

An Analysis of Henkel Day and its Effect on Organizational Commitment

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The Company

Henkel is a global company with subsidiaries in more than seventy-five different countries around the world (“Locations,” 2012). Henkel manufactures consumer goods in three product areas: adhesives and sealants, laundry and home care, and beauty care (“About Henkel,” 2012). Henkel is best known for brands around the world such as Loctite, Dial, Persil, Scharzkopf, Purex, Dixan, and others (“About Henkel,” 2012). As indicated by the number of countries that Henkel is located in, Henkel must manage a very large global presence. The company employs about 47,000 people (“About Henkel,” 2012); more than enough to sell out Angel Stadium (“Angel stadium,” 2012)! Henkel is headquartered in Germany; however, 80% of the employees work outside of Germany (“Company profile,” 2012). Henkel is also a relatively old company. It was founded in 1876 (“About Henkel,” 2012). Henkel has current visions of innovation and sustainability (“Henkel day centers,” 2012), and a rich history of expansion and growth (“Company history,” 2012). A recent example of this is Henkel’s acquisition of the Dial Corporation in 2004 and the planning, construction, and opening of the new North American Headquarters building in Scottsdale in 2009 (“The Dial,” 2006). Henkel has five company-wide values:

1. *We put our customers at the center of what we do.*
 2. *We value, challenge and reward our people.*
 3. *We drive excellent sustainable financial performance.*
 4. *We are committed to leadership in sustainability.*
 5. *We build our future on our family business foundation.*
- (“Vision and values,” 2011, p. 4)

Henkel wrote and disseminated these current values in late 2010 (“Henkel day builds,” 2010). As alluded to in value five, the current values seem to be in line with core values that preceded them. For example the 2009 Scottsdale building is LEED certified, indicating the type of

materials and energy use needs were taken into consideration for the new building (“Henkel Scottsdale,” 2010).

The Program, Policy, or Practice

Henkel appears to have a myriad of different company-wide practices that it enacts, however, one practice of particular interest that has been established as of late is Henkel Day. Henkel Day is on September twenty-sixth every year. September twenty-sixth, 1876 is the day that the company was founded (“Henkel day centers,” 2012). Each Henkel Day has a theme. In 2010, the theme was simply introducing the new company vision and values to employees (“Henkel day builds,” 2010). In 2011, the theme was making a difference (“Henkel day 2011,” 2011). This past September the theme was sustainability (“Henkel day centers,” 2012). On September 26th employees throughout the company participated in many different interactive activities (“Henkel day centers,” 2012). The purpose of the activities and the day is to educate employees about the company’s strategy (“Henkel day centers,” 2012). Specifically, the company plans to triple efficiency by 2030 and considers the strategy a team effort (“Henkel day centers,” 2012).

How the Program, Policy, or Practice Works

The practice of Henkel Day was enacted to communicate a three part message to employees with a two part goal (“Henkel day centers,” 2012). The messages that Henkel Day communicates are Henkel’s values, strategy, and, to a lesser extent, tagline, “Excellence is our passion” (“Henkel day centers,” 2012). The self-proclaimed goals of Henkel Day are to check for employees’ understanding of the company strategy and to provide feedback on the progress the company has made in executing its strategy (“Henkel day centers,” 2012). However, through the application of Organization Behavior, Henkel Day has a much larger impact on the company in

terms of individual outcomes for each employee. While intending to increase affective and normative commitment of its employees, Henkel Day could produce different outcomes across its different locations in the world. Local context and empathy may be left out of Henkel Day's top down message causing employees to feel cold about the practice. There is a risk that the perceived message of the five goals will replace "We" with "You will".

The specific messages that Henkel communicates on its anniversary to its employees play a part in organizational and individual mechanisms of the company. The company values and tagline help create an organizational culture. Also, the outlined company strategy is in line with goal setting theory and provides psychological empowerment and meaningfulness for each employee. Checking for an understanding of the strategy helps build a communal culture and providing feedback helps employees find satisfaction with the work they are doing as outlined by Job Characteristics Theory. Henkel carries the expectation that Henkel Day makes an impact on the job satisfaction, motivation, and organizational culture areas of organizational behavior.

The first and most obvious way to evaluate this practice is to look at Henkel Day's impact on organizational culture. Organizational Culture is defined as "the shared social knowledge within an organization regarding the rules, norms, and values that shape the attitudes and behaviors of its employees" (Colquitt, Lepine & Wesson, 2013, p. 518). The five values listed above are Henkel's espoused values, the specific philosophies that Henkel states its employees must abide by. In short, the values make the statement that Henkel values its customers, employees, and the idea of sustainability and through upholding these values Henkel can be a successful company. The sustainability value implies that employees must look to for ways to find solutions. Additionally, creativity is alluded to in the second value stating that employees are challenged. Together the values drive a specific culture of creativity. A company

tagline is often a catchy phrase that helps the consumer associate a company's line of products with an intangible concept, feeling, or emotion. Henkel's tagline seems to be crafted in such a way that it purposefully appeals to Henkel's customers and Henkel's employees. Henkel's tagline, "Excellence is our passion" ("Henkel day centers," 2012), encourages employees to do more than just meet their goals but to excel at what they are doing. At the very least, the tagline aims to create a general culture type that is communal, where everyone has a mindset of having a common goal and everyone works together to achieve it (Colquitt, Lepine & Wesson, 2013, p. 523).

This past Henkel Day, the goal outlined and communicated to all employees was very specific. As a company, Henkel will be three times more efficient by the year 2030 ("Henkel day centers," 2012). Henkel plans to achieve this goal through a focus on sustainability, or doing more with less. This goal lends Henkel Day to its influence in the individual mechanism of motivation in Organizational Behavior. One explanation of motivation for employees is Goal Setting Theory. This theory "views goals as the primary drivers of the intensity and persistence of effort" (Colquitt, Lepine & Wesson, 2013, p. 171) of employees. The 2030 sustainability goal is specific and difficult and in that respect should encourage employees to perform at their maximum levels. The second way in which Henkel Day influences motivation is through psychological empowerment. Specifically, a strategy of sustainability should contribute to the meaningfulness each employee attributes to their job (Colquitt, Lepine & Wesson, 2013, p. 181). Sustainability has more than just a societal goal; it has a goal that impacts the whole planet. In each employee's mind they can know they are impacting every other person in the world. This idea of meaningfulness applies across the concepts of motivation and job satisfaction.

Continuing with the idea of motivation, Henkel Day should influence employee job satisfaction. “Job satisfaction is the emotional state after appraising one’s job or job experiences.” (Colquitt, Lepine & Wesson, 2013, p. 96) A specific characteristic of the meaningfulness of work is significance. Because employees are reminded of the values and strategy of Henkel they can know that by being part of the organization they are significant and have a job that impacts society. Significance is part of the job characteristics theory and it falls under the core characteristic of satisfaction with the work itself (Colquitt, Lepine & Wesson, 2013, p. 104). Of the five core characteristics in Job Characteristics Theory, satisfaction with the work itself has the strongest correlation with overall job satisfaction. It has around a .5 magnitude in correlation (Colquitt, Lepine & Wesson, 2013, p. 101). While Henkel plans on providing feedback on the sustainability strategy to the organization every year, this feedback is not one of the core characteristics of Job Characteristics Theory. Feedback must be at the individual level and from the job itself (Colquitt, Lepine & Wesson, 2013, p. 105).

A critique of these intentions may indicate that, because of the top down and remote origin of each year’s Henkel Day message, resistance could undermine meaningfulness and resulting motivation. There are three specific challenges that Henkel Day faces. The first challenge is that Henkel is a global organization dealing with multiple cultures. Second, the message of Henkel Day may not be received in the same manner across all parts of the organization. Finally, employees may be able to repeat back what the message was for a particular year’s Henkel Day but this does not indicate the effectiveness of the yearly effort. If one is to look at the Henkel organization as a large team in the context of Henkel day, Henkel’s communication structure follows the wheel communication network structure (Colquitt, Lepine & Wesson, 2013, p. 393). The corporate strategy, messages, and values all flow from the

headquarters in Germany to Henkel's other locations throughout the globe. Henkel makes the situation more complex by following this communication network structure. Employees have a lower effectiveness in complex tasks and a lower member satisfaction (Colquitt, Lepine & Wesson, 2013, p. 393). The Information communicated is simply not as easy to understand. Because Henkel Day in a way is a top-down initiative, and is not communicated face-to-face, the information richness of the day is low. Information richness is defined as "the amount of depth of information that gets transmitted in a message" (Colquitt, Lepine & Wesson, 2013, p. 392). Context and emotion may be left out of Henkel Day's message making employees feel cold about the practice. Employees may be overexposed to the strategies, concepts, and values espoused on Henkel Day. This overexposure would create a sense of disdain for the company and a feeling of separation. Employees would expect management to understand that employees "got the message" after the first couple of times that it was relayed to them. Employees instead may see the practice of Henkel Day as a "publicity stunt" to try and earn positive public relations. This would cause the culture to become more fragmented than communal (Colquitt, Lepine & Wesson, 2013, p. 523).

Recommendations

It appears that the Internet is highly leveraged on Henkel Day as information is disseminated across the world and organization in a single day. To make Henkel Day more effective, I would suggest multiple videoconferences could be used. The globe would be divided up into several sections and then videoconferences would be initiated from Germany by the executive team members. This solution would make for a long day for Germany (almost twenty-four hours) however, different sections of the globe could partake in Henkel Day in solidarity. The subtle nuances of Henkel's leadership would hopefully come through in the

videoconference. Costs of these Henkel Day improvements would be expectantly low considering that it is only once a year.

Second, as Henkel tries to maintain a common corporate culture throughout the world, one needs to recognize that the social culture is different in the different areas of the world. As such, goals and strategies may remain the same but the context of the way in which the goals and strategies are explained need to be different for each culture. Trying to reach all employees with three single common messages would not be effective communication. The messages would be too generic and would not necessarily appeal to anybody, or so specific that a large portion of the employees may not fully grasp what Henkel Day is about. Specific supplemental materials should be developed in the context of the different cultural values of the countries for which they are going to be delivered. For example, if Henkel is communicating a long-term oriented goal on Henkel Day, management needs to provide the message in a short-term oriented context for countries like the United States and Russia (Colquitt, Lepine & Wesson, 2013, p. 287). To effectively do this those in charge of Henkel Day should work with regional and local leadership and incorporate local input so that the messages can be better interpreted in each region as they are meant to be. Follow up strategies could include local goals and actions that directly support Henkel values and the specific 2030 efficiency challenge. If local cultures are receptive, wide participation of employees should assure that ownership of the values is developed (Colquitt, Lepine & Wesson, 2013, p. 174). Periodic comparison of local results to the supporting goals should provide a sense of how each individual is contributing to the success of the global organization as a whole.

Henkel Day is a good practice for the company. It likely helps employees understand the organization's long-term goals and strategy and brings some amount of meaningfulness and

significance to the individual employee. However, the long-term effectiveness of Henkel Day, or the effectiveness for the 364 days between Henkel Days may be very hard to estimate. In a manner similar to teambuilding exercises on retreats, the performance of the company may not actually change much (Colquitt, Lepine & Wesson, 2013, p. 403). In line with the suggestion to customize messaging for each region, part of this customization should include the responsibilities of each group in each region that help play a part in achieving the world-wide goals.

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