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Corporate Social Responsibility at Skandia Sweden

with passion and commitment?

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Abstract

There is always a story waiting to be told. This is the story about the long and committed work with Corporate Social Responsibility (CSR) at Skandia Sweden.

CSR work at Skandia has touched many hearts within the company as well as outside, in other companies, in the Swedish society and in many individuals. Can such a story be forgotten? What were the arguments of yesterday that convinced stakeholders of the necessity to work with CSR and what are the arguments today?

The aim of this research is to further the understanding of the mechanisms involved when an organization decides to direct its focus on CSR issues. CSR efforts are carried out on a long-term basis, often in a turbulent business environment. Through interviews and theoretical analysis I have studied events in Skandia's history of social commitment since 1987. My own background as a former employee, together with the many dedicated employees of today as well as yesterday, comprises the backbone of this work.

Since Skandia's pioneering work in the area of CSR is unique in Sweden, I have chosen to write in English in order to share my findings with a wider readership.

Karin Greenberg, August 2009



Illustration 1: Skandia Diversity Policy (2001)

Acknowledgements

Writing this thesis has been a challenge. Combining it with my work in politics, I backtracked into the history of my employment. CSR was not just another task, but a personal commitment, above and beyond the commitment of the management.

First of all, my gratitude to all interviewees for sharing their time, thoughts and enthusiasm in making this work possible! Their valuable information and facts have greatly facilitated the task of gathering data.

I would also like to express my many thanks to my supervisor Vedran Omanovic, who has encouraged me to perform “beyond my limits” and has provided guidance and constructive criticism along the way.

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1. Introduction

Skandia has for a long time been one of the major players in the arena of Swedish business. The trademark is well established. With decades of good reputation for long term safety and stability, it was at the outset of this story the oldest company on the Stockholm Stock Exchange. I have not penetrated the story of how Skandia was formed, with all the mergers, over time in this thesis. I recommend the interested reader to read, aside from Annual Reports, *Ett sekel med Skandia* (Kuuse, Olsson, 2000) or *Bilderna berättar* Pictures Talk Skandia 1855-2005 (Erséus, 2005)

Being an insurance company with a long history, Skandia also had the traditional ingredients of the workplace, where women worked in the office and men were salespersons or managers. Therefore, Skandia gained a lot of attention and interest when it started to focus on change and how to become a company for future generations. Somewhere here, the work of CSR (Corporate Social Responsibility) started.

There is no official description showing just how this process was planned or executed. I have tried to piece together a picture of Skandia's history in order to broaden the discussion for CSR and leadership ethics and involvement, which I think is necessary. Therefore, I find it important to analyze and examine the following questions:

- How was CSR work carried out before and after the crisis in 2003--2004?
- Is the work with CSR at Skandia a commitment, or is it simply a way for Skandia to behave politically correctly?
- What are the conditions today that make it possible to reinvest in CSR? From which perspectives does the company intend to make a renewed commitment to CSR?

1.1 Definition of CSR¹

There are a number of terms that encompass the concept of Corporate Social Responsibility (CSR). Among them are Corporate Citizenship, Business Sustainability and Corporate Responsibility. In simple terms, CSR means that a company is responsible for providing more

¹ This definition is a summary of a number of sources, among them www.csvastsverige.se

than just profit for its shareholders; it has a role to play in the social, economic and environmental setting in which it is operating. Further, CSR involves management through diversity and equality among staff, as well as external operations such as an active concern for the environment, supporting local communities and philanthropy, fostering human rights, respecting cultural differences and promoting fair trade, etc. This is a voluntary approach whereby a company strives to have a positive impact on the community, culture and the environment. There are also legal obligations: In Sweden there are a number of laws to promote equality and to prevent discrimination on the basis of gender, age, ethnic origin, disability and sexual orientation. The expected outcome for a company or an organization working with CSR issues is an increased confidence in the trademark. It is often promoted by management and CSR project leaders as a win-win concept.

A company's commitment to CSR is reflected in the company concept, mission or vision.

1.2 Skandia – the company

Skandia was established in 1855 and was listed on the Stockholm Stock Exchange from 1863 to 2006. Skandia has been an international insurance company from the start, with operations in Europe, the Americas, Asia and Australia. Operations have always been in areas concerning long-term financial security and welfare. In 1999 Skandia separated business in long-term savings products from business in property and casualty insurance. Since then Skandia has developed to an insurance company working primarily with long-term savings products and is now describing itself as the world's leading provider of quality long-term savings solutions².

Since February 3rd 2006 Skandia is owned by Old Mutual plc, an international savings and wealth management company³. Skandia is active in over 20 countries on four continents. The core of the business is based in Europe with large markets in Great Britain and Sweden. Skandia is also active in Australia and in selected growth markets in Asia and Latin America.

² www.skandia.com accessed 090723

³ www.oldmutual.com, accessed 090723

1.2.1 Skandia's concept

During the time-span of events discussed in this thesis until 2003, the Skandia vision was revised a couple of times but tended to remain similar to the vision expressed in Annual Report 2002 as follows: "Skandia enables people to provide themselves with a lifetime of prosperity". The mission was: "Skandia creates unique skills around the world that allow us to provide the best financial solutions for our customers and enduring value for our shareholders. We build special relationships, engage the energy of our employees and transfer knowledge with pride."

This requires, according to Skandia, a breadth of expertise and extensive networks. But it also requires a set approach to the company's mission and work. This is expressed by Skandia's core values: Passion, Creativity, Contribution, Courage and Commitment. Relating to the headline of this thesis, Skandia expressed Commitment as "never deeper or more important than when it is long-term and constant." And, "Passion means having a conviction for why it is important."⁴



Illustration 2: Skandia's core values (2002)

Today, the business concept is discussed rather than vision and mission. Skandia's business concept is to offer products and services that meet customers' financial needs and security in various phases of life. "By concentrating on our core competencies – fund selection, concept development, and market support & service – we give our customers confidence, expertise, high quality and freedom of choice".⁵

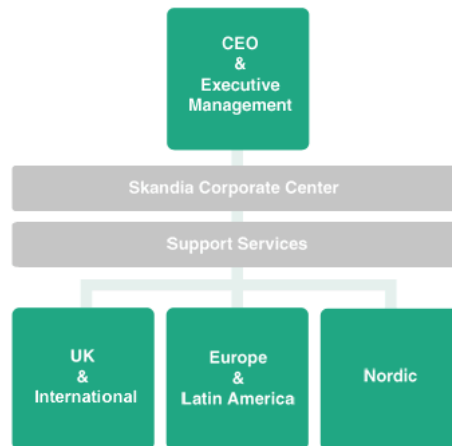
⁴ Skandia Annual Report 2002

⁵ www.skandia.com, accessed 090723

1.2.2 Organizational structure

Skandia's organization is structured around geographic units that provide proximity to the group's markets. Business, including market and product development, is predominantly conducted by these geographic units, which are designed to support, transfer knowledge and help the individual companies benefit from the group's combined economies of scale. The purpose of Support Services is to support the three divisions and Corporate Centre⁶.

Figure 1: Skandia Organizational structure (2009)



2. Theoretical framework

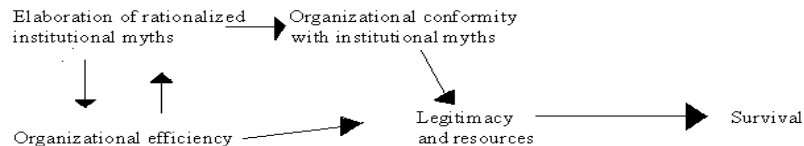
The main theory in my research is Meyer and Rowan (1977), which discusses how organizations strive to gain legitimacy in society. Meyer and Rowan states that organizational success depends on factors other than efficient coordination and control of production. In conventional theories, a rational, formal structure is assumed to be the most effective way to coordinate and control the complex relational networks involved in modern technical or work activities. Size, technology and division of labour need increased coordination, and since formally coordinated work has competitive advantages, organisations with rationalized formal structures tend to develop. Meyer and Rowan questions the established view that organizations succeed through efficiency alone.

Meyer and Rowan explains that organizations incorporate institutional rules to gain legitimacy. Organizations are primarily structured by the demands of technical production and

⁶ www.skandia.com, accessed 090723

exchange. Over time, organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work and institutionalized in society. Structures become isomorphic with the myths of the institutional environment and from ongoing activities. This is illustrated in the following figure:

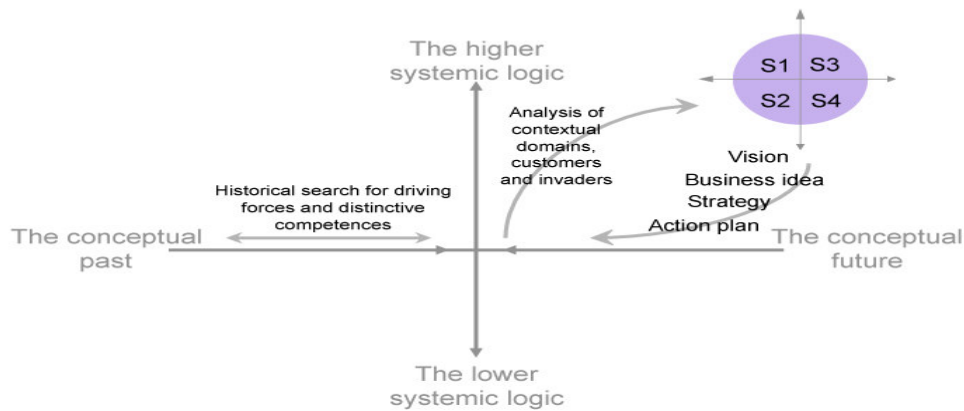
Figure 2: Organizational survival, Meyer and Rowan (1977)



This is further outlined by Alferoff and Knights (2007) stating: “Yet market and, even less, capitalist economies have not always existed or been so universally accepted as if they were merely institutionalized reflections of “human nature”. Their organizations and institutions are fully embedded in social life and cannot be seen as independent of society and politics nor, therefore, free of social responsibilities. It is unrealistic to think that corporations would rely entirely on the marketplace to secure their sustainability when government is continually intervening to change the economic conditions in which they operate”.

Being aware of the tendency to become isomorphic with the institutional rules in society as discussed by Meyer and Rowan, “The Crane” theory by Richard Normann (2001) urges management to keep an open mind when developing strategy. Normann explains how a business can reframe itself. He creates a model for decision-making to better manage an organization through using different scenarios, after having involved history, the current situation and business strategies, in order to reach “the conceptual future”.

Figure 3: The Crane, Richard Normann (2001)



Normann (2001) advises, in the analysis of his model for decision-making, the inclusion of questions like: What is the company saga? What constituted the historical and present formulae for success? Which are the historical archetypes, “heroes” and symbolic events that many refer to? How do they impact on today’s reality? How can you upframe the company value from the customer’s point of view? What will be considered a value-creating activity? How does the loss of market share compare with a loss value-creation, from the customer standpoint?

Normann also discusses “Prime Movers” as reconfigurers. They tend to envision a broader value-creating system (as opposed to technological innovations, new products or the simple exploitation of an economic imperfection) as the outcome of their strategy. The results tend to be boundary-breaking, redefining the roles of various economic actors (as well as excluding some and bringing in new ones) and setting new rules of the game. He gives some examples of prime movers such as IKEA, Apple and Tetrapak.

Others having influenced this thesis are:

Barney (1991) explores in his article how a firm’s unique resources can give sustained competitive advantage. He discusses the unique historical conditions and a firm’s ability to acquire and exploit resources, regarding for instance unique historical circumstances, the takeover of new management or the path a firm has followed throughout its history.

“When competitive advantage is based on social phenomena such as interpersonal relations, culture, reputation among suppliers and customers, it is hard to duplicate for competitors. Other firms may possess the same physical technology but only one of these firms may possess the social relations, culture, traditions etc to fully exploit this technology in implementing strategies”. (Barney 1991).

In order to further my understanding of the importance of leadership in this thesis, I have studied Eddy S W Ng’s article “Why organizations Choose to Manage Diversity? Toward a Leadership-Based Theoretical Framework” (2008). He discusses how CEO’s characteristics, values and leadership styles affect their commitment to managing diversity. He says that diversity practices affect employment outcomes for women and minorities. From an organizational perspective, workforce diversity, when effectively managed, can lead to more positive organizational climate for women and minorities which in turn benefits the organization. He argues that although institutional forces may pressure organizations to implement employment equity, organizational decision-makers exercise strategic choice in responding to these pressures.

Ng focuses on CEOs because they are significant actors in the choice of social policies and programs adopted and executed by the organization. CEOs bear the final authority and responsibility for setting and maintaining an organization’s strategic course. He refers further to the “Upper-Echelon Theory” which proposes that an organization is a reflection of its top executives and that CEO’s characteristics can be used to predict organizational outcomes. He makes four propositions:

A firm’s diversity practices are related to CEO’s

1. demographic characteristics. CEOs who are younger, female, a racial minority and better educated are more likely to lead firms with a greater number of diversity practices.
2. values. CEOs scoring higher on social and moral values are more likely to lead firms with a greater number of diversity practices than CEOs scoring higher on personal and competence values.
3. cognitive categorization of diversity. CEOs who hold positive beliefs about diversity are more likely to lead firms with a greater number of diversity practices than CEOs that hold negative beliefs.

4. leadership style. CEOs who display a transformational leadership style (or charismatic leadership, a process that motivates followers by appealing to higher ideals and moral values) are more likely to lead firms with a greater number of diversity practices than CEOs who display a transactional leadership style (based on bureaucratic authority and legitimate power in the firm). This relationship is mediated by the CEO's commitment to diversity.

Figure 4: Organizing Framework of the Institutional and Strategic Choice (CEO Commitment) Factors Affecting a Firm's Diversity Practices (Ng, 2008)



Ng also concludes that diversity management often requires long-term efforts and many of the benefits are not immediately realized. Therefore, the CEO's commitment is important for keeping the mental and financial support focused on diversity management for periods of years. He finishes his article by concluding "although CEO commitment is critical for the firm's management of diversity, no empirical evidence supports this notion." Could the findings of this thesis give some support to this notion?

3. Methodology

This study has concentrated on the work of corporate social responsibility in Skandia Sweden. Since Skandia at this time was an international insurance concern with its head office in Stockholm, it has given me unique opportunity to understand the internal workings of the company.

Data collection

The primary data was collected during the period February to May 2009 through interviews both in person and by telephone (with the exception of one interview in July). All the interviews are on tape and have been transcribed. Those quotes used in this study I have translated into English. All the interviewees have agreed to let their names be used. Certain questions were not posed, as the interviewees' roles varied.

The questions I prepared for the interviews were:

1. How did you become involved with Skandia and why?
2. What was your view, and understanding, of the work with CSR at Skandia?
3. Which people were involved in CSR work at Skandia? What was their role?
4. After the crisis in management 2003—2004, what were the consequences for CSR?
5. Why is Skandia making CSR a strategic issue again and from which perspective?
6. Do you think Skandia benefits by working with CSR in Sweden?
7. What are Skandia's strategic alliances?
8. What are the difficulties and opportunities in working with CSR now and in the future?

The interview questions were later compared to information from literature, internal documents and research on internet.

Evaluation of the methodology

This thesis is based on empirical research material toward a better understanding of the process of CSR at Skandia. The identification of the various initiatives on the part of key persons is vital for an understanding of the situation today. The process of interpretation and reflection is inspired by discussions concerning the qualitative research approach in Alvesson and Sköldbberg (2008).

The end result builds upon generalization of theoretic material, aiming to illuminate, understand and extrapolate to similar situations. It is done in a real-world setting. To ensure reliability in qualitative research, examination of credibility is crucial.

Validity and reliability⁷

Validity is the strength of our conclusions, inferences or propositions.

External validity refers to our ability to generalize the results of our study to other settings.

Can the results of CSR work at Skandia be generalized to other companies working with CSR? Skandia being a prime mover in CSR, I feel this must be the case. The validity is high since all the interviewees have agreed to share what they remember. Several of these individuals are now retired. Their stories have been decisive for the outcome, since the information at Skandia regarding the process of CSR is inadequate.

Reliability is the consistency of measurement, or the degree to which an instrument measures the same way each time it is used under the same conditions and with the same subjects, that is, repeatability. The reliability is high since the statements quoted are in most cases confirmed by several other interviewees. Some statements or quotes also confirmed by the documents.

Both interviews, literature and other documents confirm the actual process and the people involved. The observations and conclusions among the interviews were remarkably similar, though they have had no natural connection to each other. Some people are employed at Skandia today while others have left. They have had different durations of employment there, but their view of the scenarios was similar to those outside the company. Some of the events connected to the various CSR activities were well known, others not, but together they complete the picture which I attempt to present in this thesis.

According to consultants and theory, diversity management requires the support of upper management (Ng, 2008). The confidence which top management held at Skandia was important. But was management before the crisis 2003-2004 genuinely committed to the values explained in policies, presentations, books and other forums?

⁷ Most of what is discussed here is inspired by www.socialresearchmethods.net and www.nova.edu

If there had been a simple answer to this question, it would have been revealed at once. But in my search for a more complex answer I have delved into my own personal records and materials. This is because it is hard to find material covering the history of diversity and equality at the company. I have found factual information on internet. In order to describe the general picture of Skandia, and to interpret the findings as correctly as possible, I have interviewed key persons inside and outside the company. This affords a high level of credibility concerning the work in the past and today.

Table 1: Interviewees

| Position/title | Name | Years employed | Date and place of interview | pages |
|--|----------------------------|----------------|--|-------|
| Head of Public Affaires | Hans G Svensson | 2000-- | Feb 9, Stockholm March 10, Göteborg | 7 |
| HR director 1996--2004 | Torbjörn Ahlström | 1985--2004 | Feb 9, March 23, Stockholm | 9 |
| Secretary of the board, webmaster | Olga Vaculik | 1991--2007 | Feb 13, Stockholm | 3 |
| Head of HR Göteborg 1995--1999, Head of Gbg office 2000--2003 | Annika Owenmark | 1983--2003 | March 5, Göteborg | 5 |
| Sweden2000, Diversity Consultants 1996--- | Åsa Helg, Marthe Vakoufari | | March 11, Göteborg March 17, Stockholm | 12 |
| Equal "The Umbrella project", project manager 2002--2007 | Owe Ivarsson | | March 17, Stockholm | 7 |
| Skandia Ideas for Life, project manager, strategy and communication. | Malin Hagald | 2001-- | March 17, Stockholm | 5 |
| Swedish council for working life and social research, program dir | Kenneth Abrahamsson | | March 17, Stockholm | 1 |
| EU coordinator | Torsten Thunberg | | March 17, Stockholm | 1 |
| Head of Skandia Ideas for Life, | Alice Bah Kuhnke | 2000--2004 | March 17, Stockholm | 7 |
| Chariman of SACO union, Skandia Göteborg 2004-- | Erika Rapai | 2001-- | April 9, Göteborg | 6 |
| Skandia Customer Service Repr, Göteborg | Madeleine Elmersson | 1986-- | April 12, Göteborg April 14, | 2 |
| Skandia Ideas for Life, project manager, former coordinator | Ing-Britt Ekberg | 1970-- | Kungsbacka | 6 |
| HR business partner Göteborg | Ulla-Britt Svedlund | 1989-- | July 23, Göteborg | 1 |

My ambition in writing this thesis is that my reflections and conclusions will be regarded as both reliable and valid. The terms “handicapped”, “disabled” and “challenged” are used widely and interchangeably in the discourse of issues concerning people with disabilities today. Where the term equality is used this refers to gender equality i.e. the same opportunities for advancement, salaries, benefits etc, regardless of sex.

The various projects and programs mentioned in the following sections do not follow in chronological order but are rather organized on the basis of the nature of the specific programs. To provide a clearer picture of the history of these events I have provided a timeline, see Appendix 1.

4. Empirical findings

This section presents empirical findings, including interviews, printed material from Skandia handed out over the years, and material published on the internet or intranet. The empirical section is divided into two parallel developments, dealing with Ideas for Life and Human Resource Development respectively. These sections discuss the various activities and events during Skandia's recent history.

4.1 Skandia Ideas for Life

In 1986 there was a debate in Swedish society about the role of insurance companies, in connection with the increase in crimes, specifically violent crime and vandalism. Skandia management, with Björn Wolrath⁸ as CEO, sensed a need to improve Skandias image in order to gain increased confidence. Skandia was at this time an insurance company for property and casualty insurance, as well as for long term savings. Increased costs for the property and casualty unit, combined with lowered confidence, would threaten to harm business for the long term savings. In 1987, the management decided to start a project named Ideas for Life and in connection to this a foundation. The project and the foundation were given the responsibility to work for increased traffic safety and to lower the crime rate in the society. The purpose was to find ways to lower the rate of violence, property damage and vandalism and to promote safer traffic and home security. (Göthberg, Örtenberg 2002) "In the beginning I remember working at the Stockholm Water festival informing about traffic safety, we showed how air bags worked. We also became city night walkers" (Elmersson, 2009).

Until 1995 the department Ideas for Life lived a separate life from the rest of Skandia. At this time a new manager for the department was appointed, Jan Molin. Several of the interviewees in this thesis talk about him with great respect for his achievements. "Jan Molin took the work with Ideas for Life outside Stockholm, in order to involve the whole company in the whole country he appointed employees as ambassadors at all major workplaces with the assignment to establish long-term collaborations with municipalities and NGO:s" (Ekberg 2009). "I was given all kinds of support and Jan Molin involved me in the activities of Ideas for Life, a fantastic person!" (Bah Kuhnke, 2009). "In 1997 together with Jan Molin we

⁸ Employed at Skandia 1981—1997.

started “Starta vågen” a collaboration with the sport organizations. We started to take off in Sweden.” (Ekberg 2009).

Most Skandia employees were proud of Ideas for Life but were unaware of what it actually did. In a survey conducted in 1997⁹ this sentiment for Ideas for Life was manifested. 25 % of the respondents could not mention any organization that Skandia Ideas for Life was collaborating with. About 45% of the employees said they thought the internal information was insufficient, and no one felt the information was adequate. This being the case, the employees did not talk about Ideas for Life with each other and very few talked about Ideas for Life with customers.

In 1995 a new project started called *Med gemensamma krafter för barn i riskzon* (With United Efforts for Children at Risk). The aim of the project was to educate and influence attitudes among people working with children in the municipalities through seminars, educational materials etc.

Hans Svensson (from the police force), Kjell Lund and Bengt Hopstadius set the foundation early on in the work, collaborating with the police force, *BVC* (Child Health Centers) and social services. The purpose was to show the need for joint efforts to reach out to children at risk and to point out the long term effects of these efforts on the economy. They used short movies, popular songs such as *Under ytan* and *Sparvöga*. Thus Skandia positioned itself and created a widespread sentiment for the Skandia trademark which ultimately led to increased interest to buy our products”.(Ekberg, 2009).

In 1997 a study of this work was done by the market academy at Stockholm University¹⁰ showing there was a great interest among the many participants for meeting and discussing ways of collaborating in daily life. 39% of the participants made changes in their daily working lives after the seminars. The study also recommended that Skandia enlarge the project in order to reach out to more people. Many recognized the need to invite politicians to the seminars since it was harder to make major changes without their commitment.

⁹ Report: questionnaire, the attitude and knowledge of Ideas for Life among the employees of Skandia by Niklas Björkman, Johan Lindqvist and Anders Rynnel, University of Stockholm, 1997, ordered by Jan Molin

¹⁰ “En uppföljning av seminariet Med Gemensamma krafter för Barn i riskzon” by Evakarin Hernström, Johanna Nordberg and Linda Öhlund, Stockholm University 971217.

In 1997 when Skandia CEO Björn Wolrath resigned it caused a lot of concern since he was regarded as a protector for Ideas for Life. Despite apprehension, Lars-Eric Petersson¹¹, his successor, was supportive to Ideas for Life. (Göthberg, Örtenberg 2002).

Lars-Eric Petersson took the initiative for a TV-broadcasted gala at the Globe (arena in Stockholm). The Gala was held on June 1st, 1999 and was later referred to as the highlight of the work with Ideas for Life. (Vaculik, 2009). Fredrik Lindström and Alice Bah were conferenciers and 10,000 driving spirits from all over the country, were invited together with well-known artists and the Royal family for the benefit of the good forces in society.



Skandias Idéer för Livet har glädjen att inbjuda dig till Globen
den 1 juni kl 20.00 för att delta i manifestationen

Eld och lågor

om mod, människor och musik.

Tillsammans med 10.000 andra eldsjälur kommer du att vara med om
en helt unik manifestation och bland annat möta artisterna Uno Svenningsson, Carola,
Håkan Hagegård, Dilba, CajsasLisa, Petter, Kroumata och Cirkus Cirkör.

Värdar är Fredrik Lindström och Alice Bah.

En härlig kväll med högt tempo och många överraskningar.

Detta är första gången som Idéer för Livets ca 600 stipendiemottagare
och andra eldsjälur som kämpar mot våld och för ett vänligare samhälle möts.

Genom att närvara visar du att det är viktigt
att vi alla arbetar för ett tryggare samhälle.

Hjärtligt välkommen!

Biljetten hämtas på Skandias huvudkontor, Sveavägen 44.
Öppet måndag - fredag kl 10.30 - 20.00 under perioden 5 - 21 maj.
Tag med denna inbjudan!

Illustration 3: Ideas for Life's invitation to the Gala at the Globe (1999)

In 1999 the property and casualty part of Skandia was legally separated from Skandia, establishing the new insurance company *If...* This resulted in a new strategy for Skandia which aimed to become a global player not only in insurance, but also in long-term savings. The company was now established in fund programs and also had, *Skandiabanken*, a profitable and highly reputable bank in Sweden. As a result the business connection between Ideas for Life and the insurance company in the area of vandalism and criminality was gone when property and casualty no longer was part of the company. According to Jan Molin (Göthberg, Örtenberg 2002) there was a discussion about whether Ideas for Life would follow property and casualty to *If...* but CEO Lars-Eric Petersson did not want to let it go, feeling it

¹¹ Employed at Skandia 1993--2003

was so closely connected to the Skandia trademark. In 2000 this new situation was discussed and a major internal process started to find a new position for Ideas for Life.

Jan Molin resigned as manager for Ideas for Life in 1997 and was succeeded by Bertil Håård. “Bertil Håård stayed till 1999 and we had a gap in management for about a year until we got Alice. Jan Molin and Lars-Eric Petersson really wanted to recruit Alice, a media-trained person that could bring some glory to Ideas for Life” (Ekberg 2009).

4.1.2 Recruiting Alice Bah

Alice Bah, a celebrated TV-profile during the 1990s, was recruited to be the head of Skandia Ideas for Life in 2000. “The recruiting of Alice was a way to get external attention to these issues, a young, well-known face, with lots of ideas” (Svensson, 2009). Alice Bah (later married Kuhnke) remembers: “Around 1999 when I had finished my degree in political science, I decided to leave television and look for another career. I met a woman who worked as a consultant at Skandia and I told her about my ambition. Skandia’s department Ideas for Life was looking for a new manager, I had read about CSR and expressed my interest and enthusiasm for such an assignment. Then I was contacted by Ola Ramstedt¹² and we started to have a few meetings where he asked me about my ideas. I asked him what they wanted and he said “we want to develop Ideas for Life, we think there is a great potential in this. And so I got the job!” (2009)

Alice Bah Kuhnke soon became a popular and a strong leader for Ideas for Life. “When Alice came we documented everything about Ideas for Life and then we made the trademark strategy, the new Ambassador model, formulated our mission and made an internal program declaration where all our projects were outlined.” (Ekberg 2009). “They (Lars-Eric Petersson, Jan Molin and Hans G Svensson) were very open for new proposals. One idea I realized was to enlarge the Ambassador program and give every employee in the company the right to become an ambassador and set off some working time every month to work with any of our projects” (Bah Kuhnke 2009).

Alice worked diligently in marketing Ideas for Life to every employee and office in Skandia Sweden. “I really had to work hard, I called every manager; market managers, business area

¹² Employed at Skandia 1994—2003.

managers, everyone....and I went from northern to southern Sweden talking about our potential to make a difference in society and to develop the Skandia trademark. There were those who did not care but also people who took it seriously. This is a process that takes time.” (Bah Kuhnke 2009).

Not only was it a problem at Skandia to get everyone involved to see the benefits of diversity. The Swedish society in general has not yet embraced the idea of the benefits which also is discussed: “...these political sections may be problematic since they are/were presented as universally positive even though they had not yet gained broader acceptance by society.” (Omanovic, 2009).

In 2002 Alice took part in a short movie produced by GR, Göteborgsregionens kommunalförbund (the Region of Göteborg, made up of 13 municipalities). The 24-minute film was produced together with a number of other employers in the western part of Sweden. *Etnisk mångfald i arbetslivet*¹³ (Ethnic Diversity at the Workplace), as it was called, was later used in many conferences to spark discussion on diversity and the usefulness, and even the necessity, of hiring people with different competences and backgrounds.

In 2002 Skandia Ideas for Life took the lead in the Equal project Real Diversity which aimed at promoting competence in working life and to combat exclusion of young people. The partnership involved The National Council for Swedish Youth Organizations (LSU) the Swedish bank *Förenings sparbanken* (today the Swedbank) and the Swedish Integration Office. Here they developed a mentorship program. The purpose of the mentorship program was to inspire leaders of Skandia to become mentors for young immigrants.

By 2002, all Skandia employees had the option to work 2 hours of work time per month with Ideas for Life. 320 employees of approximately 2200 employees in Sweden became involved, working 640 hours per month, making a total of about 7680 hours per year or 19 weeks per year! (Ekberg 2009)

¹³ In the movie, the following persons participated: Andreas Carlgren, Integration Office; Joakim Palme, University of Stockholm; Jasenko Selimovic, City Theatre of Göteborg; Alice Bah, Skandia; Ronald Olausson, Tax and Revenues Service; Gill Widell, University of Göteborg; Stig Östebo, Partille municipality; Malin Nilsson, Ericsson AB; Steven R Armstrong, Volvo Car Corporation; Andres Guzman, Employment Agency; Lidija Beljic, Region Västra Götaland; Emad Salibi, Pizzeria San Antonio; Margarita Persson, The Borås Hospital; and David Batra, comedian.

In 2003 Skandia Ideas for Life had 350 ambassadors, activities in four countries, collaborated with *BRIS, Barnens rätt i samhället* (Childrens’s Rights in Society)¹⁴, *SISUS, Statens institute för särskilt utbildningsstöd* (The National Agency for Special Needs Education and Schools¹⁵), Parents on Patrol (city night walkers) and the Red Cross. A program for promoting school development (SPIRA) was also established . Alice Bah Kuhnke left Skandia 2004 and was succeeded by Bertil Håård.



Illustration 4: Alice Bah at Skandia Head office, Stockholm, October 25, 2001

4.2 Focusing on human resource development

In the beginning of the 1990s, CEO Björn Wolrath, together with some of his colleagues in the top management team foresaw that Skandia would be facing big changes within the insurance market. One step in preparing for the future was to get all employees and managers to be open-minded and willing to work in new ways, with new products to meet new competitors, and in new constellations: A Future Center could be an important step in building a new Skandia. “Turning the Future into an asset”, was the phrase coined by Björn Wolrath when the doors to Skandia Future Center opened in 1996. SFC was part of AFS in Skandia.¹⁶ Skandia Future Center was one of the world’s first development laboratories, designed to experiment with future organizations, work methods, environments and a meeting space for value-creating partnerships.¹⁷

¹⁴ www.bris.se, the goal of BRIS’s support services is to strengthen the rights of children and young people and improve their living conditions.

¹⁵ www.spsm.se

¹⁶ AFS stands for Assurance and Financial Services unit, CEO was Jan Carendi.

¹⁷ <http://openfutures.jdlinsweden.se/page110.php>

Here, Leif Edvinsson, member of the project team¹⁸ for SFC, developed the concept of "intellectual capital". He was rewarded the prize "Brain of the Year" by the British Brain Trust 1998 for his pioneering work concerning intellectual capital. In his role as manager for Intellectual Capital at Skandia, he took the initiative to the first public annual report focusing on the company's intellectual capital. Since then he has participated in the global development of leadership projects for intellectual capital in many countries.¹⁹

He had support from the Skandia CEO, which is evidenced by several presentations made by the company during the 1990s. A quote from Björn Wolrath states the importance of this work: "Our intellectual capital is at least as important as our financial capital in providing truly sustainable earnings".²⁰

"I was in contact with Leif Hansson, Skandia during the 1990s, we were part of a network called the Waxholm-group (Waxholm is the community where Skandia Future Center was situated). The network was made up of Telia, unions, government representatives, the Dublin Institute, universities... We met almost monthly for a couple of years for high-class seminars at Skandia Future Center with Leif Edvinsson. Very well-appreciated, but it stopped somewhere around the year 2000, I do not know why. Edvinsson was the Brain of the Year and was on the front page of 'The Economist', remembers Ivarsson (2009).

In 1997 BBC visited Skandia Future Center and produced a special Open University TV program on the theme "IC (Intellectual Capital) as the new wealth of Nations". The attention created goodwill and generated interest. By 1999 the SFC had had some 15000 visitors.

Skandia, with its early interest in human focus in organisational development, has an ongoing tradition of collaborating from time to time with Swedish universities. "The management of Skandia often discussed organizational development and went for yearly seminars to Lund held by MIL (Management in Lund)" (Ahlström 2009). At Gothenburg Research Institute (University of Göteborg), Professor Barbara Czarniawska was appointed a Skandia financed guest professor after spending the years 1990—1996 at Lund University. Professor

¹⁸ Members of the project team for SFC were: Ola Ramstedt, Leif Edvinsson, Ingrid Tidhult, Henrik Danckwardt and Bernt Johansson.

¹⁹ Since the year of 2000 Leif Edvinsson is Chairman of Honour at British Henley College, KM Forum and guest professor at university of Lund. In 2007 he was engaged in Hongkong Polytechnic University, <http://www.kks.se/templates/StandardPage.aspx?id=13536>

²⁰ <http://openfutures.jdlinsweden.se/page110.php>

Czarniawska is internationally reputable in organizational development²¹ and especially well-known for her theory about narratives in organizations. In October 2003, Professor Czarniawska held a lecture for the Skandia management in Stockholm. She discussed organizational change as a natural adjustment to the everyday small talk between employees which forms part of a company's culture. "Organizational change is like a background, like an orchestra to a dance, continuing everyday" she explained to her audience. (Skandia intranet 031117)

Skandia launched a new product in 1998, Competence Accounts²², a scheme whereby employees and their company jointly contribute to fund employees personal and professional skills development (Erséus, 2005). At the time, it was received with great interest from many companies. "In connection with the introduction in 1998 we got extensive publicity including television and many called us and wanted information on where to sign up their personnel", said the head of *Skandia Liv* in Göteborg. The Competence Accounts, according to Skandia, are a way of ensuring that the ongoing need for learning new competencies in the Swedish workforce will be met, realizing that the development of competence is crucial in the competitive market. It was a way to promote productivity, growth and work opportunities. (Johansson, Greenberg 2000). In 1999, 3500 individuals signed up for the Competence Accounts with Skandia. There were also agreements signed with about 20 companies, having about 30 000 employees altogether. (Crossroads 2000). "I have followed Skandias work with Competence Accounts as a concept. I think they have had a profile here early on" (Abrahamsson, 2009).

Skandia, developing a focus on universities in Sweden, hired Martin Morén from the Göteborg office to be responsible for these contacts. A paper called Crossroads was developed and distributed to students with topics geared toward this group. Skandia's ambition in doing so was to recruit both employees and customers among students.

Skandia also supported IC-Community for people from the academic and business worlds and invited students to participate at a reduced price. One issue of Crossroads encouraged readers to "Hurry to www.icvisions.com and give your intellectual contribution to better understand

²¹ Read more about Barbara Czarniawska at <http://www.hgu.gu.se/item.aspx?id=2678>

²² Competence accounts were mentioned in this paper is referred to as *kompetensförsäkring* literally translated as competence insurance.

the knowledge-intensive economy”. Skandia also granted an award of 20 000 SEK monthly to any person between 18-25 years of age who could present the best idea on “How to grow as a human being”. Skandia called it Greenhouse, www.skandia.se/greenhouse and had the slogan *Skandia – det är här det växer* (Skandia- this is where it grows).

In the year 2000, Know Net Work had appointed Skandia as one of the world’s leading companies in Knowledge Management for the third year in a row. Of 139 nominated companies, the 20 best companies got appointed “Most Admired Knowledge Enterprises”. Skandia was the first Swedish company to receive this prize. The motivation that year was that “Skandia has successfully established and kept a knowledge-intensive culture and successfully maximized the value of the companys intellectual capital (Crossroads, 2000).

4.2.1 Sverige 2000

Skandia got involved in an important strategic activity in Sweden during the 1990s which had its start as early as 1993 at the Council of Europe where the members decided to take national initiatives to start working against discrimination, rasism and anti-semitism among young people.

In Sweden the civil department of the government was granted the responsibility to find ways of starting a public opinion work directed toward engaging young people. In 1994 a strategy was taken to start a workplace project to reduce unemployment among young people before the millenium (year 2000). They started by finding opinion leaders to participate. A group of 20 people was regarded as sufficient, consisting of 10 participants from the public sector and 10 participants from the private sector. Among the 10 leaders from the private sector were Sören Gyll (Volvo), Björn Svedberg (SEB) and Björn Wolrath (Skandia).



Illustration 5: Sweden 2000 (1996)

In January 1995, this group of 20 leaders was invited to Rosenbad (The Government). After several meetings, an action programme was agreed upon and Volvo initiated the idea of creating a competence center for working with diversity in the workplace. A manifest was taken saying “We, members of the Sweden 2000-group declare we will personally work for a new and positive climate in the Swedish society”. The association *Sverige 2000* (Sweden

2000) was formally established on February 22, 1996 with 23 members from the private and public sectors. The first board chose Björn Wolrath as chairman²³. Another board was elected for the competence center named *Sverige 2000-institutet* (The Sweden 2000 Institute) which choose Björn Eriksson as a chairman. In August 1996 the activities started at the Sweden 2000-institute (Berättelsen om Sverige 2000, 2001).

The growing diversity of Sweden's population as well as its ageing meant that large employers such as Skandia needed to look at the demographics of its own workforce - not only to ensure that it has sufficient numbers of people to carry on its business, but also to ensure adequate international competence among its staff in a quickly globalizing world. (Voices 2002).

“I was appointed head of HR Skandia branch in Göteborg 1995 and the following year I started to get a lot of mail coming to me about Sweden 2000”, remembers Owenmark (2009) and continues “so I finally picked up the phone and called the CEO Björn Wolrath to ask him what this was all about and why did we not do anything? Two days later he came to Göteborg to meet me, being very excited about my interest for these issues. We met with Åsa Helg, from Sweden 2000, and spent a whole day discussing diversity and economic gain.”

This meeting is also recalled by Åsa Helg (2009): “I remember my meeting with Björn Wolrath and Annika Owenmark clearly because it was held in the beginning of our work with Sweden 2000 and I was impressed by the personal commitment expressed by Björn Wolrath. We talked a lot about the work from a customer perspective, the meeting with the customer, speaking different languages, mirroring the customer of today's society etc. But the bottom line was a personal commitment on his part, aside from the business perspective. The benefit of the business was, of course, there from the beginning but it was not the ultimate drive. Without this commitment I do not believe it would have started up as well as it did”.

Björn Wolrath left Sweden 2000 when he left as a CEO for Skandia in January 1997. Instead of the new CEO Lars-Eric Petersson taking his place, Ola Ramstedt was appointed. Also Björn Svedberg (SEB) and Sören Gyll (Volvo) left the board shortly after, only to be replaced

²³ Other members of the board were Ola Ramstedt, (Skandia), Lars Källsäter, Ulf Johnson (AGA), Trude Stolpe (Axel Johnson AB), Monica Sundström, Bo Swedin (Landstingsförbundet), Björn Eriksson, Magnus Holgersson (Länsstyrelsen Östergötlands län), Sten Hekscher, Ivar Eriksson (Rikspolisstyrelsen), Ulf Bergenudd (Svenska Pressbyrån), Lars Berg, Marianne Nivert (Telia AB), Sören Gyll, Knut Leman (Volvo), Agneta Zedell, Eva Karlsson (Ungdomsstyrelsen).

by other colleagues. On May 18th 1998 Ola Ramstedt left the board and was replaced by Annika Owenmark.

“When Björn Wolrath left, Björn Eriksson was elected chairman for both boards. It did not change much on a daily basis, the only difference I remember was that Björn Eriksson had most of his contacts in politics and the government whereas Björn Wolrath had most of his contacts in the private business” (Vakoufari, 2009). “When the three musketeers (as we used to call Sören Gyll, Björn Svedberg, Björn Wolrath) left the boards, some of the radiance of Sweden 2000 also left. An impression of an orientation towards the “public sector” emerged and maybe this caused the interest and the membership from the private business to start to fail in the years to come.” (Helg, 2009). By the year 2000 the interest from the owners was so low that the board decided to sell Sweden 2000 to its former employees Åsa Helg and Marthe Vakoufari.

The new Sweden 2000²⁴ continued to develop the business and to sell competence in the field of diversity management and cultivated their relationships with its former owners. They are today one of the leading consulting businesses in this field, arranging conferences, workshops and study trips.

4.2.2 Ethics and equality

While the development of Ideas for Life, Skandia Future Center and Sweden 2000 went on, an important issue was addressed on the concern level. In order to insure the credibility of Skandias commitment to corporate social responsibility, the company needed to update and reform its own documents, structure and work processes.

Torbjörn Ahlström, member of strategic staff, was appointed in 1996 to work with ethics and equality issues for the corporate management and remembers, “In the beginning I did not understand my mission, there was nothing outlined, it was like moving in an empty room with no direction and nobody cared whether I summoned a meeting or not” (Ahlström, 2009).

On December 17th, 1996 Skandia board approved of the new ethical guidelines for Skandia and its employees. The guidelines were geared toward enforcing the integrity of the

²⁴ www.sverige2000.se

employees and the duty of its management to set the good example. The guidelines were adapted to the personal lives of the employees as well as to the business activities of Skandia and the companies owned by it.

In 1997, Ahlström decided to make a new start for the Equality Program in Skandia. He summoned a new, smaller group together with the union representatives from *SACO* (The Swedish Confederation of Professional Associations²⁵) and *FTF*, *Facket för Försäkring och Finans*, (a trade union for Finance and Insurance²⁶) to work with the equality program. On April 12th, 1998 Skandia received a notice from *JämO*, *jämställdhetsombudsmannen* (the government representative for equality²⁷) asking for the Equality program which reinforced and highlighted the work for the group.

In November, 1998, Ahlström also arranged a seminar on ethics in business for the P&C (Property and Casualty) business of Skandia. He introduced the seminar with the question: “Do business and ethics work together?” And continued, “Yes, it is even a prerequisite for business activities today. The system of values is more and more important, especially in the minds of the younger generation. The change is so rapid that most of us have trouble keeping up with it. An expression of this change into a value-oriented shopping behaviour is when customers demand that a company shall have a social commitment on a long-term basis. Ethics and morals have also become more important when making economic analyses of companies by stakeholders. Ethical and moral issues need to be discussed more at Skandia than we do today”.

The seminar discussed among other issues what the company aimed to accomplish besides higher profit, and asked how such a profile could improve the Skandia trademark.

(Skandia intranet 990126)

²⁵ SACO, a trade union confederation of 23 affiliated associations representing Swedish university graduates. www.saco.se

²⁶ FTF, www.ftf.org.se

²⁷ Former www.jamombud.se As of January 1st 2009 JämO has ceased to exist and was merged with other ombudsmen against discrimination to a new body; The Swedish Equality Ombudsman, www.do.se

4.2.2.1 Developing a strategy for equality

On March 5 1999, Skandia Human Resources initiated an intranet debate on equality at Skandia. A forum for debate was created and the employees were invited to comment on coming articles. Five articles were published concerning “Equality, important issue for Skandia?”, “Women leaders are lacking networks”, “One has to adapt”, “Equality, a question of survival”, “Equality, good for business”. (Skandia intranet 990305)

“Skandia was long considered a good employer for equal opportunity, but when presented with statistics, it did not look as favorable. When I started to look into it I found that women’s salaries were in general about 60% of men’s. But this was when looking at the whole group. If you looked closer, many women had started working directly after high school around 16 or 17 years of age. They attended “the school of Skandia” but had no other formal education. I also worked hard with the managers in order to improve the salaries for the new employees. If women employees began at a lower salary, then it was hard to adjust it later on. It is important that salaries mirror competence and working capacity and not gender. However the competition in acquiring a more competent workforce in Stockholm made it easier to improve these conditions.” (Ahlström, Torbjörn 2009).

Following the debate on the intranet, Torbjörn Ahlström hosted a workshop on equality on March 22nd 1999. Around 30 people participated, among them managers in the company and union leaders. From the corporate management of Skandia participated Hans-Erik Andersson (head of P&C, later appointed CEO for Skandia 2003) and Ola Ramstedt, head of Human Resources. The group agreed on the following principals:

- In every manager’s career plan for successors there would be at least two names, one male and one female
- Mentor program for future leaders would be implemented
- More flexible meeting- and working hours would be implemented
- Corporate management would state its commitment on working with equality
- Refine the leader development search in order to find suitable women candidates for this career
- Every leader’s behavior would be reflected in the organization by setting the ethical standard through being a good example, for instance by taking parental leave of absence

(Skandia intranet 990325)

“When going through our records of female employees we found many that could no longer develop further in their career, but of course we did not want to lose their competence. We had to find a way to make use of this competence and the next natural step would therefore be a managerial career but then you need a goal and a career program. In the beginning of the 90s the percentage of female managers was below 20%”, tells Torbjörn Ahlström being interviewed by *Svenskt Näringsliv* (Confederation of Swedish Enterprise²⁸)

“Following these principles I took the initiative to develop the ASTEP-program for women leaders wanting to take the next step ahead and get a good network in the business. It was in cooperation with other companies, i.e. Telia, Ericsson, Axel Johnson and the Post that the program was started in 2001.” (Ahlström, 2009).

The results of this work came quickly. In March 2003, 40% of the management were women. “By formulating the concrete goal for female management and designing program, we have succeeded to reach the goal and move from 20% to 40% in a period of ten years”, says Torbjörn Ahlström in his interview, and continues: “Skandia has worked consistently with numerous activities. It is important to make sure that all projects and working groups have gender balance, that as many women as men are being recruited to trainee programs and that the managers are encouraged to suggest women to apply to education programs, and to seek managerial positions. But promoting female leadership also means alleviating life for the parent, whether mother or father. To stimulate more fathers to take parental leave, Skandia compensates people with parental leave with the difference between real salary and the *föräldrapenning* (parental allowance) from the state with up to 80% of real salary during six months. To make life less stressful to many employees Skandia also offers a package of benefits where the employee can set off a maximum of 20% of his or her salary to get home service such as cleaning, private healthcare, a competence account or a car benefit. In the Stockholm office there is an offer of ‘butler services’ as well”.

Butler Services was a new invention which created a lot of interest both inside and outside Skandia and therefore it deserves a short presentation.

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[http://sn.svensktnaringsliv.se/sn/publi.nsf/Publikationview/B7A929AF7BBB62D6C1256B7B002FC3D0/\\$File/PUB200203-031-1.pdf](http://sn.svensktnaringsliv.se/sn/publi.nsf/Publikationview/B7A929AF7BBB62D6C1256B7B002FC3D0/$File/PUB200203-031-1.pdf)

4.2.2.2 Butler Services

In Stockholm, Skandia started a project called Butler Services in the fall of 2001. The project was really a partnership with an entrepreneur, who ran its activities within Skandia.

A brochure from Skandia to the employees reads:” We at Butler Services can assist you with all kinds of to-dos that demand both time and commitment. Everything from buying flowers and a movie ticket, to going to the pharmacy or to the post office. No job is too big or too small as long as it alleviates your daily routine. In this, way you get more time for what is important to you whether it is family, work or free time. Skandia Butler Services is open every day from seven thirty am to six pm “(Laurin, 2003).

Butler Services got a lot of attention in the Swedish media and *Dagens Industri* wrote October 9, 2002 “Skandia thinks this will bring down the cost for sick leave... there is a lot of talk about the burn-out-syndrome today, but the problem is not that we work too much, but rather that we are expected to get so much done every day”.

4.2.3 Working on a Diversity plan at the Göteborg office

At this time, the different companies in the concern worked independently from each other and the most influential of them, *Skandia Liv*, was open to testing new management ideas. Here the story backtracks in time and place to Göteborg, in order to pick up on the result of the commitment from Skandia’s involvement in Sweden 2000.

For *Skandia Liv*, (Skandia Life Insurance) with offices in Stockholm, Sundsvall and Göteborg, a strategy towards a more diverse workforce began in 1997 (Owenmark, 2009). The HR department at the Göteborg office worked closely with the Swedish Public Employment Service to actively seek competent persons with other ethnic backgrounds than Swedish. Also, there was a collaboration with *Arbetsmarknadsinstitutet*, AMI, (the Public Employment Service for People with Disabilities).²⁹ “There were no driving spirits at the Skandia Stockholm office besides Ola Ramstedt and he had many other duties, so he asked me to assist him. I don’t think the people in Stockholm ever realized how much we worked with these issues in Göteborg.” (Owenmark, 2009).

²⁹ AMI as a separate body of the Swedish Public Employment Service is no longer existing. At this time it was responsible for rehabilitating the disabled and adapting the workplace to suite the needs of employees with disabilities.

The new recruitment strategy in the Göteborg office showed remarkable results. In 2001, the diversity project conducted a survey among 149 employees at *Skandia Liv* in Göteborg and it showed an international background from 17 different countries. *Skandia Liv* in Göteborg devised a plan and filed a report about the diversity project. In the Göteborg office, around 22 percent of the workforce was now comprised of people with a non-Swedish background. In the city of Göteborg, 32 percent³⁰ of the population were immigrants (SCB 001231). “Adapting to diversity takes work, and perhaps a change in routine, but that’s all part of creating a culture in which diversity becomes an opportunity for all”. (Paraplyprojektet 2003).

“I travelled to the Skandia Head Office in Stockholm and had a meeting with the former Market and Communications Department. I informed them about our work with diversity, our recruitment policy, the various languages spoken at the Customer Services department and about our connections with many NGO:s. They were impressed, but this was never followed up. They could not figure out how to make good business of these new developments at the Göteborg office” (Ekberg, 2009). “I never heard of it. I know they talked about at the Göteborg office but I never heard about it from Hans G Svensson or Jan Molin”, comments Alice Bah Kuhnke (2009).

In January 2001 *Skandia Liv* customer service in Göteborg also joined a project together with the county office of Västra Götaland called E-quality³¹. The purpose of the project was to identify the male perspective in the work with gender equality. The project ended 2002 with a press conference March 22nd, where a book was introduced called *Halva jämställdheten till männen!* (Give Half of the Equality to Men!). The purpose of the project was to identify motivation factors that could change men’s attitude to use parental leave to the same degree as female employees, thereby increasing the possibility for women to advance their careers.

4.2.4 Equality and Diversity plan at Skandia Liv, Stockholm

Skandia Liv (Skandia Life), with its head office in Stockholm, became interested in the Diversity plan made at the Göteborg office. The manager of the personal department, Ingrid Roslund Winje, decided to form a group to establish an Equality and Diversity Plan for *Skandia Liv*’s operations in Sweden. The participants in the group came from the offices of

³⁰ This is according to statistics based on first and second generation immigrants.

³¹ Participants of the E-quality project were: Volvo Parts, Telia Sweden, Skandia Liv Göteborg, Ericsson Microwave systems, Akzo Nobel Surface Chemistry and Parker Hannifin.

Göteborg, Sundsvall and Stockholm, but also from the offices in Finland and Denmark which also followed the developments with great interest³².

The motivation was two-fold: First, the changing demographics of Swedish society, with 27 percent of the population expected to have a foreign background by 2015, and *Skandia Liv*'s commitment to mirror those demographics in the society in which it operates. Second, the company wanted to increase language competence to deliver better service (Voices 2002). "With Skandia's Diversity Policy³³ as a starting point, approved in the beginning of the year, we developed an Equality and Diversity plan for Skandia Life...By committing ourselves to diversity we want to achieve higher creativity, communication and competence to strengthen the value of Skandia Life for our employees as well as our customers" (Skandia Life Annual Report 2002).

A computer-based survey was conducted, directed toward *Skandia Liv*'s 710 employees in Sweden in 2002 (Skandia intranet 020214). Since 503 employees answered the survey, it supplied much useful information. The overwhelming majority approved of the steps *Skandia Liv* had taken towards increasing diversity. 89% of the employees were very pleased to have the opportunity to talk to customers in another language. The most common foreign language competencies were English, Norwegian, German, Danish and French. This work carried out by *Skandia Liv* Sweden resulted in an Equality and Diversity plan in 2002, approved of by its board in June 2002. The plan emphasized the need to continue this work as a means to follow up on the new Diversity Policy newly approved by Skandia board. The key word for its employees was *att växa* (to grow) and the ambition was to use the information in the plan to reach out to new customers.

"This survey of language skills which Skandia conducted focused on language competence rather than on ethnic origin was unprecedented!" (Vakoufari, 2009).

4.2.4.1 A network for people with physical disabilities

As a side-effect of the group that formulated the Equality and Diversity program for *Skandia Liv* 2002, a network for individuals working for Skandia Sweden and having a physical disability started. There were a number of people that joined the network, notably employees

³² Participants of the group were: Karin Greenberg (project leader), Ulla-Britt Svedlund (HR), Carina Gustafsson, Ulla-Britta Nilsson, Lena Lindberg, Lena Sundin, Jac Gavatin (SACO), Ingela Göransson, Birgitta Hultfeldt Nilsson, Åsa Larsson, Henrik Rocksén, Berit Andersson, Pernilla Silver, Peter Lund (Finland) and Thor R Madsen (Denmark).

³³ Read more about the Diversity Policy in chapter 4.2.5

that were recruited in the new strategy focusing on diversity and competence in Göteborg. The network met every second month to receive information about diversity, workplace adaptations, localities, and health activities and to support each other in order to find good ways of dealing with everyday challenges. (Skandia intranet 030107)

The network soon became of interest for the various Handicap Organizations. The leader of the group, Berit Andersson, herself being blind following an eye disease, early criticized the refurbishing of the main entrance hall at the Skandia head office in Stockholm since it was not adapted to people with disabilities. She was soon elected part of the *arbetsmiljökommittén*, (The Committee for Health & Safety at the Workplace in Skandia). She sent out news to people's e-mail in Skandia with relevant information from the Handicap Organisations of Sweden³⁴. She supported Butler Services, granting people with disabilities aid and services. She influenced the management to adapt its websites for the visually impaired. An audio recording was also made of the diversity policy on tape.

In 2003 Skandia decided to celebrate the proclaimed "European Year of People with Disabilities"³⁵. During this year Skandia collaborated in its activities with *HSO*³⁶, *Handikappförbundens samarbetsorgan* (The Swedish Disability Forum) which was facilitated by Skandia's involvement in the Umbrella project (see chapter 4.2.6). On April 7th there was a kick-off at Skandia Head office with *HSO* and *SISUS*, *Statens institute för särskilt utbildningsstöd* (The National Agency for Special Needs Education and Schools³⁷). An exhibition was inaugurated that went on a national tour to Skandia offices in Göteborg and Sundsvall.

In connection with the exhibition, seminars were held in Stockholm on May 27th, 2003, with Sanna Thielman, University of Uppsala and Barbro Lindgren, *HSO*³⁸ and in Göteborg on October 21st with Göran Flood (head of Skandia's committee of Insurance Risk evaluation). The purpose was to inform about EU, legislation and about the situation for people with disabilities at the workplace. The exhibition in Göteborg, during the 20-31 of October was a

³⁴ Newsketter at www.ikappdebatt.wordpress.com

³⁵ www.eypd2003.org

³⁶ www.hso.se

³⁷ www.spsm.se

³⁸ The seminar at Skandia, Stockholm also celebrated the national program *Om bemötande av människor med funktionshinder* (Interaction with people with disabilities) and about 60 leaders from various organisations for the disabled were gathered as well as representatives from Stockholm City. (Skandia intranet 030610)

collaboration between Skandia and the Region Västra Götaland's Committee for People with Disabilities. A workshop was held on November 12th *Attityder till funktionshinder i arbetslivet* (Attitudes towards disabilities at the workplace), a collaboration with *Iris Hadar*, *SRF*³⁹ (Swedish Association of the visually Impaired). During that year Skandia was invited to several conferences and gave interviews to media to discuss the ongoing work in this area.

But these developments would not have been possible without a company policy. This work deserves to be lifted into the light.

4.2.5 The Diversity policy

The affirmative action approach, stemming from USA, focuses on inclusion and assimilation of racial minorities and women into the corporate world. Valuing diversity was largely based on a humanistic and business-related agenda. Since the beginning of the 1990s, American scholars have argued in favor of diversity management, seeing diversity as an asset, instrumental in organizational success. (Omanovic, 2009)

In the year of 2000, Torbjörn Ahlström also had the responsibility of leading the work of formulating a new equality policy. He realized that Skandia's commitment to Sweden 2000, along with the important steps taken at *Skandia Liv* in Göteborg and Stockholm in recognizing diversity management, had to be implemented in the company. He presented his thoughts to the board of Skandia that there should be a diversity policy. This would be more in keeping with the international and national development in this area. The policy should clearly state gender equality as a minimum requirement. There were several aspects to attend to, such as Swedish legislation⁴⁰ on gender equality, ethnical discrimination at the workplace, discrimination of people with disabilities, discrimination of people from sexual orientation and also the legislation providing job security at the workplace. Adding to this were also other governmental agreements on the European level such as actions against age discrimination.

In the beginning of 2001, managers and other interested employees from Skandia Sweden were invited to participate in a workshop. After the workshop, the audience was polled to find

³⁹ www.srfriks.org

⁴⁰ Swedish laws: Jämställdhetslagen (1991:433) med ändring 010101; Åtgärder mot etnisk diskriminering i arbetslivet (1999:130); Förbud mot diskriminering i arbetslivet av personer med funktionshinder (1999:132); Förbud mot diskriminering i arbetslivet på grund av sexuell läggning (1999:133); Anställningsskyddslagen (1982:80) med ändring 010901.

individuals who would agree to participate in designing a diversity policy. About 25 people took part in the group, which worked on the policy project for about a year. This was a way to commit people in the entire Skandia concern to this policy. (Sandberg, Hallstenson, 2003)

In November 2001, the Insurance Company Skandia, Sweden, adopted a diversity policy, “Skandia’s vision of diversity” In the diversity policy, one can read: “Skandia’s diversity policy is based on democratic values and human rights. All employees should have equal opportunities, rights and obligations irrespective of age, gender, handicaps, sexual orientation, ethnic affiliation or religious belief...This vision has to be clearly embodied in external activities such as advertising and in Ideas for Life”. On a broader scale, the policy is about embracing the variety among individuals and making that work for the good of the business.

In March 2002, an editorial included in an issue of the leading Swedish business daily *Dagens Industri* called *Mångfald- en förutsättning för tillväxt* (Diversity- a prerequisite for economic growth). The special section was organized by *Svenskt Näringsliv* (Confederation of Swedish Enterprise). Skandia was profiled together with about 30 other public and private employers in Sweden calling for diversity in the workplace. Skandia says “It will benefit ourselves and our customers. Competence, commitment and equal rights are important to us...To meet the needs of our customers we have committed ourselves to an extensive language competence program and we stress the importance of different cultural perspectives among our employees. Today we have over twenty different languages represented among our employees.”

On April 12, 2002 Skandia hosted a seminar “Diversity in Skandia” in Stockholm. The seminar was open to the employees and management of the company and was announced on the Skandia intranet. The host Torbjörn Ahlström introduced the seminar, telling the history of Skandia working with diversity within “Ideas for Life” and how the management had adopted a Diversity policy. The seminar had a presentation from the Director-General of the Swedish Integration Office, Andreas Carlgren, who held a lecture on the Office’s views and on the experience of working life in Sweden, which he regarded as a cornerstone for a society where diversity is an asset. Coordinator of strategic issues at the Swedish Integration Office, Adèle Ennab, stated that their focus was on the employers and what attitudes are hampering the possibility to increase diversity at the workplace (Skandia intranet 020400).

On May 4th, 2002, a seminar on Diversity and Dialogue was held by Ideas for Life. Together with the Youth Organization of the Swedish Red Cross, this was also announced on the intranet, inviting managers as well as parents to join. The focus was on the participants' own values as well as others' and how to deal with them and become a better leader. This was a follow-up on the well-appreciated lunch seminar on the same theme, held on April 9th earlier that year (Skandia intranet 020500).

On 2nd and 3rd of September, 2002, Skandia participated in an international conference held in Göteborg, *Arbetskraftsförsörjning och mångfald – lokalt till globalt* (Diversity Recruitment, Locally and Globally) gathering around 100 participants discussing labour supply and diversity, and whether it is a cure or a threat. The conference had lecturers from California, Belgium, Switzerland, England, Ireland and Denmark as well as from many Swedish institutions and companies. Skandia was invited to hold a lecture on how to create a modern workplace using new methods for diversity recruitment and management (Ahlström, 2009).

Jennifer Rhule, with roots in the West Indies, grew up in London held, a new position at the head office in Stockholm and as member of the Skandia board with responsibility for HR development in the concern. She was impressed by how far Skandia had progressed, although she herself had worked in a number of progressive international concerns of which she mentions Xerox with special warmth in her voice. She reflects, "I can contribute to the diversity at Skandia. Diversity means that differences are both accepted and appreciated and in Britain we have come far. In Sweden it is a little more difficult due to a more homogenous culture and unspoken rules of social interaction. It is harder for a newcomer to understand what goes on. It is hard to understand why people do not "take the fight" at meetings but remain silent. Are they cowards, or afraid of conflict, or are there simply signs I do not perceive? Sweden has a tradition when it comes to combining career and family. If you succeed as a woman at the workplace, you must have a strong personal infrastructure on the home front, as well as support from the company. The company must help to create a balance between working life and private life. This includes men's careers as well". (Laurin, 2003)

During the year 2003 the Skandia concern and all Swedish subsidiaries (*Skandia Liv, Skandiabanken, Skandia Grupp, SMS, Skandialink*) were required to make an Equality and Diversity plan to carry out the diversity policy. As inspiration and guideline it was recommended to look at Skandia Life's Equality and Diversity plan 2002 (Voices 2002). One

of the subsidiaries SMS, Skandia Marknadsstöd, with 102 employees at the time used this opportunity to make SMS the most attractive workplace. Bo Ågren, CEO of SMS and HR-assistant Viveka Eckemo collaborated with University of Stockholm and commented their efforts: “to work with equality and diversity is a way to secure quality in business processes and trademark, which is more important when the future is uncertain” (Skandia intranet 020226, 030414).

With all the processes at work at Skandia, management felt a need to get more medial attention. An Equal-project with a mission to promote diversity and equality became an interesting challenge.

4.2.6 The Umbrella Project

Skandia, following the recent developments in the European Union, showed an early interest in the Equal Programme. Hans G Svensson⁴¹ envisioned that participation in the Programme would assist in working with diversity at the workplace on a long term basis.

Paraplyprojektet, The Umbrella Project was one of 46 Swedish projects that were part of the European Union’s Equal Programme where the EU’s goal was to combat discrimination and ensure that all of the workforce’s competencies were utilized. Skandia was one of the partners of the Umbrella Project, which started in 2002 and ended 2007.



Illustration 6: The Umbrella Project (2002)

The Project’s mission was to increase interest, awareness and knowledge about diversity at the workplace and the processes behind exclusion and discrimination. The project also raised opinion against all forms of discrimination, but specifically those related to gender, age, ethnic background, sexual orientation and disability. One of the most important objectives of the Umbrella Project was to lay to rest the myths surrounding some of the groups that are excluded from working life. Through channels such as online-newspapers, books⁴² and

⁴¹ Employed at Skandia 2000.

⁴² One of the books, *Tänk själv, en bok om mångfald*, Lundenmark, Tomas and Nilsson, Christer (2003), focused on the importance of informal conversation at the workplace coffee break. This book became widely used by the partners.

seminars, the Project worked to inform and influence decision-makers and media by highlighting national, regional and local aspects (www.paraplyprojektet.se)⁴³ .

“Skandia entering as a co-partner from the beginning was both welcome and a natural thing to us. In the beginning the *HSO* (The Swedish Disability Forum) and *Försäkringskassseförbundet* (The Federation of Social Insurance Offices) were the driving forces but we needed a serious private company. With Skandia’s long and well-known commitment to these issues we were excited to have them join us. And the commitment and active involvement was there from the beginning which was crucial for the outcome and quality of the project” (Ivarsson, 2009).

Skandia’s position was clearly defined when the Umbrella Project arranged a conference in November 11th 2002 about diversity in media. The conference drew a large audience with presentations by *Dagens Nyheter*’s Editor-in-Chief Hans Bergström and BBC’s Diversity Director Cyril Husbands. Hans G Svensson, head of public affairs at Skandia, pointed out in his opening remarks that the Umbrella Project is important and that Skandia is participating to learn more about diversity. At this time, it was held that there were relatively few companies that had come as far as Skandia. Hans Bergström stated directly that nothing had happened there as of yet and that Swedish Television was working on its diversity policy focusing only on ethnicity, while BBC was regarded as a forerunner among European media companies. Cyril Husbands told how they actively worked on mapping the reasons behind discrimination. (Skandia Intranet 021128).

On November 26th 2002 Skandia management was invited to a seminar “The Universal Declaration of Human rights – discrimination on grounds of sexual orientation” at the Skandia head office in Stockholm to learn more about discrimination. Lecturers were George Svéd, Manager of Information at *HomO*, *Ombudsmannen mot diskriminering pga sexuell läggning* (The Office of the Ombudsman against discrimination on grounds of sexual orientation⁴⁴) and Göran Flood (head of Skandia’s committee of Insurance Risk evaluation). The seminar discussed how to prevent discrimination at the workplace and how to set standards for business partners and customers. The organization *HomO* filed charges against

⁴³ Partners of the Umbrella project were: The Federation of Social Insurance Offices (Försäkringskassseförbundet), The Swedish Sports Confederation (Riksidrottsförbundet), The Swedish Disability Forum (Handikappförbundens samarbetsorgan), The Union of Civil Servants (Fackförbundet ST) and Skandia.

⁴⁴ Former www.homo.se . As of January 1st 2009 homO has ceased to exist and was merged with other ombudsmen against discrimination to a new body; The Swedish Equality Ombudsman, www.do.se

Skandia for demanding an HIV-test on discovering that a new applicant for an insurance policy was gay. Because of the way it was handled, *HomO* decided it was a case of discrimination. *HomO* therefore had the chance to explain how the legislation should be interpreted (Skandia intranet 021100, 021206).

Johanna Laurin (2003) writes: ...There are two explanations to this fast change in the Skandia corporate culture. The first is that middle management positions ... are considered attractive in an insurance company, especially for female graduates. The second explanation is the purposeful work by Ola Ramstedt, the new manager of Human Resources, started when he left Ericsson for Skandia. He had the wholehearted support from the former CEO Björn Wolrath and received continued support from his successor Lars-Eric Petersson. Implementing, or even presenting, ideas that were not widely shared among the staff was considered hazardous to one's career. It was said that "the old men of Skandia" may have even placed their bets on how long this new HR-manager would last.

But Ramstedt did not only win the battle of equality, but also became the CEO for *Skandia Liv*. "Looking at it in retrospective, it is obvious, he says, we needed more female managers, since women make up half the pool of talent. Our goal is to develop the business which demands diversity and highest possible competence". The Skandia process of change was not only about plans and programs for career and competence development. The prerequisite for change was authority. "The development would not have been possible without the delegation of responsibility" says Ola Ramstedt.

"Skandia has shifted from a culture of male fellowship to a modern culture, which has not only gotten results but has also generated positive attention internationally". Skandia management is working on developing a company where women can attain positions of power (Laurin, 2003).

On March 25th 2003, a seminar on diversity was held at the Skandia head office in Stockholm for employees and managers. Here, Torbjörn Ahlström summerized the work with equality and diversity as it had progressed thus far. He also introduced the newly-revised policy on sexual harassment⁴⁵. Also on the agenda were the Equal projects and Skandia's celebration of the "European Year of People with Disabilities".⁴⁶

⁴⁵ The old policy dated April 11th, 1995

⁴⁶ www.eypd2003.org

The seminar was visited by the manager for Skandia Sweden Cecilia Daun Wennborg who explained the importance of this work and the seminar was concluded by showing the movie “Ethnic Diversity at the Workplace”.⁴⁷

The Umbrella Project was an arena for showing new developments in the area of CSR in Sweden. Skandia drew a lot of attention at this time. Here are some outcomes of this involvement.

4.3 Attention to CSR at Skandia

Skandia was awarded for its efforts in connection with diversity and equality issues:

In March 2002, Skandia was voted one of the best 10 employers in Europe by Fortune Magazine. The main justification for this prestigious acknowledgement was the Skandia investment in Competence Accounts, Butler Services and Skandia Future Center.

On March 6, 2003 Skandia was presented the 2003 Equal Opportunity Award from the Swedish Confederation of Professional Employees (TCO). The jury’s citation: “Skandia’s serious and comprehensive approach to equal opportunity is distinguished by openness and a visionary spirit. TCO’s 2003 Equal Opportunity Award goes to Skandia for its long-term effort on rejuvenating diversity in the workplace.”(Skandia Annual Report 2002). To inform the shareholders and the public, Skandia managed to have the good news published in the annual report 2002 just before it went into print for the annual meeting in 2003. “During the six years I have been working with equality at Skandia we have moved from 20% female leaders to 45% female leaders” says Torbjörn Ahlström (www.paraplyprojektet article 2330).

4.3.1 Tylösand

At the yearly business leaders’ conference at Tylösand on August 20, 2003, led by *SNS Studieförbundet Näringsliv och samhälle* (Centre for Business and Policy Studies⁴⁸), had as a theme *Mångfald och Integration – framtidens konkurrensfaktor* (Diversity and Integration - a competition factor for the future). Skandia was one of 11 companies and organisations

⁴⁷ Read more about the movie in section 4.1.2.

⁴⁸SNS, founded in 1948 by members of the Swedish business community, is an independent network of leading decision makers from the public and private sectors who shares a commitment to social and economic development in Sweden, www.sns.se

chosen, and was invited to present its work on diversity for the most important leadership in public and private business in Sweden. The interest for the conference was enormous and drew about 200 participants. The conference was opened by Mary Robinson, ex-president of Ireland and UN-commissionaire for Human Rights (1997-2002). She was at this time leading the “Ethical Globalization Initiative”. The jist of her message was that the basis for working with diversity is the Declaration of Human Rights. The following speaker was Swedish prime-minister Göran Persson. (Skandia intranet 030900)

4.3.2 The French connection

In 2002, Skandia had its strongest base in Sweden and had ambitions to expand in Europe. “The German market is growing rapidly for *Skandialink*. Saving in pension funds is growing there due to a new reform. Italy is also a coming market and a new collaboration with an Italian bank, Sao Paulo, will make the distribution simpler. Skandia is also planning to establish new bases in Portugal and France. - France is exciting! We expect to expand fast”, says Ulf Spång⁴⁹, manager for Division Europe” (Skandia intranet 020528).

On October 6th 2003, the French minister of equality, Ms Nicole Ameline, came to Sweden to study equality. She decided to visit Skandia being a company in the forefront. The French TV channel FR3 made a documentary covering the lives of the employees at Skandia from their home to work and daycare focusing from a gender perspective. “We are of course proud to get this attention for our work” says Torbjörn Ahlström (www.paraplyprojektet article 4489). “The documentary got a lot of attention in France. One of my French colleagues told me he watched it several times on national news. As a result of the medial attention, the French “farmers’ bank” Credit Agricole decided to visit Sweden and Skandia, on December 16th 2003, with a delegation of regional managers to discuss possible ways of collaboration”. (Ivarsson, 2009)

4.3.3 Italy seeks inspiration

On 27th of November, 2003, a group of company consultants came to visit Skandia Göteborg to discuss equality at Skandia in a Swedish context. They were seeking answers to stimulate the low birth rate in Italy. They focused on discussing how the Swedish system worked with maternity leave and the daycare system and how a company like Skandia had adjusted

⁴⁹ Employed by Skandia 1997—2003.

benefits to employees and managers to facilitate parenthood. “In order to communicate this information as well as possible, we had it translated to Italian by one of our own employees” remembers Svedlund (2009)

4.4 The Management crisis during 2003-2004

It is not possible to reach the aim of this thesis without giving a short description of the scandals at Skandia during 2003-2004. Some of the people involved had also played a key role in the development of CSR over the years. These events influenced the image of the company, the sentiments of the employees and the work with CSR.

The crisis at Skandia had a long preface in the daily leading Swedish business paper, *Dagens Industri*⁵⁰ (the online issue has over 1 million readers a week). A journalist, in articles from 2002 and onwards, discussed the different aspects of Skandia: Leadership, benefits, bonus programmes and the poor development in the stock rate. In the beginning of the year 2003, the discussion was widespread among shareholders and the Swedish public.

Even though the salary and other benefits for CEO Lars-Eric Petersson were well-known in Swedish media since the year 2000, it was inevitable that he became the focal point of this debate. Confidence in him as a major business leader for one of the most prestigious companies on the Swedish Stock Exchange was questioned.

Lars-Eric Petersson, was recruited to the management at the Skandia insurance company in 1993 and became its CEO in January 1997. At the annual meeting in Skandia in April 2003, the board of Skandia was replaced and consequently Lars-Eric Petersson had to leave the day after. Petersson had a strong base of power in Swedish business at that time, as a member of the boards of *Svenska Arbetsgivareföreningen* (Swedish Employers Association), *Sveriges Industriförbund*⁵¹, *Telia*, vice chairman of *TeliaSonera* and chairman of *Högskoleverket* (Swedish National Agency for Higher Education)⁵². At *Högskoleverket*, he contributed with his knowledge of issues concerning universities and their collaboration with trade and industry and their capacity to adapt education to the business world.

⁵⁰ www.di.se

⁵¹ Sveriges industriförbund was founded 1910 and in 2001 it merged with SAF and became *Svenskt Näringsliv* (Confederation of Swedish Enterprise), source: Wikipedia

⁵² www.hsv.se

When Petersson became CEO he had a strong mandate from the board to reform Skandia and to increase the interest among shareholders for its stock. The value of the Skandia share increased rapidly along with the changes in the corporate priorities from insurance to savings. He led the sell-out of the company's property and casualty business to *If...* in 1999. He sold the capital administration 2000 to Den Norske Bank which later was widely regarded as an unethical action, since it was seen as being an asset belonging to *Skandia Liv* (Skandia Life, a separate company owned fully by the Skandia concern). He also sold out the entire business in the USA, American Skandia, to the American Insurance company Prudential.

The scandal, or the crisis of management, was further kindled when discussing the bonus programme Wealthbuilder and when the media found out that a group of managers and their families had been given rental contracts on prime locations in Stockholm. The rental units were owned by Diligentia, another company fully owned by Skandia concern. The searchlights of the media played not only on Lars-Eric Petersson but also on others, most notably Ola Ramstedt, Jan Carendi⁵³ and Ulf Spång.

Due to these events, the new board of Skandia, elected in April 2003, decided to have an independent revue of the internal affairs in Skandia and hired a reputable lawyer for this assignment, Otto Rydbeck, who later died in the Tsunami catastrophe in Thailand December 26, 2004. During the time Otto Rydbeck worked on this case with his team and they found sufficient grounds to file a report with the police in October 2003 concerning the actions of the Skandia board and its top management. The prosecutor Christer van der Kwast started his investigation which led to a public report on December 1st, 2003. This investigation led the Annual Meeting in Skandia not to grant discharge to the previous board nor to the CEO Lars-Eric Petersson. This started a number of legal actions and prosecutions against Petersson and several others. Years of trials in the Swedish court system led to one verdict only, against Ola Ramstedt, for granting exclusive and exorbitantly costly renovations of the rental apartments⁵⁴.

The effect of the scandals led to crisis of unprecedented scope, hurting Swedish business life.

⁵³ Employed by Skandia 1970—2002.

⁵⁴ http://sv.wikipedia.org/wiki/Lars-Eric_Petersson

“The obliteration of a trademark, it was purely panic. All our competitors, we were light-years ahead of them and now we’re so far behind... we have lost a great deal.” (Vaculik, 2009)

5 Skandia today

What happened to all the initiatives and programs? In this section I will present a picture of Skandia’s CSR work today and also the new owner Old Mutual’s CSR policy. In addition, excerpts from an interview with the head of CSR Skandia Nordic Division, Hans G Svensson.

Here is a brief summary of the initiatives mentioned in this thesis.

- “The Umbrella project was an EU project. It is no longer running, but the website is still online, run by the project managers. I keep in touch with them and I lend out our conference room for their seminars.” (Svensson, 2009) “For us, Skandia was a flagship in the Equal program. No other company had involved itself to that extent. The benefits were not only national but even transnational. It was held as extraordinary, that a Swedish company listed on the Stock Exchange took a leading position and gained chairmanship in a prestigious EU-project⁵⁵. It is gravely unfortunate that Skandia today does not lift the issues of equality, where it had had such a prominent role. “ (Ivarsson, 2009)
- In February 2004, following the crisis, Equality and Diversity project was closed down. There were no equality plans the following years.
- In December 2004, Skandia management closed the Skandia Future Center and it was sold to Vaxholm’s Hotel in 2005.⁵⁶ Skandia stopped selling Competence Accounts as of January 1st, 2005. (Svedlund, 2009)
- The Gala at the Globe in 1999, marked an historical moment for the Skandia concern, a spectacular and memorable event which today has all but fallen into oblivion.

⁵⁵ The Umbrella project: www.paraplyprojektet.se

⁵⁶ <http://openfutures.jdlinsweden.se/page110.php>

But how can so much work and commitment by so many people be all but forgotten? The various initiatives were no more than projects (Svensson, Bah Kuhnke, Owenmark). The earlier ambition to make CSR a vital part of the organization was put aside. “The new management had to focus on the main business (insurance) and cut costs fast” (Rapai, 2009). “People within organizations don’t tend to be rewarded in relation to how well they manage CSR...and as such, while they may approach it with a degree of passion...its always going to be a sort of hobby” (Alferoff and Knights 2007). This resulted in an unfamiliarity with the previous CSR work “We have to make sure this will never happen again” (Rapai, 2009).

But the work with CSR had an influence on the way people acted in decisions forward in time, as exemplified by the following:

- In 2004 Skandia extended its activities with Butler services whose responsibilities now also included the conference department. This resulted in Skandia buying Butler Service AB outright and it was later renamed Skandia Service Center. (Ahlström, 2009)
- The network for people with physical disabilities is not an official Skandia network any longer. However, former members of the network confirm how Skandia, during recent renovations in the Göteborg office, put a lot of effort into making the office environment suitable for people with physical disabilities.

5.1 Old Mutual Corporate Responsibility⁵⁷

The Old Mutual group, originating in South Africa in 1845, offers asset management, life assurance, banking and general insurance services in over 40 countries, primarily South Africa, Europe and the United States. Old Mutual is listed on the London, Johannesburg and Stockholm stock exchanges, among others.

Old Mutual acquired Skandia in February 2006. When analysts in Sweden discussed the potential success or failure of such a merger, the values of Old Mutual and how well they

⁵⁷ Source: http://www.oldmutual.com/vpage.jsp?vpage_id=2937, accessed 090108

coincided with the many years' work in values and ethics at Skandia, were held as an important advantage.

Old Mutual has established Group-wide Corporate Responsibility principles that each business unit applies at local level, supplemented by a more detailed Policy or Principles specific to their local circumstances. Old Mutual's work on corporate responsibility is structured into key areas, these are: environment, customers, employees, suppliers, community development, human rights, governance and ethics.

Old Mutual says that "We are committed to observing proper practices in the area of human rights and became a signatory to the United Nations Global Compact (UNGC)⁵⁸, which is a framework of ten universally accepted principles in the areas of human rights, labour, the environment and the prevention of corruption. Our corporate responsibility programmes operate at a local level, following guidelines and frameworks that are standardised across the Group. Our commitment to the UNGC sits alongside the existing FTSE4Good Index⁵⁹, where Old Mutual plc is a member of, framework that has been built into our Group strategy. Old Mutual plc and Nedbank Group Limited are both included in the JSE's Socially⁶⁰ Responsible Investment Index. This Index measures participant companies' commitment and performance against a triple bottom line of sustainability in terms of environmental, economic and social impacts."

Old Mutual has adopted a Code of Business Conduct Ethics⁶¹. The Code sets standards for relations with customers, suppliers, intermediaries, shareholders and investors, employees, government and the local community, as well as competitors. The Code supports the

⁵⁸ The United Nations Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report them. Under the Compact, companies are brought together with UN agencies, labour groups and civil society. The Global Compact was first announced by the then United Nations Secretary-General Kofi Annan in an address to the World Economic Forum on January 31, 1999, and was officially launched at UN Headquarters in New York on July 26, 2000. As of 2006, it includes more than 3 300 companies from all regions of the world, as well as around 1 000 labour and civil society organizations, also from all regions of the world. The Global Compact is not a regulatory instrument, but rather a forum for discussion and a network for communication including governments, companies and labour, whose actions it seeks to influence, and civil society organizations, representing its stakeholders. (info from Wikipedia) www.unglobalcompact.org

⁵⁹ The FTSE4Good Index series, the selection criteria for which include working towards environmental sustainability, developing positive relationships with stakeholders, and upholding and supporting universal human rights. has been designed to measure the performance of companies that meet globally recognized corporate responsibility standards, and to facilitate investment in those companies. Source: www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp

⁶⁰ Read more at: www.jse.co.za/sri/introduction.jsp

⁶¹ Read more at: www.oldmutual.com/redirector/2008/2726

International Labour Organization's Core Labour Standards, which covers issues such as equal opportunity, freedom of association and collective bargaining.⁶²

Businesses within the Old Mutual plc group aim to meet the needs of customers while understanding the wider issues for which they have responsibility. The Group views corporate responsibility as being the pursuit of commercial success in ways that honor ethical values and respect people, communities, and the natural environment. In the private sector, a commitment to corporate social responsibility implies a commitment to some form of TBL reporting⁶³.

As a result of the takeover, Skandia later revised its CSR policy which today covers all the activities in the Nordic countries:

The Skandia Nordic Division defines Corporate Social Responsibility (CSR) as:

“A vital part of delivering business success where we voluntarily integrate social and environmental considerations into our business and exceed our legal obligations to our stakeholders. The key measure of this approach is the combined result of our financial, environmental and social performance.”⁶⁴

When Old Mutual acquired Skandia, the work of CSR at Skandia was protected, but on a modest level within the concept for Ideas for Life. “Ideas for Life focuses on children's social development. From there on we have two paths in helping young people: Working preventively and personal development. Personal development is about increasing self-esteem among young people” (Svensson, 2009). Skandia connects to its history when preventive work in 2008 focuses on the children's perspective again, a vestige of Hans Svensson's (from the Police force) project in 1997. The project of 2007 was led by Ingvar Nilsson, with the task of putting figures on just how profitable it is to work with preventive activities in the municipalities. The message is as clear today as it was then: Influencing the community to work preventively is profitable. Ekberg (2009) refers the message of Ingvar Nilsson to Hans

⁶² Source: http://www.oldmutual.com/vpage.jsp?vpage_id=2746

⁶³ The triple bottom line (or "TBL", "3BL", or "People, Planet, Profit") captures an expanded spectrum of values and criteria for measuring organizational (and societal) success; economic, environmental and social. With the ratification of the UN ICLEI TBL standard for urban and community accounting in early 2007, this became the dominant approach to public sector full cost accounting. Similar UN standards apply to natural capital and human capital measurement to assist in measurements required by TBL, e.g. the ecoBudget standard for reporting ecological footprint.

⁶⁴ Skandia Nordic Division Policy for Corporate Social Responsibility (CSR), (2007)

Svensson. “They have the same message. The difference is that Ingvar has calculated the cost for letting young people drift away into criminality. The real cost is now obvious to decision makers.”

Here are some of the other recent developments:

- We prefer to support small projects and we have nine different categories such as culture (theatre, film, music), integration, sports, alcohol, drugs, equality. Ideas for Life has supported 400 projects at a budget of 5 million SEK all over the country” (Svensson, 2009).
- In 2002 the mentorship program, being part of Ideas for Life’s commitment to Equal in the Real Diversity project, inspired leaders of Skandia to become mentors for young immigrants. Today, mentorship programs are a mandatory part of leadership and career programs in Skandia. “In Skandia, we want all future leaders to have been mentors before they become leaders” (Hagald, 2009)
- After a time-out from 2004, equality plans are running at the company on a regular basis since 2007. Skandia has earned an interest from its work with *jämix* (a Swedish business ratio for equality looking at female leadership, health, parental leave, etc). Today there is one Equality plan for Skandia Sweden. (Svedlund, 2009)

5.2 Hans G Svensson, head of CSR Skandia Nordic Division

The new management was replaced when Old Mutual acquired Skandia in 2006. Skandia’s commitment to CSR, was renewed by the new ownership. On February 9th, 2009, at the Skandia head office in Stockholm, I had my first interview with Hans G Svensson. He was recruited to Skandia in 2000, after having worked as undersecretary of state. He greeted me with confidence and enthusiasm, relating how the work with CSR had a breakthrough during the year 2008.

“Our owner today, Old Mutual, is very interested in these issues. We deliver basic data for the Old Mutual Sustainability Report, which is presented in connection to the annual report.

Old Mutual has a tradition of working with CSR issues in both England and in the countries in southern Africa, where the company has done a lot to support the democratic process” (Svensson, 2009).

“Now we have a structured way of working with CSR policy. We have a Nordic CSR group with myself as chairman and we meet four times a year to deliver a closed report to the CEO in the Nordic countries describing our efforts, our goals etc.” (Svensson 2009).

Hans G Svensson continues to tell me more about children’s social development and the two perspectives, working preventively and personal development. Personal development is about children’s self-esteem:

“A project in connection to this is working with children’s self-esteem. Together with Mia Törnblom (well-known Swedish coach) and Jana Söderberg (writer) we have made a film (available on DVD) during 2008 which is being shown nationally on Swedish TV4 since the fall of 2008. Along with the movie there is also a study book guiding professionals working at *BVC* (Child Health Centers) and schools. And now we received the good news that the material from this project will be part of mandatory course-literature lists at several nurses’ and teachers’ programs”. (Svensson, 2009)

During the spring of 2008, Skandia decided to buy a children’s summer camp in St Anna’s archipelago, Västervik⁶⁵. The island was formerly owned by the City of Stockholm and had been used as a childrens summer camp since 1928 but now the municipality had decided to put all such camps on the market. Skandia bought the camp, actually the whole island, and signed a long term agreement with the local association to make sure that children from Stockholm would still be able to come and spend their holidays in this environment. “It was important for us to declare that we did not want such activities to be closed down by private investors but instead to remain open to the children of the greater Stockholm area” (Svensson, 2009).

Svensson (2009) continues: ECPAT⁶⁶ Sweden’s and Skandiabanken’s collaboration aiming, at establishing a financial coalition was initiated in May 2007. During the summer of 2008

⁶⁵ www.synsholmen.com

⁶⁶ ECPAT Sweden, ECPAT stands for End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Purposes www.ecpat.se

Skandiabanken and the National Criminal Police worked together to establish a mechanism which enables banks to stop payments related to commercial child pornography websites.

“In August 2008 we signed the first agreement with ECPAT ever to be made by a Swedish bank or insurance company. ECPAT is an organisation working against the child prostitution and pornography industries. In this agreement we took the responsibility and the initiative to start a Swedish financial coalition against the proliferation of commercial child pornography. Also, we committed ourselves to training our staff in these issues. On November 3rd we had our first meeting, joined by a representative from the Swedish government. There is a snowball effect, and with the bank association involved, we can expect to have it all set in the spring. This will be the first financial coalition in Europe with this particular assignment. Last Monday, (February 2nd, 2009), we had a seminar here in the presence of the Queen of Sweden, the Minister of Finance Mats Odell and the national head of the Criminal Police where we raised the question: What can the private sector do to prevent and stop these activities? How can we work together more effectively? The event was covered by the Swedish news channel *Aktuellt* and it was broadcasted on *aktuellt21*.“

ECPAT information regarding the coalition and training of the staff at Skandia started in late spring of 2009. “We are obviously very proud that the Banking Association’s proposal is based on the work carried out by ECPAT Sweden, Skandia Bank and the National Criminal Police. The collaboration is quite unique in Swedish banking history” comments ECPAT (press release 090302). On June 29th, 2009, ECPAT and *Skandiabanken* arranged a seminar at the annual Almedalen Week at Gotland⁶⁷ *Brottsförebyggande – polisens sak eller allas?* (Crime prevention – a police issue or everyone’s?)

In April 2008, the utilities company E.ON and Skandia decided to start a new foundation called *nattvandring.nu* (night walkers) to promote the presence of adults on city streets during the night.⁶⁸ “The old national network for night walkers did not work any longer because of scandals in connection with them, so we had to break off our 10- year long collaboration. And

⁶⁷ Almedalen Week started in summer 1968, has developed into Sweden’s biggest political meeting place. The openness and accessibility are unique both for Sweden and for the rest of the world. The number of seminars has grown in recent years from 6 in 1998 to 50 in 2001, 250 events in 2005, 660 events in 2008 and 1041 events in 2009. The number of organizers participating has followed the same trend. In 2008, there were around 350 organizers, in 2009 560 organizers and roughly 6000 individual participants 2008 and 7500 participants in 2009. There were 450 journalists in 2009, not including audiences at the evening speeches. Read more at: www.gotland.se/almedalsveckan

⁶⁸ Pressrelease April 8th, 2008 at www.eon.se or www.nattvandring.nu

start all over, and our jackets are now red, instead of yellow, and we have established ourselves in 140 municipalities”. (Svensson, 2009)

Svensson (2009) continues to tell about their new trademark-strategy where “soft” values and CSR work will form a major part of the trademark. This will also mean more coverage of the Skandia commitment in the community and he is hopeful that the difficult years in the wake of the crisis are now coming to an end. This long-term commitment from Skandia has been expressed in different ways over the years, but has always had one thing in common, namely, an interest in a good development for the children and young people in Sweden.

Svensson (2009) concludes:

“There are obstacles everywhere. At the financial markets, we are now facing more turbulent times. The companys ability to generate profit and the resources set aside for CSR issues compete with resources set aside for other reasons, often more close to the core business. But the way we develop the business today, making the social commitment part of our business, will facilitate the understanding of its importance and the priorities that will be needed.”

6. Analysis

The questions posed in the Introduction have been discussed throughout this thesis. The following is an analysis of the body of material found in the process of researching these questions.

How was CSR work carried out before and after the crisis in 2003--2004?

The energy, effort, time and money invested in diversity and equality by Skandia is impressive, the involvement on the part of stakeholders in Swedish society hard to find elsewhere. And these investments have been made during a long span of time, formally starting in 1987 with Ideas for Life. Despite investment in personnel and resources, management seemed not to know what to do with the results of medial acknowledgement and benefit to the trademark. This became apparent when management neither made use of the extensive language competencies at customer service, nor did it take care of the relationship with the French bank Credit Agricole.

What then was the purpose of the extensive investment in CSR? The most common explanation from my interviews is the increase in value of the Skandia trademark. Thus, damage to the Skandia trademark, ultimately a result of the crisis from 2003--2004 and onward was not alleviated when Skandia choose to redirect its focus on production and cost reduction and cut back on its external activities directed for the good of the society.

Previously, many initiatives that were taken with good relations to ministers of the government and to universities in Sweden also focused on medial attention. Looking at the activities today, one can find the same pattern, Skandia works more on media visibility today than it has in recent years since the crisis 2003-2004. Good relations to politicians and other opinion leaders are now back on the agenda and one example is this year's *Almedalsveckan* (Almedalen Week), where Skandia organizes a whole day of seminars on CSR.

Today there is a deeper understanding and reflection from the management which is expressed by Svensson (2009): "The explanation concerning why these important activities were set aside lies in the set-up. Diversity and CSR-issues were regarded as a function like staff training, conferences and such, where you can cut the budget when times get tough. It

was not regarded as critical for our business. My ambition with the job we are doing now, and the directions we have from our top management, says that in this business, products and solutions are fast and easy to duplicate and are very similar, the deciding factor is the commitment, what the company stands for, what the trademark means to people, ...and the more our own employees become ambassadors, then the more this will be a competitive advantage for us. A social involvement which benefits our customers, will benefit our shareholders and we will get satisfied employees, so what goes around comes around...”

Is the work with CSR at Skandia a commitment, or is it simply a way for Skandia to behave politically correctly?

Several of my interviewees talk about “driving spirits” and how few there were of them in Stockholm. The body of information acquired by these extensive interviews reveals that there were people in the management that were committed to the work with CSR. Many mention Björn Wolrath and Jan Molin as examples. This research shows with a high degree of validity and reliability that the early commitment to CSR was real and not a political facade. Skandia touches on this view in its corporate policy “Skandias vision of diversity” (2001) when they state “By taking a positive view and deliberately working towards diversity, Skandia aspires to be part of and contribute to a society in which each social group and each individual is regarded as an asset.. Skandia’s diversity policy is based on democratic values and human rights... In working for diversity, Skandia aspires not only to reflect society today but also to contribute to social development whereby future generations will naturally form part of a diverse society.” This view also connects with Björn Wolrath’s approach according to Owenmark, Helg, Vakoufari (2009). When they met him in 1996 they were impressed by his personal involvement and passion for this work stating that “working with diversity in recruitment procedures is a win-win situation for both society and the company”.

It is remarkable how such a breakthrough as recruiting people with a foreign background to the Göteborg office, in 2001, was met with so little enthusiasm at the head office in Stockholm, despite articles on the intranet and despite the outside exposure. How could management not notice what was going on?

Looking at it more deeply, I found it plausible that leadership had made a distinction between values and morals as discussed by Ciulla (2003) “values do not tie people together the way

moral concepts like duty and utility do”. When discussing values (without including the concepts of duty and morals) there is a risk that such values are only intended for “others” to follow. Being an institution in Sweden, Skandia fulfilled the characteristics of the Meyer and Rowan theory (1997) by using the notions of confidence and good faith to increase legitimacy. Not implicit in this theory however, is the risk that a company can change its values and policies could be due to shifts in CEO, hiding behind a guise of social involvement while actually cutting back on just the sort of programs that once generated the goodwill it continues to enjoy among stakeholders.

With CEO Lars-Eric Petersson, the new management (1997) consisted of individuals in managerial positions who knew what was expected in the area of CSR. They were not prone to change the agenda—but were they committed? The management of Lars-Eric Petersson left in 2003 and was followed by Hans-Erik Andersson. This time, the management showed no signs of commitment or support for CSR, thereby exhibiting an evident lack of knowledge of, or commitment to, company history. Hence, the lack of interest for Skandia’s own history of CSR, combined with a lack of proper documentation and even the closing down of entire projects, creates this picture: Management (with certain exceptions) was not at all committed to the work itself.

Another CEO for Skandia Sweden, Julian Roberts, was appointed after the take-over in 2006 by Old Mutual Corporation. He is now CEO for Old Mutual, while Bertil Hult holds the position of CEO at the Skandia Nordic division, where the management is now making a new start in CSR. This research indicates that the outcome of Skandia’s CSR work depended on the CEO’s strategic choices. The CEO’s attributes and demographic characteristics mirror a company’s commitment, an important factor if CSR work is to be regarded as more than just a politically correct facade. It is too early to comment or analyse CSR performance of the present CEO.

What are the conditions today that make it possible to reinvest in CSR? From which perspectives does the company intend to make a renewed commitment to CSR?

Positive reputation of a firm among customers and suppliers is cited as a source of competitive advantage. When competitive advantage is based on social phenomena such as interpersonal relations, culture and reputation among suppliers and customers, it is hard to

duplicate for competitors (Barney, 1991). Since Skandia acquired a negative reputation during the crisis, it needs to face this challenge. Making strategic alliances in Sweden with well-respected organizations is one important step to take. Ideas for Life works today with organizations like Save the Children, The Red Cross, and BRIS (Hagald, 2009). Svensson (2009) confirms that Skandia has established a partnership with ECPAT and E.ON. Also, Skandia joined CSR WestSweden (CSR - A network for Public & Private Social Responsibility Initiative)⁶⁹ in May 2009.

In the article by Alferoff and Knights (2007), they stress the responsibility for working with CSR further; “An alternative approach is explored that involves understanding the corporation as a social citizen with appropriate public responsibilities. This is particularly appropriate for the financial services that have benefited perhaps more than most sectors of the private economy from government largesse due to their importance in oiling the wheels of the economy...enjoyed fiscal privileges and considerable government business through funding the national debt”.

The “Crane” theory, (Norman, 2001) has a bearing on how Skandia took the role of prime-mover when starting its CSR work. “I remember Skandias pioneer efforts to involve their own employees in volunteer work. They did not get as much publicity or credit as Swedbank and others did later on. But Skandia did indeed do the pioneer work on this area!” (Thunberg, 2009). The interviewees agree that there is a great opportunity for Skandia to profile in the CSR area today. The company’s historical background in CSR is a strength that can make it easier to reestablish the work again.

One strong impression from my interviewees is their disappointment today for the lack of interest in earlier projects. The personal involvement, passion and commitment which many of the Skandia employees have put into Skandia CSR historically, is largely unknown for those involved in CSR today.

⁶⁹ www.csrvastsverige.se

7. Conclusions

The findings of this thesis show that for CSR to be implemented successfully on a long-term basis, the following is required:

- **Integrate CSR in the company's structure**

A consensus view from several of the interviewees shows that the main weakness from the years before the crisis was that the work was not integrated in the company's structure. The various initiatives were no more than projects. In a crisis, structures of a more permanent nature have a better chance to survive. But in order to make a change in the company, management must dispense with the old way of working.

- **Safekeeping the company saga**

A come-back is not only a question of institutionalizing CSR in the company, but also of making employees ambassadors of the corporate message. Any work of a more permanent nature must be built on a stable foundation; without a working knowledge of the CSR-history at the company, this work is bound to be repeatedly re-invented. CSR, if led by a management oblivious to its roots, runs the risk being less than the long-term investment which it was intended to be. Further, CSR efforts will appear as nothing more than a simple PR-trick to the public if they come and go. Skandia management needs to face the challenge of confirming earlier events and commitments with employees and stakeholders. This must be part of corporate strategy. History plays an important role.

- **Recruite CEO wisely**

Important initiatives for change, at Skandia as well as in Swedish society as a whole, tend to be taken with the ambitions of one leadership, but before these initiatives have a chance to settle into place, a change in leadership occurs, which handles them differently.

I am convinced that CSR is a strong strategic asset in times of crisis and not something that should be subject to budget cutbacks. I am therefore prone to adapt the theory by Ng (2008) in which he states it is rather the CEO's personal attributes and demographic characteristics that determine the commitment to CSR at the company. Further, the findings of this thesis show that the CEO, even more than the degree to which CSR issues are integrated into the company structure, is the deciding factor to the success or failure of CSR. Hans G. Svensson points out

that the company's strategies must be long-term and of a serious nature. This includes not only the business at hand, but also the very notion of Corporate Social Responsibility, as it is the CEO that makes the strategic choices. A CEO needs to possess passion and commitment⁷⁰.

⁷⁰ See definition in section 1.2.1

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Appendix: Timeline