

Solving Business Problems through the Creative Power of the Arts:

Catalyzing Change at Unilever

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Leading organizational change requires creativity and invites experimentation. Top level managers and organizational scholars alike often note that the essence of leadership is the effective management of change. New, compelling realities such as globalization, aggressive innovative competitors, and rapidly redefined industry segments mean that developing creative, entrepreneurial, responsive, learning organizations may well be the most critical skill required of contemporary leaders. However, agreeing on the desired end does not readily translate into agreement on the means to reach that end; experimentation is often required.

The key questions then become: What are the best methods available to leaders to orchestrate effective change? How can creativity best be nurtured in a particular organization at a particular juncture?

In this article, we examine one case in which a broad-gauged arts-based learning program has become deeply integrated into the workings of a business firm. Unilever, a global

consumer products company, had begun to lose market share and recognized a need to improve its overall competitiveness by becoming more entrepreneurial. A corporate directive to create an “Enterprise Culture” was sent to all unit chairmen, giving them wide latitude to develop new, performance-improving initiatives. James Hill, then Chairman of Lever Brothers, might have chosen to bring in the reengineering experts, or to set up a consultant-led executive program on managing change. Instead, he turned to the arts, and started Catalyst, now widely regarded as one of the world’s leading corporate arts-based learning programs.

We discussed Catalyst with James Hill, who until recently headed up Unilever Ice Cream and Frozen Food, one of the world’s largest frozen food enterprises. We asked him specifically about his experience in drawing upon the arts to implement strategic change.

Following sections to be shown in separate boxes:

James Hill, since April 2005, is Unilever Group Vice-President, Home and Personal Care, Western Europe, and is based in Rotterdam. He graduated from the University of Glasgow in 1980 with a Master of Arts in Social Sciences (Economics and Accountancy), and started his career with Unilever as a personnel trainee with Lever UK. In 1986, he switched to marketing, working as brand manager and senior brand manager in Lever UK. He has worked in Lever Spain, in Greece as Chairman of Lever Hellas, and in Belgium. He became Chairman of Lever UK in 1999, and, in 2001, moved to Birds Eye Wall’s (now Unilever Ice Cream & Frozen Food), also as Chairman.

Mr. Hill has a track record for delivering strong business results through an emphasis on innovation and creative marketing supported by tight cost control. He has become known for drawing upon the creative and motivational power of the arts and applying them in business. Mr. Hill has served on the Board of the Royal National Theatre since 2002.

What is Catalyst at Unilever?

Catalyst was created in 1999 specifically for Lever Brothers, just prior to its merger with Elida Fabergé, as a program aligned to Unilever's strategy shift and Enterprise Culture initiative. Subsequently, Catalyst helped define and embed a new culture within both companies as they merged to become Lever Fabergé.

The principle underlying Catalyst was the use of artists, arts organizations, and the artistic process as a means to solve business problems and explore critical issues. To date, Catalyst has created programs drawing upon the visual and performing arts, poetry, photography, playwriting, circus performance, design, and jazz. Unilever staff became involved voluntarily and the program has grown to include business topics such as creativity, consumer insight, communication, winning mindsets, behavioral change, and personal expression as well as providing tools and techniques for working in new ways.

In 2002 it doubled in size, moving into a second Unilever operating company, Unilever Ice Cream & Frozen Food. In early 2005, it opened a third program at Unilever's largest foods business, Unilever UK Foods. Catalyst has also managed a number of large

projects for Unilever Corporate Center. It has a staff of five full time professionals. Since the beginning, Catalyst has worked closely with Arts & Business-UK, joining its Professional Development schemes and winning five New Partner Awards. It has also collaborated on events and research.

The program has received extensive media coverage, including a feature on BBC Radio 4's business program "Nice Work." Most recently, Catalyst has been a case study in a Learning Lab Denmark book, *Artful Creation: Learning Tales of Arts in Business* by Lotte Darsø. She and her colleagues found Catalyst, among all the programs they studied, to be the best integrated and most extensive.

How and why did you decide to implement Catalyst?

Hill – Lever Brothers was in good shape when I took over as CEO—it was a strong, profitable company. Nonetheless, I was looking for a way of helping them to improve their performance. I had a sense that, as strong as they were, the managers needed to open their minds to possibilities beyond what they were currently exploring. I wanted to bring more creativity into the organization.

Can you speak about the collision of factors that resulted in Catalyst?

Hill – It's a long story, with three strands. First was that the Unilever group, of which I was managing one autonomous division, had decided to do a sponsorship program at the Tate Modern in London. That came to my attention, and made me think about how we could exploit the sponsorship for additional business reasons. I wondered whether our division could align itself with that corporate support for the art at the Tate.

Second was that there was a young manager in our organization, Oliver Lloyd, who had a personal interest in the arts and he spontaneously came to me with a proposal that we should buy a modern art collection with which to illuminate the building and stimulate the people.

And third, I met Alastair Creamer (now director of the Catalyst program). I was involved in an environmental project which Alastair had been running, and when that project ended I decided to give him transitional employment in Lever Brothers. One of the assignments that I had him undertake was an exploration of the arts idea. And then the various factors came together: Alastair proposed Catalyst; I decided to make available a budget to Oliver Lloyd; and the Tate sponsorship took off. Subsequently, a nucleus of like-minded people developed the concepts and sowed the seeds of future success in the organization.

Was this an effort to create a more entrepreneurial spirit?

Hill – Yes, I hoped I was encouraging creativity and risk taking in order to bring more radical product ideas to the market or to present them in a more radical manner. I saw the opportunity to draw upon cultural and creative influences for our business purposes. I had in mind the trickle-down effect that arts have on society; ideas often begin in high art and culture, and then progressively become more mainstream.

We considered traditional culture-change options, such as training, but there was already a lot of that going on, and it was somewhat bureaucratic and not as radical as I thought we needed to be. I had a sense that our existing efforts were reinforcing the current ways of doing things, not changing them.

Can you offer an example of your early success?

Hill – The art collection that we purchased was one. We bought some very good works by leading British artists for very little money. Also, it was the way we went about it. Staff were able to choose the work, curate the hanging, and write captions about their favorites, which were then displayed next to the art work in public spaces in our building. These images provoked a lot of interesting conversation within the company quite quickly, about design and other artistic topics. We're a packaged goods marketing company, so the impact of art on design is not such a leap. The impact of theater and film and music on advertising is also plausible. And we were able to make connections. So the art was thought-provoking in terms of its design impact.

Also, one of our product development managers brought in a poet-in-residence for six months. She joined the team and offered emotional insight into its group dynamics. And it so happened that that particular unit, the innovation group for fabric softeners, was then establishing its reputation as being the most creative of all the different innovation groups that we have in the company. That team was going through what we call a “purple patch,” a period where everything seemed to go right for them. They were the focal point for our organizational learning. They were growing fast and continued to have very good results.

How did your Board of Directors respond to Catalyst?

Hill -. I didn’t have to railroad it through. There were enough—just enough—like-minded people to give it a try. Soon it became the beneficiary of its own success. Then it grew and other parts of the organization have embraced it.

Could you tell us about the largest Catalyst program undertaken so far, called “Live + Direct”?

Hill – “Live + Direct” was about giving and receiving feedback. The HR people thought that one of the cultural changes we needed was to engender straightforward, honest, direct contact with colleagues, rather than the typically anodyne, bland feedback that had been customary. “Live + Direct” brought a team of actors into the company, who spent

time with employees at all levels, and then used theater to enact the issues that they observed.

The highlight was a performance called “The Live Report” in which the actors put on a forty-minute-performance, in front of all the staff (hundreds of people). It was a series of sketches and the purpose was to illustrate behavior in the company. For example, how success is celebrated, how people became isolated, how aggressive behavior on the part of a few managers reduced the enthusiasm of their people, and so on. That was the pinnacle—everybody saw the actors were revealing a number of very human emotions relevant to our work. Their performance encapsulated the frustrations felt by people lower down in the organization, especially their feelings of being put under pressure and blamed for things that weren’t their fault. I think that gave our efforts a lot of extra credibility.

“Live + Direct” was not limited to the theater performance, but was linked to hands-on tips and employee workshops, for example, how to deal with a hard driving boss. These workshops used artistic themes—art was almost invariably used to provide the metaphor for the business problem. Most important, “Live + Direct” was voluntary, and that is one key to our success; it has all been voluntary. But it has had a very high level of participation. Over the course of a year, over sixty percent of the staff was involved in some way with the Catalyst program.

Catalyst was instrumental, earlier on, in the merger of Lever Brothers and Elida Fabergé. Can you tell us more about that process?

Hill - Yes, this is very important to understanding the business purpose that our arts-based programming served. All the evidence about mergers suggested that there would be cultural issues associated with bringing together two such large organizations. Each had more than a billion dollars in revenue; these were big companies by European standards, employing thousands of people and making lots of profit. Anyway, the notion was that Catalyst could assist in the merger by creating a new culture. We decided against having either the culture of unit A or unit B become dominant, because that would cause resentment from whichever was not chosen. We also realized that we could not simply hope that the merged organization would bring about the best of both units. Instead, we chose to use the arts to facilitate bringing these two organizations together in a new and different culture. I think that the two companies went through that transition very successfully and the group has continued to prosper.

How exactly did Catalyst bring about this new culture?

Hill - Both senior management teams were going into unknown territory together. Everyone was in the same place—outside their comfort zone. For example, theatrical workshops in the workplace were very different for all of us. But Catalyst events (which are open to everybody) compelled the different teams to mix and network. At the time we had no other relevant forum for this. I remember Catalyst staging a debate at a gallery about whether advertising was more potent than art and I saw members of

staff from both sides of the business realizing they held common beliefs about this subject. In a different way, Catalyst would focus on a skills area, such as writing, and people came together over that because they wanted to be better writers. This, in turn, became a signal of our developing culture. Learning will be at its heart. Of course not every project brought people together in the anticipated way. Catalyst put up some risky high art photographs from the art collection that had everyone demanding they be taken down. We came together to push against Catalyst. That was important.

You have since moved on to run the Unilever Ice Cream and Frozen Foods (UICF) division. Have you brought your commitment to arts-based intervention into your new position in this new industry setting?

Hill - When I started here I considered whether or not it would be appropriate to bring something like Catalyst to this organization. It is a little bit tougher connection to make than at Lever Fabergé. The office location is further from London, and our people have less exposure to the London arts world. Second, the average age in this unit is perhaps eight to ten years on average older than in the London office. And the nature of the business is quite different. Three quarters of my current company is frozen food and the food industry is more traditional than the detergents and personal products industry. It is literally closer to the earth, linked to farming and to traditional influences in society, whereas perfume and personal care products are closer to the arts world because of the link to fashion and style. Finally, margins are tighter. They are simply different companies in different business environments.

I decided to sow the seeds with more caution. The first few arts interventions were not failures but they were derided. The first project was called 'Watch This Space'. Our office space at that time was fairly sterile. Every department looked the same whether you were in sales, marketing, logistics or finance. Meeting rooms were identical.

'Watch This Space' involved a week-long transformation of some of the main work and social areas of the company led by a group of young artists and designers. Huts were set up in the middle of the marketing department with a video diary feature. Meeting rooms were screened off and converted. The reception area was changed. The idea was to challenge people's perceptions about their working environment: how they work, how they meet, what stimulation they need around them.

Some of this did not work. The most controversial was when we took all the chairs and tables from the canteen and replaced them with turf and rocks. We created an outdoor picnic environment indoors. You can imagine the opportunity that gave the skeptics at a very early stage to deride the whole process. So, there was quite a long time when we needed deep conviction and courage to keep going and keep experimenting, when it would have been easier to throw in the towel. Of course, the real benefit of 'Watch This Space' only came through about six months after the event. Gradually, people grasped the permission that had been presented and started to transform their own areas, be prouder and more explicit of who they were and what they were working on. This permission point is very important. People began to ask themselves, "if Catalyst is allowed to do this, why can't I?" So now we have an office environment that is much richer in its diversity and people are constantly thinking about how they can move it on yet again.

I think one of the beautiful things about the arts is that you are breaking new ground. And when you break new ground you have a lot of rocks to look under, if you like the analogy. You must have patience and give two or three different ideas the chance to succeed or fail before making a judgment about the overall value of the exercise.

Could you say more about the impact of Catalyst on the management group and its ability see the world more creatively?

Hill - The management group has benefited from its participation in a mentoring program through the UK Arts & Business organization. One of their programs is a mentoring scheme whereby people in companies are assigned to arts institutions. The business people bring their commercial acumen to particular issues within an arts organization. Many of our managers have gotten involved, and this mentorship experience adds another strand to their capabilities, especially because they must operate outside the confines of a big business without all the support structures. They have to take decisions quickly, and get a chance to immerse themselves in the buzz of a small organization. This has been a developmental experience. These managers encounter very different ways of seeing when they interact with the people from the art world.

To what extent and at what stage is Catalyst involved in your strategic decisions?

Hill - I cannot think of a major shift in company strategy that has been brought about by Catalyst. Rather, Catalyst has helped us to implement, to execute better. Certainly there have been a number of important inputs to product development and advertising which have had a material impact. But that's not strategic, per se. We have ongoing innovation processes and brand development processes and Catalyst has helped them to work better and with new insights.

We don't expect Catalyst to solve all of our business problems, but it is playing a central role in helping to move us forward, particularly in the area of marketing skills and in people's interaction, team dynamics. As it has continued to gain credibility and to be used more widely, I don't need to push it anymore, and I don't need to defend it. It has gained its own momentum; it is in the roots of the organization.

Please tell us about your background, your personal interest in or experience with the arts, and any prior connection to arts organizations?

Hill – It's pretty straightforward. I'm a 43 year old businessman. I've been in a multinational company since I left university, about twenty years ago. I studied scientific and economic subjects there, and had virtually no contact with the arts world before Catalyst started up.

What do you think made you, personally, open to this type of approach, given that you had no prior arts experience?

I think I was at a point in my life when I was looking to explore new areas. I had followed an extremely conventional path that had been very productive for me and very successful in many ways, but I was at an age when I wanted to see whether there were other things in life that I could explore. And I was resentful, in a way, and felt that I had been cut off from the more creative sides of life. All of my educational development at a very young age had been rational, logical, numerate. I think people are pigeon-holed far too soon in life, and that generally you get a reputation and you become a caricature of your past, a prisoner of it, and almost a caricature of your job title. You come to recognize that just because you are an accountant, for example, it doesn't mean that you are boring and non-creative but people are expecting that; I suppose it gives them a clearer sense of your identity.

I personally wanted to see whether or not I was able to explore the creative and artistic areas in my own mind. I think this personal development has been one of the most rewarding aspects, as it turns out. Just because I am a hard-nosed businessman doesn't mean that I am not able to interpret these things in an interesting way or to stimulate people with my point of view on a performance or work of art. I think that has opened my eyes and has broadened my horizons. And it has been marvelous. It has opened up a whole new set of interests in my life. I guess above all I had thought I was not creative. I had accepted a label that was associated with my job title and my education, and I no longer believe that. I think that there is so much more in each of us that has yet to be realized or exploited—so much potential. That is a good feeling to have.

What advice would you offer to other corporate leaders interested in arts-based management initiatives?

Hill - I would say first of all, that I have done this for one simple reason, and that is for my division to become a better business. It has not been an altruistic motive. We have other budgets for philanthropy, but Catalyst has not been about that. Catalyst has been about helping us change faster—that's where it got its name. Catalyst has helped us develop by drawing on the energy and the creative power of the arts. It is my belief that it has worked, it has speeded up the change process, and made people more open minded, helped them embrace creativity.

It's easier if there is a direct connection between the nature of your company and the art form, and I would encourage companies to think in those terms if they are considering aligning themselves with art. For some businesses and business problems it is easier than others. But one of the biggest areas in which the arts can contribute to business is at the employee level—group dynamics, motivation, understanding others, giving feedback—and that transfers across all industries. There is so much in the arts which allows those topics to be interpreted, discussed, and for new ideas to come out. I cannot think of an organization where Catalyst would NOT add value. Because companies are run by people, and the arts gives you so many insights into the human condition, human behavior, team behavior, winning and losing, competitiveness.

I should also mention the effect that Catalyst has had on our younger employees. I know it is dangerous to generalize, but young people are not motivated simply by a safe and secure job. They want a job with a difference, a job that contributes to their individual development. They want money and promotions, of course, but more. They want to work in an ethical environment, and in a highly stimulating environment. And Catalyst helps to fulfill that second purpose. People have said, "I saw such and such happening in Catalyst. It seemed crazy but the fact that I saw that happening gave me license to push the boundaries in my area because I realized that I was working in the kind of company where you could do things that were different." So we can also say that Catalyst has helped support diversity of employment, and is assisting in recruiting and retaining the next generation. There are so many different ways that the arts add value.

You have to engage people's hearts as well as their minds, and the arts contribute to that. I keep coming back to a question I was once asked, "What would the shareholders think if they knew what you were doing?" I think they would be delighted. We are not doing it for fun. We are doing it so that in the long run we will have better people working in the company, people making better products and advertising and working better as a team. And that is making money for the shareholders.

Any final words of wisdom?

Hill - One warning. The support for arts-based initiatives must come from inside an organization. If it is just the toy of the CEO, then it has no enduring value. If I leave this

company, and Catalyst ends, I will have failed. If I leave and it continues, then that is the acid test. Its continuation in my two previous business units, without my intervention, is a great source of encouragement.

We had numerous opportunities to kill it, and every time there is a budgetary crisis, it is in a possibility. I have questioned it openly, out of pure professionalism, but my board colleagues have said no, if we stop this it would send the wrong signal for our business; it IS adding value. It is better if they say it than if I say it. Catalyst has become part of our culture and is still expanding.

Analysis and Conclusions

From James Hill's perspective, the causal connections were clear. To increase profitability, change was necessary, and change starts with people. Employees who are inspired and stimulated, as is possible through the arts, can become open-minded, creative team members, more confident in expressing ideas and experimenting with new ways of thinking, which then leads to innovative products and imaginative marketing, and ultimately to improvements in business performance.

With a clear mandate for change and the flexibility to select the means to achieve it, Hill moved decisively. He had internal credibility, a growing interest in the arts, the insight to recognize the potential of a non-standard approach, and the courage to take a risk with Catalyst. Hill and his previously skeptical colleagues now view Catalyst, as its name

implies, as the primary ingredient in achieving faster, more effective change. The company has come to appreciate the power of the arts to help solve real business problems; indeed, Catalyst now plays a prominent role in three Unilever business units

What else might interested managers learn from James Hill's experience with Catalyst?

We see two sets of lessons: one that we believe are true of change management in general, and another that relates specifically to arts-based organizational interventions.

Lessons about change management:

1. Do not allow major change initiatives to be seen as simply the "pet" or "toy" of a senior executive; ownership must be shared. Commitment and support from those at the top is essential, as is buy-in from employees at all levels.
2. Tailor programs to the different needs of different units. Consider product, key functional areas, geography, employee experience and capabilities (for example, Lever-Fabergé is different from Ice Cream and Frozen Foods); don't become formulaic.
3. Expect some failures, but strive for a few early successes.

4. Evaluate the program regularly; though it may be difficult to measure the costs and benefits, with precision, it is possible to craft qualitative measures and to establish intrinsic benefits that enhance credibility.
5. Allow time for an innovation (like Catalyst) to be appreciated. Look for tipping points at business and emotional levels, rather than immediate acceptance.

The Catalyst experience also suggests the following about arts-based organizational change:

1. Focus on those functional areas tied most closely to the arts (for example, marketing or advertising) and on units that are already doing well as one way to find early successes.
2. Acknowledge that some people may initially oppose the program through lack of knowledge and prejudice. Work to achieve acceptance by the quality of the work, but also recognize that controversy itself can bring about constructive dialogue.
3. Consider employing permanent arts program staff. The availability of in-house resources sends powerful messages about commitment and support. To be effective, the arts program staff must be conversant in the languages of both business and the arts.

4. Partnering with or hiring outside artists should be matched to the business problem at hand and done jointly with business units affected.
5. Recognize that arts-based intervention is just one option among many for solving any particular set of business problems.

Arts-based approaches to leading organizational change are not new, though the scope of the endeavor at Unilever is exceptional. Our understanding of programs such as Catalyst is only in the early stages, and there is a great deal more to learn. Research is needed to further explore motivations on the personal and organizational levels, as well as the consequences for both individuals and companies. Longitudinal studies might discover still unanticipated consequences of arts-based interventions. Also deserving of scrutiny are the reactions of the artists who have gotten involved in corporate efforts: what are the effects on them, and their art, their art organizations? Most broadly, it will be important to consider the societal effects that result from bridging the worlds of art and commerce.

James Hill is more than an articulate champion of corporate arts-based programs; he's a true pioneer in his willingness to create such bridges. And, while his Unilever division clearly resides on one end of a broad continuum of arts-based initiatives (Darso, 2004), he would be the first to admit that he is still exploring new territory. The challenges for Hill and others at Unilever will be not only how to make wise use of the arts to solve business problems of the future, but also how to keep Catalyst itself fresh and engaging. The challenges for other senior executives and management scholars will be to learn from

Hill and Catalyst, and continue to advance our understanding of how the arts can broaden horizons, open minds, and solve business problems.

References

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