



Anticipating and managing
the impact of change

**Restructuring trends in retail
banking: Case study on Danske Bank
(Denmark)**

[Going digital: Restructuring trends in
retail banking](#)

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Contents

Introduction	1
National level: context and sectoral trends	2
Employment trends	2
Drivers of change.....	5
Sub-conclusion	9
Case study: Danske Bank	10
Drivers and motivations for the restructuring case.....	14
The restructuring process.....	15
Collective representation, information and consultation process	17
Support to affected workers	20
Restructuring outcomes	21
Sub-Conclusion	22
Conclusion	23
References	24
List of interviewees	26

Introduction

The aim of this paper is to describe a recent restructuring activity within the financial sector in Denmark, as well as the most prominent drivers of change. The paper encompasses two parts. First it presents the most notable trends within the financial sector in Denmark as well as the main drivers of change within the sector. Second, it presents a case study of a restructuring activity within Danske Bank (the largest bank in Denmark). The case study concerns itself with a recent and very comprehensive restructuring activity undertaken by Danske Bank, which was initiated in 2020. The restructuring is referred to as 'Better Ways of Working' (BWoW). The restructuring process had a direct impact on 4,500 employees in Danske Bank and will further indirectly impact the remaining 18,000 employees in both the national and international offices.

The first part of the paper – which concerns trends and drivers of change within the financial sector in Denmark – is based on an expert interview with Kristian Bondo Hansen who is Postdoc at the Department of Management, Society and Communication at Copenhagen Business School. In his research, he studies the use of big data and machine learning techniques in various industries and organisational settings and has specialised on organisational changes within the financial sector. Additionally, the first part of the paper draws on data from Statistics Denmark as well as on insights from interest organisations, relevant reports, and news articles. The second part of the paper, which focuses on the case study of the restructuring in Danske Bank, is primarily based on interviews with two employees who had central roles in the restructuring process of BWoW. One of the interviewees is Thomas Bagh, the Senior Vice President and Ways of Working Redesign Lead in Danske Bank, who was part of the strategic process. Additionally, he attended meeting with unions, employee representatives and the European Working Council (EWC). The second interviewee is Peter Andresen who is the Head of Agile Developments since 2021 and before that he was the Head of Leadership and Staffing at 'Better Ways of Working'. Peter Andresen played a central part in the staffing process of the restructuring at Danske Bank. Furthermore, section two also includes relevant reports from Danske Bank as well as relevant legal documents.

National level: context and sectoral trends

In August 2021 the Finansforbundet¹ in Denmark conducted a study called: *Advisory study on competition and financial supermarkets*². The aim of the study was to map the competition within the field and how financial supermarkets affects the consumers on the financial market. The study shows an increased competition within the financial field over the last three years, 2018 – 2021. According to the study, 92.3 % of the banking advisors have experienced ‘some’, ‘hard’ or ‘very hard’ competition and 71 % claim that the competition has increased over the last three years. Competition is thus steadily increasing within the sector in Denmark, making it necessary for the financial organisations to adapt and develop. As a result of this, new trends are emerging within the field. In the following part we present a description of the main employment trends within the banking sector in Denmark and the primary drivers of change in the field. These are based on expert interview with Postdoc Kristian Bondo Hansen as well as relevant reports and articles.

Employment trends

Over the last five years, the occupational requirements within the banking sector in Denmark have changed rapidly. Whereas employers in the sector used to hire young low-skilled workforce and provide them with on-the-job trainings to improve their job-related skills, nowadays newly employed workforce has often a high level of education. A senior economist from Finansforbundet states to the Danish newspaper Finans (2021) that the increased share of highly skilled employees in the banking sector is driven by the need of banks to hire specialised staff (e.g., lawyers, economists, IT specialists) to increase the competitiveness in the market. The economist further stresses that the more ‘classic’ employees, such as the banking advisor, also has a higher level of education compared to previously. Thus, it is not only within the more specialised positions that occupational profiles are changing³.

This development is reflected in the employment trend within the Danish banking sector. Based on data from Denmark’s Statistics and the Finansforbund, an article from 2021 shows how the banking sector in Denmark currently relies more on employees with higher education, compared to the rest of the Danish labour market⁴. Higher education in Denmark is understood as an education which is in continuation of the Gymnasium (High School) or vocational education (Pedersen, L., 2018). The development of employees in the financial sector with higher education is visualised in Figure 1:

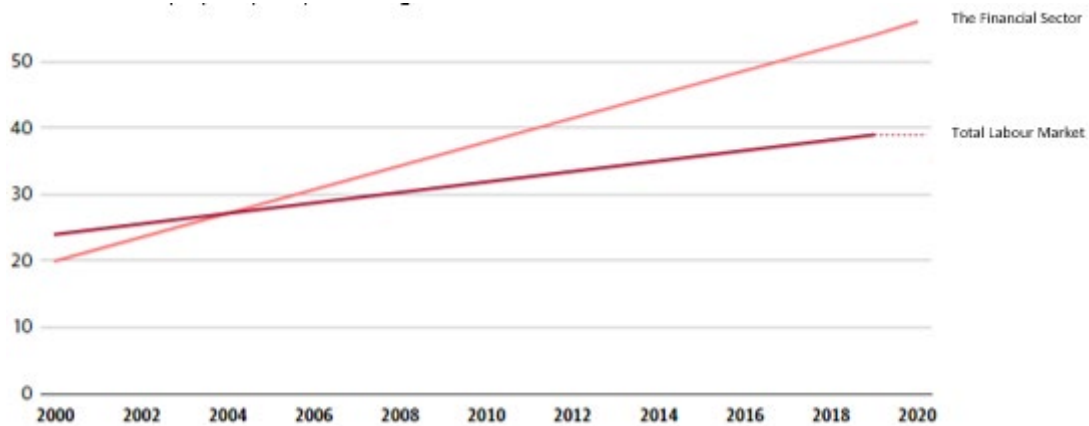
¹ Finansforbundet is a Danish union working within the field of finance in Denmark. For more information see: [About Finansforbundet](#)

² Finansforbundet, 2021, *Rådgiverundersøgelse om konkurrenceforhold og finansielle supermarkeder*. Available at: [Notat \(finansforbundet.dk\)](#)

³ Iversen et.al., 2021, *Ny udvikling: Bankerne er blevet magnet for højtuddannede*. Available at: [Ny udvikling: Bankerne er blevet en magnet for højtuddannede \(finans.dk\)](#)

⁴ Ibid.

Figure 1. Development of employees with a higher education, 2000-2020, %

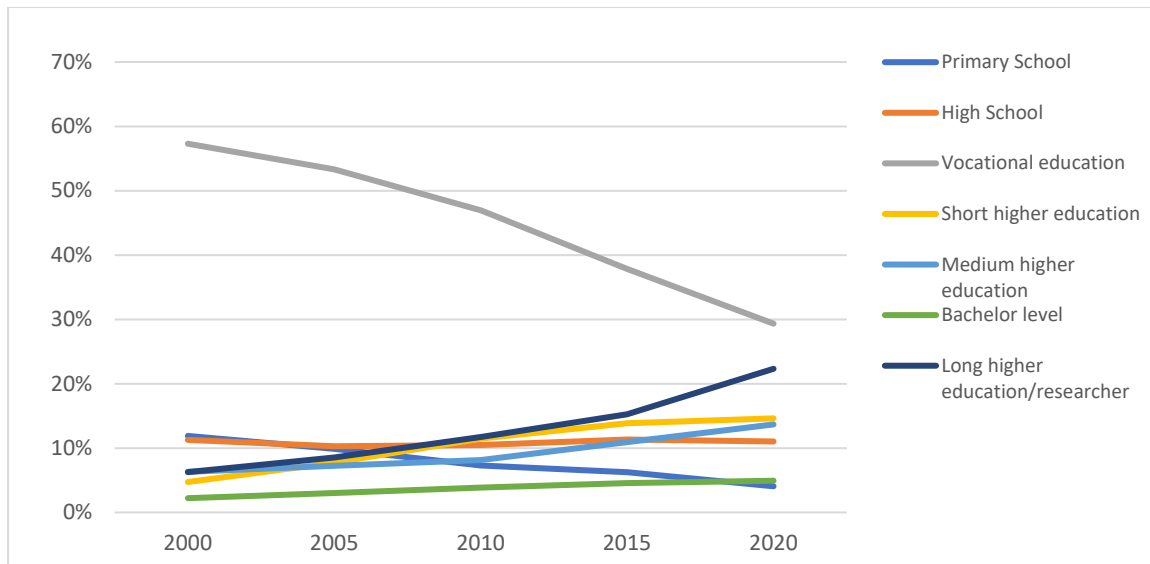


Source: Iversen et.al., 2021

As illustrated in Figure 1, in 2020 56% of the employees within the financial sector held a degree other than Gymnasium or vocational education. This is a much higher share compared to the overall educational attainment of the total labour force in Denmark, where only 39% of employees have completed higher education. As can be noted, there has been a pronounced development in the last twenty years. Notably, in the early 2000s the share of highly educated employees in the financial sector was slightly lower than the total share of highly educated employees in the national labour market.

The following Figure 2 illustrates the specific development at the different levels of education for all employees within the financial sector.

Figure 2. Development in employees' Levels of Education within the Financial Sector (2000-2020)



Source: Zandbergen, K. L., 2021

More specifically, the graph shows a general increase in employees with a short, medium, or long higher education. Short higher education refers to business academy education of two years duration including internships, whereas medium higher education lasts between 3,5 – 4 years and refers to Bachelors in professions such as a nurse, teacher or optometrist. In Figure 2 the bachelor level refers

to employees who have completed their bachelor's degree at university level, whereas long higher education refers to employees who holds both a bachelor's and a master's degree from university (Pedersen, 2018).

As is evident from Figure 2, the development in employees with a long higher education has increased rapidly over the last five years. Additionally, the number of employees with a vocational education has been reduced by half over the last twenty years. This development underlines the trend and demand for employees with a long higher education who has a specific skillset. Developments within the financial sector have meant that it has become a major employer of so-called STEM⁵ graduates, especially due to competency requirements related to software development, mathematics, and data science (Futures, 2018).

According to a chief economist from Finanssektorens Arbejdsgiverforening (FA)⁶, the demand for employees with a higher level of education and this specific skill set will only increase in the coming years. The economist explains to the Danish newspaper Finans, that there is an increasing need to hire employees with higher levels of education within the financial sector, and FA expects the sector to hire 8,000 employees with higher education before 2025, which is an increase of 25% (Iversen et al., 2021).

Consolidation trend

Another trend which is currently taking place within the banking field in Denmark and causes a lot of internal and external restructuring among multiple Danish banks is the consolidation trend. This implies that banks are either merging or collaborating with each other to strengthen their position within the field (Jensen 2021).

In 2020, Vestjysk Bank and Den Jyske Sparekasse proposed a corporate merger of the two banks, which went through in 2021. This resulted in all activities, assets, equity and liabilities of Den Jyske Sparekasse was transferred to Vestjysk Bank (Vestjysk Bank, 2020). The merger creates a competitive local bank, which in the future will become the 8th biggest bank in Denmark (Vestjysk Bank, 2021). In a news statement, it is explained that although both banks experience high customer satisfaction, the market is developing and requires large investments, for digitalisation for instance. In addition, the requirement for compliance means that by merging, the two banks will be strengthened in the future (Vestjysk Bank, 2020).

Another type of consolidation is also apparent in the banking sector, where banks are collaborating to keep up with digitalisation. An example of this is several Nordic banks, including Danske Bank and Nordea, who have joined forces to form a joint venture company to develop a platform for managing customer information. It is an independent company and the banks have invested equal shares in the newly started company (Finans, 2019).

Consolidation is not necessarily a new trend in Denmark, as the Danish financial sector has undergone considerable consolidation both before, during and after the 2008 financial crisis. Senior advisor at Aalborg University, Lars Krull, explains to the Danish newspaper Finans, that the overall number of banks will continue to decline in Denmark (Iversen et al., 2021). Mergers will keep happening as

⁵ Note: Science, technology, engineering and mathematics

⁶ Finanssektorens Arbejdsgiverforening is the Employers' Association of the Financial Sector. For more information see: [Arbejdsmarked | FAnet](#)

compliance, capital requirements and digitalisation are expensive, and it can be a necessity to merge with other institutions, as was the case with Vestjysk Bank and Den Jyske Sparekasse. The senior advisor explains to Finans how in Denmark the opening of new bank branches is driven by the market demand, as it is the customers' behaviour that regulates the market. In Denmark, the customers rarely go into a physical branch, but instead they access to banking services via computer or phone, and this decreases the need for physical branches. At the same time, it does not seem that the regulation of the sector will slow down, as emphasized in the section above. This will require large investments in new IT and training of the sector's employee groups. This development will require consolidation in order to have a sensible business going forward (Iversen et al., 2021).

Drivers of change

The increase in demand for employees who have higher level of education and a more specialised skillset is a result of the complexity of the work tasks faced by banks and the financial sector in general. The Danish banks are continuously adapting to stay competitive, which is causing changes within the sector. The main drivers of change within the banking sector in Denmark are presented in the following section.

Digitalisation

Digitalisation is one of the primary drivers of change and restructuring within the banking sector. Digitalisation and technological development are changing the way consumers and companies interact, as well as the way in which processes, tasks and workflows are structured and organised within companies. The reason behind these structural changes lies in the technical advancements that took place in what scholars refers to as 'the fourth industrial revolution'. As it emerged from the interview conducted with Postdoc Kristian Bondo Hansen:

Over the last five years there has been some technological advances that makes the technology mature enough to actually use it, and not only use it on an experimental basis. You can now use technology and AI at a scale which is relevant for the banks, and of course the emergence of cloud technology and the price of having computing power and storing huge amounts of data has dropped an immense amount over the last years. The server capacity has increased enormously, so the amount of data that previously took several years to process, can now be processed in days or hours.

Due to the technological development, digitalisation has become a main driver of change within the financial institutions in Denmark. Digitalisation creates opportunities to increase efficiency, while at the same time causes risks and challenges in both front-, middle- and back-office functions. The opportunities and the challenges brought about by technological advancements require special attention from the financial institutions as well as new and different competencies among employees (PWC, 2021).

In Denmark fintech companies have succeeded to set a new innovation agenda for the financial sector supported by the partnership behind the fintech cluster in Copenhagen, Copenhagen Fintech (Futures, 2018). Fintech is a collective term for the rapid development that is taking place in the field of tension between IT and finance - financial technologies. Denmark is at the forefront of this area and has

historically been a first mover in, for example, building mobile banking and online banking services as well as a secure online identification system, NemID (forthcoming MitID)⁷.

These inventions mean that citizens have been able to simplify everyday life easily and safely by helping themselves online (Finansdanmark, 2021). In October 2021, the consultancy firm PWC, conducted an interview with the CEO of BEC Financial Technologies, a Danish full service IT-house which helps banks in all areas where IT affects their business. According to the CEO, digitalisation and innovation are crucial competitive parameters in the banking sector, which is why innovative fintech services are increasingly becoming a competitive parameter within the financial sector (Nielsen, 2021). These Fintech services require employees with specific skillsets related to technology and coding, which partly explains the increase in employees with long higher education over the last five years. In October 2021, BEC was in charge of merging the two IT systems from Vestjysk Bank and Den Jyske Sparekasse, which they did in one weekend. All data from the two systems are now gathered in one IT system at BEC (BEC, 2021).

Danske Bank is currently undertaking a major change in digitalisation, as the bank has entered into an agreement to relocate parts of its digital infrastructure and data to US Amazon's subsidiary Amazon Web Services, AWS. This implies that some of Danske Bank's IT systems in the future can use the options and services that exists in the public cloud. In addition, to stronger and more flexible computing power, the agreement provides access to new IT tools in artificial intelligence, machine learning and data analysis. It is the hope that the agreement will make it easier to attract and develop digital talent, as they want to work with the tools that cloud technology provides. The change will also cause the risk and credit management to be more efficient, as the bank can send data through its models much faster. Additionally, they will be able to do a lot more simulations than previously, and this has an influence on how effective and precise an advice they can offer clients (WatchMedier, 2021).

With the digitalisation of financial transactions, the volume of customer data on customer behavior and preferences has grown significantly. This allows for the development of products that meet or anticipate customer needs, which are either developed and run inhouse or by an external partner. If they have the right resources and competencies, the Danish banks can track when a customer may need a financial service, for example in connection with the first home purchase. Increased computer computing power and developments in artificial intelligence (AI) enable the use of this data and, for example, enable banks to predict customer behavior as a basis for the development of services targeted at the individual customer (Finansforbundet, 2018).

Another big focus in Denmark within the area of digitalisation is money laundering. A third of the financial companies have accelerated the development of artificial intelligence in the fight against economic crime during the corona epidemic, and the development is particularly strong in Denmark, where several Danish banks have begun to investigate the area. The banks turn to fintech solutions to decrease and stop this type of economic crime, where artificial intelligence has become the most important player. A new study shows that over half of the financial companies in Denmark are either already running or will make use of these technologies within the next two years. The financial sector

⁷ NemID is a secure log-in for digital self-service solutions, which allows the user to access online banking or information from the public sector. It consists of a personal user ID, a password and a key card with a number of keys (one-time codes) and has been developed by Nets DanID for the public sector and the banks as a joint solution for a large number of online services. Digitaliseringsstyrelsen, 2021. Available at: [NemID \(borger.dk\)](https://www.nemid.dk)

can significantly reduce the number of false alarms by using AI. Instead of thousands of bank employees having to overburden the Fraud squad, the banks can use the technology to analyse suspicious transactions and thereby shift the focus to the real criminals (Finans, 2021).

Regulation and legislation

Another driver of change is represented by the progressive regulatory changes within the financial sector. A large part of the financial regulation in Denmark stems from EU legislation to which Denmark complies. The increase in regulations and legislation within this area is closely interlinked with digitalisation and the escalation of artificial intelligence within the financial sector, as explained by Postdoc Kristian Bondo Hansen:

The increasing use of artificial intelligence has caused a greater focus on digital technology which in turn has resulted in new types of regulations, like the GDPR framework. Regulations like these come about because it has been getting more and more attention.

These new regulations and standards to which the banks must comply, means that monetary establishments for instance must document all relevant activities. The current data protection act in Denmark is from 2018 and supplements the EU Regulation on the protection of individuals regarding the processing of personal data and on the free movement of such data (the 'GDPR Regulation'). Additionally, the Law Enforcement Act from 2018 also applies in Denmark, which implements the EU Law Enforcement Directive. As the rules of the Law Enforcement Act most often coincide with the GDPR Regulation and the Data Protection Act, guidance in this area is needed to ensure that the correct interpretation is applied by the various legal acts. In January 2021, the National Police, the Attorney General and Datatilsynet (the Danish Data Protection Agency) published a new guide on setting fines for violating of the rules on data protection. Generally, the purpose of the guide is to contribute to greater transparency, as establishments and organisation must keep track of relevant data-related activities and document these in order not to get fined. The guide is at the same time a working document that will be expanded on an ongoing basis as more criminal cases are handled in the area (PWC, 2021).

The regulatory and compliance burden has also expanded notably over the last years, as the fight against money laundering and terrorist financing has intensified. In 2017 a huge money laundering crisis hit Danske Bank, when revelations about money laundering in the bank's Estonian branch began to roll (DR, 2020). As mentioned in the above section, there is currently a huge focus on trying to prevent this type of crime, which also entails that the regulation has increased, and the number of employees employed exclusively to combat money laundering and terrorist financing has also increased significantly (Finanswatch, 2021).

The steep increase in EU and national legislation related to the field requires an expansion in the compliance department for most banks and monetary establishments. It also requires employees who possess the right skills to code databases and build algorithms for investing purposes, as well as lawyers and legal personnel that make sure neither of the laws are being broken.

Sustainable Finance

In March 2021, the Sustainable Finance Disclosure Regulation (EU) came into effect, which obliges investment funds, banks, and pension funds to provide information on the sustainability of their products (Official Journal of the European Union, 2019). The aim is to provide information in order for the ordinary investors to make more sustainable choices. However, already in the autumn of 2018,

Finans Danmark⁸, established an advisory Forum for Sustainable Finance, which listed several recommendations on how the financial sector could take the lead and contribute to the green and sustainable transition. Investering Danmark⁹ had already in 2020, on behalf of its members, as the first investment industry in the world, given a commitment to reduce the CO2 footprint of Danes' private investments¹⁰. Thus, the new EU regulation is in Denmark an addition to the work already being done in Denmark.

In addition to the regulatory requirements, Danish banks have committed to several sustainability initiatives over the years. In 2019, the industry published, in collaboration with Finans Danmark, 20 steps to make the financial sector more sustainable (Finans Danmark, 2019). Within a Danish context, sustainable finance is about financial actors integrating environmental, social and managerial criteria (the entire ESG spectrum) into business and investment decisions in order to redirect the necessary private capital to support a sustainable transformation of society. Thus, the 20 steps concerns sustainability in a broader sense. Sustainable finance is not only about considering the climate and the environment, but about strengthening the financing of activities that support a broader understanding of sustainability. Sustainable finance is also about financial companies taking on a role as a facilitator in relation to advice and sparring on sustainability with customers and other stakeholders (Finans Danmark, 2019). An example of this is Jyske Bank, which, in line with a lot of other banks, aims to run a company that acts responsibly and promotes sustainability in accordance with their values and consideration for customers, employees and shareholders. Examples of how the bank actively works with promoting sustainability externally, are that they, among other things, offer investment solutions that support sustainable transition and make it simple to invest sustainably. Internally, responsible banking includes prevention of economic crime, social engagement, IT- and data security and healthy work environment. On their webpage, they elaborate on how they live up to the different points (Jyskebank, 2021).

One initiative that has gained widespread support in Denmark, is the Principles of Responsible Banking- 'PRB' (PWC, 2021). In 2019, Finans Danmark signed the UN Principles of Responsible Banking on behalf of the financial sector. PRB consists of six principles that aims at integrating the UN's 17 global goals for sustainable development (SDG) and the Paris Agreement's goals for CO2 reduction into the banks' work. This is both done at a strategic level and in the day-to-day business. In other words, it requires banks to set public targets for a positive impact of their actions and, relatedly, to increase their transparency regarding the objectives and their achievements (Racina, 2019). An example of a specific goal for CO2 reduction is Jyske Bank, that expects to be able to offset the entire bank's own CO2 emissions, so that both electricity, heat and cars are covered by its own production of renewable energy (Jyske Bank, 2022).

As the financial companies increase transparency, it will become clear which companies are front runners and will create change. Most banks are aware of the need for a sustainable transition and

⁸ Finans Danmark is the interest organisation for banking and investment funds in Denmark. Available at: Finans Danmark: [Om os \(finansdanmark.dk\)](https://finansdanmark.dk)

⁹ Investering Danmark is an industry association for providers of investment funds and asset management, where interest management takes place under the auspices of Finans Danmark. [Om Investering Danmark \(finansdanmark.dk\)](https://finansdanmark.dk)

¹⁰ For further information see: [Nye EU-krav: nu bliver det nemmere at investere bæredygtigt \(finansdanmark.dk\)](https://finansdanmark.dk)

have designed programs and projects to help with the phasing out of unsustainable activities in favour of new green and sustainable projects. This transition represents new opportunities for banks but also opportunities for losing goodwill. Money laundering has cost the big banks profoundly in fines and goodwill losses, and similarly, unsustainable investments can do the same. Thus, it is a necessity for banks and other financial institutions to develop and incorporate sustainable goals into their operation (Elmark, 2021). Sustainable Finance is increasingly becoming a necessity to the Danish banks, as the focus within this field is steadily increasing both from a customer and legislative level.

Sub-conclusion

The primary employment trend within the financial sector is the development in employees with long higher education which has increased rapidly over the last five years. The banks need specialised staff, especially with STEM competencies to increase their competitiveness in the market. Additionally, the field is characterized by consolidation, as compliance, capital requirements and digitalisation are costly, which is why banks find it to be an advantage to merge with other institutions.

Three prominent drivers of change in Denmark have been identified: digitalisation, regulation and legislation and sustainability (CSR). Digitalisation creates opportunities to increase efficiency and is thus a crucial competitive parameter for the Danish banks, especially in collaboration with innovative fintech services. Another driver of change is represented by the steep increase in EU and national legislation, which require monetary establishments to remain transparent, keep track and document data related activities. Finally, sustainability is a driver of change for Danish banks as Finans Danmark has committed to integrate the UN's 17 global goals for sustainable development and the Paris Agreement's goals for CO2 reduction into the banks' work from strategic level to day-to-day business.

Case study: Danske Bank

The restructuring process, which was initiated by Danske Bank in 2020, is the focal point of this section. The case presentation builds upon public documents published by Danske Bank and interviews with the two representatives from Danske Bank: Thomas Bagh, Senior Vice President and Ways of Working Redesign Lead in Danske Bank, and Peter Andresen, Head of Agile Development since August 2021, and until then Head of Leadership and Staffing- 'Better Ways of Working' in Danske Bank. Before outlining the drivers, motivations, and the impact of the restructuring on the organisation and employees, the reader should bear in mind that it is difficult to make a direct correlation between the digitalisation trend and the restructuring process. The restructuring process and dismissal of employees can thus not be said to be a direct result of digitalisation, as it is also influenced by different factors and processes. Furthermore, the restructuring process will continue until 2023, which is why it is not possible now to determine the detailed final outcome and effects of the process.

Danske Bank is a Danish bank with approximately 22,000 employees distributed across 12 countries, with the biggest markets being the Danish and the Swedish ones. Approximately 11,000 employees are working in Denmark. The second largest share of employees is in Lithuania, where approximately 3,800 employees are located. They work mostly within technology. A large share of the employees of Danske Bank is in India, where Danske Bank has a big development centre with over 1,300 employees (Danske Bank, 2021)¹¹ who are IT professionals and in charge of global support functions. Danske Bank defines the Nordic markets as their home markets and other international markets as markets, where they are present (Danske Bank, 2021)¹².

By 2022, Danske Bank will shut down some of their international offices, e.g., in Luxembourg and China. In October 2021, the bank closed the Chinese branch for inquiries and hopefully all the office by the end of 2021. This is done in the hope of becoming a more effective and simpler bank (Danske Bank, 2021)¹³. Danske Bank has sold all activities in Luxembourg to Union Bancaire Privée, UBP SA (UBP). The reason for this is similar to the reasoning for closing the Chinese office. As stated in the news release:

The decision reflects our efforts to simplify Danske Bank and supports our strategy to focus on being present in geographic markets that are essential to serving our customers or that are otherwise strategically important for Nordic customers or Nordic home markets. We will now concentrate our private banking activities in the Nordic countries.

(Danske Bank A/S sælger de internationale private banking-aktiviteter i Luxembourg, Danske Bank 2021)

The restructuring process Better Ways of Working does not have a specific focus on international markets and will thus not be an explicit part of this study.

Over the last couple of years, Danske Bank has received some negative publicity e.g., due to allegations of money laundering, which was named 'The money laundering scandal' by news media (Ritzau,

¹¹ For more information: [annual-report-2020.pdf \(danskebank.com\)](#).

¹² See Appendix A.

¹³ For more information: [På vej mod en mere effektiv og enkel bank - kontor i Kina lukker \(danskebank.com\)](#).

2021)¹⁴. This led to a decrease in customers and a need to rethink the role and values of the bank itself. As a result of this, Danske Bank started questioning its role in the national and international market. Consequently, Danske Bank started the initiative 'Better Bank', which encompasses different aspects. The aim of the initiative is to become more simple, effective and, in turn, competitive. One of the actions foreseen in the initiative 'Better Bank' is a restructuring of the employment structure within the business and IT part of the bank, which amounts to approximately 20% of the total workforce in Danske Bank. The goal of the restructuring process is to optimize the provision of services and to increase the digitalisation of the bank. The restructuring process is called 'Better Ways of Working' (BWoW).

In the following, BWoW will be outlined, followed by the motivations and drivers for the initiative. Following this, the process and the role of unions, agreements and employee representatives will be explained. Lastly, support to affected workers and outcomes of the restructuring process will be presented.

Better Ways of Working (BWoW)

In early 2020, Danske Bank announced the start of a restructuring process and the decommissioning of 400 roles, which equals 230 employees within the bank (Danske Bank, 2020). The announcement was the first one made in relation to the restructuring process, which is the focus of this study. The whole restructuring process was estimated to close 1,600 positions in the Danish and the international offices (Bendtsen, 2020). It should be noted that Danske Bank has a clear division between positions and employees. Hence, one position does not equal to one employee. A position is defined as a specific job function, this job function might not be a full-time position, which is why there are more positions than employees because one employee can hold multiple positions simultaneously. A department can have 200 positions, but only 180 employees. Thus, when Dansk Bank announces the dismissal of 1,600 positions, it does not mean 1,600 employees.

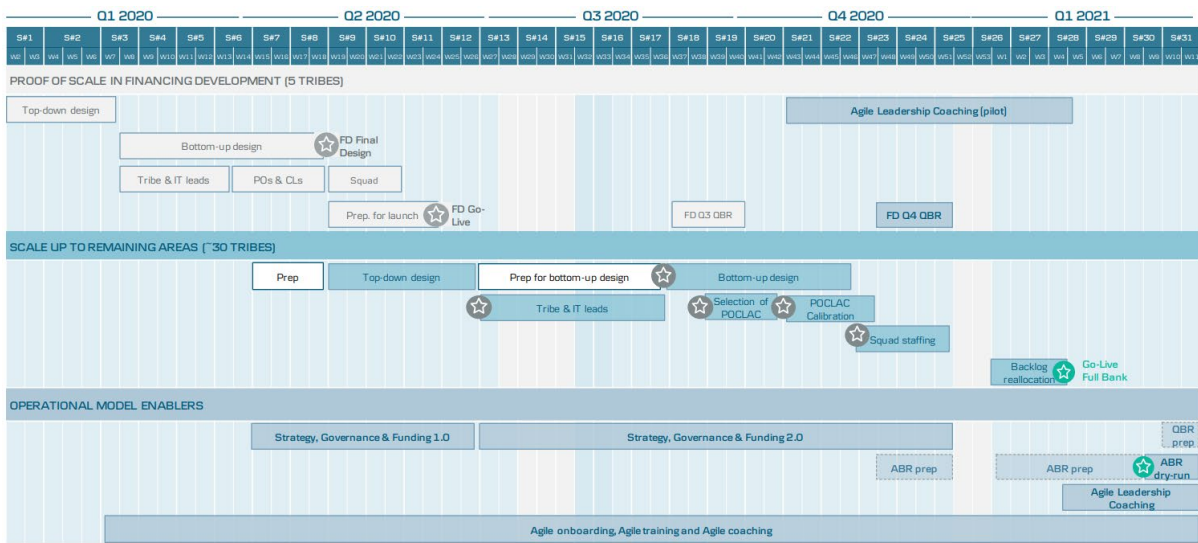
The timeline for the restructuring process can be seen in figure 3 below. The proof of scale, which includes five tribes, was the first part of the process. This was a test-round made to test the implementation and hiring process. This process started in week 2 of 2020 and was launched in week 25 of 2020. Afterwards Danske Bank moved through the scale up and restructuring of the remaining employees in the last 30 tribes. This process, along with the agile coaching, onboarding, and training was running from week 2 of 2020 until week 11 of 2021.

The whole process has been done online with an agile methodology. The restructuring process is not conducted as a singular process, but is composed of smaller parts, each with a specific goal or aim, e.g., constructing the bottom-up design or hiring tribe and IT leads. The smaller processes or parts will in the end make up the full re-structuring process.

As is evident from Figure 3, the restructuring process ran for more than a year, but the full implementation and adaption will continue until 2023. The smaller parts of the project run from between two weeks and up till over 10 weeks. Some parts of the process, such as onboarding run simultaneously within the whole timeframe of the process.

¹⁴ See also theme side: DR Tema: Hvidvask i Danske Bank. Available at: [Hvidvask i Danske Bank | DR](#).

Figure 3. Timeline for BWoW (2020-2021)



Source: Danske Bank Presentation.

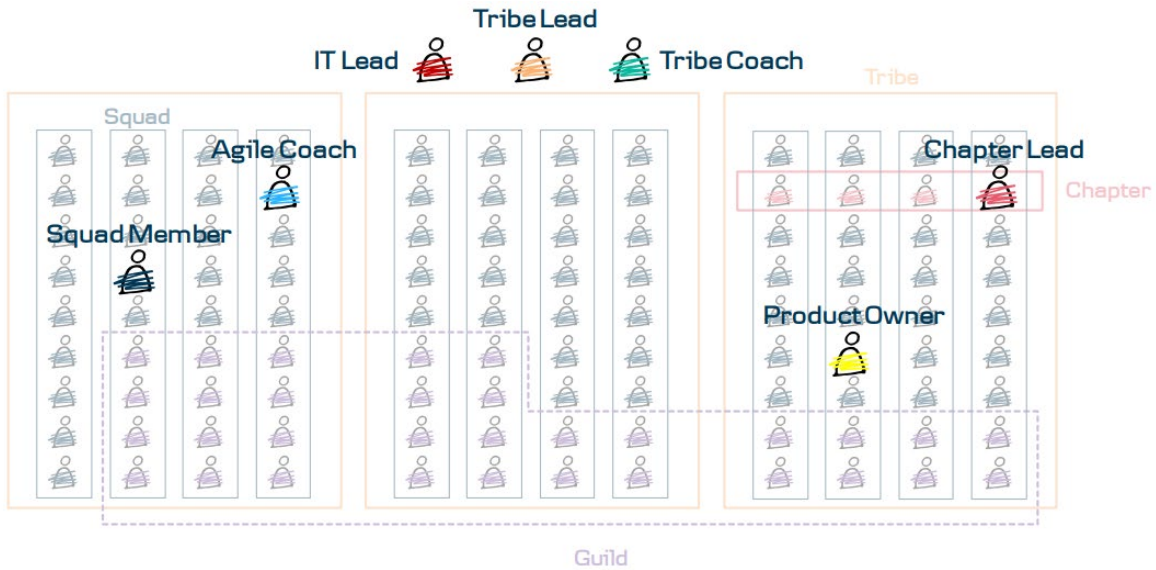
Figure 4 illustrates an overview of the new company structure post-restructuring process, where the bank has been divided into different ‘tribes’¹⁵ who are made up of employees from different areas and departments. Additionally, Danske Bank has cancelled out the middle-manager level, and employees are currently working in multi-disciplinary teams with the right competencies to make the whole process work from beginning to final product. A tribe will be composed of different employees with different competencies. There is not a set number of members, or a specific skill set that is needed. Each tribe has a different purpose and the composition and competencies will be specific to the specific tribe. A tribe is a cross-functional team who is working with a similar purpose, and they have the full responsibility of the product from end to end.

The product owner will define *what* the tribe is doing and what product is being developed. The chapter lead will determine *how* it is done and the agile coach is responsible for ensuring squad effectiveness (Danske Bank, 2021). These three roles make up the new management-level and are responsible for the overall outcome and performance.

Each tribe has a tribe lead, an IT lead, and a coach. A squad is a multidisciplinary team who is trained to work together. They have a clear, specific mission that contributes to the tribe's overall aim and is responsible for delivering everything from beginning to end. A squad member has a performing or executing role. A chapter is made up of employees who have a similar job function, and the chapter coach has the HR and development responsibility for the squad members. The chapters have members from different squads. The tribes have a non-hierarchical structure. No tribes can have overlapping responsibilities, which means that there is only one responsible tribe for each product or service (Danske Bank, 2020).

¹⁵ Note: In Danske Bank they use the word Tribe, which is equal to a division.

Figure 4. Organisational overview of Danske Bank post BWoW restructuring



Source: Danske Bank Presentation.

A tribe consists of different squads and a chapter is working across different squads. Indeed, Danske Bank wants well-informed employees who know the customers to be decision-makers and drive the growth of the bank, as explained in their Sustainability Report from 2020:

Through this initiative, we will foster new ways of collaborating by changing the way we are organised from being a traditional, hierarchical bank to becoming a modern organisation. By encouraging more collaborative relationships between departments and by reducing bureaucracy, we aim to become a better bank for our customers and our employees. Our colleagues will move from specialist departments into cross-functional teams that work towards one common goal, and which have the autonomy to decide how to deliver the best solutions for our customers.

One aim of the restructuring process was to make the bank less bureaucratic, thus the restructuring process targets the structure and organisation of the bank. The restructuring will mainly impact those who work in the IT and development departments (Danske Bank, 2020). As explained by Thomas Bagh, the bank was previously organised in silos, without direct communication with other silos, each of which had responsibility for a limited area (IT, business development, counselling, etc.). Danske Bank planned the restructuring process in a way that the bank would move from working in silos to working as an agile enterprise, where they collaborate closer and have an end-to-end (E2E) set-up. The thought behind end-to-end responsibility is that the working procedure will be more cost effective and create higher value because the right people with the right competencies and knowledge are working together. The products will be developed within one group and not by different groups with different purposes. The restructuring will eventually create divisions that work across different areas, where each division is responsible for the products and services from end-to-end.

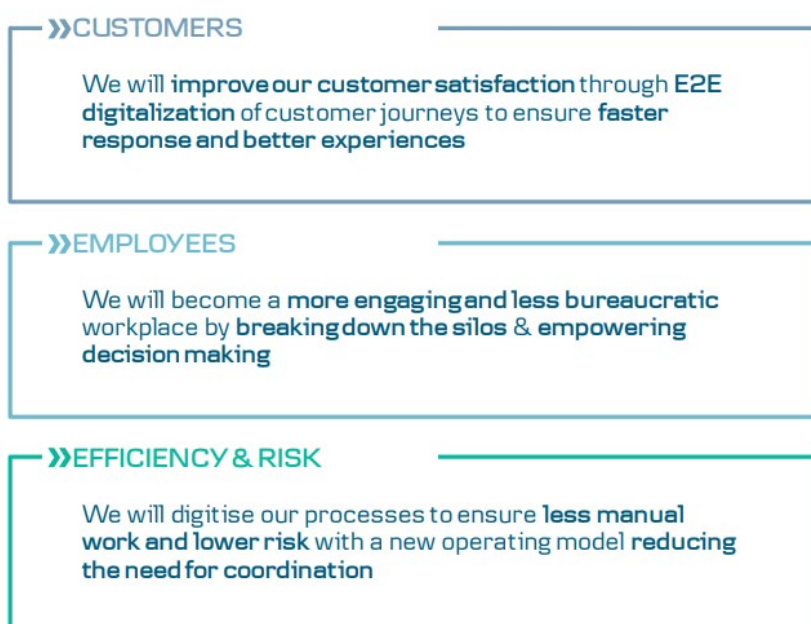
Danske Bank has calculated that the restructuring process will impact 4,500 employees directly and approximately 18,000 indirectly. The employees that are directly impacted are those working mainly in IT and in development teams, e.g., business development, second line risk and staff functions, who will now be involved earlier in processes of development. The ambition is to involve all relevant employees from start to finish in the development process, which will ensure a smooth and more

effective development process. Peter Andresen explains that the employees who will be influenced indirectly are employees who are facing customers, and employees running operations in the bank. Both groups will in the future possess better digital tools to facilitate their daily tasks. Eventually, all employees and all customers will be affected.

Drivers and motivations for the restructuring case

One of the main motivations for Danske Bank to restructure their organisation was to improve performance and stay competitive. Activities in the restructuring process includes, but are not limited to, redesigning the production core, implementing a bottom-up set-up, as well as a smaller and faster governance structure. The focus of the restructuring process concerns three main areas: 1) customers; 2) employees; and 3) efficiency and risk. On the customer side, Danske Bank wants to improve the customer satisfaction and their overall experience with the services provided. On the employee side, Danske Bank aims at a less bureaucratic structure with a less compartmentalised structure. Additionally, Danske Bank aims at eliminating a significant amount of manual work tasks and lower the risk by reducing the need for coordination and documentation. They are also working on simplifying their product portfolio. These aims are illustrated in the following illustration:

Figure 5. Aims of the Restructuring Process



Source: Danske Bank Presentation.

Besides the need to improve the customer experience and change the Governance Structure, the restructuring process is also an attempt to simplify the portfolio of services that Danske Bank provides. Danske Bank is willing to streamline the customer experience, so information to customers is channelled by a single employee and not by several departments. This means that the same Danske Bank employee will undertake information and questions regarding investment, mortgages, loans and saving. Before, different departments and employees was responsible for an area, which meant that customers would be in contact with different employees at the bank. Another point mentioned by Thomas Bagh is that when the bank has more products to offer, even though they are very similar,

they need to document more due to the vast number of regulations from EU, Denmark and GDPR legislation. As explained by Thomas Bagh, Senior Vice President in Danske Bank:

We must document everything, and the more products we have, the more we must document. So why have more products with the same name? So, we limited our products and the manual labour.

Thus, Danske Bank decided to clean-out the portfolio and the manual work, which is evident in their initial press release regarding the restructuring process:

Today, we are closing 400 positions across the group, while taking a number of initiatives that adjust and simplify parts of our organisation. (...) it's a necessary part of our efforts to reduce costs to ensure that we continue to be competitive.

(Danske Bank nedlægger 400 stillinger og afskediger omkring 230 medarbejdere på tværs af koncernen, Danske Bank 2020)

The cost reductions have the aim of making the bank more competitive for the future. Some of the cost reductions will further be invested in increased digitalisation of the bank. The restructuring process has a focus on improving the business processes regarding documentation need on the product and customer side of business, to ensure legislation is obeyed.

The restructuring process

The restructuring process has been the same throughout all the national and international bank's branches. As Peter Andresen describes it, COVID-19 made it possible to handle the process equally across all departments, since all tasks were conducted online. This meant that the process of re-arranging all employees was completed simultaneously in all countries. The COVID-19 pandemic, and the consequent lockdowns, had a positive impact on the restructuring process since everyone could participate at the same time and on equal terms. Normally, he describes, some would be present physically and some online, which can slow down the process. The restructuring process also meant long hours for the people in charge, and according to Peter Andresen, the time saved on transportation was a key factor in the process.

The restructuring process started with a 'pilot-round', which only concerned five divisions. Before the restructuring Danske Bank was organised with a top-down design, meaning the traditional organisation with management on top, who measured the baseline of the teams and their performance. Through the restructuring, Danske Bank changed the design to be bottom-up.

Danske Bank started by filling out the positions of the leads (IT and tribe) and the product owners and chapter leads. Afterwards, they hired the squad (cf. Figure 4). They then launched the first five tribes, and in continuation hereof moved on and upscaled the restructuring to include 30 tribes, following the same procedure. Each tribe consists of approximately 150 employees, according to Thomas Bagh. The actual number of tribes did not reach 30 employees but 26. So, the big scale-up ended up constructing 21 tribes and affected approximately 4,500 employees, as described by Peter Andresen.

Figure 6. Top-down to bottom-up design



Source: Danske Bank Presentation.

The Hiring and Restructuring Process

The process of hiring and the structure re-organisation of employees was conducted internally, which means that the available positions (e.g., tribe lead, product owner etc.) were only made public within Danske Bank (i.e., only Danske Bank could apply to vacancies). The hiring process started with the hire of tribe- and IT-leads. Danske Bank held 70-80 job interviews with potential candidates, making sure there were at least two potential candidates for each position. They then began hiring the middle-level (e.g., product owner, chapter lead, agile coach etc.). In this process, approximately 1,300 job interviews were conducted. According to Peter Andresen, research indicates that the reason why restructuring processes might fail is because employees are not involved sufficiently in the process and decision making. Thus, it was important and a focal point for Danske Bank that the employees, who would be directly affected by the restructuring process, could have a say about the area they would have liked to work in, and with whom. As explained by Peter Andresen, Danske Bank had a round of 'show of interest', after the initial hire of leads and coaches. The 'show of interest' round was a systematic mapping of all affected employees wishes regarding the re-organisation. Employees should state their skills and they had the chance to ask for specific positions, co-workers etc. As described by Peter Andresen, Head of Agile Development in Danske Bank:

There are two things which you need to keep in mind: Firstly; what competencies do people actually have? We can partly see that in the HR systems. Educational background, years of employment, but what about career aspiration and development issues? Secondly, people work with people. And we cannot find that "data" anywhere, their motivation, so why not ask them? In a transformation you need to do something different than what you always done. You need to act your way "into a different culture" adhering to the principles of the culture that you want to see flourish. In our case an agile culture. And we need a cultural change, so we also need to do things differently. So, we asked: Where do you want to be? Which areas do you want to work with? Is there anyone you want to work with? We asked EWC and the unions beforehand, and the only thing they said was: "This is how you make change and how future organisational transformations ought to be handled".

When Danske Bank had to employ the remaining positions within the tribes, they did so based on the 'show of interest' round. According to Peter Andresen, 89% of employees ended up employed in their

first priority position and 4% ended up in their second priority position. Some of the remaining employees were not placed in a position they had wished, because their skillset was needed elsewhere. The employees were placed in the tribes during workshops. This was all performed simultaneously, meaning that 30 workshops were conducted online all at once due to the pandemic. This setup was then repeated twice as the first round were hosted with chapter leads (so skilled based) the second round with product owners setting the actual multidisciplinary squad with the assistance of chapter leads on the side. Danske Bank used an online tool owned and developed by Boston Consulting Group. The new tribe leads were handed out the full list of employees who were to be allocated in the different tribes. They then had to arrange the employees within the tribes and squads, based on skills and wishes. The tool made it possible for tribe leaders to drag and drop an employee unto their team and if a conflict was present, they would get an alarm, e.g., a different tribe had already placed said employee on their team. They could then make a call between the two tribes and figure out where said employee should be placed based on skill and wishes. The tool made it possible to place employees without any overlaps and double bookings.

Furthermore, there is strict requirements when handling documents and data about employees. Therefore, GDPR-legislation and proper processing of documentation related to employees has been a big focus in the whole process, and it is important for Danske Bank to adhere to current legislation and to only keep documentation that is necessary for business purposes. Peter Andresen, Head of Agile Development in Danske Bank, highlights:

We have had a big focus on GDPR. When people were applying, we made sure only to share relevant documents with specific people. We also made sure to delete everything as soon as it was not relevant anymore. (...) We also printed it on the last slides and said at the end of each workshop: "Make sure to delete all files in accordance with the GDPR-legislation".

The legislation does not have direct impact on the process but the need for more documentation and more security has been a focus in the process.

The dismissal and hiring process was copied from the first pilot-round when the up-scaling happened. Therefore, Danske Bank had already all paperwork and formalisation in order, before starting the process. According to Peter Andresen and Thomas Bagh the number of employees who were dismissed in relation to BWoW was approximately 30-40 employees in Denmark and 10 in Lithuania. The number was not near the estimated number, which was initially 400 employees. This is due to voluntary resignations, natural attrition, hiring freeze and discontinuation of positions.

Collective representation, information and consultation process

Before Danske Bank started the restructuring process, they needed to plan and make a scheme for how many employees would be needed and how to tackle the whole process. This includes calculating the number of employees who would be dismissed, how they would be informed, their resignation-contract and which relevant organisations to include in the process.

Calibrating the need for employees

When the restructuring decision was made, Danske Bank estimated that the tribe-structure would be 15% more effective than the current structure, according to Thomas Bagh and that they as a result thereof needed to downscale employment by 15%. Danske Bank has an employee turnover of 10%,

so they decided to implement a hiring freeze¹⁶, which meant that they needed to dismiss 5% of the employees. Thomas Bagh emphasises that the number of employees dismissed was much lower than assumed, since Danske Bank announced the restructuring process in media, many employees resigned because they worried about a 'blood bath' at the bank. The turnover was thus much higher than expected and according to him, Danske Bank ended up with a redundancy of 100-200 employees in total. The number of employees, as described above, is not solely in relation to BWoW but the multiple initiatives Dansk Bank have activated.

The Dismissal Process

The affected workers were told they would be laid off the day that the restructuring process went live. According to Peter Andresen the employees dismissed were mainly middle managers and some employees in more coordination heavy roles as the agile ways of organising and working has a lesser need for these profiles. When the dismissal was announced, the formal process with HR, unions and European Working Council (EWC) had been prepared. The employees received a proper resignation and the monetary compensation they were entitled to, according to Thomas Bagh. In the annual report, it is stated that DKK 847 million has been paid to employees in severance payments (Danske Bank, 2021).

To understand the Danish labour market and how it is regulated, it is important to understand its structure. The Danish labour market is not solely regulated by national legislation but also by collective agreements between unions, employers and, in some cases, the government¹⁷. This model is called the Danish model and is built upon three parts: 1) Tripartite cooperation (unions, employer organisations and the government); 2) Collective agreements; and 3) High level of organisation (2 out of 3 workers in Denmark are organized within a union (Arbejderbevægelsens Erhvervsråd, 2021)). The unions will engage in agreements between employees and employers when a restructuring or collective dismissal takes place. This also ensures compliance with legislation, such as the notice period. Likewise, there are employer's organisations, who will help with wage negotiations, and they engage in negotiations with trade unions and the government. Within the financial sector, the employer organisation is called 'Finanssektorens Arbejdsgiverforening'¹⁸. In 2020 a standard agreement was implemented to cover financial and credit institutions (Finansforbundet et al., 2020). This agreement is contracted by 'Finanssektorens Arbejdsgiverforening' and 'Finansforbundet' and is hence an agreement between employees and employers. The agreement includes for instance working hours, holidays, education and redundancies and severance payments. Besides from the collective agreement, 'Funktionærloven'¹⁹ is applicable. The law states that:

The contract of employment between employer and employee may be determined after prior notice in accordance with the following rules (...). Terminations by the employer must be affected with at least: 1) one month's notice to resign (...) during the first six months of employment, 2) three months' notice to resign (...) after six months of employment.

(Bekendtgørelse af lov om retsforholdet mellem arbejdsgivere og funktionærer, Retsinformation, 2017)

¹⁶ They decided not to hire any additional employees in the period.

¹⁷ For more information: [Working in Denmark | The famous Danish labour market model.](#)

¹⁸ Directly translated to: Employers' Association of the Financial Sector

¹⁹ Note: Directly translated to: The Salaried Officers Act. See also: [Funktionærloven \(retsinformation.dk\)](#)

It is further elaborated that the employee is entitled to a severance scheme in accordance with the following:

“If an employee who has been continuously employed for at least 12 years, the company must pay severance pay in accordance with the rules of Section 2a of the Danish Salaried Work Act and a special allowance corresponding to:

1 monthly salary for employees over the age of 40

2 monthly salaries for employees over the age of 45

3 monthly salaries for employees over the age of 50

5 monthly salaries for employees over the age of 55

6 monthly salaries for employees over the age of 60.”

(Standard overenskomst, Finansforbundet et al., 2020)

In additions to the severance scheme listed above, the employee will have to pay additional pension if the employee is above the age of 50 years. It is also stated that if the employee is not entitled to severance payment, the employee should receive payment equivalent to one month’s payment.

The law and agreement are extensive and cover most questions within the labour market. This also means that when Danske Bank is restructuring or dismissing personnel, their actions must be in accordance with the law and the agreements already at place.

In the case of Danske Bank and the BWoW-restructuring, the dismissal also followed legislation and agreements. Before the employees were dismissed, all formal work and documentation was in place. This was to ensure that the process was as smooth and convenient as possible. Thomas Bagh, Senior Vice President in Danske Bank, explains it as:

The employees who were dismissed were told the day that BWoW went live. We had a round where we called everyone in to tell them that they would not be a part of any tribes. We had all HR in place by then. We made sure they got a proper farewell. It was mainly managers who was offered a spot in a chapter but had refused. That is why they were dismissed, and they got the compensation they were entitled to.

In the restructuring process both unions, employee-representatives and European Workers Council were involved in the whole process. Danske Bank was legally prepared and, according to Peter Andresen no problems were raised by any of the beforementioned actors. Peter Andresen emphasizes that if unions, EWC or employee representatives had any major concerns they would listen and include it in the process. Peter Andresen also highlights that they received commendation for how they had tackled the whole process and how they had included the opinions of employees in the restructuring and placement process. According to Peter Andresen, Danske Bank held weekly or bi-weekly meetings with EWC, unions and employee representatives. He stresses that it was important to do it in a proper manner because they were still colleagues the day after and next week, as explained by Peter Andresen: ‘Trust is built over time but can be shattered quickly’. It was a focal point for Danske Bank to maintain trust as well as to succeed with the ‘show of interest’ round, that places employees in positions they wished for, within their skillset.

Support to affected workers

In the case of Danske Bank, the restructuring process has resulted in both dismissal and relocation of employees. As mentioned, most of the dismissed employees have been offered a different position within the company but refused.

Denmark is characterised by a strong welfare state, which entails support to citizens without a job, and offers financial support to unemployed individuals. If a Danish citizen is unemployed, he/she can either receive cash benefit (Kontanthjælp) or unemployment benefit (Dagpenge). The first is paid by the state and the latter is paid by unions. Furthermore, unions offer a wide range of upskilling courses to their members. It is thus possible to receive financial support when out of work while receiving courses that will help to upskill competencies. In the standard agreement for money and financial institutions, it is stated that the:

The possibility for the company to provide finance for employees for the purposes of vocational training, ensuring that employees are given the best opportunities for future employment, including the provision of courses relevant to providing the terminated opportunities to get a new job.

(Standard overenskomst, Finansforbundet et al. 2020)

It is also stated in the same agreement that:

If, after dismissal, an employee wishes to participate in a job-relevant training activity during the period of notice, freedom of pay should be granted during the training period. A minimum of 1 year's employment is assumed at the time of termination.

Therefore, it is possible for the dismissed employee to engage in relevant training during the notice period while still receiving payment, or to engage in relevant training afterwards to better the chances of getting a new job. To receive any payment or training from a union, it is necessary to be a member of said union. If an employee is not a member of a union, the municipality has job centres, where unemployed people can get help to engage in job hunting, application processes and training as well. According to Peter Andresen, the dismissed personnel all had an option to talk to a psychologist, participate in structured outplacement offerings and received monetary compensation in addition to the normal severance scheme

Training to Employees who were rearranged in Danske Bank

Employees who were moved to different positions within Danske Bank mainly received training to better their management skills. Many employees who were hired to be leads in the new structure came without any training or prior management experience. They therefore needed training and support to fulfil their new role and responsibility. As Peter Andresen, Head of Agile Development in Danske Bank, describes:

Normally, when you enter a role in management you can look to your peers and get help from them. Furthermore, the personnel you are now managing have been in their position in a certain amount of time and thus knows the task, chain of command and ways of working. With the new structure of BWoW this has not been the case, and everyone, from lead to squad member, has been on rocking ground. Therefore, it has been necessary to offer training for the management level in the tribes.

Danske Bank did discuss when the training was most appropriate and beneficial to complete. They decided to conduct the training a while after the leads have started the new position, so they knew the job and tasks they are now possessing as well as the challenges it can bring.

Restructuring outcomes

As the restructuring process and BWoW is estimated to expand until 2023 and since the initial process only ended in 2021, the full outcome is not possible to determine. The BWoW has had an impact on approximately 4,500 employees and is expected to reduce costs by 15%. Additionally, the bank is under constant change to keep up with trends and to stay competitive. As Peter Andresen, Head of Agile Development in Danske Bank, explains:

We are never done. What is stability? We are constantly working on improving. This is also a more modern way of working.

The Personnel Group

Overall, the restructuring process has not resulted in a different composition of employees. According to Peter Andresen there is still the same number of full-time and part-time workers, and the amount of female and male workers remain the same. On the business side, 47% of the workforce is composed of women (but only 17% in IT). At management level, males are still overrepresented. Throughout the entire bank, the gender division is 25% females and 75% males. Even though Danske Bank states that they have focus on hiring more women (Danske Bank, 2020), the uneven gender division is still present, especially since Danske Bank did the restructuring with in-house employees. In the restructuring process, Peter Andresen highlights that they need staff with a different educational background. In accordance with the insights presented by Kristian Bondo Hansen, the bank now needs less business analysts and more personnel with a STEM background. Coding and IT skills are at a higher demand within the bank. Although Danske Bank is closing most branches, they still need advisory personnel, to communicate and be in contact with customers.

Cost Reductions

As previously mentioned, the restructuring process is an ongoing project and will run until 2023. The complete outcome of the process is therefore not evident yet. Danske Bank, as Peter Andresen explains, is an organisation that is constantly undergoing a lot of change, so in order to deem a process complete is difficult. Furthermore, it has not yet been a full year of operation since the restructuring process started, as it ran for most of 2020, nor has a full fiscal year passed. Thus, the return, revenue and possible cost reductions is still not fully calculated. COVID-19 has also had an impact on the bank's revenue. As Peter Andresen, Head of Agile Development in Danske Bank, also expresses:

I look forward to seeing how 2022 will go – so we can see how the transformation will flow throughout a full year.

In the annual report from 2020 Danske Bank states:

Costs were in line with our expectations. We are seeing the effect of our cost management initiatives, and underlying costs were lower in the latter half of 2020. Reported costs, however, came in higher than in 2019 as a result of planned costs for the Better Bank transformation as well as costs for ongoing compliance remediation and the Estonia case. In addition, an

extraordinary write-down of intangible assets was made as a result of redesigning the organisation, and a provision was made for part of the transformation costs for 2021.

The restructuring process has required some investment and the financial return is not expected yet, although the costs started to decrease in the second half of 2021. It is important to note that Danske Bank has invested a great amount of money in the new initiatives they are running. They have invested DKK 1,7 billion DKK in four areas: BWoW; Purpose, Brand Culture and Engagement; Costs; Compliance under Control (Danske Bank, 2020). The implementation of the investments is expected to run until 2023. In the annual report from 2020 Danske explains that they have succeeded in shutting down 700 positions out of the 1,600 positions they announced in October 2020. They further explain that cost reductions will continue until 2023. The total cost reduction and the affect the restructuring has on the monetary situation is not fully calculated and clear.

Sub-Conclusion

Danske Bank initiated in the beginning of 2020 a restructuring process; they call it 'Better Ways of Working' (BWoW). The process is estimated to run until 2023. The restructuring process is aimed at three main targets: higher customer satisfaction; a less bureaucratic organisation with more engaged employees; a more efficient company, with less manual work and lower risk. Danske Bank has re-arranged approximately 4,500 employees in the process. Before starting the process, Danske Bank decided to only hire people already employed in Danske Bank. They had the ambition to include the employees in the process and had a round of 'show of interest', where employees had the possibility to indicate a preference for a specific position and co-workers. They tried to meet the wishes for most employees, and it is estimated that 93% of employees is now occupied in their first or second priority. The restructuring process started with a test-round of 5 divisions. In this test-period, Danske Bank tested the 'show of interest' round and made the necessary paperwork. They wanted the dismissal process to be as smooth and decent as possible for the affected workers. BWoW is calculated to be 15% more efficient than the prior organisation, thus Danske Bank had to dismiss 15% of affected employees. The re-arranging and dismissal-process has been done in close collaboration with unions, employers unions, EWC and employee-representatives and in accordance with labour market and GDPR-legislation. Since the process is running until 2023, the final outcome is not yet evident. The share of employees working full-time and part-time, and the share of females and males has not changed. Although the composition of employees has not changed, Danske Bank needs now more people with a STEM-background, and it wishes to have a higher share of female employees, especially at management-level. Danske Bank has received good feedback on the process and has so far been successful.

Conclusion

Denmark shows a clear employment trend within the financial sector, characterised by an increasing need for employees holding a master's degree and specific STEM-competencies. This trend is caused by the need to accommodate the increasing digitalisation within the field and stay competitive. The main drivers of change within the financial sector in Denmark are digitalisation, regulation and legislation as well as sustainability. Digitalisation creates opportunities for the banks to increase efficiency, however, there is a steep increase in EU and national legislation the banks need to comply with. The increasing legislation generally requires monetary establishments to remain transparent, keep track and document data related activities.

To comply with digitalisation and stay competitive, Danske Bank initiated in 2020 a restructuring program called 'Better Ways of Working'. The initiative was expected to make Danske Bank 15% more efficient, which is why Danske Bank initially anticipated that they had to dismiss 15% of the employees that was predominantly affected by the digitalisation trend. At present times, the process has impacted 4,500 employees directly as well as 18,000 employees indirectly, however only with a small number of employees being dismissed. The restructuring had three major objectives: a higher customer satisfaction; a less bureaucratic organisation with more engaged employees; a more efficient company, with less manual work and lower risks. Danske Bank wanted to improve customer satisfaction by creating divisions, each responsible for a certain product end-to-end. Danske Bank thus restructured the employee structure making more coherent teams with higher involvement. They eliminated the middle-management level and equipped all teams with decision making power and autonomy. The reason for doing so, is that it will create better solutions and tools for customers and employees facing customers. They address the aim of lower risk by reducing their service portfolio and manual work processes. Danske Bank included the employees in the staffing process and had a round of 'show of interest', where employees had the possibility to wish for a specific position and co-workers. The re-arranging and dismissal-process has been done in close collaboration with labour and employers unions, the European Workers Council and in accordance with current labour market and GDPR-legislation. Since the process is running until 2023, the final outcome is not yet evident. Although the composition of employees has not changed in general, Danske Bank needs more people with a STEM-background. Danske Bank also has a goal of hiring more female employees, especially at management-level, however, this has not been successfully implemented in the process, since they primarily reshuffled existing personnel rather than hiring new ones. The COVID-19 pandemic has had a positive impact on the process since it has been possible to arrange everything online simultaneously across national and international offices, which has resulted in an equal and streamlined process across Danske Bank.

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List of interviewees

Name and Surname(s)	Position
Kristian Bondo Hansen	Postdoc at the Department of Management, Society and Communication at Copenhagen Business School, Denmark
Thomas Bagh	Senior Vice President and Ways of Working Redesign Lead, Danske bank
Peter Andresen	Head of Agile Developments, previously Head of Leadership, Danske bank

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