



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. Preference 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 on being credible, honest and ethical than being result-oriented and ambitious**
- **"Social" form of management: Preference 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

<p>STRENGTHS</p> <ul style="list-style-type: none"> • 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 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Rising educational level globally increases except 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
<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Extreme focus on process • Conflict avoiding • Not result oriented • Slow decision making process • Invisible leaders • Fuzzy control mechanisms • Lack of warrior attitudes 	<p>THREATS</p> <ul style="list-style-type: none"> • 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 Aquisitions • 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!"