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The Purpose and Motivation for these Interviews
In a series of three separate interviews, Paul Polman answered questions and engaged in discussions with two master’s students and their advisor. The focus of the discussion was on navigating the tensions inherent to staying true to your values while succeeding in a business system that seems to threaten those values. Students feel that many in their generation aim to harness the power of business to create positive change in the world, but question how they can remain steadfast in their commitments to social and environmental goals in a business context that doesn’t always reward those goals. In short, they were looking for lessons and guidance to remain hopeful. In these conversations, they sought the counsel of a highly experienced and respected executive who has made the kinds of decisions they seek to build upon. The interviews, conducted on January 19, February 9 and March 8, 2021, are captured in these transcripts and yield powerful insights for anyone seeking to combine purpose, passion, vocation, and business.

This transcribed interview has been edited for grammar, clarity and accuracy. However, the content has not been significantly changed. Sub-headings were added after the interview to guide the reader in topics as they emerged and evolved in the conversation.
Interviewers

CELIA BRAVARD
Celia is a MBA/MS candidate at the University of Michigan Ross School of Business and School for Environment and Sustainability, Sustainable Systems Track. She holds a B.S. in Food Science from Iowa State University. Prior to Michigan, Celia spent 5 years as a food scientist at Conagra Brands in Omaha, NE where she formulated innovative products, performed technical ingredient deep-dives, and led productivity projects. Through these experiences, she found her passion for combining science, business frameworks, and systems thinking to tackle food waste and supply chain challenges facing today’s industry. She is originally from a small town outside of Des Moines, IA and enjoys writing poetry and running half marathons with her sister.

JOHN PONTILLO
John is a MBA/MS candidate at the University of Michigan Ross School of Business and School for Environment and Sustainability, Sustainable Systems Track. He holds B.A.s in Economics and Religion from Swarthmore College. Prior to pursuing Master’s degrees at the University of Michigan, John served in the Peace Corps in Mozambique, where he focused on improving public health outcomes related to HIV/AIDS and Malaria in rural areas, and played on the community football team. After that, he spent 3.5 years at FSG, Inc. as a consultant, partnering with businesses, foundations, and nonprofits to develop strategic plans that improve economic, social, and environmental outcomes for stakeholders. John and his wife, Amanda, live in Ann Arbor, and enjoy hiking and biking along many of Michigan’s beautiful, wooded trails.

ANDREW J. HOFFMAN
Andy is the Holcim (US) Professor of Sustainable Enterprise at the University of Michigan; a position that holds joint appointments in the Stephen M. Ross School of Business and the School for Environment and Sustainability. He has published over 100 articles/book chapters, as well as 18 books, which have been translated into five languages. In this work, he focuses on the processes by which environmental issues both emerge and evolve as social, political and managerial issues. He holds a joint PhD in Management and Civil & Environmental Engineering from MIT. Prior to academics, he worked for the US Environmental Protection Agency, Metcalf & Eddy Environmental Consultants, T&T Construction & Design and the Amoco Corporation. Andy and his wife, Joanne, live in Ann Arbor.
PAULUS GERARDUS JOSEPHUS MARIA POLMAN was born July 11, 1956 in the Netherlands. He is a former Procter & Gamble president for Western Europe (1979–1998), former Nestlé chief financial officer and vice president for the Americas (2006–2009), and former chief executive officer (CEO) of the British-Dutch consumer goods company Unilever (2009 to 2019). In 2019, he became Co-founder and Chair of IMAGINE, a new organization which mobilizes business leaders around tackling climate change and global inequality. Paul is Chair of the International Chamber of Commerce, The B Team, Saïd Business School and Vice-Chair of the UN Global Compact. A leading proponent that business should be a force for good, he has been described by the Financial Times as “a standout CEO of the past decade.” Paul was a member of the UN Secretary General’s High-Level Panel which developed the Sustainable Development Goals, and as an active SDG Advocate he continues to work with global organizations and across industry to push the 2030 development agenda.
January 19, 2021
JOHN PONTILLO: I think it’s important to note the context in which we’re having this conversation. Right now, we are dealing with many things. We’re dealing with political instability here in the United States and around the world, growing inequality, a reckoning with systemic racism, the climate crisis, and all this happening in a pandemic. Even from the time that Celia and I began to discuss this idea three months ago, I think the importance of business has grown and within this context, we need to do something more. And so, it’s made this opportunity even more valuable for us to speak with you. Thank you for finding the time to do this with us. This is really wonderful.

I want to begin with why we want to do this. I’ll start by saying that Celia and I met through Andy’s two-part course this fall. The first half is focused on sustainable enterprise, and the second half is focused on market transformation. And it was in that class that we were discussing some of the tactics that towns and local economies can use to combat the more deleterious effects of big box stores like Walmart, in order to keep resources in their economy and be more sustainable. So, in the first half of the case, we learned all the wonderful initiatives and ideas and we were feeling good. Then we got to the second half and the parts where it gets very challenging, as the focus shifts to market transformation, and reality sets in. And I think there was a sense of despondency that came over us. Celia and I independently emailed Andy to express our despondency. Then we hatched this idea, and Andy supported us and connected us to you. We’re grateful for Andy’s efforts and for the time that you have here.

Through this conversation, Paul, we really are interested in learning about you and your path leading up to and during your time as CEO of Unilever, so that we can better understand how you remain steadfast in your commitment to social and environmental goals in a business context that doesn’t always reward those goals. We’re hoping that these conversations can help steel us and our generation of business students who believe that capitalism has significant power and is the most capable and powerful force to initiate the decisive and transformational shift that we really feel is necessary. We recognize that, in particular with climate change, we’re going to be living with the context that we’re in now
and for generations. And very frankly, Celia and I are standing on this cliff, looking down into the valley of despondency and cynicism, and wondering how one can remain a bold leader and stand up to this feeling. Not just for us, but for the future generations that come after us.

So, we’re looking forward to learning from you about some of your guiding principles and how you sit apart from other CEOs who are unwilling to commit to bold action and to certain ideals. We’re hoping to learn frameworks, insights, philosophies, and anecdotes that have aided you in making bold and hopeful decisions in the midst of a highly conforming CEO culture. Before we begin, we’d like to share brief introductions of ourselves and then dive into questions after that.

PAUL POLMAN: Keep going.

JOHN: My name is John Pontillo. I’m from New Jersey. I went to a small school in Pennsylvania for college, and after college I joined the Peace Corps, where I was living in Mozambique for two and a half years. I’ll just share a brief anecdote of how the trajectory of my path changed. Two or three months after I was living in a coal mining town in the western part of Mozambique, some friends invited me to go on a hike to the highest part in our village, and it was unremarkable other than the fact that it offered 360-degree views of the village. I remember passing homes that were made of mud and stick, and people were cooking on coals over the ground. They didn’t have access to electricity, a stone’s throw from a coal mining plant.

We got to the top and looked out and it was dusk, and I was blinded because the sun was reflecting off of all those tin roofs back in my eyes. It hit me then that we lived in a place with three hundred days of tropical sunlight, yet people around me couldn’t afford electricity. That being said, all of those people that we passed, regardless of the fact they couldn’t afford electricity, all of them had cell phones. For me, that spoke to the reach of business and those two things stuck with me. I became much more interested in them.

I came back to the United States after that. I worked for FSG, a social impact consulting firm, and learned a lot about systems change in the health, education, and community resiliency areas. But I wasn’t focusing on energy or climate change or really any of the areas in which I really wanted to work on systems change. So, I applied to the University of Michigan and I was fortunate to be accepted and started this past fall. I’m at the Erb Institute with Celia, which is the dual degree program in business and environmental science.

Just to give one last piece of my motivation and my angle, what really drives me, came to me as I was watching President Biden’s inauguration on Wednesday,
and the US Youth Poet Laureate, Amanda Gorman, was speaking and it was wonderful.

**PAUL:** Amazing.

**JOHN:** Among the many eloquent verses that she spoke about, there were a few that sat with me, but one in particular was, “We will know our inaction and our inertia will be the inheritance of the next generation. Our blunders become their burdens.” With that, I started to tear up because this is really a driver for me. Knowing that what we do now will impact not only us, but the future. I hope to have kids someday. I hope to have a long line of progeny, and what I want to do now is do the best that I can to combat a lot of the challenges that I mentioned earlier: systemic racism, growing inequality, and this massive climate crisis, to do my part to make it a better world for them. So, that’s a little about me.

**PAUL:** The world needs you, so that’s good.

**JOHN:** I appreciate that. Let me pass it over to Celia so she can introduce herself.

**CELIA BRAVARD:** Thanks, John, I really appreciate it. My name is Celia Bravard, I’m also in the same program that John mentioned. I grew up just outside of Des Moines, Iowa. I went to Iowa State University, studied food science, and my career has been in food science ever since. I’ve worked at Conagra Brands for the last five and a half years, and each experience I had was filled with continued curiosity and this insatiable desire to learn and know more. As I progressed through new innovative product development or cost savings initiatives, I continually asked questions. Specifically, when I called out food waste as a large problem, and that we lacked sufficient tools or the circular economy principles in our plants or product or packaging teams to address it. The answer I consistently received was, “Sustainability is more of a side project, and it doesn’t really impact this quarter’s earnings.”

I grew disheartened seeing the glossy sustainability reports with limited long-term impact and leaders so focused only on short-term shareholder return. It hit me about two years ago; I realized, as I was standing there watching my new product run in the manufacturing plant, I was unable to do anything else with the waste. Through self-reflection, I came to the conclusion that my talents were meant for something more than creating the next high-gross margin or innovative CPG product. And so, I knew right then I wanted to find a career path more aligned with my personal values as a human. Deep down, I desire to be a steward of the resources of Earth, and that desire was stronger than the need for the security of promotions or to be on the track I was on within Conagra. And so that’s really why I’m here at Michigan. I can confidently say it’s been the best decision of my personal and professional life.
PAUL: That’s very good. Is Conagra located in Des Moines? Where are they located?

CELIA: Their headquarters are in Chicago, but we have an R&D office in Omaha, Nebraska.

PAUL: You’re still working at Conagra, based on what you are saying?

CELIA: Yes, I am. I’m working part-time.

PAUL: I’m just looking at it. In 1999, their [Conagra] share price was $30. In 2021, their share price is $30. Their focus on making the short-term quarters doesn’t seem to add up to building long-term value for some reason. This is 20 years. Is anybody asking the question there? How many CEOs have you had in those 20 years?

CELIA: In those 20 years, I believe three. Our current CEO has been there for six years.

PAUL: Who’s the CEO there now?

CELIA: Sean Connolly.

Paul: Okay. Well, it seems that their strategy is working. Like, “Keep the share price flat.”

CELIA: It’s interesting you mention that, because when I would ask, “Why does this quarter matter more than the one that we just talked about?” no one really could give me an answer that I was satisfied with.

PAUL: Good for you. And even if they give you an answer, don’t believe it.

Well, we can talk about that later. There’s hope guys, there’s hope. We don’t have to despair. I don’t believe in that. I’m an optimist. Or a prisoner of hope is probably a better word. [chuckle]

We all have the same life; we’re all living on the same wonderful planet, Earth. But the pessimists have a more miserable life than the optimists. And that’s your choice. So, despite having to deal with the same challenges, why not have some fun doing it? One of the things in IMAGINE that I created, which we can talk

“We all have the same life; we’re all living on the same wonderful planet, Earth. But the pessimists have a more miserable life than the optimists. And that’s your choice.”
about and why I did this, we call it “Purposeful Play.” If it’s not fun, you won’t get the results. It doesn’t have to be a chip on your shoulders or a threat. The only way to change companies is to make a burning platform. I think you can create a positive burning platform. You don’t need to have a crisis; it doesn’t have to be negative. Many things can be better achieved if you start from the goodness.

Purpose and Connectivity

CElia: Purpose is a really good thread to start on. We’ve listened to several of your previous interviews, and the moderators often ask you about leadership. But we want to go one level deeper and really pull on the purpose-driven leadership piece of that holistic concept. On the last day of Andy’s class, he shared several quotes with us. One from Mark Twain stuck out to John and me, “The two most important days in your life are the day that you’re born and the day you find out why.” So, to kick it off, I’d be curious to learn more about when you first found your purpose, and secondly, choose to live it out? Those can be two different things.

Paul: Well, first of all, I believe I was born for a reason, so it starts with that. So, the why was already the conception of coming into this world. I do believe that every human being has a role to play, that we’re all connected in a deeper sense, and that we all have a little diamond inside of ourselves and we need to work hard on making it shine. So, it’s a wonderful world.

_Humankind_ is a book that was issued last summer by Rutger Bregman. I don’t know if you’ve seen it. But I like the book to a great extent. It’s a little bit thick with many pages. But I like the book because it starts from the premise that we have to believe in the inherent goodness of human beings. Even if some don’t behave like that, we should not get sidetracked or generalize and say, “This is what it is.” The inherent goodness of human beings makes us actually more determined.

And then you discover that you’re in a position where you’ve been lucky, because after all, success is pure luck. I believe that success is pure luck. And others have not been so lucky. And if you’ve been lucky, because you were born in the Netherlands in my case, even though it was tough after the war. My parents didn’t have much money because they couldn’t go on their education during the Second World War, which for my father was exactly the period when he was 15 years old when the war started and 20 when it finished. So, goodbye high school, goodbye university. They basically deprived him of a chance, and I know that
"I do believe that every human being has a role to play, that we’re all connected in a deeper sense, and that we all have a little diamond inside of ourselves and we need to work hard on making it shine."

frustrated him his whole life. He had to have two jobs and work very hard, study at night to move up to a sort of an accountant in a factory type thing.

Coming back to my luck. Being born in the Netherlands at that time, 1956 for me, we had at least a toilet at home, we had a bar of soap, and we could get food. I never had to deal with any of these issues of stunting or hygiene or open defecation or any of that. No infectious diseases like pneumonia or diarrhea and all that stuff. And then the Dutch government provides free education and free healthcare. So, I ended up studying and that was the same for everybody. That gave me this opportunity to then develop more options and find better opportunities to find my passion, or my purpose, as you probably would call it, and I’ve been lucky since. But that’s not the case for most of the world’s population. If you’re stuck in a textile factory in Bangladesh at 11 cents an hour, you’re stuck. It’s like many people live in modern day slavery, and one and a half billion in outright poverty and probably 3 billion at less than $5 a day. So, I’ve always felt that if you’re in a position to do something about that, you have to. Because at the end of the day, we can only make humanity function if we respect each other and are able to live with each other and have the minimum values with each other and the common values of dignity and respect, of equity.

There’s no reason that because of being a woman, or a man, or a different skin color, or sexual orientation that you should have fewer chances. You shouldn’t have more chances either, in my thinking, but you should not have fewer chances. We should all have equal chances. And so, the equity principle is very important. Dignity and respect are very important. In that sense, there’s a certain level of compassion or caring, that if some people have not been so lucky that you have a responsibility. But you know, many people walk by the homeless in the streets,
or they watch television wars as if it’s a sort of an entertainment. We’ve become oblivious. That’s the problem in today’s society, we’ve removed ourselves from humanity too much.

I’ve often talked about the fact that urbanization has been a good thing, perhaps. Now we’re going to 70% or more of the world population living in cities. But it’s a bunch of concrete high-rises, that’s what cities are. How can you get in touch with human nature, with Mother Nature? And the other thing, social media has made us more connected, but also less. It’s fine to connect on the bits and bytes, but you need to connect with the heart. And if you now look at some people, they have 500 friends on Facebook, but they don’t have one person they can really talk to. So, we’ve distanced ourselves. We’ve taken humanity out, and a lot of it has become spreadsheets and numbers. And that’s where Milton Friedman and others come in. **At the end of the day, you need to ask what matters. What drives you, what should drive you, is humanity.** Some people say, “Why do you do climate change and inequality and sanitation, and you work on all these things?” Because it’s all for the same thing to me. I’m not a climate warrior, it’s a means to an end. It’s just that the poor people will suffer disproportionately, and that’s not right. And it’s always them that pay the price double, triple, quadruple. We’ve seen that with Covid especially, how it hit the people we need most and that we marginalize the people in the most important jobs.

I’ve honestly never understood why the persons that bring us to life, which are the teachers, and the persons that care about us at the end of our lives, which are the nurses, are basically amongst the poorest paid professions, when they provide the highest noble cause. Somehow, we have lost a little bit of reality in the rat race that we’ve put ourselves in over the last decades. Now, admittedly, there are also some things that I don’t think people could have seen, so it doesn’t make much sense to me to go back too far and blame people or say, “You were stupid.” It’s good to learn from the past, but I wouldn’t condemn the past, because we weren’t living then to really judge all the elements that were playing that guided people in their decision-making.

Often, I hear that previous CEOs were very bad and the new CEOs that are coming in now are better. No. They dealt with issues in their times that are difficult for us to judge now, and they were in essence also good people. We never knew we would have such enormous population growth, that we had such an opportunity to provide a better life to so many people, and we rejoiced in our ability to do that.

This is a good time to be born. People live longer lives, healthier lives, more access to healthcare and education, providing a quality of life that probably many people thought was not possible. But in doing that, we just forgot a little bit how
we were doing it. We were pursuing the goals, but we were not spending too much time on whether the way we were doing it, the *how*, is sustainable. And not enough time is spent on the *how*, because of the short-termism in the financial market, in politics, even in our own lives. We just run the races of the week, or the day. **So, you need to spend more time on how you achieve things to ensure that it really is in harmony with planet Earth, with fellow human beings, with the resources that we have for future generations.** These are difficult questions and complexities, but that is why we need to train more people that are able to deal with them.

**JOHN:** Let me ask you, Paul, if I can. These are two sides to the same coin, where you’re talking about those who are less fortunate that perhaps didn’t have the personal motivation, a sense of optimism, sense of purpose, or some of the advantages that all of us here have had, and they may not have the same orientation or same perspective on how we can come together and work together. As a leader, as a CEO of Unilever, I know that in your first couple years, you spent a lot of time developing that purpose in other people. I would love to hear, what worked well? How did you help people find their purpose? And what are some of the main things that guided you when people came back to you? I’m sure they said, “This is silly. This is a cynical approach to try to make this company better.” What was helpful for you during that period of time?

**Self-Worth, Net-Worth and Empathy**

**PAUL:** I see it a little bit more in the American system than in the European system, perhaps what I grew up in, but that if people are not so successful, we blame the person. In Europe, we don’t do that, really. And I’m trying to generalize because you can generalize. If a person is, by our definition, not successful in life, we first have to question what definition that is. In many cultures, in the American culture for sure, you measure self-worth by net-worth. That’s kind of a silly definition. And when people are in the streets, then they must have been stupid or doing things or not working as hard as we do. It’s the same at work. When people are under-performing, we blame them often or we fire them. Most performance reviews are sort of sadistic pleasures, where you point out where people have fallen short.
In all my performance reviews, even in P&G where I worked for 27 years, I seldom heard what people said that I did well. Why don’t you celebrate what people do well and do more of it? Because that’s probably something they enjoy. And if they don’t do something well, find other mechanisms around them that other people take responsibility for. It’s like playing chess, not checkers in that sense. At work, we have often cast judgment on people. I’ve done that myself as well many times. I’m not preaching here; I’ve actually been burned more often than not when I said the person doesn’t get it, or the person is lazy. Because it’s easy for us to put him in a box like that. But then if you would have asked a few questions or talked to the person, you might have found out that his wife has cancer, that they just lost a child, that they’re in deep financial trouble not through their own doing, whatever it is. And so, getting deeper into what makes humans tick, or who humans are, is very important.

I came back to Europe once and took the European job to run the business for P&G. It was fine. I wanted to be back in Europe. One of my first visits was to Italy, I remember, and there was this sales guy. I was in my 40s then, but there was this sales guy that was in his 50s or 60s. He looked like an old guy to me. It’s very scary if I think about that now, by the way. But he looked like an old guy to me. And so, I thought I’m going to be popular, like every boss, and I’m saying to him, “Well, how much are you going to ship this month? Is this a good month or a bad month?” And he said, “I don’t know.” So, I thought, “Wow, if a sales guy doesn’t know, it’s probably time to replace him. That’s why they brought me to Europe, that’s why the business isn’t performing, if people don’t even know how much they sell.”

So here I was immediately putting a stamp on the situation. He came back to me at the end of the day, and he said, “Paul, do you remember when you asked me the question of how much I shipped this month?” He says, “Obviously, I know, but what would be a much better question is, do you have full distribution of your brands? Are your brands in the right place in the store? Are they on strategic pricing? Because if you focus on all these drivers, the shipments will automatically
come.” So, he was giving me a little bit of a lesson. I’m keeping it simple here, but a little bit of a lesson that stayed with me, of don’t be so naive and don’t be so quick and, to some extent, judgmental.

Now, to build a purposeful company I always felt that whatever you do in life, if you have a choice, recognize that. Because most people don’t have a choice. If you have a choice, then you have a much better chance to have a happier life if you pursue something that you like. **The intersection of what you are passionate about, what you are good at and what the world needs is a very sweet intersection.**

I never pursued a profession. I pursued a passion and a need, and hopefully, not knowing obviously, could I be good at it or not? I wanted to be a priest first, then I wanted to be a doctor. I actually ended up in business totally by serendipity. I never wanted to be a CEO, and even if I had my choice today to start again, I certainly wouldn’t go into business and I certainly wouldn’t want to be a CEO. It’s hard to explain to people, because they always say, “It’s easy for you because you’ve done it, then you became wiser.” No. What I was trying to do is pursue my passion to help other people. That’s what a priest does. That’s what a doctor does. I discovered that there are ways in business that I could have an impact in the end that was quite bigger than I had ever thought possible, but it’s the same thing.

And if you are good at that, in a sense of using the system to put it to the service of others, then I think you will find that really sweet, sweet spot that also unlocks that energy, and you get into this virtuous circle. When I came to Unilever, the company wasn’t in very good shape. What they called caring was caring for themselves. The business had come down over 10 years, many of the good people had left. The only way to get a promotion was not to perform, but to fight your way into a bigger job, that type of thing. And frankly, the salary and bonus performance were totally out of line, decoupled from the performance of the company itself, and people were pursuing their own purpose. It had become short-term, as well, with the financial market, as you can imagine. When you chase your tail, you’re in this downward spiral that I’m sure you’ve lived through in Conagra as well.

And it starts to affect people’s behavior. You don’t want to cooperate as much, you’re not so open, and you don’t have the honest discussions. You don’t feel energized. It’s always very sad to me that one of the statistics that has not moved since I looked at it 20 or 30 years ago, is the engagement that people have at work. In the US, you are born optimists. That’s one of the strengths of the US. You always believe that “The future will be better,” and “We will come out of this,” and “United we’re strong,” and a few slogans. But at the end of the day, your
engagement at work is only in the low 20s. And globally, engagement is only 13%, which means that 87% of people that go to work are not happy.

One day, Vincent Nichols called me when I had just arrived in the UK to take over Unilever. I grew up Catholic, and he is the Archbishop of the Catholics in the UK. And somehow my name was given to him. So, I got this call, and my assistant said that “Cardinal,” at that time, “Nichols is on the phone. Do you want to talk to him?” I thought, “I don’t know him. I’m not a practicing Catholic in terms of going to church.” But I thought, “I better take the phone, because you never know, when you stand in front of the gate, if they’re going to open it.” I would have taken the same phone from the Rabbi and from the Imam, to be honest, just to cover my options. And he said, “We have a problem.” I said, “What’s the problem?” He said, “In my congregation, I have so many cases of mental stress and family pressure, violence coming out of that, etc., because people have one set of values when they are at home, when they kiss their kids goodbye, when they leave the house, and their wife, and they really have that as a central point. But then they go to work and they basically rip off other people and are engaging in activities that are contrary to the values that they really believe in themselves.” And that’s the story of human life in too many cases.

People don’t then stand up for some reason, or don’t call out. Increasingly, I think they do today. There’s something happening. The walkouts that we are now seeing, the strikes, etc. There is something happening, I think, with this next generation. But broadly, we didn’t call it out, and then we become slaves of the system, and we enter in the statistics of only 13% engaged. That’s a life wasted. It really is a life wasted, which is not something that was meant to be when we were sent here. So, I always felt I needed to fully use my life. I actually don’t believe in work-life balance. People always get very emotional when I say that, but I’ve always believed my whole life is already in life balance, of which work is a part, or what you would call work. And now these boundaries have been even more permeated and Covid has brought that even to a higher level.
Individual Purpose, Collective Purpose, and Values

**PAUL:** When I went to Unilever I said, “I can make this company a truly purpose-driven company.” Not a CSR-type purpose or an Enron-type purpose, but getting it into the culture, getting it into the behaviors, getting it into living these values that drive purpose, which is often the most difficult part. It’s not just a paper exercise and a slogan, but you have to first have purposeful people. And one book that touched me, that I read, was Stephen Covey’s *Seven Habits of Highly Successful People*. I really enjoyed that book, met Stephen Covey, and became a trainer of that.

Another book I liked was Bill George’s and Peter Sims’ *True North*. Bill became a friend. Here in Switzerland, his company was Medtronic when he was running it, and then he became CEO. They have a factory here, close to Geneva where I live. One day he took me to the factory because I was chairing the American Chamber of Commerce in Switzerland, and Bill, because of Medtronic, was part of that Swiss-American Chamber of Commerce. So, I got to know him as a professional CEO, but for some reason, we hit it off. So, he said, “Why don’t you come one day to the factory and roam?” because I was interested in total quality, and they were making pacemakers. When you make a pacemaker, there’s no margin of error. A little hair comes in it because we bend over it means the death of someone else. So, you talk about pressure.

When I went into the factory, it was all behind glass and amazingly done. I still visualize it. But then he said, “Why don’t you stay for lunch?” So, I stayed for lunch. And all of a sudden, it got silent in this canteen where we were all sitting. He didn’t have a special dining room; he was with everybody else; not a CEO that was removed from reality like most of them, and only in private airports and have bag carriers around them. No, he was a real person, a real human being, which I think is a main quality of a leader. And this lady started talking. I thought it was an employee and I didn’t even know at the beginning what she was talking about. And then it turns out she was one of the recipients of their pacemaker, and she was just talking over lunch to all the people there. You could hear a pin drop. She talked about how it had changed her life, and her grandchildren, and all these things. And people were crying and emotional. And that time, I wasn’t even aware of what was happening. I was just more surprised.

But he brought purpose to life. Why are we doing this? Why is it total quality? No failure. A failure is not an option type thing. But for whom do we do this?
He put the person in the middle. So, I said to Bill, “I’m scared stiff taking this job in Unilever because I’ve never done a CEO job. Frankly, I don’t know how to do it either,” and still don’t. But I said, “Why don’t you help me? Because we first need to get everybody to feel strongly what their purpose is, because then collectively we can work on the company purpose.” But **you cannot impose a company purpose on people that might have a different purpose. You need to create a company purpose with people together based on what that collective purpose is.** Obviously, you can guide and do a little bit like that.

So, I had everybody start working on their purpose. In the first year, we did this training for the top 100, and then the second year for the 500 and then you multiply. Because I had a three-year program designed with him, the first year was about defining your own purpose, the second one was about how you can use your purpose to influence others, and the third one was about achieving results. That was basically the cycle. And as you can imagine, any time you did one group, the next year you would start and then it became a multiplier, because the top 100 people did 500, and the 500 did 3,000. It took me three or four years to really start to see the needle move in Unilever.

And some people changed professions, some people left. Some people said, “I’m not really into this,” and some said, “Well, I have a purpose, but I can’t find it here.” And we had to help some of them, because they wouldn’t want to leave, but they wouldn’t be part of the long-term journey in the company. In fact, the reality is, I changed 70 of the top 100 people when I came, in a very short period of time, in a one- or two-year period. But it helped us because people were sharing their crucibles, they were getting to know each other better, we understood what made them tick. And then I started with my top people, looking at their purpose statements and how they would translate that into business and what they would do, and the goals they would set behind them. And I would go back and forth

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in communication with the top 100 to ensure that it also was linked with the company objectives, not get sidetracked.

If their purpose would only become building houses for Habitat for Humanity, that’s not exactly how Unilever could grow as a company. So, we had to calibrate some of that. I’m using this as an example, but there were others to ensure that the company would move in the right direction. And we created this unity, I think, this common language, these common values, and out of that we actually reconstituted the company’s purpose statement, the company’s values. Everybody thought before that we had values because this company was a great company, no question about it. But when I asked people what the values were, “Well, everybody knows.” But you know, in 10 years’ time, 50% of your workforce is new. And when I asked the people that were there, “Write down your values, don’t share them with anybody, but write them down,” even with my 12 or 13 direct reports, we got to quite a different view of what these values were. So, you have to make them come alive.

For example, one way I did that was in the first meeting I ever had with my management team, and also after that with the external board. We met in the home of Lord Lever, which is now owned by someone else, but I convinced them we could use it. And they thought I was weird. “Why go to Port Sunlight or whatever? It’s too far away. Why don’t we meet in London where we all are?” But they didn’t grasp at that time how important it is to anchor in your values. And Jim Collins, in his book *From Good to Great*, talks about nurturing the core before stimulating progress. And when you make these changes that every company now has to do, but even faster and bigger, you have to first really understand where your anchors are and where your pillars are. Otherwise, you have quicksand.

So, these are your values, these are your purpose. That’s how we created it. And I’ve always been very fortunate that the values that are broadly in these companies like P&G, Nestlé and Unilever, we have been able to create collectively and are values that I feel fairly comfortable with. Then you have a higher chance of being yourself when you’re at work and being successful. Many companies where your values are so misaligned with theirs, there are only two options. You can be a very good actor and wear a mask and pretend you are someone else, and we’re only so good at that for so long and some of us are playing that game, or you feel unhappy. Most of them, I think, are not very good conditions for long-term success.

Purpose, again, doesn’t need to be precisely defined. It’s more how you make it come alive. For us, we looked at Lord Lever who started the company, and he said, “Make hygiene commonplace.” So going back to the core, as I said, we came
up with our purpose. “Make sustainability commonplace.” It wasn’t like rocket science. But making sustainability commonplace is pretty powerful.

**And we define sustainability more broadly than just the textbook of recycling of plastics. For us, it was really a broader concept of environmental, human, social capital and all the other things.** That was the starting point of the Unilever Sustainable Living Plan.

### The Courageous CEO

**CELIA:** When you speak about finding purpose, that takes courage. The Robert F. Kennedy quote, “Moral courage is a rarer commodity than bravery in battle,” is a really interesting phrase, and you talk a lot about courageous CEOs and developing that. I was curious if you could speak more about this specific attribute and potentially the default of complacency or living for the day, rather than this longer term, more courageous approach.

**PAUL:** It boils down a little bit towards the easier wrong versus the harder right. Many people like to say, “I’m only CEO for a few years, and I’ve finally made it. It’s like a birthright or it’s a reward for all the hard work I’ve done in the company. Now I can reap my benefits.” Then compensation goes out of whack, they delegate complexity down again, they make very few courageous decisions, they sort of coast. And if they’re lucky that the global economy goes up, they coast with the global market. That is a lot of what happened in the early part of the 21st century, or in the last two decades. And they weren’t really high-performing CEOs, they were just lucky that they were there and raking it in. And they do that for four or five years, the average tenure now is four and a half years, and then they retire with big golden handshakes.

These are the type of leaders we pick. I’m surprised about that, but there is a serious issue with boards, and there’s a serious issue with leadership education. That is a big gap in society. I’ve talked about it many times. We are short of courageous leaders. These leaders that are not courageous; they play it safe; they play it not to lose instead of playing to win, they will never go out of their comfort zone, they will never make a commitment unless they are 100% sure that they can deliver or probably already delivered on it, but it’s repackaged and we call it greenwashing. That’s the majority of people. I try not to be cynical or skeptical, but that is the majority of people because that’s the safe zone; nobody really accuses you and you can coast. Then, as soon as you retire, you move to Fort Lauderdale or
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Fort Myers and you play on the golf course. And that’s what they do. They are there by bundles. I find it an empty life and unfortunately they get themselves installed on these islands of prosperity in a sea of poverty, and they are oblivious to anything that’s going on around them in the real world. But it’s a sad life, in my opinion.

**What we need is more courage. I don’t know if the word courage is the right word, but you need to feel uncomfortable.** If you don’t feel uncomfortable, you don’t develop yourself, you don’t move systems, you don’t stretch people. You need to always be outside of your comfort zone. You can ask a lot of people in Unilever. In the beginning, they didn’t get it either, and I probably wasn’t very clear either. When they say, “We can do 10,” I say, “You need to do 100.” And then people say, “He’s just setting a bigger number.” But the Unilever Sustainable Living Plan was total decoupling. We said it right away, but that was a long discussion. People were worried about it. And I was telling them, “It’s not important if you make it or not. You will always end up in a much better place than otherwise.”

**JOHN:** Let me pull on that one, Paul, because I think you’re talking a lot about systems change. The way that you’ve been speaking, I really admire because I’ve
studied social movements, and I think a lot of the concepts that you’re discussing really apply to this way of building the purpose, getting people unified, and aligning incentives. But one of the things that’s most challenging, at least in the United States context, is that the CEO dream is still so highly valued, regardless of whether or not everyone on this call believes that it still exists. And when I think about systems change and I think about incentives, it seems to me it’s very important for us as a society to shift the end goal. We are a very materialistic society, and one of the things we talked about a lot in Andy’s class was reframing the debate around climate change, that it’s more focused on the benefits to the individual. But that’s where it runs counter to this idea of doing things for the collective. So, I’m wondering how you square that circle?

PAUL: So, your question, if I understand it, is that if we all have these values, if we have these deeper purposes, why are we not collectively behaving like that?

JOHN: Right. We’re so focused on ourselves, so how do we use that power to then shift to the collective?

PAUL: You know, I think that in the end, people would like it, but they don’t know how to do it and the issues are so big and overwhelming. And then there is the normal human characteristic that very few people can think exponentially. We think linear. When the issue is big enough, we think other people will take care of it. We don’t have to do it. If you are in a street and you’re alone and a little motorcycle comes and he or she slips and falls, you will run to the motorcyclist to help him or her. But if that street is New York downtown, Times Square, and there are 1,000 people around you and that same motorcyclist falls, you won’t run to him or her. You’ll just keep walking because there’s so many other people that will take care of them.

“There is the normal human characteristic that very few people can think exponentially. We think linear. When the issue is big enough, we think other people will take care of it. We don’t have to do it.”
JOHN: So, there’s a free rider issue that you’re talking about.

PAUL: No, it’s not a free rider issue, it’s a human instinct. There are some human characteristics that prevent us from handling these bigger issues. And then if you add to that the boundaries in which we operate, they should not be underestimated, most of the behaviors that we have are set with boundaries. It might be your parents are a boundary, the neighborhood you grew up in is a boundary, the school you went to is a boundary, but also the systems that we operate in are boundaries. If we don’t change the system, we will always try to optimize within these boundaries. But it’s actually sub-optimizing. You know the famous game with the nine points, and with only four lines, how can you hit all the points? You’ve played that, right?

You can only draw four lines without lifting your pen. And it has to hit all the dots. But the only way you can do it with four lines and all the dots is to go outside of the dots. And people don’t see that. They don’t go out of the system. And it’s the same with behavior. So, when you are leaders, you always have to work, in my opinion, on the forest. Politics is a good example, where you work on the symptoms. Business basically works on the symptoms too much because they’re so short-term. I’ve always felt you need to understand what the underlying drivers or the underlying causes are, and if you can move those, it’s like working on the forest versus in the trees. So, if you can move those, you can change behavior at an exponential scale.

Systemic Leadership

PAUL: If you incentivize CEOs by linking their compensation to the share price, which most of them do, which we didn’t, but most of them do, you get a certain type of behavior. If you link their compensation to the consistent long-term growth of the company, you get another behavior. If you link their compensation to overall employee engagement, you’ll get another behavior. So how do we put the right incentive systems in place around us to drive the right behaviors? Don’t put too much onus on the person itself, put it more on the systems that we operate in.

Real leaders are the leaders who actually are able to change those systems, and as a result, get many more to unlock their potential. That’s why a real leader doesn’t give just their energy. That’s easy to do. A real leader actually unlocks that energy in others. And they unlock that by having their own high moral standards, it’s moral leadership in the end, but also more importantly, by...
“You, as CEO, have to put yourself entirely into the service of the others. You have to think about how you make others successful.”

unlocking these boundaries that help you provide oxygen. Even in a company like Unilever you have to work on it every day, because the pressures are different and the boundaries on different parts and levels of the organization are different; you can see this exponentially.

But when we started Unilever’s Sustainable Living Plan, and you say, for example, all of our sourcing needs to be sustainable, and you don’t change the boundaries from our procurement department, you get pretty nasty behavior. You’d fire them all, they just don’t understand because their pressure is on the lowest cost. And since they don’t see the whole picture and the system, their behavior is different than what you are setting out from the top. And this is the story of most CEOs, they have a sort of a story, but they don’t work the boundaries. But the job of a CEO is, to me, the easiest job in the world. It’s actually funny perhaps, because I discovered very soon when I took the CEO job, that on any topic I wanted to get into, because you know you want to achieve things, you want to do things, you want to make the copy, you want to make the packaging, you want to make a comment on the strategy of a country, but I discovered very quickly in every one of the meetings I was in that there was someone else who knew more than I did. Because they were running the UK, because they were doing product resets, because they were responsible for finance, because they were running the Dove brand.

So, I said to myself, “Okay, I don’t know anything. That’s a very good position to be in. But how can I justify my job if I don’t know anything?” That’s a little scary to me. Then I said, “The only thing I can do is put myself to the service of the others. If I can ensure that all the others are successful, then my company will rise as the tide rises.” You, as CEO, have to put yourself entirely into the service of the others. You have to think about how you make others successful. Others, being those in your multiple stakeholder model as much as your suppliers. Totally different supplier relationships were developed in Unilever. Others are the citizens that you serve, the partnerships that you work with, be it the UN or be it
other partnerships that you might find important. And it liberates you because it starts from a basis of respect, it starts from a basis of truth, and these are elements that build trust. It starts from a basis of transparency.

By the way, not to get sidetracked, we put out 50 targets at the beginning when we launched the Unilever Sustainable Living Plan and people thought, “You are crazy, and you will not hit them all and people will attack you.” But I just wanted to work transparently. That’s why you saw that Unilever was the first one to publish the ingredients that are in our products, or the data on our energy and packaging, but now that looks normal. We were consistently the first ones to publish that. We even published where we bought our palm oil so you could see that it is sustainable. It’s that transparency that helped us build that trust. But ultimately, you need to create an environment of trust that is anchored in truth. And if you can create that and move the boundaries where people then can develop themselves to their fullest potential, you create what some people call a high-performing organization. In Unilever, the engagement scores moved us from the middle, sort of, to the top of the top quartile all the time.

The Role of Incentives

ANDY HOFFMAN: Paul, can I interrupt with one question? I see an interesting tension in what you’re saying. Going back a little bit, you spent a lot of time talking about developing people’s purpose, and you have your own purpose. But then you talked a lot about creating the right incentives, because whatever incentives you put in front of somebody, that’s what they’re going to do. I have trouble squaring those because either people are intrinsically motivated or extrinsically motivated. How do you balance those for your life and those for people who work for you?

PAUL: Not as much the incentives as boundaries. These boundaries are not incentives, they’re actually drivers of behavior. In fact, they could be disincentives. One of the first things I did was stop quarterly reporting. Fortunately, I’d spent three years as CFO of Nestlé, so I understood the game of the financial markets. But that is a boundary that clearly still exists in Conagra. I took that boundary away. I said, “Guys, it doesn’t matter.” Sure, we want to perform, we all know that the business needs to have a certain level of profit to be viable. But I took this pressure away from the CEO game of putting high margins out there as a target. I didn’t give any guidance. It was zero guidance so that I
didn’t become the enemy of our own doing. These are things that are boundaries that you take away.

JOHN: Do you have a perspective, Paul, on how you set those incentives? Where I’m basing this question is basic psychological principles that you will, so to speak, “attract more flies with honey than you will with vinegar.” I think that’s a really powerful concept if it’s moved in a certain way. But when I think about your work with IMAGINE, for example, I can see that coming from either perspective. In one mindset, the CEOs coming together can benefit from that shared PR. But in the other sense, they can lose out on opportunity for the PR and other reasons as well. So, when you think about setting those incentives, is there a place when you start from your first principles or when you think about it, do you try to set it up from a positive psychological standpoint? Or do you try from a deficit standpoint?

PAUL: Unilever’s incentive was actually not what you think. Unilever’s incentive was to show that business could be done in a different way. Recognizing that we also had to satisfy the shareholders, but if we would fail in the broader purpose, we would have failed the biggest experiment in mankind, because if the private sector wouldn’t change, mankind wouldn’t function. So, the pressure that was on people with its purpose was in fact our business model. And there was more pressure on performance coming out of that than I had ever thought possible. That’s why you see 10 years of top and bottom-line growth. Our overall purpose was to reach one billion people and improve their health and well-being. Squarely in the middle we brought the consumer. In the beginning, I did that naively, because I thought, “Well, that’s why we need to make this company more outside in, because most of the big companies are inside out. They don’t even talk to the people they serve.” They sort of stuff it down your nose and if you don’t breathe it, they’d put a little bit more advertising money behind it to make you sniff it a little bit stronger.

We took the completely other approach with the Unilever Sustainable Living Plan, which was outside in. Every brand had to solve the world’s problems. The incentive of Domestos was to build 30 million toilets to stop the issues of open defecation. The incentive of Dove was to reach 100 million girls and achieve self-esteem. The incentive of Lifebuoy was to reach a billion children with hand washing. As they pursued those goals, they got more in touch with society, they discovered bigger opportunities, their brands had a stronger reason for being, it resonated with the people that we served, and the businesses grew. That’s why we also saw that in our own thinking, the brands with a stronger purpose were growing 50% faster than the brands that we rated lower ourselves. But interestingly, they were also more profitable. So, nobody wanted to work on
a brand that’s a toilet cleaner. What is the type of discussions you’re going to have over dinner when you have friends over for heaven’s sake? If you work on a brand that is attacking the issues of open defecation, now all of a sudden you become an interesting story.

JOHN: But how important is it for the incentives to be changed?

PAUL: We don’t incentivize as much as you think. For example, we were 38% gender-balanced when I came, and when I left it was 50%. We’ve never paid anybody for diversity. We’ve never paid anybody a penny for diversity. We’ve never put in any goal of anybody’s work plan or performance. But we just said, “If you don’t make progress or if you don’t believe in it, here are all the tools, here’s all the training, here’s everything you can do. But if you don’t believe in it, then you don’t belong here.” And we put our words in actions. So, we really, truly changed.

Many companies will say, “Oh, we gave an extra 5% or 10% bonus of your salary around diversity.” And then, as soon as the CEO leaves and then the next flavor of the month is something else, it collapses again. That’s why you don’t see any progress in women on boards. In Unilever, we had 50% women on boards. We still do today, by the way. If you take the CEO and CFO out because they’re part of my company, we have 50% women on the board. So, we just said, “If you don’t believe in it, you shouldn’t be here.” So, we changed values. We didn’t just give incentives to drive behavior. If you drive behavior without values, it doesn’t mean anything. That’s like Enron or Wells Fargo or Boeing or GE. You all know the stories of those companies. They were tragedies in the making. And the sad part is that you can see them coming. It’s so obvious. You don’t need to do much to figure out what’s happening in these companies.

JOHN: I recognize that we have two scheduled minutes left and I want to be sensitive to your time, but I’d like to ask one more question to follow up on aligning values with purpose. It seems like what you’re saying is that it’s not enough just to have values. So maybe I’m a CEO of a toilet cleaner company, but I care about something relatively unrelated to what my company does. It seems that what you’re saying is that there’s more power and more permanence, so to speak, if the purpose of your company aligns with your values. Do you agree with

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that? Do you think it’s important for the layperson or the individual who’s not involved with the company to look at an airline company and say, “Oh, they’re reducing carbon emissions through their flying program by including biofuels, as opposed to they are donating food to a local food pantry”? Both worthy causes and important, but is there something there that’s important for companies to heed?

The WHAT versus the HOW

PAUL: Well, it’s between the what and the how that we’re talking about here. You have what might be bringing the world together, I’m picking up on your airlines example and I don’t know much about the airline industry, and how we do that is to ensure that the company becomes a net positive contributor to humanity. Or we set as a goal that we want to have two million people get together that have been separated for more than 20 years, and economically they can’t justify it. Or we want to be sure that our total handprint in society is positive, not negative, so we want to be the leading company on food waste, we want the leading company on signing up to the Paris agreements.

The way we do things should make the world better. Instead of an empty slogan like “We bring people together,” but then burning carbon fuel and then justifying the hug at the airport with a few films and a speech carefully crafted by the PR department for the CEO when the Olympic players come back with the gold medal and say they flew our airlines. People see through that.

If purpose is the broader intent of why you are there, values is how you make purpose come alive. So, for Unilever to make sustainable living commonplace, you share values. For example, good values would be that you want

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to be sure that everybody is healthy, that you serve the poorest end as well, that you’re here to help others be successful. Those are good values. Integrity is always a good value, the way you do things has to be done with full transparency. A value of partnerships. We understand that the challenges are so big that we cannot do it alone, we need to achieve them with partnerships. Humility is a value in itself. These are ways to make your purpose come alive.

JOHN: Yes, that makes a lot of sense. The how is more important than the what in many cases, although the what is important to align with the purpose.

PAUL: I think the how is more important than the what in any case. Because, if you can’t do it in a way that is equitable, sustainable, honest, you have to define the what. It was actually already in Procter and Gamble that when they started making candles, they were the first one to brand the candles. That’s where the brand came from. Because everything was unbranded, the people would put stones in a box, candles would be broken. And because there was no brand, nobody took responsibility. They were the first ones, like Lever when they had the
Sunlight bar soap, to be 100% guaranteed. So, these people actually had values, values of quality, values of guarantee. But Procter & Gamble said something interesting at that time: “If you can’t make an honest living, you might as well break stones.” If you don’t know how to do it honestly, don’t do it. So, the how is far more important than the what. And unfortunately, for a lot of people, the what has become more important. Earning more money, having more status. It’s empty.

JOHN: Getting to that quality quarterly report where you’re showing great numbers, right?

PAUL: And being a hero for a minute. Everybody can maximize a company over three or four years. This is the game that’s being played. You squeeze them like a lemon for five years, then the new one comes in, writes it down, blames the predecessor who’s left with enough money, gets a low base again, puts in write offs, which then the market celebrates because it needed to be done, restructuring, and starts again. Meanwhile, you don’t build any value, you don’t make any contribution other than playing the share game for their own benefit. And you look over the 20 years, there’s no share price improvement, there’s no value being built in Conagra over 20 years. But I’ll bet you, those three CEOs that have been in the company have all walked away with $50 million or more.

So, what’s the game we’re playing here? For whom are we playing it? So here, the what and the how, I think, are pretty messed up if I may be honest, from a Dutch perspective.

JOHN: That’s a really helpful insight. We certainly feel that as we look at companies and think about our futures and some of the bold decisions that we need to make.

I recognize that we’re out of time, Paul, and I want to thank you. We have more sessions and will be in touch to schedule them soon.

PAUL: If you write these down, send me a copy so at least I can learn from it as well.

CELIA: Of course.

PAUL: We’ll talk soon.

CELIA: Thank you, Paul.

JOHN: Thanks very much.

PAUL: Enjoy the weekend.
Introduction

PAUL POLMAN: How is it going so far? Are you guys getting anywhere? Or are we confusing or dumping too much on your plate?

JOHN PONTILLO: No, I don’t think it’s confusing. I think it’s great to be able to have this time to work through some of these questions that we think about a lot. And today we’ll shift the conversation a little bit from last time, which was wonderful, thinking about purpose and values and coming more to the granular actions that individuals can take to effect change. We talked a lot about Celia’s role and her perspectives with Conagra, and we talked about the share price not changing over 10-year periods and the rotation of CEOs and how frustrating that is. Every quarter needs to be the quarter that we focus on.

So going back to that context, just thinking about affecting change without positional authority, a reality for many of us as we enter the workforce not as CEOs, which you mentioned was the easiest job in the world. We were thinking a lot about just what it would mean for an individual to take action to shift the perspective and actions of a CEO to one that encompasses values and purpose. So, Celia, let me pass it over to you and you can ask the question.

PAUL: It’s a good angle, because we’ve all been there as we climbed up in the company.

CELIA BRAVARD: We’re [John and I] not going to enter the business world as CEOs able to enact change or make these types of decisions from a position of power. So how might we, in a very supportive way, enable the leaders, whether they be the VPs or even the CEOs above us, to make these bold decisions in the direction of sustainability or social justice, etc.? We’d love to hear your thoughts on that.

Build Your Circle of Influence

PAUL: Obviously, there are some things that the CEOs can do that are outside of your circle of influence. You always have to look at your circle of influence, and there are ways to expand your circle of influence, but you have to make that from the inside out, not from the outside in. For example, the fact that the CEO wants
“You always have to look at your circle of influence, and there are ways to expand your circle of influence, but you have to make that from the inside out, not from the outside in.”

quarterly reporting and doesn’t want to stop doing that means that that might not be something that you want to argue with him about because you might go outside of your circle of influence or responsibility. You understand what I’m saying?

CELIA: Absolutely.

PAUL: So, a better way to grow your impact is always to grow from within the circle that you have. In my career, frankly, I’ve had frustrating moments. I’ve had emotional “quit moments” when my wife sent me back to work reminding me that I needed to earn some money and all these things. But if I look back, and I was in many of these positions while climbing up for 40 years, during which I never felt that I couldn’t be myself, and I never felt that I was not allowed to say things that I felt were important to say. If you come into a company where some of these things are not possible, where people don’t respect each other, where you’re being treated like a slave and all that, I wouldn’t want to work there, really.

So, there is an issue here of nuance that we need to talk about. At what point in time do you actually participate in changing a company, and at what point in time do you walk away from that? Sometimes you can make a mistake and you discover that the values of the company are not your values, and the company is so huge, and it takes so much to change that it’s really outside of your circle. In that case, you might decide to go somewhere else. I had, at the point in time in P&G when I retired, didn’t feel that I could be fully developing myself in what were the possibilities. I might have influenced the company to do more, but I felt I could do so much more myself. So that’s when I stopped there and went to Nestlé. So, there might be moments that you just take that.

But I think we all have different bosses that we don’t agree with, we all have CEOs that do things that we might not agree with, and it’s sometimes better to start by first of all learning from that and why is the person doing this. The bosses I liked the least, I’ve learned the most from, believe it or not.
I learned really what not to do to become a good boss. And what not to do was based on a lot of personal experience that then got internalized when I realized that if I feel like this, how would other people feel if I would behave like this person is behaving? In those days, they were mainly guys, I have to say. So going through these experiences is an important thing.

The second thing is to understand is what makes your boss do this. The CEO might say that this quarter is the most important, but the problems might lay somewhere else. It might be with a board that puts the pressure on him, or it might be that he has an activist investor that you don’t know about, but that is in the shares, that makes his life difficult, and he needs to have a shorter-term lift because the consequences might be higher later. I have to say, based on what you were saying, Celia, I don’t think it applies to your company, but my point is more of a broader one. You join an organization for its purpose, I think, and you feel at home in an organization because of its values. But as the world changes, an organization also needs to change, and I think people in the organization are better placed to drive these changes than CEOs, most of the time, because they hold the key, they understand how an organization works that the CEOs might not always understand anymore. They have the knowledge in the jobs they do that the CEOs don’t understand anymore.

You often have the partnerships out there within your circles that the CEO doesn’t see. I’ve always operated under a principle to delegate authority to where the knowledge is, not where the authority sits. Make decision-making where the knowledge is and drive that down into an organization as much as you can and concentrate yourself on building the values and the broader purpose. If you do that, you empower people and people grow. People stay in companies because they are valued, they know where they’re going, and they feel that they are developing themselves.

“You join an organization for its purpose, I think, and you feel at home in an organization because of its values. But as the world changes, an organization also needs to change.”
Unlocking the Human Potential in an Organization

**PAUL:** There are basically three human needs to unlock an organization: to be valued, to feel that you grow and develop, and to know where you’re going. Not just making one pile of that on the one side, moving it to the other side and moving it back. So, in order to increase your circle of influence, you have to stay true to your values, true to who you are. That’s why I said last time, a real leader is a real human being, first and foremost. And then you have to do a few things.

Obviously, I’ve always felt in my career that my influence went up when I did more than the people around me expected, when I don’t just respond to a request or do the minimum, which is a case for a lot of people. So, work ethic matters. To be honest, my father hated people that were lazy. He was very kind to a lot of people, but he could not handle lazy people. I’ve seen many people in my life trying to get away with the bare minimum, also in companies. They don’t speak up in meetings. They don’t come with alternative ideas, they just do what they’re being asked, but they don’t do more. That’s not the way to increase your influence. So, the first thing you need to do is always do a little bit more than people ask and come up with more ideas. **There’s something about what I call productive reasoning. Don’t say, “This is what we need to do,” but “Here are some options that we could be doing. I’ve also thought of other things.” And poll other people in doing that and creating the trust and confidence that what you commit to that you do.** The say/do gap is enormous.

Companies now with Covid are discovering that they can reduce 20% of their employees. In every company I’ve talked to, I ask every CEO why, and the reason is that many of these companies have people there that are just “professional meeting goers” and give the impression they do something, but they show up in every training, in every meeting, but they are not having to produce by themselves. Zoom and Covid have flushed a lot of that out. You have to be there with a contribution, you have to be able to work with partnerships within an organization, you have to be true to your values, I would say. You have to have a positive attitude. If you run around and complain or talk about other people, it doesn’t work. By the way, we’ve all done that, I’ve been guilty of that. So, I don’t try to tell you something and look holy. But any time you do that, your circle shrinks. Any time you do the opposite, you give people credit, you work with people, you try to find a common denominator, not just your own points of view, you listen...
and understand, then your circle expands.

And in all of this, be positive. I always compare that with, “Who do you want to go to the bar with? Who are your friends?” Not the ones that always complain, not the ones that never pay, not the ones that talk to others about you when you’re not there in a way you don’t appreciate. You go to the bar with people that make you grow, that appreciate you, are interested in you, come with positive thoughts and solutions. Perhaps based on realism, but a lot of these things, I don’t think are different in business. In the teaching of business, we tend to separate what humans normally are and what drives them versus how we should behave in businesses. We’ve become too clinical, we’ve become too prescriptive and all that, and we forget the humanness. And I think that being true to yourself and being your true human being is the best way to do that.

You also have to stop being afraid to make mistakes but instead must talk about these mistakes and acknowledge them. The people that lose trust are the ones that hide mistakes or don’t talk about them or try to bend them, put up charts with different base periods or the indexes look good. But leaders see through that in two seconds. So, to be really true to yourself and to be trusted, to influence others, you have to be trustworthy and your behavior has to reflect that in many of these things. I felt that the culture at a place like P&G, which is very fact-based, for example, with strategic thinking and the one-page memo, etc. I was in finance when I started and I had a lot of people come into my office and say, “fill in the numbers on page six or work the appendix that I need to include with some things.” I never had a calculator on my desk because I always said, “You can do that yourself. I’m not your slave. That was abolished a long time ago. I’d like to help you think through your proposal. Because I’m in finance, I see 10 brand launches, you might only see one in your career, so why don’t we draw on our combined strengths to come out with something better?” And then if you add value and these people feel that you truly help them and work for the greater good, not for your own interest, your circle grows very quickly.

I talked last time about moral authority and formal authority, and I’ve come to believe that I’ve always had moral authority. In Unilever, I wished nobody would report to me, because I always had this doubt that people were doing things or saying things to me because I was the boss, and it made me really uncomfortable. I found that the most difficult part of my job to deal with. Everybody says you’re wonderful, and any speech you give is amazing and all these things, and any idea you have is like you are the Second Coming, but that cannot be true in real life. The organization itself has infinitely more ideas. So, I always operated under a principle ideally that it’s moral authority. That’s why I would never say things
like, “How many people work for you? Who reports to you? Or you work for me, so you have to do this or that.” I find that very stifling, I find that an old style of management that doesn’t sit with me. Not to be treated that way, but also not to treat other people that way.

Trust in a Successful Organization

**CElia:** Something that you mentioned resonated with me. I’ve been told many times to “stay in my swim lane. You’re in R&D, only do R&D.” However, I have this insatiable curiosity to know how the system works and what our procurement team does, and what our legal team does, etc. And so, what you are saying is the best way to increase my circle of influence is to build trust. Do you think that trust is foundational for pushback on ideas or continuing to push even further? I know you mentioned that for the Sustainable Living Plan you could have gone further. So how might we, at our level, build enough trust to be able to push back in that way?

**Paul:** Let’s go to trust for a second. Because if you look at a company now, you had something in your question like, why should others work with you and do they trust business, can you be trusted yourself, can your company be trusted? But if you really look at it, if a company’s market cap is $100 billion, then probably fixed assets and buildings, etc., is only $15 billion. 85% is intangible. That’s why we need to move to a broader accounting system. People are already calculating that in the value of a company, but it’s not measurable with the way we look at the balance sheet. So that’s why we’re advocating to capture these broader values, and sometimes it’s difficult, a culture, diversity, values of giving natural capital value and how you go about that and how you bring it smartly into your company and reduce your exposures, etc.

So, trust is increasingly, even in business, the most important thing. Trust is at the heart of relationships, of any relationship: why I would work with a company, why I would work with people? Steven Covey said something in his book, Seven Habits of Highly Successful People, “You can’t talk yourself out of things you’ve behaved yourself into.” Too many people are trying to do that, or where the say/do gap is too high. **Those are things that destroy trust, and that’s a lot in business. Many of the CEOs writing broad declarations, the Business Roundtable statement on stakeholder value for example, but more than a year later these companies haven’t changed anything for their companies.** In fact, some have gone back during Covid. These things undermine trust.
Saying what you do and doing what you say is a very important thing, and it always boils down to behavior at the end of the day. But trust also requires transparency. We talked about Unilever putting out these 50 targets with the Sustainable Living Plan. The reason I put out 50 targets was not to go into a rat race of targets, or to be attacked on every individual one or to micromanage. I did that from a true belief that we had to make this company transparent. The bigger debate I had was not over the 50 targets. The bigger debate I had was that a lot of people felt by putting all that out there, we are feeding our competition. It was actually the opposite. But it built trust.

So how else do you build trust? By being sure that people understand that you are true to your values. What you demand from others, you would first demand from yourself. The way you behave and want others to behave is also how you do that. Your example, how you go to R&D or manufacturing or others, you are there to serve others, that you’re there for a bigger purpose than yourselves. And it is often these extra things outside of your job requirement or job scope that make that come alive.

The Problem with Job Descriptions

**PAUL:** I’ve always been against job descriptions. I think that job descriptions make you managers and stifle you and make you do the minimum because it’s your job description, which is often heavily linked to incentives and compensations. I’ve always been against that because I felt companies change, environments change, the jobs are changing, and you need people that are flexible, that decide obviously what is at the core of what they need to deliver. People need to be able to actually write their own job description.

When I was the CEO at Unilever, I don’t pretend to have been a good CEO or a bad CEO, but I can tell you I was a different CEO than my predecessor. And when I was the CFO in Nestle, I did the job totally differently than my predecessor, not in the good or bad sense, but in being yourself and shaping these jobs. If I would have had a job description, especially if you are lower down in the organization, I think that it’s becoming more and more difficult to understand. So go to building trust. If you are a company or a person, I think a lot of that is the same. Some people think If I’m just compliant with what I do, then it’s equal to trust. It’s absolutely not the case. You look at BP; when their platform broke up they lost a lot of goodwill, because the only thing they talked about at the end of the day
“Some people think If I’m just compliant with what I do, then it’s equal to trust. It’s absolutely not the case.”

was how they were compliant with safety rules. What they totally missed was the human side, the understanding and the compassion of what other people were going through, and that this is not just about financial damage, but this is a whole thing that shakes all industries.

People were out of business, families were disrupted. Some people think that you can build trust by talking, by promoting yourself. Men are very good at that; women are less good at that. It’s the same as companies, you cannot build trust with marketing. Unilever was very high in the trust scale in GlobeScan because it was these influences that the 5000 or 8000 people that GlobeScan measures that were talking about Unilever. I’ve always made a point in all my speeches. You can go back in the company 10 years and you will find very little Unilever. Even as I went out as a CEO there, our employees were saying, “Why don’t you talk more about the company?” No, I talk more about the things that need to be done, what our responsibilities are, how we are trying to address them. But it’s not the marketing that does that, by mentioning your company 10 times or writing lofty statements or declarations. It’s the same as people. In a company you see very quickly people that promote themselves versus working for the bigger good. Some companies might not flush them out in the first few years, but I’ve seen over and over in my career that it flushes out.

The other thing is, it’s in all your behaviors. I think it’s important that to be trusted, to be trustworthy, you have to be consistent, and I think it has to be in all parts of the organization. It’s not only a trusted organization because the CEO is trusted. If you look at Glassdoor, which often ranks people that you’re familiar with, and employee frustrations or where I should join, etc., it’s actually at all levels in the company that you need to work. Often the biggest challenge for a CEO is that perhaps the intentions are there, but that there is such a disconnect with how you move these big machines, that you get this dysfunctional behavior and that undermines trust.

JOHN: That’s a really interesting tension that I’m sensing now, because we agree that trust has huge social capital, it’s important for building your organization and moving together. But you said earlier, to do that, you need to say what you do and
do what you say, and transparency is crucial. And I’m not disagreeing with that, but I think one of the questions on our minds is, if you’re interested in continuing to push the boundaries of the company to make better decisions with respect to the environment or social outcomes, how do you do that? In the backdrop of all this is that further environmental degradation occurs, more carbon is being emitted in the atmosphere, more individuals are facing racial inequity. So, there’s a time component. When you’re thinking about the kind of influence you can have as you rise in the ranks, transparency might actually not get you where you want to go. Can you speak to how you think about hiding your views or offering views that shift the conversation while still remaining transparent to then ultimately move the company in a different direction?

Systems Change

**PAUL:** First, it starts with yourself. That is, don’t be too judgmental, I would say. I’ve experienced that from the receiving end where people came to me, “Why don’t you do this and why don’t you do that? And you don’t make decisions, and the company wants this.” But a lot of the things that you need to change, a company is a complex mechanism, organism and many of the ideas get lost and fail, most of the ideas get lost and fail, because they happen at the wrong time or in the wrong environment.

As you drive change management, it’s the careful stitching and sequencing of things where you have to get departments on board, where you might have to move some people out, where you might have to change some behaviors or incentive systems. So, the ecosystem of a company is very delicate.

So, you may go to your boss on a platform of, “we need to be faster on climate change!” or, “you need to be bolder and bigger!” This might be right, and I actually agree that for most companies you could say that, but the first step is to really understand. Understand where the constraints are at the moment, understand where the stakeholders are, understand a little bit more about the complexities. Because often it’s the same as human beings. By taking that very high desire for that change, you step outside of your circle. So perhaps you should, again, go back to those boundaries.

Now, there’s nothing wrong to say to a CEO or to your bosses, “we are falling behind because we’re doing competitive benchmarking. On climate change, we know what the science says. You might not believe in that, and I respect you for
that, but this is the science, and many of our competitors are moving. Are we moving fast enough?” I think you’re being helped right now in many of these discussions with the reality of the marketplace. And many people understand now that you can’t have infinite growth on the finite planet and that we need to drastically change these things. But on the macro level, we’re not yet succeeding because the speed and scale at which we are moving, as we discussed, is by far not enough for what we need, and every company has that problem of not going fast enough. It’s also one of the things I regret with the Sustainable Living Plan, as I said, despite having probably done more and more progressively than other companies.

So, at the end of the day, it’s boldness and braveness, it’s courage often. And that comes from a lot of things. It might be blocked by boundaries, the board or incentive systems or investors or other things, and it might be a lack of strong purpose. So, find that out first and see within your circle if you could be bolder. Can you make commitments that are bigger in the unit that you’re working? Can you come up with suggestions for others that are better than what they’re doing now? But treat this very carefully. Now, if a company totally disregards it, if I would work for a boss that says, “Climate change doesn’t exist and I don’t care about people in poverty,” I have to really ask myself the deeper questions of do I want to work for that company or not? I don’t think it’s that black and white. I know it’s frustrating sometimes. But it’s not that black and white.

There are also things that you can work on that are more left brain and perhaps less emotional, or ESG if you want to call it that. Innovation happens within a company; it doesn’t happen at the CEO level. You can address some of these challenges by being faster with innovation, coming in now with climate change. If you’re in a company, there are many ideas you can come up with that the boss will not be aware of but may change his mindset. I’m convinced of that. I also think that we’re at the point where the cost of not acting on many of the changes that need to happen that, as we talked, is higher than the cost of acting. But again, the people are not aware of that. So, if you can create some movement in an organization around that, we can call for change. The other thing that we’re now seeing, which has surprised me, was the speed that it’s happening. I feel very good that within companies, employees are now getting together, so they de-risk by doing that together, especially the younger people, to advocate for things and force management to change.

JOHN: It’s like a mini IMAGINE.

PAUL: Yes, mini IMAGINEs within a company. I’m on the HOW Institute with Dov Seidman and we find that 95% of CEOs say that the most important thing is moral
“The most important thing is moral leadership. If you go to the employees, only 17% think that their CEO is a moral leader.”

leadership, trust, truths, all these things. The most important thing is moral leadership. If you go to the employees, only 17% think that their CEO is a moral leader. So, the problem is obviously one of perception, and the problem is not on my side, it’s on the other side, that type of thing. In Unilever, I got a lot of change from, let’s say, Ben & Jerry doing things and then people said, “Well, why don’t you do this corporately, if Ben & Jerry’s can do it?” I wasn’t working day and night for Ben & Jerry’s; it was a very small part of my job with the other things I had to do. But they certainly moved my level of consciousness up.

We bought over 70 companies, and I put the founders together in a Founders Circle, and they were more entrepreneurial. They hated our bureaucracy. They came with suggestions that would have never come from an established system. If it comes from 70 founders that are together at the meeting, it makes you feel uncomfortable and you go faster. We now see in companies the young employees coming together and making noises, and quite significant noses, on climate change but also on face recognition technology and Microsoft, which is in essence a good company. Satya Nadella is one of the best CEOs, I believe. But the employees were walking out because they didn’t want them to deliver face recognition technology to the US government. Or a mattress company where employees went on strike because they were delivering mattresses to the border, which were for families that were separating the children from the adults. That type of thing.

I think you’ll see more of that. Amazon only changed and became interested in climate change when 8,000 employees threatened to walk out. That’s when they said, “Okay, we need to do something.” So, in Unilever, I created a use network. We had the annual competition with all of the schools globally, that would then become a global competition with the ultimate winners. It was a great recruiting tool for us, it was probably one of the best recruiting tools, but we used that to address real world problems and how we could change. We sent a critical mass of people to One Young World, 50 every year, the biggest from any delegation. In fact, we couldn’t send more because they wanted that diversity.
But then these people came back and after four or five years, we had 200 of them, then 250, and we created these networks. We had SDG ambassadors because we were so strong in SDGs and wanting to implement them, that we gave people the opportunity to be a year or six months on some of these projects with many of our partners, and they became communities, actively stimulating communities.

To be very direct, CEOs, myself included, have done a lousy job getting racial diversity into their companies. You would agree with that, no? But now that we see these networks coming together, there’s a little bit of pressure from the outside. **With these networks coming together, you see companies making bold commitments all of a sudden. Now, if they build trust over time they have to make these commitments come alive.**

But all of a sudden you have this movement now. OneTen, which is in the next 10 years, one million minorities in management, that Ken Frazier has started from Merck. So, I think you can build these coalitions next to your own circles and find ways to expand that we’ve talked about.

### Power Points and HR Systems

**ANDREW HOFFMAN:** Can I jump in here for one second? I want to tie together a couple of things you said that I think are central to the tensions that Celia and John have come forward with. You said at the beginning, Paul, that you had moments where you wanted to quit and your wife made you go to work, and I’m going to presume that was the right decision. You also said that the difference between a company that’s ready to move or not move is not black and white. So, in any kind of organization, you’re never going to have a perfect fit between your values and the organization. You have a choice. You leave, the organization will never change; you stay, and you conform, you become one of those people that are professional meeting goers; or you develop this ambivalence, this tension between the pragmatics of the politics of the organization and your idealism, and it’s kind of a negotiation between those two. All that’s preamble. Can you talk about some of those moments, those quick moments, and how you got through them?

**PAUL:** I agree with all of what you’re saying and the way you frame that. I don’t agree that it is always values. I think many of these pressures are stubbornness. “It’s my idea. It’s your idea. It’s in my interest. It’s in your interest. My boss doesn’t listen because I cannot get approval for my idea.” The way we communicate in companies, in most companies, we call them “power points.” Just think about that word. I’m making a “power point” to you. And by the way, I’m putting in 65 charts
because I know at the end, you’ll be so tired, you’ll want me out of the office and you’ll say yes anyway.

But it is a “power point.” So, many of the decisions in companies, and I think the friction in companies, are not related to values. Now, if values are totally violated and they are significant, then don’t work in these companies. But often it is little things that actually we all collectively feel. We talk behind the back of others, we sometimes don’t service the bad news, we agree in a meeting, but then do other things anyway outside. These are all value things that are not really very productive for the companies, and I think you grow out of those as you grow up. And people, as I mentioned, that try to work harder at it, build more trust and they will move up in an organization if it all works well.

Robust HR systems are very important. When I worked diversity in every company, and I worked diversity in Unilever quite actively, we moved it to a totally gender-balanced organization. I’ve always said that the most important thing is our HR systems, because if that doesn’t pass the test and has this high level of integrity, both on the leadership skills, which is values, etc., and on the business results, which we gave equal weight, it loses trust and you’ll never get to diversity because any woman you promote, they will say, “Oh, it’s just getting a quota.” But if you have a very robust performance system, then I think you can achieve quite a lot. So, on the value debate, I would not work for a company which is in disagreement with my values, and I think more and more people are starting to realize that now. In the past when we grew up, my father said, “You have a job, you better stay in the company and you better do what your boss says and you better keep your head down,” because he came up after the Second World War, there were no jobs. He couldn’t get the right job that he really aspired to, so the advice I got from him was indeed how the people worked. But now it’s different. There are many possibilities. Good labor is scarce. The difference between an average company and a good company is its human capital.

You definitely want that input, and you want an engaged workforce. So, if you have to conform too long to things you don’t believe in, let’s say short-term behavior, continuously managing the quarters, which also happened to Unilever before I came, the market was even saying you cut your marketing spend or you increase your balance. It was like a seesaw. You don’t invest in capital—we could see that factories bonuses were tied to short-term results and people were even canceling insurance or factories to make their bonus or selling furniture and then leasing it back. So, if these dysfunctional behaviors ultimately become the norm in the company, I think you need to decide how important it is to you on a whole range of values if you want to stay there. But if they are behaviors that you don’t
agree with, but you can influence them and stay, then the most important decision is indeed not to run away from it. All the changes that happen in companies are because people have not run away from them. **They’ve taken the harder right instead of the easier wrong. And these people are showing these companies that they have a higher purpose, that they care, that they truly want the company to be better. It’s not for their own interest, because all these changes that need to happen will have a lot of friction points.**

**ANDREW:** If I can be provocative, I believe everything you just said. But I don’t want the theme here to be “follow your values and everything’s going to work out.” And the danger here is that students will be seen in a way that millennials are sometimes seen, as being self-absorbed, not wanting to earn their bones, wanting the organization to serve them. How do they avoid falling into that trap?

**PAUL:** I don’t think that is true, what you’re saying. I think that would be stereotyping individuals. I find the opposite. I find the youths most stimulating. The reason I’m in many universities now is a little bit selfish. They are purposeful, they’re creative, they’re hard working, they’re very innovative. Most of the startups and creative ideas, social enterprises, other things, are basically young people. So, if there’s something missing in young people, I’d say to look first in the mirror and find out why instead of asking them. But I understand that we have all had that frustration, because we all have ambitions that are higher than the jobs that we are doing. We all feel that we have ideas that we want others to listen to. I think that we should not forget what we are held responsible for at this moment. I have had many people come to me over the years that tell me all the things I should be doing or all the things the company should be doing, but then you say, let’s start with yourself, let’s start with your circle.

“I have had many people come to me over the years that tell me all the things I should be doing or all the things the company should be doing, but then you say, let’s start with yourself, let’s start with your circle.”
So, I think some of that we have to learn. I’m a very impatient person, but many of these things that frustrated me were probably the best learnings, to learn how to deal with my impatience. That actually served me better later on, that if I would have been impatient and made these big decisions quickly or to think about things in a disruptive way without thinking on how to do it, you’d do more damage than good. There’s nothing wrong, I think, of ensuring that the young people themselves do a little bit more introspection sometimes. And it is the role of leaders in companies or mentors or coaches and systems you create to put that in place.

A certain level of dissatisfaction with the status quo, a desire to do more and get more recognition or move up and more responsibilities, is very healthy. At least with the people I’ve managed, I’ve put that tension deliberately back in, where the person felt even more tension and didn’t think that was fair. And some couldn’t handle that and moved out, but others that could handle that became probably the best leaders that the company has had.

The last year that I was CEO, and I had decided to go out after 10 years, I completely concentrated on my succession planning. The first thing I did was give all of the people that had potential, were potential candidates, a new job. You can go back to the announcements that we did at that time; they all got a new job. And the reason I did that was to deliberately get them out of their comfort zone to see how they would work together with the ones who had had that job before, how they acted when they were thrown into something that they didn’t really know, and they couldn’t claim anymore the great results of what they had done for a few years. How would they deal with that? How respectful would they be to what others have built yet, obviously, a strong desire to set the bar higher? So, a lot of that does boil down to these things. A lot of that boils down to these human skills above all.

Focus on People and Values

JOHN: This is fascinating, and I have a very targeted question. I’d love for you to draw on your personal experience on this topic, because you talk about taking people out of their comfort zones, and you also say that promotes innovation. The biggest challenges that companies have overcome, come from the individuals that have stayed to work on those problems. One of the things that resonated with me is thinking about 15% of the value of a company is in the fixed assets, so to speak,
“What you focus on is people and values, as we talked before. It’s what a company ultimately is. That’s the most important fabric, I would say. I would not, as a CEO, do anything else before that.”

and the 85% is in the human capital. Rough approximations. But that human capital is latent capital until it is enacted upon. And so, you take them out of their comfort zone, you build up this trust and this goodwill, how did you know, Paul, when to spend that social capital to make a change? What were some of the factors you focused on?

**PAUL:** Well, I think at the end of the day, what you focus on is people and values, as we talked before. It’s what a company ultimately is. That’s the most important fabric, I would say. I would not, as a CEO, do anything else before that. In my country visits, the first thing I did was make clear that we wanted to be the preferred employer, even in countries like India where we had a long history and were the biggest company, we were not even in the top 10 anymore. We had disregarded recruiting because we were shrinking, we had behaviors that clearly were not appealing, we were doing CSR but didn’t have that purpose that was well formalized for the students. We had lost our brand. So, I said the first thing we need to do is become the preferred employer. That became a KPI, and the result is that now in many countries we are that.

The second KPI for me was engagement. We looked at the engagement score, and we looked at where we wanted to be, and that was very striking. We were in the bottom tier of companies in the engagement scores, and we moved to the top of the top tier. And then I look at all my HR systems to reinforce that. One of the reasons why the first thing we did was to start with Bill George and others on this purpose journey and the Unilever Leadership Development Program. We deliberately built a state-of-the-art building, a big monument I call it now. I wish I wouldn’t have built it knowing what I know about digital and all these things we have done, but in Singapore, we built a training center to be jealous of. Any university would be
jealous of that. But it was a statement that we are going to invest in people. We put $250 million behind that from basically not having done anything.

So then again, it’s not only the money and the buildings, but then how you make it come alive in all of your systems. Part of that in the diversity efforts as a way of making it important. Part of it is communication channels in organizations. Simplicity and transparency of compensation systems. I think we are the only company still in the world, that surprised me, that has put everybody on the same global scale, even the tax. We have a theoretical tax, so people are not penalized in a different country that they live in, believe it or not, in Unilever. So, I can move people around because people were hanging out in Singapore and didn’t want to move anymore because it only had a 10% tax rate. So, we made this a fair system for everybody, we created flexible compensation. Today it’s for your elders that need care. When you’re young it’s for your baby that needs a babysitter. And if you don’t have children, use that money to pay for the dog sitter or if you want a sex change operation. There are only two companies in the world that pay for sex change operations, at least when I retired, and at Unilever we did that for one or two years. We have maternity leave, paternity leave. So, make it clear that it’s about people.

One of the first things I did was make the numbers of employees go up, because of all the contingent working; people that were kept in seasonal contracts but were working all the time, which is a trick that most companies use, and they think it lowers their labor bill. But at the end of the day, these people are disengaged, they don’t feel that they are worthy of carrying the batch. That’s why it’s so dangerous, for example, to outsource your warehouse to Amazon and have Amazon employees in your own factory THAT are treated like animals, versus your own, and having them work next to each other. Many companies have HR policies that are different by country. Somehow if you live in Pakistan or Bangladesh or in China, we have less safety standards in the factories because you can get away with it. Human lives are less precious than in Europe or the US. I just don’t understand that. But you have to work very, very hard to get that into a company so they know that you care.

And the stories that you tell, the credit that you give, has to be done with people. They have names. I’m even in contact with some of them still. These are women, mainly, that have children, they need jobs, they want dignity and respect, they carry our products and sell them, but they have names. They are not “those” or “them,” they are actually part of us within this tribe, humanity. So, can you make all your stories come alive? The biggest event in Unilever, which we were all crying actually if you would see videos, is the Change Leaders Conference. It’s a little bit of a pow wow, with a focus on what do we need to do
next year? But the biggest part of this two-and-a-half-day event was the unsung heroes. We would find people all over the world, people would submit, and they would be flown to London. Most of these people had never been out of their local region, let alone their country. So, they were flown to London for a week. They had visits, they would see us, but then they would come on the podium, and I always, always had to stop the applause to go on to the next item.

I’m even getting emotional now, because frankly, if I wouldn’t have stopped them, they would still be out there now applauding. Because at the end of the day, it’s what made this company. And you can have so many ways to celebrate that. In fact, you turn the company upside down in doing this. The person in Brazil who goes to the factory with his son on the weekend and changes all the lightbulbs, the guy in Kenya who changes the cars and paints them with his friends and makes them look spic and span so that the police don’t stop him. The one who protects our factory in Egypt when there was the riot with Mubarak, but then at night goes home and protects the neighborhoods, and then goes back to the factory and protects the plant. And the one who gives up a kidney to an employee that was only temporary and couldn’t find a donor and he doesn’t even know the person. So those are the values that built these companies. That’s why people want to work for us. And that creates an atmosphere, hopefully, that lets everybody develop to their fullest potential.

And then, as a boss at whatever level you’re in the company, when you see people not living that, when you see people violating that, that is where you need to focus more. The unlocking will happen more by taking the bottlenecks away than by celebrating all the other things that I talked about.

**JOHN:** I love that. I think the unlocking of the human potential of everyone is just magical. That’s what makes it worth working for a lot of people in our generation, I think. But I think that sensing, that looking around at the factors to see when it’s the right time to use your social capital, can be challenging if the demand on the work stream is very high. And I understand what you’ve mentioned earlier that it’s important to look beyond doing the bare minimum so that you can create that influence. So, I’m curious to hear very tactically, what are some of the strategies people who are not in senior management positions can do to sense where the trends are in the company, where people are feeling influenced and how to capitalize on that?

**PAUL:** Say that again so that I can think about it.

**JOHN:** Sure. How can individuals who are not managers, whose role is not defined to be overseeing different operations, how can they get a tactical sense of what trends are developing among employees, where capital is accumulating,
where individuals want to move from a company, mission or value standpoint, and how tactically can they act upon that?

PAUL: I think that anybody in the company at any level can develop a network within a company. I’m not talking about the ones who are in the factory on the line; we’re talking about people that enter from universities in the lower levels of management. But fairly quickly, you can have a network, I think, in any company that you establish, that you can see. You can talk to people, you can attend events where you have other people being there, you can read a lot. Often the employees, by the way, are more aware of what is happening in their company from what they read from the outside than what is actually what they hear inside. It’s a strategy I used, by the way, by going to the press and saying things that had more credibility than if I would talk about it internally. Especially in the beginning, I felt that was the case. Later on, obviously, you build your credibility. But there are many different ways, I think, that we can connect and see.

When to Stay and When to Go

PAUL: I was talking yesterday to a lady who is joining a board with me and she’s working for a bank. I don’t want to say what the bank is, but she said they discovered something, money laundering and they reported it to the authorities. The authorities started looking at it, and then they found a whole range of fraud and all that stuff. So, the market cap has basically collapsed, and she was asking me, “Should I stay in this company? Because it has been a shock. I’ve been here 25 years, why didn’t I notice that?” I said, “Well, was any of that in your part of the business?” “No.” “Then don’t make that your problem. You don’t have to be responsible for everything. Could you have known that?” “No, I couldn’t.” “Do you think you have the right things in place in your areas and the right compliance and risk and all that?” “Yes we do, but from this we can set it higher.” So, she was learning, she was going further. But she said, “I don’t want to work for the company anymore.” I said, “Why?” “Because all the reputation is ruined.” I said, “Who’s going to rebuild that reputation?”

I said, “Was anybody who works for the company at the lower levels, the bank clerks and the counters, etc., responsible for it?” “No, they weren’t.” “Well, do you let them hang because some people at the top of Wells Fargo or Boeing or GE were greedy?” She said, “I’m thinking about it,” and then she came back and said,
“All these moments are not moments of judgment, are not moments of your standards or stubbornness or ‘I need to be.’ These are moments of learning, growing, developing and reinforcing.

“I’m staying.” I said, “You have to, because your values weren’t violated. You didn’t know.” The worst thing that can happen is when CEOs, like in the US—which I’ve written articles about as you might have seen in Harvard Business Review recently—have been four years quiet with Trump. They’ve been quiet for four years because they got lower taxes, they got less regulation, their share price went up, but they knew the guy was violating the basic principles of human rights. They knew that they were violating the basic principles and values on which humanity functions.

So, then all of a sudden, they are surprised when the Capitol gets stormed, and democracy gets attacked. But they were complacent, they were as complicit in this as Trump himself, by being silent. A few exceptions spoke up. But if you are not aware of it, and if you’re not in your circle having these same practices, I don’t think you have to feel bad about it. I wasn’t the one who caused Covid. I feel bad about people that have Covid, but I don’t feel bad about Covid. I actually like Covid. Because of Covid, we probably have Trump out of office. Because of Covid, people started to realize that we really need to move our butts and start to be a little bit more ambitious. Because of Covid, a lot of things now need to be redesigned together. So, I think, in some ways, Covid is a good thing.

Did I like Kraft-Heinz getting to me? No. I thought about it, why did they come? What did I do wrong? Why did I deserve it? Or did I deserve it? And I took from that that there were more things that I could have done to avoid it. But then I said, “Bloody hell, it’s a good thing that they came,” because I can actually step change things much more and that probably I had become a little bit complacent over the years (in year 8) and was riding the wave of victory. So, all these moments are not moments of judgment, are not moments of your standards or stubbornness or “I need to be.” These are moments of learning, growing, developing and reinforcing. All these people that stay in the bank now, that are going to work together to rebuild this bank on these learnings, will form a bond that will make
them great leaders and the bank will hopefully come back. And these people that are on the lower ends of the totem pole that always seem to pay the price for everything we do, hopefully will have their livelihoods still. That’s our job.

ANDREW: I’d like to build on that. Without getting political, if you look at the Republican party, a lot of Republicans weren’t saying anything until they stepped out of office. The hard job, the hard work is to stay and fight the good fight. This is where the courage comes in. And so, I think that imbuing idealism in our students is great, but also recognizing they’ve chosen the harder path. And to use the analogy of Trump, I was disappointed that Jeff Flake finally opened his mouth when he was leaving. I wanted him to stay, fight, and there’s the challenge. And so, this woman at this bank, stay and fight, do the right thing. There’s the call to arms.

PAUL: But you see, I’ve run away in my life. I can think of five, 10 times I’ve run away mentally, and I’ve run away physically. And sometimes I felt it was right, sometimes it was wrong. My wife, as I said, sent me back more often than not, and drove a little bit of common sense in me. We’re all human beings. We don’t like to have our egos stepped on; we don’t like to be put in a box. And now that I’m a little bit older, I’m actually looking back at these things and I laugh. I put it in perspective, and I say, “It helped make me who I am. I learned more from it. I made mistakes along the way.” We don’t have to be that black and white. You don’t want to run away from it, I think, if you have character. But it’s right.

I think of Jack Welch, who was the most destructive shareholder value-creating machine that ever was on earth. If you ever read the book Straight From The Gut, it really doesn’t make good reading in today’s world. And he was so proud that he had 40 quarters on the penny for earnings per share. And he missed only two by a penny. When I read that, I basically threw up. Probably that’s why the

“I think of Jack Welch, who was the most destructive shareholder value-creating machine that ever was on earth. If you ever read the book Straight From The Gut, it really doesn’t make good reading in today’s world.”
book was called *From The Gut*, no pun intended. But he should have been in Las Vegas if he was that good. But nobody stood up and said, “The guy is manipulating the numbers.” He was writing it basically in his book without saying it. Then he comes out, and he was the first who became a billionaire by being an employee of a company, the second one was Goizueta in Coca-Cola, and then he goes out and he says, “Shareholder primacy was the dumbest thing we ever did.” It has no credibility, no trust, and that is the trust gap with a lot of people.

**Courageous Leaders**

**PAUL:** A lot of people find these moments and then to appear to be heroic. Now some of the CEOs are issuing statements saying, “Oh, we’re not going to give in to these people for the next six months.” What kind of courage is that? **There is no question in my opinion that we are short of courageous leaders,** and I’m not pretending that I’m one. I’m trying to be one, I’m trying to work on it, but it’s very hard because you have so many other forces that go with you. Look at all these politicians. There’s $12 billion that was spent on the elections. That’s basically bribery. Why do you have to spend so much money to elect two presidents? Can’t the people themselves select? Lobbying in Washington is over $3 billion. Why do we need $3 billion to divert the vote of the people, which is the Constitution, to the vote of the money? It doesn’t make any sense. And anybody who participates in that is complicit.

Ben from Ben & Jerry’s is a radical, and I love him for that. He only carries $1 notes. He doesn’t want to have a credit card; he doesn’t want to get $5 notes or $10 notes. And on each of these $1 notes, he puts a stamp. He gave me a copy. I have it in my drawer. It says in red, “Take the money out of politics.” He got arrested twice for it because he was tampering with money. But in the US, if you ever get a $1 bill that says, “Take the money out of politics,” it’s from Ben. He’s been going to Washington nearly every six months in little buses with all his employees. He’s not even an employee of the company. And they’re protesting on the steps of the Capitol.

I got phone calls that Ben was arrested again and was asked “Aren’t you worried about the Unilever image?” I’m not worried about the Unilever image. I’m actually loving it myself, because at the end of the day, he is defending values, and **you cannot lose by defending these basic values. And more CEOs need to have that as a minimum.** Like human rights. We have issued two human
Advice to the Next Generation of Business Leaders from Paul Polman

rights reports, which are available online and have a lot of issues in them, and people said, “If Unilever has all these issues, can you imagine what’s out there? Thanks for telling us. We want to help you solve some of this.” But I understand the complexity of it. You can Google and there might be one or two, but no other company has issued a human rights report. We’re the only ones that have issued a modern-day slavery report to cut slavery and child labor out of the value chain.

I have always said publicly that I know there’s slave labor and child labor in our value chain. I know it, but I don’t know where it is, and I will do everything to find it and put things in place. But I cannot guarantee you that we don’t have it. We were never attacked. It’s these people that say, “That’s not my responsibility,” or “I didn’t know about it,” but meanwhile it was so flagrantly obvious. Those are the ones that we should really call out publicly. I’m actually positive that it is now happening because I think you won’t get away with things anymore that we got away with, frankly, five or 10 years ago.

ANDREW: I want to be conscious of time, but you’re really triggering something here that I think is important for what we’re trying to get at here. I see a lot of people that just fall back on righteous indignation, and then they get holier than thou. And I’m thinking, for example, of Anand Giridharadas, his book *Winners Take All*, who really takes a firm stand that corporations are evil. I think that’s good; he’s calling out a problem. But if you’re going to stay and fight the fight, that requires a different posture, a different tone, that I want the students to grab and take and not fall back on that righteous indignation. You need to work towards solutions.

PAUL: Right. You know, we bought this company, Sir Kensington’s, and it’s a little bit of a radical company, and so they organized an event. They said, “Can you come?” I said, “Okay, I’m going.” And Anand was there. I had just read his book, *Winners Take All*, and I had listened to his Aspen conference. He has a point when he says that many people earn a lot of money and then they create a little foundation on the side to try to make up for the damage they do with how they earn money, to try to do some good. Why can’t we earn the money in a way that doesn’t do the damage in the first place? That’s basically his argument.

And he was saying that in front of some billionaires, and he got some attention because nobody had said it. So, I agree with him. I said to him, “I actually agree with you. I wish I would have written the book, but I would have written it slightly differently because you don’t come with solutions.” “No, but it’s my task to call it out.” I said, “Calling out doesn’t mean anything.” Then he started to attack Unilever because there’s nothing perfect in the world, and he started to be holier than God on Earth. He was like the Second Coming, which was very sad.
because we had a half hour warm-up before and his grandfather had worked for Unilever, his father had worked for Unilever in India. He was very grateful. And then on the panel in two minutes, he started attacking me on “fair and lovely” with an ad that was 20 years old, that we were making women feel uncomfortable and that the Dove self-esteem was just a scam.

I was telling him things that we were trying to do, we were hoping to do things we were working on, how societal norms change, and trying to find solutions for these issues. But he was just of the opinion that you could never trust business, and business could never have the solution. It all had to be given to the government. Not willing to entertain the fact that few governments in the world are functioning, that few politicians can be trusted, that the Edelman survey puts them lowest now, next to the media. In fact, business has gone up in trust. At the end of the day, my argument has always been that, in my life at least, it’s not about you or me. It is about us working in partnership on the issues that need to be solved. And students that are these systemic thinkers, that think in this broader partnership, that have this purpose as a core is what the future of management education is. These are the leaders that we need to create: Purpose-driven, not about themselves, systemic thinkers, partnerships, high awareness and engagement.

I love these universities that have these awareness programs, six months in Africa, or go and live with a poor family in an Indian village for three months. Work on a micro-grid energy project in Bangladesh, and then you come back. They will do more in three months, six months than in 12 months of half the nonsense that we put in these MBA programs. I’m being a little bit provocative, but that’s the change of management education that we need to do. Those are the leaders we need to create.

“These are the leaders that we need to create: Purpose-driven, not about themselves, systemic thinkers, partnerships, high awareness and engagement.
Critics versus Cynics

AWW: Can I draw something from your comments that you see something in today’s students that is new, that is creating hope, that at the very moment these students come to you to say, “Help us find hope,” and you’re coming back and saying, “You are my hope.” Can I draw that conclusion?

PAUL: Oh, absolutely. Not the only ones. That would be too simplistic. You cannot say, “Here are all the things, now you guys solve it,” which is another way of phrasing your sentence if you’re a cynic. In my life, I separate the critics from the cynics. That’s a very important thing to me. Anand actually is a critic. He’s not a cynic. He is sometimes cynical, but he’s more of a critic. And I like this because his big picture is that bigger picture.

Bill Gates has now put $70 billion into his own private equity fund. He’s given less to the Bill and Melinda Gates Foundation than Warren Buffett. But in his equity fund, he is a die-hard capitalist and he’s doing shareholder return. And I’ve told him that a million times. There are investments that he makes that are not solving the world’s problems. But he keeps it in two compartments in his brain, and if Anand points that out, then I think it’s a good thing. **You cannot live two separate lives when it gets to the future of humanity.** So, I feel very strongly there that Anand, in his essence to me, is a critic, and a critic makes you better. You should be able to take critique also within your company. You should be able to entertain different thoughts and different opinions. In many of the meetings when everybody had a consensus, and even if I agreed with it, as a boss it was sort of a game for me, I would throw in the opposite and said, “I really believe the opposite.” And you could see half of them crumble and they went all of a sudden to your point on these challenges. And it’s in that challenge that you ended up actually better than that consensus position that you all agreed with in the first place. That’s why you want diversity and diversity of thought, etc.

But anyway, cynics and critics. For a cynic, I have no time. If someone is a cynic, like you find in a lot of newspapers, I have no time. Unfortunately, I’ve seen too many journalists in my life and have enough scars on my body. There are too many cynics, and they are totally abdicating their own responsibilities in life in whatever they do. They cast judgments on others. And there, I just go straight back to the Bible, “He who casts the first stone.” I really believe that there is no place for cynics.
PAUL: Coming back to the youth question, there is no doubt that you have to be optimistic about the youth. First of all, why would you not be optimistic about the young people now? I think human beings are marvelous machines that I’m optimistic about in any sense. Rutger Bregman is a Dutch writer who wrote this book Humankind, I might have mentioned it last time to you. If I didn’t, it’s actually worth reading. But you know, you have to believe there is a diamond in all of us. We have to believe that we’re all here for a mission. You also have to believe in the goodness of human beings. Otherwise, life is not worth living. I believe that in general. But what I see with the youth now is 50% of the population is below 30 years old. These same people are going to be 100% tomorrow. They’re the ones that are going to be so critical in designing what we need for this point in history right now, and we need to give them those skills. And many of the skills that we need, we just don’t have, and they have. The digital. I’m awful with digital.

Even today, I’m trying to learn, but I’m obsolete. And many of the solutions with technology have a digital component if we want to solve them. They are incredibly global, and they have actually less of a bias in terms of the programming of race and other things that is more common in us older generations. We have been growing up in monocultures. Now the world is quite different, and young people understand that. If I look at all my children and cousins and nephews and nieces, etc., from that generation, they live globally. They have a different way of cooperating, a social awareness that is different than us, because they are actually the first ones that are coming into a cycle that isn’t given to them. **We were given a very good life like a birthright. That will not happen again. Every young person realizes that it’s not easy to find a job, that the economies have to shrink, that we have to consume less.** And how does that work when we don’t differently define GDP? They’re not stupid. That’s why you find anybody who now has a B-Corp or anybody who has a social enterprise or anybody that is part of a movement that is out there now that is meaningful. I look a lot at movements, 90% of them are below 30 years old, which by the way, when we went to the moon, the average age of the people that made them go to the moon in ’69 was 24 or 25. Look at the average age on the atomic bomb project. So, when you had these moonshots, it was young people that did them.

Richard Branson is a good friend of mine, we’re both in the B team that I chair. He is a serial entrepreneur, but the guy who runs the business for him, Josh is his name, he lives here in Geneva, he just turned 40. He’s running all Branson’s
businesses. Then I meet all the CEOs there. I mean, they’re all cool guys, I call them cool kids, but none of them is even close to being 45. It’s not that he doesn’t believe in it, he just says, “Screw it,” which is the title he gave to his book, *Screw It, Let’s Do It*.

So, I’m not saying give the young everything, we can be a little bit too dogmatic about that, but you certainly have to give them a broader place in the world. The Greta Thunbergs of this world are the young people. There’s a Greta Thunberg in every young person, and the ones in the companies that start these revolutions from within them, we shouldn’t underestimate that, are driven by young people.

**JOHN:** I know we’re vastly over time, but if you have a little bit of extra time. There’s one more thing that I want to talk about, that is sort of on the provocative thread. You mentioned that Covid was something that you liked. That’s a provocative statement, and I understand where you’re coming from. I think it’s because you have time to reflect and think about how you’re doing things. At least that’s how I interpreted it. But I think that if you’re not prepared for a catastrophe, you can succumb to it, and so there needs to be some preparation and resiliency prior to that. And I want to try and tie that into what you just talked about with youth and understanding how people in our positions can learn from the experiences of those at companies to build that resilience so that when a shot comes, there’s a different direction you can take as opposed to collapsing.

**PAUL:** Companies need to build resilience, I don’t have to tell you about that, which could be about portfolio spreading. That’s why I never liked this game of selling off. You need to have financial resilience, that’s why I didn’t leverage up seven times like Kraft–Heinz, that’s why they’re nearly bankrupt in this current crisis. So, companies have resilience, you understand that. But you always have to start with people’s resilience. You cannot address the issues of sustainability and a planet burning when people themselves are burned out. So, you cannot build a

“*You cannot address the issues of sustainability and a planet burning when people themselves are burned out. So, you cannot build a sustainable strategy by not being first sustainable.*”
sustainable strategy by not being first sustainable.

The pyramid that I structure my thoughts around, the things I would do in a company is first physical fitness. Believe it or not, Gandhi wasn’t very physically fit, but if you have physical fitness, you are able to carry more things. I’ll come around to that in a minute. So, every company that had 100 employees or more had a gym. We started lamplighter programs where we could see that people that went together, had a little gaming and became more physically fit were also higher engagement, higher productivity. We actually measured pay out of that, and it’s infinite. So physical fitness is very important. By the way, when your heart pumps a little faster, your blood has a little bit more oxygen, and your brain uses 25% of the oxygen of the whole thing. So, you might as well give it a little bit more when we have these challenges.

Then the second thing is emotional resilience. When we are tired, we become emotional, and so you want to be sure that we also work on emotional fitness. That’s why I don’t think people should be slaves to companies or work 15 hours in a day. You can do different things. And then you get mental fitness. You might have worries about elderly people; you might have a minimum wage; people are losing their jobs; suicide rates are going up. We have mental health programs coming out of our nose, help lines, all that stuff. And then you get to spirituality or purpose, which is the higher order. And it’s ultimately when you get to that higher order, the enlightenment as Buddha would call it, you’re at a point that you can handle many more things that come at you, because the road to change is not easy. It has the bumps; it has the cynics and the skeptics.

But I’m looking out at Mont Blanc here, I’m literally looking out on the Alps, and I climbed it with my blind friends. But you need to go down sometimes to acclimatize, you need to be on a flat piece to rest a little bit, and you need to have a little bump you can hold on to, otherwise you can’t pull yourself up. If it was only a smooth surface, you wouldn’t climb it, we wouldn’t get to the top. So, all these things are good things, but if you work on that pyramid, I think you will build that resilience in people. Ultimately, it’s heart and mind, but it’s the inner core that you need to work as much as the outer core. And in the Unilever Development Program, I don’t have it here, but I had a card somewhere that we deliberately designed with an inner core and outer core. That’s how we called it. I don’t know if that fully answers your question.

JOHN: I think there’s a lot of great tangible, tactical advice there. That’s wonderful, thank you very much. Thank you.

CELIA: Thank you, Paul.

PAUL: I’ll see you guys soon again. I look forward to that. Thanks.
March 8, 2021
Introduction

**CELIA BRAVARD:** Here we go. Jumping right in, we wanted to follow up on a couple of ideas articulated in the last two interviews. First off, starting with the ideas of a swim lane and circle of influence. As mentioned before, I have often been encouraged to stay in my swim lane or in my silo, per se, but I’ve often found that my greatest learnings have been outside my silo of R&D-specific experiences.

In our last interview, you mentioned the importance of expanding your circle of influence to enact change within a company, but also getting outside of your swim lane to make change at a systems level. And I was curious if you would clarify the underlying contradictions of those two strategies?

**PAUL POLMAN:** I don’t know if they are total contradictions or should be seen as such. I think that what we were discussing, and you have to recall if it’s wrong because I don’t want to contradict myself, but I think the first thing I was saying was when we were talking about the frustrations of people down in an organization. They have a well-defined level of responsibility and often their frustration comes from things happening outside of their areas of responsibility; things that they might not agree with, or that they feel is something that they should have a voice on.

Revisiting Your Circle of Influence and Systems Change

**PAUL:** The way to deal with that is to always start first in your own shop, to take your own responsibilities, not to abdicate them to others, and to do that with solutions, a positive mindset, all the things we talked about. Then your circle of influence will grow. And that’s the first thing you want to do, to expand your own circle of influence from wherever your anchor is. This is how you change organizations from within, at the grassroot level, first and foremost.

Then, what we talked about separately; the way I see this is that the more discontinuous changes that need to happen are systems changes. Now, you could
argue that they happen at all levels, and I’m more focused now on the global levels of systems change, but it could be as a community, it could be as a city, it could be your company as well, at the system change level.

I think you have more credibility to participate in this, or be invited into this, if you first have a well-defined and well-respected, what I think you called, “swim lane.” Then, you might come up with suggestions that are more systemic changes and work on the broader systems change, so then you work on the system.

But **you only get credibility to work on the system, I think, if you first fully understand the system itself and participate in the system with constructive credibility and energy.** These two build on each other. I don’t think they are contradictory to each other; if that makes sense?

**CELIA:** Yes, that’s helpful. It reminds me of the conversation we had last time of critics and cynics, coming with solutions rather than just pointing out problems. Thanks for drawing the connection between those two.

So, when we’re talking about young people, because I know we want to focus on that for this interview, you also mentioned the Greta Thunbergs of the world are the young people and there’s a Greta inside of each of us, and how young people will start the revolutions from within companies. Going off that, how can the idea of a Greta and the circle of influence fit together?

**PAUL:** Well, you can do that actually in different ways. If you talk about being a Greta, or how to deal with the Gretas, or how to smartly use the Gretas within a company, there are many different dimensions of that. For example, if you look at Unilever, I needed to drive change, and if it just comes top-down, it’s not very well embedded.

So, the one thing I can do is create the right environment for these changes to happen, which is difficult. I’m not saying that we achieved that all the time, but I can create a culture that is open, where people respect each other. I can create a culture where healthy debate happens around the truth and facts. I can work on the company values that make that come alive. I can work on structural issues by giving authority to people that have the knowledge versus the hierarchy. So, these are many of the things I can do to create a healthy environment. An objective performance assessment system, so that you can track your results, is also important—a strong purpose that an organization is aligned on. With all these things, I create an environment where each and everybody can develop to their fullest potential.

But this is difficult to do in any hierarchy, where people can voice their concerns, where facts are debated, where they’re not personalized, where people take the interest of the greater good of the company above their own, where trust
“I often used the press outside because they might sometimes be more credible in terms of the change that a company is going to do, than if you would say it yourself to your employees. When they read it in the papers, it all of a sudden rings home.”

levels are high. Then there are opportunities. I remember I talked to you guys once about how I often used the press outside because they might sometimes be more credible in terms of the change that a company is going to do, than if you would say it yourself to your employees. When they read it in the papers, it all of a sudden rings home.

Inside the company, there are opportunities that I can think of things I did to use young people. I created ambassadors for the Sustainable Development Goals, I sent a critical mass of people every year to One Young World, for example, or to NEXUS youth organizations that then created the critical mass within the company that we connected.

I deliberately created a Young Social Entrepreneur award, which has the word “young” in there, where these social entrepreneurs that were incredibly creative, were then connected to our value chains, and it created a company that was connected to that generation. My driving force, interestingly, was always that if you look at any brand in any company of the scale and size of Unilever, they have an aging consumer profile, and if you don’t stay relevant with the younger people, including representing them in your own company at fair levels, you don’t stay relevant, your brand is going to become obsolete. People talk about life cycles of brands, and for that not to happen, you have to stay relevant with young people. So, we try to put young people into a lot of the positions where they could actually galvanize change.
PAUL: Then you need to help them debate and discuss. That’s why you need cultures, that’s why you need respect. Because you need experience, sometimes you need other things as well, to share some more conviction. But I think it is very healthy that in the 10 years I was in Unilever, about half of the company became Millennial because of the normal attrition, because of retirements, and then basically hiring-from-within culture.

If you don’t adjust to give the Millennials a voice at the table, you would disengage half your company. And that would be very dangerous to me, very costly as well. Both of them are dangerous for the success of your company. Then you need to help the young people as well because if you (it’s not the right expression perhaps in English) but you “take the lid off,” the chance to participate in any of the broader debates and come in with their opinions increases. You don’t want to create false expectations either. So having some guardrails around it, and some management of that, is a good thing.

Mentoring programs, to some extent in a company, are some of the guardrails. They work for many different reasons, but they are also guardrails. Job descriptions are guardrails. Orchestrated and organized events are guardrails. Training programs and bringing that into training programs are guardrails.

For example, one of the things that I wanted was for our people to be broader in their thinking and not to become too “party line,” which you see in many big companies. I think they start to lack creativity, diversity, debate, it’s a big risk. But we deliberately created a training program called the Vanguards, where we got some very good companies like Tata in India, Shell in the Netherlands, and MasterCard in the US, to be in the same training programs as our top development people.

And it was just to change, to create broader understanding and thinking. It’s easy to say, “Yeah, we need to get rid of carbon, and decarbonize,” when your business isn’t really into that, but it’s a different story if you are Shell. So how do you understand that and deal with these pressures, and create people that are a little bit broader in terms of system thinking? This is an important aspect of what we are talking about here.

But there’s not one answer. It’s a continuous cultivation of multiple things to make that happen. But above all, you need respect for each and everybody in the organization. Which also means old people. I remember when I left my former company P&G when I was 50, and one of the reasons I left, I have to honestly say,
“If you don’t adjust to give the millennials a voice at the table, you would disengage half your company. And that would be very dangerous to me, very costly as well.”

is that I didn’t want to go back to Cincinnati. I’d been there too long. But it’s also that anybody that was 55 in P&G got the boot. They got an early retirement package; “Goodbye.” Because there was this old age discrimination, in my opinion, that everybody could see coming. And then at the same time as young people, you didn’t have a voice because you had to become conformed to a system, whilst we all know that these systems have to change to change up society.

So, it’s difficult for every company to deal with that, and the bigger you are, the more structure you have around you, the more difficult it is to change the structures or to have these structures push back. But you have to continuously get to that. That’s why it’s so important that one of your values is dignity and respect for everybody, that you get a very diverse workforce, and including age, disability, gender or race. And to create that respect and openness that is at the base of that culture that we are talking about right now.

What Gives You Hope?

JOHN PONTILLO: That’s really helpful. Thank you. I’d like to shift a little bit. What I’m hearing is that there’s a life cycle of bringing on new talent and new ideas to maintain the vitality of the company, and that’s a very important aspect of the longevity of the company. One of the things that came out of our debrief after the last conversation was, you mentioned that you have hope in young people. And then we were thinking, “Okay, why does Paul give us hope?” Well, because you’ve done the kinds of things that we see ourselves doing. There’s some sort of circular logic here that you believe in us and we believe in you. What I think would be great for our conversation is to be able to better articulate that to students like
us and young professionals. I was wondering if you could expound a little bit more upon what it is about young people that gives you hope.

**PAUL:** A lot of things. First of all, don’t underestimate that even people like us are young. Simone Perez said that, “If the list of things you have to do is longer than the list of things you have done, you are young.” So, young is a state of mind, it’s not a physical thing to me. And actually, some people like us envy young people, because we wish we would have a chance again today in this world and be 30, because the opportunities are enormous. We always present it like we’ve fallen short and we’re now giving you all these challenges because we’ve messed it up, and you need to correct it. I don’t believe in that narrative and you haven’t heard me say that narrative.

So first of all, from a very selfish point of view, one day I’m going to retire and one day I’ll get old, and that’s an irreversible process that we know is going to happen. I depend on young people to be sure that there’s a decent retirement or decent help. I have a self-interest for sure. Another thing is an interest in the sense that this planet Earth doesn’t belong to us, we just look after it. That’s why it’s also important that we are respecting the planetary boundaries, so that we give the same opportunity for this wonderful life here to future fellow human beings.

When I think about the young, I don’t think actually about my children and grandchildren, I think about the sustainable longer-term business models we need to put out there that are multigenerational. It is one of the reasons I bought Seventh Generation as a brand. I didn’t do much due diligence; you can ask John Replogle who was the CEO. I bought it because I bought into the philosophy and I felt that these people had figured out how to link that to a brand. We could

“When I think about the young, I don’t think actually about my children and grandchildren, I think about the sustainable longer-term business models we need to put out there that are multigenerational.”
“Half the world’s population is below 30 years old now. If you don’t include them in the solutions, you’re not going to get the solutions, because most of it needs to happen in the next 10 years.”

help them perhaps make it bigger. It certainly has happened, the business has more than doubled. But the point was, it was the thinking that fit totally into the culture I wanted.

So young people, the statistics are there, half the world’s population is below 30 years old now. If you don’t include them in the solutions, you’re not going to get the solutions, because most of it needs to happen in the next 10 years when you, for example, look at climate change. If you’re going to exclude half the population in a solution that concerns their future in the next 10 years, which is crucial for anybody that’s 25 or 30 years old, it’s the prime point in life, you’re missing a huge opportunity. It’s like you’re handicapped from the start if that is your mindset.

Now, the reality is also that I think the younger people have better skill sets to deal with a lot of the challenges that we are now facing. They are more digitally savvy, they are better connected globally, they actually have less of a barrier when it comes to different ethnicities or other aspects of gender, etc. They are creative, there’s something with the brain scientifically, if you talk to people at MIT and others who have done studies on this, that allows them to understand systems thinking, that complexity and putting your arms around it. There are always exceptions on both sides of the age spectrum, but young people are much better at dealing with that.

They also, by sheer age difference, think a little bit longer-term, which is very healthy in attacking some of the issues that we need to fix. So, you need to harness these wonderful skill sets that this generation has. And above all, they’re not afraid. For them, this has been the state of being and they want to change it. They don’t come from something they need to protect, it’s the opposite. They’re very open to adapt. Open in their mindset, open in their
learning, open in working together, open in their ways and thinking in more purpose-driven models, which frankly, the previous generation did not have too much of. They have all these elements, and as a result, you also see a higher level of courage.

I was just doing a tweet and writing an article on Myanmar two weeks ago. It’s interesting, this is Women’s Day, so congratulations on Women’s Day. But in Myanmar, in the street, women are out there. And they’re the young, and you see that everywhere in the world. Even when the tougher choices have to be made and regimes are suppressing you, the young and the women especially, young women are doing things that are beyond comprehension.

You see that everywhere, in every continent. Against the drug lords, it’s the women and the young that go out there and go to the streets and bang their pots. It’s the same thing you see when it comes to climate change. It’s the same thing you see when injustice is being done in the US. Who is out there protesting when there is a hideous crime again because of your gun laws? Or when some of the politics are getting out of hand? There are many young people, but to be honest, many of them skew towards women. This is a very important thing. So, providing that space and recognizing that and giving them, as I said, not only a seat at the table, but giving them the table is a very important thing to me.

Turning Advice into Action

JOHN: I really like the way you framed that, and I like in particular the courage and their lack of fear, or less fear. But a lot of what we’re looking for is ways we can translate a lot of your great advice into action. What I’d like you to do is imagine you could come to Michigan and be with us and sit in the room with our class of business students, and students from around the university in different schools. What would you say? Given all of the qualities that this generation has that you just mentioned, what would you say that we should be focusing on? What should we try to learn in the next month, or the next six months, or the next five years to build upon what we currently have, to become the type of leaders that we want to see?

PAUL: Well, I don’t like to spend too much time telling others what to do. I always feel uncomfortable with that. But I would certainly say a few things that you might want to think about and to use your time very well. It starts with what we were talking before about finding your personal purpose in life, and what is important
“Find that real sweet spot of what you’re passionate about, what you’re good at, and what the world needs.”

to you. That self-worth is not measured by net worth. It’s measured by the positive influence you can have on this world, to leave it in a better state than you found it, to positively influence people, to put the interest of others ahead of your own, and actually making you realize that by doing so you’re better off yourselves as well.

So, if we would start with self-reflection, because I don’t think you can be curious and learn and develop yourselves and participate fully if you don’t have that self-reflection. Then it’s important to find that intersection between what you’re passionate about, what you’re good at, and what the world needs. It is important to marry those things in your job search, not just your starting salary or your title or other things that society puts around you as measures that are trying to influence your behavior but are in fact more destructive than constructive. Find that real sweet spot of what you’re passionate about, what you’re good at, and what the world needs.

Then, use your time now in a wonderful academic environment where you can get across disciplines, not only in the sometimes too narrowly defined MBA program. Andy is an exception of that and you both have broader backgrounds. So, use your time to really challenge some of the dogmas, theories, conventional wisdoms, and learn a lot, become curious, and figure out how to learn. Because that’s something you need to do your whole life and feel comfortable with.

How to unlearn things is equally important in this process. And make the right connections now that you hopefully will use in the rest of your lives. It’s not important specifically what you’re doing, but it’s the spirit of how you’re doing it; how you’re defining your purpose path; how you’re linking that with your passions and life satisfaction; how you’re looking at the job that you want to make this come alive in; ow you’re building up your networks, developing your leadership skills. These are all things that happen at university that are of tremendous value to your life. It’s not just your career. But I don’t believe in a career in a sense, it’s all part of your life.

We talked about a high level of awareness and engagement to what is happening out there, and it doesn’t necessarily mean you have to become an
activist. But you have a unique opportunity at university to work on your own self-awareness and also on your awareness of the world around you, during a time when nobody really holds you accountable or expects you to do things, to some extent. It’s a liberating moment that you don’t have many of in life, that I can tell you. So, you have to do that.

CELIA: I know I’m grateful for these three years. I’m able to do a lot of what you’ve just mentioned; self-reflection, network building, learning from folks like John and Andy. I’ve been loving it.

PAUL: Yes, it’s a privilege, and we don’t realize it until it’s gone like many things in life. We take it for granted and then we don’t fully exploit it.

The Value, Limitations and Future of Management Education

ANDREW HOFFMAN: Paul, I don’t want to push you to be critical or tell people what to do. But I hear a certain frustration from MBA students that their curriculum is really geared around shareholder value. I had one student tell me that she felt that her values were under attack every time she walked into a business school.

When you see the young people coming up, trained in a certain way, do you have any thoughts on elements of management education that are helping, that are hurting? You can frame that as a critique of management education or preferably, you can frame it as advice to what these students should do to augment what they’re getting in school so that they become the kind of leaders that we need.

PAUL: Management education is broken. I don’t want to mince words around that. I’m the chair of the Saïd Business School and we’re now looking for a new dean. There are very few people in the world that can have vision on what it
“Most schools are doing a big injustice to the next generation, which they should be passionate about. The students should be at the center. But in many academic institutions, I wonder if that is truly the case.”

should be. It’s surprising to me. You are a part of the debate and “management as a calling” is a big contribution to that. So, I think you are playing a key role.

But the institution is ingrained in old habits, and not just Oxford but in general, where tenure and research are shields that are hidden behind, and there’s limited appetite to move an MBA program forward. It’s a silo that is created around Milton Friedman, to be honest, where market share and spreadsheets are a dominant force of teaching. So, I’m totally with you there.

What management education needs to do in the future is create a broader multidisciplinary lifelong learning opportunity, probably a combination of in-class and digital. I don’t see just one or the other of it. But certainly, purpose has to be at its core, much more of the human dimension and the self-development next to the broader part of development. So significant changes in management education are absolutely needed.

I also think that universities have to become part of impact, especially the business schools, and be part of this broader transformation that society needs. You might specialize in things, like I want to be more focused on how the measurement systems change globally, or how we should work on consumer habits, or how we should create a more sustainable value chain, or inequality or gender, whatever the dimensions are, and address those issues. It’s perfectly fine to specialize in some of the SDGs and not try to do everything. But I think schools need to increasingly stand for something, that they’re part of the solution and that they are helping to galvanize these systemic changes. That way, you create these broader leaders that are currently missing.

It also means that you need to look at the rankings. It is absolutely bizarre that we rank students coming out of school on starting salaries, because it really
encourages the wrong behavior—long live Goldman Sachs and JP Morgan. That’s not how the world functions. In fact, I’d argue that’s how the world shouldn’t function.

But to make broader system changes that are needed, including the environment around it that makes us behave a certain way, it takes time in an institution that is notoriously slow to change. There’s no question about that. And yet, some succeed. You’re doing it now in your circle of influence and that is growing, that’s how we connect to others. And some other schools are doing that, but they’re few and far between. Most schools are doing a big injustice to the next generation, which they should be passionate about. The students should be at the center. But in many academic institutions, I wonder if that is truly the case.

Business education especially should be more relevantly linked to society. It might be different if you’re in history or languages or philosophy or some other disciplines. But in the business school itself, that is really there to help move society in a certain direction at a certain speed that has now become more urgent, you’d think that our academic institutions would be doing a better job. I’m not sure if I’m being critical enough, but I’m trying to be as clear and honest about what I think.

**ANDREW:** I’ll just ask one more question and then turn it back to the students because I really want them to run this. I hear you; I agree with everything you said. But these students will never see the kind of change in academia you describe, because the institution moves so slowly. So, what should they do now to augment their two to three years within management education in order to make up for the deficiencies you see?

**PAUL:** Interestingly, I’m on the board of PRME, which is part of the UN Global Compact which I chair, and there are now youth networks, like NEXUS or AIESEC or several other ones, where students have come together. I actually believe that’s the biggest force for change. We all need to take responsibility, even if we sometimes don’t fully benefit from it.

It’s like having an older brother. I’m number two in our family of six, but my brother opened a lot of doors so that I didn’t get the punishment that he did. He changed the norms so that I had the benefit and could develop myself into different directions of what was needed. And the same is true in university, where students have an obligation to be an active force for change.

And I think they are a bigger force for change or could be a bigger force for change. Right now, they’re opting out of MBA programs, or they’re disappointed in them, or they don’t feel that it fully respects what they were looking for. But they need to be more organized first to change education. Otherwise, we wouldn’t
“In university, students have an obligation to be an active force of change.”

get there. So, putting these youth networks together to drive that change is very important.

Secondly, when you’re at university, it’s just a wonderful opportunity. It’s more difficult if you’re an isolated business school, often in an isolated location, let’s say in INSEAD or IESE in Barcelona, then it’s more difficult. But if you belong to a University of Michigan or if you belong to Oxford, etc., there are enormous possibilities.

I went to school at the University of Cincinnati and in the Netherlands. What I loved about it was the opportunity to make use of the whole university. Nobody prevents you from doing that. You can sit in, you can get credits, you can make your own mix and match. I always found the US system wonderful in that sense. But it requires willpower.

Unfortunately, I have found that a lot of students in the US system didn’t take advantage of that. I found the universities, even University of Cincinnati, offer so many possibilities, but there were very few that we’re chasing them. You might say that they were not aware of it, but I think the standards there were relatively low in terms of making people aware of it or pursuing it. So, universities, I think, should stimulate that. Individuals themselves should be stimulated by that, and it separates the good from the average, I guess in any system.

All of my kids didn’t want to go to school in Europe, they wanted to go to the US. We said, “Why? Because you can go to any European University and have a wonderful education, which is where I did the bulk of mine.” But they said, “No, because in the US I can develop myself much more.” There’s a much broader system and you should make use of that. And that’s something that you don’t want to lose.

Students themselves need to be aware of the moment that they have that we were just talking about in these three, four, five, six years, how long you might be there, to get that broadness. But you need to seek it; there’s only so much water that they can bring to you to drink.

At the same time, you also need to take responsibility for future generations in terms of changing that education. You cannot be on the
sideline or run away from it if you don’t like it. You have to become an active force for change. Harvard, which is a very ingrained institution, is very hard to change. Lots of professors are actually moving out of there now because they don’t see them changing. The student movements have been a force that drives them. Otherwise, they would have never made net zero commitments or divested on their portfolios. It all comes from students; it doesn’t come from professors. And that’s probably a story that is playing out all across the world. So be part of that change there also.

Fortunately, a university system gives you a lot of opportunity to also develop yourself in other areas. If I could do my education again, I would have a co-op program myself. Or I would work a few years between my bachelor’s and my master’s, like my sons have done, to get this link between the real world and the academic world, so that you can better tailor what you’re looking for, how you want to use university. We need to create that awareness in students. We need to not feel threatened by explaining that, even if you are a professor at a university. I don’t know if that all makes sense, but those are my top thoughts.

Education is a Lifelong Pursuit

**CELIA:** This is great. Education doesn’t stop when we graduate, or when we get our degree. Education is a lifelong endeavor. And so, thinking about your first roles at P&G, what advice would you have for students after graduation as they’re entering the workforce to continue this sense of learning?

**PAUL:** Well, the situation when I grew up was different than now actually. It’s not as simple. Because when I was coming out, the world was static, you had a linear career, and you would probably be loyal to the company that would hire you. I was certainly on that trajectory with 27 years at P&G, and so were most of my friends.

Now, all of my sons have had three jobs already. Even to the point that my wife and I were worried about it. We were saying, “Can they hold a job? Is there something wrong with them? Have we done something in the way we educated them? Oh my gosh. Is there a problem?” But it’s just the opposite. They’re the happiest people they can be. They have incredible families, they have great careers, they are financially independent. But they will have 10 jobs in their lives, partly because of the speed of change in the world, which is faster than we’ve ever seen, and probably most of the jobs that you were taught at university won’t even exist five years from now. And probably half the jobs will be new jobs again. So,
“The need to let go of things and to learn new things is 10 times more important now than when I was young.”

your ability to continuously change and develop, is a very important part of your education.

And for that you need to be valued. To belong to something, you need to be valued. If you want your career to be fruitful for a long time to come, also from a safety and security point of view, you need to be valuable and to be valued. So, you need to continue to educate and re-educate yourself.

Also, the need to let go of things and to learn new things is 10 times more important now than when I was young. When I was graduating, if you had an MBA, you had made it. If you came from one of the Ivy schools, your salary would be fine for the rest of your life. There was actually no hurdle on performance anymore, it was automatic, “I went to Harvard” or something, so I’m fine.

I don’t think that is true anymore, which is good, by the way, I totally agree with that, it shouldn’t be like that. Now you have to prove yourself all the time, and frankly, where you came from becomes less relevant. So how do you stay involved, how do you keep engaged, where do you get your oxygen from? I always encourage people to do other things, to not just be slaves to the company; to read books, have hobbies, meet other people, stay involved in the communities in which you live, continuously spend time on self-development and be aware of who you are or what you need to work on. You should be continuously able to let go of old bad habits and create space for new ones.

And you should have that reflection every day. I’ve used that often in Unilever, you can ask many people. In Unilever and before, my mentality has always been that every day I would drive to work and say, “This is my first day.” Obviously I learnt from the past, but today is my first day.

And the moment that I feared, which fortunately never happened to me, would be the moment that I start justifying all the things I have done, to justify who I am. I’ve been very careful after my time at Unilever to scrap from everything that said I’m the ex-CEO of Unilever. Because I’m not the ex-CEO of Unilever. I’m the future proponent who wants to make a difference in the world. Now I happen to be the Chair of IMAGINE or some other thing, but I’m not something from the past.
I’ve always been very careful in my own mind to keep the mentality that you continuously want to learn, want to develop, and challenge yourself. And it gives energy, because especially if you’re in a situation like most of the students are that we’re talking to, where you can direct what you want to learn, where you can direct where you want to increase your knowledge or participate in, we have that choice.

Unfortunately, the bulk of the world’s population doesn’t have that choice. So, it comes from a sense of gratefulness. It comes from a sense of privilege. If you’re privileged in any situation, the same as if you’re privileged with money, then you have a duty to share that privilege with others, not to make that just your own privilege; that doesn’t work.

So, it gives you an obligation that comes with that privilege, and that obligation might be to share that knowledge, to put it to good use, to help transform systems for the better so that others get the same possibilities. That’s why we’re here. That is the essence of what makes a purposeful life. We have to believe in that, otherwise it’s difficult to make it come alive.

It’s easy to become a couch potato, or feel that you have a birthright, or get cynical about society because they’ve rejected you because you haven’t kept yourself valuable or valid by keeping yourself up to date. These are the wrong behaviors that we see too much of in society, and often expressed in the wrong politics, versus the right mindset that we need to create. It’s difficult. We all have that tendency and it’s difficult, even for ourselves. But then you remind yourself about the privilege that you have, and that with that privilege come responsibilities.

The Purpose-Driven Journey

JOHN: Wonderful. Thank you for sharing all that. One thing you said that really stood out to me is that we have to believe in a purpose-driven life, and that’s something that I know Celia and I take very seriously and are really trying to develop. We are still on our journey. You also mentioned that people have a lot of courage and are trying to live up to that in a lot of ways. One reason I think that, and I’ll speak for myself but I suspect the same is true for Celia, is that one of the reasons we came to Michigan is the community. What I’d love to hear, and this verges a little bit on the personal so to the extent that you’re willing to share, some things that your wife said, or some close friends said to you when you had a tough day at work, or you wanted to quit or run away. How do you think about leveraging
“In the end, I think the main word that you might want to write down is ‘curious.’ If I hire people, I want to see if they have a curious mind.”

the community for support when things get challenging and to stay on track and remain hopeful?

PAUL: No, absolutely, I’ll go there. Purpose, just to start with that, is a journey for life. You always continue to work on your purpose, John. It’s not something like, “Oh, I have a purpose because I’m older than you are,” I’m still working on that and it’s changing. And it depends on what we build, George calls it “crucibles”, in his book True North.

So, we continue on that journey, we continue until we move somewhere else. I don’t think we ever stop that certain quest of trying to find it or trying to do more or better it. It is actually what keeps us valuable, what keeps us curious. In the end, I think the main word that you might want to write down is “curious.” If I hire people, I want to see if they have a curious mind. So, you have to create curious people, that’s probably one of the more important skills. We can talk about purpose or ethics and all that stuff, you understand that, but be curious in its many senses.

This is not a game where you can play alone, life is not lonely in that sense. We’re seven and a half, eight billion people nearly. You have a responsibility towards your fellow citizens. You are in communities, however you define that. And sometimes you need to be picked up, sometimes you need to be encouraged in life, sometimes you need some support pillars to keep standing up, and that is happening with people around you.

Better if you do that with people that are aligned in the mission, because then you get in the groove, so to speak, and life is better. The reason I stayed married to my wife for … now for … we married in … When did we marry?

ANDREW: You better get this right. [chuckle]

PAUL: Andy you caught me. We married in ’79. So, we’ve been married for 42 years now. The reason is that we are not the same at all, but we support each other, we count on each other, and we trust each other. I couldn’t live without that, and she couldn’t either, hopefully.
It might be with other people, it doesn’t matter, but you need someone, you need people to tell you the truth, you need people to partner with. It’s interesting because we’re social animals, they’ve done some studies that people that eat alone are not so happy and have a shorter life than people that eat together. Even in eating, we want to be together. So being part of something, belonging to it, to be recognized, to be part of it, are very important human needs. And if you want to motivate people or organizations, you need to get back to these basic human needs first. Communities are a very important part.

I certainly undervalued my family in a sense because I worked day and night on the broader responsibilities that my jobs gave me. And they required a lot of traveling. I wasn’t there at some funerals of my aunts or uncles. I wish I would have seen my parents more often. My father passed on. I regret that I didn’t have more time with him. So, I regret those things.

But I made choices and I said, “I have a broader community.” I was responsible for a lot of employees; I have a lot of other circles that I participated in. It could be your foundation with blind people, it could be your local club, it could be music or sports, whatever it is, you need to have that support system. And you need to be more conscious.

If I could start life again, I wish I would have been more conscious of the choices of communities earlier on. Not selfishly but also for these communities. I would have made a stronger start for a broader base than I would have now. That this is so incredibly important is all I can say. And the older I get, strangely enough, my own family is becoming more important again than I ever thought. But in ’74, I moved out of the Netherlands. So, my family became very distant actually, in my 65-year life. I was only with my family for 17 years.

But now I definitely gravitate back to my family. I’m going to my mother now for one week every month. She is not in a good position, but I want to be there. I don’t want to miss that. So, your communities might change, and sometimes you might have regret, and I’m not saying family is always good. But you need to have these pillars around you. You can’t deal with everything alone.

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ANDREW: We’re coming close to the end of time, and I want to jump in really quickly because we heard a story and I’d like you to verify it, that your mother really wasn’t impressed with what you were doing until you came home with a set of rosary beads from the Pope? Is there a story like that?

PAUL: Well, my mother was a teacher and she had to stop teaching when we were born, because we grew up in a Catholic family and have a strong Christian background. In those days, the women, sadly enough, were supposed to be at home and make babies, and as soon as you were pregnant, you weren’t allowed to teach anymore.

Sometimes when a teacher in elementary school was sick or something, my mother was a substitute. But she did one thing, we could never leave the house, all of us, until homework was done, and she would drill us. We had a little house, so you couldn’t sneak out.

I’m very grateful because I would not have had the discipline, nobody has the discipline, at that age to study, and it needs parents. We’ve been very fortunate to have that support. So, she’s a hero. But all her children are the same. She doesn’t have a favorite, and that’s important. She’s not impressed with what I do or my title. Frankly, she doesn’t fully understand what I do or what I did. She just knows that we all should love each other, and she loves me.

Anyway, I see the Pope from time to time. The first time I got one of the rosaries for her and she wanted to hang it around the photo of my father on the chimney. So, I mailed it to her. But then I came home, and she said, “I got this thing from the post office and it has a penalty to pay.” She thought it was for taxes and my mother has never had a penalty in her life. She’s never done anything wrong as far as I can see; not even a slice of cheese without telling anybody
type thing. And so, I looked into this and it was a customs thing that we had not declared import duties on a silver necklace. But she has no silver necklace, she doesn’t have jewelry. I couldn’t figure it out either.

And then it dawned on us. When we dug into it, it was this rosary, which wasn’t silver at all. It looked silver, but they had assessed it and were thinking this was jewelry being smuggled into the country, that it was more expensive. So, I went and finally got the tax people to stop all this paper nonsense because once you’re in a computer you can’t get out. It was that rosary, and she still has that. Now she has more of them, but she has that rosary. It was important to her because it was for my father.

**JOHN:** Wonderful. Paul, we want to be respectful of your time, and thank you again for your time with us. I also wanted to give you a sense of what is coming up next for us. So, what we are going to continue to do is continue to build out our article.

We want to write something from students to students, based on your advice and your thinking. But really, we want to make sure before anything goes out that we share it with you, so that you can get your eyes on it.

**PAUL:** I want to help you guys, it’s easier for me if we just talk a little bit. I’m not so much into editing. You guys do what you want to do. I believe in that. It’s your work that you want to do. Everything we talked about is for you to use; I don’t have any problem with that. I owe you guys a lot. Andy has been incredible, also with the help on IMAGINE, and hopefully lots of other things with the university as well. So, there’s no problem for me. We are all here in the end to help each other.

**JOHN:** Thank you, we’re very grateful for that. And thanks, Andy, for utilizing some of your credit here as well.

**CELIA:** Yes, these conversations have been so nourishing, academically, but also personally. Thank you so much, Paul.

**PAUL:** No, thank you guys for doing this. We always find out new things about ourselves as well. [chuckle] It simply works that way. Good luck, make the best of it, and think about the impact and multiplier that we talked about. At the end of the day that’s what counts.

**JOHN:** That’s right.

**PAUL:** Well, see you guys soon. Be safe.
In the course of history, there comes a time when humanity is called to shift to a new level of consciousness, to reach a higher moral ground. A time when we have to shed our fear and give hope to each other. **That time is now.**

—WANGARI MAATHI