Cross Cultural Management and Leadership.docx

by NAFISA JEBIN

CROSS-CULTURAL MANAGEMENT AND LEADERSHIP

Student ID: 22025815

Table of contents

Introduction

The role of HRM in an organisation is becoming more crucial to the performance of an organisation. The purpose of this report is to evaluate the critical ethical and CSR issues present in Unilever. Ethical and CSR issues extend far beyond an organisation's operations through the supply chain and up to the last tier of suppliers. The role played by HRM in managing ethical and CSR issues in an organisation can be quite substantive. Since HRM deals with managing, developing, and hiring human capital, multinational organisations may have to extend the HRM policies through CSR initiatives towards supplier organisations. Human capital is a key resource that is required by an organisation to ensure that it performs at its peak performance. The capability of an organisation to manage the workforce and achieve strategic objectives has implications on cost, efficiency, sustainability, competitiveness, and market share. As competition in the global markets has increased, so has the need for managing HRM activities with an alignment with the strategic objectives of an organisation. In this report, there are three main sections. The first one discusses the purpose of HRM in contemporary organisations. The second section links to the ethical and CSR issues in Unilever informed by established frameworks. The third and final section of the main body of the report consists of an evaluation of how HRM policies and practices in Unilever can improve the company's ethics and CSR performance. A short conclusion at the end of the report presents the summary of findings and recommendations for Unilever.

HRM issues, strategy, and concepts

Aim of HRM

Research studies indicate that HRM has a crucial role in determining the work culture in an organisation. De Koeijer et al. (2022) state that HRM activities influence employees' well-being and performance. Various authors have different views on how to define HRM. HRM could be defined as the practices of managing, planning, coordinating, controlling, and allocating human capital in an organisation to carry out the organisation's goals, vision, and mission. HRM policies and practices can be divided into hard HRM and soft HRM. Hard HRM practices involve recruiting, hiring, training, retaining, motivating, and compensating employees. In hard HRM, the HR manager treats their employees as ordinary resources that require strict rules and regulations for management (Medium.com, 2017). Soft HRM practices and policies involve empowering and encouraging employees to pursue their goals and professional interests. In soft HRM practices, the HR manager considers the employees to be self-motivated and highly competent; thus, they do not require strict regulation but

3

empowerment and freedom to pursue their ambition (Medium.com, 2017). Succession planning and promotions are extremely useful as an HRM strategy to motivate and retain the very best talent in an organisation.

Indeterminate contract

The indeterminate contract is an illegal term that is used to describe an employment contract that is done up between two parties, a worker and employer, who each agree upon a set of employment criteria, terms, and conditions without agreeing on a specific ending date for terminating the employment contract (Holland and Bratton, 2021). An employment contract is given to a worker during the time of hiring their services for an organisation. For a worker's journey in the organisation, the employment contract may be subject to negotiation and change. The employment contract has an important role in the employee's satisfaction, happiness, and affective commitment towards the organisation (Falatah and Conway, 2019). As an employer, it is necessary to ensure that every employee is given a job role that is a line with their skills and abilities. If this happens, only an employee will feel an effective commitment towards the organisation. HRM adds several resources to the development and maintenance of the workforce. Training activity develops skills in employees and ensures that they professionally develop during their journey in an organisation (Falatah and Conway, 2019). Negotiating the employment contract or improving the contract by increasing wages, compensation, benefits, and job roles has a positive influence on an employee's motivation and commitment (Falatah and Conway, 2019). In this way, HRM activities influence and organise the work that is done by employees in the organisation and ensure that they convert potential work into actual or real work.

Strategic HRM

It has been explained in the previous sections that HRM activities can vary depending on how they influence the workforce in an organisation. Due to the vast number of possibilities and implications of practices, sometimes, HRM practices might become counterproductive. Therefore, it is necessary for a competitive organisation to develop practices so that the strategic objectives of the organisation can be fulfilled efficiently. Hamadamin and Atan (2019) found that planning HRM activities so that their alignment with a company's strategic objectives has a crucial significance on their outcome. Hamadamin and Atan (2019) further state that strategic HRM must target to development of human capital and employee commitment to ensure the sustainability of competitive advantages of an organisation in a market. There are two ways in which strategic HRM policies can be implemented. Best fit policies are those that have a high level of alignment with strategic organisational objectives,

and organisations are context and scenario (Iqbal, 2018). The best practices in strategic HRM are based on the practices of the most successful enterprises in any industry (Iqbal, 2018). This could range from providing job security, selectively hiring, performance-based compensation, training in relevant skills of the trade, and others.

Ethics and CSR

CIPD

The Chartered Institute of Personnel and Development, better known as CIPD, defines corporate social responsibility, corporate responsibility, or business sustainability as "ethics which drive an organisation's activities and how it operates so that it's viable over the long term" (Cipd.co.uk, 2023). CIPD's definition of CSR shuns the traditional definition and practices of shareholder value creation. It puts forward the opinion that short-term development brings with it considerable impact on society, the environment, and the economy, as well as an organisation's workforce. Hence, organisations must consider the impact that a business' activities have on the environment, society, economy, and the workforce. CIPD's definition of CSR promotes the creation of social value (Cipd.co.uk, 2023). Social value goes beyond the traditional notion that business enterprises are only meant to create financial wealth for shareholders. Instead, the social value might include other factors such as empowerment, well-being, and inclusion (Cipd.co.uk, 2023). Due to the nature of the variables considered in social value, it might be difficult to measure the social value as easily as it can be done for financial transactions. CIPD literature also informs on the role that is played by HR in improving the CSR practices of business firms or organisations. CIPD literature states that HR practices in businesses must embed CSR and ethical values which inform an organisation's practices in learning and development, fair treatment and diversity, communication, health and safety, rewards and benefits, and performance management (Cipd.co.uk, 2023). Employers need to support the learning and development of employees, ensure engagement of employees, and benefit schemes.

Learning and development

Fair treatment and diversity

Communication

Health and safety

Rewards and benefits

Performance management

Figure 1: Ethical values incorporation in HRM practices

(Source: Cipd.co.uk, 2023)

CSR and HRM are two different practices, but CSR can influence HRM practices. Many traditional thinkers and scholars have suggested in the past that HRM is conducted purely from the perspective of socio-political context. Managing The social and political environment in an organisation is one of the key elements that are inherently present in HRM (Bringham and Druker, 2016). However, more radical theorists of today suggest that the HRM code of conduct requires a clear alignment with ethical standards. It seems that the modern theories of HRM that link it to an ethical framework in an organisation are indeed what contemporary business enterprises need. Employees in contemporary organisations today have the power to challenge the power relations in the organisation. Therefore, it is worthwhile for an organisation to consider espousing strong cultural values in the workplace, supporting dignity and human rights (Bringham and Druker, 2016).

**Issues or barriers to successful implementation**

Business enterprises in today's time face numerous threats to successfully integrating CSR principles into HRM practices. It has become important for HRM practices to be engaging employees and leadership together for achieving the strategic objectives of an organisation. Performance and welding are determined lastly by the HRM policies in an organisation. According to Salas-Vallina et al. (2020), organisations lack an understanding of how to balance out employee well-being and performance. The social exchanges between the employees and the leadership play a crucial role in building relationships and fostering employee well-being.

According to the authors Podgorodichenko et al. (2019), HRM plays a key role in CSR strategy in terms of employee advocacy, social support, and strategic support. However, the same authors suggest that there are paradoxical tensions which impact HRM practices. Paradoxical tensions arise from the differences between a performance-based approach and an employee-centric (belonging) approach. As discovered from the literature, the challenges faced by HRM professionals are limited to the understanding of their field and balancing performance with CSR.

Evaluation

Policies and procedures

Unilever's global operations have put the organisation under a tremendous amount of pressure to execute HRM practices in ethical ways. Unilever was among the first multinational companies to develop a global manufacturing business. Like many multinational companies, Unilever's neo-capitalist approaches have also been heavily criticised since the capitalist mindset has a negative consequence on the organisation;'s reputation. John et al. (2022) state that Unilever's contemporary approaches to HRM have been developed on a 4S framework of sustainable capitalism. The 4S approach consists of span, scope, scale, and structure. Span refers to extending the temporal horizons, scope refers to expanding to new contexts, scale refers to breaking the traditional organisational barriers, and structure refers to reaching new levels of the organisation.
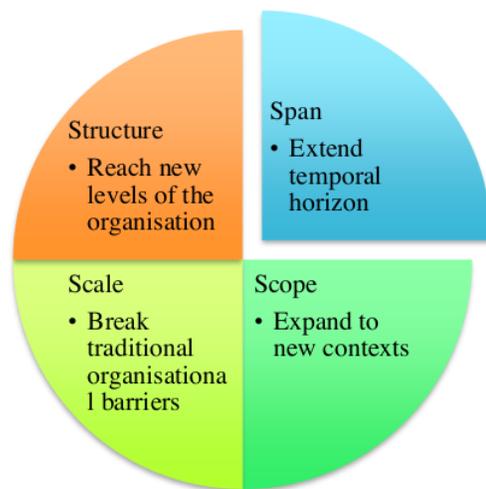
Figure 2: 4S framework for sustainable capitalism

(Source: Influenced by John et al. 2022)

The first steps towards sustainable capitalism were taken by Unilever in 2009 with the appointment of the new CEO of the company. Under the leadership of Paul Polman, Unilever developed a strategy for doubling the revenues of the company while halving the environmental footprint. Unilever started to take the initiative of improving the lives of people along the value chain (John *et al*. 2021). Collaboration across the value chain is crucial for Unilever to fulfil the organisational vision of the Sustainable Living Plan. Unilever discovered that in many parts of the supply chain, labour laws are being violated. It thus became crucial to the organisation for reducing inequality and unfair practices (Wilshaw, 2021). For example, the wages received and the working hours regularly violate human rights. Unilever's practices were not always compliant with labour laws and regulatory standards. Hence, it was important for Unilever to redesign its supplier code of conduct, but only this time from a right-based perspective as opposed to the compliance-based focus in previous versions of the Supplier Code. Remuneration is a well-established area of Unilever's HRM strategy. The company offers employees fixed pay, benefits, annual bonuses, and a co-investment plan for all managers who are working in the company (Nahar and Zayed, 2019). Along with the financial rewards, Unilever also provides their employees various types of non-financial rewards such as recognition for achievement, job security, physical security, and a responsible work environment.
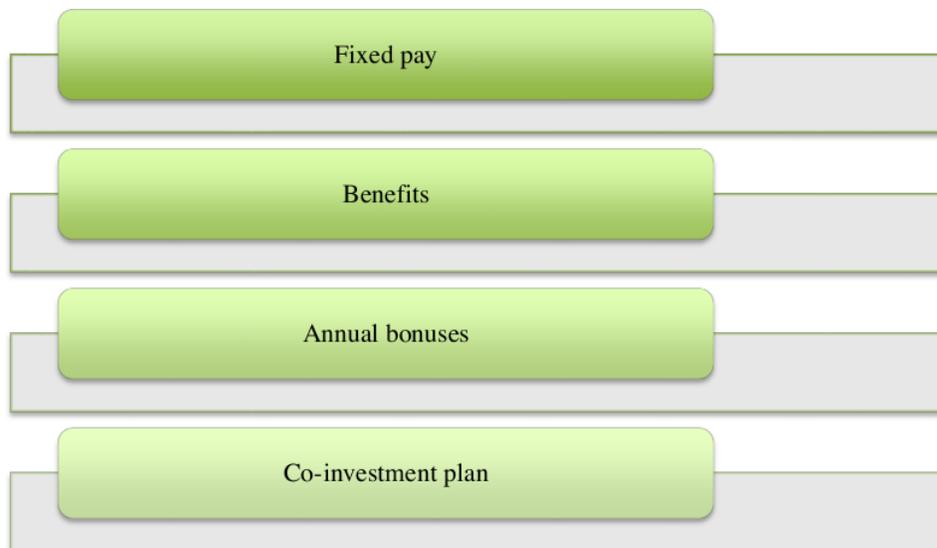
Figure 3: Types of remuneration in Unilever manufacturing plant

(Source: Nahar and Zayed, 2019)

8

Critical evaluation of Unilever's HRM practices

Unilever's HRM policies can be considered to be based fundamentally on ethical principles. Rather than performance-based pay, Unilever adopts rewards to employees for achievement, protecting and nurturing their journey in the organisation. Unilever's HRM strategy is specifically based on motivating employees to ensure that their performance is high (Nahar and Zayed, 2019). It must be stated that considering the practices that are presently adopted by Unilever, it appears as though the company is adopting a best-fit approach. Unilever is one of the largest companies in the world, and thus, it does not have to follow too many other companies in terms of the practices and policies that need to be adopted. Unilever's approach to developing HRM policies is organised and strategic. The company identified the challenges that the organisation is facing and evaluated the implications that it can have on social value creation.

In terms of incorporating ethical practices in the organisation, Unilever has taken several initiatives, such as ensuring that human rights are respected across all the manufacturing facilities of the organisation. All manufacturers and suppliers have to comply with the Supplier code of conduct prepared by Unilever. In doing so, Unilever is incorporating ethical practices into the organisation's operations. Unilever's practices particularly seem to be aligned with the views proposed by Bringham and Druker (2016) regarding incorporating CSR values of human rights into HRM practices. However, there are still many limitations that Unilever has in its HRM practices and policies.

Potential areas for development

The limitations that arise from the HRM policies and practices in Unilever are based on the inability of the organisation to consider HRM practices for encouraging diversity and inclusion, health and safety, and learning development. There is no specific mention in the literature regarding Unilever's HRM initiatives in those directions. As a result, Unilever can develop HRM practices in those areas. The company's strategic plan for Sustainable living will be well supported by those initiatives. In adopting policies for gender equality, training and development of employees for their professional development, and ensuring employees' health and well-being (Afshan *et al*. 2021), there can be an improvement in the reputation of Unilever even further.

Conclusion

The focus of the report has been on the incorporation of ethical principles and CSR strategy into the HRM practices or policies in an organisation. The strategic HRM concept has been

explored, and it proposed the organisation's HRM practices should be strategically aligned to meet the organisational objectives. In Unilever, the management adopts a best-fit approach to HRM. Unilever's Sustainable Living Plan is based on creating social value for customers who are conscious of the environmental, societal, and economic implications of their purchasing decisions. Unilever's HRM practices in manufacturing plants have improved after the company recognised several poor practices that violate the human rights of the labour. The challenges or barriers to ethical HRM practices have been determined to be lying within the internal environment of the organisation. By making suitable changes in the HRM policies and adopting a new vision for the organisation, Unilever has been able to mitigate some of the challenges that the organisation was facing concerning ethics. In the words of Wilshaw (2021), Unilever's capitalist HRM policy needed a shift from compliance-based HRM to rights-based HRM. While the shift has started to happen, there is still a lot of work that the organisation needs to do. As per the views of CIPD, to create social value, an organisation needs to not only uphold human rights but also ensure that other elements of CSR, such as health and safety, communication, rewards, training and development, and inclusion or diversity, may have a crucial significance. While Unileever's HRM practices hold up against quite a few of these areas, some of the crucial aspects that are missing are gender equality and ensuring the work-life balance of their employees.

Reflection

During the module, I have come across various important topics on human resource management.

Performance management and appraisal

The first one that I want to discuss is related to performance management. My views on performance management before the module were considerably different from what I learned during the module. I shared a traditionalist view of HRM, which only considered that employee performance needed to be measured for improving organisational performance. However, through the different theories that were discussed in the module, I could link performance management to not only organisational performance but also to ethical practices in the organisation (Tambunan *et al*. 2022). Performance management could not only be used for making decisions for improving organisational performance, but it could also have implications for employee-centric decision-making or the development of employee-centric work culture. Performance management is linked mainly with employee appraisal and feedback. In the context of contemporary organisations, performance management practices are not only

influenced by individual perspectives but instead, a social perspective to judge what kind of impact an employee has on the social environment in the organisation (Tambunan *et al*., 2022). 360-degree performance reviews can measure an employee's performance from a social perspective. Performance management practices are perceived to have a considerable influence on an employee's perception of fairness in an organisation. Hence, organisations must develop fair and equitable performance management systems (Tambunan *et al*., 2022). Performance management systems also bring benefits to an organisation from the perspective of increasing organisational agility by increasing the speed of decision-making in HRM matters.

Training and development

The second area in HRM that I want to discuss is training and development. The area of training and development has also come to be recognised as an important area in HRM. Training and development can be conducted in tandem with performance management practices to improve the skills of the employees in certain areas of performance. My knowledge in this area was also relatively limited before the module, but I have come to appreciate that training and development have greater implications on the organisation than what I had previously imagined. Training and development have a crucial influence on employee retention (Nguyen, 2020). Employee retention is carried out through a group of activities which have a positive influence on an individual's commitment and thus reduce the turnover intention of the employees. Employee training has a crucial significance to strategic HRM since it ensures the development of skills and abilities among the individuals present in the workforce (Al-Ayed, 2019). With training and development and other HRM practices, an organisation can build a capable and skilled workforce that will allow it to show resilience and pass through challenging and uncertain times without much of a negative impact on performance. A highly trained workforce ensures resource efficiency and performance. From the context of organisational agility, a trained workforce is necessary to ensure that a sharp change in strategic direction does not render the skill set of the workforce present in the organisation obsolete (Alamro *et al*. 2019).

References

Afshan, G., Shahid, S. and Tunio, M.N., (2021). Learning experiences of women entrepreneurs amidst COVID-19. International Journal of Gender and Entrepreneurship, 13(2), pp.162-186.

Alamro, M.Q., Hosseini, S.B. and Farooq, A., (2019). Organisational Agility and HRM Practices: Theoretical Framework and Perspective. *Restaurant Business*, 118, pp.12-29.

Bringham, C., and Druker, J., (2016). Human resources, ethics and corporate social responsibility: what makes 'people' count within the organisation's corporate social responsibility platform? In *CIPD Applied Research Conference 2016*, pp.1-9.

Cipd.co.uk, (2023). *CSR: an introduction*. Available at https://www.cipd.co.uk/knowledge/strategy/corporate-responsibility/factsheet#gref, [Accessed 23.03.2023].

De Koeijer, R., Strating, M., Paauwe, J. and Huijsman, R., (2022). A balanced approach involving hard and soft factors for internalising Lean Management and Six Sigma in hospitals. *The TQM Journal*, (ahead-of-print).

Falatah, R. and Conway, E., (2019). Linking relational coordination to nurses' job satisfaction, affective commitment and turnover intention in Saudi Arabia. *Journal of nursing management*, 27(4), pp.715-721.

Hamadamin, H.H. and Atan, T., (2019). The impact of strategic human resource management practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. *Sustainability*, 11(20), pp.5782-5808.

Holland, P. and Bratton, A., (2021). Employee Voice: The Missing Factor in Sustainable HRM? *Sustainability*, 13(17), pp.1-16.

Iqbal, A. (2019). The strategic human resource management approaches and organisational performance: The mediating role of creative climate, *Journal of Advances in Management Research*, 16(2), pp. 181-193.

John, A., Coetsee, J. and Flood, P.C., (2022). Understanding the mechanisms of sustainable capitalism: The 4S model. *Business Ethics, the Environment & Responsibility*, pp.1-10.

Medium.com, (2023). *Human Resource Management; Hard or Soft*? Available at https://medium.com/@hi_27644/human-resource-management-hard-or-soft-f5ffbcc547f5#:~:text=Hard%20or%20Soft.,route%20to%20boost%20the%20performance., [Accessed 23.03.2023].

Nahar, S. and Zayed, N.M., (2019). An Analysis of the Impact of Remuneration on Employee Motivation: A Case Study on Unilever, Bangladesh. *International Journal of Family Business & Management*, 3(2), pp.1-5.

Nguyen, C., (2020). The impact of training and development, job satisfaction and job performance on young employee retention. *International Journal of Future Generation Communication and Networking*. 13(3), pp.373-386.

Podgorodnichenko, N., Edgar, F. and McAndrew, I., (2020). The role of HRM in developing sustainable organisations: Contemporary challenges and contradictions. *Human Resource Management Review*, 30(3), pp.1-17.

Salas-Vallina, A., Alegre, J. and López-Cabrales, Á., (2021). The challenge of increasing employees' well-being and performance: How human resource management practices and engaging leadership work together toward reaching this goal. *Human Resource Management*, 60(3), pp.333-347.

Tambunan, T.S., Ginting, P., Sirojuzilam, S. and Absah, Y., (2022, July). Analysis Implementation of a 360 Degree Feedback Performance Appraisal System to Support Innovative Work Behaviour, Performance Appraisal Fairness, Commitment and Individual Performance For Civil Servants. In *Proceedings of the 1st International Conference on Social Science (ICSS*, 1(1), pp. 271-282.

Wilshaw, R., (2021). *How Oxfam Has Worked With Unilever to Enhance its Social Impact*. Available at https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621120/cs-unilever-social-impact-220121-en.pdf;sequence=1, [Accessed 23.03.2023].

Cross Cultural Management and Leadership.docx

3% SIMILARITY INDEX

0% INTERNET SOURCES

0% PUBLICATIONS

3% STUDENT PAPERS

1 **Submitted to Glasgow Caledonian University**
   Student Paper
   2%

2 **Submitted to Global Banking Training**
   Student Paper
   2%

Exclude quotes	Off	Exclude matches	< 2%
Exclude bibliography	Off		

Cross Cultural Management and Leadership.docx

FINAL GRADE

68/100

GENERAL COMMENTS

PArt one is okay. You have demonstrated some good knowledge of HRM and Strategic HRM and engaged with some of the models. You have not quite understood the importance of the indeterminacy of the employment contract.

Part two was interesting and showed some good understanding of CSR and Ethics. This was a good section.

Part three is also very interesting and ell written. There is some excellent knowledge here of Unilever in relation to CSR and Ethics with criticality and analysis evident. This was really good.

The reflection is also good. Well done.

It is such a shame that your original work was late and couldn't be marked as this shows a very good amount of knowledge and understanding is present.

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6