Will the ”Scandinavian leadership model” survive the forces of Globalization? A SWOT analysis

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Background

- Indications that the traditional Scandinavian Leadership Model is under pressure
- Cross-national convergences in leadership and management practices, values and beliefs (Ralston et al., 1992)
- A general trend towards an Americanization of Leadership
- At the same time there also seems to be a great deal of stability in fundamental cultural practices (House et al., 2004, Grenness, 2000)
- Both convergence and divergence
- If this is the case then national culture will (still) be predictive of the practices and attributes of leaders that are most acceptable and hence effective in a given culture (House et al., 1999)
Scandinavian Culture

• Hofstede: Distinctive profile of Scandinavian Countries
• Low on Power Distance
• High on Femininity, i.e. Male and female roles relatively similar. Preferance for good working relations
• Essential value: Equality (Schramm-Nielsen and Lawrence, 1998)
Scandinavian Worklife

- High productivity combined with a high standard of living, a high level of employment, and a comprehensive social safety net
- High level of participation
- Quality of life important – maternity/paternity leave, sickness benefits and national pension schemes
The Scandinavian Leadership Model

• Less emphasize to structuring of tasks, and more considerate of their employees than managers from other European countries (Lindell and Arvonen, 1996)
• Scandinavians prefer leadership based on coaching, rather than direction (Zander, 1997)
• Scandinavian leaders ”softer” than their American counterparts: main emphasizes more om being credible, honest and ethical than being result-oriented and ambitious
• ”Social” form of management: Preferance to the use of objectives and values, not to command and control (Alvesson, 1990)
Globalization and management

- In spite of growing globalization, central national values tend to remain largely unaffected
- Convergence on the macro-level (structure and technology of organizations)
- Divergence on micro-level (values, attitudes and behaviour of people within organizations) (House et.al., 2004)
Research Questions

• Will The Scandinavian Leadership Model survive the forces of Globalization?
• Does the Scandinavian Leadership Model have something to offer the rest of the world, i.e. is it not only fit for survival, but also exportable?
Research Method

- An exploratory approach and a qualitative research method were chosen
- Convenience sample: managers who attend the EMBA at the Norwegian School of Management, a total of 48 participants
- 70% men, and 70% Scandinavians, median age 39, middle managers, almost all with international experience
- Data collection in the form of group task
- Nine groups: five Scandinavian, three mixed, one non-Scandinavian
- Group task to perform a SWOT analysis of The Scandinavian Leadership Model plus answer question of exportability
# Result of SWOT analysis

**STRENGTHS**
- High ethical standards
- Close to the employees: short Power Distance i.e. also more team oriented
- Balancing work life and private life
- Foster generalists
- Gender Equality
- Feminine values

**OPPORTUNITIES**
- Rising educational level globally increases accept for Scandinavian leadership (high competence workforce’s desire for involvement)
- Higher demand for ethical standards
- More demand for Team effort oriented leaders
- Knowledge economy demands people orientation
- Females want more influence
- Competing takes on different forms

**WEAKNESSES**
- Extreme focus on process
- Conflict avoiding
- Not result oriented
- Slow decision making process
- Invisible leaders
- Fuzzy control mechanisms
- Lack of warrior attitudes

**THREATS**
- Used to 37.5 hours working week
- Always striving for consensus
- Scandinavian leadership difficult to understand for non-Scandinavians
- Americanization of leadership, e.g. compensation forms
- Mergers and Acquisitions
- Educational system
- ‘Team Player’ role perceived as too soft
- Not capable to ‘stand alone’
- Unable to cope with conflicts
- Scandinavian leaders do not lead, they merely coach
Differences of Scandinavians’ and non-Scandinavians’ assessment of Scandinavian Leadership

Strengths
By Scandinavians, but not by non-Scandinavians
• Ability to balance work life and private life
• Leader as a generalist
Differences (continued)

Weaknesses
Non-Scandinavians
• "Fuzzy control mechanisms"
• Slow decision-making processes (also regarded as a weakness by many Scandinavians)
• Weak result-orientation
• Conflict avoidance
Differences (continued)

Threats

- Scandinavian educational system (unitary school system not fostering "winners")
- International mergers and acquisitions
- Increasing salary gaps between leaders and employees
Differences (continued)

Opportunities

• Global level of education rising (both Scandinavians and non-Scandinavians)
• Assumed high ethical standards of Scandinavian Leaders
• Gender equality
• Knowledge economy creates opportunities for more ”people focus” / ”human capital”
Will the Scandinavian Leadership Model survive?

- Mixed opinions
- No distinct pattern with reference to how the groups were composed
- Weak result-orientation had to be changed (all)
- Prepared to sacrifice private life, i.e. Work more and harder (all)
- Tougher when dealing with conflicts (non-Scandinavians)
- Of value: gender equality, ethical standards, people orientation, effort on teams
Conclusions

• Elements of the model also appeal to managers outside Scandinavia
• To quote former president Clinton on a ceremonial contract signing at a Norwegian-owned shipyard in Philadelphia:
• ”While most American managers think that in order to make a profit they have to cut wages, reduce health care and reduce the work force, Mr Røkke (owner of the yard) has increased wages, increased vacations, and as a result productivity has increased too. And productivity is what counts when manufacturing work has to be done in a wealthy country. I hope American managers will take this lesson!”