can be identified, and then specific measures can be taken accordingly. In the contemporary period the world has faced the adverse impacts of Covid-19 and thus to tackle the challenges and building some opportunity out of that plenty of analytical tools can be used. In this following segment discussion about the business environment scanning tools will be made.

PESTEL analysis: When the business organization try to identify the impacts of the macro environment over the business then they go for PESTEL analysis. Thorough PESTEL analysis the organization can identify the potential aspects that might have the capacity to influence the market of the business. The political impacts, economic aspects like taxation, social environmental factors like demographic features, technological sector like IT related aspects, legal factors like newly formed government policy and environmental factors like pandemic and so on may impact on the business.



(Rizal, Suhadak, & Kholid, 2017).

Porter's Five Forces Model: Porter's five forces model illustrates the potential sector wise opportunities and threats that the business may encounter in the future. The way how the business competition will be shaped and the process of setting the business strategy can be influenced by this analytical tool. The competitive rivalry demonstrates the level of competition in the market. On the basis of competition, the level and quality of the delivered products and

services are determined. The bargaining power of the suppliers is another indicator and with multiple suppliers it helps the organization to attain competitive edge. Even the bargaining power of the customers, threat of new entrants in the market as well as threat of substitute products can also add pressure to the developed industry such as Unilever. So, to address the potential threats this tool can be effective.

SWOT analysis: For addressing the internal and external environmental impacts on the organization SWOT analysis can be used. The strengths and weakness of the organization illustrate the potential internal sectors whereas, the opportunities and threats demonstrate external impacts (Rizal, Suhadak, & Kholid, 2017). By identifying the weaknesses and threats specific measures are suggested to recover them. Moreover, the strengths and opportunities suggest focusing on their key resources respectively.

ETOP: The elaboration of ETOP stands for Environmental Threat Opportunity Profile that illustrates the specific opportunities and threats that the business organization might encounter from environmental phenomenon like pandemic, climate change and so on. So, by addressing the areas, where adverse effects can fall and to recover those areas is the purpose of ETOP.

QUEST: To carry out any business environmental scanning within the short span of time with less expenditure than QUEST can be fruitful. QUEST stands for Quick Environmental Scanning Technique that used to measure the output of environmental factors for affecting the organization. The aspects like covid-19 and ethical dilemmas that how can impact on the organizational performance can be addressed.

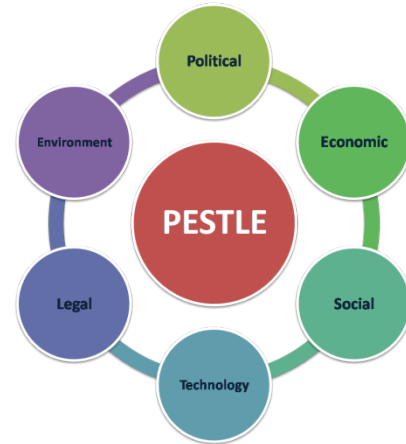
Procedures of environmental analysis followed:

Though the environment analysis is conducted by the help of some specific tools, there are some stages of environmental analysis. In the following segment the procedures of environmental analysis will be discussed.

- Scanning: Scanning represents identifying the potential threats and providing alert signal so that the organizational can amend their weaknesses before hitting the crucial situation.
- Monitoring: From myriad of sources data is collected and then the collected data is analyzed to extract the verified and most authentic information that can be helpful for the

organization. The sources like employees, customers, suppliers, dealers and so on are used to collect the required data (Saxby, Parker, Nitse & Dishman, 2022).

- Forecasting: Forecasting can be represented as assuming the future event based on assessing the collected data from the past. In this way, the futuristic and strategic decisions can be made.



(An elaborative and substantial PESTLE Analysis of Unilever, 2022).

- Assessment: This is the last stage that determines the outcome of the analysis. The sense of encountering opportunity or threat is addressed in the respective sector.

c) Evaluation of the organizational environment and identifying the key drivers of changes in Unilever

PESTEL analysis:

The external environmental factors that are affecting the business of Unilever in the contemporary period will be analyzed in the light of PESTEL analysis.

Political: After the Brexit in January 2022 the government of the UK initiated new regulations regarding doing business with the European countries and that eventually increased costing especially for the retail industry such as Unilever, moreover Covid-19 has drop down dramatically people income due to political decision during Covid-19 such as the lockdown crisis , Unilever has faced in this situation a decrease of turnover on some of their retail stores.

Economic: At present the UK is recovering from two major crises such as Brexit and Covid-19. Consequently, the UK is suffering from more unemployment than before. As a result, the purchasing power of the people has been reduced and that has direct impact on the selling of Unilever (An elaborative and substantial PESTLE Analysis of Unilever, 2022). Due to less demand fewer products are served within the country. Even the rate of inflation also has negative impacts on the business of Unilever. Due to Covid-19 the per capita income of the UK has fall to 3000 Pounds that has direct connection with their purchasing capacity which is

reflected through the less selling of products and services in the UK from the previous record of time (Manley, Sanders, Cardiff & Webster, 2021).

Social: As the UK has potential number of consumerism and their literacy rate is 99 percent. It illustrates that the citizen of the UK is aware of their own preferences and choices and that has a positive impact on Unilever. However, due to Covid-19 the country has affected hugely in the economic sector and that eventually impacted from social sector as well.

Technological: In every year the UK earns 1.8% of the total GDP from their IT sector and within 2025 almost 20 billion pounds will be spent for the development of the R&D sector. Which represents the better future of the technological sector for the UK and thus if Unilever focus more on their technological expertise, then that can be seem a potential opportunity for the future.

Environment: The environmental factors that mainly affected the business performance of Unilever are mostly the pandemic in the recent years. Due to Covid-19 Unilever changes their business strategy and focused more on online oriented platforms for selling and delivering their services (An elaborative and substantial PESTLE Analysis of Unilever, 2022).

Legal: The competition act 1998 defines the level of competition that can sustain the economy of the UK, the Consumer Rights Act 2015, General Product Safety Regulations Act 2005 have greater impacts on Unilever's business performance respectively.

Porter's Five Forces Model:

In this respective segment Porter's five forces model will be used to address the potential organizational environment of Unilever.

Competitive rivalry: As for Unilever there might have some competitive rivalry in the retail industry. However, when it comes to the branding of the products then the customers tend to go for their own choices and in that case, Unilever has the competitive advantage over other business organization.

Bargaining power of the supplier: As Unilever is a multinational company serving their customer worldwide and that's why they have plethora of suppliers. Consequently, the suppliers can't bargain their own benefit rather it is the company that remains at their favorable position. In this way, Unilever is securing their profit by saving their costing in the buying of raw products from

their suppliers (Analyzing the Competition with Porter's Five Forces - businessnewsdaily.com, 2022).

Bargaining power of the customers: It is a potential case for Unilever to put emphasize. The targeted customers can have the capacity to influence the offered products and services. Since, the organization runs their business from customers' money and that's why by prioritizing the customers' preferences organizational benefit can be sustained.

Threat of the new entrants: In the market there is remains a threat for the new entrants. However, for the multinational and well established branded organizational like Unilever, they don't consider this for their threat. Rather the small and medium industries remain more involved by considering this as threat and taking proper measures.

Threat of substitute products: This is a common threat that the replica products of Unilever might hamper their business. In that case, the implementation of the legal policy within the Country and patents can be their savior.

Key Drivers for the change from Unilever's perspective:

Demands from customers: With the passage of time the choice and preferences of the customers' changes. Consequently, that can impact on the offered products and services of Unilever.

Technological innovation: With the advancement of technology the produces products can be made in more innovative way. The technological innovation helps in shaping the products in more up to date with more exotic features that might be more lucrative to the customers.

Cultural shifts: Cultural shift is another key driver of change. Due to the consumerism and classified taste of the customers Unilever produce some specific kind of products for their country. However, due to Covid-19 the country faced negative impacts on their financial sector thus affected their per capita income and thus the country's cultural phenomenon is shifted slightly.

Environmental factors: The environmental factors such as climate change, natural hazards and Covid-19 has detrimental effects over the performance of Unilever. These kinds of factors have the potential to change the business strategy of Unilever (Five things we've learnt in lockdown, 2022).

Competitive pressure: The contemporary market is very competitive and to sustain the top position in the market better quality products and services are offered and to main that kind of quality change factor in the production and other levels is a must.

d) Unilever's workplace culture along with developing a detailed analysis of the organizational culture

The workplace culture of Unilever:

Workplace culture represents the character of any business. Positive workplace culture can foster developing features for the employees to become more competent. In this part, the workplace culture of Unilever will be represented.

Engagement of the employees and opportunities for advancement: There are almost more than 149000 employees are currently working for this brand all over the world. This huge number of employees remains engaged by following some cultural mechanisms. In the organization there is system for employee engagement and appropriate opportunities are provided to them for their further development (Gabriel, 2020).

Teamwork: Working in the team is another significant workplace culture of Unilever. Through team working unity, combination among the coworkers, cooperative mentality and so on are nurtured.

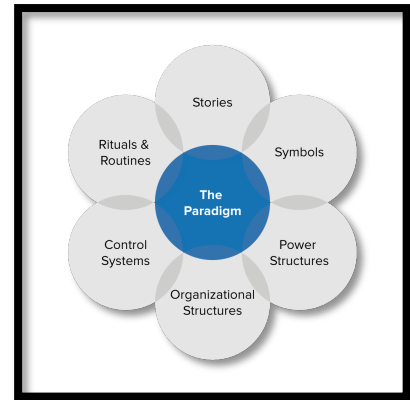
Communication and transparency: The communication process that is followed is vertical communication and with this the employees have the access to communicate with their superior. Thus, the system if distorting any sort of information is less. Besides, by maintaining transparency within the organization fosters better motivation for the employees to work more dedicatedly for the company as transparency is ensured through unbiased procedures.

Trust and integrity: There is another important workplace culture that do exist for Unilever is trust and integrity among the employees and employers. This has been established within the workplace setting by maintain continuous better services for their employees.

Growth mindset and diversity: at present Unilever is considered as one of the top leading organizations of the UK. However, with the passage of time the aims and objectives are becoming more intense for growing better (Savile, 2022). In that case, the growth and diversity mindset has been ingested among the employees respectively.

Developing cultural strategy for Unilever from Cultural Web:

To define the paradigms within the organization cultural web model can greatly help. Being developed in 1992 this model helps to determine the specifics of organizational culture and helps to set better organizational culture that can have more sustenance.



Analyzing the current culture and modify through comparative analysis: A series of analysis can be conducted through culture web model and thus it can help in modification of the existing organizational culture by determining the contemporary workplace setting (How Do You Use The Cultural Web Model For Corporate Culture?, 2022).

To specify the new cultural environment by identifying the strengths and weaknesses of the existing ones: While using any organizational culture for the employees that may seem outdated in compared to contemporary workplace setting of other organization. In that case the identification of strengths and weakness and then suggesting the best possible workplace culture can be possible.

Provides the best possible directions for the company: As for Unilever, what are the core factors that they should give more prioritize like more automation, customer oriented, capital oriented and so on such directions can be recommended by cultural web model by assessing the existing workplace culture (Five things we've learnt in lockdown, 2022).

Provide assistance in developing plan in a positive manner: Last but not the least is that the change in the organizational culture is made in a positive way and the cultural web model provides assistance in shaping the new ones.

e) Unilever's present culture and its efficiency in achieving financial and non-financial performance. Identification of Ethical Dilemma

Unilever's present organizational culture and its relationship in achieving financial and non-financial performance:

The existing organizational culture is quite effective in terms of recent analysis. After the Covid-19 hit Unilever has changed their business strategies to some extent to tackle the losses. However, to attain the hidden opportunity from this sector the present organizational culture is more strategic than before.

In terms of positive and strong organizational culture of Unilever can generate more financial performance. As for example, the revenue growth has been declined during the pandemic but after that the growth is increasing due to setting new organizational culture. Besides, the financial indicators like profit margin, satisfaction rate of the customers and client retention rate also can illustrate positive change.

Moreover, on the non-financial performance of Unilever the organizational culture can also influence in a positive way by customer satisfaction, retaining the brand value, providing proper training facilities for the employees and customer retention.

Ethical Dilemma:

Ethical dilemmas can be defined as choosing between two or more actions and none of them is the suitable option. In that case by choosing one right course will do injustice with the non-selected course of action (Van Auker, 2021). As for example, unethical leadership in the workplace, conflicting organizational goals can be some ethical dilemmas and by following this, the course of actions will fall into a paradoxical situation.

Identification of Three ethical dilemmas that might affect Unilever's performance:

This segment will illustrate three ethical dilemmas that might have the capacity to affect the organizational performance of Unilever over the period.

Company technology and its questionable uses: With the passage of time due to modernization and automation the process of conducting various business activities has become easier. However, due to systematic failure sometimes the company must face some delaying. It is because, if there is any mistake in providing input in the machine then the output will be error and that can adversely impact on the business (Lubis & Hanum, 2020).

White-collar crime: this type of behavior can be seen when the employees tend to use the organizational resources for their own sake and advantage. As for example, using the company car for personal use can impact on the budgetary modification by requiring more costing for petrol. In the same way, using the company resources illicitly for the own purposes by considering those as ethical is white collar crime that can impact on Unilever's performance (Unilever Global: Making sustainable living commonplace, 2022).

Health and safety mechanism at the workplace: For the employees the system how, the organization is providing health and safety facilitates is another significant ethical dilemma. By

providing better facilities that can impact positively on the employees and they can get motivation for working more attentively. Besides, by providing fewer facilities in this sector and expecting better performance is another paradoxical situation.

Recommendations for solving the ethical dilemmas:

- There should not have any conflict of interest within the workplace setting and if arise then that should be handled properly.
- The questionable use of the technologies within the workplace setting must be omitted.
- Better working environment must be ensured with proper health and safety mechanisms.
- Workplace politics must be removed as much as possible. If it remains, then that can hamper the performance and engage employee division.
- Any kind of toxic workplace culture will have to be cut down with immediate response.

Task 2- Individual Reflective Essay

To begin with the responsibility of any individuals towards the business organization like Unilever and decision-making capacities that can aid in team working and other group discussions and such qualities can be achieved by assessing the workplace culture of the definite organization.

At the very beginning the assessment of business organization and the influence of the external and internal factors over the organization can be addressed through various analytical tools. The management authority of the organizational must have proper guidelines and training regarding process of addressing the potential strengths and opportunities for the organizational betterment. On the contrary, the potential threats and weakness illustrate the organizational loopholes that can suggest for better strategies this assessment can help the employees of the organization to become more strategic and getting more involved with the organizational goals (Ratna, Srivastava & Rana, 2020).

The understanding of workplace culture can help individuals in learning the organizational skills like communication skill, team working, leadership, maintaining ethics, following the chain of command and so on. Hence the cultural web model can play pivotal role in identifying the potentials of the existing cultural practice within the workplace and better strategies can also be suggested so that the organizational performance can be enhanced. There are some aspects in which workplace culture influence the productivity of individuals. In the following segment, how

workplace culture can shape the individual's capacity so that they can contribute to the organizational progress will be discussed.

Firstly, the employee engagement culture of the workplace and utilizing the potential opportunities for future development can provide guidelines for the employees in such a way that they can learn to engage themselves within the organization. The more the employees will be involved with their organizational goals the more their engagement will be increased. Besides, better quality training facilities can enhance their capacities so that they can contribute more to the organizational output as whole.

Secondly, teamwork is another significant workplace culture that can teach the employees to work in a united way to solve the issues aggregately thus through cooperative plan of action better quality business activities can be demonstrated.

Thirdly, attainment of communication skill, building trust and integrity among the employees are generated through positive workplace culture. By working with Unilever over a certain period these are the specific things that I have learnt with the passage of time.

Lastly, the growth mindset of the organization, competitive environment among the employees can also generate more productivity among the working employees. It is the management and leadership style that can be flexible and effective to engage the employees to attain the organizational goals. The personal development process of the employee's remains involved with the practiced workplace culture. The organization in which fewer facilities are provided to the employees in that organization the employees will remain de-motivated and thus will impact on the productivity. On the contrary, better facility for the employees illustrate positive workplace culture and thus indicate better organizational setting that can enhance the employee engagement by making them more enthusiastic regarding their professional life. In that case, the employee will be more responsible for their actions that will be taken in the organizational setting.

Even the organizational dilemmas can also impact the organizational performance as well as can also influence the capability of an individual. At the organizational level there are myriad of ethical dilemmas do exist and while conducting the professional activities in their workplace individual face various complexities. The ethical dilemma of using technology can put pressure on them when there will be systematic failure (Lurie & Albin, 2018). So, to recover the losses from systematic failure the employees will have to be proactive in machine learning, handling

the machineries in a proper way and having the knowledge and capacity to run the machineries when there will be systematic failure. In this way, more focus has been given upon the technical expertise of the employees.

To put it in a nutshell it can be said that it is the organizational culture that illustrate the characteristic of any business. In case of Unilever, its workplace culture has greater roles that play in shaping the attitude of their employees and skill development process is also carried out by positive and better-quality environmental culture in a great extent.

Conclusion

In conclusion, Unilever is a multinational company and serving its products more than 190 countries. After a series of evaluation of the organization with analysis such as PESTEL Analysis and Porter's Five Forces Model, a critical discussion about the workplace culture of Unilever has been done, usage of cultural web model to address the potentials of organizational culture and suggesting the most effective organizational culture to enhance the organizational efficiency and the impacts of the external environments on business organization have been illustrated. In conclusion is clear that, in recent period the way how covid-19 affected the business by utilizing the fewer opportunities and tackling the ethical dilemmas appropriately Unilever has become successful and provide directions for other business entity to follow their footstep for securing organizational goals.

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