

Employee performance the key to success

Dedicated employees with a sense of participation, the right expertise and greater diversity are important to the Company's future success and good earnings.

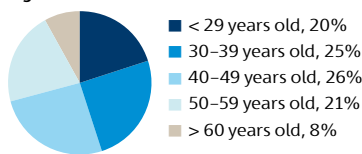
The economic downturn has led to declining volume in many markets. Skanska was thus forced to carry out some of the employee cutbacks it had announced late in 2008. The extent has varied between different local markets.

At the same time as Skanska has adjusted to the prevailing economic situation, a long-term and forward-looking effort is underway. For the Company's future, the need to recruit, develop and retain employees will remain a top-priority task for both Group executives and local business units.

Human resource issues are a high priority and are among the variables measured and used for assessing senior managers. The Group's profitability is dependent on the earnings of its thousands of projects, and their success is in turn dependent on employee performance.

As part of Skanska's business plan for 2008–2010, each business unit plans its recruitment needs and sets targets for employee turnover and total recruitment, greater diversity and professional development activities for its personnel. This process also includes establishing guidelines on which target groups and schools to prioritize in recruitment efforts.

Age distribution 2009



Female employees at Skanska

%	2009	2008
Skilled workers	3	3
White collar employees	26	24
Skanska AB Board	14	21
Senior executives	9	11
Total	11	11

Employee Ownership Program

The three-year Skanska Employee Ownership Program (SEOP) that was launched in 2008 is aimed at all permanent employees, for the purpose of strengthening their affinity with the Company. During the second year of the program, membership increased and now totals 18 percent of Group employees.

During 2009, 7,275 employees invested SEK 157 M in SEOP, which represents an increase of about 7 percent over 2008.

Evaluating good managers

To provide a better picture of its management capacity, every year the Group conducts its Talent Review, a major evaluation of all managers and a number of other key individuals in each business unit. The aim is to analyze individual professional development needs and whether a given employee is in the right position.

Management training

Skanska operates a number of management programs at different levels of the Group. One example is the collaboration with the business school IMD in

Switzerland, which aims at developing participants' strategic thinking and building networks between individuals and units.

Expanded trainee program

The second round of the Global Trainee Program is underway, with 22 trainees who were selected from about 4,000 applicants. Of those who were accepted, about 40 percent are women and about 40 percent have an educational background other than graduate engineering. The first international trainee program ended in 2008, and of the 13 participants, 12 now remain in advanced positions at Skanska.

Global work opportunities

In the Skanska Unlimited exchange program, 24 selected employees exchanged job assignments and units for six months during 2009. The program provides professional development and stimulation mainly for younger employees who have worked at the Company for some years. In January 2010, a new exchange period begins for another 24 employees.



Through systematic effort, Skanska is increasing the diversity of its workforce at all levels and in all units. The employees of Skanska Infrastructure Development in the United Kingdom represent at least 10 different nationalities, 21 percent of the employees are of non-British origin and 37 percent are women.

Increased diversity

To harmonize with society at large and with its own customer profile, Skanska needs to increase the diversity of its workforce in terms of educational or occupational background, gender and ethnicity. This enriches the Company by adding experience from other industries, academic disciplines and cultures, while increasing its recruitment base.

For many years, male engineers have been the dominant employee category, but Skanska is also seeking tomorrow's employees outside this category. This means that the Group will be less dependent on recruiting new engineering graduates, who will be a shrinking resource in the future relative to the overall needs of the business sector.

New mentorship program for women

To achieve a more even gender balance, Skanska needs a larger number of women at all levels, especially in line positions. To provide encouragement, support and professional development for women, a new Skanska Female Mentorship Program started. Twenty-two women were selected for the first program. For one year, they will receive support in their professional development from male mentors, who will also act as ambassadors to increase the percentage of women in various positions.

Ethnic background

Skanska also attaches great importance to recruitment and professional development of employees with ethnic backgrounds other than the majority group in each respective market.

In Sweden, the Group has launched special programs to generate greater interest in the construction industry among ethnic minorities, especially in suburban areas of major cities. This will be a matter of increasing diversity both at the project level and in administrative and support units. For natural reasons, the prevailing economic situation has slowed the rate of progress, but these efforts are forward-looking and diversity will increase as Skanska recruits new employees to replace those who have retired.



In the United States, Skanska is helping increase diversity in a number of ways. For building construction projects, the Group relies on numerous suppliers and subcontractors, and many of these are owned and operated by people with minority backgrounds. In some cases, local regulations require that a certain percentage of minorities be among the workforce and suppliers. Skanska is often responsible for special training of employees with minority backgrounds for certain tasks within a project. In New York, experienced Skanska employees serve as instructors in the Building Blocks training program, which targets small businesses run by minorities and women. Participants receive a certificate that increases their competitiveness in local markets. Skanska USA also has a special council to stimulate greater diversity, counseling both managers and other employees in this field.

Measuring job satisfaction

As part of its Great Boss concept, Skanska conducts an annual Great Boss Index survey to diagnose organizational issues, working climate and how well units operate.

For many years, all local business units have carried out employee surveys aimed at measuring job satisfaction and the need for human resource development, as well as how many people are hired and how many leave the Company. A Groupwide measurement standard has been developed in order to provide comparable data.

Retaining the expertise

It is vital both to Skanska's operations and to individual employees that there are opportunities to pursue a career at the same time as expertise can be kept

Each year Skanska honors top-performing employees with the Golden Hard Hat Award. Audun Stensrud and Egil Dahl are Production Managers who have worked together at Skanska Norway for more than 35 years – always with fine results and with good humor. Born on the same day in 1939, they are like twins yet different. Stensrud is known for his ability to organize and structure projects he is in charge of. Dahl is the artist, whose improvisational style is appreciated by both customers and employees.

in projects. At some business units, for example, managers of large projects enjoy the same status as senior managers in terms of salary, title and level in the organization. Project managers are also offered the opportunity to pursue a career while remaining in construction operations.

A Groupwide networking and recruitment aid, the Skanska Recruitment Toolbox, has been available for some time on Skanska's intranet to facilitate recruitment efforts.

A certain degree of employee turnover is not only unavoidable but also desirable. Many companies compete for both new university-level graduates and experienced employees. Due to the Company's age structure, an increasing number of employees will reach retirement age in the next several years. One major challenge is to bridge the generation gap and ensure transfer of knowledge between experienced employees approaching retirement age and younger employees who will assume leadership roles. This is why Skanska works actively with mentorship systems in which older employees act as mentors to younger ones.

SEOP also provides an incentive for talented employees to remain in the Skanska Group (see also page 14).