

Case study

# The Ericsson Cultural Transformation Journey



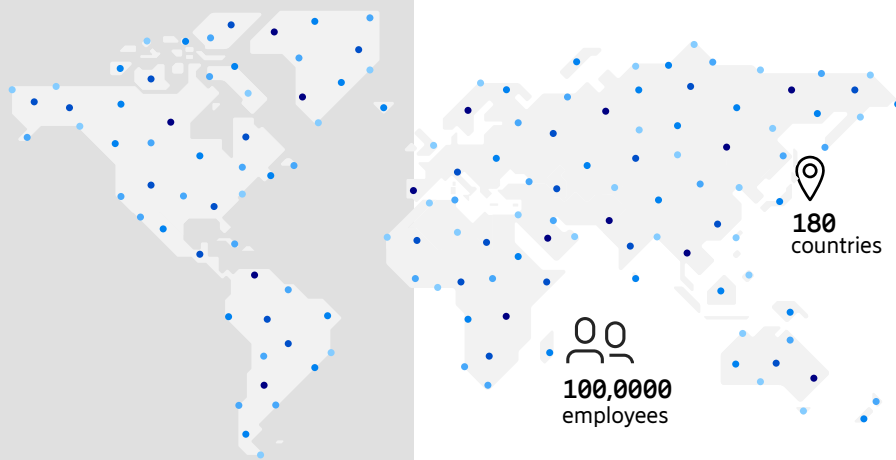
ERICSSON

# Introduction

How do you change the culture of a 140-year-old telecommunications giant with more than 100,000 employees in 180 countries?

Börje had early observed the culture in action. In his words:

"It was quite subtle at first, people asked me more questions than I thought they needed. I got involved in more meetings than I had to, and so on. At first, I thought it was because I was new and people wanted to run everything by me, to include me, but then I started to realize there was something in the culture around how we made decisions, or rather how we did NOT make decisions. We sometimes seemed fearful of this. That was just my first observation. There were elements of how people communicated with each other. People were just not on top of how to collaborate. It was not clear that people were working towards the same objectives because they were too insular in their perspectives. I started to call out some of these observations in my newsletters, and the feedback I received confirmed that this seemed prevalent across the organization. In addition, it was clear that we had to take action on unacceptable compliance violations that had occurred in the past. Culture plays a key role and it was clear that we did not have the right attitudes and behaviors in our organization. Taken together, this really strengthened my belief that we needed to evolve the culture."



When Börje Ekholm took over as President and CEO of Ericsson, one of Sweden's largest global businesses, in 2017, the company was in an extremely difficult position, and most business indicators were heading in the wrong direction.

After getting businesses back on track with significant strategic adjustments, Börje was clear that some of the most important work was still ahead.

Having gained much of its success from its competitive technical edge, Ericsson now also needed to establish a competitive cultural edge. Simply relying on historical leadership within technology and being content with earlier successes was not going to be enough in the long term.



**Börje Ekholm**  
President and CEO

This would not be easy. Many employees had a long tenure with the company, so there was a risk of running into the attitude of "been there, done that, don't care." Secondly, the "operating principles" of both individuals and processes were deeply ingrained, which posed an additional hurdle to any efforts to evolve the culture.

So how would one approach this?

# The approach

**We were clear on wanting to avoid fantasies.**

The cultural evolution work was also an important complement to our ethics and compliance efforts. This broader culture work would allow us to further embed these activities. We wanted to make sure we had the needed behaviors across the board, and that we understood the expectations. For instance, speaking up if something is not “right”. Having integrity and courage in our decision-making — “doing the right thing” in everything from small everyday decisions to strategic choices. Removing silos so that we have greater line of sight to what goes on in other parts of the business.

It was an early morning in January 2019 and Selina Millstam, Vice President and Global Head of Talent Management, was sitting at her kitchen table in central Stockholm. She was reflecting on the various discussions that she, MajBritt Arfert, SVP and Head of People, Börje, and other leaders had been having about Ericsson’s culture.

Everyone agreed that they wanted something that would make a difference and that they needed to evolve the culture faster and engage more people in this work. What would it mean to “go bigger and go faster?” How should this be approached in a company with 140-plus years of history and tradition? Selina also realized they needed to do something in a way that aligned with how the company aspired to be and to operate.

Shortly after that, a small task force met for the first time. Dr. Hartmut Stuelten and Björn Atterstam, two external experts and thought leaders, joined Selina and MajBritt to envision what a solution could look like. Björn and Hartmut, in addition to being social scientists, had the unique perspective of having worked intimately with different functions of Ericsson over the years while at the same time retaining an external viewpoint. Hence, they could hold up a clear mirror to Ericsson’s already established and sometimes limiting beliefs and inner workings.

Their presence and knowledge of the company greatly impacted how Ericsson chose to approach the challenge at hand.

Traditionally, Ericsson would have considered the need to evolve its culture like a “change management” challenge, just like other large corporations. There would have been much time and money invested in an in-depth analysis of the current culture. After this, a global standardized process for

culture change would have been developed. Naturally, a comprehensive set of “tools” would be discussed in many meetings with many people. People would have been recruited to set up a sizeable corporate transformation office, and develop a complete set of Key Performance Indicators (KPIs) and scorecards. Then, there would have been an additional large project to ensure the suitable systems support. There would have been a launch with fanfare and cascade from the top. Results would have been required by a specific date, and many people would have been involved in monitoring and controlling progress.

Instead, through a series of iterative and generative conversations that involved the task force, a different way of thinking about ‘the problem’ (and the solution) emerged.

Hartmut explains:

“The conventional change management approach is precisely what we did not want and did not need. Anything like that would have simply mirrored the kind of culture we were trying to shift away from. Instead, we needed to understand and think much deeper about how change actually happens in an organization.”

MajBritt added: “As a company with deep technical roots, Ericsson habitually considers most things from an engineering perspective. Hence, a common mindset would be to use a machine metaphor to understand organizations and approach change, assuming causality of A leading to B and people responding to stimuli in predictable ways. In most cases, this is just a fantasy. That is not how humans work, and we were clear on wanting to avoid fantasies.

A pragmatic approach with concrete outcomes was critical. We knew even from the start that aligning this work with our vision, purpose and values represent the intentionality that the central design team wanted to ensure across the effort.”



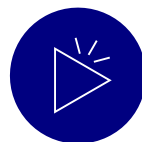
**MajBritt Arfert**  
SVP and Head of People

**It was clear that this was not a “fixing a problem” situation; it was an “identify and strengthen situation.”**

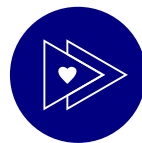
So the task force with Selina, Hartmut, Björn, and MajBritt set out to create an initiative with a fundamental starting point considering change as a complex psychological and sociological process, not a linear or mechanistic occurrence. An initiative that would be positively different and congruent with the culture the company sought to have.

Two parallel processes now ensued. One to create greater clarity around the critical success focus areas of the company culture, and one to design a powerful intervention.

The focus areas were identified through dialogue within the task force and by visiting existing data sources and earlier work. This included employee engagement surveys, and feedback from thousands of participants in leadership development programs. This way allowed a fast and clear convergence on the areas of the company culture that would create the most significant positive impact for the business, namely:



Create a **speak-up** environment



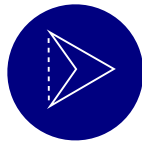
Show **empathy** and **humanness**



Make **fact-based** and **courageous** decisions



Further **cross-company cooperation** and **collaboration**; act as **One Ericsson**



**Execute** speedily

These came to be known as the Five Focus Areas in the effort to evolve the culture.

“It’s not that we didn’t ever do these things, sometimes we did but too frequently we didn’t. We struggled with consistency across the Group. We needed to find a way to get these positive cultural behaviours in more places, with more people, more of the time.”



**Chris Houghton**  
Head of Market Area  
North East Asia

If the company got these things right sometimes with some people, it seemed important to understand how it could get it right more often with more people in more places. Based on this, it was clear that this was not a “fixing a problem” situation; it was an “identify and strengthen” situation.

The team articulated a **set of fundamental principles** that would inform the effort they were about to launch:

**We can’t tell people what to do**



Only they can find their own relevant steps and actions.

**We will have a clear scope and plan**



But will be flexible and agile in incorporating what emerges.

**We will introduce a concept**



Of experimentation to guard against the fear of failure.

**We start with our people managers**



Who are the driving force of our existing culture and will inspire and involve our 100,000-plus people through them.

**We will positively encourage people to investigate the strengths we already have present today**



To deeply examine why things go right in the Five Focus Areas – and to build upon this.

From these principles, **Ericsson on the Move** was born.



**At the center of Ericsson on the Move would be the Appreciative Inquiry (AI) method, a strengths-based and positive approach to organizational change.**

**AI as a method is rooted in a social constructionist approach, assuming that organizations are created, maintained, and changed by conversations between people. This, combined with its positive approach, made it an excellent fit for what Ericsson on the Move wanted to accomplish.**

In the spring of 2019, with clarity of focus and adequate resources and expertise in place to bring Ericsson on the Move to the world, now strengthened by leadership culture transformation experts from the consultancy firm Sheppard Moscow, the work was well underway to develop the specifics of the initiative. Roby Blass from Sheppard Moscow recalls how they got involved:

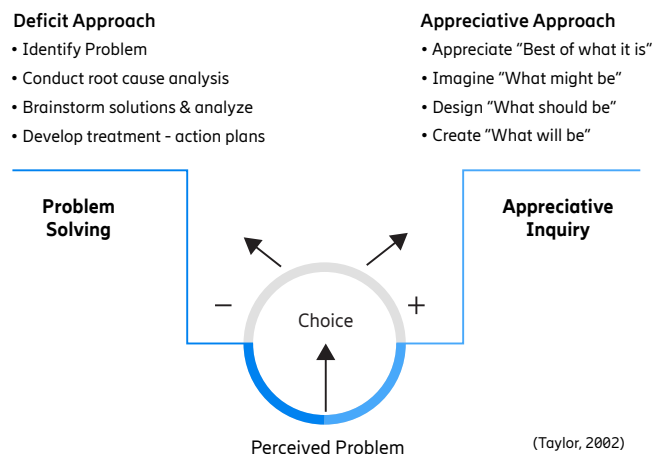
“There were 4 key aspects - clear from the start - that really excited us about working with Ericsson on the Move:

- the prospect of rock-solid senior leadership sponsorship from start to end
- clarity of strategic intentions (people engagement; its impact on customer experience and speed to market)
- the planned level of participation and the potential arising from the sheer number of new connections forged between people
- a commitment in Ericsson to full follow through – as the last 20% of the time investment in embedding usually ensures 80% of the impact in such initiatives.”

In a very agile approach, only three main components of Ericsson on the Move were established at the beginning:

- 01** A “jam” phase, to involve as many people as possible across the company in a global, online conversation enabled through a digital platform.
- 02** An interview-based **inquiry** phase as a prerequisite for managers attending the Ericsson on the Move Workshop.
- 03** An Ericsson on the Move **workshop** to which all people managers would be invited.

These components intentionally provided an immediate opportunity for employees to actively practice and experiment with the Five Focus Areas, especially speak up, cooperation and collaboration, empathy and humanness to create immediate momentum.



At the center would be the Appreciative Inquiry (AI) method: A strengths-based and positive approach to organizational change that seeks to identify and develop the best in people and organizations. AI had been developed as a method by David Cooperrider and his associates at the Weatherhead School of Management, Case Western Reserve University.

The initiative kicked off with a ‘first’ in Ericsson’s 142-year history — a text from Börje to all 7,000 plus people managers. In his text, Börje explained why Ericsson was making this investment in them as people leaders and how it would support the continued turnaround and growth of the company. He ended it with a direct invitation and provocation.



With this question, the social movement inside Ericsson was born!

**A series of large-scale online conversations about the company's present and future culture brought together thousands of employees around the world.**

**The input received from all participants verified and reinforced the importance of the Five Focus Areas that had been identified for Ericsson on the Move.**

## Organization-wide jams: build understanding and appetite for change

To engage as many people as possible across the company in a conversation about the company's present and future culture, a series of large-scale online conversations were organized together with HSM Advisory, a research advisory group. The use of technology as a means to scale and drive change was very intentional.

Selina explains:

"Ericsson on the Move was all about complementing our technical leadership with cultural leadership. In the spirit of being about both technology and people, we, of course also wanted to make clever use of appropriate technology in this effort. This meant leveraging technology for scale and speed, the all-employee 'jams' were a great example of this."



**Selina Millstam**  
VP & Global Head of  
Talent Management

The word jam was used as an homage to the way musicians hold "jam sessions" together. Here the aspiration was to create something comparable, with thousands of people, "jamming" together in real-time around the Five Focus Areas.

The events, which were held in the middle of 2019, focused on identifying actions and micro-behaviors in the Five Focus Areas that people could take forward while driving engagement and enthusiasm among the many participating people managers.

It is worth noting that the Ericsson jams outperformed all significant HSM benchmarks for participant engagements and set a record for the number of registrants who interacted with the platform. It was a truly diverse and global conversation, representing 89 different countries and all different Ericsson functions, market areas, and business units.

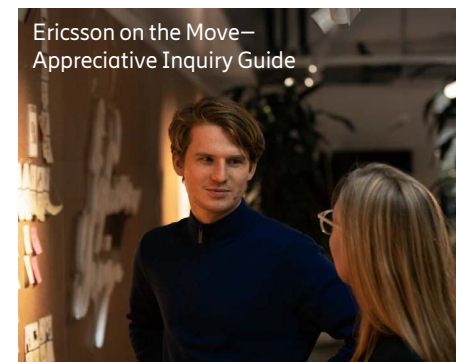
The jam events had a crucial symbolic significance in showcasing Ericsson's commitment to listening to and caring about what people across the company had to say.

"Participating in this Jam is a perfect example of connecting with global colleagues to share ideas and experiences. I hope we plan more global events to integrate all Ericsson employees and understand the different perspectives that each one has to offer," said one of the participants.

The input received from all participants also verified and reinforced the importance of the Five Focus Areas that had been identified for Ericsson on the Move. People wanted to collaborate more but sometimes felt held back by processes or managers. People wanted faster decision-making but were sometimes hesitant to make decisions because of perceived risks associated with making mistakes.

### **Inquiry work: focusing attention on the positive**

An important aspect of Appreciate Inquiry is that what people pay attention to will become more present and prevalent. Part of the work, therefore, was to engage colleagues beyond the manager population and become more aware of existing strengths in the organization. This was accomplished by managers conducting "inquiry interviews" with others they worked with. Line managers were asked to meet with a selection of colleagues (often team members or reports) before their attendance in the workshop to do semi-structured interviews. In order to make sure these conversations were targeted and impactful, managers were offered training and supporting materials.



At the heart of these appreciative interviews were the often-unexplored questions:

"When do you see us being at our best within any of these Five Focus Areas? What makes this possible?"

With these questions and their answers "seeded" in thousands of people across the company, the ability to pay attention to and to notice the positive was immediate, and the amplification of the positive began.

## The “pulse” of Ericsson on the Move was a thoughtfully constructed workshop targeted at people managers.

### Workshops: creating action through experimentation

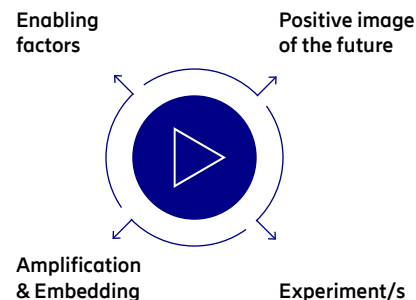
The “pulse” of Ericsson on the Move was a thoughtfully constructed workshop targeted at people managers. At each of these sessions, one hundred managers would come face-to-face to connect, learn, and grow together.

The workshop served several objectives:

- 01 Offering it on a large scale, with as many people during as short of a time frame as possible, to create “a splash” and not a ripple.
- 02 Inviting people from all parts of the business to encourage an end-to-end perspective. Having the “whole system” of Ericsson in one room would broaden thinking and strengthen collaboration.
- 03 Combining global insights with local actions, participants would develop a holistic understanding before moving to local action in their own part of the system through generative coaching conversations.
- 04 Emphasizing personal responsibility in the workshops required and enhanced self-management and accountability among the participants.
- 05 Integrating “soak time” (two overnight stays and social interactions) in the workshop container would enable social bonding and offer essential “unconscious processing time” from which new thoughts, insights, and commitments would emerge.

An additional essential element was the active participation of each of the members of the Executive Team. At least one member would be at each of the workshops, and they would participate as equals, not as “VIPs.” This had a significant effect signaling shared ownership.

The structure of the workshops was based on the Appreciative Inquiry method. Participants identified positive practices already in existence within the Five Focus Areas. They identified the “enabling factors” for these moments of excellence, e.g. what is it someone is being, doing, or having in a specific example of success? People envisioned what would be possible if one had more of these enabling factors in place and were finally asked to create a hands-on improvement experiment for themselves.



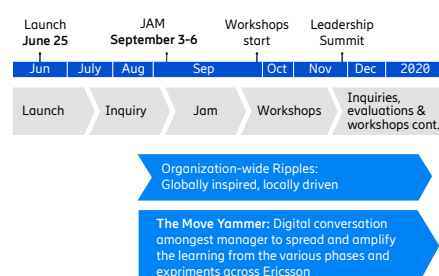
The angle of conducting experiments was key in the setup. The existing Ericsson culture was often risk-averse with a preference for sticking to procedure. By thinking about any potential changes as an “experiment” (it might work, it might not, but let’s test it out), the barriers for trying something out were lowered, and the underlying spirit reduced the pressure that it absolutely needed to work or be 100 percent off the bat.

Once individuals had identified their experiments, they were given an opportunity to share with others and receive feedback on how to make the experiment even better. The first wave of Ericsson on the Move workshops went live in September of 2019.

Selina remembers:

“When we pressed the start button on the initiative, we were positively overwhelmed. The first-come-first-serve spots for the first round of workshops ran out faster than we ever could have imagined. It was like releasing tickets to a concert with the hottest performer around. It might seem very paradoxical to go with the approach we did. We did something that was the opposite of what we would traditionally do. Normally, we would make a detailed plan and focus on fixing the biggest pain points. Now, we allowed ourselves to be more emergent, we decided it could all be more flexible, and we asked people to ignore what needed fixing and instead look at what was working well. The scale of the effort, with many things happening simultaneously in many places with many people, was like throwing many pebbles in a pond. We created many ripples that joined together in one big movement.”

### Activation plan - launch



**Ericsson on the Move, in its virtual format, knitted us together just as circumstances could have pulled us apart.**

# An unexpected interruption — the virtual mobilization

Björn Atterstam, a member of the original task force, recalls the last Ericsson on the Move face-to-face workshop he helped facilitate:

“It was in February of 2020 and we were halfway through the three days of Ericsson on the Move in New Delhi in India when we suddenly learned that one of our participants had been in Wuhan, China (the emerging epicenter of the Covid-19 pandemic) just days before joining the workshop. We didn’t know exactly who it was but the news of this fact sent a shudder through the whole event. The reality of the emerging Covid-19 pandemic suddenly collided with the safe space of Ericsson on the Move.”

## But where would this leave Ericsson on the Move?

With more than a thousand people already participating in the face-to-face workshop, what would happen now?

How could the movement that had been created until this point in time be maintained?

How could “the Move” continue?

The Ericsson on the Move Team decided to replicate the essence of the face-to-face workshop in a virtual format instead. It was clear that losing the positive momentum and reception of the initiative was not an option.

As Deborah Gray from Sheppard Moscow recalls: “The ability to rapidly create intimacy and trust was the ‘secret sauce’ that made the face-to-face workshops so meaningful.

Selina reflects on this:

“In retrospect, this might seem like an obvious path forward but it wasn’t. There were so many elements of the physical gathering that relied on face-to-face interaction for its magic to happen. We were unsure if we could recreate this ‘touching the heart’ with the inherent limitations of the virtual format. Luckily, we proved that we could.”

As Ericsson on the Move piloted its way into its virtual format, its purpose and impact transcended its initial purpose.

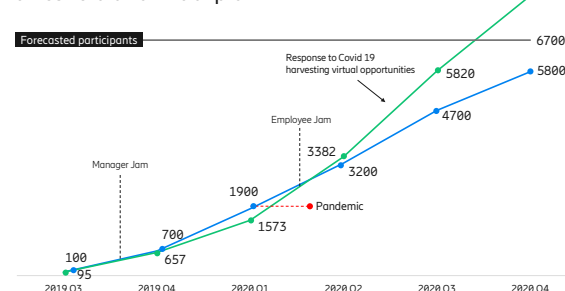
As the pandemic swept across the world, the participants in the now-virtual Ericsson on the Move found their participation “a lifeline” of sorts:

As one of the participants recalls:

“Ericsson on the Move, in its virtual format, knitted us together just as circumstances could have pulled us apart. It played a serendipitous role in increasing psychological resilience just by connecting people and the company’s purpose, reminding us of how much we had to be proud of in the way we were responding to the pandemic with courage and fortitude, doing right by our staff and our customers.”

The newly adopted virtual format also shifted the nature of many of the improvement experiments. Whereas earlier experiments commonly involved in-person interaction with colleagues, now a popular focus became how to support others who worked from home, sometimes away from their families.

Actuals — Participants vs Line Manager threshold and initial plan





# Phase 2: embedding

**The central team needed to shift responsibility from central organizing to regional and unit-level organizing.**

By the end of 2020, Ericsson completed the Ericsson on the Move workshops that had been offered in phase 1. The swift move to virtual was made possible by the capable delivery team led by Jennyvee Dimaano, Talent Management Delivery Manager. Being the first ones to learn how to use technology to replicate the experience of a face-to-face workshop in a virtual setting, they became known as internal experts Ericsson-wide.

“From being focused on just the delivery and administration of the programs, we had to transform our entire operations and learn new skills to be able to successfully support the initiative — and we had to do it fast. This challenge became our opportunity to showcase what else we can do as individuals and as a team, and have given us the platform to become known as experts in the field of program delivery and administration. It allowed us to stretch our capabilities, learn new competences, create more impact, and take on more value-adding tasks.”



**Jennyvee Dimaano**  
Talent Management  
Delivery Manager

At this point, more than 7,600 people had participated in either the face-to-face or the virtual version of Ericsson on the Move (approximately 1,200 attended a face-to-face workshop before the pandemic struck), and just as many improvement experiments had been identified and tried out, some with significant impact.

Now the task at hand was to expand the focus to reach beyond the manager population and involve as many of the 100,000 colleagues as possible across the world.

With the strategy for Phase 1 (2019 and 2020) having been about mobilization, the focus now shifted to embedding behaviors.

From an impact perspective, it was key to safeguard all the good progress that had been made while continuing to strengthen momentum. Or put differently; embedding was also about reducing the risk of slipping back into the old ways of being and doing.

This meant going beyond the 7,000 plus managers and the colleagues they had interviewed as preparations for the workshops in Phase 1 to reach much deeper into the organization. For this to happen, the central team needed to shift responsibility from central organizing to regional and unit-level organizing.

To fulfill this desire, a modified version of Ericsson on the Move was created for intact teams — Move as a Team. By working with each team’s micro-environment, a critical mass of engagement was enabled on the local level. Furthermore, the managers who facilitated the team sessions were also able to strengthen their role modeling and focus on the Five Focus Areas in their leadership more broadly.

Gabriele Metz, project lead of Ericsson on the Move and a certified ORSC® Team Coach recalls: “When designing the workshop together with my colleague and co-coach Hendrik Esser, we ensured to integrate coaching tools as well in the content helping teams to build connections as humans to create a solid foundation for experimenting and demonstrating the Five Focus Areas. This created an inspiring experience for teams and a very different ‘feel’ to learning, discussing and exploring together.”



**Gabriele Metz**  
Global Head of Leadership  
Transformation

Initially supported by a group of engaged in-house agile coaches that Hendrik had gathered over the years, in barely two years the initial group of 20 coaches grew to a community of 200 who went through an in-house developed upskilling program before qualifying for delivering the workshop.

## As the Phase 2 work continued to progress and become embedded, stories of successes started to trickle in from across the Ericsson world.

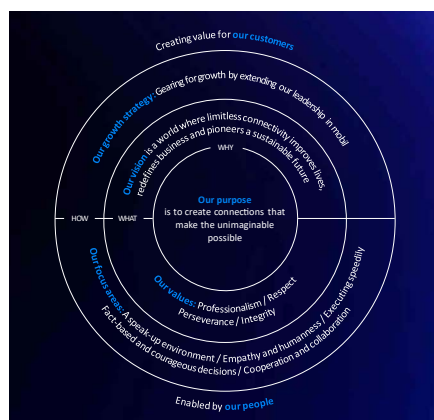
To support more and more people becoming involved in the Move, the central team developed and made available an additional vehicle for learning. This was the Move Journey, a scalable, easy-to-use technical platform offering a self-paced, open-ended exploration of different tools and aspects related to Ericsson on the Move.

The software was entirely designed and created by Ericsson colleagues and, over time, has shown to have a great uptake and learning impact.



Screenshot from the Move Journey

On the central level, the Ericsson on the Move team put in place what was called a 'global culture forum', a cross-company team with 14 cultural ambassadors, each person representing different organizational units. At first the responsibility of ambassadors was to create and drive Ericsson on the Move culture initiatives in their own units. Then once a month, all ambassadors came together to share details of their initiatives and the impact they created. Whilst their role started off by driving Ericsson on the Move awareness, it expanded towards integrating additional elements of culture after Ericsson evolved its purpose, vision and values in 2021.



### Ericsson's company story

As the Phase 2 work continued to progress and become embedded, stories of successes started to trickle in from across the Ericsson world. Here are some examples.

An executive from Customer Unit Eastern Europe and Central Asia in Market Area Europe and Latin America stated:

"Role modeling by senior leaders has a huge impact on the culture change. Employees look at their leaders and identify and embrace the wanted behavior. To amplify and broaden this important part of the cultural change in Market Area Europe and Latin America we invented a Champions network. We selected young, influential, and communicative leaders in each of our geographies to support the senior leaders in role modeling and to extend and share cultural change experiments and activities deeper out in the organization.

This network energized the movement and launched several great initiatives such as mini-workshops for employees, cultural discussions in various Leadership teams, and shared ideas among themselves."

Another executive from Market Area North East Asia said:

"The objective for us was to normalize the behaviors that Ericsson on the Move promoted in our everyday processes and work life. To do that, it was important to make sure that each of us took personal accountability. For instance, instead of introducing a new process, we integrated the Ericsson on the Move behaviors into our individual performance reviews. Not as an additional target, rather by making the Five Focus Areas the centerpiece of 'how' we assess existing targets, and 'how' managers, employees, and reports work. It started as an experiment, and it is clear, our people get it. People see the behaviors around them, expect them, and even use the lingo. It carries our culture."

An executive from Market Area North America pointed out:

"Our regional leadership team was very focused on having a speak-up culture, but it was less about 'opening the door to complaints' and more about giving teams the confidence they could challenge existing ways of working and bring improvement ideas forward. So, in order to boost our ability to innovate and work with customers in better and easier ways, we organized a series of 'Hacks for Easy' which created a safe space for employees to speak up and contribute. This led to hundreds of practical and relevant improvement ideas being generated, many of which had a significant impact on how we engage our customers. Something like this had never happened before. This leveraging of culture initiatives to improve how we worked with customers was impressive in many ways and there was a felt sense that people got their mojo back as a consequence of the culture work."

### Our strategy in North America

Awareness Consistency Embodiment

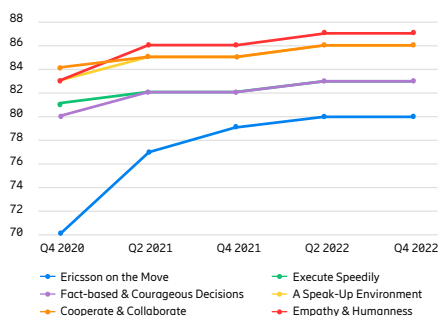
## Employee engagement levels in Ericsson companies across the world increased in significant ways.

# Epilogue

Ericsson on the Move and the ethics and compliance efforts continue to be mutually reinforcing. With such a substantial number of colleagues across the world actively involved in thinking about, talking about, and adjusting culture, there is plenty of fertile ground for instilling and reinforcing ethical business practices. An example of which was in our 2022 annual performance evaluation process where 98% of employees reported having formal conversations about integrity with their line managers. Thus, Ericsson is convinced that the efforts in Ericsson on the Move have also substantially enabled progress regarding ethics and compliance.

At the end of 2021, the company had started to embrace the new Purpose, Vision and the added value of Integrity and an additional 8,000 people had gone through 554 Move as a Team workshops. More than 18,000 Ericsson colleagues were actively learning on the Move Journey platform. Several of the main business units had run distinct local events or integrated EotM principles and messages in other contexts to reach tens of thousands of people.

Global evolution



Even though this kind of work is an ongoing journey that will always require more work, Ericsson feels confident in the positive impact thus far.

The Ericsson team paid a great deal of attention to checking awareness in various engagement and culture surveys — to what extent were people aware of Ericsson on the Move and the Five Focus Areas. In Q4 of 2020, 65 percent of individuals reported being aware, by Q4 of 2021, this was 80 percent and by Q4 2022 — despite normal attrition — the number had still increased to 82 percent.

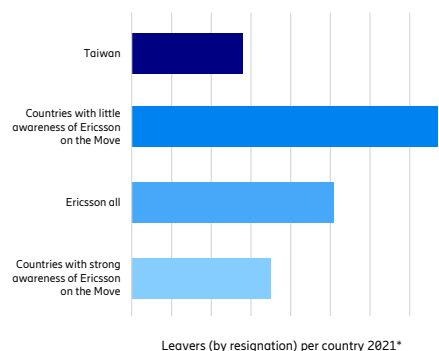
People managers were asked if they are experimenting. In Q4 of 2020, 50 percent said they did, in Q4 of 2021, 92 percent of

respondents said they are experimenting. 59 percent said they experiment frequently. By 2022, this number had also increased to 62 percent.

In data gathered from Voice, Ericsson's main employee engagement survey, colleagues were asked if they have observed or experienced any positive changes in strategic execution, customer interactions, service delivery, or ethical and responsible business practices. 35-57 percent of more than 80,000 respondents reported seeing an impact in these areas. Only 4 percent said they saw no impact in both 2021 and 2022. And up to 58 percent seeing a positive business impact of Ericsson on the Move by 2022.

Another example is that, people who were stronger at role modeling the Ericsson the Move behaviors were overrepresented as recipients of impact awards (awards offered to people who have an outstanding business impact at Ericsson). An effect we could observe consistently in 2021 and 2022.

The positive impact of Ericsson the Move also showed in how others view the company. Employee engagement levels in Ericsson companies across the world increased in significant ways. One outstanding example is Ericsson Taiwan, named one of the "Best Companies to Work for in Asia 2021" due to engagement scores that were three times higher than similar companies. This achievement was made possible through local Ericsson on the Move initiatives.



There are many reasons Ericsson's key performance indicators are trending upwards, from the changes in strategy initiated early on in Börje's tenure to ongoing changes in the competitive dynamics in the industry. On a more practical and everyday level, however, the thousands of successful improvement experiments conducted

## As a next step we have now started to explore new methods of Social Network Analysis (SNA) in order to test the effectiveness of interventions.

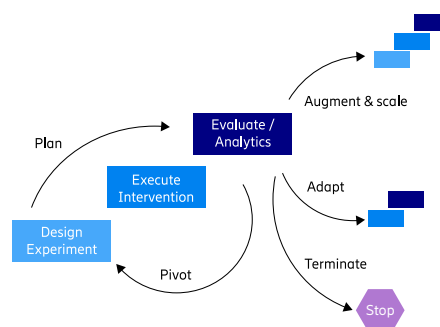
through Ericsson on the Move, the countless conversations between colleagues, and the hopefulness and inspiration generated from feeling more connected to others whom we work with, all certainly also played a major role in the business transformation.

### What is next?

#### Experimentation

As a part of the appreciative inquiry approach, experimentation is an enabler to constantly optimize the impact of interventions. Over the years, many ideas were launched, some were successful, some failed — yet each of them provided a valuable learning experience that was necessary to ensure the continuous progression of Ericsson on the Move.

Ericsson's engagement survey called Voice reveals that 80 percent of employees are aware of Ericsson on the Move. This is an important milestone as awareness is an absolute requirement for adoption. Translating awareness into action, that is making experimentation a habit requires to deeply embed the Five Focus Areas consistently in all business processes and policies. This will become evident when employees see a connection between the Five Focus Areas and business benefits for example, customer excellence, strategy execution, and so on.



#### Measuring Culture

"Culture cannot be measured through a single metric. Instead, it is a mosaic of multiple metrics gauging interdependencies, hinderances and enablers with the aim to reveal the following:

- Where are we with Ericsson on the Move?
- What is propelling or slowing Ericsson on the Move?
- Where do we see impact of Ericsson on the Move?

As such, our analytics are not limited to the initiative only, but include correlating with other cultural parameters measured through the engagement survey, leavers and sick leave statistics, as well as compliance, succession and performance data — to name a few. And as we could find positive correlations in all of these categories, we could even find them in customer experience metrics. As a next step we have now started to explore new methods of Social Network Analysis (SNA) in order to test the effectiveness of interventions. SNA will also provide a much deeper understanding of

- what collaboration means and
- how it affects the progress of a culture transformation.

This is an area that looks incredibly promising, and I look forward to extracting insights allowing us to take even more and better fact-based and courageous decisions on where and how to go next", says Gerald Meinert.



**Gerald Meinert**  
Process and Information Manager

#### Making the Next Move:

Since 2019 we have taken great strides in evolving our culture but that doesn't mean everything is perfect. As we look to continue our journey with particular focus, we demonstrate two of our core values; perseverance and integrity. We know that culture change is a long game, so we stay consistent on our five articulated focus areas of Ericsson on the Move and embark 2023 double downing on one of those focus areas: fact-based and courageous decision making by reinforcing the importance of critical thinking and psychological safety to ensure ethical and responsible decisions in everything we do. We will continue with our focus on appreciative inquiry and experimentation as it has proved effective in our behavior change efforts. In a world with significant political, social, and economic challenges we will continue to evolve our culture to realize our company purpose and vision.



## Measuring culture is possible and necessary to keep the organization engaged in the 'marathon'.

### Key lessons learned

The work of evolving culture is never completed. Embedding the behaviors of the Five Focus Areas into the daily work of every employee of Ericsson continues. Still, looking back at the efforts covered in this case, some emerging insights about Ericsson of the Move and Ericsson's culture transformation journey are:

**01 Power of the appreciative lens –** The usage of the Appreciative Inquiry method came to be a catalyst for the work. It showcased a complementary way of improving performance, not just fixing problems.

**02 The need to create pull, rather than push –** The creation of excitement and a sense of "I want to be part of that" was an important aspect of creating this movement across the company. Positive word of mouth, limited availability, and a sense of "this is happening now" all contributed to this.

**03 Leveraging a hybrid setup to reinforce both the technical and the human –** Ericsson on the Move was able to establish a fine-tune middle ground of combining deep human connection with technology. Dialogue-based shared learning combined with various social technologies and platforms for amplification gave excellent results.

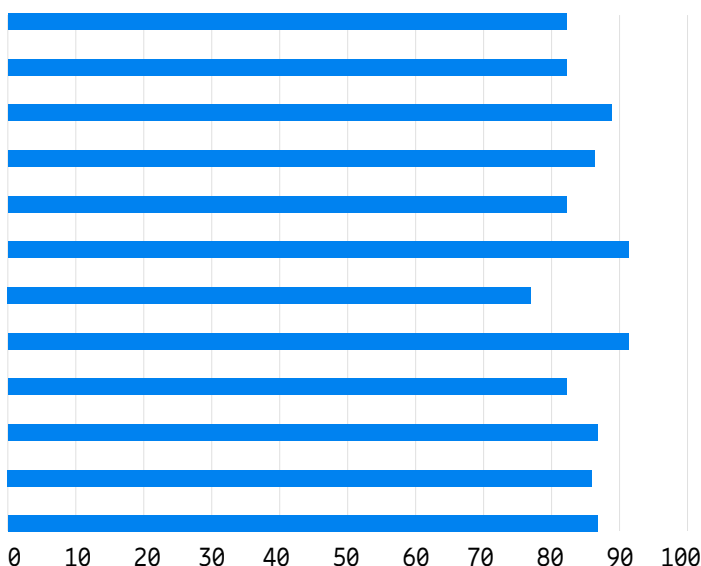
**04 Importance of visibility and role modeling of Executive Team members –** The active and visible

involvement of members of the Executive Team carried great symbolic significance. It wasn't only that they showed up, they also participated under the same conditions as everybody else. This was not something that was "done to people" it was something we did together. Executive Team members doing their own experimentation work, talking to others about it, and visibly role modeling the Five Focus Areas brought sense that this is the new way of doing things at Ericsson.

**05 Challenges of congruence –** Sometimes, it became apparent that there was a mismatch between what people were invited to do and how ways of working were designed. For instance, in the focus area of collaboration and cooperation, while there was a broad acknowledgment that this is important, occasionally processes might not be supportive of cross-unit cooperation.

**06 Culture changes one conversation at a time, and more rapidly if one can impact many simultaneous conversations –** At the heart of Ericsson on the Move were conversations that were "for something" not just "about something." Diverse groups of leaders were able to galvanize and inspire each other because they felt included, felt ownership, felt potent, and felt that things were in their control.

Ericsson on the Move - awareness across units



# Appendix:

## Reflections from key individuals

To conclude the story about the people and culture transformation at Ericsson so far, here are reflections from some of the people who were involved:

Selina Millstam:

"When I look back, I take pride in how we were able to re-envision 'HR' within the opportunity given by the larger corporate transformation.

We clarified our assumptions and beliefs around people and how we work within the company. For example, people don't usually respond to stimuli the way we often think they will. You can't assume that if you do A it will lead to B. This awareness also heavily influenced how we set about bringing Ericsson on the Move into the world.

The timing also worked to our advantage. It became not only a culture transformation effort but a way to lighten the spirit and connect many of our colleagues who had worked hard through the business transformation and then stepped straight into the pandemic.

My final point is around the importance of walking the walk as you talk the talk. I have seen too many change efforts trying to 'command' people to be empowered. But it doesn't work like that. If you want people to take responsibility, you have to give them responsibility and trust in them.

An enabling factor for effective collaboration is people talking to each other, so Ericsson on the Move was designed to give people a chance to practice meaningful conversations. An enabling factor for progress is having the courage and willingness to try new things, and Ericsson on the Move was designed to break the attitude that things need to be perfect, planned ahead, and foolproof. Instead, people were encouraged to be curious, try something new, and see what they can learn. In most cases, when our people were allowed to be in that space, they thrived."

Hartmut Stuelten:

Three aspects to highlight:

1. Culture is not a thing, but behaviors. Therefore, it has been essential in Ericsson on the Move to first identify what specific business issue Ericsson needed to address. Only then could we think about and agree on how this might be achieved, including what behavioral experiments need to be conducted and/or which behavioral levers need to be used in support.
2. Behavior does not take place in a vacuum but is directly and indirectly influenced by a variety of different factors, some internal to the person, and some external. We continuously considered four factors in steering the Ericsson on the Move journey:

**Willingness** – Is the person willing to behave in the required way?

**Ability** – Does the person have the necessary knowledge and skills to behave in the required way

**Opportunity** – Does the organization and/or the manager give the person the opportunity to behave in the required way?

**Requirement** – Does the organization and/or the manager obligate the person to behave in the required way? Does the person have negative consequences for not behaving in this way?

From the beginning of the transformation journey, we believed only when all of Ericsson's people constantly behave in ways that are in line with our best practices in the Five Focus Areas will we have a movement and only that way will we achieve our ambitious business objectives.

**MajBritt Arfert:**

"In my 30-year-plus career as an HR professional, I have led several cultural journeys. I have never felt that they made a significant impact on the business — either they were 'PowerPoint' products with nice words and/or they ended up in good conversations throughout the organization but it was difficult to see the real impact. This time it was different — when Börje gave us the challenge, I immediately thought we could not allow a traditional approach to the topic. This was about behavior change and not 'nice words' on the wall. We kicked off the work with our 'Culture Sweetspot' which was aimed at behavior change, but we didn't have the vehicle to drive it — it was too much of a framework. I'm extremely proud that we continued to evolve our thoughts and had the courage to 'kill' our own product when we realized it was not good enough. We got full support from Börje and the executive leadership team when we came up with Ericsson on the Move, which is a true behavior change journey that will never end.

**Why have we been successful?**

Culture change is about behavior change in an organization

---

We pivoted when we realized we were on the wrong path

---

We have co-created our five focus areas with our people

---

Full 'buy-in' from the CEO and Executive team

---

We were bold — the first year, all 7000 leaders and then all our 100.000 employees

---

We are building on people's strengths — the positive inquiry approach

---

We are all experimenting and working on improving our own behaviors so we can deliver a better and great customer experience — making business impact every day.

Finally, we have been working with strong partners who have stretched us in our thought process and co-created Ericsson on the Move with us."

**Börje Ekholm:**

"One of the main reasons I was confident in what we were doing was the positive inquiry approach. Intuitively, it made sense to me, but I had never seen it applied in a change initiative with this level of ambition and significance. In retrospect, it was the right approach for us. It gave us a chance to appreciate all the good things we already had in the company and to strengthen these. It was something we needed to do, and it worked.

An additional consequence that I had not anticipated is how fast we latched on to and how powerful the whole mindset of experimentation is. All my colleagues in the Executive Team and I have had our own improvement experiments, and we have even had experimentation coaches who encourage us to take even bigger steps. For Ericsson as a company, this whole transformation has put us in a position where we are more ready than ever to not only embrace the future but to create the future.

There are many important initiatives in our work on ethics and compliance, but Ericsson on the Move, through its wide reach and bottom-up approach, has really made a big difference. An increased willingness to speak up, to ask difficult questions, and to win with integrity are now top of mind for our colleagues across the world. The connections and openness that have been established through Ericsson on the Move facilitate fundamentals to integrity-driven business such as collaboration, fact-based, and decision-making and accountability."

# Authors

---



**Selina Millstam** is the VP and Head of Global Talent Management in Ericsson. Before joining Ericsson in 2012 she held various leadership positions in some of the world's most successful companies including Nike, and consulting firm Oliver Wyman. Throughout her career Selina has been motivated by enabling others to realize their potential. As such, she was one of the key innovators behind driving Ericsson's global culture transformation Ericsson on the Move in a very inclusive, integrative way through the appreciative inquiry approach. Under her reign, many 'firsts' were introduced to drive change in an engaging way across 100,000 employees in more than 180 countries.



**Björn Atterstam** is an exceptional educator, facilitator and speaker with a flair for the unconventional. His work explores the human condition in a modern world - how we live our lives, lead our organizations, and develop in a world that is increasingly complex, uncertain and interconnected. He partners with some of most well-known organizations in the world to help them challenge their thinking, evolve their assumptions and be better when it matters. He was a core member of the faculty coaching more than 7000 leaders on how to adopt Ericsson on the Move's new behaviors.



**Gabriele Metz** is the Global Head of Leadership Transformation with Ericsson, and the Project Lead for Ericsson's culture transformation Ericsson on the Move since its beginning in 2019. The success of this project has led Gabriele to being one of Ericsson's top performance competition winners in 2019. Gabriele is a certified Organization and Relationship Systems Coach with more than 25 years of work experience in various HR functions and industries in Europe, Middle East and Africa. Gabriele lives by her purpose of "creating happy places where people find their voice" – a purpose that is very aligned to one of the Focus Areas of Ericsson on the Move called 'Speak up'.