

Organization Practice

Fit for the postpandemic future: Unilever's Leena Nair on reinventing how we work

As chief human resources officer, responsible for 150,000 Unilever employees, Leena Nair prepares for the future of work by focusing on both the care of people and the competitiveness of the business.



Many organizations have had to adapt and pivot their operations swiftly in response to the changes imposed by the health risks of COVID-19, as well as the economic impact of the ongoing restrictions. As we enter what we hope will be the start of an era of recovery, leaders may find themselves asking how they should reimagine their organizations to become stronger and more resilient in the future. Human-resources executives are playing a central role in finding more agile solutions for their employees, transforming their organizations amid the COVID-19 crisis, and leading many innovative efforts to speed up a return to work through a human-centric approach. Unilever's push for change includes a recently announced set of global commitments not only to pioneer new employment models but also to build a more equitable and inclusive society that offers more opportunities to everyone.

McKinsey's Mary Meaney and Astrid Sandoval caught up with Unilever's chief human resources officer (CHRO), Leena Nair, to reflect on how the pandemic has changed organizations, how her company is equipped to drive change in its workforce, and what lessons have been reinforced over the past year to help Unilever become future fit. What follows is an edited excerpt of the conversation.

McKinsey: How can you sustain the speed of change brought about by the pandemic and still retain a healthy workforce?

Leena Nair: Without a doubt, I don't think that this speed is sustainable. It's one thing to work during a crisis, when everyone's on board and kind of on adrenaline—working long hours, week after week. But over the long term, it's not a sustainable way to work.

As many of us have tried to homeschool young children, look after vulnerable people in our families, and have endless meetings, even after dinner, I think every single one of us has spent at least some time asking, "Do we have to keep working the way we were before? Do we need to keep traveling

the way we were previously? Do we need to really go back to what we thought was normal?"

We've had these traditional models of employment forever. The 40-hour weeks for 40 years with one employer to then retire with 40 percent of what they made—the 40/40/40. Now those models are broken as the default and no longer fit for purpose. Why have just one standard employment model that everyone must fit into rather than having multiple employment options that fit into people's lives?

McKinsey: How has the pandemic accelerated organizational trends for multinational companies like Unilever?

Leena Nair: Everything we had previously talked about as an organization came to the forefront: digitization, agility, resilience, and sustainability. What the pandemic did for organizations and for Unilever is to accelerate that future. I saw this tremendous business agility and personal agility everywhere—for example, implementing agile methodologies and mindsets across the organization. Our leadership executive committee had quick stand-up meetings every other day to discuss the issues, prioritize, and move forward. Our supply chain responded with incredible agility to ensure people around the world had access to essential products, particularly soap and hand sanitizers. Our team quickly converted our own lines, where we could, to make hand sanitizers and worked with partners to ensure we were able to meet the surge in demand.

I literally saw the future being dialed-in fast: communicating in 21st-century instant ways, learning to work as a team without hierarchical or functional boundaries, and breaking through many of the silos that organizations have seen in the past. The only way a business can work during a crisis is with speed and to course-correct all the time. And I'm really keen on Unilever and organizations like us bottling up what has worked in this period, so that we can apply it when the world goes back to some semblance of normalcy.

McKinsey: How did you respond to the changing needs of your workforce as the pandemic played out on the global stage?

Leena Nair: One of my big learnings through this period has been we're all in the same storm, but we're not in the same boat. Creating personalized solutions for people everywhere has been a huge challenge. For example, we operate in 190 countries. Each country has met different challenges at different times and has often responded differently.

What this has meant is that we've always had countries like China and Australia, which were at the front end of the COVID-19 curve, and other countries, like Brazil and India, which were toward the back end. So there's been a huge opportunity for us to see what worked and didn't work, and apply that in real time.

In every country, we've set up an incident-management team, which meets twice a week. We've created a global set of principles and given enough space for people to apply them locally. We've defined a return-to-workplace approach, based on a clear set of principles and data from each country, that the leaders must look at. In fact, we've

developed a tool called COVID Awareness and Situation Intelligence, which gives some predictive data about where the infection rates are going to be. What's going to happen to the R rate?¹ What's going to happen to hospitalization? And the tool predicts, with quite a bit of accuracy, the next 30 days. We empower local leaders to look at this data, which is democratized, to combine it with some of the principles we've defined, and then make decisions around, for example, when to open an office.

And then we became very aware of the different experiences that different employees were having. Some were homeschooling, others were on their own and very lonely. People who were just exhausted. People who wanted more time in terms of mindfulness and reflection. So it's about bringing all of that together to provide every person with the support he or she needs. It's not been a one-size-fits-all approach. It's been "Everyone has different needs, everyone has different concerns, how do we respond to that?"

McKinsey: The pandemic has disproportionately affected communities with vulnerable groups, such as minorities, women, and younger segments.

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¹ The average number of people one infected person can infect—in other words, the rate at which a disease can spread.

How are you addressing the growing inequality and inequity in the workforce as you plan for the recovery?

Leena Nair: We have announced a wide-ranging set of social commitments about raising living standards for everyone, creating opportunities for inclusivity, and preparing people for the future of work. For example, we've committed to pay a living wage or income to everyone who directly provides goods and services to Unilever by 2030. We've already ensured there's a living wage for 150,000 people. That's a pretty big, bold, audacious commitment to make. We've said that we will spend €2 billion annually of our supply spend with diverse businesses. And we've defined diverse businesses as those which are 51 percent owned, managed, and controlled by people from underrepresented groups, such as women, the LGBTQI+² community, minority racial and ethnic groups, and people with a disability. We've made a commitment to say we would pioneer new employment models for everyone who works for us so that they all have flexible options by 2030. And lastly, we've committed to equipping ten million young people with essential skills so that they can find job opportunities.

McKinsey: How has digitization helped you manage through the crisis, particularly with resourcing and recruitment?

Leena Nair: If I look at the amount of digitization we did of the people function in the last three to five years, I could not have imagined how well prepared we would be for the world of today. Our point of view—even before COVID-19—was that the world is going to become more flexible; the traditional models of employment are going to be broken; work as we know it is going to change.

For example, we invested in an internal-matching tool called Flex. People who have capacity could raise a hand and say, "Hey, I have capacity,

and these are the things I'm passionate about." And people who needed capacity could say, "Hey, I'm looking for somebody who could give me 20 hours of work on market research."

During 2020, it was so useful for us to dynamically move resources from parts of the business that were affected, like Unilever Food Solutions—because nobody was going out to eat anymore, as restaurants were shut—to businesses that were growing, like sanitizers. Today, 10,000 people have been redeployed or have used the Flex platform.

We had also invested in talent tools that allow people to work more dynamically. For example, we were experimenting with some pioneering employment models where people could work for fewer hours—and work for other employers—but get the security of Unilever employment. We call it UWork. In hindsight, it feels like we had uncanny foresight, because there were more people coming to us with flexibility requirements and needs.

McKinsey: What are some lessons you've learned or reinforced over the last year since the pandemic began?

Leena Nair: It's been a difficult year. This is my life's work, being with people. It's been personally very difficult to be alone in a room, day after day, look at a screen, and not have a chance to meet other human beings. Let me reflect on some of the lessons.

My first lesson is when you look after your people, they will look after the business. When you care for your people—put their health, safety, and well-being at the center of everything you do—you will watch them make the business a far better business.

My second lesson is the huge importance of mental well-being. Thinking of all employees and having something that responded to their concerns and needs was very important for me. Be responsive,

² Lesbian, gay, bisexual, transgender, queer, and intersex.

understand the needs, and create programs that truly support people.

My third lesson is double down on purpose because it's very different when people realize, "Oh my god, I'm going to the factory because the world truly needs soap and sanitizers now" or "I'm going to the factory because everyone is struggling to make sure food is available everywhere." That gives a different meaning to your actions.

My fourth lesson is this is a moment of reinvention. Let's not waste it. Every leader—whether they're leading businesses, institutions, people, NGOs,³ governments—needs to be bold and to reimagine how things are done. So many of our assumptions about how things should be done and can be done have gotten challenged in the last few years. This is the time to advocate reinvention, reimagination, and rethinking work, workplace, workforce, where to work, and how to work.

And my last lesson is resilience, resilience, resilience. It is exhausting. It is relentless. Leaders tend to overestimate what people can do and can't: "of course everything is possible, and I have infinite capacity." You underestimate how hard or difficult it might be.

McKinsey: There is growing hope that we will begin to see a recovery in both public health and the economy this year. What do you think the return to work is going to look like?

Leena Nair: I must say that we all must be hugely optimistic but have a sense of gritty optimism, which

means it will be longer than we think it's going to be. Everything we're thinking about—return to office, return to travel, return to some semblance of normalcy—is going to take a little longer than we think when we look at some of the vaccine-efficacy rates, at the vaccine-deployment successes, at the challenges across the world to make all of this happen. So stay optimistic. But stay optimistic with a good dose of realism.

How are we thinking about this at Unilever? The office is important, but you don't need to be in the office five days a week. We've shown that. We think across the world, and it really depends on local context. People will come back to the office, whether it's two days, three days, four days. It's what we're calling a hybrid work arrangement, with a physical workspace and a digital workspace.

We're rethinking our physical workspace entirely to create more connections, more collaboration. We are also thinking about the digital workspace and how we can make that experience better—where we continue to work digitally but build in some of the social-capital rituals as well.

I know that we need flexibility based on the roles our people play, on the countries they come from, and on their own personal lifestyle and needs. I do think leaders have seen that a new way of work is possible. This moment has helped change the mindset of leaders, including our own, to believe that this is possible. We can reinvent work—or at least we can try. People have tasted something new, so they may be more keen to try and make new ways of working work.

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³ Nongovernmental organizations.