AMERICAN UNIVERSITY OF BEIRUT

FLEXIBLE WORKING ARRANGEMENTS: A STUDY OF UNILEVER'S AGILE WORKING POLICY

by
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AN ABSTRACT OF THE PROJECT OF

Farah Rasheed Hallak   for   Master of Human Resources Management
Major: Human Resources Management

Title: Flexible Working Arrangements: A study of Unilever's Agile Working Policy

The project is a teaching case study which revolves around the benefits of flexible working arrangements and portrays this concept with the example of the Unilever Agile Working Policy, developed initially for increasing the gender balance in the organization but was used by all employees and yielded positive results.

The objective of this case study is to provide an in-depth look into how Unilever has its diversity agenda set and how and introduced flexible working arrangements into the workplace. The case begins with an introduction to Unilever, its business model, vision and priorities. It then describes how the agile working policy was launched and the results it yielded.

The aim of this case study is to give graduate and undergraduate level students the chance to apply their knowledge about increasing the level of employee organizational commitment, loyalty and productivity, as well as the gender diversity of the organization, through the application and initiation of flexible working arrangements

As for the attached teaching notes, they provide instructors with suggested ways to approach the questions of the case and they can assist them in delivering the material for an optimal learning experience.

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CHAPTER 1

GENDER DIVERSITY, FEMALE RETENTION & FLEXIBLE WORKING ARRANGEMENTS

The business case for gender diversity has long been debated in research. A study performed by Siciliano (1996) showed no additional value of gender diversity to organizational performance while another study conducted in the same year argued that diversity enhances creative problem solving but also increases the likelihood of group members feeling disconnected from one another and creating sub-groups within the overall team (Miliken & Martins, 1996). While it was generally agreed that gender diversity creates a platform for creativity, early scholars argued that gender diversity can increase conflict, especially at top management level mostly due to conflicting thought processes, which can slow down decision making (Lau & Murnighan, 1998). With the progression of time, there is an increased belief in the gender diversity concept and its positive effect on organizational performance. The potential advantages of gender diversity at top management level have become more widely accepted and researched. Of the many advantages are a firm's increased potential to perform by matching the diversity of the decision makers to the diversity of customers and employees, improvement of creativity and innovation as those characteristics vary with gender, the enhanced potential to solve problems as with diversity of gender and thought comes various alternatives which can be evaluated to arrive at solutions more effectively (Campbell & Mínguez-Vera, 2008). The business case for diversity relies on the basis that it enriches the workplace, broadens perspectives of colleagues, and because problems are viewed from a fresh lens, there is better idea generation which enhances the learning environment (Herring, 2009). In more recent research, gender diversity has been linked to 5 important outcomes for organizations shown in Table 1.

Table 1: The Business Case for Gender Diversity

Better Financial Performance	A McKinsey review of 180 corporates showed that companies ranked in the top quartile of executive board diversity were 53% higher performing on Return on Equity than those in the bottom quartile (Desvaux, Devillard-Hoelinger & Baumgarten, 2007)
	A Forbes study found that companies headed by women outperformed the market by 28% (Forbes Insights, 2011)
	A Catalyst study in 2011, comparing Fortune 500 companies, found that 3 is a magic number. Companies with 3 or more women on the board had distinctly better financial performance (Carter & Wagner, 2011).
Better Business Performance & Reputation	Based on a Deloitte model, an uplift of 80% was seen when a company fared highly on both diversity and inclusion performance (Human Rights Commission, 2012).
	Another study found that diversity strongly influences perceptions of good corporate citizenship (Larkin, Bernardi & Bosco, 2012)
Better Customer Connection & Market Share	The authors of a Deloitte review noted that in companies where the workforce mirrors the diversity of the community, this leads to a higher connection and familiarity with the customer base. (Paul, McElroy & Leatherberry, 2011)
	An American Sociological Review of over 1000 organisations found that for every 1% increase in gender diversity, there is a 3% increase in revenue (Herring, 2009).
Better Innovations & Group Performance	o A study by the Centre for Talent Innovation revealed that people with inherent and acquired diversity, when they are placed together, unlock higher levels of innovation and group performance. (Hewlett, Marshall & Sherbin, 2013).
Better Talent	Focusing on gender diversity will widen the pool of talent and this will build a positive employer brand which promotes an inclusive culture (Forbes Insights, 2011)
	A Catalyst study found that more women on boards sows the seeds for diversity permeating throughout the organisation thus creating a snowballing impact on diversity and performance. (Joy, 2008)

Female Retention: Challenges

Even though women's participation in the workforce has grown over the years (Cabrera, 2007), organizations face many challenges in their quest to attract and retain female talent. Women opt out of the workforce for several reasons stemming from push and pull factors. In terms of pull factors, providing care for children or parents, pressures of parenthood and trailing the careers of their spouses are the basis on which women choose to put their career on hold for their personal life. In terms of push factors, they are mainly related to challenges in the job environment, like harassment, clashing personal and organizational values, masculine organizational cultures, pay discrepancies and glass ceilings for career development (Cabrera, 2007; Lovejoy & Stone, 2012; Jamali, 2009). While women and men tend to enter the workforce together, the numbers of women decrease as they climb up the corporate ladder (Cabrera, 2009). In order to retain female talent, organizations need to better understand the challenges to women's careers and their underlying reasons for leaving the workforce. One of the ways to

retain female talent is for companies to introduce a flexible workplace where women have the flexibility to fulfil their work and personal responsibilities without facing negative consequences for not being visible full-time and this can only done in organizations where results are rewarded and performance is the main measure of talent (Cabrera, 2009).

Types of Flexible Working Arrangements

Flexibility can be introduced to the workforce by implementing flexible work arrangements (FWA) such as flextime that allow individuals to rearrange work timings to suit them within general guidelines and flex-place, which reflects the ability of employees to control the location at which work is done (Hill, Hawkins, Ferris & Weitzman, 2001). Other ways include compressed workweeks, reduced schedule, extra vacation days, and job sharing (DeSivatte & Guadamillas, 2013).

While there are disadvantages to the organization in introducing FWA like increased costs and difficulties in supervising as well as feelings of isolation relevant to working remotely which lead to some job dissatisfaction (Kelliher & Anderson, 2008), the benefits outweigh the drawbacks by bringing in lowered stress levels, job enrichment and autonomy, reduced absenteeism and heightened job satisfaction and productivity (Scandura & Lau, 1997; Russel, O'Connel & McGinnity, 2009). Having the ability to control one's working hours has generally shown to be more effective on a personal and organizational level. Employees with access to such policies are generally more satisfied with their job which eventually provides benefit to the organization (Kelliher & Anderson, 2009). When an employee can comfortably split the hours of the day how they deem necessary to take care of their home, family or even to run a personal errand, they are more likely to focus fully on the job while the work is being

done. Without flexible work arrangements, if employees have an important personal errand to run, they would need to be absent in order to avoid taking permission from their manager. When flexibility is introduced, employees will only be absent when they need to due to sickness because they can otherwise manage their time.

Additionally, flexibility over the location where work is done has shown to increase morale of employees and leads to more work-life balance, and individual satisfaction. (Hill, Miller, Weiner & Colihan 1998; Gajendran & Harrison, 2007). Employees who live far away from their workplace would use the time usually wasted on transportation to work, given that the tools they need are available to them wherever they choose to work. Moreover, studies have shown that organizations implementing such policies see a great improvement in employee work performance, morale, openness to organizational change as well as a better perception of job quality (Kelliher & Anderson, 2008). The motivation for companies to implement FWA is higher given the enhancements in technology which allows productivity to be maintained even when employees are not physically in the workplace (Drew, Humphreys & Murphy, 2003).

Organizational Benefits

Delving deeper into how those benefits come into play when flexible work arrangements are offered to employees, it has been shown that one of the most important factors is the psychological contract between the employee and the organization. An organization offering flexible working hours is inevitably showing the employee that it cares for his/her mental wellbeing, in addition to concerns for his/her family and personal needs. In return the employee will experience positive feelings about the organization in the form of increased firm loyalty and higher association with the objectives of the organization (Rhoades & Eisenberger, 2002). Scandura and Lankau

(1997) mentioned many factors which also aid in the strengthening of the psychological contract between the employee and organization. One of the most relevant and important is the increased feeling of self-control over the employee's time as they can work when it suits them the best. In addition, employees can settle down to work at their preferred time, depending on their individual biological clock. For instance a mother may focus better in the evening when her children have been put to bed for the night. Furthermore, when employees compare themselves to friends or family working for organizations which do not support such policies, this further strengthens the psychological contract and increases the attachment between the employee and the organization.

One of the many benefits to organizations which offer flexible arrangements is the ability to attract and retain the best talent in the market. Such arrangements would enable the organization to be competitively ahead of other similar organizations with similar benefits and pay structures during the attraction and recruitment process as the implementation of such policies helps the organization positioning as an Employer of Choice (Grobler & De Bruyn, 2012; Kossek, Barber & Winters, 1999). High employee turnover have always been associated with high costs due to vacant periods, training time for new employees and the cost of attracting new talent into the organization. Implementing flexible work policies has been linked to high organizational commitment which effectively leads to lower costs for the organization (Cheese, 2008; Kelliher & Anderson, 2008).

Successful Implementation of Flexible Working Arrangements

There are important caveats for a flexible working arrangement policy to be implemented successfully. Most importantly, organizations should adopt a results-focused way of working with robust appraisal systems and pay-for-performance policies rather than a business culture focused on daily tasks and micromanagement .When a business is results oriented, a target is given to the employee and he/she needs to deliver on that target regardless of the time taken to deliver or location where the employee worked from and managers need to be able to give employees this privilege with a certain discretion as business results must always be the priority (White, Hill, McGovern, Mills & Smeaton, 2003). Additionally, there is a disadvantage of flexible working arrangements stemming from the view that users of such arrangements may experience backlash and negative career consequences as they can be viewed as creating more work for others, their peers and supervisors. While FWA policies are designed to promote inclusion by allowing different people to be employed in the organization, such backlash can lead to cultures of exclusion in the workplace (Ryan & Kossek, 2008) and organizations implementing such policies need to execute effective change management to promote inclusion and avoid negative perceptions for those choosing to utilize those policies (Kossek et. al, 1999). This is especially important because managerial support to the flexible working arrangement was shown to increase employees' commitment to the job (De Sivatte & Guadamillas, 2013).

One of the companies which have successfully implemented flexible working arrangements is Unilever. This case study is an in depth qualitative exploration of flexible working arrangements at Unilever. The objective is to investigate and

understand the reasons behind this initiative being launched from a management perspective as well as to understand the effects it has on employees' engagement and retention and their work life balance (WLB). The research conducted will focus on reviewing the company's strategy and vision and how launching the Unilever Agile Working Policy ties into those as well as into the diversity agenda of Unilever. It was established in 1929 by a merger of two companies, soap maker Lever Brothers and Dutch Margarine producer Margarine Unie. Since then, the company has grown into a large player in the Fast Moving Consumer Goods (FMCG) industry, with over 400 brands and 170,000 employees worldwide.

Given the increased importance and focus on female talent, FWA and WLB, the objective of this case study is to provide an in-depth look into how Unilever has introduced its diversity agenda and flexible working arrangements into the workplace. This case study will showcase what was the organization's objective in doing this, how it was done and how it has shaped the ways of working and affected the employees' organizational commitment and engagement.

CHAPTER 2
METHODOLOGICAL APPROACH

Methodology

The case study relies on qualitative data collection and analysis methods; in depth structured face to face interviews are conducted with all participants of the study. Since this case study revolves around understanding how the flexible working arrangements makes participants feel and influences their behavior as well as what it means to them in specific, qualitative data is best suited for this project (King, Cassel & Symon, 1994)

The first data collection effort focuses on the organization objectives in launching the Flexible Working Arrangements initiative as defined by the top management of Unilever namely:

1. Marketing Director – Gulf

2. Human Resources Director – Gulf

3. Human Resources Director – KSA

In-depth semi-structured interviews are conducted with Group 1. (Please refer to Exhibit A in Appendix for the interview protocol). This sample size was chosen as the case largely revolves around the perceptions of the Agile Working Policy and the management of Unilever worldwide is fully aligned with the leadership vision for the policy.

Table 2: Group 1 Demographic Table

Name (pseudonym)	Gender	Age	Marital Status	Other criteria
Tania	F	42	Married	Marketing Director
Adam	M	45	Married with children	Human Resources Director

Sandra	F	38	Married with children	Human Resources Director

The second data collection effort focuses on employee perceptions of this initiative and goes into depth regarding how they use the policy, the support of the organization, the effects of the policy on their Work Life Balance, productivity and organizational commitment. A random group of 10 employees in mid-level managerial roles (Group 2) are interviewed using semi-structured interviews. Please refer to Exhibit B in Appendix for interview protocol.

Table 3: Group 2 Demographic Table

Name (pseudonym)	Gender	Age	Marital Status	Other criteria
Alexandra	F	24	Single	Lives at a far proximity from work
Angie	F	30	Married with Children	On a permanent agile working plan
Carrie	F	33	Married with Children	
Fadia	F	28	Single	
Mira	F	30	Single	
Mohammad	M	31	Married with children	
Nadia	F	27	Single	
Safia	F	26	Single	
Sandy	F	26	Single	
Jasmin	F	28	Single	Lives at a far proximity from work

The third data collection effort consists of extracting information from internal Unilever reports on gender diversity and flexible working arrangements.

Recruitment

All the participants have been recruited by email. The email explains the objective of this study. Participants have been asked to sign an informed consent form for their participation in this study which includes the purpose of the study, disclosure of the risks if any, benefits of this study, privacy/confidentiality, who will access the data, who has access to the identity of the participants, their rights to withdraw at any point and the consequences of their withdrawal, if chosen to do so.

Data Analysis Methodology

The information collected from the interviews is analyzed qualitatively through the thematic analysis method. This method involves identifying, analyzing and reporting patterns/themes within the data collected (Braun and Clarke, 2006). This method provides a structured approach to analyzing the data while maintaining the flexibility to expand the study findings to identify multiple themes beyond the researcher's expectations (Braun and Clarke, 2006). The researcher will identify patterns within the interviews of the first group related to the objectives and benefits of introducing flexible working arrangements. Additionally, themes will be identified within the interviews of the second group in relation to their experience with the 'Agile Working Policy' and they will be linked to the findings of the employee engagement survey conducted yearly by Unilever.

The researcher will examine the themes within the data and this will be an enabler in identifying the answers to the research questions. These themes will be identified

following the process of coding in six phases which are: familiarization with the data,

generating initial codes, searching for themes among codes, reviewing themes, defining

and naming themes and producing the final report (Braun and Clarke, 2006).

The three data collection methods provide a more accurate view of the effects of

flexible working arrangements in the organization as they allow for a triangulation of

data and sources leading to more rigorous results.

CHAPTER 3
RESEARCH RESULTS

In order to understand the implications that the Agile Working Policy has on retention and engagement, we have interviewed 10 users of the policy taking into account differences in gender, marital status and proximity of their home to the workplace. To a large extent, the intentions of the management by launching has had several implications on the productivity, loyalty and sense of accountability for employees. The results showed a convergence between what the management has set out to do by launching the initiative and how the users of the policy are responding to the policy and viewing it. The results are detailed below:

On Productivity

The management views the policy as a way to provide flexibility and freedom to employees, as long as the work is getting done, with a large belief that productivity will increase once there are no constraints as Tania mentioned:

> *To be able to deliver on the requirements of the job, especially in our changing environment, the fast changing environment that we have, it is very important to offer employees around the world an environment where they can perform better. People operate in different manners, people work in different ways so this is for Unilever to accommodate the variety of people. They {Unilever} realized that one global way of working would not work. Agile working feeds very well into the value of having inclusion of all kinds of people and all kinds of ways of working.*

All employees using the policy do believe that the policy is aiding their productivity by allowing them to get their work done in whichever manner is more comfortable to them. Specifically, employees living further away from the office believe that they are able to

achieve more by working from a location suitable for them as they are not forced to drive to the office every day and can use that time to be more productive. Additionally, the agile working policy has provided employees with the necessary technology to be able to access their work at any time so when urgent issues arise, those issues can be resolved immediately from any place.

The management of organization are aware that the value employees deliver is in their outcome and performance, hence they are supportive of this policy. This resonates with employees as they are more in tune with their targets, achievements and objectives and are more likely to spend more time working on achieving goals.

An interesting outcome of the interviews revolved around employees appreciating the policy as they are able to get away from the distractions of the office. Seventy percent of those interviewed mentioned that when they remove themselves from an office environment, they are more productive because in the office, they are constantly distracted by colleagues, coffee breaks, water cooler discussions and some even mentioned that going out to lunch with colleagues takes more time away from their work day than having lunch on their own when working outside of the office. Fadia describes her experience:

> *You talk to 20-30 people, different people, and it is exhausting and draining day after day. I find that sometimes just taking a day off and working from home where you are just focused on your work and you don't have anything to do other than your work, you don't exhaust yourself and I actually find myself being much more productive.*

On Loyalty

All employees interviewed were appreciative of the trust and support that the company has provided via this policy, whether they are users of the policy or not.

Though this was not mentioned by the management, this has strengthened the psychological contract between employees and the organization. By providing flexibility and freedom to employees, the company has inadvertently increased the sense of accountability and responsibility which employees feel towards the company, which leads them to work harder in the interest of the organization. Angie, who is on a permanent Agile Working Plan with the organization, which enables her to work half day from the office and the second half from home every day, commented:

> *Whatever work I have, I am completing it on time, no matter where I am because of the trust factor, I would never want to break that.*

On Work Life Balance

Eighty percent of interviewees have felt that this policy has helped them in improving their work life balance. Women who are working mothers appreciate the policy because it enables them to reach home earlier to spend time with their children while single employees have an appreciation for it because it provides the time to be more productive in their personal life as well as Carrie and Nadia stated:

> *I feel like I can organize my day the way I need to. If something in the life part needs more attention that the work part, I can focus on that and make it up for work the next day.*

> *The fact that we don't have to come in at a certain time and leave at a certain time gives us more flexibility. If you know on a certain day you need to go for a family outing or you have a friend coming from out of town, what you can do is wake up earlier, work from home. Go pick her up from the airport or go out and then come back late at night and continue working. So you actually end up putting in the hours, if not the same*

amount of hours, possibly more but at least you get to split it up in a way where you get

to accommodate your everyday life.

On Retention

Though the policy does not state that it was devised for female retention, the objectives and initiation of the policy has stemmed from the vision of having a gender-balanced Unilever. The management set out to retain women as they progressed in their life cycle from being single to being married and then bearing children. The research results are very congruent as all women interviewed stated that the policy would make them hesitate to leave Unilever, though the degrees of this differ. Women who were single appreciated the policy as it allowed them to have more work-life balance, comfort and flexibility but those who are married with children have a higher appreciation of the policy as they have considered leaving their careers behind since their priority is their children's well-being and safety. This policy has helped them to manage their time and has enabled them to juggle the pressures of their career and parenthood simultaneously. Men were not avid users of the policy and the policy would not alter their decision of leaving the organization seriously – it would only weigh a little amongst the many other factors one would consider before changing jobs, like salary, benefits and environment. Proximity to the office is also a factor which would retain employees. For employees living further away from the office, having the option to work from any location is important as it provides a sense of comfort and being at ease as Angie mentions:

I would hesitate to leave Unilever because the comfort I am getting of having my job

and at the same time, taking care of my kids. It means a lot to me. I will think twice,

definitely. Also, the company trusts me and the company has been loyal to me so I need

to think twice or three times before taking up something new.

The challenges employees face

Increased expectations

Twenty percent of the employees interviewed reported feelings of increased pressure while working agile, mainly stemming from feeling a need to prove oneself while not being physically seen in the office. Being away from the office means that their teams and managers cannot actually see them working which means they feel the need to do much more while away from the office.

Negative impact on work-life balance

Twenty percent of employees interviewed mentioned that the policy sometimes can lead to working more because the agile working policy has unintentionally created a work environment which is unlimited and bound by time. Since employees can work at any time, however their schedule suits their personal life, time schedules conflict and the temptation of reaching out to colleagues at times outside working hours are not always contained. This can have a detrimental effect on work-life balance for all employees as those who are working normal hours are disturbed when they are off and feel the enticement to quickly check their emails which inevitably results in more working hours and Sandy & Alexandra state:

> *People are now working until midnight and 4am and 5am and it destroys the concept of working for 8 to 9 hours. Now you are constantly working and checking your emails all the time. I don't think it is good for your WLB.*

> *Sometimes you get emails at 10PM when you're not next to your laptop but you have access on your phone. You check it and you see you are supposed to action something. The next day, by the time you check your emails in the morning, they are already asking about that email: "what happened with this? We have sent it already". Maybe we could set certain hours for people to work..*

CHAPTER 4
CASE: UNILEVER'S AGILE WORKING POLICY

In November 2008, The Chief HR Officer (CHRO), Dan Rudge, at the Unilever headquarters in London, was excited to close the year and go on his holiday but he knew that before he could go, he needed to have clarity in his mind for the 2009 HR strategy since the virtual Global HR conference was scheduled in the second week of January. In this meeting, he will cascade to the entire Human Resource organization globally the strategic objectives for the coming year. He had recently received guidance from the Chief Executive Officer on the business goals and now he had to translate them into HR goals.

Along with the newly appointed Chief executive officer was a new business model at Unilever as shown in Figure 1:
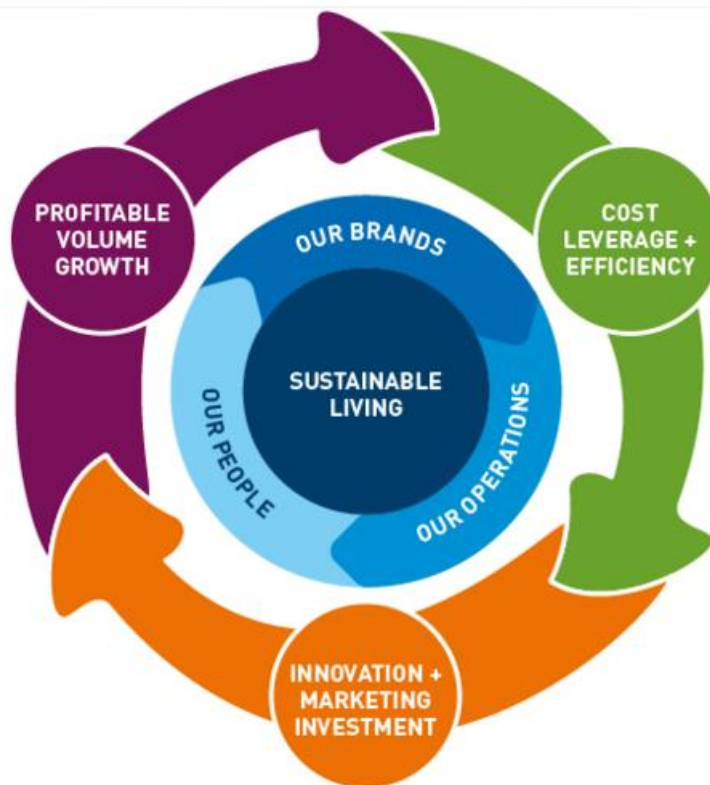
At the heart of the business model was "Our People". Employees are at the heart of Unilever and the guidelines to the employee strategy read as below:

- *"Unilever is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.*

- *We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.*

- *We are committed to safe and healthy working conditions for all employees.*

- *We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.*

- *We will not use any form of forced, compulsory, trafficked or child labour.*

- *We are committed to working with employees to develop and enhance each individual's skills and capabilities.*

- *We respect the dignity of the individual and support the right of employees to freedom of association and collective bargaining.*

- *We will maintain good communications with employees through company based information and consultation procedures.*

- *We will ensure transparent, fair and confidential procedures for employees to raise concerns."*

As he began to review the facts and figures of the year which has passed, he noticed an increasing trend in the global attrition numbers. More employees were leaving the company at senior positions. Dan wondered "Employees work so hard to get

promoted, why is it that they would leave once they earn their promotion and are on their way to the top?"

He needed to investigate further. He called upon his team of Human Resource Vice Presidents in the different clusters across the world, North Africa Middle East, Europe, Russia and Belarus, Latin America, South Asia, North America, North Asia, South East Asia and Africa to understand the different reasons in the geographies of why employees decide to leave at managerial positions. The trend is increasing. Is it that competitors are poaching Unilever employees? Are those choosing to leave poor performers or regretted losses? He was curious to understand.

The VP's reverted with many statistics regarding the attrition, the function where the attrition was highest, the countries, etc. The reasons were many and varied, but as he looked on throughout the presentation, the gender variation was what really caught his attention. As employees climbed the career ladder, the global attrition of females grew as well, particularly at the age of 30 and above. At lower levels in the organization, there was a gender balance but as he analyzed the higher levels in the organization, the gender balance slowly but inevitably, became skewed towards males.

It was then that he decided to set up a gender diversity board, led by the Senior Vice President, Fina Landen, to devise a plan to retain females across the globe, in all functions of the organization. At the opening meeting for the gender diversity board, he spoke to the team about the importance of gender diversity for Unilever. If most of their consumers are female, won't the company do better if it mirrors their consumer base in their employees?

It was through this diversity board that the Agile Working Policy for Unilever was born in 2009, along with other initiatives to retain females in the business. The strategy was simple and effective:

1. Drive the diversity business case with full support across all leadership teams

2. Set achievable, yet stretching, targets and measure successes

3. Strengthen talent supply through effective succession planning and pipelining external candidates

4. Lead this agenda in an inclusive manner and drive awareness of inclusion through learning and development

5. Continuously drive communications internally and externally to build alignment and expertise.

Points 4 and 5 are especially important to delivering on the Agile Working Policy because a robust change management plan is needed in order to create awareness of the plan internally and externally. Internal communications is important in order to make all employees aware of the policy and more importantly, their line managers aware so they can support them through the process. External communications is crucial in order to attract external talent into Unilever and position Unilever as an employer of choice for students, mid-career and executive recruits.

Change Management at Unilever is done through a Unilever model similar to Kotter's 8-step change model which is detailed below. With this model, the diversity board at Unilever struggled to bring some line managers on board to allow their team members to use the policy openly, without negative repercussions. With the passage of

time, those resistant line managers were slowly able to move past their reservations after seeing the positive effect the Agile Working policy had on other teams.

About Unilever

Unilever as a company came about when two companies, Lever brothers, operating in the soap industry and Margarine Unie, which produced Margarine came together in 1929 due to a need to share the cost of a raw material on the rise, palm oil. From having two brands, Unilever has since grown into a global Anglo-Dutch multinational consumer goods company with over 400 brands worldwide, including Lipton, Knorr, Dove, Axe and Omo. With sales in over 190 countries, Unilever brands touch the lives of consumers 2 billion times a day. The vision of Unilever is to double the size of the company whilst halving the environmental impact and making a positive contribution to peoples' lives.

The Unilever goal is to double the size of their business, while reducing the environmental impact and increasing their positive social impact by 2020. Unilever places a large emphasis on the values which underpin daily employee interactions; integrity, respect, responsibility and pioneering.

Unilever's Agile Working Policy

The agile working policy prescribes an approach to getting work done that can help Unilever become more competitive in today's challenging marketplace. It is
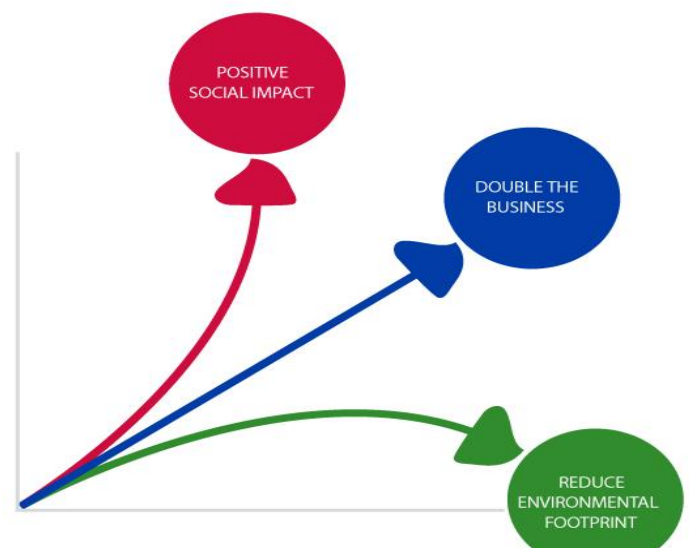

Figure 1 Unilever Goal by 2020

all about producing results with maximum flexibility and minimal constraints. It puts employees in greater control over how, when, and where they work, and supports individual vitality. The vision of the policy is to create an environment where "work is an activity not a place". It allows employees to work anywhere at any time, provided that the business needs are met, hence offering more flexibility and freedom.

The inception of the Agile Working Policy at Unilever was due to an effort to increase gender diversity in the organization, as it was realized that females and males are equally distributed at the lower end of the hierarchy but as their career progresses, women tend to drop out while men climbed the corporate ladder which led to an uneven gender distribution in the managerial and leadership positions across Unilever Globally. In 2009, only 36% of the population at managerial levels and above, 25% of director levels and above and 7% of senior Vice Presidents were female. It is important to Unilever to have a workforce which is representative of the markets served from a gender, cultural and racial perspective. This distribution leads to the employees at Unilever to better understand the market they serve and to provide products, marketing campaigns and sales schemes accordingly.

With gender diversity in mind, the leadership team at Unilever envisioned a working style which can serve multiple purposes and so, the agile working policy was introduced with the following objectives in mind: "improving collaboration, reducing travel, contributing to the Unilever Sustainable Living Plan (USLP) all whilst building a reputation as a top employer and contributing positively to people's lives" (Unilever, 2015).

The Unilever Sustainable Living Plan (USLP) is a plan which guides Unilever in achieving its 2020 goal, which is to double the size of the business, whilst reducing

environmental footprint and increasing positive social impact. It is achieved through three main means:

1. Improving Health & Wellbeing

2. Reducing environmental impact

3. Enhancing livelihoods

Unilever operates in the highly competitive Fast Moving Consumer Goods (FMCG) industry, with sales in over 190 countries and globally, volatility and uncertainty are on the rise due to political and economic instability which increases the pressure on companies operating within this industry to work fast in an effective manner. Unilever's Agile Working Policy ties into this challenge as it allows employees flexibility, freedom and choice to work from anywhere at any time, as long as business needs are met. This is only made possible with the support of the performance culture of Unilever which focuses on delivering results while respecting the values of Unilever, which are integrity, respect, responsibility and pioneering. The goal setting process at Unilever is very stringent across the globe and puts in place three business goals as well as one developmental goal for every employee. The goals stem from and are aligned to organizational goals of the organization. All employees have their own business and developmental goals and that allows the Unilever Agile Working policy to seamlessly integrate with the ways of working. The individual can work on achieving their targets any time and from anywhere (Unilever, 2011).

Enablers of the Agile Working Policy at Unilever

The Agile Working Policy has three enablers:

1. <u>Working Practices:</u> The agile working practices are the guidelines to how employees can work using the Agile Working Policy and it stipulates that

employees can work anytime and from anywhere as long as business needs are met. The performance culture supports this enabler because performance is determined by results rather than time spent in the office and attendance. In order to encourage a mind-set shift in managers, managers are assessed on how well they support and encourage agile working within their teams. Teams are empowered to use the policy as long as they can deliver together on team goals and to be productive by influencing and contributing from any location.

2. Workplaces: Unilever strives to make their offices conducive to Agile working by maximizing the creative use of space which can be used flexibly to enhance and encourage productivity. It also allows employees the choice to work from three different zones. Focus, Connect and Vitality. Focus zone is designed primarily for individual working and contains individual workstations based on an open plan. The connect zone is designed for communicating and collaborating with colleagues, including formal and informal meeting rooms, breakout spaces, small phone rooms and telepresence rooms. There is a focus on open plan working which encourages collaborations within teams and cross functional teams. Enclosed offices are discouraged in order to promote an open door or a no door policy.

3. Technology: From a technological perspective, all employees have the tools in order to be connected consistently including video conferencing, telephone conferencing and ease of connectivity to the Unilever intranet and tools.

Globally, the policy has been successful at retaining more women at higher levels in the organization as they have been given the tools to manage between life priorities and work without having to make a choice between either. In terms of retention at

higher levels of the organization level, over 5 years, the number of women at senior VP level had seen growth of 9%, 8% growth in women leaders at the director level and 6% improvement at the managerial level and above. Overall, across all levels, the ratio of women to men has increased from 57% in 2009 to 75% in 2015. In the North Africa Middle East region, in a diversity survey taken in 2012 across all employees in North Africa Middle East, 84% of respondents answered favorably to "Unilever has a work environment where diversity is valued" vs. the external norm of 65%. The statement "The people I work with treat me with respect and dignity" had 86% of respondents answer favorably vs. the external norm of 84%, backing the notion that women are seeing a step change in the way the organization places an emphasis on the importance of gender diversity.

CHAPTER 5
TEACHING NOTES

Synopsis

The aim of this case study is to give graduate and undergraduate level students the chance to apply their knowledge about increasing the level of employee organizational commitment, loyalty and productivity, as well as the gender diversity of the organization, through the application and initiation of flexible working arrangements.

The case asks: How can organizations roll out a flexible working arrangements program in the best manner? What is required to already be in place for an effective roll out?

Usage of the Case

The case can be used as instruction material for graduate and undergraduate students in courses that pertain to Human Resource Management, Flexible Working arrangements, gender diversity and engagement. The case portrays the importance of having strong performance management systems in place prior to initiating such arrangements as well as a change management program in order to increase awareness and support to employees choosing to use such organizational offerings.

Learning Objectives

This case will encourage students to:

- ➢ Explore the importance and evolution of flexible working arrangements
- ➢ Explore the various ways in which such a program can be initiated
- ➢ Design an effective change management strategy to launch the program
- ➢ Identify the caveats of any flexible working arrangements program

- Negative career consequences

- Lack of managerial support

- Increased pressure on work

- Loss of set working hours per day, leading to higher expectations and worse work-life balance.

Assignment Questions

- Assess the benefits that Unilever would enjoy from launching the agile working policy.

- Assess the benefits that Unilever employees would experience from using the agile working policy. Are they in line with the benefits to Unilever?

- What are the main considerations that Unilever needs to pay attention to prior and during launching a flexible working arrangement?

- While launching the policy locally in countries of operations, what considerations does Unilever need to account for?

- What are the challenges employees may face while using the agile working policy?

- How do you believe Unilever should tackle the issue of resistant line managers?

- What type of employees will benefit best from such a policy?

Sample teaching Plan

This case can be covered as part of a two hour class. It is an in-class activity that can be best solved in groups of three or four depending on the instructor's preference and perceived suitability. The schedule below is a recommended guideline for the class discussion.

Table 4: Teaching Plan

Class Discussion Topic	Key Discussion Points	Suggested Time
Introduction	Understanding Flexible Working Arrangements and their importance	20 minutes
Flexible Arrangements Benefits	Understanding the benefits to employees and organizations	30 minutes
Main Considerations prior to launching	Understanding the caveats of flexible work arrangements	20 minutes
Assessing the effect of this policy on different employees	Understanding how different employees will perceive the policy and use it	20 minutes
Class Presentations	Presenting Results back to the class and class discussions	30 minutes

Preparatory/Discussion Questions

Assess the benefits that Unilever would enjoy from launching the agile working policy.

- The psychological contract between the employee and the organization. An organization offering flexible working hours is inevitably showing the employee that it cares for his/her mental wellbeing, in addition to concerns for his/her family and personal needs. In return the employee will experience positive feelings about the organization in the form of increased firm loyalty and higher association with the objectives of the organization.

- An increased feeling of self-control over the employee's time as they can work when it suits them the best, leading to more productivity.

- When employees compare themselves to friends or family working for organizations which do not support such policies, this further strengthens the

psychological contract and increases the attachment between the employee and the organization.

- o Ability to attract and retain the best talent in the market. Such arrangements would enable the organization to be competitively ahead of other similar organizations with similar benefits and pay structures during the attraction and recruitment process as the implementation of such policies helps the organization positioning as an Employer of Choice (Grobler & De Bruyn, 2012; Kossek, Barber & Winters, 1999).

- o High employee turnover have always been associated with high costs due to vacant periods, training time for new employees and the cost of attracting new talent into the organization.

- o Implementing flexible work policies has been linked to high organizational commitment which effectively leads to lower costs for the organization (Cheese, 2008; Kelliher & Anderson, 2008).

Assess the benefits that Unilever employees would experience from using the agile working policy. Are they in line with the benefits to Unilever?

- o All employees using the policy do believe that the policy is aiding their productivity by allowing them to get their work done in whichever manner is more comfortable to them. Specifically, employees living further away from the office believe that they are able to achieve more by working from a location suitable for them as they are not forced to drive to the office every day and can use that time to be more productive.

- o The agile working policy has provided employees with the necessary technology to be able to access their work at any time so when urgent issues arise, those issues can be resolved immediately from any place.

- o The management of organization are aware that the value employees deliver is in their outcome and performance, hence they are supportive of this policy. This resonates with employees as they are more in tune with their targets, achievements and objectives and are more likely to spend more time working on achieving goals.

- o An interesting outcome of the interviews revolved around employees appreciating the policy as they are able to get away from the distractions of the office. Seventy percent of those interviewed mentioned that when they remove themselves from an office environment, they are more productive because in the office, they are constantly distracted by colleagues, coffee breaks, water cooler discussions and some even mentioned that going out to lunch with colleagues takes more time away from their work day than having lunch on their own when working outside of the office:

  Fadia: "You talk to 20-30 people, different people, and it is exhausting and draining day after day. I find that sometimes just taking a day off and working from home where you are just focused on your work and you don't have anything to do other than your work, you don't exhaust yourself and I actually find myself being much more productive."

What are the main considerations that Unilever needs to pay attention to prior and during launching a flexible working arrangement?

o Organizations should adopt a results-focused way of working with robust appraisal systems and pay-for-performance policies rather than a business culture focused on daily tasks and micromanagement .When a business is results oriented, a target is given to the employee and he/she needs to deliver on that target regardless of the time taken to deliver or location where the employee worked from and managers need to be able to give employees this privilege with a certain discretion as business results must always be the priority (White, Hill, McGovern, Mills & Smeaton, 2003).

  o There is a disadvantage of flexible working arrangements stemming from the view that users of such arrangements may experience backlash and negative career consequences as they can be viewed as creating more work for others, their peers and supervisors. While FWA policies are designed to promote inclusion by allowing different people to be employed in the organization, such backlash can lead to cultures of exclusion in the workplace (Ryan & Kossek, 2008)

  o Organizations implementing such policies need to execute effective change management to promote inclusion and avoid negative perceptions for those choosing to utilize those policies (Kossek et. al, 1999). This is especially important because managerial support to the flexible working arrangement was shown to increase employees' commitment to the job (De Sivatte & Guadamillas, 2013).

While launching the policy locally in countries of operations, what considerations does Unilever need to account for?

- Cultural: The policy would need to be adapted locally to local cultures and values. Traditionally masculine cultures would react differently to such a policy. Country limitations: A country like Saudi Arabia would be unable to hire as many females as the United Arab Emirates, due to local regulations and customs.

The policy at Unilever was launched as a global policy with one set of objectives and guidelines. However, the policy was adapted and launched separately in different countries across the world, dependant on:

1. The ability to provide different types of flexible working arrangements: Flextime, Flexplace, Job sharing, part time roles

2. Technology available in the different countries

3. Cultural values and limitations

What are the challenges employees may face while using the agile working policy?

- Increased expectations
  - Twenty percent of the employees interviewed reported feelings of increased pressure while working agile, mainly stemming from feeling a need to prove oneself while not being physically seen in the office. Being away from the office means that their teams and managers cannot actually see them working which means they feel the need to do much more while away from the office.
- Negative impact on work-life balance
  - Forty percent of employees interviewed mentioned that the policy sometimes can lead to working more because the agile working policy has unintentionally created a work environment which is

unlimited and bound by time. Since employees can work at any time, however their schedule suits their personal life, time schedules conflict and the temptation of reaching out to colleagues at times outside working hours are not always contained. This can have a detrimental effect on work-life balance for all employees as those who are working normal hours are disturbed when they are off and feel the enticement to quickly check their emails which inevitably results in more working hours:

- *Sandy: "People are now working until midnight and 4am and 5am and it destroys the concept of working for 8 to 9 hours. Now you are constantly working and checking your emails all the time. I don't think it is good for your WLB."*

- *Alexandra: "Sometimes you get emails at 10PM when you're not next to your laptop but you have access on your phone. You check it and you see you are supposed to action something. The next day, by the time you check your emails in the morning, they are already asking about that email: "what happened with this? We have sent it already". Maybe we could set certain hours for people to work."*

How do you believe Unilever should tackle the issue of resistant line managers?

- o Unilever should deploy the Kotter 8-step model.

1. Creating urgency by presenting the business case to the leaders of the business and ensuring their buy-in prior to launching the initiative.

2. Forming a powerful coalition, by bringing together a change management team with powerful and influencing change agents to lead the change.

3. Forming a strategic vision by setting clear goals and targets as to where this policy will lead the organization.

4. Communicating the vision with full transparency to obtain the buy-in from as many people in the organization as possible to drive change where the change agents cannot be.

5. Empower Action. In the case of Unilever, this was creating the agile workplace, work practices and updating the technology to support this policy. This step is about removing obstacles which may hinder the change process.

6. Creating quick wins by communicating the small improvements that the agile working policy has brought about. In Unilever, this improves the employer branding of the organization externally and reflected in the employee survey on diversity internally. This was communicated to the organization at large to support the policy.

7. Sustaining acceleration. Creating the diversity board, a dedicated team to work on the policy, ensured that the board will continue to improve on the policy. This led to a full-fledged plan to support the policy and diversity agenda.

8. Making it stick. With the passage of time, the policy which was foreign to many employees has now become a normal way of working and this was due to consistent communication, action and measurement of results.

What type of employees will benefit best from such a policy?

- o Employees living far away from the office with long hours of commute a day

- o Working mothers will benefit more as they will be able to better manage their work and personal life

- o Even single employees will benefit from the additional flexibility in order to increase and improve their work-life balance.

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APPENDIX

INTERVIEW PROTOCOLS

Exhibit A:

<u>Interview Protocol – Group 1</u>

- ➢ Can you please tell me about the Unilever Agile Working Policy?

- ➢ What are the main drivers of Unilever to launch this policy? What are the objectives of this policy?

- ➢ How do you believe this policy ties into the organizational culture and vision of Unilever?

- ➢ How do you believe this policy has helped to advance the diversity agenda of Unilever?

- ➢ Do you believe that Unilever has advanced in retaining female talent at higher levels in the organization? In what way?

- ➢ What are the next steps in the implementation of this policy? How can Unilever do better?

- ➢ Do you believe that the policy has been successful in achieving the objectives you stated in Question 2?

Exhibit B

<u>Interview Protocol – Group 2</u>

- ➢ How do you feel about the Unilever Agile Working Policy?

➢ Has the policy been successful in making your work-life balance better? In what ways?

➢ Do you feel like you are able to manage your personal commitments better?

➢ How does the organization support you in using this policy?

➢ How do you think Unilever can do better? Are there any disadvantages to the policy?

➢ Does this policy make you hesitate if you were considering leaving Unilever?