



NORDIC COLORS OF LEADERSHIP

CONFERENCE

November 16, 2016
University of Iceland, School of Business
Hátíðasalur
Reykjavik, Iceland

ABSTRACT BOOK

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Abstract book

Ingi Rúnar Eðvarðsson, Inga Minelgaite Snæbjörnsson (Editors)

Conference

Nordic colors of leadership

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WELCOME

On behalf of School of Business at University of Iceland I want to welcome everybody and invite to talk about one of the most important aspects in business - leadership.

Leadership is important for the success of the businesses and impact it has on economies and societies at large. However, leadership and leaders in business also represent important developments in societies or sometime the lack of those developments.

Great leadership and great leaders can inspire an individual, a team or even a nation. However, opportunity to become a leader and have above mentioned impact should not be limited by the person's religion, nationality or gender. The latter – gender in leadership – is a topic, particularly close to my heart. For five years I was a Managing Director of FKA (Association of Women Business leaders in Iceland) and have seen how the mere fact of female gender can be a barrier in one's path to success and leadership. We still have a way to go before we reach a place where men *and* women will have equal opportunity to act to their best abilities in business, regardless their gender.

Today we talk about Nordic leadership. Nordic countries are global leaders in gender equality issues. However, even here in Iceland, women representation in media is just about 30%, while men enjoy about 70% of the coverage in news related media according to a survey done in 2016 by CreditInfo. And no woman has presence in the Iceland stock market as a CEO today. Although the listed companies are lining up a legal board, in terms of the quota law, then the importance of the visibility of women as important role models is being ignored.

I believe that there is a will, now we need consistent and sustainable actions for gender equality in business leadership – open dialogue in business community. Dialogue among business community members – women and men. It is not enough for women to talk about leadership, men should take part too. Therefore, dear business leader, you are invited to join the debate directed towards better and more successful business, business where diversity of gender is seen as a resource, not as limitation.

Sincerely,

Hulda Bjarnadóttir

Director of International division at the Icelandic Chamber of Commerce

PREFACE

It is a pleasure to welcome you to this event dedicated to raising awareness about managerial and leadership practices within the Nordic region. We hope that this conference will be a so-called “trigger event”. The first event in a chain of events, to promote Nordic leadership in the global and regional markets among practitioners and academics alike.

The purpose of this conference is, firstly, to “map” the perspectives through which we could analyze Nordic leadership. In particular, the differences and similarities in viewing Nordic leadership from the global versus local perspective. Secondly, the presentations of today will focus on identifying particular aspects and characteristics through which leadership in the business sector within the Nordic countries is similar or different.

Nordic leadership is identified as particular kind of leadership. However, the lack of empirical and, particularly, comparative research on this topic is appalling. We hope this conference will trigger debate among researchers and practitioners in Iceland about Nordic leadership; cooperation between business and academia in conducting such research; and developing further knowledge on Nordic ways of leading in order to contribute to the efficiency of Nordic businesses.

*Inga Minelgaite Snæbjörnsson
On behalf of School of Business
University of Iceland*



ORGANIZATION OF THE CONFERENCE AND SCIENTIFIC ADVISORY

This conference was organized by the School of Business, University of Iceland. The coordinator of the event was Inga Minelgaite Snæbjörnsson. The event was organized in cooperation with the Norwegian – Icelandic Chamber of Commerce (Norsk- islandsk Handelskammer) and the Norwegian Embassy in Iceland. The host of the event and the moderator of the Q&A session on behalf of the School of Business was Hulda Bjarnadóttir, director of the international division at the Icelandic Chamber of Commerce.

The speakers of the conference were three researchers from the field of business studies, namely, dr. Berit Sund (SNF Centre for applied research at NHH), dr. Sigrún Gunnarsdóttir (School of Business, University of Iceland and Bifröst University) and dr. Inga Minelgaite Snæbjörnsson (School of Business at University of Iceland). In addition, three practitioners contributed to the content of the conference, namely Svana Helen Björnsdóttir (CEO and founding owner of Stiki), Vilborg Einarsdóttir (Founder of Mentor) and the Hulda Bjarnadóttir (Director of the international division at the Icelandic Chamber of Commerce). The overall effect of the presentations was expected to be a combination of theoretical underpinnings supplemented by practical narratives and “good practice” sharing from the practitioners.

The abstracts presented herein were reviewed by the editors of this Abstract book.

PROGRAM OF THE CONFERENCE



Presenter:

Hulda Bjarnadóttir, Director of the International Division at the Icelandic Chamber of Commerce (Framkvæmdastjóri Alþjóðasviðs Viðskiptaráðs Íslands)

PRESENTATIONS



“Colors or shades of leadership? Global vs. regional perspectives on Nordic leadership”

Dr. Inga Minelgaite Snæbjörnsson, School of Business, University of Iceland



“Nordic leadership in global context: aspect of gender”

Svana Helen Björnsdóttir, CEO and Founding Owner of Stiki, Chairman of the Board of Directors at Men&Mice, national and international award winner



“Small fish in a big pond: Norwegian leadership”

Guest speaker:

Dr. Berit Sund, Researcher at SNF - Centre for Applied Research at NHH (Norway)



“How can servant leadership be useful for Nordic leaders?”

Dr. Sigrún Gunnarsdóttir, School of Business, University of Iceland and Bifröst University



“Tango of dreams & reality: Cultural challenges going global”

Vilborg Einarsdóttir, Founder of Mentor, top-lister in Brightest Business Minds (Nordic Business Forum), national and international award winner

Q&A SESSION:

NETWORKING EVENT (Light refreshments will be offered)

Organised by: School of Business, University of Iceland

In cooperation with:



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ABSTRACT

COLORS OR SHADES OF LEADERSHIP? GLOBAL VS. REGIONAL PERSPECTIVES ON NORDIC LEADERSHIP

Inga Minelgaite Snæbjörnsson

*School of Business
University of Iceland
Iceland
inm@hi.is*

When trying to describe Nordic or Scandinavian leadership it needs to be determined whether Nordic countries are so similar that we can consider them as one region with unified leadership style. There are two aspects that can shed light regarding the answer to this question. First, national cultures. Nordic societal cultures indeed have similar patterns, however, they have considerable differences when compared to each other. It is widely acknowledged that leadership is a cultural phenomenon. Hence, differences in national cultures are indicators of differences in leadership. Second, evidence from research on leadership. A number of studies indicates differences in managerial leadership between the Nordic countries.

So, if leadership in all Nordic countries is somewhat different, then what kind of leadership can be found in each of these countries? Strangely enough, we have very limited comparable data on Nordic leadership in business settings. The most cited article is written by Smith et al. in 2003, and, together with a meta-analysis from 2015, it indicates that there is very little of comparative research on business leadership in the Nordic region. This is an opportunity for researchers, as well as for practitioners: Leadership has a fundamental influence on business, including its organizational outcomes and dealing with competition. Leadership might account for up to 70% of organisational success. However, in order to lead successfully one needs to be aware of differences in leadership practices within the cultural context. The limited amount of research on Nordic leadership presents an opportunity for academia to conduct more comparable research and in this way help businesses in the Nordic countries to improve leadership practices.

The research by Smith et al. (2003) presents evidence about the differences in leadership between the Nordic countries, the nuances that sometimes might define success or failure in organisation. These differences are noticeable when Nordic countries are compared to each other. Meanwhile, how does Nordic leadership look in the global context?

Regardless of the differences between the Nordic countries, the world sees the Nordics as one region which forms a specific cultural cluster. Moreover, managers globally explicitly identify that the Nordic region has a particular style of leadership. Furthermore, Nordic managers with international experience, also identify Nordic leadership as something different. There are many descriptions of Nordic leadership, emphasizing various aspects.

However, in a global perspective, Nordic leadership is seen as built on 3 main virtues: modesty, trust, and care. Nordic leadership is described through characteristics such as inclusive decision making, team work, flat organizational structures, etc. All these characteristics point to three main leadership styles that describe Nordic leadership: participative, transformational, and employee oriented or coaching. And while one might suggest that these leadership styles are not unique, but rather common, it is the combination of these styles that makes Nordic leadership different.

Research indicates that interest in Nordic leadership is related to its outcomes. Nordic leadership is associated with motivated employees and an inclination toward innovation and competitiveness. Nordic leadership is considered to be something desired, but not yet fully discovered.

To conclude, literature suggest that when compared with each other, the Nordic countries have some differences. More research is needed in this field in order to truly grasp these differences and improve leadership effectiveness within the Nordic region. However, in a global context, there is an opportunity to define and promote the Nordic leadership as a distinct way of leading and, potentially, as a leadership style of the future by virtue of its emphasis of integrity, equality and employee-centrism. In a global context, the Nordic region is a leading region in many aspects. Hence, promotion and endorsement of the Nordic leadership style would strengthen the image of the Nordic region as a leader in the global context.

ABSTRACT

NORDIC LEADERSHIP IN GLOBAL CONTEXT: ASPECTS OF GENDER

Svana Helen Björnsdóttir

*CEO and Founding owner of Stiki
Iceland*

Every culture has its own characteristics; its own customs, eating habits and management styles. The management style of the Nordic countries is considered to be different from management styles in most countries of the world.

The Nordic leadership characteristic is often seen to be about the relationship between management and employees. It is often described as incredibly harmonious. The power gap between manager and the employee is low. Status thinking due to the leadership position is low. All employees are regarded as equally important for the success of the company. Executives do not hesitate to ask their staff for advice when needed. People find solutions to problems together. The management style is characterized by four terms: trust, concern, care, and equality between men and women.

With this management style the Nordic nations are not unsuccessful, as some might think. The companies Skype, Spotify, Nokia, Volvo, Ikea, Electrolux, and Ericsson are examples of successful Nordic companies. The "success" of the Nordic economies is also outstanding. One can name the gross domestic product (GDP), expenditure on research & development, and the unemployment rate as examples. In the rest of the world, people talk about Silicon Scandinavia and they ask: Why are northern European tech companies so successful?

Unfortunately, this management style cannot be easily transferred. The management style in a region derives in part from the culture and the prevailing values. The Nordic countries have what I like to call a feminine culture.

We don't have to go very far in Europe though, to find a very different but also a very successful country in terms of GDP, expenditure on research & development and export. This country is Germany. I lived for some years in Germany, where I studied Electrical Engineering and worked both for Siemens and AEG. The German culture is more masculine, more aggressive and more conflict-oriented. In the German speaking area, a manager asking one of his staff members for advice would make a rather negative impression.

The growing female presence in leadership positions in the Nordic countries is not a coincidence. It has been a public policy in these countries for many years to promote gender equality in most areas. We have worked on identifying the constraints on female leadership and we have aimed to accurately understand the benefits of enabling more women to

become leaders. One way to gain such understanding is to evaluate the impact of direct policy interventions such as gender quotas.

In their paper on Gender Quotas and Female Leadership, Pande and Ford (2011) present findings from certain countries' experience with quotas for female representation in government and on corporate boards. In their paper they discuss how existing evidence can inform our understanding of the equity and efficiency implications of such gender quotas. In their review paper, Pande and Ford come to three broad conclusions:

First, quotas can and do increase female leadership in politics and the corporate sphere. This provides prima evidence that the primary constraint on female leadership is not a lack of interest in leadership positions by women.

Second, female leadership influences policy outcomes. The evidence for this is clearer in the policy arena where it reflects gender differences in economic status and work responsibilities. To the extent that equitable representation in policy-making is desirable, quotas are a good policy tool to achieve it. In politics, there is no evidence that such representation has come at the cost of efficiency. The evidence from corporate board quotas is however not as clear.

Third, gender quotas do not seem to create a sustained backlash among citizens – rather, evidence from political quotas suggests that voters use new information about how female leaders perform to update their beliefs about women.

That said, there is evidence that groups who are affected adversely, male incumbents, for example party leaders and firm owners, respond strategically in order to reduce the impact of gender quotas on leadership outcomes.

We have heard the question today, if Nordic leadership can be exported to other nations – to other parts of the world. And if perhaps there is extra value in having business, people and leaders, that work and act according to Nordic culture and Nordic leadership style. Yes, definitely, I believe it is tremendous value in that. But it demands changes in many cultures – and political changes.

Leonard Cohen visited Iceland in 1988. In an interview with an Icelandic reporter he said: “Politics is very much involved with how men think about women.” This is very true. So if Nordic leadership qualities are to be exported to other parts of the world, women must be enabled to participate in business and politics. It requires women to be equal with men.

Let's hope we will be successful in Nordic leadership and Nordic companies will continue to be so successful so that other nations see it as beneficial for them to make the necessary changes in their social infrastructure.

ABSTRACT

SMALL FISH IN A BIG POND: NORWEGIAN LEADERSHIP

Berit Sund

*SNF - Centre for Applied Research at NHH
Norwegian School of Economics
Norway*

berit.sund@snf.no

The way I see it, the Norwegian leadership style is only one approach to leadership within an ocean of leadership styles and theories. For decades, researchers and leaders in Norway have debated whether a particular Norwegian leadership style exists, or whether leadership in Norway is more or less the same as leadership in other countries. Research on this topic has provided a rather fragmented view on the unique aspects of Norwegian leadership as well as on outcomes of it¹. This leadership debate has surfaced and died out several times over the years, probably because there has been a lack of good empirical research with which to answer the question of what characterizes a Norwegian leadership style – if such a style can be identified at all. Similar debates have been prevalent also in the other Scandinavian countries².

Some researchers and practitioners have also argued that the “natural” Norwegian way of leading is at risk of going extinct in the face of American approaches to leadership, for example as a consequence of increasing American ownership of companies located in Norway³ ⁴. This has caused concern because the typical Anglo-American leadership theories are generally perceived to be incompatible with central aspects of the Norwegian way of leading. For example, Americanized leadership styles tend to be more assertive, aggressive, and result oriented than the typical Norwegian leadership style⁵.

To research leadership in Norway, in-depth interviews were carried out with 42 respondents (leader and follower level) in Norwegian organizations belonging to three

¹ Grenness, T. (2012). På jakt etter en norsk ledelsesmodell.

² Madsen, M. T., & Albrechtsen, C. (2008). Competing discourses of leadership: Transformational leadership as blurring mechanism for masculinities in Denmark. *Scandinavian Journal of Management*, 24(4), 343-353.

³ <https://www.ssb.no/virksomheter-foretak-og-regnskap/statistikker/utfono/aar/2015-06-29>

⁴ Emberland, B., Totland, E., & Tveita, O. (2009). Norge i en globalisert verden-betydningen av utenlandsk eierskap i norsk næringsliv.

⁵ Hofstede, G. H., & Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Sage.

different industries, food production, telecommunications, and finance, with the main purpose of a) determining if a Norwegian leadership style could be identified, and b) determining what this leadership style entailed. The majority of these respondents had work experience both from Norway and from foreign cultures, making them particularly capable of reflecting on potentially unique aspects of Norwegian leadership⁶. On the basis of these interviews, a measure of Norwegian leadership was constructed and included with various outcome measures in an electronic survey that was completed by 368 follower-level respondents in seven Norwegian organizations. On the basis of regression analyses, three aspects of the Norwegian leadership style can be highlighted. One, Norwegian leaders lead by encouraging a very close *involvement* by their followers. Followers are often allowed to have a say in the decisions the leader makes; in setting their own work goals and deciding how they should be evaluated on those goals; and they are given a substantial degree of freedom to determine themselves how their tasks and jobs should be carried out. Two, Norwegian leaders actively encourage their followers to engage in behavior characterized by *trial and error*, meaning that they are encouraged to experiment with new ways of doing their jobs. The rationale behind this component of the Norwegian leadership style is that learning by doing leads to innovation and superior performance. Three, Norwegian leaders lead by having a close and *paternalistic* relationship with their followers. One might as well call it maternalistic – the point is that the Norwegian leadership style is built on compassion, warmth, and the belief that everyone should find their workplace a good and rewarding place to be.

Among the outcomes of this Norwegian leadership style are trust and organizational citizenship behaviors. Such leadership seems to stimulate higher levels of follower trust in the leader, as well as organizational citizenship behaviors on part of followers. Thus, this type of leadership could have real advantages for the companies utilizing it.

But, is it likely that the Norwegian leadership style will go extinct in the face of Americanization and globalization? Having identified a particular Norwegian leadership style certainly does not mean that it will stay the same forever. Will it be the case that the “little Norwegian fish” will cease to be little and unique, and become more like the other fishes? One way to answer this question is to look at the increasing importance of the knowledge worker. With economies worldwide increasingly reliant on knowledge work, leadership researchers have devoted much attention over the past couple of decades to understand the knowledge worker and what motivates her/him. The focus on involvement, respect, concern and care should be suitable motivational factors for the knowledge worker of tomorrow. Thus, one can certainly speculate that Norwegian leadership is here to stay, alongside its similar Nordic cousins. Future research is needed to look into this.

⁶ Sund, B., & Lines, R. (2014). Implisitte teorier om særtrekk ved norsk ledelse. Nordiske Organisasjonsstudier, 16(3), 56-79.

ABSTRACT

HOW CAN SERVANT LEADERSHIP BE USEFUL FOR NORDIC LEADERS?

Sigrún Gunnarsdóttir¹ and Kasper Edwards²

*¹School of Business, University of Iceland
Bifröst University
Iceland
sigrungu@hi.is*

*²Department of Management Engineering
Technical University of Denmark
Denmark
kaed@dtu.dk*

The characteristics of Nordic work life corresponds to core elements of servant leadership. The Nordic leadership style is characterized by participation, dialogue and solidarity, and servant leadership is characterized by an intrinsic will to serve and a community of equals; self-awareness and humility; and a focus on foresight and common purpose. In particular social capital is an important element of Nordic work life and is defined as trust and justice in an organization. Social capital and servant leadership share common conceptual attributes such as the importance of mutual trust, shared purpose and community. This hints that social capital and servant leadership may be correlated, and, if so, servant leadership may be a vehicle to develop social capital. Servant leadership is a practice and can be taught. However, limited knowledge exists about the link between these two constructs.

Servant leadership has been linked to positive outcomes for staff and organizations. Similarly, social capital is associated with high job satisfaction, high productivity and a good work environment. Social capital has been used as an intervention approach to improve work environment with little effect and there is a need for tools and methods to develop social capital. Previous research provide indications that leadership can be a key to developing social capital. Limited knowledge is available about servant leadership among Nordic leaders. Therefore it was decided to investigate the link between servant leadership and social capital among Nordic leaders with the optimal goal to see if servant leadership can be important to develop social capital.

This paper investigates the relationship between social capital and servant leadership among clinical leaders in hospital wards in 6 Danish and 2 Icelandic hospitals according to staff perception who participated in a cross-sectional questionnaire survey (N=256). Servant Leadership was measured by the Servant Leadership Survey, 26 items on a six-point Likert scale, and Social capital was measured using four items on a five-point Likert scale. Analysis was done in SPSS using simple correlation analysis.

Findings show that servant leadership among Nordic health care leaders measured relatively high and there was a significant difference in SLS scores across wards. Initial

analysis revealed a Pearson Correlation between Servant leadership (total score) and social capital of 0,32 ($P < 0,01$). This low correlation does not indicate that servant leadership per se can be a vehicle for developing social capital. This prompted us to repeat the analysis for each dimension of the two constructs. The correlation matrix reveal that the servant leadership dimensions are correlated with Trust but not justice. Significant Pearson Correlation between trust and servant leadership dimensions varies from relatively high correlation (0,60) for empowerment to low correlation (0,34) for stewardships. This indicates that servant leadership may be an element in developing trust but another approach is needed for developing justice and further research is needed.

In summary servant leadership measures relatively high among Nordic leaders in health care. Servant leadership is correlated with social capital and trust as a sub scale of social capital, and servant leadership is not correlated with justice as a sub scale of social capital. This indicates that servant leadership may be an element in developing trust. Another approach is needed for developing justice, and further research is needed. The study findings are an important contribution to our knowledge, and indicate how to successfully strengthen trust in the health care work environment. There are reasons to believe that servant leadership could be useful in developing the positive elements of Nordic leadership style with focus on an intrinsic will to serve, a community of equals, self-awareness, humility, foresight and common purpose.

This study is part of a Nordic Multi-center Study: NOVO Study supported by Nordic Councils of Ministers.

ABSTRACT

TANGO OF DREAMS AND REALITY: CULTURAL CHALLENGES GOING GLOBAL

Vilborg Einarisdóttir

*Founder of Mentor
Iceland*

Cultural differences affect business and leadership processes. Business companies establishing in other countries than their own experience it on a daily bases. The analysis and ideas presented today are based on the personal experience when developing businesses in other countries than Iceland, namely, United Kingdom, Sweden, Germany, Switzerland and others.

The differences and similarities are presented here, as seen and experienced when developing the company Mentor in international markets. For example when comparing Sweden and Iceland, the following differences in business communications were noticed. Icelandic teams and team members are more risk takers, with an ad hoc approach, high flexibility and with an optimistic “þetta reddast” (*it will solve itself*) approach. Meanwhile, Swedish teams and team members will require more information when compared to Icelandic teams, will be more process and planning oriented, in advance prepared agenda will be necessary, more preventive thinking (“This should be thought in the beginning”) and even higher emphasis on family matters will be placed. However, the strongly mutually common characteristic is the leadership style with leaders being close to the people, and with an active dialog going on about how to solve things.

As a more contrasting culture to the Icelandic and Swedish, UK could be named. The specific characteristics noticed in the UK cultural environment include an inclination towards a one-way manner of communication, unquestioning decisions and actions of the superior or manager, with more passive culture when it comes to employee initiative, and with detailed job descriptions and a high focus on efficiency.

When looking for possible explanations for the differences in business communication and leadership interactions, the educational systems could be an answer. This idea originates from the analysis of different educational systems, e.g. a high focus on reading, writing, math in UK vs. a high focus on a broad curriculum in Sweden and Iceland; the role of the teacher as the one in charge in UK vs. the role of the teacher as a mentor in Sweden.

In light of an analysis of the indicated practices and differences, some conclusive remarks could be made in regard to the best practices for business. Success in business requires various competences and approaches. Combining the best practices and traditions could lead to higher efficiency as well as creativeness, e.g. having Icelandic optimism, the Swedish way of planning, and the British focus on efficiency.

MINUTES FROM Q&A SESSION

The moderator of the questions and answer session was Hulda Bjarnadóttir, Director of the international division at the Icelandic Chamber of Commerce.

The panel consisted of all presenters of the conference: Berit Sund, Sigrún Gunnarsdóttir, Inga Minelgaite Snæbjörnsson, Svana Helen Björnsdóttir and Vilborg Einarsdóttir.

The session took approximately 30 minutes where questions from audience were taken and answered by panel members and conclusive remarks were drawn.



Conclusive remarks:

1. Even though the presenters prepared their presentations independently and represented different fields, there was consensus regarding the distinctiveness of Nordic leadership in a global context. Additionally, all presenters described Nordic leadership very similarly.
2. When discussing the transferability of the Nordic leadership style to other cultural contexts, possible barriers were mentioned. The conclusion was that such transfer takes longer time, but that it is possible given focus on organizational culture.

3. The best outcomes in business can be reached when combining cross-cultural knowledge in business processes and leadership.
4. All panel members indicated the need for more research on Nordic leadership, particularly comparative and empirically based. Furthermore, attention was brought to the need for cases from the Nordic business environment in business schools in the Nordic countries, as the cases that are typically used today are from Anglo-American management books that typically are in dissonance with the cultural idiosyncrasies and realities of the Nordic region.
5. Panel members and attendees in the audience indicated that there is a lack of dialogue in the public discourse on the aspects of Nordic leadership in particular and Nordic managerial processes in general.



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