

# RATIONALISE SUCCESSFULLY

for the individual, the company and the community

- > The individual acquires a quick and effective method for finding a new job.
- > The company can focus its resources on business operations and the future.
- > The community obtains increased flexibility on the labour market with the opportunity for effective structural changes.

This is the book that begins with one of Sweden's biggest staff reductions of all time and ends with a model for restructuring. A model jointly developed by companies and trade unions – where the company gains in reputation, the managers can continue to work with a go-ahead spirit, the Human Resources Division can support the managers, those who are to remain avoid having a guilty conscience and those who are retrenched receive professional help in finding a new means of support.

## The assignment

From 2001 to 2003 Ericsson retrenched more than 9 000 people in Sweden. Out of these, 7 436 chose to participate in competence renewal programmes.

During the corresponding time, Empower has implemented 9 competence renewal programmes on behalf of Ericsson, in 4 districts in the country, and has accepted a total of 2 743 participants in the programme.

### Competence renewal programme

A competence renewal programme is when a retrenched employee is offered the opportunity during his or her term of notice, possibly longer, to focus full time on seeking a new job, while at the same time having access to professional support, office premises and related tools.

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## > Before the storm

### How Ericsson takes decisions about using competence renewal programmes

It's the year 2001 and the IT bubble has just burst. The economy has taken a downturn and one of the worst affected sectors is telecommunications. Ericsson, the engine of Swedish industry during recent years, is about to contend with a receding market, a large fall-off in volumes and substantial losses. And corporate cuts will soon be a reality. They didn't know it at the time, but Sweden's biggest private employer was about to be faced with the task of retrenching just over 9 000 people – within two years.

## Corporate cuts are not something that can be done off-handedly

"We've chosen to offer competence renewal programmes to our redundant personnel for three reasons. The first is that it's a good way to find jobs for our retrenched colleagues. The second is that we can devote more time to those who remain. The third is that we, being Sweden's biggest private company, want to handle this with propriety. It's all about goodwill, about our image as a company and employer."

**"It's our ambition to beat our competitors – we can't do that if we devote all our energy to those who're leaving the company."**

**When Calle Leinar took up the post of Human Resources Director for Ericsson in Sweden in October 2001, the company was on the brink of dramatic changes, with deteriorating market conditions, losses and a fall-off in volumes. Ericsson was faced with the task of implementing one of the biggest corporate cuts in Swedish labour-market history. Altogether, over 9 000 people would be retrenched between 2001 and 2003. At the same time, those who were to remain needed to work even harder and smarter in order to get the company back on track.**

#### Proper competence for finding new jobs

It was an easy decision to employ the services of external suppliers in this situation. When we realised how many colleagues we were forced to retrench, we understood that we simply couldn't deal with it internally. Firstly, we didn't have enough staff for that. Secondly, we didn't have the proper competence. There weren't many who had experienced this type of restructuring. We were of course used to recruiting staff for an Ericsson undergoing expansion. Rationalisation was relatively new. And it's a full-time job, not something that can be done off-handedly. If you're going to face these colleagues in a tactful and dignified way and help them find a new means of support, it's essential that you have the proper competence.

#### More attention on those who are to remain

One big advantage of competence renewal programmes is also that we can focus on those employees who are to remain. It happens easily that all the attention is drawn to those who are on their way out. But the company has to survive, of course. And more than that, it's our ambition to beat our competitors, which we can't do if we devote all our energy to those who're leaving.

Being faced with massive corporate cuts affects the entire organisation. Many employees become frightened, with the result that there is no forward thinking or they don't dare to take decisions. Therefore, when it has been decided who has to go, it's vital to focus on those who are to remain, so that a vigorous organisation is quickly established again.

Not being retrenched is inadequate as a driving force. Managers and the Human Resources Division must work with a go-ahead spirit and make sure that these employees have a chance to get into their stride again. We must be specific about objectives, expectations and roles. To accomplish that, the managers need to be visible and active in the operation.

During previous restructuring initiatives on a smaller scale, we have allowed the retrenched staff to remain in their jobs during their term of notice. We have learnt that this drains the energy from those who are to remain. It becomes difficult to move on in the process – both for those who have been retrenched and the others. They are reminded of it every day, at every coffee and lunch break. By implementing competence renewal programmes, we achieve a more clear-cut conclusion for those who are leaving the company and at the same time create an opportunity for us to focus on those colleagues who remain.

### **A human resources policy that also works in adverse times**

Another important aspect for us is that our human resources policy is practical in adverse times as well. It's easy to write favourable texts and show attractive overhead pictures when things are going well, but it's considerably more difficult to live up to expectations during adversity.

Through our competence renewal programmes, we show retrenched colleagues that we are taking responsibility for the situation. This is also important for the employees who are to remain, in order for them to feel secure – that is, as secure as one can be in an unprofitable company. And then we have a third target group: those we'll be employing tomorrow – when there's an upswing. They will be the last ones to come into the picture and will wonder what will happen to them, if, contrary to expectations, we are forced to implement cuts again. By persevering and sticking to this model, we are demonstrating that this is what Ericsson does. It's our way of being a good employer – for those who are retrenched, for those who remain and for those who will apply to us for employment in the future.

### **Here's why Ericsson chose to implement their corporate cuts with external help:**

- Large volumes – didn't have the internal resources to deal with so many retrenchments
- Lack of proper competence. The Human Resources Division and the managers are experts on expansion, not rationalisation
- Wanted to demonstrate that their human resources policy also applies in adverse times
- Invested in their brand with a view to the future
- As Sweden's biggest private employer, great demands from the surrounding world

### **Ericsson's three advantages concerning competence renewal programmes:**

- Give the company the opportunity to focus its resources on business operations and the future
- Give the individual a quick and effective method for finding a new job
- Give the community proof that Ericsson is a long-term employer, prepared to shoulder its responsibilities

## The competence renewal programme has several advantages compared to other alternatives

“When we as a company need to rationalise, we want to do it in a way that has a rapid impact in the form of reduced costs. We also want to do it in such a way that we retain a business, an organisation and competence with the proper potential for further expansion of the company. And we want to help those people who have been retrenched to find a new job. Rationalising with the help of competence renewal programmes has been a good alternative for us.”

**“It’s important to create joint understanding of the situation and participation in solving the problem.”**

**Mats Andersson works as Chief Negotiator in the HR Division and is responsible for relations with the trade-union organisations. For a number of years he has been conducting negotiations with SIF (The Swedish Industrial Association), CF (The Swedish Association of Graduate Engineers) and Ledarna (The Swedish Foremen’s and Supervisors’ Association) about Ericsson’s rationalisation processes. He views competence renewal programmes as the result of long-term relationship building, a joint insight into the company’s situation and good co-operation between the company, trade unions and supplier. A journey during which all share the problem and no-one possesses the solution.**

### Faster negotiations and effective communication

The competence renewal programme has several advantages compared to other alternatives. We can speed up negotiations by creating a joint solution for those who are going to be retrenched. A solution that we can also put across effectively, so that everyone knows what applies. Since we’ve implemented several corporate cuts in various parts of the organisation, we’ve saved a lot of time through not having to negotiate every specific redundancy that has taken place.

Another advantage is that through the programme we help retrenched staff to find a new job quickly. It’s an advantage for the individual, who receives competent support in moving on, but also for us as a company, since by means of this assistance many people don’t need to make use of their double term of notice. By that, we also have the opportunity to reduce our costs.

### Joint problem-solving process

I believe a programme like this emerges gradually, as a result of previous experience and lessons learnt. It’s also the product of a joint problem-solving process between the company and the trade unions. We have held a dialogue about what has been good and bad in previous solutions, and discussed what can be done better. We have jointly reached agreement that the objective is to help the individuals swiftly in finding a new means of support, and the trade unions have participated in formulating the content of the programme. I consider that we have worked on this as a joint problem, with free and open discussions and no holds barred. I feel confident that the trade unions see it the same way.

## Internal success factors

Create a basic understanding within the organisation about why corporate cuts are taking place.

View the development of a competence renewal programme as a joint problem-solving process between the company and the trade-union organisations.

### What is necessary for negotiating successfully with the trade-union organisations?

Knowledge. Understanding the model for negotiation and knowing the rules within labour-market legislation.

Credibility. Being trusted by the trade-union organisations and having a firm footing in the business.

Respect. Showing respect for your counterpart, which is a basic code of conduct in all negotiations.

### What determined Ericsson’s choice of supplier?

Experience. Empower was able to demonstrate good results from previous programmes and was credible as a supplier of competence renewal programmes.

Good relations. A good relationship had been built up between Ericsson and Empower. That created a sense of confidence – that they could rely on one another even if all the details had not yet been worked out.

Ambition. Empower quickly rectified the shortcomings that Ericsson singled out and pro-actively worked on keeping the various parties at Ericsson informed whenever necessary

Resources. First-rate competence and the proper organisation for dealing with the assignment.

## You receive help in finding a new job, while at the same time you are relieved of your work commitments. It's a very sensible system.

"We were there right from the very beginning. We looked at how other companies had tackled this situation and what experience and points of view they had. After that we talked amongst ourselves, negotiated with the company and jointly found a way of working together. We secured an agreement that we think is a good one." Bo Persson, Union Chairman SIF.

**"I've had many discussions with members, during which I've recommended them to participate in the programme."**

**At Ericsson the trade unions have collaborated, both with each other and with management, in order to find a long-term and constructive solution for their members and for the company. The trade unions have been a driving force behind the competence renewal programmes and have participated in the choice of supplier and in formulating the programme content. And they think the result is a sensible and sustainable solution. Follow a discussion, below, between Metall (The Swedish Metal Workers' Union), Ledarna (The Swedish Foremen's and Supervisors' Association), SIF (The Swedish Industrial Association) and CF (The Swedish Association of Graduate Engineers).**

### The external supplier is an advertising spot on the labour market

I've had many discussions with members, during which I've recommended them to participate in the programme. You receive help in looking for jobs, while at the same time you're relieved of your job tasks during your term of notice, says Åke Svenmark from CF. Yes, and a number of people also need help in taking a step in any way, in gaining perception and starting all over, continues Ledarna's Jan-Erik Källström. Then we had many colleagues who had worked at Ericsson for a long time and perhaps hadn't applied for a job in 20 years. Just receiving help in drawing up a CV and preparing themselves for an interview is important at that time, is the opinion of SIF's Bo Persson. So there's definitely a need for support – it's quicker to get started. Bo Persson continues: We also realised that it would have to be a fairly big organisation that could deliver on this. There was never any talk about the Human Resources Division handling it internally, there just weren't enough resources for that. Of course one advantage in using an external party is also those external contacts, Åke Svenmark fills in. It's an advertising spot on the labour market, which other companies approach in order to recruit. Moreover, it was a condition on our part that the supplier should be able to deal with rehabilitation cases and those on long-term sick leave as well, states Eric Rynestad, Metall.

### A shared vision

In order to succeed with a project such as this, the company and trade unions must speak the same language. They must all be in agreement about the purpose of the programme. We negotiated a joint vision that both parties endorsed. In the negotiations we gained a hearing for virtually all our wishes, even if not everything was approved in detail, relates Eric Rynestad. And Jan-Erik Källström concludes: It's also important to remember that the will to find a solution has been there on the part of the trade unions, the company and the supplier the whole time."

## The advantages of competence renewal programmes compared to other alternative

	Advantages	Disadvantages
<b>LAS</b> (The Security of Employment Act) (In order of priority)	<ul style="list-style-type: none"> <li>+ Explicit, everyone knows what applies</li> <li>+ Total term of notice is reduced. Last employed = shortest period of employment</li> <li>+ Clear trade-union process, could reduce negotiation time</li> </ul>	<ul style="list-style-type: none"> <li>- Competence losses</li> <li>- Higher average age</li> <li>- Badwill amongst the target group the company would like to employ in future</li> <li>- Re-employment obligation</li> <li>- Employment-related costs during entire term of notice</li> </ul>
<b>Severance pay</b>	<ul style="list-style-type: none"> <li>+ During this period the individual's finances are secure (goodwill)</li> </ul>	<ul style="list-style-type: none"> <li>- No possibility for the employer to influence the cost</li> </ul>
<b>Negotiated pension plan</b>	<ul style="list-style-type: none"> <li>+ The individual has a financially secure future (goodwill)</li> <li>+ Explicit, everyone knows what applies</li> </ul>	<ul style="list-style-type: none"> <li>- Competence losses</li> <li>- The individual does not have the same opportunity for finding a new, active future as with competence renewal programmes</li> <li>- Establishes an expectation that the company will offer a negotiated pension plan in the future</li> <li>- Expensive</li> </ul>
<b>Competence renewal programme</b>	<ul style="list-style-type: none"> <li>+ Swift, new means of support reduces salary and other personnel-related costs</li> <li>+ Likelihood of finding new, attractive means of support increases</li> <li>+ Goodwill on labour market as potential employer</li> <li>+ Goodwill internally, survival strategies decrease</li> <li>+ Reassuring for trade unions, satisfactory future for member</li> <li>+ Clear</li> </ul>	<ul style="list-style-type: none"> <li>- Initially high start-up cost</li> <li>- Labour market's rules and institutions have not been adapted to make allowance for competence renewal programmes, i.e. the company has to pay for the same thing twice, partly in the form of payroll taxes and partly in the form of costs for the competence renewal programme.</li> </ul>

## > A COMPETENCE RENEWAL PROGRAMME IS BORN

### How Ericsson and Empower structure the programme in practice

Just think.

In a few weeks' time you're going to meet 500 people – on one and the same day.

Before then, you just have to fix a few things – such as office, computers, furniture, telephones.

And security passes for 500 people. Plus about 30 trained coaches, a squad of salespeople, a few administrators and an introduction programme for 500 people. Then, each and every one of them must be allocated a coach. They all have to be divided up into groups – quickly. You have to organise a range of courses with seminars and you have to communicate – with the participants, your own staff, the customer and other companies! And everything has to work like clockwork from Day 1.

In a few months' time everyone will have left you, and all that remains is to pack again – offices, computers, furniture and telephones.

## Objective-oriented collaboration

“When we started this, we never believed it would become such a big project. If we'd known from the beginning that several thousand participants would pass through the programme we would no doubt have planned it differently. But at the same time, this isn't the kind of project that can be planned in detail from the outset – it evolves. It's a way of working that suits me perfectly.”

**“The purpose of the project is to give the employees the best options for swiftly finding a new means of support.”**

**Elisabeth Armgarth is responsible for Ericsson's competence renewal programme in Sweden. Anders Hvarfner is project leader for one of Empower's competence renewal programmes. Customer and supplier, but also collaboration partners. By starting out from the needs of the moment and then actively working on modifications, they've found a way to work. And a joint model for a competence renewal programme, in which 7 436 people have participated up to now.**

### How it started

Elisabeth: “For me, it all started when I conducted a number of internal competence renewal programmes. It worked well since I had a widespread contact network within Ericsson and could draw benefit from that in getting people into new jobs. But after that, colleagues were really going to be retrenched, you see – and then I wasn't the right person for the job. I hadn't applied for a job since the 1970s and I didn't know what the external labour market was like. Since we didn't have that competence internally we decided to buy it.”

Anders: “I came into the picture as one of those from Empower's side who was responsible for selling the concept to Ericsson. I was part of the sales process, then I became project leader during the build-up phase, and finally operations manager.”

### How methodology became model

Elisabeth: “Empower and other suppliers have a methodology, which we quite simply favoured. Based on that and our needs, the model for Ericsson's competence renewal programme evolved. In one way it's all about a number of different programmes, but I actually view it as one long project with different phases. From Ericsson's side, the fact is that every negotiation flows into a programme. And prior to each negotiation phase, we work on improving the previous programme.”

Anders: "We've worked throughout on jointly solving whatever doesn't work well. In this type of collaboration, when it's not possible to do everything properly from the start, it's important that we swiftly draw attention to something that's wrong and make sure we correct it."

Elisabeth: "And since being put in charge of the competence renewal programmes in Sweden, I've worked on streamlining them and making sure that the programmes adhere to a certain structure throughout the country, so that we have a uniform model within Ericsson. It's good for the employees - then everyone knows what applies. It also makes it easier for us as the principal to set standards for the supplier and compare the results."

Anders: "If you check the programme, the content is based on a combination of individual coaching, group meetings, theme-based seminars and an active search for jobs that both the individual and the competence pusher work on. Around this there's an infrastructure of premises, telephony and IT. In addition, we have various systems and tools to facilitate effective work and communication. Well, it's like a workplace, quite simply, where the purpose of it is to give the employees the best options for swiftly finding a new means of support. As you know, this is the objective of all the programmes."

### On advance warning and retrenchments

Elisabeth: "In preparing for the retrenchments we work internally on training and informing our managers. That chiefly concerns the difficult dialogue, labour legislation and the Co-determination Agreement. We plan the entire retrenchment process and support the managers in its implementation. When advance warning has duly been served, Empower comes here to present the programme and its contents to our colleagues."

Anders: "After the individual retrenchment dialogues, all employees affected are offered an individual meeting with one of our coaches. This is when they can ask questions and form their own opinion about the programme. After that they're given time to think the matter over before taking a decision on whether to participate. In that way we can both provide a good basis for decision-making and develop accurate expectations."

Elisabeth: "According to the Co-determination Agreement, we say that potential participants must switch to the programme within two to three weeks of being retrenched, but in reality it often goes much quicker than that. They just have to finish up their job tasks, which in practice means that, in consultation with their manager, they transfer these to someone else."

## What's included in a competence renewal programme?

Infrastructure	Offices, IT, telephony
Organisation	Coaches, competence pushers, project leaders.
Methodology	The main thread, coaching
Training	Seminars, group meetings
Knowledge	About the labour market and the individual faced with changes
Experience	Coaching individuals to step into a new job, running competence renewal programmes

### Resources team for rehabilitation

It was important for Ericsson that the supplier could offer support to the retrenched staff who were on long-term sick leave or undergoing rehabilitation. The competence renewal programme includes special-resources teams that, for instance, have rehabilitation co-ordinators, support groups and agreements with occupational health services. With extra resources and know-how in this field, the competence renewal programmes have succeeded in coaching a large number of those on long-term sick leave who have been accepted into the programme, towards finding a new means of support.

## Developing a competence renewal programme

### Phase 1: Project planning. Finding a joint solution

Objectives. What objectives are to be achieved, measured and followed up?

Costs. Establish limits. Model for invoicing.

Co-ordination. Forum for co-ordination, management and further development.

Communication. Internal and external, before, during and after.

Process. Establish process from advance warning and retrenchment, to information and transition to the programme.

Method. Establish method and tuition style for the programme.

### Phase 2: Building. Building up a programme

Infrastructure. Find premises, create workstations, IT, telephony, databases.

Organisation. Employ and train coaches, competence pushers, project leaders, administrators.

Programme content. Draw up introductory training, work material, seminars.

Communication. Develop information tools, draw up written information, prepare verbal information.

### Phase 3: Operations. Initiating the programme

Preparatory dialogues.

Individual meetings with retrenched staff before they decide to join the programme.

Introduction for everyone starting out in the programme.

Individual dialogue with coach.

Each participant is allocated a personal coach, whom they meet every week.

Group meetings. Each participant becomes part of a bigger group, which meets every week.

Seminars. Regular seminars, e.g. about personal marketing, the labour market, etc.

Sales. Active canvassing of companies with recruiting needs, for the purpose of searching for interesting jobs for the participants.

Anders: "Then an important hand-over between us and Ericsson's Human Resources Division takes place. This concerns name lists, personal particulars, and the rules concerning what to do if we can't get in touch with any of the employees. There's a lot of footwork and skill involved in these contacts."

**"The more prepared the managers are, the quicker the employees will move forward in their process."**

### Management and coordination

Elisabeth: "From the purely formal aspect, our collaboration is governed by a group purchase agreement detailing the framework of the project and describing how Empower's various services are to be co-ordinated. The agreement also regulates how we make forecasts in order to adapt the resources according to the actual influx of participants."

Anders: "Much of the co-ordination is also handled by the Steering Group, which consists of representatives of Ericsson, the various trade unions and us. There we work partly on the formal aspects, such as resource planning and follow-up of objectives, but we also devote a good deal of energy to discussing the problems we encounter along the way and finding joint solutions in order to improve the programme. It's an informal and effective way of working, where all parties have the same information and share the responsibility."

Elisabeth: "We also have more operative contacts, where one of my colleagues meets the project leader every week. In that forum we solve the operative issues that surface during the week, plus matters concerning individuals, such as training courses."

Anders: "It's necessary to find a structure where you aren't dealing with individual cases on a comprehensive scale – that's not ethical. Individual cases can be discussed in smaller groups and don't come up for discussion in the Steering Group. We have also been given clear limits by Ericsson in order to enable us to take decisions on individual issues on the level at which these issues actually arise. This is to shorten the decision-making procedures, so that the individual doesn't need to wait too long for a decision."

### Joint lessons learnt

Anders: "Over time we've learnt how we can focus more on the individual, right from Day 1. Our ambition has always been to create individual programmes, but it took time to arrive at that point. That's partly because we deal with such big volumes. It's difficult to take care of each individual when 500 people walk through the door at the same time. Here the individual discussions before the programme starts have made a big difference, where each retrenched employee has the opportunity for a personal reception - before the programme gets underway."

## Organisation, management and co-ordination

### Organisation Competence renewal programme

Project Leaders  
Team Leaders  
Career coaches  
Competence Pushers

### Management and co-ordination

Purchase agreement

- Regulates the formal agreement between Ericsson and Empower.
- Describes the limits of the project and how Empower's deliveries are to be co-ordinated.
- Defines resources planning, business ratio plus quality and quantity objectives.

### Objectives

Quantitative:  
How many have secured new jobs, and within what time frame?

Qualitative:  
How satisfied are participants with the programme (measured through attitude surveys).

### Steering Group .

#### ..... consists of

Ericsson: Human Resources Director (principal), Project Leader (responsible for operations), Chief Negotiator  
Trade unions: Representatives from CF, Ledarna, Metall and SIF  
Empower: MD, Customer Liaison Officer, Project Leader,

#### .... has the task of:

- planning volumes and resources
- setting and following up objectives
- establishing guidelines and policies
- planning internal and external communications
- evaluating, influencing and modifying the programme according to needs, as they arise

#### ... meets

- every 4–6 weeks during the preliminary phase of the project
- every 6–8 weeks during the operational phase of the project
- when necessary, e.g. new warning of retrenchments being served, or major events taking place on the labour market.

### Executive Committee

#### ... consists of:

Ericsson: Operations Manager for the respective programmes

Empower: Project Leader

#### ... whose task is to

- plan daily operations
- solve operative problems
- handle individual cases

#### ... meets

- every week

### Workshops

Organised when the need arises, to solve a specific problem.

The applicable people from Ericsson, the trade unions and Empower convene, based on the nature of the issue.

Elisabeth: "And another important lesson concerns the length of the programme. It's essential to find the right balance between security and driving force. Too long could mean that participants get too comfortable and wait too long to start looking in earnest for a job; too short means that participants quite simply can't cope. Now we have a unified approach to this: that the length of the programme should be adapted to suit background, needs and competence."

**"We have become more explicit in our communication with both the employees and the managers."**

### Goals and transparency

Anders: "In preparing for such collaboration, I want to emphasise the importance of transparency and trust. This programme has been able to evolve because we've had such close contact. Throughout, we've dared to be receptive to creative solutions and have jointly made the necessary changes."

Elisabeth: "It's also important to have joint objectives, this is objective-oriented work. It pays off to invest time in formulating objectives and mutual guidelines. And when you do that, you also enter into questions about values and your outlook on people. If you share these, then it's much easier."

## Communication – 3 x 3 lessons learnt & advice

Communicating the right message to the right people at the right time has proven to be a deciding factor for a successful competence renewal programme. The biggest challenge is creating accurate expectations amongst all parties involved, thereby avoiding having to devote time and energy to adjusting expectations and solving conflicts, instead of searching for jobs. Proper communication and accurate expectations create the kind of working atmosphere necessary for an effective job search.

### Plan your communication

#### 1. Internal communication

What terms and conditions apply: money, time equipment?

What's included in the programme: coaching, seminars, group meetings, active job search?

How does the transition take place: when do you leave Ericsson, when do you start the programme, how do you receive your salary?

#### 2. External communication.

Why has Ericsson chosen to use competence renewal programmes?

#### 3. Preparedness

Work out a communication plan that covers who is allowed to say what to whom and how acute problems or media events are to be handled. Provide training!

### The most important improvements in communication

#### 1. The individual dialogue

All those retrenched are given an individual meeting with a coach before they take the decision to participate in the programme.

This provides the opportunity to ask questions and create their own impression of what the programme entails.

#### 2. Let the supplier provide information about the programme

Let the supplier provide information about the programme when communicating with the employees and those who have been retrenched. The supplier knows exactly what the programme looks like and what it contains, and has the best chance of creating accurate expectations.

#### 3. Introductory course at the start of the programme

Start the transition to the competence renewal programme with an introductory course. Go through the programme content, roles and responsibility, plus processes and tools.

### Project Leaders' tips for successful communication

#### 1. Communicate continually

Plan for a continual flow of information. In times of change, people can find it difficult to pay attention and absorb information. It's better to communicate on several occasions than to concentrate all dissemination of information on single occasions.

#### 2. Same message to everyone

Be meticulous about imparting the same message to the various parties, even if the information is formulated differently or is given on different occasions. Otherwise the risk of misunderstandings and conflicts will arise, for example between managers, staff and coaches. The same message lays the foundation for accurate expectations.

#### 3. Both written and verbal information

Disseminating written information within the organisation is not sufficient. The risk is that it will disappear in the general flow of information. Complement this method of information dissemination with meetings - in groups or individually. By all means use the supplier as the bearer of information.

## > YOU'VE BEEN RETRENCHED

### How manager and staff perceive retrenchment

#### Will it be your turn soon?

We are all living in times of change. Changes affect our lives, not least our working life. Gone are the days of job security in permanent employment covering decades, and rewards such as the gold watch. Now flexibility and rapid restructuring are key words. Shortage of work and retrenchments are something that happens at regular intervals. This brings about new roles, new job tasks and new experiences for both managers and staff.

Will it be your turn soon? Lying sleepless at night and planning for how you're going to retrench your colleagues. Weighing up one person against another. Carrying around secrets for months. Finally, looking your colleague in the eye and saying: "You've been retrenched."

Will it be your turn soon? Thinking about whether it'll be you or someone else. Keeping your eyes open and registering every little meeting at work. Thinking about the rent, the new car, the summer holiday you've planned with the kids. Weighing up your value on the labour market. Being called in for a dialogue, and hearing: "You've been retrenched."

You are not alone!

## Retrenchment affects everyone, not just those who have to leave

"It was hard to sleep that night...

The day before, I'd been informed about how the retrenchment dialogues should take place. That I should call in everyone, that there was no special sequence, that I should tell them directly during the dialogue whether they would be remaining or would have to leave. I had been on a course about this difficult dialogue. I was as prepared as anyone can be. But there's a difference between theory and practice. I tried to work out how I could do it from a human perspective, how I myself would like to be told I'd been retrenched."

**Sören Jonsson is Manager of the Ericsson Education Center Sweden. Over the past two years he's retrenched 55 colleagues, on two occasions and within two different departments. This is his story - about the manager's role in the event of corporate cuts, how to deal with colleagues who have been retrenched, how to work with a go-ahead spirit with those who are to remain –and on how all this affects one as a person.**

#### Anxiety prior to the retrenchment dialogue

Prior to the first corporate cuts I experienced acute moments of stress. I was anxious about the individual dialogue, all the secretiveness and my personal future. All this about having more information than others and having to be on your guard the whole time so as not to say anything amiss or create false expectations. It was difficult to work with a go-ahead spirit also. It wasn't possible to plan who would do what. If I gave someone a job task that stretched over a period of time, it could be interpreted to mean that that person would be remaining. And when colleagues wanted to go on leave, then I knew perhaps I'd be forced to tell them by phone that they'd been retrenched.

The dialogues actually went better than I'd expected. The staff who were told they would remain were clearly relieved. Those who were retrenched reacted in different ways. Many were mentally prepared, especially those who had been employed recently. Others wondered, "Why me?" and wanted explanations. After the dialogues, I had some colleagues who went back to their workstation and continued working as if nothing had happened, while others just packed up their things and left immediately.

### **The competence renewal programme is an element of security for me as a manager.**

Early on in the process we were told that all those who had been retrenched would be offered a so-called competence renewal programme. That was an element of security for me as a manager. I knew that there was a future for these colleagues, that they would be getting help from competent people to move on. That Ericsson as a company shouldered its responsibility – no-one needed to land up on the street. For me it was also a relief that responsibility for my retrenched colleagues was shifted away from me. Because even if people aren't at work during their term of notice, you're still responsible.

Another advantage of the programmes is that the retrenched staff are removed from the organisation. In principle, they finish up their work directly after the retrenchment dialogue. And that's important. It affects the entire surroundings if they remain behind. I can't be a good manager for everyone at the same time. A lot of energy is devoted to those who are going to be retrenched. Those who are to remain have to wait. Therefore it's a strategic decision to see to it that those who have been retrenched, leave the organisation as fast as possible. For all parties involved.

A challenge to work with a go-ahead spirit  
Working with a go-ahead spirit afterwards is difficult. It concerns directly planning your communication strategy and painting a new picture. My last retrenchment dialogues were in December. Then, prior to the Christmas holidays I had a Christmas dialogue with those who remained, and when they came back we presented the next round of information. But it's difficult. Many who have remained have to work through their grief, they've lost colleagues that they've worked with and liked. Communicating too early doesn't work – nor does waiting too long, either.

### **"The dialogues actually went better than I'd expected."**

Neither the money nor the resources are available to take care of those who remain. You have to build a team, a "we" feeling and a go-ahead spirit – but every krona hits both the managers and staff in the eye. But can we really afford that? If we have both a future and money, why were we forced to retrench people? Then you have to be creative and come up with ideas using limited funds.

### **No breathing space for the manager**

As a manager you have no mental breathing space. The restructuring from the corporate cuts process to the future vision is immediate. As a manager you don't know, either, whether you're also on the retrenchments list, which creates personal unease. The entire situation affects the family as well as the surroundings. You aren't as socially active, it feels as if you're somewhere else. Your own time is what disappears first – it's as if you yourself don't exist. In the end you have to have some time off, take a walk, watch good films.

## The Manager's responsibility

Information. Inform all staff about the retrenchments and how they will take place.

Selection. Who will remain and who will go?  
Negotiations with the trade unions.

The dialogue. Individual discussions with all staff, decision about whether each will remain or go.

Follow-up dialogue. A follow-up dialogue with all those who have been retrenched a few days after they have been informed of the decision.

Reference. Write a reference for all those who are leaving.

Information. Information focused on the future for those who are to remain.

## The Manager's advantages concerning competence renewal programmes

### Security

I know that those who have been retrenched have somewhere to go, that we are shouldering our responsibility as a company and that they will be met by a competent person who can help them further.

### Relief

That responsibility for the retrenched people and their process is removed from me.

### Future

It's easier for those of us who remain, we can work with a go-ahead spirit faster.

Get some rest, reflect and find inspiration. At the same time I've matured and learnt a lot during this period. I'm more secure as a manager and know that I can deal with the changes. I'm also more concerned about myself, I'm building relationships and working on extending my networks. I know you can't take anything for granted, but also that plain common sense goes a long way.

**"It's a strategic decision to ensure that those who have been retrenched, leave the organisation as quickly as possible."**

## Tips for other Managers

**Information:** At the beginning of the process, when you inform staff about the forthcoming retrenchments, it is important to provide clear and concrete information. We used a flow chart of the process to demonstrate where we were at any given time.

It would be best if you also have a date for the retrenchments, that's the most important thing for the staff. Often there are no definite dates, and these emerge during the process. Be explicit about what you don't know – it's honest and creates credibility.

**Mental preparedness:** Prepare all staff for what is about to take place. We presented the so-called crisis curve to demonstrate that we are all going through different phases in this process. Then it's easier to recognise both your own and others' signals in the future. And retrenchment affects everyone, not just those who have to leave.

**Clear limits.** Be extremely explicit about how the retrenchments are going to take place. We explained exactly what D-day would be like, that the Managers would hold a meeting at 9 a.m., that we would then call in the staff one by one, that they would not be called in in any special sequence, that each dialogue would take approximately half an hour and that we would hold a joint meeting at 3 p.m. Detailed information creates confidence in an uncertain situation.

**Be straight.** Start the dialogue by informing the staff member directly whether he or she is being retrenched or not. That's what the discussion is all about, and trying to soften the blow won't make it any easier.

Then go through what applies to those who are being retrenched, what they must make up their mind about, what they have to sign, etc. Book a follow-up meeting for a few days later.

## Worst of all was when all my colleagues disappeared

“Everyone knew something was going on. People talked, but you still didn’t want to believe it. On 26<sup>th</sup> January we were all assembled in a huge warehouse and told that 500 people would be retrenched.

That came as a shock. I rejected it, didn’t understand, or didn’t want to believe it was true. I thought: ‘I’ve been working here for six years so I’ll be allowed to stay until next time’. I was still quite positive, even when we were served warning of the forthcoming retrenchments.”

**“It felt natural to participate in the programme.”**

**After six years as an assembler and line manager, Gun-Britt Johansson was retrenched from Ericsson in Linköping. She had seen most of her colleagues disappear during the first round of corporate cuts. She remained for a few more months. Here she tells of the distress in parting from her colleagues, her worries about the future, but also about an environment that believed in her all the time and gave her an opportunity to grow.**

### The dialogue with the manager was both positive and negative

Worst of all was when all my colleagues disappeared. They received the news on 30<sup>th</sup> March and transferred to the competence renewal programme on 2<sup>nd</sup> April. When it became clear that there would be another round, I understood that I would be affected, but I didn’t know when.

There was talk about some having to leave in September, some in October and some in November or December. I was retrenched sometime before the summer holidays. The dialogue with the manager took about 15 minutes. It was both positive and negative, but I think he presented it very well. He said it was unfortunate that Ericsson was doing so badly and that we had lost our jobs, but he was still positive towards me. He said, “I’m not worried about you, Gun-Britt, everything will work out alright, you’ll get another job”. He made it somewhat positive, I gained a little self-esteem. He said it in a nice way.

### Help in finding a job

Participating in the programme felt good, bearing in mind I don’t have any formal education, and I saw an opportunity to get help in finding a new job. I was terrified by the thought of writing a CV and personal letters – I’d never sat in front of a computer before. Empower had visited and informed us about the programme. I went there and listened, but didn’t think much about it. I thought I’d wait and see what it was all about when I got there. But I remember we were given written information and that the project was presented positively, that we would be allocated a coach and learn to search for jobs. So it felt natural to participate.

### Surrounding support

On our last day on the job, we worked as normal, except I didn’t get much done that day. We had to hand in our security passes, overall and keys to the supervisor and then we stood there. I thought, ‘Well, that’s it, then!’. But it still hadn’t sunk in, it took another two weeks for me to understand I’d been retrenched. At the same time, I received a lot of support during that period, telephone calls from friends who wanted to show they cared about me. My husband and sons have also supported me. Everyone believed in me and that things would turn out alright.

## Crisis curve

An unexpected event that happens suddenly and has a great effect on our lives can trigger a crisis. Each individual handles their crisis in their own way, but the course of the crisis can most often be divided into four phases:



### The shock phase.

Lasts from a moment to several days. The person affected is “anaesthetised” by the inability to “take in” what’s happened and process it. Often the person can be outwardly calm and under control, but underneath the surface everything is in turmoil.

### The reaction phase.

Shock and reaction constitute the acute phases of the crisis and shouldn’t last longer than 4–6 weeks. The reaction phase starts when the person affected opens their eyes after trying to keep them shut and deny it. Feelings erupt. The question, why? is asked time and again.

### The processing phase.

The acute phase has been left behind once the processing phase starts. Processing often takes place over a long period of time. The individual turns to the future instead of the past. In order to move on, the individual may need expert help.

### The new orientation phase.

The last phase signifies full recovery. The individual lives with the past as a scar. It will always be there, but is not perceived as an obstacle. New interests have replaced what’s been lost, the damaged self-esteem has been rehabilitated, the disappointed hopes have been processed.

## > THE HUNT FOR A NEW JOB

How the employee receives help in finding a new job

### Recipe for a competence renewal programme

Ingredients:

500 participants

20 Coaches

12 Competence Salespersons

2 Administrators

300 computers

two networks

one database

one Internet tool

a pinch of group meetings

a few CV panels

a dose of workshops

60 seminars

5 company events

500 new jobs

## Plenty of activities and a coach who could lead me forwards

"I attended the entire programme, which was four months in my case. I was here regularly. It felt good to have somewhere to go – a fixed point in my life. I believe it's important to have a lot of things to book into your diary, so that you come here, so that you are here. Seminars, activities, company get-togethers – that there's a lot going on. Then of course they also hunt for jobs – jobs that only land up here, with us. So even if you can do a lot from home – and I was efficient at that on the days I was at home – more was accomplished when I was here."

**"I've become a pro at searching for jobs and writing applications."**

**Martin Ask started at Ericsson when working for his exams in February 1999. He was employed in September the same year as a Systems Engineer in a traffic dimensioning team at Ericsson Utvecklings AB (Ericsson Development Co.) in Älvsjö. It was his first job after passing his civil engineer exam at KTH (The Swedish Royal Institute of Technology). In June 2002 he was retrenched and chose to participate in the competence renewal programme.**

### A regular job-seeking day

I usually arrived here at about 9 a.m., to a certain extent depending on whether I was going to meet my coach that day, and when. Then I sat down and searched for jobs on the Internet via different channels. Had lunch with a colleague. In the afternoon I went back and continued searching for jobs. Sometimes I went to get some exercise – there's a really good gym nearby. In addition, we had group get-togethers every week. Then four coaches and their participants met and worked on various themes, such as practice interviews or presentation techniques. I participated in seminars, especially in the beginning, and then I attended all the company get-togethers. Then there were often four or five companies in a row that came to visit us.

### Concrete help with CV and sales letter

The most concrete help I've received was in writing a CV and sales letter. I would never have been able to do that before. I've become a pro at searching for jobs and writing applications. Maybe not a pro at being interviewed - you probably never become that - but reasonably good anyway. And then there's the cold telephone canvassing of companies. It isn't always fun, but you become good at that, too. Next time I'm unemployed I'll know what to do, and that's something you keep with you for the rest of your life.

## What does the employee get in a competence renewal programme?

### The competence renewal programme's four cornerstones

#### Active job search

All participants actively search for jobs themselves. To assist them they have computers, databases and competence salespersons, who actively hunt for recruitment assignments for the programme's participants by canvassing companies with recruitment needs.

#### Coaching

Participants have their own Career Coach, whose task is to coach the participant along the road to a new job. A personal action plan is worked out with the Coach, describing objectives, partial objectives and the activities required to achieve these.

#### Group meetings

The participant is also included in a group, which consists of several Coaches and their participants. The groups are combined so that the participants can benefit from each other's experiences. Every week group meetings are organised with various themes, such as practice interviews and presentation techniques.

#### Seminars

During the course of the programme, participants are offered the opportunity to participate in seminars about the labour market and actively search for jobs. These cover areas such as competence mapping and personal marketing, to recruiting and labour legislation.

### Distribution of activities during the course of the programme:



Competence mapping	My labour market	Personal marketing	Channels leading to new jobs	Practice interviews	Objectives & motivation	Job-seeker strategies
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#### The main thread

The competence renewal programme adheres to a basic structure, which is a recommended route to follow throughout the programme. The individual coaching, group meetings and seminars are based on supporting this so-called main thread, which consists of seven phases ranging from personal inventory to analysis of the surroundings and clear job-seeker strategies.

## Coaching is to empower

“Coaching is to carry a person forward in their own process. I do that by actively listening, asking questions and clarifying what I hear. I give feedback on what’s said, and not said, and help the individual to see opportunities and identify obstacles. My role also includes answering questions about applications and helping to find job sites. But pure coaching is about listening and asking questions – not talking about what I think, or delivering solutions and answers. Coaching is to empower.”

**“I don’t believe you have the same opportunity to move on in your process by yourself. It’s easy to get stuck in old ways of thinking.”**

**Eleonora Klang works as a career coach in the programme, and in this role has accompanied 60 participants on the road from retrenchment to a new means of support. And she’s met many more through seminars and group meetings, which the coaches organise jointly during the course of the programme. She sees herself as a sounding board, someone who helps the participants not to become stuck in their old ways of thinking and well-worn tracks. On the contrary, her task is to support the individual to find the best possible way of reaching their objective – a new job.**

### Important to have accurate expectations of the programme

Today the programme starts with a one-day introduction, during which we go through what the programme contains and try to create accurate expectations amongst the participants. For example, we discuss with what they receive help, the role of the coach, what their own responsibilities are, etc. They then receive training on the Internet-based tool we use. The participants are also allocated a personal coach, with whom they meet once a week for individual dialogues. Parallel to that, we quickly set up groups that also meet once a week, headed by one of the coaches. Then we often work on different subjects that are important for the participants, such as practice interviews.

### From mapping to strategy

We have a fundamental structure that is based on various themes and functions as a recommended route through the programme. We start by mapping the individual’s competence and labour market, continue with the personal marketing and conclude with various job-seeking strategies. Even the seminars we offer support this structure. We usually say that the basic training covers 8-10 weeks, then the active job search is intensified.

### Flexibility creates space for the individual

At the same time this is a programme that is based on the individual. It’s important to look at each individual, at what you personally need, what this can provide for you in particular. If one person needs to meet me more than once a week during a certain period, that’s alright. If every fortnight is sufficient, that’s also alright. If they’ve recently applied for jobs and know what they want to say in their applications, we can focus more on something else. By not making the activities compulsory and adapting the structure according to each person’s needs, of course it becomes an individual programme.

### I believe 100% that each participant can find a job

One of the most important factors for me is that everyone can find a job. When I believe 100% in a person, it characterises my way of coaching. Relating to each person as capable, responsible and adult. To trust. Those are the fundamental criteria for working as a coach, for becoming a good coach. Then you get to know each other and go through things together, both in adversity and prosperity. The relationships vary, depending on who I’m coaching. Sometimes it’s strictly professional and sometimes it becomes a little more. An important aspect is also to feel empathy and understand a person. You become a part of each other’s lives in some way. My job is incredibly intense, instructive and difficult. It has its tough periods, but at the same time it gives much pleasure.

The longer I work in this field, the more addicted to it I become, and the more I realise how much I still have to learn. Even when I have periods when it feels a bit burdensome, that feeling of wanting more is much stronger. And then I see that I do make a difference for the participants – that’s my reward!

## Inside the head of a career coach

### I know that everyone can succeed...

people who are given the right conditions, also have the courage and strength to succeed.

### I respect self-management...

each individual is responsible for their own life and their own decisions.

### I start with the individual...

wherever possible, all solutions should be adapted according to the participant’s needs.

### I have working life in focus...

it’s the individual’s working life that’s the core, and that’s what controls the work.

### I work neutrally and confidentially...

the coach is an objective sounding board who can be relied upon.

## Next time they're going to recruit, we'd like them to phone us first

"We're in contact with many companies, mostly for seeking good jobs for our participants. We also point out the advantage of using us as a recruitment channel. We can offer companies a sufficiently large number of good candidates for the job opening they need to fill, without them having to advertise or administrate applications. The companies save time and still have equally good results. And we don't charge!"

**"This wouldn't have worked if there hadn't been competent people here. These are fantastic people that Ericsson is retrenching, and I'm grateful for that. It makes my job easier."**

**Competence pusher is the job title on Anders Granholm's business card. His job? To market the programme's participants on the labour market. This means phoning up companies to search for vacant positions, selling the programme as an effective and cheap recruitment channel, plus matching the companies' needs to the programme's participants. A competence pusher also helps the participants with concrete advice and tips during the final phase of the job-seeking process.**

### An effective recruitment channel

We contact those companies we believe could benefit from us as a recruitment channel. Amongst other things, we order information from the Information Agency and receive lists of interesting companies. Then we ring up individually, several phone calls per day. Moreover, we have an activity every six weeks, when all the competence pushers sit together and make phone calls the whole day. We also contact those companies that are advertising vacant positions, but then we perhaps don't discuss the particular position that's been advertised. The most important thing is that we work proactively, so that they contact us the next time they're going to fill a vacant position.

### Company presentations facilitate personal relations

We also invite companies, who come to our premises and introduce themselves to a group of participants. The company holds a presentation, answers questions and then has the opportunity to speak to the participants or conduct interviews on the spot. In that way, both the company and the participants quickly form a relationship that's difficult to create over the phone. We also have activity days, when we bring in several companies simultaneously. It doesn't have to be just companies that need to recruit right now, but also those that we believe in or who have employed staff through us previously.

### Companies come back

Companies willingly come back to us and that's a good response. We have a broad mix of people, with different backgrounds and experience. And this wouldn't have worked if they hadn't been competent people – yes, they're fantastic people that Ericsson was forced to retrench, and I'm grateful for that. It makes my job easier, of course.

## The competence pusher creates added value

- 1 385 jobs advertised in the programme's database
  - 140 visits to companies potentially recruiting staff
  - 72 company presentations on the programme's premises
  - 1 700 phone calls to companies recruiting staff
- Statistics from Empower's competence renewal programme up to the end of March 2003.

### This is what the competence pusher does

- Actively searches for recruitment assignments for the programme's participants, by offering companies competent staff effectively and without cost.
- Helps participants with concrete advice and tips in the final phase of their job-seeking process.
- Arranges CV panels every week, at which two competence pushers give one participant their views on his/her CV.
- Holds seminars on the job-seeking process and the labour market.

### This how recruitment takes place

The company needing staff phones one of the programme's competence pushers. He/she describes the availability of the competence needed and offers three ways of recruitment:

**Advertising in the database.** You insert an advertisement, free of charge, in the database, which is available to everyone participating in the competence renewal programme. The candidates who are interested in your advertisement, and who meet your requirements, will contact you by mail.

**CV-matching.** You send your profile to the competence renewal programme's Competence Pusher. He/she searches via the database and career counsellors, and reverts to you with the CVs that match your requirements profile.

**Company presentation.** You come to the competence renewal programme's premises and give a short presentation of your company and your competence needs to the invited participants. Then you will have the opportunity to meet and interview those candidates you are interested in, if you wish.

## > AFTER THE STORM

What happened after?

### The calm after the storm

Changes can occur in different ways. Some are quick and shocking, others creep up slowly. Some affect us one by one, while others change the entire society we live in. What all changes have in common is that we change along with them. Change is also the basis for development. Certain changes are desired and we are happy about them. Other changes are uninvited and difficult to live with. We cannot choose our changes, but we can choose how we meet them. And in that choice there are seeds that could grow to reach maturity.

## I've learnt that I have a strong inner motivation

"I found a job, I reached my objective - and I'm satisfied with the job, as well! It feels as if it's a fun crowd I'm going to work with now, it's fairly mixed, both in age and gender. With plenty of scope - you can come up with ideas and suggestions. And I believe my job will be both exciting and a challenge. I'm extremely satisfied."

**"It was important to meet others in the same situation."**

**Liselotte Johansson participated in the competence renewal programme between 17<sup>th</sup> June and 25<sup>th</sup> November 2002. She is a business administration graduate and worked as a Product Marketing Manager in the mobile Internet division when she was retrenched. These are her thoughts in retrospect on the competence renewal programme. Read about what was good, what could be better, on lessons learnt - and about a new future at Ericsson.**

### The coach gave the most

The best thing about it was the contact with the coach. Having someone to pep you up and give support, and who you can bounce ideas off. That was extremely positive. Another important aspect was meeting others in the same situation. Talking to your fiancé or family is different compared to someone who's sitting in the same boat as you

are. They really know what you mean. I was also able to shape my own programme a bit, according to my needs. For example, I could choose which seminars I wanted to attend and when; if I wanted to just be at home and phone one day or sit in the programme's premises and write applications. There was freedom of choice.

### More company activities would be welcome

Personally I would have welcomed it if there'd been more company activities, such as lectures on different occupations, or educational visits. That's good if you're considering shifting your focus - changing career, quite simply. Then you need to know more about another field, what it entails, what a regular working day is like. I was leaning in that direction, but didn't want to stray too far away from marketing and communication. That's what I want to work with, and if there's one thing I've really learnt during this programme, it's that I have a strong inner motivation. I can easily motivate myself. It's a strength I didn't know I had.

### I could consider Ericsson again

I think Ericsson gave me a fine offer. It was actually an opportunity for me. Instead of just being retrenched and having the normal term of notice, why, I've received all possible support - such as the contact with my coach and being given access to premises, computers, Internet connections, telephones, etc. I think that's generous. Right now it's too turbulent for me to be able to be happy there, but I could certainly consider working there again. I think Ericsson is a good employer.

# We have achieved our joint objectives – to swiftly find new jobs for our employees

## The programme has advantages for all parties

The individual receives help in finding their way out of the trauma that the retrenchment entails, and assistance in quickly getting on their feet again and refocusing, is the opinion of Åke Svenmark of CF (The Swedish Association of Graduate Engineers). Moreover you broaden your views and learn practical things – you derive benefit from these months for the rest of your life, continues Eric Rynestad from Metall (The Swedish Metal Workers' Union).

For the company it was all negative when it started, but now there's a kind of positiveness, goodwill. The managers have also been strengthened in their roles. Great development has taken place within the difficult dialogue and other help forums, claims Jan-Erik Källström, Ledarna (The Swedish Foremen's and Supervisors' Association).

Then there's also a benefit for the community. Through these programmes we have carried on development in the community as well, and the community's view of restructuring has been improved. For example, the programmes attracted the attention of the Swedish Ministry for Industry, Employment and Communications and the county governor of Stockholm, and they took an active interest, concludes Bo Persson, SIF (The Swedish Industrial Association).

Trade-union representatives from CF, Ledarna, Metall and SIF

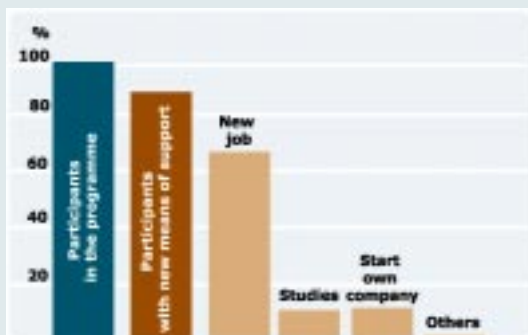
## It's all about Ericsson's brand name as an employer

We have worked hard at being perceived as a good employer amongst those who have been retrenched, those who remain and those who will join us in the future. And it's clear that we won't know for sure how well we have succeeded until we've gone quite a long way down the road. In our internal staff questionnaire we note that the employees' attitude to Ericsson has improved. I interpret that to mean they think the managers and Ericsson have done a good job. We are also highly rated amongst newly qualified Civil Engineers and Business Administration graduates, according to Företagsbarometern, Sweden's leading corporate benchmarking survey.

There are no short-term gains to be made from the competence renewal programmes. It's all about goodwill, about Ericsson's brand name as an employer – and above all, it's a good way to find jobs for our retrenched colleagues.

Calle Leinar, Human Resources Director

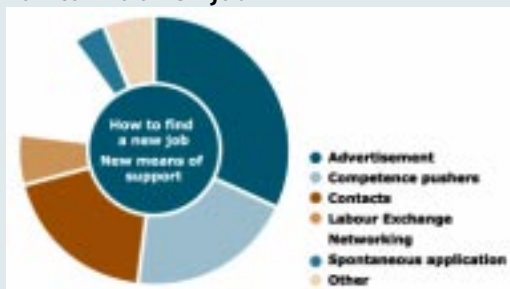
## What happened to the participants?



Between 85-92% do find a new means of support during the duration of the programme. 75% of these go to a new job. Industry and the public sector are the biggest labour markets.

Statistics from Empower's competence renewal programme up to the end of March 2003.

## How to find a new job



## To what lines of business/positions

- Staffing
- Building/Transport
- Sales/Finance
- IT/Telecom
- Pharmaceuticals/Health care
- Management
- Media
- Food/Services
- Teaching
- Service/Trade & Industry
- State/Municipality/Authorities
- Technology/Natural sciences
- Care

Gun-Britt Johansson now works as an assistant in the child-care system. Martin Ask is attending an export-sales training course at the Export Council and Liselotte Johansson is working as a customer-liasion advertising salesperson at the daily Nya Dagen newspaper.

## What happened with the objectives?

### Quantitative objectives:

88.5% of the participants found a new means of support within the duration of the programme.

### Qualitative objectives:

92.7% of the participants are satisfied with the programme.

Statistics from Empower's competence renewal programme up to the end of March 2003.

## What does the community think?

"The competence renewal project that Ericsson launched for their retrenched staff is probably the most substantial and extensive of its kind that has been carried out in this country. Ericsson's management had a sincere ambition to implement proper and effective measures for the people who were affected by the company's comprehensive corporate cuts. It's my understanding that up to now Ericsson has also taken reasonable responsibility for the staff who were retrenched in 2001 and 2002. This responsibility has stretched further than the rules and legislation provide for, but at the same time it is the result of negotiations with the trade-union organisations, and thereby came into being under the pressure that the trade unions, with their members' demands, have been able to exert."

From Hans Karlsson's report to the Swedish Ministry for Industry, Employment and Communications on Ericsson's restructuring work, 18/04/2002.

"Ericsson has shouldered its share of responsibility for the employees in a good way. Together with county labour boards, labour exchanges, and a trade-union movement that's stable and inclined towards development, agreements have been reached that have given the employees great flexibility and security.

Structure rationalisations, closures, corporate cuts and the transfer of operations do occur and are a part of reality. They cannot be stopped, but closures must take place under socially acceptable forms. The work with Ericsson demonstrates that this is possible and that it is a part of an open and healthy commercial climate," says Björn Rosengren (Minister for Industry, Employment and Communications 1999–2002).

Extract from press release by the Swedish Ministry for Industry, Employment and Communications 18/04/2002

## Are you interested in a competence renewal programme?

Ask these 3 questions before deciding about a competence renewal programme:

- Why do we want to implement a competence renewal programme?
- What objectives do we want to achieve through the programme?
- What resources are we prepared to invest?

6 items of advice before deciding about a competence renewal programme:

- Make sure everyone understands exactly what the retrenchments are all about. Only after understanding exists about why these retrenchments are taking place can energy be devoted to implementing them in a fitting way.
- Collaborate with the trade unions and supplier. View the competence renewal programme as a joint problem-solving process, then understanding and responsibility are shared.
- Prepare the managers. A properly motivated and implemented retrenchment process gives the staff the opportunity to move on quickly.
- Adapt the programme. Make sure the programme suits your staff and build in the option for individual adaptations.
- Constant improvements. Do not restrict the shape of the programme, but be receptive to continual improvements.
- Communicate, communicate... Communicate regularly and impart the same message to all parties, then you will create accurate expectations from the beginning.