

## Pertinence of Organizational Analysis: A Case Study of Unilever

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### ABSTRACT

*The study has critically examined the pertinence of organization analysis using a case study of Unilever. An organizational analysis is an analytic, problem-solving, and systematic process of business which facilitates the understanding of the organization's performance, especially the multinational organization like Unilever. The benefit of performing the organizational analysis is the identification of business/organizational issues, pointing out opportunities. Among the basic models of organizational analysis perceived to have been adopted in Unilever are rational model or the classical model, natural system model or the participative model, socio-technical model, and cognitive model. It was perceived that socio-technical model fits in properly to Unilever because the organization systems interact with the environment, such that organizational behaviour is affected by human, social, technological, and organizational inputs.*

**Keywords:** *organizational analysis, organizational structure, organizational structure, cognitive model, classical model, natural system model*

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### INTRODUCTION

An organizational analysis is an analytic, problem-solving, and systematic process of business which facilitates the understanding of the organization's performance, especially the multinational organization like Unilever. The benefit of performing the organizational analysis is the identification of business/organizational issues, pointing out opportunities [1].

This type of business analysis clearly indicates the level of organizational structure and its operations, which gives the opportunity for quick spotting of issues. In a process of business transition because of inefficiency resulting in merging, or because of business efficiency

resulting in expansion, the pertinence of organizational analysis cannot be over-emphasized.

Among the leading multinational producing company of everyday needs is Unilever. They are consumer product companies, in more than 190 countries with a product catalogue of 400 brands reaching over 2.5 billion people (consumers) every day using their products and having fresh breath about life. Unilever products have targeted about one-third of the global population with different household names [2].

In fact, it was known that Unilever has possession of 13 top 50 brands of product consumed in the world. Unilever is

categorized as a multinational organization which coordinates more than 160,000 employees. The organization was pioneered in the 1890s with the introduction of a modest or small bar of soap targeted at ensuring cleanliness in Victorian England.

In Nigeria, the history of Unilever cannot be farfetched from 1923 when a trading point was opened in Nigeria by Robert Hesketh Leverhulme with the name Lever Brothers Limited. In the inception, the firm concentrated on the trading of soap, and in 1924, later, the business name was changed to West African Soap Company. This change was necessitated because of the company's expansion in soap production. In 1958, a new soap factory was later established in Aba, and the business name was changed from West African Soap Company to Lever Brothers Nigeria Limited in 1955 [3].

Development occurs between 1960 and 1970, and Unilever became listed in 1973, selling 60% of its shares to the Nigerians, becoming Nigerian-owned. The change in equity ownership did not affect its growth. In 1982, Unilever Nigeria was primarily known for purpose-driven growth with a focus on the Unilever Sustainable Living Plan [3].

The company will focus effectively on managing its environmental footprints through various initiatives to separate its growth from environmental impact while increasing the company's positive social impact and increasing profitability.

Unilever have a turnover of 53.7 billion euro and can be credited with more than 400 brands worldwide in 2017. The major products at Unilever Nigeria include Close-Up, Pepsodent toothpastes, Vaseline lotion and Vaseline petroleum jelly, Lux soap, Lifebuoy soap, Rexona, Blue Band

Margarine, Lipton Yellow Label Tea, and Knorr. The core business of Unilever Nigeria is organized into three categories [4], which are as follows:

- *Food category:* This includes international brands such as Lipton Yellow Label Tea, Knorr Bouillon Cubes, and Blue Band Margarine, while its local brands include Royco Bouillon Cubes.
- *Home care category:* This includes Omo detergent, Sunlight washing powder and Sunlight dishwashing liquid.
- *Personal care category:* This includes international brands such as Close-Up toothpaste, Pepsodent toothpaste, Vaseline lotion, Vaseline petroleum jelly, and Pears baby product range [4].

The business world today is characterized by swift technological advancements which seem intensified by the level competition and self-changing values. Organizations can only remain competitive in this dynamic field if they change. Therefore, a systematic interaction of both organizational culture/custom and structure has become an important matter for organizations. The culture and organizational structures have an essential influence on the success of these efforts. Unilever is an international organization with over 160,000 employees.

The organization was pioneered in the 1890s for the purpose of ensuring cleanliness in Victorian England. The growth of the business was seen to have expanded in ameliorating several societal challenges, such as improving health and well-being, solving environmental issues, and enhancing livelihoods. All these are the heart of the Unilever Sustainable Living Plan [5].

It is pertinent to note that Unilever would not have been successful without a

brilliant organizational analysis. Individuals arrive at Unilever with different motivations, experiences, and values. The individual differences tend to direct behaviour in numerous and often divergent directions.

Studies of Weber [6], Burns and Stalker [7], Child [8], and Mintzberg [9] have affirmed the situation where organizations direct the employee behaviour towards realizing the mission and mission statements. In this case, the employees themselves should see themselves as a crucial stakeholder unified to drive the mechanism to achieve efficiency. Hence, the pertinence of organizational structure has been perceived as a channel of integrating effort through the coordination and control of activities.

Symbolic management is also referred to as the management of organizational culture. Pfeffer [10], Louis [11], Schein [12], Weick [13], Denison [14], and Chatman and Jehn [15] have described it as a mechanism for directing employee's behaviour through shared values, norms, and goals. Conversely, the individual mechanism is unique in its impact on individual behaviour; and therefore, the effects of each mechanism should be analysed separately and deep understanding of the functions, roles of structural and cultural forces in an organization.

Significantly, clarifying the relationship between the models of organizational culture and organizational structure is essential in realizing the best employee performance. The organizational typology models may not have properly described that of Unilever. This might be because Unilever has wide geography, employing certain individuals that have traditional training techniques which may be inadequate but are lacking in basic skills.

This report will elucidate on organizational analysis; organizational structure; organizational culture; effect of organizational structure on information processing and behavioural control mechanism; effect of organizational culture on information processing and behavioural control mechanism; effect of structure and culture on information processing mechanisms for guiding strategic behaviour; organizational typologies; overview of functional units and interface relations in Unilever; development of critical skills; and business legal environment, all targeted at Unilever. It is believed that this effort will provide a reduction strategy for all forms of uncertainties towards enhancing the successful achievement of organizational goals.

## **LITERATURE REVIEW**

### **Organizational Structure and Culture**

The effectiveness and efficiency of any organizational structure and culture cannot be achieved with organizational analysis alone, but on both organizational analysis and organizational planning. The objectives of organizational planning and analysis are to cultivate and maintain efficient workforce through organization design structure, as well as the relationships and behaviour of individual employees within the organizations, hence the need to understand and breakdown organizational analysis and organizational planning in the context to this report.

The organizational analysis deals with the development of models and theories that can accurately capture the organization functions which account for the ways in which organizations take action for change. While organizational planning is concerned with the designing of the structure of an organization and dividing up responsibilities within an organization so as to manage responsibilities dynamically.

Organizational modelling enhances the determination of significant variables, so they can experiment with different combinations of variables to achieve their desired results. For example, managers at Unilever can determine the best combination of structure and technology for the organization by using organizational models.

Among the studies that established task complexity are “Galbraith [16], Daft and Lengel [17] and Van de Ven, Delbecq, and Koenig [18]”. They perceive task complexity as a source of uncertainty in organizations. In addition, geographical dispersion of the multinational organizational increases information requirements and uncertainty of information needed to operate effectively in heterogeneous business environments, hence correctly filtered information is required.

Therefore, information processing, as well as the channel of passing information from employees who must work interdependently to accomplish the goals of the organization, must be considered. In this study, the discussion of organizational structure and culture as a mechanism for managing information and directing employee behaviour was elucidated.

### **Organizational Structure**

The structure is the formalization of rules, communication, authority, compensation, standardization of work, and control process with only adequate outcomes accepted as outcome. Katz and Kahn [19] revealed that there are three main mechanisms for reducing instability and variability of social systems:

1. Shared values and expectations
2. Environmental pressures (task requirements)
3. Rule enforcement

If centralization (a system where supervisors maintain consistency by making and controlling all decision-making) is included to these three, four elemental control mechanisms will be obtained. They are:

- a. Centralization (or decision-making)
- b. Formalization (rule enforcement)
- c. Expectations and shared values
- d. Task outcomes acceptance (output control)

The first three of the mechanisms encompass structural elements, while the fourth is culture. The structure was [9] further identified as the standardization of the following:

- a. *Output*: where the results and dimensions of the work product are specified.
- b. *Work process*: where the contents of the work are programmed or specified.
- c. *Skills*: where the various trainings required to perform work are specified.

In this study, organizational structure will be examined using elements of paradigm developed by Mintzberg [9], Burns and Stalker [7], and Katz and Kahn [19].

### **Organizational Structure as an Information Processing and Behavioural Control Mechanism**

Organizations differ in the relation to which mechanisms are used to control behaviour. Burns and Stalker [7] specifically distinguish the mechanistic organization from the organic one. Increasing the usage of the device represents a conspicuous and formalized control and described as a mechanistic process [19].

The technology involved in converting inputs into outputs in such tasks is of low in variety and highly analysable [20]. Employees tend to work with specific job descriptions and fall into a formalized

position of control, authority, and most of communication occurs in a vertical format where the manager issues instructions and decisions. Long-term participation in the organization can be secured by the employee by remaining valuable to the manager and remain loyal to the company's vision is attached to local (internal) knowledge, experience, and skill.

In an information processing view, organic organizations are consisting mainly of task situations that process non-routine information (i.e., that which lacks a form, is unfamiliar, and is difficult to understand, and having a high degree of uncertainty) [21]. The technology involved in converting inputs into outputs in such tasks has high in variety not easily analysable [20].

Meetings that result to exchange of perspectives straighten out definitions sharing solutions to problems, and develop shared interpretations used to help future applicable decision [17]. Employees need a complex search procedure to decrease levels of uncertainty and equivocality [21]. In addition, a network structure of communication and control, rather than hierarchy, is appropriate for the recognition of organic organizations in which may exist anywhere in the organization, not just at the top.

Daft and Lengel [17] proposed that environmental adaptation (along with task technology) and interdepartmental relations and are two major sources of organizational uncertainty and equivocality. Regarding interdepartmental relations, dispersed subunits are different from each other (i.e., they have different time horizons, frames of reference, and jargon), which contribute to wide disparity in experience, values, and priorities between employees in the different units and subunit, communication may be complex and ambiguous.

These conditions are exacerbated if such subunits also are highly interdependent for accomplishing their tasks. Regarding environmental adaptation, if the external environment of the firm is perceived as difficult, rapidly changing, and competitive, and cause uncertainty and equivocality are produced. In the case of both interdepartmental relations and external environment adaptation, geographical dispersion of organizational units increases the uncertainty in processing information.

Issues arise with traditional organizational structural mechanisms when employees are geographically dispersed. Decision-making often cannot be strict and centralized. Frequent group meetings of employees that allow the forging of perspectives. Although helpful, electronic communication technologies may not be enough to meet the requirement of processing information across dispersed units, especially among the most differentiated and/or highly interdependent. Uncertainty and equivocality through cultural mechanisms effectively reducing the information among employees.

### **Organizational Culture**

Organizational culture is defined in terms of shared meanings form of beliefs, and symbols that evolve over time, serving to reduce human variability and control and shape employee behaviour in organizations [13, 14, 22–24]. The development of organizational culture is a natural socio-dynamic process which occurs regardless of the intent of executive leadership, although it may be influenced by management [12]. While organizations may develop a relatively homogenous culture [22], heterogeneous cultures may emanate from separate departments within the organization [25].

According to Smircich [26], organization culture enhances social system stability, and likewise guiding and shaping behaviour, it brings to employees a sense of identity, facilitates the generation of commitment to something larger than the self. Organization culture begins the levels of problem-solving posed by life situations and generates learned ways of coping with experiences [25, 27]. Framework for interpreting and problem-solving events in everyday life culture reduces the variables with which individuals must deal with levels more consistent with human information capabilities [27].

Schein [12] defines organizational culture as a mechanism in which employee problems of internal integration and external adaptation. Sims and Lorenzi [28] define organizational culture as a type of consensual schema that cognitively processes each employee and processing information in similar ways; it is a common set of heuristics that guides decision-making and performance. Thus, culture may serve as a mechanism to reduce equivocality by providing shared interpretations that will guide employee behaviour in organizations.

### **Organizational Culture as an Information Processing and Behavioural Control Mechanism**

One of the distinctive features of organizational information processing is employee sharing of information and coming to similar interpretations about it in order to make decisions and solve problems [17]. In return, employees get reduced anxiety, fatigue, and uncertainty regarding their roles and how to interpret events both internally and externally of the organization, and increased consistency towards strategic goals. In this write-up, organizational culture will be defined as consensual schema shared among employees in an organization, resulting in

and from a pattern of norms enhancing individual manifest in communication by stories, myths, and practices, and resulting in certain behaviour patterns which are unique to the organization.

Geographical dispersion of workers presents special challenges for the organization in processing information for organizational action, especially under conditions of high differentiation and interdependence. Traditional mechanisms of organizational structure may not be as effective as cultural systems in reducing equivocality and uncertainty under these circumstances. Stated alternatively, strong cultural systems can reduce the need for a highly structured environment to induce desired attitudes and practices [11, 13].

On the other hand, in some of today's widely dispersed organizations, simple information processing tasks that require a high level of uniformity of behaviour are performed in the different subunits which are not highly interdependent [17]. Under these circumstances, structural mechanisms may be more useful (and culture less effective) for controlling behaviour. Different conditions under which varying levels of structure and culture may be more suitable for managing information demands and regulating employee behaviour will be examined in the next phase.

### **Culture and Structure as Information Processing Mechanisms for Guiding Strategic Behaviour**

Organizations face different problems regarding managing information uncertainty and equivocality in order to process information most effectively. An organization of employees with complex tasks possesses challenges than organization with employees performing tasks of high simplicity and repetition. Likewise, an organization with

geographically dispersed of workers poses challenges that are different from those of an organization with workers functioning in close physical proximity to one another, especially if dispersed units are different from each other.

Complex tasks and dispersal of employees increase task uncertainty and make information processing more difficult. The less effectively the organization processes information, the less likely employees will behave consistently towards the achievement of strategic objectives. While structure and culture may serve certain overlapping functions, enhancing information processing, and therefore controlling employee behaviour, it does not follow that one mechanism is necessarily a substitute for the other.

In other words, the presence of one does not necessarily cause the other to become unnecessary. That is, some organizations may be both highly structured and possess strong cultures, each mechanism addressing different aspects of task complexity and geographical dispersion. Some organizations may appear to have neither a substantial structure nor culture. In these cases, other mechanisms for reducing uncertainty might be more effective. From the above discussion, below are the following two propositions:

**Proposition 1**

*Structure is a more effective mechanism for reducing uncertainty and equivocality*

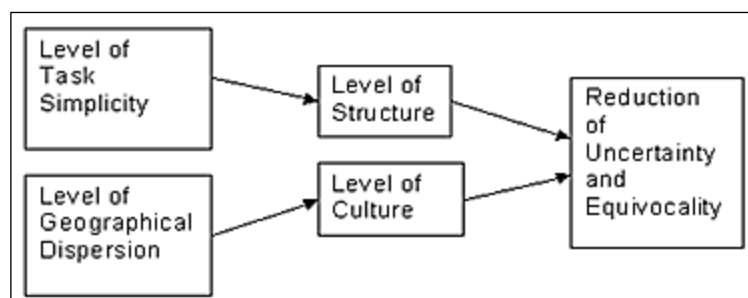
*than culture for tasks involving low skill, limited originality, high repetition, and requiring little training).*

**Proposition 2**

*Culture is a more effective mechanism for reducing uncertainty and equivocality than the structure in situations where face-to-face communication is limited, and the physical dispersion of employees is great.*

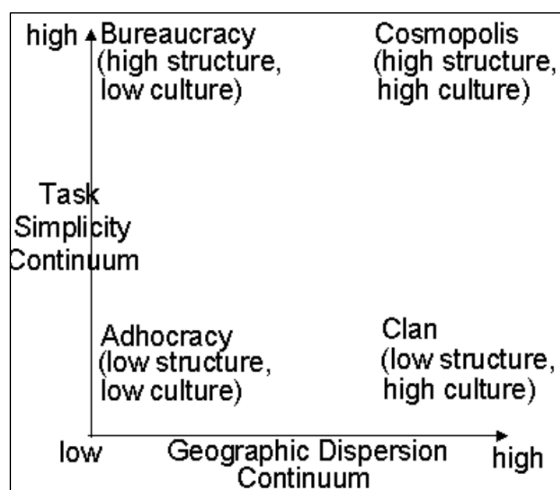
Figure 1 presents the mechanisms for reducing uncertainty and equivocality (i.e., organizational culture and structure) that depend on simplicity/complexity of tasks and geographic dispersion of employees, which are the two major variables. These variables largely, although not entirely, determine the level of information processing requirements of contemporary organizations. Organizations that are simple guide employee strategic behaviour most effectively through highly structured levels.

Likewise, organizations in which highly complex tasks are being performed do not process information effectively through high levels of structure. In these cases, structural mechanisms may not provide for sufficient amount and richness of information to complete tasks effectively [17]. Further, organizations with characteristics of high geographic dispersion of employees (geographically farther employee) process information most effectively through high levels of culture, than lower dispersion.



**Fig. 1.** Organizational structure and culture as information processing mechanisms (Adapted from John et al. [29]).

Unilever as an organization possesses the characteristics of both task simplicity and complexity and a range of geographic dispersion. Based on these variables, different organizational types can be grouped in accordance to the level of both structure and culture they possess for information processing requirements. Figure 3 explains the relationship between task simplicity and geographic dispersion as charted on X- and Y-axes, where the geographic dispersion of employees is represented along the X-axis, and task simplicity is located along the Y-axis. Different organizational types are represented at different points on the intersection of these axes.



**Fig. 2.** Typology of organizations based on organizational structure and culture  
(Adapted from John et al. [29]).

### The X-Axis – Geographic Dispersion Continuum

Organizational location around X-axis is an indicator of the geographic dispersion of the employees as well as the strength of culture. Organizations, where shared values, beliefs, and interpretations have less impact on the reduction of uncertainty and equivocality, would be located closest to the point of origin, whereas organizations in which cultural processes are likely to help employees in coping with

uncertainty and equivocality would be located furthest from the point of origin.

Concentrated organizations possess an environment where individuals can work and operate in close physical proximity to one another. Direct and immediate supervision, as well as unstructured and ad hoc meetings, are enough to process information. Dispersed organizations have numerous operating systems in varied locations due to their strategic demands (e.g., globally distributed inputs, such as raw materials, throughputs, such as distribution channels, and outputs, such as customers). It is not often possible for the organization's executive decision-makers to have the opportunity for a firsthand view of all of the outcomes of their strategies, and depends on the values and shared interpretations of information as the basis for action.

Concentration dispersion continuum is not centralized–decentralized operating structures. The concentration dispersion continuum is a measure of the relative geographical dispersion of employees in the organization, while the centralized–decentralized operating structure is the relative dispersion of power for decision-making, and structure is an important aspect of behavioural control, but is not related to the physical dispersion of an employee [9]. Centralization–decentralization is an indicator of the structure of the organization, and this factor is subsumed by the model's Y-axis, described next.

### The Y-Axis – Task Simplicity/Complexity Continuum

The location of an organization along the Y-axis indicates the average task simplicity in the organization and the extent to which structure helps employee's process action. Organization structures not effective are located closest to the point of origin, while

organizations in which structure for information processing are located farther from the point of origin. Organizations on this axis are based on a simplicity–complexity scale and are determinant of where to plot organizations with the greatest percentage of jobs, involving complex tasks are located closer to the point of origin. Organizations with more jobs involving simple tasks are located further from the point of origin; they operate in environments of the relative stability of government, demand for their products or services, competition, labour, and market demands in terms of creativity, flexibility, and novelty. Organizations with high percentages of complex tasks, on the other hand, operate in environments of rapid, constant, and unexpected change.

### Organizational Typologies

Based on the model's two continua, four distinct organizational typologies result. A true adhocracy [9] would be located at the point of origin in Figure 2 and would represent an organization with a minimum of both organizational culture/structure. A bureaucracy [6] would be located at the point farther along the Y-axis. A clan [23] would be located furthest along the X-axis, and the organization type with pervasive culture and structure will heretofore be referred to as a "Cosmopolis." More detailed descriptions of each of these four types follow.

#### Bureaucracy – High Task Simplicity, Low Geographical Dispersion

Bureaucracy is an organization possessing a mechanistic management system [7]. Weber [6], in his writings, used bureaucracy to describe an organization ordered by rules, regulations and laws, and hierarchies of management. Behaviour in such an organization is relatively formal and employee tasks are specialized and routinized (i.e., high in task simplicity). Organizations having a pure bureaucratic

structure tend to be old, large, regulated, and have relatively stable environments [9].

Examples of such organizations are difficult to identify because they are so rare for any modern organization to be operated in such a static environment. For that reason, the best contemporary example of bureaucracies tends to be divisions within larger organizations that have created relatively stable environments for these divisions, such as Unilever.

Shared values and interpretations are not needed since structural devices are adequate to manage the information processing requirements necessary for directing strategic behaviour. Bureaucracies, however, are ineffective systems when tasks become more widely dispersed employee subunits and more complex [23]. As these two variables change, different systems of control are needed.

#### Adhocracy – High Task Complexity, Low Geographical Dispersion

Mintzberg [9] described "Adhocracy" as a highly organic, unordered organization. In Figure 2, the adhocracy has low simplicity (i.e., high task complexity) and low geographical. In this type, neither organizational structure nor organizational culture is effective in reducing uncertainty and equivocality.

Members of an adhocracy generally perform complex work and tend to possess horizontal job specialization based on the formal training which usually occurs outside of and previous to membership in the organization. Geographical dispersion is low, so substantial face-to-face communication exists throughout all levels of the organization. The adhocracy is designed to be adaptable to rapidly

changing environments and to be flexible. Of all possible organizational configurations, the adhocracy shows the least reverence of management, especially of command unity [9].

Organic forms of organizations, such as the adhocracy, tend to be congruent with the “cosmopolitan” individual, one who attaches importance and prestige more so to affiliations and professional expertise valid in the industrial, technical, and commercial milieu external to the organization [30]. Likewise, organizational standards do not benefit information processing in this firm (and may have a negative impact) because of the varying and unpredictable demands of the complex tasks being performed in a dynamic environment.

Unilever is a good example for an adhocracy. The various units in Unilever primarily engage employees who possess high skill and substantial professional training in tasks requiring high originality and complex search procedures to develop products, makes sales, solve problems, and make decisions.

On the other hand, if an internal culture developed counter to professional norms and values, it is unlikely that this culture would reduce the uncertainty and equivocality in their scientific work. Regarding structural mechanisms, these could impede the organization from achieving its mission because the tasks that must be accomplished are quite complex and require substantial creativity and decision autonomy.

### **Development of Critical Skills in an Organizational Analysis**

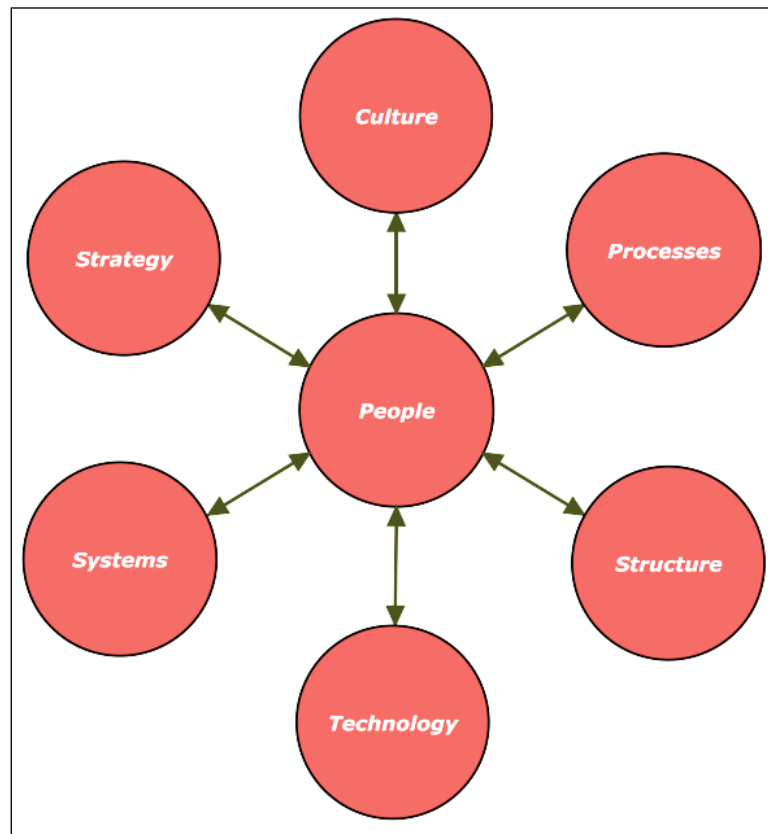
One of the basic techniques of organizational analysis is the development of organizational models that delineate an organizational function and evolve to

identify the best dynamic of managing each one. Understanding organizational modelling enables managers to exercise management and leadership skill, decision-making, and team-building effectively. The models involve crucial variables in particular circumstances, so they can experiment with different combinations of variables to achieve their desired results. For example, managers at Unilever can determine the best combination of technology and organizational structure for the organization by using organizational models.

Critical skills are the attributes that individuals and managers should possess to accomplish specific roles in an organization and enhance the efficiency of decision-making. Those skills exercised in management, leadership, decision-making, creativity, and team-building are encapsulated in the organizational analysis model adopted in Unilever; this draws attention to seven of the basic elements or components of a multinational organization like Unilever. It is among the frameworks used for thinking through issues related to organizations. It is predominantly used in organizing and analyzing information gathered about a particular organization and the issues it faces. They are briefly explained below:

### **People**

As shown in Figure 3, people are at the centre of everything. All other components are driven by people in the organization; they also devise strategies, structures, and processes. They develop and employ technologies, and maintain the organization's culture. The people bring competencies to their work and uphold good values. It is pertinent to note that the demographics of various kinds are also important in understanding an organization.



**Fig. 3.** Components of organization present in Unilever (Adapted from Fred [1]).

### **Structure**

Structure is also referred to as arrangement, configuration, formation, etc. which is targeted at achieving vision and mission statements of an organization. Organizational structures can be permanent and temporary, which provide control over resources, enable and legitimize the exercise of authority, and hold people accountable for performance.

### **Processes**

This is done by people, by machines, and by combinations of people and machines. These, too, are organized into processes, flows of materials, and information on which the organization's products and services are established and how these products and services are substituted with money to customers or suppliers.

### **Culture**

People earn themselves skills, attitudes, values, and beliefs to work correctly in a

system. Emerging from all this is a set of behavioural patterns that are often described as “the modality of how things work.” That, in short, is the culture of the organization. It is stable over time because there is rarely mass replacement of people; instead, new people arrive in small numbers over time and they adjust and adapt to the culture they encounter.

However, the inclusion of new technologies, systems, processes, and other practices can create a form of “culture shock” and those once stable behaviour models become rickety as people figure out how to accommodate and adjust to changes.

### **Technology**

The work of the organization not only depends on the skills and competencies of its people, but also depends on the level of technology employed. Essential skills and

competencies are directly related to the technologies being employed. Unilever as a multidimensional organization employs various technologies that will enhance mass production and ease of product delivery using Just-in-Time (JIT) concept.

### **Systems**

One of the areas of technology employed by almost every organization in today's world is mainly computerized systems. The computerized systems range from desktop computers which provide users with access to email, analytical tools, word processing, design and graphics, modelling, etc. to mainframe computers having vast amounts of data. The two ranges of computerized systems are differentiated by their modest applications which give supports to business functions such as order entry, accounts payable, human resources, etc.

### **Strategy**

In Unilever, strategies thrive and are noticed as the preceding aspects of an organization. It is much more appreciated when formulating and executing various organizational strategies. Example of such a strategy is the organization's competitive strategy on the basis of price, value, speed, quality, and some other factor or some mix of factors. Strategy enhances the penetration of a new market, developing a new product, counselling a non-performing employee, grooming the successor to the CEO. In short, the strategy is dominant as transportation is noted to be. Here is where tactics or execution comes into play. The strategy is concerned with the deployment of resources, and tactics for execution. In fact, it blends the popular quote of Henry Ford that "Vision without Execution is a mere Hallucination".

Therefore, the vision of Unilever without strategy is a mere hallucination.

In consideration of the seven components, the four basic models of organizational analysis were perceived to have been adopted in Unilever, which are:

1. The rational model or the classical model
2. The natural system model or the participative model
3. The socio-technical model
4. The cognitive model

### **Rational Model**

The rational model, also referred to as the classical model of the organization, was pioneered by Frederick Taylor, who was highly influential at the beginning of the 20th century. Taylor's background in engineering prompted his organizational analysis on efficiency. In Taylor's view, the best way to perform a task was how the task was accomplished in less time. He extended this view from employees to management, with the principle that all organizational and operation could become more effective and efficient if scientific principles were applied.

Application of management principles have helped Ford Motor Company to develop the first American automobile which was massively produced. Frederick Taylor, then, was correct even at the dawn of the automobile to America. It was noted that management principles really worked; however, it has its problems too. The noticeable challenge was noted to have ignored the monotony for worker's repetitive tasks, as they became replaceable and disposable with machines in the advent of automation.

### ***The Relevancy of the Rational Model to Unilever***

In a recent development, the rational model is pervasive among managers and this corresponds to the pyramidal organizational structure, in which top managers are at the apex and employees

are at the bottom. Managers are saddled with the responsibilities of giving employees detailed instructions. Also, managers must evaluate and appraise employee performance and give out reward compensations, when necessary, and punishments. This should be embedded on how the assigned tasks to employees are performed.

### ***Issues Faced with the Application of the Rational Model in Unilever***

The problem with the rational model is that money cannot be the only motivation, there can be many ways to perform a given task, and there are many non-rational organizational goals. The model is a preparatory model for judgements about organizational analysis where improvement is allowed.

### **Natural System Model**

The natural system model sees an organization as an important goal and its structure is regarded as an institution that has needs of its own. Hence, according to this model, an organization seeks to maintain a balance of its various needs and goals, which may restrict the way it pursues other goals.

The natural system model balances the needs of all the members of the organization as well as other stakeholders, such as customers, shareholders, and suppliers. This model holds that organizations function best when members belong to at least one effective workgroup (department, committee, or staff group), thereby contributing to the goals of organizations. Members who belong to more than one workgroup help link the different units of the organization together and facilitate communication and the exchange of information throughout the organization.

This model concentrates on threats to an organization's equilibrium, that is, on

events and activities with the potential of disrupting an organization's balance. The natural system model views change as affecting not as affecting individuals but the entire organization. Therefore, for there to be a change, the manager must change the whole organization. As a result, planning for change must be comprehensive and systematic. Therefore, commitment to change is greatly increased and conflict over change is limited.

### **Socio-technical Model**

Theorists have developed other models to capture the essence and functioning of modern organizations like Unilever. This is because of the limitations of the previous models. The socio-technical model does not rely on the mechanical and biological analogies of the rational and natural system models. Instead, the model views organizations as having a greater ability to modify their form and structure. Nevertheless, like the natural system model, the socio-technical model sees organizations as evolving.

This model views organizations as systems that interact with their environments. Through the course of this interaction, organizational behaviour is affected by human, social, technological, and organizational inputs. These inputs are all interdependent, thus a change in one causes a change in the others. The basic tenets of the socio-technical model include the belief that behaviour in organizations can have a number of causes, which organizations are systems, and that informal social systems are different from formal social systems.

An organization's main task is accomplished through the process of inputs being converted into outputs. The organization is designed around these tasks. Similarly, each unit of the organization is designed around its specific

subtask. The socio-technical model assumes that an organization's effectiveness is determined by its design to perform its main task. Organizations have differentiated, yet integrated units were based on three primary factors: technology (including techniques, skills, and materials), geographic location, and time (work shifts). According to this model, if an organization is effectively designed around its main task and if its units are differentiated and integrated effectively, then the number of conflicts will be minimized.

### **Cognitive Model**

There are three primary components of the cognitive model of a multinational organization like Unilever; they are:

#### ***Cognition***

This refers to the information processing units of an organization and its organizational units.

#### ***The Decision-making or Problem-solving Process***

This component is a series of steps, operations, and procedures that an organizational unit uses to make decisions or solve problems.

#### ***The organizational Setting***

This component deals with the arrangement of organization, such that it seals with how tasks are distributed and the way processes are coordinated.

Despite the fact that the heart point of organization's rational model deals with clarification and assignment of tasks, it does not address the other aspects of organizations. Most especially, it does not fully or clearly provide the ways organizations solve problems once tasks are clarified and assigned. The cognitive model is an improvement which moves beyond the rational model level of

organizational analysis by focusing on the processes through which organizations assign specific activities and times for the activities to be performed.

Cognitive model conceives an organization as a process that develops from the interaction of human cognition, organizational structure, and the types of decisions that need to be made. Because of these characteristics, the cognitive model focuses on the development and adaptation of organizations in different circumstances. Furthermore, this model accounts for the way in which specialization affects organizational behaviour and coordination.

### **CONCLUSION**

The study has critically examined the pertinence of organization analysis using a case study of Unilever. Socio-technical model fits in properly to Unilever because the organization systems interact with the environment, such that organizational behaviour is affected by human, social, technological, and organizational inputs.

The effectiveness and efficiency of any organizational structure and culture cannot be achieved with organizational analysis alone, but on both organizational analysis and organizational planning. The objectives of organizational planning and analysis are to cultivate and maintain efficient workforce through organization design structure, as well as the relationships and behaviour of individual employees within the organizations, hence the need to understand and breakdown organizational analysis and organizational planning.

The organizational analysis deals with the development of models and theories that can accurately capture the organization functions which account for the ways in which organizations take action for

change. While organizational planning is concerned with the designing of the structure of an organization and dividing up responsibilities within an organization so as to manage responsibilities dynamically.

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