

# **Scandinavian HRM – a gateway to success or an endangered species**

*Henrik Holt Larsen*

*Copenhagen Business School*

*hhl.ioa@cbs.dk*

# Northern Light

- Northern leadership style
  - What is *common* across national borders?
- Leadership in the Nordic countries
  - What is *different*?

**It is the social capital and the  
Scandinavian values that drive  
the innovation**

*Bjørn Helge Gundersen, AFF*

*Weiss, 2006, s. 168*

**The Scandinavian business model is something we should try to copy.**

Lucy Kellaway,  
The Financial Times

**Pound for pound,  
Sweden probably has  
more good managers  
than any other country.**

Jack Welch, former CEO, GE

# **Not all Scandinavian management is good Scandinavian management**

Schramm-Nielsen, J., Lawrence P. and  
Sivesind, K. H. (2004), p. 166-167

***Norway at the bottom of our hearts:***

**A clever man once said:  
You can take a Norwegian out of  
Norway, but you can't take  
Norway out of a Norwegian**

NAF's road map of Norway

# Characteristics

- Inclusion, involvement, co-creation
- Delegation of responsibility – and it is received!
- Co-creation (medskabende)
- Relational management/leadership (process rather than person)
- Mutual acceptance (equal worth)
- Dialogue
- Communication
- Democracy
- Flat hierarchies
- Low power distance
- Openness
- Honesty
- Justice, fairness
- Less masculine culture than in other countries

# *From management to leadership (from person to process)*

- From authority
- From person
- From role
- From style
- From structure
- From box in the organizational chart
- to process
- to team and group
- to interaction
- to norms and values
- to culture
- to coordinated decentralization

# A Nordic dream team

- CEO: A Swede

- Because Swedes are masters in getting teams to function and explain everybody in which direction they are going

- Marketing manager: A Dane

- Because Danes can sell everything, including themselves, can act quickly and usually have cards hidden in the sleeves

- Finance manager: A Norwegian

- Because Norwegians are good at analyzing and holding on to their money

- Technical manager: A Finn

- Because Finns have the courage to get unusual ideas and are good at technological innovation

- *Anita Ekwall, Swedish business consultant, Weiss, 2006, s. 103*

# Advantages of Nordic leadership

- Nordic countries are role models for knowledge economies, competent and committed employees
- A logical next step from Theory Y, OD, empowerment, Appreciative Inquiry and self-managed teams?
- The young generation expects "modern style leadership"
- Have we found a universally applicable leadership practice?

# Disadvantages by Nordic leadership

- The more people who share responsibility, the less they feel responsible
- Scandinavian leadership can create a decision vacuum
- Democratic decision making process takes time and is a challenge for managers
- The Scandinavian openness and informal behavior may lead to underestimation of power games in the organization
- We are too naive. We don't see the black shadow of money

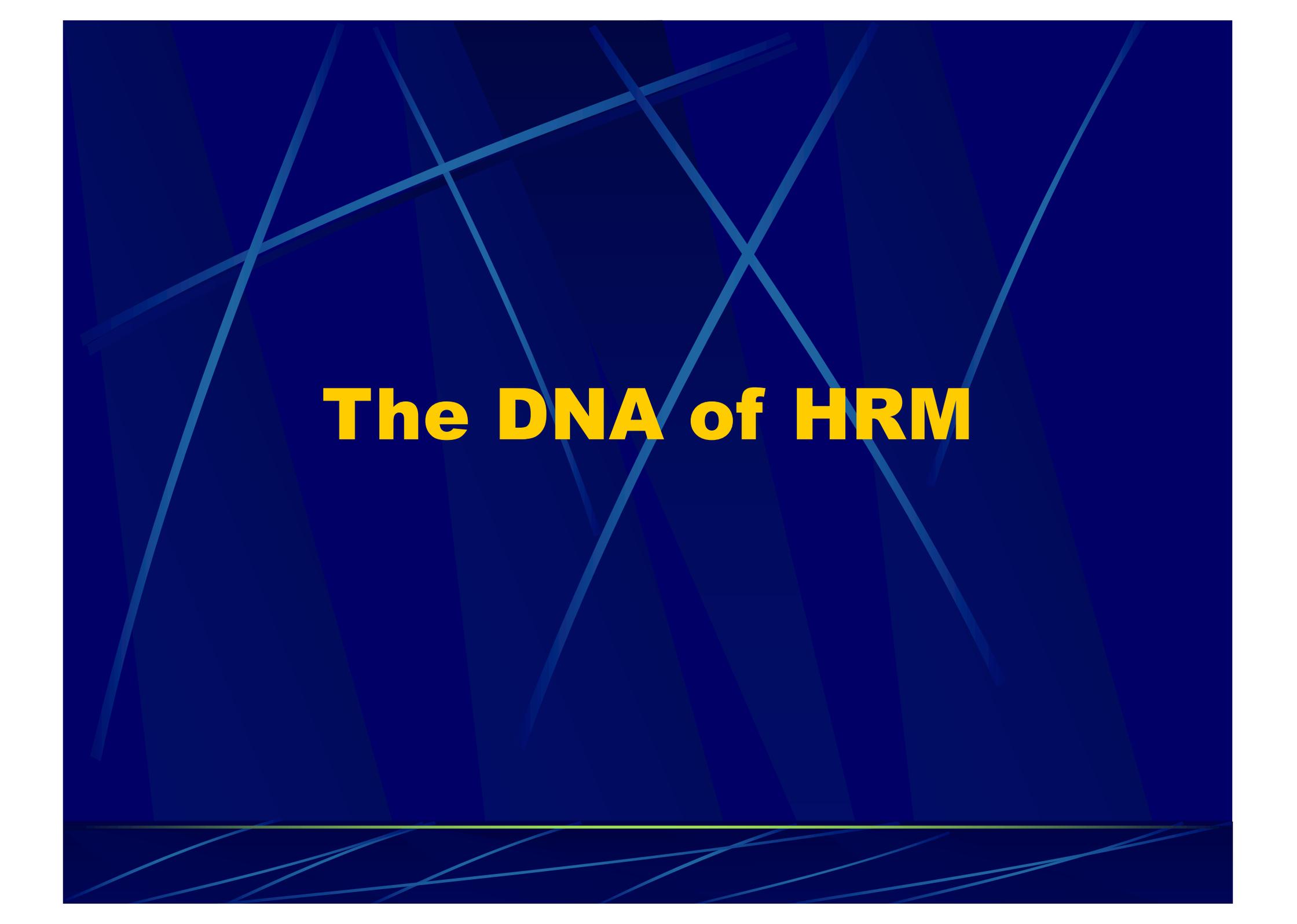
# Export to other regions?

## ● *Yes, because*

- Gateway to performance
- We improve our own managerial competence and competitiveness by exporting it
- Compatible with the new, organic and dynamic management paradigms
- Openness and trust can be learned by others
- Vast and increasing interest in the EU for the Nordic model, flexicurity etc.

## ● *No, because*

- Reflects our own cultural set up and cannot be exported to "not invented here" cultures
- Rests on a democratic platform
- Requires low power distance and uncertainty avoidance
- Role of trade unions
- Requires that if you *give* people responsibility, they will also *take* it



# **The DNA of HRM**

Organization

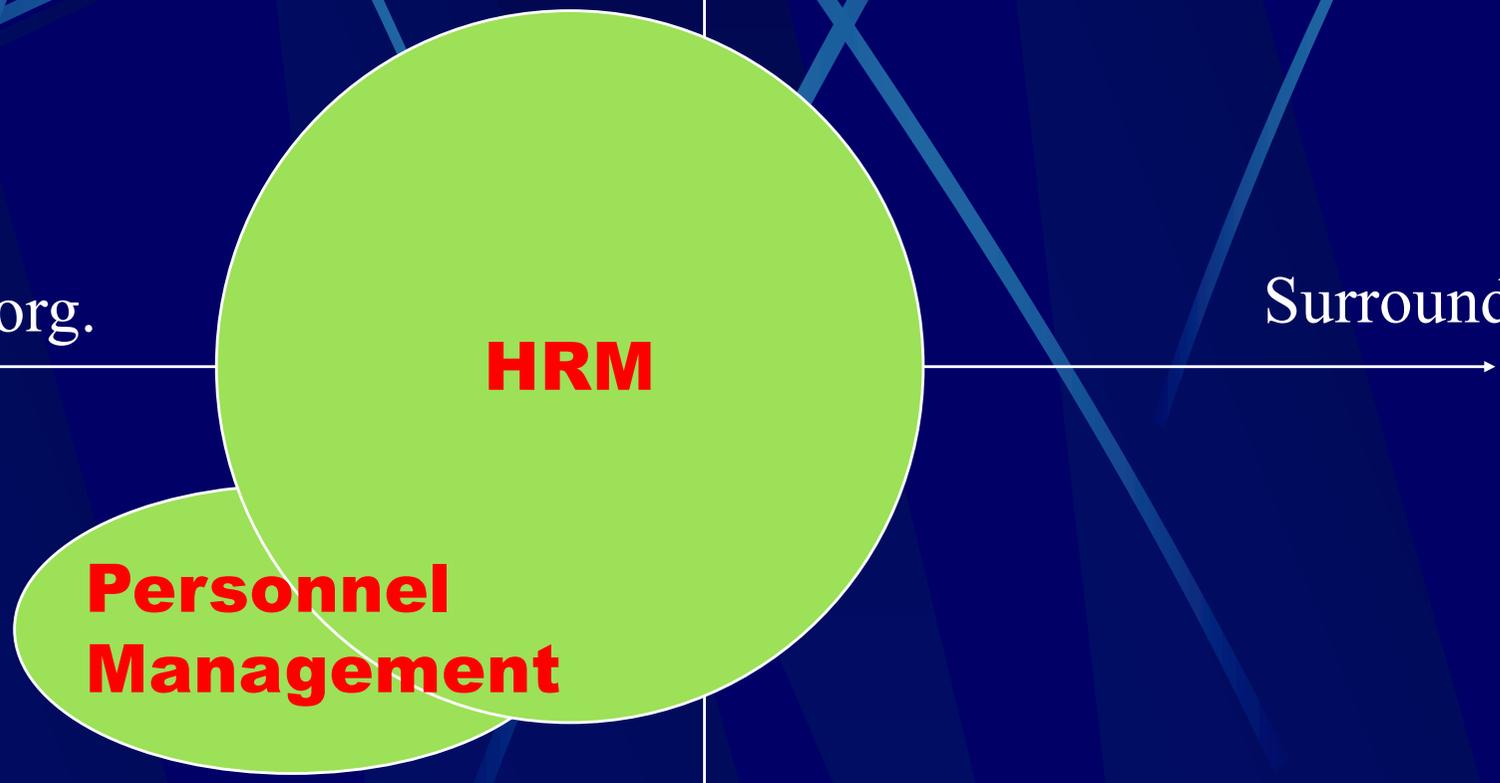
Inside the org.

Surroundings

**HRM**

**Personnel  
Management**

Individual



# The new domain of HRM



# Specific HRM characteristics in the Nordic countries

- Large proportion of SMEs
- High educational level
- High commitment and responsibility
- Egalitarian compensation schemes
- Heavy emphasis on job design, job development and learning by doing (action learning)
- Unionization
- Flexicurity (= mix of flexibility and security)
- Influence from external stakeholders
- Large public sector

# Challenges in Scandinavian HRM

- New types of organizations (matrix, project, virtual, network organizations etc.)
- Line manager role (HR responsibility)
- Distance work
- Increasing mobility
- Free agents
- Professional identity vs. organizational citizen

**Thanks for your attention**

