

Cultivation of a Positive Workplace Culture—A Case Analysis of the Kimberly-Clark Corporation

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Abstract: This paper explores four value propositions aimed at strengthening a positive workplace culture at Kimberly-Clark Corporation. As a market leader in the global FMCG industry, Kimberly-Clark faces internal challenges such as micromanagement and favouritism. A positive workplace culture is critical to employee satisfaction, brand image and loyalty. Conversely, companies that fail to foster a positive work culture face both internal and external consequences. The article recommends implementing diversity and inclusion measures, ethical accountability, collaboration, and a focus on innovation and stability to strengthen a company's internal environment. These values can be achieved through clear codes of conduct, diversity training, corporate social responsibility initiatives, cross-functional teams, and innovative management strategies. By adopting these recommendations, Kimberly-Clark can foster a more positive workplace culture that benefits employees and the company.

1. Introduction

In the consumer goods industry, companies are experiencing rapid changes in customer behavior, especially with the increasing purchasing power of Gen Z. This shift requires companies to adapt to new market demands. Additionally, day-to-day business operations are impacted by phenomena such as the 'Great Resignation' and 'quiet quitting' ^[1] The 'Great Resignation' refers to the large number of employees leaving their jobs post-pandemic, seeking better opportunities or struggling to leave caretaking roles. 'Quiet quitting' describes employees who only do the minimum required, without extra effort ^[2].

Company values play a crucial role in navigating these changes. To appeal to Gen Z, who prioritize positive social and environmental impact, companies must align their values, beliefs, and practices with these expectations ^[3]. Internally, values alignment between a company and its employees can enhance job satisfaction, reduce turnover, improve teamwork, and foster a diverse, equitable, and inclusive workplace culture ^[4].

This report will explore the development and implementation of four values aimed at fostering a positive organizational culture at Kimberly-Clark, known for its global brands such as Huggies®, Kleenex®, and U by Kotex® ^[5].

2. About Kimberly-Clark

Kimberly-Clark is a leading global personal care and hygiene product manufacturer that is renowned for its innovative products and commitment to social responsibility.

During the pandemic, Kimberly-Clark accelerated production to meet the global demands for its product, and implemented a series of measures to protect the health and safety of its global employees^[6]. At the same time, Kimberly-Clark and its foundation pledged to donate more than 8 million USD to aid the global response and recovery from the pandemic^[7]. These initiatives demonstrate how Kimberly-Clark leverages its understanding of industry culture to adaptively respond to a global crisis and maintain the agility of its business operations.

However, while Kimberly-Clark has exhibited a strong ability to address external challenges, there is still room for improvement in addressing its internal workplace culture such as promoting diversity and inclusion, environmentalism and sustainability, and getting rid of micromanagement and favouritism within the company.

3. Industry Context

The Fast-Moving Consumer Goods (FMCG) industry has undergone significant transformation, especially in recent years^[8]. Businesses are challenged to be adaptive enough to cater to rapid changes in consumer demands, technological advancements, and market trends. Prominent players such as Procter & Gamble, Unilever, and Kimberly-Clark have established strong market positions in this industry, earning praise for their diversified product portfolios, global reach, and profound brand recognition^[9]. The table below shows the comparison of the company values adopted by FMCG market leaders. Comparing the organisational cultures of its competitors enables a more comprehensive understanding of Kimberly-Clark's position within the industry, and how the company can utilise its unique corporate culture to address industry challenges, trends, and demands.

Seeing from the table above, compared to its competitors, Kimberly-Clark puts an emphasis in the customers' experience not only through their product and services, but also through data privacy and security.

4. Building a Positive Culture

Building a positive corporate culture is essential for boosting employee satisfaction, productivity, and overall company success^[10]. Exemplary organizational cultures, such as those at Hilton and Patagonia^[11], demonstrate this impact. Hilton, named the Best Place to Work in the US in 2021, responded to pandemic challenges by partnering with leading companies to provide short-term jobs for employees in temporarily suspended hotels. They also developed a diversity, equity, and inclusion program and continued to support flexible work arrangements and mental health resources^[12]. Patagonia, committed to its core value of saving the planet, allocated 98% of its profits to environmental causes, offered long-term employees paid time off to volunteer, and provided onsite childcare and babysitting during business trips. This commitment to values has strengthened Patagonia's brand image and turned customers into brand advocates^[13].

5. The Consequences of a Negative Workplace Culture

A negative corporate culture can detrimentally impact a company's efficiency, employee satisfaction, and customer loyalty. In 2017, Uber was scrutinised for the issues of sexual harassment and discrimination that tainted its reputation. In 2022, a leak revealed that the company "flouted laws, duped police, exploited violence against drivers, and secretly lobbied governments,"^[14] exhibiting

severe moral deficiencies in Uber’s top management. The unveiling of the company’s corrupt moral conduct not only resulted in low employee morale and reduced efficiency, but also caused considerable employee attrition and dangerously damaged Uber's brand image [15]. Despite launching a half-billion USD marketing campaign as an effort to repair its brand image [16], in 2023 Uber is still facing criticism for increasing prices and squeezing drivers’ pay [17].

6. Recommendations for building a positive culture

The three examples demonstrate how corporate culture significantly impacts employee satisfaction, brand image, and customer loyalty [18].

A positive corporate culture not only aids in elevating employee satisfaction, but also effectively crafts a positive brand image and augments customer loyalty [19]. In contradiction, a negative corporate culture may adversely affect efficiency, employee satisfaction, and customer loyalty [20]. Therefore, organisations of all types should focus on nurturing a positive corporate culture during their developmental journey [21].

In the following section we will look at the values that could boost Kimberly-Clark’s positive workplace culture, and how the company could implement it [22].

6.1. Diversity and Inclusion

According to a GlobalData report, the gender diversity in Kimberly-Clark’s workforce is still very low. The report shows that the overall women representation in the global workforce between 2017-2021 does not exceed 30.9%, while women representation in management only saw a 2.7% increase between the same time period [23], with the highest rate being 36.5% in 2021. As for its racial diversity, 78% of the US workforce is dominated by the Caucasian in 2021, only 1% less than the previous year. African American only make up 12% of the workforce, while Hispanic and Asian each only make up 3% of the US workforce [24].

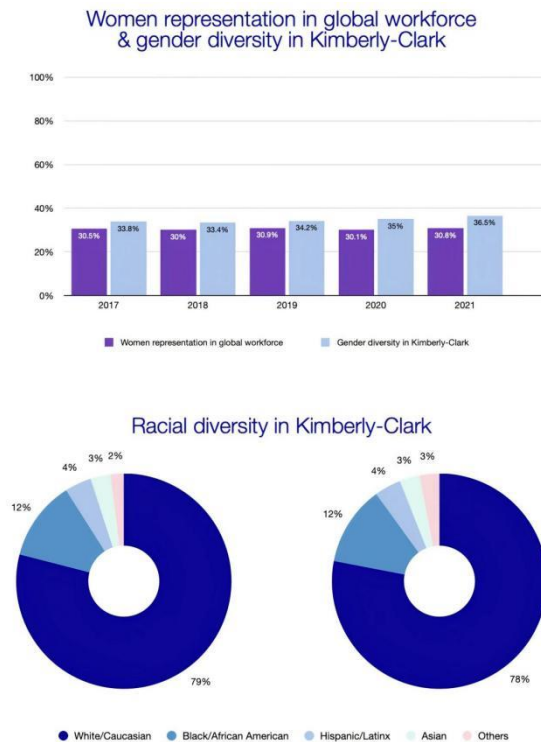


Figure 1: Women representation in global workforce & gender diversity in Kimberly-Clark

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6.2. Ethical Accountability

Kimberly-Clark's commitment to ethical practices strengthens its market position by fostering stakeholder trust and enhancing its brand image ^[33]. To address reputational challenges, the company can adopt and implement ethical accountability values and strategies while considering potential resistance and resource constraints ^[34]. To strengthen the company's corporate Social responsibility (CSR) initiatives, we can take the following steps: First, increasing investment in corporate social responsibility programs not only demonstrates the company's core values, but also improves market performance, enhances customer loyalty, and stimulates employee motivation and morale ^[35]. Secondly, we should actively promote sustainable practices, prioritizing sustainability in raw material procurement, energy consumption and manufacturing, which not only reflects the company's moral responsibility, but also contributes to the realization of long-term sustainable development goals ^[36]. Employee Education in Ethical Conduct: Educating employees on ethical conduct can cultivate a culture of responsibility and integrity, mitigating risks related to ethical misconduct ^[37].

6.3. Collaboration

In recent years, Kimberly-Clark has received complaints for micromanagement and favouritism based on political views ^[38]. The excessive scrutiny of micromanagement conveys the message that employees are not trustworthy to do their job correctly, hence poses a threat to their freedom and ultimately willingness to contribute valuable ideas and take ownership of their work. In addition to that, the practice of favouritism could unnecessarily limit employees from living up to their fullest potential at work.

These accusations indicate a lack of collaboration in the company's culture. Thus, Kimberly-Clark needs to incorporate the value of collaboration, which can positively influence employees' job satisfaction, creativity, loyalty, and productivity. Create cross-functional teams. Creating cross-functional teams across the departments can help to break down silos and promote collaboration

between diverse departments. Cross-functional teams facilitate management between departments, countering hierarchical structure shortcomings with collaborative teams. Kimberly-Clark can implement a policy for transparent communication that spans across all levels and branches of the organization. By doing so, the company stands a better chance of fostering mutual trust within the workplace, thereby avoiding potential crises and fostering collaborative relationships among employees, as emphasized by Stranzl, Ruppel, and Einwiller.

6.4. Innovation & Stability

In 2018, the UNI Global Alliance and the Industry Global Alliance accused Kimberly-Clark of disrespecting employees following its plan to cut over 5,000 jobs globally, citing declining birth rates in the US and South Korea as the reason. Layoff rumors can cause anxiety, lower morale, and decrease productivity, impacting the company's performance. To address these issues, Kimberly-Clark can implement the value of innovation and stability. To develop a Management Innovation Strategy, Kimberly-Clark can leverage data analysis to identify market changes and subsequently adapt its strategies accordingly. This approach will enhance operational efficiency and foster stability within the company, as suggested by Johnston. Furthermore, by investing in employee welfare initiatives, the company can significantly boost employee satisfaction, motivation, and productivity, while simultaneously reducing turnover rates, as emphasized by TCHC .

7. Conclusion

The importance of workplace culture has grown, driven by market demands for companies that champion noble causes and the increasing need for meaningful work. Successful companies like Hilton Hotels and Patagonia have achieved global recognition, employee loyalty, and brand advocacy. In contrast, failures in nurturing positive culture, as seen with Uber, have led to significant reputational damage.

Kimberly-Clark, recognized for its quality products and support for marginalized communities, must now focus on employee well-being. This report recommends implementing values of diversity and inclusion, ethical accountability, collaboration, and innovation & stability. By fostering a culture where employees find meaningfulness, Kimberly-Clark can enhance its commitment to creating a better world by starting with its own people.

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