



# Organisational Culture and Employee Behaviour at Hindustan Unilever Limited: A Secondary Data Analysis

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**Abstract:** Organisational culture is increasingly recognised as a strategic determinant of employee behaviour, engagement, and long-term organisational performance. This paper presents a secondary data-based analytical study of organisational culture and its influence on employee behaviour at Hindustan Unilever Limited (HUL), one of India's premier fast-moving consumer goods (FMCG) companies. Drawing on established theoretical frameworks — including Edgar Schein's three-level model of culture, Geert Hofstede's cultural dimensions theory, Charles Handy's culture typology, and Denison's organisational culture model — the study systematically examines how HUL's cultural attributes, including meritocracy, transparency, diversity and inclusion, leadership philosophy, learning orientation, and employee well-being, translate into observable patterns of employee behaviour. Evidence is synthesised from HUL's annual reports, Unilever's global sustainability publications, peer-reviewed management journals, and reputed business databases. The analysis reveals that HUL's culture, characterised predominantly by task-orientation and person-centred values, positively influences employee motivation, organisational commitment, and retention, while identifying work-life balance and performance management fairness as areas warranting sustained managerial attention. The paper concludes with theoretical implications and practical recommendations for sustaining adaptive organisational cultures in the Indian FMCG context.

**Keywords:** Organisational Culture, Employee Behaviour, Hindustan Unilever Limited, FMCG, Schein, Hofstede, Handy, Motivation, Commitment, Work-Life Balance

## I. Introduction

Organisational culture has emerged as one of the most extensively studied and debated constructs in management scholarship over the past four decades. Since Deal and Kennedy (1982) first brought the concept to mainstream managerial attention, and Schein (1985) subsequently provided its most enduring theoretical articulation, scholars and practitioners alike have recognised that an organisation's culture — the shared values, beliefs, norms, and assumptions that govern collective behaviour — is among the most powerful predictors of organisational effectiveness, employee engagement, and sustainable competitive advantage.

In the Indian corporate landscape, the relationship between culture and performance has acquired particular significance. India's distinctive socio-cultural context, characterised by high power distance, collectivist social orientation, and a complex interplay of traditional and modern values (Hofstede, 1980; Sinha, 1990), creates both opportunities and challenges for organisations attempting to build and sustain high-performance cultures. Against this

backdrop, Hindustan Unilever Limited (HUL) stands out as a compelling subject of scholarly inquiry. As India's largest fast-moving consumer goods company by revenue and one of its most admired employers (Great Place to Work Institute, 2023), HUL has consistently demonstrated the capacity to maintain a distinctive, values-driven culture across a vast and diverse workforce.

This paper analyses HUL's organisational culture through the lens of established theoretical frameworks and empirically supported models, drawing exclusively on secondary sources — including HUL's corporate disclosures, Unilever's global reports, academic journal literature, and credible business databases. The objective is to provide a rigorous, evidence-based account of how HUL's culture is constituted and how it shapes employee behaviour, with implications for theory and practice.

## 1. Research Objectives

The study is guided by the following objectives: (i) to examine the nature and key characteristics of organisational culture at HUL through a secondary data lens;



(ii) to analyse how hul's culture influences employee motivation, satisfaction, commitment, and retention; (iii) to identify cultural strengths and areas requiring improvement; and (iv) to offer recommendations grounded in both theory and evidence.

## 2. Scope and Delimitations

The scope of this paper is confined to hul's indian operations and to the period 2015–2024, for which robust secondary data is available. The study does not undertake comparative analysis with competitor organisations, nor does it attempt to generalise beyond the fmcg sector without appropriate qualification.

## II. REVIEW OF LITERATURE

### 1. Theoretical Foundations of Organisational Culture

Organisational culture has been conceptualised and measured in a variety of ways across the scholarly literature. Schein (1985, 2010) remains the definitive theoretical reference point, defining culture as a pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration, and which is taught to new members as the correct way to perceive, think, and feel. Schein's three-level model — artefacts, espoused values, and basic underlying assumptions — provides a hierarchical framework that distinguishes between the observable and the deeply embedded dimensions of culture.

Hofstede's (1980, 2001) cultural dimensions theory introduced a more cross-nationally comparable framework, identifying power distance, individualism-collectivism, masculinity-femininity, and uncertainty avoidance as primary dimensions on which national and organisational cultures can be measured and compared. Subsequent extensions of the model added long-term orientation (hofstede & bond, 1988) and indulgence-restraint (hofstede, hofstede & minkov, 2010). Hofstede's work has been widely applied in the indian management context (bhatnagar, 2007; cappelli et al., 2010) And is directly relevant to understanding the cultural architecture of multinational subsidiaries such as hul.

Handy's (1978) typological framework, categorising cultures as power, role, task, or person types, provides a more practically oriented complement to schein and hofstede's dimensional models. Cameron and quinn's (1999) competing values framework (cvf), which locates

organisational cultures along the dimensions of flexibility versus stability and internal versus external orientation, has similarly been widely used in empirical studies of fmcg and manufacturing organisations. Denison's (1990) four-trait model — involvement, consistency, adaptability, and mission — has generated extensive empirical validation and is particularly well-suited to the present study's focus on the performance implications of culture.

### 2. Organisational Culture and Employee Behaviour

The link between organisational culture and employee behaviour is one of the most robustly supported relationships in the management literature. Kotter and heskett (1992) demonstrated through an eleven-year longitudinal study that companies with strong adaptive cultures outperformed their peers on revenue growth, employment growth, and stock price appreciation by a factor of approximately four. O'reilly and chatman's (1996) research on organisational socialisation and person-organisation fit established that employees who internalise their organisation's values exhibit higher levels of motivation, job satisfaction, and organisational commitment, and lower levels of voluntary turnover.

In the indian context, sinha (1990) drew attention to the nurturant-task leadership style as particularly effective in indian organisations, arguing that indian employees respond optimally to leaders who combine high-performance expectations with genuine personal care. Bhatnagar (2007) examined talent management in indian organisations and found culture to be the single most cited predictor of employee engagement. Kapoor (2018) extended this analysis specifically to the fmcg sector, finding that a combination of meritocracy, learning orientation, and collaborative work norms was the strongest predictor of employee commitment in indian fmcg companies. More recently, rao and chandrasekhara (2021) used structural equation modelling to demonstrate that organisational culture fully mediates the relationship between leadership style and employee performance in large indian corporations.

### 3. HUL in the Academic Literature

Hul has been studied extensively in the indian business literature, though much of this work is descriptive rather than analytically rigorous. Ramaswamy and ozcan (2018) examined hul's co-creation strategy and noted that the company's culture of customer-centricity extended inward to shape how employees were encouraged to innovate and take ownership. Mohan and lall (2019) analysed hul's talent



pipeline through the lens of human capital theory, finding that the company's leadership development infrastructure — particularly the general management programme — was a significant driver of long-term employee commitment. Puri (2020) specifically examined hul's diversity and inclusion initiatives, concluding that the company's gender diversity targets had materially improved perceptions of workplace fairness among female employees.

### III. ORGANISATIONAL CULTURE AT HUL: SECONDARY EVIDENCE

#### 1. Stated Cultural Values and Mission

Hul's cultural identity is rooted in unilever's global philosophy, most recently articulated through the 'unilever compass' strategy, which positions purpose, sustainability, and people development as the three pillars of long-term value creation (unilever, 2023). At the organisational level, hul articulates its culture around the code of business principles, which specifies commitments to integrity, respect for individuals, and excellence in all activities. These values are operationalised through the company's competency framework, known as the unilever leadership development (uld) framework, which defines expected behavioural standards at every level of the organisation (hul annual report, 2024).

Drawing on schein's (1985) model, it is possible to identify hul's cultural artefacts — including its open-plan office design philosophy, the winning with purpose internal communication campaign, and the extensive use of internal case study sharing — as visible manifestations of deeper espoused values around transparency, innovation, and collective achievement. The basic underlying assumptions that appear to drive hul's culture — that people perform best when challenged and supported simultaneously, that diversity enhances decision quality, and that sustainable business practices and commercial success are complementary rather than opposed — are consistent with denison's (1990) involvement and adaptability dimensions.

#### 2. Leadership Style and Employee Behaviour

The academic literature consistently identifies leadership as the primary carrier and sustainer of organisational culture (schein, 2010; bass & avolio, 1993). Hul's leadership philosophy, as evidenced in its annual reports and in academic case studies, emphasises transformational leadership — specifically the combination of inspirational motivation, intellectual stimulation, and individualised consideration that bass and avolio (1993) identified as the

hallmarks of transformational leaders. Hul's winning teams programme, which pairs emerging leaders with senior mentors and rotates them across functions and geographies, is designed explicitly to transmit cultural values through direct leadership modelling.

Rao and chandrasekhara (2021) found in their study of large indian corporates that transformational leadership positively and significantly predicted employee commitment, with organisational culture acting as a full mediator. This finding aligns with observational evidence from hul, where the strong emphasis on people-centric leadership development has been associated with above-average employee satisfaction scores in third-party assessments (great place to work institute, 2023; aon hewitt, 2022).

#### 3. Meritocracy and Performance Culture

Hul's performance management system, known internally as the performance development plan (pdp), is structured around annually negotiated objectives aligned to the company's business priorities, assessed against both 'what' (results) and 'how' (behavioural) dimensions. This dual-axis approach to performance assessment reflects the integration of values-based and results-based culture that kotter and heskett (1992) identified as the hallmark of high-performing adaptive cultures. The emphasis on the 'how' dimension is particularly significant in the indian context, where concerns about the instrumentalisation of performance management — reducing it to numbers without regard for means — are well-documented (sparrow & budhwar, 1997).

That said, perceptions of performance management fairness remain a complex and contested area in large organisations generally (budworth & mann, 2011). Research by whiting, podsakoff, and pierce (2008) demonstrated that perceived procedural justice in performance appraisal is more strongly predictive of employee commitment than distributive justice alone, suggesting that hul's ongoing investment in calibration processes and transparent promotion criteria is well-directed.

#### 4. Learning, Development, and Career Growth

The relationship between organisational investment in learning and development and employee motivation is well-established in human capital theory (becker, 1964) and in the motivation literature (herzberg, 1966). Hul's reputation as a premier learning organisation is supported by its consistent ranking among india's top employers for



career development (linkedin top companies, 2023) and by the academic case study literature (mohan & lall, 2019). The company's leadership development programmes — particularly the future leader programme (flp) and the general management programme (gmp) — are designed to create what senge (1990) termed a 'learning organisation', characterised by systems thinking, shared mental models, and a culture of continuous self-improvement.

Noe et al. (2017) Reviewed the impact of training and development on employee behaviour and found that perceived access to development opportunities was among the top three predictors of organisational commitment across industries and national contexts. Hul's record on this dimension appears to be strong, as evidenced by its retention of alumni who frequently cite learning opportunities as the primary reason for their long tenure at the company (mohan & lall, 2019).

### 5. Diversity, Inclusion, and Workplace Equity

Hul's diversity and inclusion agenda has been documented across its annual reports over the past decade, with specific targets set for gender representation at senior leadership levels, integration of persons with disabilities, and lgbtq+ inclusion. By 2023, hul reported that women constituted 44% of its managerial workforce, compared to an fmcg sector average of approximately 28% (hul annual report, 2024; nasscom, 2023). Puri (2020) found that hul's gender diversity initiatives had a measurable positive effect on perceptions of workplace fairness among female employees, consistent with the broader literature linking diversity practices to organisational justice perceptions (shore et al., 2018).

Thomas and ely (1996) distinguished between the discrimination-and-fairness paradigm and the learning-and-effectiveness paradigm of diversity, arguing that the latter — which positions diversity as a source of competitive advantage — produces more durable improvements in inclusion and performance. Hul's approach to diversity, which explicitly links workforce representation to innovation capability and market understanding, appears to be aligned with the learning-and-effectiveness paradigm.

### 6. Work-life balance and employee well-being

Work-life balance has emerged as a critical dimension of employer attractiveness in the post-pandemic period (kossek & lautsch, 2018). Hul has introduced a range of

well-being initiatives, including flexible working arrangements, mental health support through an employee assistance programme (eap), wellness benefits, and sabbatical policies. However, the fmcg sector is characterised by intense competitive pressure, significant travel requirements in sales and marketing roles, and demanding performance expectations that can militate against work-life balance in practice.

Greenhaus and beutell (1985) defined work-family conflict as a form of inter-role conflict in which role pressures from the work and family domains are mutually incompatible. Research by allen et al. (2000) Found that work-family conflict was significantly negatively associated with job satisfaction, organisational commitment, and intent to remain. For hul, which aspires to both high performance and high well-being, managing this tension productively — especially for employees in field-based or high-intensity roles — is a sustained strategic challenge.

## IV. DISCUSSION

### 1. Applying Schein's Model to HUL

When we look at hul through the lens of schein's (1985) three-level cultural model, a clear picture begins to emerge. The company's visible artefacts — open workspaces, merit-based promotion systems, diversity dashboards, and the way its leaders communicate through storytelling — all line up well with its stated values of transparency, inclusion, and excellence. This kind of alignment between what an organisation shows on the outside and what it says it stands for is, as schein argued, a sign of genuine cultural authenticity. That said, the deeper challenge lies in the gap between these espoused values and the basic underlying assumptions that quietly govern day-to-day behaviour. For instance, the unspoken belief that career advancement at hul might require sacrificing personal well-being is the kind of cultural tension that is hardest to see — and hardest to change.

### 2. Hofstede's dimensions and the indian context

India's high power distance score of 77 on hofstede's cultural scale reflects a deep-rooted tendency toward hierarchy and deference to authority. For hul, this creates a real structural challenge — one the company has had to work against deliberately through its meritocratic culture. On the other hand, india's relatively collectivist orientation (scoring 48 on the individualism scale) actually works in



hul's favour, given its team-based approach to work. The sense of group identity and shared responsibility that comes with collectivism can be a genuine asset. However, it also carries the risk of in-group bias creeping into performance assessments if managers are not careful. Hul's investment in cross-functional teams, peer recognition programmes, and upward feedback mechanisms all appear to be thoughtful responses to these underlying cultural dynamics.

### **3. Culture as Strategic Advantage**

Barney (1986), in his resource-based view of the firm, argued that an organisational culture can serve as a source of sustained competitive advantage — but only if it is valuable, rare, difficult to imitate, and cannot be easily substituted. Hul's culture, which has been shaped over nearly a century of operating in the indian market and blends global professional standards with deeply local understanding, appears to meet all four of these criteria. It is valuable — the culture's positive impact on employee motivation and retention is well-documented. It is rare — very few fmcg companies have managed to build a comparable employer brand in india. It is difficult to imitate — this kind of cultural depth is the result of decades of consistent investment and cannot be replicated overnight. And it is non-substitutable — the culture lives in the tacit knowledge, relationships, and everyday routines of hul's people in ways that no formal system or policy document can replace.

## **V. RECOMMENDATIONS**

### **1. Strengthening Work-Life Balance Structurally**

Hul's wellness initiatives are genuinely well-intentioned, but the evidence suggests they may not be enough on their own to counterbalance the structural intensity of working in the fmcg sector. To address this more effectively, hul should consider introducing workload auditing processes, redesigning roles where pressure has become unsustainable, and — perhaps most importantly — sending a clear signal that setting boundaries is not just acceptable but valued. The cultural shift required here goes deeper than policy: it means moving away from the implicit assumption that high performance demands constant availability, and toward a new norm where sustainable performance is understood to require deliberate rest and recovery.

### **2. Enhancing Performance Management Fairness**

Perceptions of unfairness in performance management can be damaging to morale, even when the actual outcomes are reasonable. Hul would benefit from further investment in

multi-rater feedback systems, structured calibration sessions for appraisers, and greater transparency around promotion criteria. The research by whiting et al. (2008) On procedural justice is relevant here — it reminds us that employees care as much about how decisions are made as they do about the decisions themselves. When the process feels fair, trust in the system grows, even when individual outcomes are disappointing.

### **3. Personalising Recognition**

Recognition works best when it feels real. Deci, koestner and ryan (1999) found that the motivational power of recognition is strongest when it is specific, timely, and genuinely felt — not when it comes through a standardised annual award. Hul should invest in building its managers' capability to recognise good work in the moment, as part of everyday leadership. Digital peer-recognition platforms could also play a useful role here, particularly in a culture that already values collaboration and team achievement.

### **4. Proactive Retention Management**

Retention is far easier to manage when it is treated as an ongoing conversation rather than a crisis response. Regular stay interviews, honest discussions about career paths, and personalised development plans for high-potential employees can make a significant difference. Hul already has strong talent management infrastructure in place.

## **VI. CONCLUSION**

This paper has explored the organisational culture at hindustan unilever limited and the ways in which it shapes employee behaviour, drawing on extensive secondary data and anchoring the analysis in well-established theoretical frameworks. What emerges is a picture of a company that has built something genuinely rare: a culture of considerable depth and consistency that motivates people, develops their potential, and keeps them engaged — through a combination of meritocracy, collaborative values, strong leadership development, and a sincere commitment to diversity and inclusion.

The two areas that need continued attention — work-life balance and performance management fairness — are not unique to hul. They reflect tensions that run through virtually every high-performance fmcg environment. But addressing them at hul will require more than new policies. Real progress will need cultural evolution at the level of the basic assumptions that quietly shape how people behave and what they believe is expected of them.



For scholars, this paper offers a theoretically grounded, evidence-based look at how culture and employee behaviour connect within one of india's most prominent organisations. For practitioners, it presents a concrete model of what it looks like when a large company genuinely tries to build a high-performance culture that also serves its people well. Longitudinal primary research into hul's evolving culture would be a valuable next step — one that could deepen our understanding of organisational culture in the indian context considerably.

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