


“HR Is a Journey That Never Stops”

Sylvie Nicol, Henkel Board
Member HR, Infrastructure
Services and Corporate
Sustainability, about Culture
Transformation,
Individuality, and
Time Attendance





Henkel is a global DAX company. Although the two business units, Adhesives Technology and Consumer Brands, are different, HR has defined its role identically: to ensure that the strategies are not only effective but also agile enough to adapt to the ever-changing landscape of work.

Last summer, you posted on LinkedIn that Henkel's "Cultural Transformation is in full swing". As we near the halfway mark of the year, is leadership still driving this transformation?

Sylvie Nicol It was clear to us that if we want to remain competitive in the future, we need to change as a company. That starts with culture, and ultimately with each individual. In this transformation leadership plays a crucial role, beginning with the very top. Our cultural initiatives are driven by our leadership team. In the end, it's about creating a sense of belonging among our teams, empowering the people, and fostering open dialogue and collaboration. The journey started already in 2019 when we introduced new Leadership Commitments globally, but for the past two to three years, we've been working intensively to accelerate this cultural journey. Sounds like a massive undertaking for nearly 48,000 employees working in over seventy countries worldwide across a variety of industries and regions. It is. But it's worth it. I've been with the company for over 25 years and, as many of my colleagues, I see the positive change. You can't achieve such a transformation with Powerpoint presentations, video messages, or poster campaigns. You need formats that enable genuine, personal exchange. And that is exactly what we've done, with concrete workshops, communication activities, discussions, trainings, and more. We've made significant progress, but we're not yet where we could be, so we believe we need to keep going.

What is the primary focus of your global transformation in 2024?

Nicol Last year we introduced a global initiative called ACT, Accelerate Cultural Transformation. In special workshops teams came together, reflected on past achievements, and identified new opportunities. This year, we are taking the next step with the second phase of ACT. The focus will be on fostering our feedback culture.

Are there any challenges in guiding people through this cultural transformation?

Nicol I firmly believe that there is no business transformation without cultural transformation. The first challenge of starting such a transformational journey is to identify the need for change. Then, to communicate and explain it. Further evolving our corporate culture at Henkel affects every individual, regardless of their position, and therein lies the greatest challenge. It's not about implementing a tool or process; it's about human behavior. That's why it's crucial to bring people along on this journey. And we must acknowledge and respect that not everyone wants to change. So we need open dialogue, active listening, and in the end concrete actions. This takes time, especially in large organizations with long traditions and a culture that has been developed over decades. But change is inevitable, and embracing it is both healthy and necessary.

Biggest Organizational Change in Decades

At the start of 2023, you merged Beauty Care and Laundry & Home Care into Consumer Brands. These were two distinct business units, each with its own traditions and workforce. Can you provide an update on the current situation? How many employees left Henkel as a result of the merger?

Nicol You raise an important topic. In the middle of our cultural transformation journey, we implemented what was likely the biggest organizational change at Henkel in decades. We merged our formerly two consumer units to one team. This merger is progressing very well and even faster than we had originally planned. We have implemented a new structure globally and it is operating for more than one year now. When you merge two major global units into one, there are inevitably overlapping roles. We previously had two sales directors, two marketing heads, and so on. Overall, around

2,000 positions worldwide were affected. We did our very best to treat all affected employees with a high sense of responsibility and respect, and to find as many socially acceptable solutions as possible. By end of last year we completed this chapter.

What actions has HR taken to integrate the two areas into one brand? And what is the current status of this transformation?

Nicol Honestly speaking, it was quite surprising to see just how different the culture was in the Laundry & Home Care compared to the Beauty Care unit. Despite "one Henkel" distinct cultural identities and leadership styles had developed over many decades. That's why such an internal change is much more than just a streamlining process. It's about the people, otherwise, you can't merge two teams into one to create something even better. Or else, colleagues will always feel that they only belong to one or the other. So far we've managed this transition very well. As HR, we have been very closely involved in the process from the beginning – not just being involved in the process as such, but also from a cultural and coaching perspective. Together with an external partner and with the leaders of this new unit, we conducted specific workshops with the teams, which have been quite personal and honest discussions. It was an important step to listen to the teams, to receive direct feedback and to understand the human challenges that came along with this change process. The feedback was extremely positive. Colleagues experienced it as truly eye-opening. To me, it once again showed that if we try to build high performing teams, we need to look beyond tasks and skills. It's about attitudes and a sense of belonging.

Henkel's culture emphasizes individuality. In 2022 you introduced a new Skill Management HR-Platform: How does the AI-driven skill matching between candidates and positions work?

Nicol As a global company, we need to navigate through so many shifts and chang-



Sylvie Nicol, 51, was appointed to the Henkel Management Board in April 2019. She is responsible for Human Resources, Infrastructure Services and Corporate Sustainability. Born in Paris, Sylvie Nicol graduated from the ESCP Europe Business School with an MBA. She began her Henkel career in 1996 as a Brand Marketing Manager in the Beauty Care business unit in France. In 2007, Nicol became Head of Key Account, followed by Sales Director in 2008 and Corporate Vice President and General Manager Beauty Care Retail in France in 2010. In 2013, Sylvie Nicol moved to Henkel's headquarters in Düsseldorf where she was responsible for Human Resources at the former Beauty Care unit. Only two years later she became Corporate Senior Vice President and took over business responsibility as Head of Beauty Care Retail in Europe as well as Global Sales at Beauty Care. At the beginning of 2018, Sylvie Nicol was promoted to Corporate Senior Vice President Global Human Resources, responsible for strategic HR topics as well as for HR in the regions.

es—social crises, wars, and political tensions, a fundamental digital transformation, or the rise of new work habits. To me it is essential that we're not just adapting to these changes but embrace, harness, and thrive in the midst of it. This requires a resilient organization. On top, we are facing an increasing demand for specialized expertise, especially in domains like IT, Supply Chain, digitalization, or data analytics. In this fast-changing environment we must equip our people with the right skillset and invest in continuous skill development. An innovative skill management is of strategic importance. This is not just about acquiring new skills but about fundamentally reshaping our approach to talent development.

This is a big project and undertaking, and we've only just begun. But I'm confident that it's the right path to achieve the overarching goal, namely, ensuring that employees have the necessary skills to meet both current and future business needs. It's about identifying talent and ultimately creating a workforce that is agile, adaptable, and capable of driving innovation and productivity. Matching employees to the right roles in such a big organization is quite challenging, and we for sure need digital solutions to support this. We developed an HR Talent Cloud platform, and we encourage our employees to create and continuously update their skills profiles. To create the skills profile, we also use Artificial Intelligence: AI applications suggest competences to our employees based on the respective digital CV and an assigned job profile from the existing "Global Job Archi-

ture" from Henkel. In a next step each participant obtains references or feedback on their individual profile, not only from their manager, but also from peers. In the mid to long term we can use this initial inventory of skills within Henkel to offer our employees targeted reskilling or upskilling. Thereby, we personalize the employee journey and drive personal development. The platform is the foundation to gradually connect all our HR touchpoints with skills, for example our talent management processes. I think this is the right approach: We offer a platform and the necessary tool support, but each employee must take action for themselves. Career is not something that happens to you. Everyone has to take part in shaping it. This, of course, requires continuous communication. It's something we're still working on.

Has the recruiting process become more efficient?

Nicol Yes, definitely. The digital inventory of skills supports the effective allocation of resources and creates greater transparency in personnel management. In recruiting the identified skills help in the search for suitable talent for vacant positions. Furthermore, we can tailor qualification and training measures to the individual needs and to the needs of Henkel.

Managing Solely from Headquarters Is not Feasible

Individual learning, feedback, development, and succession planning require many details and precise information.

How big is the team responsible for keeping this information current and accurate?

Nicol It's difficult to quantify this with a single number because in the end it's an interaction of various processes and HR teams. We have a global team dedicated to people development, talent management, leadership, and cultural transformation. This team develops global concepts and ensures a consistent rollout. Our HR business partners apply these global concepts to provide specific support and planning within the business units and functions. Additionally, we have teams in individual countries. Since Henkel employs people in over seventy countries, managing solely from our headquarters in Düsseldorf of course isn't feasible and not how it should be.

Does Henkel have an advantage over other companies with the platform? Has reporting and workforce planning improved since 2020? Can you give some examples?

Nicol Of course, that's why we've invested in this important project. We are about to start managing skills more actively and in a structured way, using state-of-the-art digital tools. Through the platform, we aim to visualize global skill status quo and better identify gaps. The processes behind are quite complex, and we are still working on connecting all the dots of HR work streams. But in the end, it's about something truly significant: identifying skill gaps, finding ways to fill these gaps – for example with people development or skill-based recruit-

ment –, and ultimately creating the most competitive and future-ready workforce and a resilient organization.

Are there countries where the HR Employee Journey doesn't work as seamlessly as expected?

Nicol No, there's no region or country that stands out significantly. At Henkel, we have the tremendous advantage of having centralized reporting lines across all functions directed to headquarters. This makes it easier for us to implement concepts in all regions.

Another step to transform organization in the global company is the launch Project "HarMoney", the harmonization of payroll and time attendance. Can you tell us more about this project?

Nicol The "HarMoney" project at Henkel is a global payroll and time attendance initiative. The ambitious goal is to consolidate over 150 disparate payroll and time-tracking systems into one global application. It sounds quite technical (and it is) but it's one of the biggest HR transformation projects in the recent years. We aim to streamline and transform how we manage HR globally at Henkel. Currently, the project is in the global implementation phase. Last year, we began implementing the new system in the USA, our biggest single market. With each successful rollout, we are not just implementing a new system, but we are moving closer to a more unified and efficient HR ecosystem, fostering collaboration and ensuring the organization's future readiness.

Family Still Holds the Majority

Merchant and entrepreneur Fritz Henkel developed his passion for chemistry as a child. He founded Henkel in 1876 and soon relocated it to Düsseldorf. The company's first brand success was Henkel's Bleich-Soda. Today, members of the Henkel family still hold the majority of the ordinary shares. Henkel has grown internationally, now offering consumer brands, from laundry and home care to hair care, including top brands like Persil, Pril, or Schwarzkopf. In its other business unit the company is global market leader for adhesives, sealants, and functional coatings for industrial customers as well as craftsmen and consumers (Pritt / Pattex). Approximately 48,000 employees from 124 different countries are working worldwide. In fiscal year 2023, Henkel reported sales of 21.5 billion euros and an operating profit of 2.6 billion euros.

Culture Transformation, Skill Management, Employer Branding, Payroll, and Time Attendance: How do you implement these various HR topics in the organization worldwide?

Nicol For our HR organization the triad between company strategy, central Centers of Expertise, and local teams is the ideal setup. At our headquarters we focus on developing HR initiatives that stem from the company's strategic growth agenda. We then share these concepts with our regional teams, who tailor them to fit local conditions. It's important to give regions and countries enough freedom and support during implementation. For instance, we develop global concepts and provide them with toolkits that can be adapted as needed. In my view, our global HR organization plays a key role as a bridge between global corporate strategy and communications, between local leadership teams and executives. This connection is essential for ensuring alignment and successful execution across the board.

Benefits That Genuinely Enhance Employees' Lives

Henkel has a tradition in Diversity, Equity, and Inclusion. This year you started with a gender-neutral parental leave program for all employees worldwide. Why did you decide that parents need eight weeks time off to care for their child?

Nicol First and foremost, we want to offer our employees around the world benefits that genuinely enhance their lives. In today's world, it's crucial for employers to go beyond just

providing "a job". Employees and job seekers want to work for companies that embody values they can relate to. Work-life balance, diversity, equity, and inclusion are especially important to the younger generation when selecting an employer. We believe our gender-neutral parental leave program, which offers up to eight weeks of fully paid time off for all new parents, is a major benefit for our employees globally. This program not only improves our reputation as an employer and helps us attract and retain talent, but we also believe it's the right thing to do.

Promoting equal opportunities for everyone in our company is crucial and deeply rooted in our culture. We've seen that many parental leave policies exclude certain family structures, like same-sex couples or single fathers. This lack of inclusivity was another reason we implemented our gender-neutral parental leave program – an initiative for all new parents at Henkel, regardless of gender or sexual orientation. This program is also an important step towards gender equality. Research shows that fathers who actively participate in childcare early on are more likely to take on a significant caregiving role later. We hope this initiative can help shift the narrative and contribute to a more equitable future in childcare. Ultimately, we aim to create a positive impact within our industry and society through this initiative.

In which countries are such initiatives especially important?

Nicol I believe this topic is relevant for all of us. Having a child is such a pivotal moment in a person's life. It's a wonderful experience, but it can also push us to our limits. That's why it's so important that we establish good conditions for parents. Of course, governments play a primary role here, but we as companies can and must also do something to help alleviate the pressure on parents. I'm originally from France and a mother of three sons. When I moved to Germany about ten years ago, it took me some time to grasp just how different the

situation is for working mothers here. The pressure they're under is immense.

Coming back to our parental leave initiative: In Germany, we already have a good basis with the fully paid maternity leave for mothers. Therefore, here the fathers will benefit particularly from the new initiative. The immense response to our announcement shows that in Germany the unequal care work is still intensively discussed and truly a "hot topic". On the one hand, I see that mothers who choose to return to work early are stigmatized. On the other hand, I see the problem that some fathers are not sufficiently engaged in caregiving. In France, it is quite common for both parents to be involved in childcare, and mothers return to their jobs early. The infrastructure and availability of childcare are much more employee friendly. Even though our global parental leave policy has been in preparation for many months and was decided independently of current political debates, we see that this initiative really hits the nail on the head.

Without wanting to overstate our influence, we hope we've been able to create a positive impact on society and the economy by inspiring other companies to take similar measures. Because we see that equal childcare and gender equality are challenges in many regions worldwide. Let me give you just one example. In the past, mothers in Japan received only two-thirds of their salary for eight weeks during parental leave. Now, Henkel tops this up to the full salary. Fathers in Japan had no opportunity for paid parental leave at all. They simply had to take vacation. In other regions, like in North America and Latin America, we already had implemented regulations that go beyond the global guidelines. We offer up to twelve weeks fully paid parental leave there. The feedback back then was fantastic, and the response to the global rollout of our eight-week parental leave guideline at the beginning of this year has been absolutely overwhelming. I am sure, this initiative will make a really big difference for Henkel.

Foundation for a Productive Work Culture

In Germany, there's a trend of returning to the office. Will Henkel be following suit, or are you planning to take a different approach from other companies?

Nicol In the summer of 2021, we developed our "Smart-Work" concept for all employees worldwide, which sets the foundation for a productive work culture and environment at Henkel. This approach blends remote and office work, allowing our teams to work flexibly. Of course, there are jobs that require on-site presence, such as in production. But roles that don't require full-time office presence can be done remotely for up to 40 percent of their time.

Each organization must find its own way of balancing this out, and I understand that some companies are moving towards requiring more office presence. For Henkel, a mix of remote and in-person work seems to be the right choice. It works very well and is highly appreciated by our people. We aim to create a cultural environment that meets the diverse needs of our employees and teams, allowing them greater flexibility and independence, regardless of location and time. But I am also confident that the workplace will continue to play a key role in our corporate culture. For instance, our cafeterias and open workspaces serve as vital hubs for employee interaction. That's why we've been actively renovating our spaces and transforming our cafeterias into inviting meeting places where colleagues can connect, network, and feel comfortable. We're developing new office concepts to promote teamwork, innovation, and creativity. This way, our employees can make the most of their time on-site, creating an inspiring work environment. We want our employees to naturally want to come to the office, not question whether they should. We want them to come in willingly and enthusiastically. But for that to happen, we need the right, attractive locations. It's an investment, but it will pay off!

So the main question is about remote work versus on-site work?

Nicol It's actually much more than offering employees to work from home or creating new office spaces. Smart Work is a holistic concept. It's also about improving the digital infrastructure in order to improve collaboration between global teams across borders or about providing employees with the best possible range of health and fitness offerings. We regularly inform our employees about our wide range of sports and health benefits through various formats. For example, our internal Global Health Campaign this year focuses on resilience. We have created events and activities to raise awareness among on how they can improve their mental health and stress management.

What's next? Where are we headed?

Nicol We have several initiatives in the pipeline. But it's not about constantly creating something new. Investing in our teams, in skills, in a more inclusive and fair working environment, or in the digitalization of HR processes is a long-term commitment. It is a journey that never stops. I am convinced that all of our efforts pay dividends in creating a resilient company culture, a collaborative team, and empowered employees. We are not doing this for ourselves – our role as HR is to enable the business by providing the support and resources needed for our people to succeed. That's why we're developing all our concepts in a cross-functional manner and in close alignment with our business goals. We try to ensure that our strategies are not only effective but also agile enough to adapt to the ever-changing landscape of work. This approach will help us to create an environment where innovation can flourish, and our employees can reach their full potential. At least, this is my ambition.

Interview: Ralf Steuer and Ruth Lemmer