



CONSTRUCTING CORPORATE SOCIAL RESPONSIBILITY

A study of workforce reduction in a Swedish high-tech company

Ola Bergström, School of Business, Economics and Law, Göteborg University, Sweden

Andreas Diedrich, School of Business, Economics and Law, Göteborg University, Sweden

Executive summary

Corporations frequently establish codes of conduct and guidelines guaranteeing moral and ethical behaviour and are careful to present information to allow external stakeholders to have insights into their activities. However, many of these activities have been described as window-dressing and political correctness, more focussed on portraying the corporation as being responsible than having an impact on its actions in practice.

This paper attempts to grasp what organisations do when they exercise social responsibility in the context of workforce reduction. The study draws upon field data collected in a large Swedish high-tech company, experiencing drastic cuts in its workforce described as a response to severe losses that threatened the survival of the company. As a result of the workforce reductions at SwedTech from the beginning of 2001 around 10,000 workers lost their job. Around 85 percent of these were transferred to new solutions, i.e. either to new employment, early retirement or starting up a new business. A minority became unemployed. These results are not surprising in a Swedish context. Most re-employment programs in large corporations have similar results. What is interesting, however, is how this process came about and how the company, despite its drastic cuts in the workforce retained in the eyes of the public its image as a responsible employer.

Monitoring Innovative Restructuring in Europe

MIRE est soutenu par le Fonds social européen, Art. 6 – Actions innovatrices
Les informations contenues dans cette publication n'engagent pas la Commission européenne





UNION EUROPÉENNE
Fonds social européen
Article 6 Actions innovatrices



Monitoring Innovative Restructuring in Europe

Constructing Corporate Social Responsibility

- A study of workforce reduction in a Swedish high-tech company

16 October 2006

Authors:

Ola Bergström and Andreas Diedrich

School of Business, Economics and Law, Göteborg University
IMIT, Institute for Management of Innovation and Technology

Table of contents

1. INTRODUCTION	3
SOCIAL RESPONSIBILITY AND WORKFORCE REDUCTION.....	4
CONSTRUCTING CORPORATE SOCIAL RESPONSIBILITY	7
BACKGROUND	9
METHOD	11
2. FINDINGS	12
ENROLMENT OF TRADE UNIONS	12
ON THE ROAD TO DISMISSAL.....	22
ENROLMENT OF EXTERNAL SUPPORT	30
REJECTING ACTORS	38
3. CONCLUDING REFLECTIONS.....	45
ACKNOWLEDGEMENTS	51
REFERENCES.....	52

1. Introduction

Discourses on corporate social responsibility are generally characterised by two underlying assumptions. On the one hand, globalisation, the increasing size of corporations and the withdrawal of the state enlarge the power of corporations in society and threaten the sustainability of society. Since corporations cause social problems and are powerful social actors, with recourse to substantial resources, corporations should use their power and resources responsibly in society (Crane & Matten, 2004). As a consequence corporations have a responsibility beyond simply making a profit. On the other hand, it has been argued that since corporations rely on the contribution of a much wider set of constituencies, or stakeholders in society (such as consumers, suppliers, local communities), rather than just shareholders, they have a duty to take into account the interests and goals of these stakeholders. Corporate accountability and transparency are increasingly being presented as necessities, not only from a normative point of view, but also with regard to the practical aspects of effectively doing business and maintaining public legitimacy (Crane & Matten, 2004). As a consequence, corporations frequently establish codes of conduct and guidelines guaranteeing moral and ethical behaviour and are careful to present information to allow external stakeholders to have insights into their activities. However, many of these activities have been described as window-dressing and political correctness, more focussed on portraying the corporation as being responsible, rather than having an impact on its actions in practice (Gray, 1990).

While researchers have attended to this issue in the past, their conceptualisation of the problem has been limited. Within the field of business ethics, the dominant perspective on this topic, social responsibility is *something* that should be an inherent quality of the corporate culture (Shaw, 2005). Suggesting that moral behaviour of organizational members and managers in particular may be enforced by ethical guidelines or “codes of conduct” (Gray, 1990), researchers within this field claim that these guidelines allow organisations to be constantly responsive to the interests of

stakeholders (McAlister, Ferrel & Ferrel, 2005). A problem with this perspective is that it treats social responsibility merely as the implementation of a set of guidelines or passive adjustment to external stakeholders, and thus fails to take into account the role of organisations in defining what social responsibility means in practice. In contrast, we argue, any attempt to grasp what organisations do when they exercise social responsibility must take into account how the organization's members take part in the construction of the meaning of social responsibility and enrol and mobilize external actors to support their definition.

We illustrate this point by presenting a case study focusing on one phenomenon often linked to debates on corporate social responsibility: workforce reduction in a large organisation. More specifically, the study draws upon field data collected in a large Swedish high-tech company, experiencing drastic cuts in its workforce described as a response to severe losses that threatened the survival of the company.

This paper consists of five sections. In the following we begin by reviewing the literature that argues for the importance of taking social responsibility in processes of workforce reduction. In the second section we then describe the setting, the company that opened its doors to us and the backdrop against which the large-scale workforce reduction materialised at SwedTech. In the third section we describe the methods we used to collect and analyse the data, while in the fourth section we present the findings of the study, illustrating the complex process of translation as part of which external actors were enrolled and mobilised to support SwedTech's definition of social responsibility. In the fifth part we conclude by discussing the implications of the study for furthering the understanding of social responsibility, workforce reduction and the relationship between them.

Social Responsibility and Workforce Reduction

In the discussions on the social responsibility of corporations, workforce reduction is probably one of the most studied and debated issues. When

companies reduce their workforce it is not only a concern for the affected workers and the local trade unions, it is also a concern for governments, regional authorities, as well as the company's owners, shareholders, customers or suppliers. Notice of large-scale redundancies is a highly public event and is often presented in the media with dramatic headlines. Downsizing makes the private relationship between employee and employer a public issue that affects many stakeholders and, subsequently, draws heavy criticism (McAlister, Ferrel & Ferrel, 2005:232). Most often this means that there is strong pressure from public actors, media, trade unions, politicians and regional authorities on companies to account for *how* they take social responsibility when they lay off workers.

However, what social responsibility means in the context of workforce reduction is hard to get a grip on. For some it means that companies should try to avoid workforce reduction as much as possible or at least consider other alternatives before they choose to lay off their workers (Cascio, 2005). For others it simply means to follow the rules as provided by the employment protection legislation, no more and no less. This may, for example, entail to announce notice of redundancy within the timeframe stipulated by law, or to follow the procedures of selecting workers to be dismissed as required by law. This is complicated by the fact that the legal requirements in case of workforce reduction vary between different countries, meaning that a universal definition of what social responsibility means, is difficult to make. Other researchers have argued that corporations should do more than what is required by law. In some cases this could entail extending the period of dismissal or offering severance payments. Still, the question of what it means to be socially responsible remains unclear. After all, there are always different interpretations of the law and even if corporations claim to do more than required by law there are different opinions whether such arrangements are effective or not. Furthermore, when companies claim to "do more" than required by law there tend to be a comparison in relation to what other companies do. Common to all these definitions is that social responsibility is defined from the outside, i.e. by actors or institutional frameworks external to

the company. As Davies (2003:306) puts it, it is the set of standards of behaviour to which a company subscribes in order to make its impact on society positive and productive.

There are also questions regarding what drives organizations to engage in socially responsible behaviour. According to Davies (2003) corporate responsibility emerges in response to one or a combination of five forces. First, there is the push of top-down compliance such as reporting requirements or government regulations which introduce a compulsory approach on top of which good companies will tend to innovate. The second force is the working of markets where customers, employees, or capital markets exert some form of preference, pressure or signal. Third there is the 'reputation pull' – where companies are motivated to behave well to promote and safeguard their reputation, or ability to attract investment. In the context of workforce reduction this may pull the company in different directions. On the one hand, workforce reduction may pull potential employees to hesitate in applying to jobs in the company because of the future risk of dismissals. On the other hand, investors may regard workforce reductions as an important signal for management's ability to deal with financial losses or low profitability. Fourthly, there is the impact of shock and crisis, where there is a scandal, revelation, disaster, or loud and embarrassing protest. Fifthly, there is ethics, either in the form of the institutionalized values of business founders and leaders, codes of practice, or individual judgements.

Generally, many of these theorists view the moral agency of corporations as the basic motive for taking social responsibility (Shaw, 2005) focusing primarily on the moral dimension of the concept of business and organizational ethics, and arguing that corporations that take on social responsibility are governed by a corporate culture, shared values and beliefs, which prevent organizational members from dysfunctional behaviour and processes (Shaw, 2005:171). Most often such behaviours are assumed to be disseminated in the organisation through codes of ethics (Gray, 1990). This also includes another assumption, that an effective professional or business

moral code – as well as the public’s awareness of this code – is good for business (Shaw, 2005:170). For a code to be effective it must be realistic and it must become part of the corporate culture.

There are problems with such assumptions. First it assumes that all organizational members, including members are aware of and already have ready-made conceptions about how to behave. Second, it assumes that codes of conduct or moral standards are plans (Suchman, 1987) that can be disseminated in the organization in such a manner that all members act according to the plans, in a similar way as intended from the beginning. The assumptions made do not acknowledge the process of how social responsibility is constructed in practice.

Constructing Corporate Social Responsibility

It is not uncommon for managers to claim retrospectively that the corporate social responsibility initiative they implemented in their organization was successful *because* of the goodness of the new, state-of-the-art, code of conduct they had recently drawn up. Similarly, it is common for innovators to make claims about some positive characteristics of a machine before the machine works. But a corporation cannot *be* socially responsible *before* it is acknowledged as being so by others. So, while a company works with constructing social responsibility, and attempts are made to implement socially responsible practice in an organization, it cannot convince anybody *because* of its good working order. In other words, a company is not socially responsible because of the good working order of its code of conduct. As Latour (1987:11) suggested, focusing on engineers and their innovations “[i]t is only after endless little bugs have been taken out, each bug being revealed by a new trial imposed by a new interest group, that the machine will eventually and progressively be made to work. All the reasons for why it will work once it is finished do not help the engineers while they are making it.”

In the context of workforce reduction, this suggestion means that the claims made about the social responsibility of corporations are misleading and must

be examined in the settings in which they are established, negotiated and maintained.

Thus the overall picture is one in which the concept of social responsibility sheds its aura of universality and objectivity, and is no longer understood as a stable concept easily locatable in individuals, groups or organizations. Instead, it is seen as being *constructed*, as constantly produced and negotiated. According to Latour and Woolgar (1979:236) this “[c]onstruction refers to the slow, practical craftwork by which inscriptions are superimposed and accounts backed up or dismissed.” When an inscription holds, it becomes a stabilised tool, a black box (Latour, 1987).

The concept of the black box has been and still is interesting for sociologists of science and technology because it represents the historical outcome or product of processes of construction. The concept “contains that which no longer needs to be considered, those things whose contents have become a matter of indifference” (Callon & Latour, 1981:285).

This study takes as its starting point the emergence of optimistic predictions about the significance and goodness of the concept of corporate social responsibility, by analysing the process of translation (Callon, 1986; Latour 1986) through which the employer representatives seek to impose upon other actors their definition of the concept. According to Callon (1986) such translations are characterized by a series of processes by which the actor seeks to lock other actors into the roles that has been proposed for them. In this paper we will focus on two elements of such processes: *enrolment*: a set of strategies in which the employer representatives seeks to define and interrelate the various roles they have allocated to others; and *mobilisation*: a set of methods used by the actor to ensure that supposed spokesmen for various relevant collectivities are properly able to represent those collectivities and not betrayed by the latter. As Callon (1986) notes enrolment does not imply, nor does it exclude, pre-established roles. It designates the devise by which as set of interrelated roles is defined and attributed to actors who accept them. Thus, to describe enrolment is to describe the group of

multilateral negotiations, trials of strength and tricks that accompany the process of locking actors into their roles, and enable them to succeed. This, we argue, set the scene for a more sceptical approach to the claims of social responsibility. Before we present the findings of our study, we will first describe the setting and methods that we used to study this process.

Background

The case presented in this report is based on substantial empirical research undertaken at *SwedTech AB*, a large Swedish Telecommunications equipment manufacturer founded at the end of the 19th century.

In December 2000, SwedTech's management presented the best results in the company's history. Only one month later, in January 2001, trouble started brewing. According to SwedTech's management it suddenly and without any prior warning became apparent that hardly any new orders were coming in, and that customers were annulling previously placed orders at an alarming rate. The company's CEO described the situation as dire in February 2001. One year later SwedTech released its annual report for 2001 showing a pre-tax loss of 21.1 billion kronor and warning of further losses for the first quarter 2002. During 2001 the company's market value had plummeted, its sales had collapsed and orders had decreased by 43 percent in the last quarter of 2001 alone.

The announcement by SwedTech represented the largest loss in Swedish industrial history and shocked the whole country. As one of Sweden's largest corporations, constituting 18 percent of the country's share index at the time, and its largest private employer, SwedTech had been the motor of the country's industry. Many ordinary Swedes had invested in the company's shares during the IT-hype of the previous years, and especially among younger university graduates it was perceived as one of the top employers.

From a review of major newspapers from the period as well as the data gathered from the interviews with persons working for SwedTech at the time, it becomes apparent that many people inside and outside the company were

caught off-guard by the sudden break-in of the market and flabbergasted by what was happening around them:

It was in January that year [2001] that SwedTech went...from having produced a fantastic result, the whole market suddenly collapsed. Nobody really understood what was happening; the market simply collapsed in just a few months. So, in June 2001 we had our first large dismissals; and we were in the press all the time. And the headlines painted a bleak picture – 10 to 20 whole pages; we were on all the news programs, all media. We faced dismissals; everybody was affected. Even the most loyal employees who had worked for the company for 15, 20, 25 years were not assured of their position in the company. It was such a shock for so many people. [SwedTech Representative, Interview 050602]

This study focuses on the workforce reduction programs undertaken by the company over the past five years. Special attention is given to the so-called *Framtidsforum 2* (*Forum of the Future 2, or FF2*), a career change program initiated in the wake of the crisis, which almost led to the financial collapse of SwedTech in 2001. During this period SwedTech reduced the number of workers worldwide from 107 000 to around 50 000 workers. In Sweden more than 12 000 workers were laid off. The FF2, as the name might suggest, was not the only restructuring program run at the company. In fact, it was one program in a long line of programs stretching from 1995 to the present day. What made the FF2 program special was the sheer number of employees who lost their job. Never before had so many people been made redundant at the Swedish company.

This is chosen as the starting point of this paper. The workforce reduction of SwedTech was presented as socially responsible, both by representatives of the employer and by a government report, acknowledging the reasonable responsibility that SwedTech took regarding the restructuring work for their dismissed employees. According to the SwedTech representatives their career change program had been a huge success. In various promotional brochures and pamphlets published they retrospectively identified five key factors that had contributed to this success:

- “Clear messages, if people are left in the dark about what will happen to them they tend to become insecure, unmotivated and unhappy.
- Good Cooperation with the trade unions and the supplier of the program.

- The program was adapted to the needs of the persons affected by the restructuring.
- Continuous communication between the different partners was in place to ensure that everybody got the same information.
- The program was kept flexible and changed along the way” (SwedTech leaflet).

An evaluation on behalf of the Swedish government confirmed the image of SwedTech as a responsible employer:

The restructuring work undertaken by SwedTech for their dismissed employees is probably the largest and most extensive ever done in the country. SwedTech’s leadership has had the sincere ambition to undertake good and effective activities for those persons who were affected by the company’s far-reaching divestitures. I am of the opinion that SwedTech has up until now taken reasonable responsibility for their personnel during the downsizing 2001 and 2002.

This responsibility has exceeded what is stipulated in rules and legislation, but is at the same time the result of negotiations with the trade union organizations and has therefore been established using the pressure that the unions, on the basis of the demands of their membership, have been able to exert. The disappointment with respect to a number of dismissals in Kista [*close to Stockholm*] is a blot, that does not stain the whole effort, but nevertheless has caused some individuals unnecessary suffering. [Hans Karlsson, Press message 18 April, 2002]

Listening to the administrators responsible for the daily running of the program, however, it becomes apparent that the eventual success was only achieved after a number of hard-fought battles. One particular comment by an administrator summarises some of their experiences with the FF2 program:

With the facts at hand, it feels as though it almost...that it did not work in many respects. There was nobody, I believe not even the suppliers, who had had any experiences of this. [Interview 050603:7].

As is generally the case with organisational change, the process was characterised by ambiguity, uncertain outcomes and contingencies, and continuous efforts by the persons working with the workforce reduction activities to control these. We will now retrace some part of this chain of activities and see the simultaneous production of knowledge and the construction of a network of relationships, which all together formed the company’s social responsibility.

Method

The study reported in this paper is based on empirical material collected through mainly interviews as well as document analysis. A total of 23

interviews were undertaken with representatives from SwedTech – administrators of the FF2 program, HR specialists and managers – as well as trade union representatives and persons working for outplacement agencies and the job security foundations. The interviews with these persons who in one way or another were involved in the process of workforce reduction can be best characterised as open conversations (Kvale, 1996). We also analyzed a large amount of written documents in the form of information material, plans, brochures, memorandums, articles, personal files etc. produced as part of the work in the FF2 program.

2. Findings

The analysis of data revealed the different ways in which actors were enrolled and mobilized in the process of workforce reduction in order to construct the company as socially responsible. These were first, the enrolment of trade union organizations, for the sake of avoiding the selection criteria provided by the employment protection legislation; and second, the enrolment of suppliers to the re-employment program, to make sure that individuals got the proper support in their efforts to find new employment. Both of these moments, it should be noted, were complex and ambiguous, leaving room for an intricate set of displacements that are beyond the scope of this paper. However, as claimed, in both of them actors were enrolled to support the company's definition of social responsibility. The next subsections will map out these processes in further detail. Our starting point here consists of the moment when the CEO of the company address the press and told them that the company faced tuff times ahead and there would be redundancies in the company.

Enrolment of trade unions

In February 2001, shortly after the CEO had informed the press of the precarious situation the company found itself in and told them that there was

no light at the end of the tunnel, negotiations began between the SwedTech leadership and the trade unions on how to handle the dire situation. From the beginning negotiations involved representatives from SwedTech, the Swedish Union of Clerical and Technical Employees in Industry (SIF)¹, the Swedish Association of Graduate Engineers (CF)², the Swedish Service Organization for Leaders (Ledarna)³, as well as the Swedish Metalworkers' Union (Metall)⁴.

SwedTech's interests were represented by a number of people from the company's staff functions, especially HR. Apart from these two key individuals a number of other persons working within HR at SwedTech became involved in the negotiations as they proceeded. These persons worked operatively with HR questions in the Business Units that were successively earmarked for restructuring and subsequently affected by downsizing.

The negotiations in early 2001 differed from the ones that had taken place at SwedTech over the previous few years. According to our interlocutors, this was primarily due to the fact that everybody – from SwedTech's leadership to the company's employees to the trade unions and the Swedish public – was caught by surprise by the developments in 2001. The sheer scale of the crisis created somewhat of a panic and spurred the stakeholders to take rapid action. The company had around 107 000 employees around the world, whereof nearly 50 000 were working in Sweden. It was clear to everybody

¹ The second important union involved in the negotiations, SIF, as the name suggests, focuses its activities on employees working in the technology and knowledge-based sectors of the labour market. Its members work in the private sector predominantly in companies that operate in areas such as IT, telecom, construction, manufacturing and R&D. SIF membership is also open to students or the self-employed, provided that they in turn have no employees. The union describes itself as "independent in party political terms" and has offices in 25 locations throughout Sweden. It also operates approximately 2 700 local branches.

² With more than 100 000 members in Sweden, CF is the largest association within SACO, the Swedish Confederation of Professional Associations. It supports its members in three different ways: as a professional association, in labour negotiations and as an advisory body.

³ The *Swedish Service Organization for Leaders* (Ledarna) also partook in the negotiations – playing a minor role though. It represents 70 000 members countrywide and focuses its activities on issues concerning the individual's role as a leader. It offers legal advice, consulting and coaching activities, access to information and ideas and support in everyday practical situations.

⁴ The *Swedish Metalworkers' Union* (Metall) has 420 000 members at approximately 12 000 workplaces.

that a large number of people would have to go as it was feared that without any action taken, SwedTech might collapse financially, with detrimental consequences for the whole of Sweden.

The different partners had different agendas going into the negotiations. For the trade unions the adherence to the Swedish labour laws, especially the employment protection legislation (LAS) was of utmost importance. The central tenet of LAS is the so-called “seniority principle” stipulating that decisions on dismissals should be based on the time that the employee has been employed at the company.

For SwedTech’s leadership the survival of the company through cost cutting measures and increases in efficiency were of utmost importance. The general strategy of the employer representatives was to deviate from the seniority principle as required by labour law. For them, LAS was “not absolute” and they attempted to “negotiate their way around” the seniority principle as far as possible. Their goal was to have as much freedom as possible when choosing candidates for dismissal.

The trade unions on the other hand, although eager to ensure that the company adhered to LAS, were aware that certain concessions had to be made. One of the trade union representatives present at the negotiations put it in the following way:

We knew it already from the beginning. The company would want to deviate (from the seniority rules). They would not offer a package otherwise. It costs to deviate from the seniority list. And one way is to buy that by offering a re-employment program. That’s the harsh reality. On the other hand one has to think, should we have a company as large as SwedTech - we must survive – then we need to think about that. So from the trade unions’ point of view it is a much more difficult task to take part in negotiations regarding dismissals than it is for the company. Because, on the one hand, we must make sure that the employees who stay in the company really has a job to go to, in that it is not depleted of competence and generations and so on. On the other hand, we must stand up morally, to stand up for the negotiated priority list that we agree upon. We know already when we enter the negotiations that there will be people who have worked a long time for the company that will be placed on the list and we have to defend that. So, in the full sense of the word we are in a more exposed position than the employers. So it is a tough situation and now we have done it for four years.[Interview 050630:7]

The unions intended the company “to pay” for any concessions made concerning LAS. In other words: if the company planned on dismissing

employees who had been working for the company for a long time while keeping other, younger employees employed because they had the skills the company felt it needed in the future, then they had to give something in return.

The central negotiations resulted in the employer offering a re-employment package for those employees who were dismissed, including double severance payments (12 months) and career counselling services to support them in their efforts to find new jobs. In exchange the employer was promised the possibility to deviate from the seniority principle as required by law. However, the deviation had to be negotiated in each an every business unit.

The negotiations started by management announcing the total number of employees earmarked for dismissal to the whole company. As the next step the number of dismissed employees were distributed over the different business units within the company; in other words, Business Unit managers were given information on how many individuals they had to dismiss in their unit. The Business Unit manager then translated the numbers into the different departments within the Business Unit. The Business Unit manager was placed in charge of deciding how many people were to be dismissed in each department in order not to jeopardise future business opportunities.

However, in the first round of negotiations the trade union representatives did not accept any deviations from the seniority list. They refused the Business unit managers' suggestions for whom to dismiss. Instead of arguing for who needs to stay in the organization they focused the discussion more on who they wanted to dismiss. Management representatives explained this by the chaotic situation at the time and that they were not able to put much time into preparing for the negotiations.

If you take a look at 2000, that year we made more money than ever before; we had experienced steady growth over a long period of time. This [the crisis] at that time was understood as simply something bad that will take 10% off our earnings. Nobody really saw the telecom crisis. And nobody was really able to communicate the threat either. And apart from that, we had not really done enough preparatory work with the trade unions that time. Before the negotiations on the priority of dismissals, we probably did not put down enough energy to convince them that we were going to do the right thing. And the unions were most likely not sufficiently involved either. And also, what

happened was that when the bosses were in agreement over who should go, there was probably nobody who had put up performance criteria [...]. And, of course, this makes it difficult for the unions to sell the idea to their constituency. We didn't have clear criteria either for what were the competence demands. [Interview 050630]

Thus, in order to achieve the promised deviations from the seniority list the employer had to prepare themselves better for the negotiations. As a consequence the employer representatives rearranged the process of negotiations in what was called a three-step model. At the same time, a "Core team" consisting of representatives of the HR function, the HR manager, the Business Unit manager and a number of supporting assistants was set up to facilitate the negotiations in each business unit. In the following sections we will briefly describe the elements of this model.

Step 1: Developing a staffing plan

The first step in the model involved the creation of a so-called staffing plan. The staffing plan was made by the managers in each one of the Business Unit departments according to the "needs identified in order to facilitate and further develop the business activities". It consisted of an organizational chart with empty positions, and one of its most distinct features was, according to HR-representatives, that it was made "entirely without consideration" of the specific individuals "hidden" behind the organizational chart. The discussions surrounding the establishment of the staffing plan focused "solely on the operations". Managers argued that the plan was only related to what the department was supposed to accomplish in the future and the identification of the competencies needed to manage the operations. The staffing plan was complemented by a time plan with which the managers in the departments were given "clear outlines" of how much time they had at their disposal in order to implement the staffing plan.

Once this was completed the Core team presented the staffing plan to the trade union representatives. For the employer representatives it was important to continuously keep the trade union representatives updated of what they were doing. One HR representative explains:

And then we established a schedule; the managers have so and so much time to accomplish all of this. We also presented this [staffing plan] to the trade unions, in order to have them with us on board all the time. We didn't want to do a whole lot of work and then at the end sit down with the trade unions and let them reject everything. Instead we attempted to include them in our work...to try and listen to them too, and to include their feedback in our reasoning. [Interview 050701]

It is important to note that this step could take several turns. It was not always that trade unions accepted the plans as presented by the managers. This process was described as a constant giving and a taking, according to one HR representative involved in the process.

Step 2: Putting names on the empty positions

Once the staffing plan was completed and accepted by trade union representatives the next task was for the managers to fill the empty positions on the plan with names. The result was in most cases that a number of individuals were "left out" without a position. In the negotiations that followed between the Core team of the Business Unit and the trade union representatives the main focus was then placed on the question *why* certain individuals had been left out.

In order to prepare the managers for their encounter with the trade union representatives the *Core team* organised final rehearsals before the negotiations. The rehearsals took on the shape of role plays in which the HR-assistants from SwedTech played the role of the trade union representatives. As part of the plays managers gave their presentations and HR-assistants made sure to ask questions that would puncture their arguments. The rehearsals were described as a way to avoid the "unnecessary conflicts with the trade unions". The idea on the part of the HR assistants was to put the managers through the same situation as the one they were to encounter in the "real" negotiations.

Ultimately, the reason for organizing the rehearsals was to ensure that the managers would make use of the "right", in other words, legitimate, motives for dismissal during the negotiations and that the plans that had been drafted by them would hold. The arguments these plans were based upon had to hold if their proposals were to gain acceptance. At the same time the

rehearsals gave the HR assistants an opportunity to make it clear to the managers that some of their cases were doomed to fail even before they were presented before the trade union representatives, and should therefore not be taken up at all. For example, according to Swedish law long-term illness or sick leave are not legitimate reasons for dismissal. A person who has been absent from a company over long periods of time due to illness or because he or she is undergoing rehabilitation of some form can be dismissed, but then there have to be other reasons apart from the person's health. Even lack of performance and incompetence on the job are not by themselves considered as legitimate reasons for dismissal according to Swedish law. Trade union representatives argued that employees should at least have had a reasonable chance of improving their performance. If the worker has previously not been provided with any feedback on his or her inadequate performance they regarded it as unfair to dismiss that person on the grounds of performance. If the employer was able to prove, however, that feedback had been given to an underperforming employee, but the person in question had been unwilling or incapable of improving his or her performance, trade union representatives would accept dismissing that person. Managers therefore made efforts to ensure that performance appraisals were well documented and signed by both parties. In other words, the rehearsal was a way to impose upon trade union representatives the employer's definition of whom to dismiss.

One by one the departmental managers entered the room with their filled-in staffing plans and the list of names of people left out after the allocation of positions in hand. They presented their plans and their ideas on the future of their operations, while the trade union representatives listened attentively, took notes but did not comment the plans in any way.

Step 3: Comparing lists

Once the work with compiling the lists of people earmarked for dismissal was completed by the employer representatives, the third step in the model implied a comparison of the lists. In other words, the desired list of the employer representatives, referred to as the "master list", and including the

names of all the individuals to be dismissed in the organization, was compared with the seniority list of the trade union representatives. In practice this meant that the parties sat down and went through the lists person by person, discussing each individual case. At that stage the trade union representatives knew who SwedTech wanted to dismiss, and in many cases they accepted the arguments for dismissal that had been previously presented by the managers. Occasionally, however, they were in disagreement over the fate of specific individuals, and the trade union representatives could ask for example whether the person in question could not work somewhere else in the organization instead of being dismissed. One HR-representative present at these meetings recalled:

Just then they put a mark next to them and said "at the moment this looks ok". The next name, they maybe did not buy at all, and instead demanded to know "why this person could not work in this division instead". Okay, in that case we took this as an assignment and sent it to those HR people who did not sit in the Core team but instead worked close to the operations. And they took care of the case and worked with it parallel in order to find a solution, while we sat together with the with the trade union organisations. Then, they reported back to us on the progress they made. [Interview 050701]

At times, the procedure could extend over long periods of time. The plans of some managers were overturned. In such cases the managers were sent out of the room and had to go back to the drawing board and revise their plans, documentation and arguments, before returning once more to explain the changes that had been made.

On other occasions the trade union representatives came with suggestions and ideas on how to improve the plans. Sometimes they could suggest, for example, that individuals should be swapped between departments within the Business Unit. As time went by and several rounds of negotiation had taken place, both parties improved their negotiating skills, as one of the HR-representatives expressed it:

I believe that even the trade unions became better at this, and did not really put as much energy into it in the beginning. During the last rounds of dismissals they really put a lot of energy into this idea of re-employment. And then we organized separate meetings for matching. In other words, we invited all the bosses, and we from the *Core team* sat them down in the same room. We told them "now we have this and that person who the unions demand us to look at. Can we re-place these persons? And we went through all of them, name by name by name. [Interview 050701]

This procedure was also incorporated in the preparations of employer representatives. Thus, the employer continuously rearranged the procedures in order to be able to impose upon trade unions their own criteria of whom to dismiss.

The negotiations take their toll

During the process of negotiation the atmosphere in the organization was rather depressed. According to one person involved in the negotiations it was like being in a “vacuum chamber”:

Everybody sat and waited. We were actually running one restructuring process every term. This meant that we had dismissals just before Midsummer and just before Christmas. In-between then people sat and waited anxiously. It was amazing to see that the people were still accomplishing as much as they did under these circumstances...with this insecurity. But when notice had been given, when one knew that now the negotiations have started, everybody started to walk around like in a vacuum chamber and waited until everything would be over. [Interview 050701]

The members of the *Core team* were personally affected by the negotiations. They were conscious of the fact that their colleagues in the organization knew that they were negotiating possibly their own fate, and they felt the pressure from all those around them who were waiting anxiously for the results of the process.

But it was the trade union representatives that were probably in the most difficult situation and most exposed to the pressure from their colleagues and other organizational members. The trade union representatives at times worked in the Business Unit whose fate was being negotiated. They also represented the interests of the individuals, whereas the employer representatives stood for the company's interests. Subsequently, the trade union representatives were involved on a much more personal level than were the HR-assistants or other employer representatives.

This illustrates some of the difficulties with negotiating dismissals. It might be hard for both employer and trade union representatives. It takes a lot of courage to shoulder the responsibility of deciding upon the fate of other people. In particular, it could mean that trade union representatives risk losing the confidence of their members and that organizational members accuse them of colluding with the employer.

Negotiations completed

The negotiations resulted in around 700 employees being given notice of dismissal in June 2001, just before the summer holidays. The deal which had been struck between management and the trade unions made provisions for the establishment of what eventually became known as the *Framtidsforum 2*, (FF2) a support organization aimed at helping those employees left without a job to find new work. As the name suggests FF2 was not SwedTech's first attempt to work with workforce reduction. In fact, it can be seen as one step in a long line of workforce reduction programs continuing to the present day at SwedTech.

In sum, the stepwise procedure outlined here provided the opportunity for the employer representatives to use other criteria than those provided by labour law. The agreement on structure of the future organization enabled management representatives to argue that some of the workers did not fit into the new organization, especially if it could be argued that the individual would be unable to acquire the requisite skills or competencies within a reasonable time. In other words, while lack of performance or skills were not reasonable grounds for dismissal, lack of skills needed for the new positions on the organization chart created during the first step of the model presented here were constructed as legitimate reasons for dismissal. In general, this meant that the skill requirements of the organization were distorted: there were demands for reducing the workforce at the same time as it was clear that there would not be less work to do. The idea was, rather, that the people left in the organization would need to work in a different, presumably more efficient way, and in order to do so the skill requirements would need to be tightened. Thus, the negotiations did not only result in the employer imposing different selection criteria in relation to the law, it also meant a different definition what it means to work in the company.

On the road to dismissal

When the parties had agreed upon a list of priority for dismissal the next step was to inform managers. Managers then held a meeting with each individual who were earmarked for dismissal. The meeting was referred to as “the difficult conversation”. In this meeting managers were to give notice to the employees that they were selected for dismissal. This was sometimes a difficult task for managers who had never experienced such situations before. They were not used to talk to employees in that way. HR-representatives emphasized the importance of not letting people alone after notice of dismissals had been given. One of the HR-managers expressed it as follows:

There are a lot of things to think about, these practical things, to sit undisturbed, to turn of the telephone. All these things that you take for granted. People don't think about making sure that it is you and the individual. You cannot put up three managers in a row and call in Kalle to tell him that he has been dismissed. It doesn't work. You must let him get the opportunity to ask questions and don't let him go before you have made an agreement on another meeting the day after. When Kalle goes home try to keep track on how he feels. This is a part of our responsibility as employers.[Interview 050701]

After the “difficult conversation” the dismissed individual had to sign a dismissal form. The dismissal form was a confirmation that the employee had received the notice of dismissal. The form contains information about the conditions for dismissal. According to Swedish labour law dismissed individuals, before everyone else, have the right to return to the workplace if the employer decides to hire workers again. In the case under discussion here the right of precedence was exchanged for more generous re-employment packages. However, not all employees accepted the resigning of their right of precedence. In that case the employer representatives informed the employees that they were not eligible for the re-employment package.

According to the employer representatives in this particular case the choice not to resign ones right of precedence on the part of the employees had more to do with issues of principle than a sound analysis of advantages and disadvantages with keeping this right as compared to taking the more generous re-employment package. Many of the people had worked at SwedTech for a long time, and for many the company had been their only employer. They simply could not imagine ever working for a different organization. As they were dismissed their only mission was to find another

job within SwedTech. For that they wanted to keep their right of precedence. Changing this understanding of SwedTech as the only imaginable employer for many of the dismissed persons became a more and more important part of the work of the employer representatives, and especially those working at a later stage with the re-employment program.

Choosing a future

After the meeting between the manager and the signing of the dismissal form the dismissed person enters into a new phase. The individual worker who used to be an employee is now transferred to the re-employment unit. But before entering into the re-employment program he/she has to make a choice. There is another form to sign. The dismissed worker had to make a choice of what to do in the coming year.

The participants had four options to choose from: severance payment, early retirement, normal dismissal or enrolment and participation in a career change program, the *Framtidsforum 2* (FF2). After having been served their notice of dismissal, employees had two weeks time during which to make their decision on which alternative to choose.

Those employees who chose to sign up for FF2 were transferred to the so-called *Forum of the Future Unit* where they, for a period of up to 12 months had the possibility to engage in a variety of activities aimed at helping them to find new employment. They were allowed to remain there for a maximum of 12 months. The 12 months were an extension of the dismissal period of 1-3 months as stipulated by the Swedish law.

The program was not an entirely selfish effort by the company to help its employees. Another aim of the FF2 program mentioned by our interlocutors as well as in the SwedTech promotional material, was to show the Swedish public that SwedTech, at that time in 2001 Sweden's biggest private employer, was able to handle the difficult situation of having to let so many people go in a correct and decent way. In other words, there was a genuine interest among the company's leadership to take their corporate social responsibility

seriously, but the image of SwedTech as a company and an employer also played an important role.

The re-employment unit

The FF2 program was organised as a project. From SwedTech's side Lisa Bengtsson was responsible for the daily running of the program. She hired two other people from different parts of the SwedTech organisation and four assistants from a temporary work agency in order to assist her in administrating the program. Lisa referred to FF2 as an "organizational change project", because it resulted in the establishment of a new unit at SwedTech: the FF2 unit. The participants in the program were transferred to this unit and Lisa eventually became their line manager.

The administrative personnel and the coaches from an outplacement agency made up the staff functions of the organization. The fact that Lisa was the line manager for at times more than 600 people brought with it a number of problems. In the rest of the SwedTech organization line managers had the direct responsibility for not more than 20-25 individuals.

The re-employment unit was located in an office building close to the company's HQ in Kista, just outside of Stockholm. The building was to serve as a physical space where the dismissed workers could go, while they were searching for a new job. The choice to transfer the participants in the FF2 program from their old workplaces to the FF2 unit was a conscious one according to our interlocutors. One of the administrators explained:

We have said that it is not a good idea to mix dismissed employees with those who remain in the organisation; that is something we have learned. A dismissed employee should not have to linger on with his or her old colleagues. That person should be moved to a different place. There are a number of reasons for this: first of all, this makes it clear to the person that he or she has actually left the normal organisation. Secondly, there were also many people who thought that having been dismissed was a terrible fate to be suffered...they felt very bad, had feelings of guilt and placed a lot of blame on themselves; and in this situation they were not capable of seeing their old colleagues. Even the old colleagues experienced the whole situation as difficult, because they also felt guilty, because they had not been dismissed. Why am I still in the organisation, when my colleague who has worked here much longer than me was dismissed? So, especially during the first wave of dismissals there were a lot of these sorts of feelings that we did not really take care of all that well. But we did sit physically in a different building. (Interview, 050602:4)

Apart from separating the dismissed employees from the ones who were retained in the organisation in order to indicate to them in no uncertain terms that they were on their way out of the SwedTech organisation, the participants in the program were themselves divided up. The managers in the group were transferred to a different location in Solna. The reason for this was that the administrators felt that it might be problematic if managers and their former subordinates intermingled in the program. Some employees might display a certain degree of animosity towards their former bosses, and the managers in turn could find it problematic to suddenly be thrown into the same pot with people formally subordinated to them. Most problematic was the fact that some of the managers who had been dismissed, previously had had to dismiss some employees under their responsibility. To put them all into one and the same program under the same roof would send “the wrong signals”⁵ according to one of the administrators.

Three floors in the building were allocated for the re-employment unit. The open-plan offices provided room for hundreds of participants at the same time. The offices were furnished with desks and computers and every workstation basically looked the same. Participants did not have their own personal workstation and instead had to make do with whatever place they could find when they arrived in the mornings. The open-plan offices were complemented by a small number of private offices. These could be used by the participants who decided to open their own businesses and needed some privacy in order to conduct their business dealings.

One of the ideas underlying the program was that the participants “were without work, but not without employment”, as Lisa put it. They were physically removed from their workplace and the SwedTech organisation in general, in order to prevent them from having to face their colleagues who retained their old jobs and in order to signal to them that they were on their way out of the organisation – although still being employed by it. Removing them physically from their workplace was one way for SwedTech to provide

⁵ Interview with FF2 unit administrator [050602:1]

the dismissed persons with a clear message, something that according to the head of the FF2 unit, was of utmost importance if the re-employment program was to succeed. She explained this metaphorically in the following way:

Well, you don't just let go of SwedTech...those persons who have had 12 months [notice] still haven't let go of that. We have had a certain SwedTech spirit, a culture that has been very pleasant. Just imagine that you are invited to a family dinner and the whole family, 25 people, is sitting around a table, and suddenly someone says that from now on you are not allowed to be part of the family dinners anymore. You are not allowed to be a part of the family anymore. And I believe this is the way these people [who have been dismissed] experienced the whole situation. And I do believe that one should not prolong this whole situation more than necessary...you are *maybe* not allowed to partake in the family dinners in the future anymore. Personally, I believe that it is better to make a clear cut here [...]. [Interview, 050603:16]

Sending an unclear message could easily result in the participants becoming lethargic. A person who does not know if she is *in* or *out* might not be as motivated to search for a new job compared to someone who has been told in no uncertain terms that he will soon be unemployed. Unclear messages might also stir up the unfounded hope in the participants that they eventually will remain in the organization – that SwedTech will take them back eventually.

Lisa tried to send a clear message to the participants that they were not “part of the family anymore”, at the same time as she realised that one particular issue concerning the fact that the participants in FF2 were “not without employment” was somewhat counterproductive in this endeavour: their employment benefits. As the participants joined the program they retained their employment benefits. They retained their mobile phones for example, as well as their access to the SwedTech Outlook system. Employees in possession of a company car were able to keep them during their participation in the re-employment program.

For Lisa this circumstance contributed to sending an unclear message to the participants. In the ensuing programs the benefits were subsequently reduced or exchanged for solutions that made the break with their old work situation more noticeable.

One Morning in August...

The 700 employees dismissed in Stockholm in June 2001 returned from their holidays in August 2001 only to find themselves without a job. 424 of the approximately 700 employees made redundant stood one morning in line (literally) outside the building housing the FF2 unit to register for the program. Lisa recounts:

We were not prepared that 400 people would come along at 8 o'clock in the morning, because we had told them to come sometime during the morning. But all of them came at 8, and that was a problem because we didn't even open before 9 o'clock. So, they all waited outside in a long line and according to them it felt to them as if they were on their way to the slaughterhouse. [Interview, 050603]

Once the redundant employees had been registered in the program, they fell under the jurisdiction of the program's administrators. Part of the agreement was that they in the program would still retain their employment status, including their employment benefits, while participating in FF2. For the administrators this meant above all a great deal of "extra work". Apart from having to administer the activities of the employees in the program and supporting them in their daily activities they had to invest a lot of their time into administering the SwedTech accounts and the authorizations (intranet access, personal Outlook folders, mobile telephones, etc.) of the participants.

One of the administrators described her work in the following way:

I was the first person at work, got up at 6.30 o'clock, went through my mail and all the paperwork [...]. I ordered all the courses and educational programs...and sent away a lot of things. At 9 o'clock things were going crazy, because by then all the people had arrived. And then it was difficult to do anything practical, because people were coming to me all the time with their concerns, everything from cancellation of authorizations to telephone use, id-cards, computers and SwedTech's intranet. The "exit report" [*which the participants received when they left the program*] was 4-5 pages long and we had to go through every point on the list in order not to forget anything. We had to for example write agreements if they were to be paid out a certain amount of their monthly wages; it was even possible to divide this amount into smaller parts. And then we had to register in Excel that they finished the program and what they were going to do afterwards. [Interview, 050602:2]

The first meeting with the dismissed workers stirred up a lot of emotions among administrators. They suddenly realised the complexity behind dealing with all these people with varied background, stress and frustration. Another administrator described the situation they found themselves in the following way:

We worked around the clock. We had a lot of contact with the employees, over the phone and because we also sat in the open space offices of the program. I had my office right in

the middle of this chaos organisation. They [the participants] could stand outside my door...I could never simply disappear. Instead, things came up all the time...everything between heaven and hell. [Interview, 050602:2]

What is described above as the “chaos organisation” which the administrators had to face was however only one side of the coin. In fact, the way participants reacted to the situation they found themselves in varied considerably:

Some of them though that this was all quite arduous, and some wanted their own room and had their own opinions about that issue. Then you had those people who enjoyed being on the lower floor and hiding away from everyone else; who did not want to mix with everyone else. But, there were a lot of people all the time. One [the participants] did not work the way one did before; that you go to work and have your tasks and keep yourself busy. Instead people mingled a lot with one another. And there were those who were angry and sad, and then there were those who thought the whole thing was fantastic. [...]. Some were able to fulfil their dreams, start their own businesses or a new career. And others thought that this whole thing was one big insult to them. There were all kinds of people. [Administrator, Interview, 050602]

Participants came from 11 different companies within the SwedTech conglomerate and from very different social backgrounds. While some had only worked for SwedTech a few months, others had been employed at the company for 25 years or more at the time they were notified of their dismissal. Although the seniority principle was predominantly adhered to in FF2 program the sheer number of persons earmarked for dismissal meant that even long-serving employees lost their jobs.

According to one of the administrators, it was especially these people who were flabbergasted and did not comprehend what was happening around them when they were let go.

Apart from the differing professional backgrounds that had to be accommodated in the program, the administrators had to contend with the highly varying social backgrounds of the participants. Not an easy task according to one of the administrators:

On the one hand there were the people who had been on sick leave over long periods of time. On the other hand there was a lot of drug and alcohol abuse that came to the fore; and criminal activity. It felt strange: what kind of bizarre people did we have among us? But then I realised that the situation we were in was not at all unusual. We were at that time 45 000 employees in Sweden – around 20 000 just in Stockholm – and that, one can imagine, is approximately the size of a city. And in a city you find all those categories of people we had [in the program]. So, I believe that one could say that we saw a cross section [of society]..., but everything became so obvious when all these people came together in one and the same place. I mean, we had sick people in this program...I mean people who were psychologically ill, who had been diagnosed as psychologically ill, but had not been on sick leave. They had been in the organisation. And then we had substance abuse. [...]. We had to put up with common criminals, with motorcycle gangs and threats. I mean, we've seen it all. [Interview, 050630:3]

Some of the employees had been on sick leave for a long period of time prior to entering FF2⁶ and others grappled with problems associated with alcoholism and depression and were in urgent need of rehabilitation.

SwedTech had experienced unprecedented growth rates over the five years leading up to the FF2 program. According to our interlocutors the company during this period had had the luxury of retaining some of these employees considered as problematic cases in the organization although these were in fact not capable any longer of performing their work task in an acceptable manner due to various illnesses, both physical and psychological. Several of these individuals appeared in the FF2 program in 2001. The administrators tried to help the participants who were facing these problems as best they could, although they had to acknowledge that a lot of their efforts were above all based on improvisation:

We had a look at each and every individual case and tried to help people as best we could. There were really no given rules for what should be done in a given situation. In the beginning I checked a lot with Lisa before doing something, because I felt so insecure. I was after all used to having some form of structure in my work. All of that disappeared here. Instead everything was about...in each individual case I had to think: how am I going to solve this particular problem in the best possible way? [Interview, 050602:11-12]

One of the reasons voiced for the dramatic start to the program was that the administrators assigned to support the dismissed employees had no prior information about the individuals. As one of the administrators explains, the start of FF2 was characterised by *tabular rasa*:

What also happened during the first wave of dismissals was that we didn't have any idea of the history [of the participants]. The history was to be left behind and everybody was to enter the program as an unwritten piece of paper, and have the same opportunities. And possible problems were not to burden anybody. Instead everybody was to get their new start. [Interview, 050630:3]

What was seen as an advantage in the beginning quickly became a nuisance: not providing the administrators with information about the participants to help them to a fresh start implied that the whole complexity of the task came as a total surprise to the administrators. It also meant that there was no plan that could facilitate their work.

⁶ A high level of absenteeism due to sickness is often described as one of the biggest problems facing Swedish businesses.

Enrolment of external support

Once it became apparent how many employees had to be dismissed, SwedTech's leadership realised that the company did not stand a chance of succeeding with this task on their own. First of all, they could not muster enough personnel to act as coaches and administrators in a restructuring program aimed at handling hundreds, maybe even thousands of redundant people (nobody really knew at that point in time how many people would eventually be affected). Secondly, according to the administrators who eventually ran the FF2 program, they did not have the adequate competencies needed to run such a program on their own.

When choosing a restructuring program the main question for SwedTech's management was: should we use internal resources or contract an outside supplier? According to SwedTech's senior management, a major advantage of choosing an external supplier was that focus could be placed on those employees retained in the organization. After all, SwedTech still needed to compete and win against its rivals in the market. The belief was that this could not be done if all the attention was placed exclusively on those employees who had been dismissed and were on their way out of the organization.

According to our interlocutors the final decision to make use of an external supplier when choosing a restructuring program in 2001 was an easy one. They gave a number of reasons for this:

- The large volumes made it impossible to run it on internal resources alone
- At that point in time, the company's HR departments were more familiar with expansion than with downsizing.

But who should be enrolled? When the restructuring program at SwedTech was initiated and made public the program administrators were overwhelmed by phone calls from actors who wanted to sell their services. A large employer as SwedTech attracts a lot of attention from possible allies who have interest in sharing the cake, most often for profit making purposes.

When we started with this a large number of Swedish companies called us. So the switchboard operators figured out that when phone calls had anything to do with hiring people or dismissed workers or if they wanted to sell something in relation to that, they transferred the phone call to me. I had two, three or four phone calls per day. As soon as we gave a notice of redundancy I was drowned in phone calls from different suppliers all around the country. [Interview, 050701]

The question for SwedTech representatives was to identify what they wanted the program to do and to choose allies that could contribute to solving the problem, given the time constraints and the limited resources.

From the point of view of SwedTech the definition of the problem was to find the retrenched employees a new job as soon as possible. This definition of the problem was based on a consultancy report, suggesting that the most important problem in restructuring programs is to put individuals into job search activities as soon as possible. The everyday life of participants of a re-employment program means to put time and energy into looking for another job, as the unit manager described it:

100% of your energy is spent on searching for a job. It starts with everyday looking for a job, you write your CV, you make phone calls and explore contacts. You work on. You send out your first application and then you get your first rejection and then you send out another one and are refused. Most often people send out one and then they wait, and then they send out another one and wait again. Very seldom people send out 10 at the time, some people do but... Then the energy decreases when you receive the second rejection and at the time of the third rejection it sinks even more. And the theory goes, then after some time you are down to 10 percent. You spend ten percent of your time looking for jobs, normally after three months. This is the results of some American report and I think it is the same here as well. We see the same pattern here in our re-employment unit. [Interview, 050701]

Searching for a new job after recently having been dismissed is not an easy task, often requiring a great amount of patience and time. One of the problems identified by the administrators was that the dismissed employees in the program usually, even with the best of intentions, lost their motivation as their applications were rejected. Thus, one of the most important problems was to retain the motivation of participants to keep on searching for a new job.

They all arrive on Monday morning, but on Friday it's almost deserted here. We normally say that what is important here is...if you remain energetic and send away lots and lots of job applications that you get a negative response to...sooner or later you will succeed. So, what is important is that you are active, that you actually do all these things. [...]. I presuppose that the person is sufficiently attractive on the labour market, and that he is not too weird. Sooner or later he will get a yes. And that's why it's important to keep the energy level up, and to motivate people. And that's what the coaches are there for. [...]. The coaches do not arrange jobs...well sometimes they do...but, that is not what

they are there for. They are there to give the participants the tools so that they themselves can search for the new employment opportunities. And then they are there for making sure that the person is 100% active. Of course a person might sometimes go through a difficult period, but then the coaches should get that person up on his feet again, so that he is up there [*points to a diagram she has drawn on the white board*]. And the coaches have different tricks up their sleeves for those cases. Sometimes, they might invite the participants to a "Health Day" or something similar. Something to give them an energy kick. [Interview, 050701:10]

To counteract this problem various motivational activities were initiated, highlighting the importance of taking part in the activities described above and of remaining active and positive even in the face of adversity. According to SwedTech representatives it was especially in these situations that the external coaches had an important role to play. They had to constantly ensure that they knew about the situation of each and every participant, about whether he or she felt unmotivated or had other problems that were keeping him or her from actively searching for new employment.

Thus, the program was intended to solve a particular problem (to stimulate and motivate participants to find a job as quickly as possible) and it was important for SwedTech representatives to ensure that all involved actors were willing to take on the task to solve this problem.

Defining the roles of actors

An important part of the initiating phase of the program was to define the roles that they wanted the involved actors to take in supporting individuals to find new jobs. The SwedTech representatives did not limit themselves simply to identifying a few actors. They also show that the interests of these actors lie in admitting the proposed re-employment programme. SwedTech representatives enrolled professional coaches from an outplacement agency. In total there were around 25 career coaches from the outplacement agency providing support. The participants were divided into groups based on the information they received from the administrators at SwedTech. According to Lisa, in order to provide the best support possible there should not be more than 25 participants per coach. The activities in the program included the active search for new employment, coaching, group meetings with other

participants and the attending of seminars focusing on specific topics of interest.

Participants were also able to take advantage of a number of so called “competence merchants”. The competence merchants had the task of promoting the participants in the program on the labour market. In practice, this meant that they phoned companies in order to search for employment opportunities as well as advertise the program as an effective and relatively inexpensive way for the company to recruit new personnel. The competence merchant also helped the participants by giving them concrete advice and other information that could be of value to them during the final stages of the program.

Every participant in the program were designated his or her own career coach, whose task it was to support the participant on the way to finding a new job. Together with the coach the participant developed a personal activity plan describing his or her goals and the activities required to reach the goals.

The participants were also part of a group consisting of a number of coaches and “their” participants. The groups were intended to provide the participants with the opportunity to share their experiences with one another. At regular intervals group meetings were held with different themes such as e.g. presentation technique or interview skills.

During the program the participants had the opportunity to participate in seminars concerning the job market and how to effectively take advantage of employment opportunities. The seminars covered a wide range of topics from competence mapping techniques and personal promotion to issues concerning labour law and recruitment.

According to the model as outlined in the information material on the *Forum of the Future*, these support activities were arranged in such a way that they formed part of a general structure, or recommended path, through the program. The participants were free to decide what to do with the time they

spent in the program, but they were advised by the outplacement coaches to follow the recommended path, from establishing an inventory of ones' personal competencies and analysing the current situation on the job market to developing a clear strategy aimed at finding a new job.

New Problems, new activities and new roles

Defining the roles of actors in the program also included designating tasks and roles to different actors. This meant, for example, that the FF2 administrators had to choose the right outplacement agency for the employees in their program. The different suppliers of outplacement services are specialised to cater for the needs of different occupational groups. Some suppliers handle blue-collar workers. Others work with white-collar workers. The administrators regarded it as important to have outplacement coaches who could understand and relate to the participants of the program. The roles of actors varied dependent on the groups of participants they were designated to take care of. In particular the capacity of actors to adjust their staffing of coaches to better match the participants and the ability to put oneself in the position of the other was regarded as important. For example it was regarded as important that coaches had about the same kind of educational background as the dismissed workers. Such matching would contribute to the dismissed workers trust in the coaches.

In the beginning the FF2 program was run with the help of professional coaches from one supplier. During the following programs a total of 6 different suppliers were used. The idea with using different suppliers was to be able to react more efficiently to the requirements and needs of the different groups represented in the program. Whereas in FF2 all the participants took part in one and the same "standardised" program, in later versions they were given the opportunity to join activities adapted to their specific needs.

The coaches were supplied by several different suppliers of outplacement services. One of them took care of the metalworkers coming from most of SwedTech's factories, while the three smaller suppliers gave support to

managers and HR personnel who had been dismissed. But not all the suppliers were involved all the time.

When new groups of individuals with different skills and experience were made redundant practices and services were adjusted to their needs. This meant to create linkages to other actors, to create new activities and also to invent new roles. One example of such activity was a newspaper advertisement developed together with one of the outplacement agencies. Another example concerned engineers who were given the opportunity of being transferred to jobs as teachers.

Maybe the most interesting example of such adjustments was the development of outplacement services that could care for both the physical and psychological problems of participants.

The large number of individuals that had been retained in the organisation in the years during which SwedTech experienced extraordinary growth although they were not really able to perform their work tasks due to physical and psychological problems, were partially gathered in the FF2 program. As we mentioned above, the administrators were in the beginning surprised at the sheer number of people experiencing serious health problems, both psychological and physiological problems.

I don't think that one actually understood how bad the situation was; how sick some of these persons were. I believe that there were a number of people who should have received help from us and who we should have directed towards disability pension earlier on, but who instead remained in the program. It's terrible, but when the dismissals came and we went through the lists with all the names, we found people who had been on sick leave for many years. They still belonged to a business unit, but had been away for a long time. And then there had been so many reorganisations during the time these people were away so that they became simply names on lists of people who were moved around from unit to unit. So, in this unit here where the person was eventually given notice of dismissal, he or she knew nobody anymore. Some manager, who one had never heard of, phoned and simply said: "you are dismissed". No contact, no contact at all with the company over a number of years. And we didn't do it. We didn't do what we should have done in the form of a rehabilitation evaluation. We had been abysmal when it came to that, really abysmal. [Interview, 050630:2]

During the course of the FF2 program, however, the definition of the problem changed. It became apparent that a sizeable number of individuals, around 10% according to one administrator, were in need of some form of rehabilitation services. After giving up the initial credo of treating everybody

in the program equally in order to give them the same opportunities, the administrators began to look for help outside the SwedTech organisation in coping with the problematic cases. An idea came up to create a new role, what was later called “resource coaches”, to co-ordinate the multiple and difficult problems of some participants.

Resource coaches were coordinators who collected and organised information on the medical condition of participants in the programs. The coaches were employed by the suppliers of outplacement services. Their role was to make available information on the medical situation of the participants, so that people in need of help and rehab services could get help faster. The existence of the resource coaches was legitimised, because although the employer had the responsibility of undertaking a rehabilitation evaluation, and, if necessary, consulting the involved doctor in the process, he in fact does not have the right to view the necessary information due to the fact that it is confidential. In cases where the employee does not want to share the information on his or her condition, the employer has no possibility of demanding the release of the information. According to our interlocutors this is a paradoxical situation as the employer cannot know what kind of resources or support measures should be employed if he does not know what the problem is all about. This is where the resource coaches have come in handy according to one administrator:

What the resource coaches have done is to try and collect all the information from different medical sources; to collect diagnoses and basic data. They also had three-part talks with the doctor and the participant or with the Social Security Office and the participant, all in order to establish: “where does this person stand today, and what does he need?”, and then take it from there. [Interview, 050630:6]

The resource coaches differed from the “normal” coaches employed by the suppliers of the programs in that they had previously gathered a great deal of experience in the field of rehabilitation from having worked at the local Employment Offices’ Rehab divisions, at the Social Security Offices or from their work with personnel administration.

In the case of resource coaches the cooperation between the supplier of the 2001 program and SwedTech went so far that the outplacement agency

founded their own business unit, Hälsopartner, (lit. Health Partner) working solely with rehab issues. And, according to one of our interlocutors, this outplacement unit today promotes its rehab services, by emphasising that the services have been developed in cooperation with SwedTech.

The creation of the resource coaches implied that the practice of categorizing participants in the program changed. According to SwedTech representatives, the outplacement agency made sure that they constantly knew about the situation of the persons in the program. Every coach had around 20-25 participants they had to keep track of. Once a week all the coaches met and evaluated their respective individuals. They then allocated different colours to them, depending on the progress the participants made. Green meant that the individual did not need a lot of support and was well on his or her way to finding new, permanent employment. Yellow meant that some support was needed, and that the individual might experience some problems in the future. Red meant that the person had some form of problem that was keeping him or her from progressing at all.

If it's red, the coaches go to Eva. If something doesn't seem to be working, they go to Eva to see whether one can find out what the problem is. And then we start to do some research, because we are told "there is something strange here". And so we go back and we suddenly find out that "I'll be damned, he's an alcoholic". And we didn't know about this before. So, then we can start to take care of that problem. With the job security council we basically find out about these kinds of problems once the participants quit the program. Then the participants come to us and tell us "But, why didn't I get any help? I am an alcoholic after all". And we didn't know anything about that. And that is the big difference; that is why I believe we achieve better results with the others [*suppliers*]. I also think that this means less heartache for the participants. To be unemployed, I mean we could see that in Donald's evaluation, to be unemployed is not healthy. So, the shorter the time of unemployment, the better that must be for the individual. And that's why we believe that it is more humane to get people as quickly as possible into new employment opportunities, maybe not the most perfect employment opportunities, but at least something. Take a job to begin with, and then look for something else if you don't like it. The job security council on the other hand believes that it should be the right job. I don't necessarily agree with that in today's work environment in Sweden. I believe that it is better for ones self-esteem to have a job, maybe not the ultimate job, but still [...].[Interview, 050701:11]

The results of the rehabilitation programs were described as a success. Of 660 people around 80 percent had been transferred to a stable "solution". It also made SwedTech representatives aware of how badly health problems had been treated in the company previously. Thus, the experience of health

problems during the process of restructuring bounced back to changing the HR-practices of the company in general.

Rejecting actors

Defining the roles of the actors did not only include the expectations placed on the actors, it also involved excluding those actors who were not willing or able to take on the role imposed upon them by SwedTech representatives. One such example was the publicly-owned supplier of outplacement services, *Arbetslivstjänster* (lit. *Working Life Services*). One of the reasons for not using *Arbetslivstjänster* was that they were regarded as expensive, given that they offered almost similar services to the private outplacement services. One SwedTech representative explained:

There was no difference between them. And with them I wouldn't get the same kind of project management that I have at the moment in the other programs [*offered by other suppliers*]. In these programs there is a project leader who keeps track of what happens, and puts together statistics once a month. I wouldn't have gotten that either [*from Arbetslivstjänster*]. So, they were on a wrong level for us. But that's probably this whole thing with being state-owned, that they think there something better. [Interview, 050701]

SwedTech representatives were particularly disappointed by the support provided by another organization, the job security council. SwedTech chose not to use the job security council in the program in 2001 even though the company had already paid for their services (through the general fee of 0,3% of the sum of incomes of a company). The reason for not using the job security council was that the organization was regarded as old-fashioned, "as a relic of the labour market policies of the 1970s", as one SwedTech HR-representative put it, and their capacity to handle large numbers of people was understood as limited.

The SwedTech representatives in fact expressed their criticism towards the whole system of job security councils and the Swedish labour market policy. The councils were not regarded as providing satisfactory support when it came to the efforts of finding new employment opportunities for former employees, and the fees they had to pay the job security council were described as a waste of resources:

Why should we pay 0,3% of the total wages every year for this [the job security council]...when we in any case do not get anything in return? If we as a company instead take on the responsibility ourselves of supporting our employees in this process, we should be allowed to get out of this [funding the job security council]. (Interview, 050630:3)

The SwedTech representatives described their restructuring efforts as much more successful when compared to the efforts normally undertaken by the job security councils. Especially its lack of capacity, the SwedTech representatives argued, implied that the council could not guarantee sufficient support for each individual. It took the job security council too long to make workers find new jobs as compared to other private suppliers of outplacement services. The job security council's philosophy premised on the idea that the people taking part in the council's programs were responsible for their own wellbeing. In other words, if they had a problem they could contact the job security council, but the council did not actively and regularly approach the participants in order to find out about these problems *before* it was too late. The experience at SwedTech had been that it was exactly this kind of proactive approach that was needed, however, as the dismissed individuals in the programs were at times too proud or too ill to take up these problems with their coaches. It was in these situations that the coaches had a key role to play in identifying problematic cases before it was too late.

This is particularly important for the employer since the employer pays for the salary of the job seeker during the period of dismissal. If the time from the point at which notice is given to the point at which the dismissed person find new employment can be reduced the employer saves considerable amounts of money. The job security council, however, was described as lacking the capacity to keep track of the individuals going through their re-employment programs. The outplacement agencies in contrast were described as having a much closer contact with the participants. As one SwedTech representative explained:

Outplacement agency X keeps track of what their participants do every single day and their coaches meet with them twice a week. Outplacement agency Y knows what they do every week, and evaluate and grade the participants' performances. The coaches also meet once a week and discuss their participants together.[Interview, 050701]

The closer control of participants provided by private suppliers was regarded as important, since it was believed that this allowed them to notify the employer well in advance if something was wrong and to be able to apply additional measures if they were needed. Even if the job security council was able to identify problems among the participants, they did not report these however since it was not part of their responsibility as negotiated and agreed upon in the central collective agreement which constitutes the directives for the operations of the job security council. From SwedTech's point of view however, reporting problems that participants in the program might be encountering simply meant taking responsibility for their employees' wellbeing.

Another issue that distinguished the job security council from the private suppliers of outplacement services, in the eyes of the SwedTech representatives, was the councils view with respect to the kind of jobs the participants were expected to get as a result of the programs:

It's not healthy to be unemployed, so the shorter the time of unemployment, the better it must be for the individual. And therefore, we feel that it is more humane to get people out into new jobs as quickly as possible. Maybe this is not the most perfect job, but it is a job. Once you have employment you can then search for something else to do from there if you wish to do so. But, this is not the way that the job security council sees it. They believed instead "no, it has to be the right job". Maybe, I don't agree with that looking at the situation on the labour market in Sweden today. I think that it is better for ones' self image to have a job, maybe not the ultimate job, but at least I have managed to get out of here. [Interview, 050701]

The fact that SwedTech regarded the job security council as unable of identifying and taking care of individuals, who experienced psychological and physical problems, coupled with the company's distrust of the perspective that the council displayed when it came to the expected goals of the restructuring programs for every individual with respect to the kind of jobs they were supposed to take up, resulted in the job security council being regarded as incapable of playing the role identified as relevant by SwedTech for taking part as a supplier in the program.

Regional allies and dissidents

During the process of restructuring several initiatives were made by regional authorities and organizations to support SwedTech in their efforts to help

their employees find new jobs. Some of them were successful and some of them were less successful. We will here briefly describe two such programs.

The VinnVinn Project: the heroic ally

One initiative, providing an example of a successful project, was the so-called VinnVinn project in Göteborg. In 2003 several systems engineers and designers were dismissed by SwedTech in Göteborg, Sweden's second-largest city. Early on in the restructuring process the head of the re-employment unit met with representatives of the *County Labour Board*, the local *Public Employment Services*, the municipality and the job security council in order to discuss how to support SwedTech employees in the best possible way.

There was already an established collaboration between the Chalmers University of Technology and the local SwedTech development unit. Chalmers offered to take over a number of people for education, but it would cost a lot of money and SwedTech representatives questioned the value of further education, since the ambition was to find new jobs for their employees and this solution was regarded as too open-ended. The discussions went on and were finally brought to an end by considering the alternative of transferring dismissed engineers to the recently developed Lindholmen Science Park. The science park offered to support the dismissed workers in their quest to start new businesses and they managed to mobilize financial support for this from a technical research and development foundation - Vinnova. A project called VinnVinn was started. The project was organised as a triple helix project including representatives of the university, regional authorities, public employment services, the job security council and representatives of the high tech industry. The idea was to retain the dismissed workers during the transition period and prevent them from leaving the region. The project was co-ordinated by Business Region Göteborg (BRG), a regional development unit in the municipality, and premised on the idea that dismissed workers could enter an already established small business. The arrangement was that SwedTech provided the individuals with wages for a year while they were working in the new business and after the prolonged

dismissal period was terminated the public employment services and the job security council provided additional support so as to ensure that they could continue working in the business. In total 50 dismissed workers from SwedTech entered the VinnVinn project and when the inflow of workers from SwedTech ceased additional workers from other companies undergoing restructuring entered the project. Thus, the project was transformed into a permanent establishment in the Göteborg region and up until June 2005 around 200 people had been transferred from restructuring companies to small high tech start-ups.

The reason for the success in Göteborg was according to SwedTech representatives the willingness of the involved actors to change their own rules and procedures:

What I found positive, and this is praise to the job security council, the public employment services and the County Labour Board, that they bent their rules just a little bit. And SIF [*one of the trade unions*] did so as well, because they offered an extra insurance to increase the level of compensation. And SIF went along with that when they entered these programs...but CF [*another trade union*] did not. They said no. So, we started debating on the financing. I mean, if you are 40 years old and you have a house and small children at home, you don't dare to risk everything to enter one of these things [*activities connected to VinnVinn*]. You don't dare to be a gambler if you have to support a family.[Interview 050701]

According to SwedTech representatives such willingness to change the rules was not to be found in other regions in Sweden where SwedTech dismissed workers. In other words, the success of the Vinn-Vinn project was the external actors' acceptance of SwedTechs definition of re-employment. However, there were also examples where external actors did not conform to the employers' definition of social responsibility.

The betrayal of the public employment services

An actor that disappointed SwedTech representatives was the public employment services in Stockholm. Lisa contacted their regional offices in Stockholm early on in the program. In Sweden, if a company dismisses employees because of redundancy, it is required by law to notify the County Labour Board (Länsarbetsnämnden, LAN) of their decision well in advance. The day that the information on the dismissals is received by LAN is then

considered as the date on which notice was given. This day is important at a later stage when it comes to deciding on when exactly people are dismissed; usually after a period of notice of between four to six months. In the case of SwedTech the company cooperated with the County Labour Boards in the various counties affected by dismissals. Committees or working groups were established including representatives from the employer, the public employment services, the County Labour Board, the municipality and the Social Insurance Office. The idea, of establishing these committees, was to “minimise the damage” caused by the dismissals, especially when it came to quickly finding new employment opportunities for the dismissed employees. The role of the public employment services was perceived as crucial in this respect, because the expectation was that they know best where, in which sector of the labour market, these opportunities might exist. Which sector is experiencing a lack of workers? And where are certain competencies possibly needed in the future? If these competencies do not exist today, the idea could be to offer vocational training to the dismissed individuals in order to make them fit for the new challenges within a reasonable amount of time. This was the expectation placed on the public employment services by the SwedTech representatives. In reality, these expectations were not met. The public employment services were seen as bureaucratic and too much pinned down by political priorities, instead of being open to employers’ needs. As one of the SwedTech representatives recalled with a hint of sarcasm:

[T]hey [*the public employment services*] get their directives directly from the politicians who say: “ok, now we are going to focus our efforts on the younger generation, on unemployed youths”, and on that count we didn’t have any, for example. Or, they say “now we’re going to focus on older immigrants”, or, “now we’re focusing on blue-eyed 28 year-old men” or something like that. That’s almost what they said. And during one year they could get one or two directives on what they had to focus their activities on, so that can’t really lead to any sensible results. One doesn’t have time to do anything. So, they just try to keep up with the politicians and in the end nothing gets done, and everybody suffers.[Interview 050701]

Although SwedTech’s representatives were critical towards the work of the public employment services they did acknowledge that in some localities, such as Göteborg for example, they did a reasonable job. In general, however, the public employment services are not considered adept enough and

adequately adapted to deal with the needs of companies and the practices that have developed among companies that have to dismiss employees.

Another problem identified by the employer representatives was that the public employment services required lists over the persons dismissed. As the notice of dismissal was sent to the County Labour Board they wanted to receive more specific information on the persons who were dismissed: what educational background did they have, and what did they work with? The SwedTech representatives, as is the case for other companies, were not able to provide this kind of information at such an early stage because of the negotiating procedures. At the time of notice of dismissal SwedTech only knew how many people were to be dismissed not who they were.

The public employment services demanded the lists in order to send them out to their local offices and prepare them for the onrush of people supposedly about to hit them. According to the SwedTech representatives this onrush normally did not materialise because the company took care of the people in their program and most of them, 70-80%, had a new form of employment at the end of the program. This meant that the majority of dismissed employees never appeared at the door-steps of the public employment services. The fact that the employers were still expected to establish and send a list including detailed information on all the dismissed employees as well as the fact that the public employment services were required to spend a lot of their time going through the lists was seen as a waste of resources.

There were cases of “successful” cooperation between the public employment services and SwedTech however:

There were a number of nurses who lacked adequate training. And at the same time SwedTech began to assemble mobile phones in a factory. A lot of the nurses therefore started working in the factory. When SwedTech eventually closed the factory again, there was a renewed demand for trained nurses. So, there was a special training course, especially for those persons who had worked as nurses previously, and we run it as part of our program. And this meant that a lot of women started to work again for the county council as nurses. That was a very well thought through initiative.[Interview 050701]

Aside from these cases, the public employment services were nevertheless described as “ineffective” by the employer representatives and as

“inexperienced” when it came to taking care of academics and other highly-educated people. As the majority of people dismissed from SwedTech were engineers with substantial educational backgrounds, the public employment services were at times perceived as overwhelmed. One aspect which symbolises the experiences that the SwedTech representatives had with the public employment services in this respect was that the forms provided by the public agency did in some cases not make provisions for “civilingenjör” (civil engineer) to be filled in under “Occupational Background”.

The public employment services were in other words seen by the SwedTech representatives as an ineffective, bureaucratic organization; inflexible due to constant political and ideological interference and anachronistic because of their lack of understanding for “modern” practices of workforce restructuring. In other words, they didn’t live up to SwedTechs definition of what it means to take social responsibility.

3. Concluding reflections

This paper set out to illustrate and explore some of the ways in which social responsibility was constructed in the context of workforce reduction. Drawing upon data collected in a Swedish high-tech company undergoing considerable workforce reduction, it challenges widespread assumptions by revealing some of the different ways that social responsibility was organised through a chain of activities triggered by the burst of the IT-bubble in 2001. As a result of the workforce reductions at SwedTech from the beginning of 2001 around 10000 workers lost their job. Around 85 percent of these were transferred to new solutions, i.e. either to new employment, early retirement or starting up a new business. A minority were left to unemployment. These results are not surprising from a Swedish context. Most re-employment programs in large corporations have the similar results. What is more interesting, however, is how this process came about and how the company,

despite its drastic cuts in the workforce retained its image as a responsible employer in the eyes of the public.

The story of SwedTech, we argue, suggests that social responsibility cannot be theoretically captured by viewing employers as simply responding to the pressures for accountability by external actors (for example Crane & Matten, 2004; McAlister, Ferrel & Ferrel, 2005). Most critically, it indicates that the employer assumes an active role in the construction of what social responsibility means, rather than following preset standards or codes of conduct as suggested by dominant perspectives in the literature.

More specifically, the analysis of data collected at SwedTech revealed the process in which social responsibility was constructed in this specific context. As we have seen above, the negotiations and the organization of the re-employment program, was a process filled with ambiguities, uncertainties, displacements and continuous attempts by the persons involved in the workforce reduction to control the meaning of social responsibility. Social responsibility was referred to as a way to secure the ongoing activity of the company and was manifested in practice through a chain of activities (presented as a replacement program), to facilitate the transition of dismissed workers to new jobs. The employer representatives enrolled and mobilized actors to support their definition of social responsibility and excluded others who were not regarded as allies. All together these constitute the network of actors, which guarantee the social responsibility of the corporation. Furthermore, in only a few of these occasions consideration was taken to the views of external actors. Instead, rather than responding to the pressures of external actors the representatives continuously imposed upon them their own definition of the situation and their view of social responsibility. Retrospectively, however, the program was described as a success based on following a number of key factors, such as “good cooperation”, “clear messages”, “continuous communication”, “flexibility” and “adjustment to the needs of the dismissed workers” and the program was validated by government representatives as a sincere ambition to undertake good and effective activities for those persons who were affected by the company’s “far-

reaching divestitures". Social responsibility, in sum, was constructed by the employer's attempts to impose on themselves and their definition of the situation on others.

It should be noted that the main artefact of social responsibility, the re-employment program, was constructed through a process of negotiation with trade unions, in which the employer offered more generous conditions for dismissed workers in exchange for having an influence on the criteria to select workers to dismiss. Since one can assume that processes of negotiation take place in any organization undergoing workforce reduction in Sweden, the uniqueness of the SwedTech case, lies in how these negotiations took place rather than in the fact that they took place at all: it lies in the fact that the trade union organizations were enrolled in the selection of workers to dismiss even if their members interest would be sacrificed in the process. In the Swedish context, trade union organizations have the power to offer the employer deviations from the seniority principle in exchange for more generous conditions for the dismissed workers. However, trade union representatives are not always willing to accept such deviations, due to the consequences for the members trust in the trade union. Moreover, according to the Swedish employment protection legislation, this power is not only available, but also regarded as the basis for trade union power in the Swedish context.

The element of enrolment does not only problematise the role of trade unions in the context of workforce reduction, but also how re-employment programs are organised in practice. Such programs take diverse shapes and forms and most often include severance payments or career counselling services. On the whole such programs are installed to compensate the individual for the suffering of having to go through the transition to find a new job and are regarded as a measure of the employers willingness to take social responsibility (the longer the program the greater the suffering). The findings of this study, however, point to another possible effect, which has not been taken into consideration. Since the length of the re-employment programs was based upon calculations on monthly salaries provided to

dismissed workers as a compensation for the employers right to avoid selection rules (without consideration to the needs of individuals), they contribute to set a norm for how much time it should take for individuals to find a job. Such norms may be important for individuals engaged in re-employment programs in setting the pace of activity in their efforts to find new jobs. Maybe most importantly, the people involved in the workforce reduction activities attempted to reduce the time period of re-employment as much as possible.

It should nevertheless be noted that at SwedTech the attempts to control and speed up the re-employment process was not only a way reduce costs of re-employment, it was also about imposing a different meaning of social responsibility. As was shown, external actors were enrolled and mobilised in the re-employment program according to their ability to monitor the activities of the job-seeking individuals. In the promotional brochures the “adaptation to the needs of the persons affected by the restructuring” was identified as one of the key success factors of the program. The outplacement service providers were praised for their ability to “stimulate” individuals to find jobs and the adjustment of their practices to the needs of the individuals. Other actors, for example job security councils and the public employment services, were regarded as dissidents because they did not monitor the activities of redundant workers. In other words, they did not live up to the company’s definition of social responsibility. The different responses in relation to external suppliers thus appear to have been based on a different definition of social responsibility and the ability to adjust practices to the contingencies arising in the process.

Accordingly, the findings of this study also problematise an existing assumption that speaks of the mutual exclusiveness of social responsibility and efficiency. Namely, it is the claim of critics such as Henderson (2001) that corporate social responsibility stands in contrast to efficiency and performance. This view, it may be added, is supported by proponents of business ethics writers such as (Gray, 1990), who claims that corporations’

claim to take social responsibility often have little to do with their actual behaviour. Thus, in this view, corporations are claimed to use social responsibility as a “posture”, a way to look good in the eyes of the public, in order to be able to continue their operations as usual. The activities of SwedTech, however, do not coincide with this view. While strongly emphasising the importance of efficiency and profitability, repeatedly talking of the importance of activating the redundant workers to find new jobs, this embracement did not seem to shade their concern for social responsibility. On the contrary, in their eyes, it was their concern for efficiency and the profitability of the firm that made them more socially responsible. In their definition it was more socially responsible to activate redundant workers to find new jobs, rather than endure a long period of passivity and go through a personal crisis without support. “If people are left in the dark about what will happen to them, they tend to become insecure, unmotivated and unhappy.” For SwedTech, then, efficiency and social responsibility were not regarded as polar opposites. They perceived themselves to be more socially responsible because of, not despite, their concern for efficiency.

The simultaneous enactment of social responsibility and efficiency were, however, not without consequences. As claimed, at SwedTech the design of the programs was conditioned upon the negotiations with trade unions, as a way to avoid the legal requirements of last in first out principle when selecting workers for dismissal. In order to be able to select workers for dismissal they had to offer more generous conditions than required by law. As members of SwedTech paradoxically claimed, their concern for the future performance of the firm had made them willing to offer generous re-employment programs for redundant workers (i.e. to buy out workers who were not regarded as contributing to the company’s future operations). This also meant that the individuals who had less chances to get a new job were dismissed, which possibly increased the costs of re-employment. Thus, they took on more responsibility (read costs) than required by law for the sake of internal efficiency. This exchange implied that, at least at SwedTech, the

concern for social responsibility was not so much about being responsive to the pressures of external actors as (McAlister, Ferrel & Ferrel, 2005) talked about. At most it was a consequence of the enrolment of trade unions to the aim saving the future operations of the firm.

Notably, this finding challenges the existing convictions of theorists of business ethics. Generally, many of these theorists view the external pressures of stakeholders as the basic motive for taking social responsibility (McAlister, Ferrel & Ferrel, 2005) focusing primarily on the proactive capacity of the corporation to respond to social pressures and to go beyond norms, doing more than expected (Carrol, 1979). To some degree, the findings reported here are consistent with this thesis. Indeed, the company organised the re-employment through the negotiations with trade union organisations. However, the motive for doing so was to avoid the selection rules stipulated by the legislation. Yet interestingly, the employers claim for social responsibility was validated by government officials who acknowledged that the company had exceeded the responsibility stipulated in rules and regulations and subordinated themselves to the pressures of trade union organizations. To put it differently, the enrolment of government support for the re-employment activities was conditioned upon the enrolment of trade union organizations. Thus, it seems that the enrolment of one external actor may be used to enrol another.

Furthermore, the possibility that the meaning of corporate social responsibility may be constructed by the employer and that external actors may be variably enrolled and mobilised in the process has other implications. Namely, it implies that at times in which external pressures for accountability are intensified, employers cannot be expected to simply responding to the pressures and demands of external actors. Neither can corporate social responsibility be understood as employers passively following a stable set of standards, codes or procedures. As the findings of this study shows, the construction of social responsibility in practice is much more complex and diverse to be captured by such simple images.

Since this is an exploratory case study, more research is clearly in order. As a means of realising more fully the agency of employers in constructing social responsibility and the relations between this agency and the activities unfolding in the context of workforce reduction, there is a need to complement this study with studies of other times and places. More specifically, since processes of workforce reduction are generally long-term business adventures, there is clearly a need to study the meanings attributed to social responsibility in later stages than the one explored here. Furthermore, there also seems to be a need to examine how social responsibility is constructed in other organizations, especially those located in other countries. In examining the detailed processes and activities behind the construction of social responsibility such studies may help researchers further the understanding of the complexities involved in processes of workforce reduction.

Acknowledgements

This report was made possible by the EU financed project Monitoring innovative restructuring in Europe (MIRE). The MIRE project is financed by the European Social Fund, Article 6 Innovative Actions. We also gratefully acknowledge the Swedish research council (Vetenskapsrådet) and Malmstensfonden whose financial support made this text possible.

References

- Callon, M. (1986) Some elements of a sociology of translation: domestication of the scallops and the fishermen of St Brieuc Bay. In J. Law (ed.) *Power, Action and Belief. A New Sociology of Knowledge?* London: Routledge & Kegan Paul.
- Carrol, A. B. (1979) A three dimensional model of corporate social performance, *Academy of Management Review*, 4:497-505.
- Cascio, W. F. (2005) Strategies for responsible restructuring, *Academy of Management Executive*, Vol. 19, No.4.
- Crane, A. & Matten, D. (2004) *Business Ethics: A European Perspective*, Oxford: Oxford University Press.
- Davies, R. (2003) The business community: Social responsibility and corporate values, in: Dunning, J.H. (ed) *Making Globalization Good, The Moral Challenges of Global Capitalism*, Oxford: Oxford University Press.
- Gray, R. H. (1990) Business Ethics and Organizational Change, *Managerial Auditing Journal*, 5(2): 7-18.
- Henderson, D. (2001) *Misguided Virtue, False notions of corporate social responsibility*, London: The Institute of Economic Affairs.
- Kvale, S. (1996) *Interviews: An Introduction to Qualitative Research Interviewing*, Thousand Oaks, Sage.
- Latour, B. (1986) The powers of association, in: Law, J. (ed.) *Power, Action and Belief, A New Sociology of Knowledge?* London: Routledge.
- Latour, B. (2005) *Reassembling the Social- An Introduction to Actor-Network-Theory*. Oxford: Oxford University Press.
- McAlister, D. T., Ferrel, O.C. & Ferrel, L. (2005) *Business and Society, A strategic approach to social responsibility*, Boston: Houghton Mifflin Company.
- Shaw, W. H. (2005) *Business Ethics*, Belmont: Thomson Wadsworth.
- Suchman, L. A. (1987) *Plans and Situated Actions*. Cambridge: Cambridge University Press.