Nordic Lights
A research project on Nordic leadership and leadership in the Nordic countries

By Henrik Holt Larsen and Ulla Bruun de Neergaard
Preface

It is a historic tradition for the Nordic institutions, organizations to regularly meet and discuss mutual similarities and differences, and what we may learn from these. Possibly we can find shortcuts—maybe even achieve a shared synergy effect?

The Nordic public sector employment offices use systematic means of cooperation and networking to discuss different matters related to the Nordic "context". There are numerous examples of politicians, leaders and coworkers who use each other as “sparring partners” in connection with the different challenges that municipalities and regions face in each individual country.

In 2003, a new initiative was taken by some of the participants in this group. The network called itself ”Nordisk Lys” or ”Nordic Lights”. The participants were leaders and consultants/advisors from the public sector employment offices of Denmark, Finland, Norway and Sweden – a group of enthusiasts who were engaged in different strategic leadership and management issues in municipalities and regions across the Nordic countries following the turn of the millennium. What could for example, changes in the demographic pattern and the generations in the different countries come to mean for recruiting possibilities? What could be done to cut down on sick-days? Those were only a few of the matters discussed, of which participants tried to find a common, Nordic answer.

Nordisk Lys also drew up a vision:”By the year 2015, working life in municipalities and regions will be characterized by co-creativity, effectiveness and job satisfaction.

In the latter part of 2006, four public sector employment organizations gave their support for a joint research-project on Nordic leadership and leadership in the Nordic countries. The goal of this project has primarily been to shine light on the similarities and differences of leadership in the different countries. The steering committee asked a Danish research-team – Professor Henrik Holt Larsen and research-assistant Ulla Bruun de Neergard – to survey existing, existing research and surveys in the area. Researchers have also carried out a case study, involving interviews in the countries involved. The research-team wish to underscore that this project may have it's limitations, and that statements made in interviews can not be seen as general representative statements or opinions. Part 1 of this report expresses more of general views than scientific facts (this includes the introduction of the report).

The results of this study are in this report and will soon be presented in a shorter, popularized summary. The report (in Danish) will be sent out to the four participating organizations. All others interested are referred to the different web-sites, or to members of the steering committee. The shorter, popular summary will be sent out in greater numbers to the different municipalities and regions and can also be downloaded off the different web-sites mentioned.

The steering committee agree that the research-project has contributed a series of central points, that give some fascinating indications of what is common and what is specifically national in leadership in the Nordic countries.

The steering committee hopes that these points along with the researcher's message regarding new issues and challenges can also stimulate considerations and discussions on which directions we want leadership to develop in the Nordic countries, individually and together. This project may also inspire those interested in the topic of leadership even outside the Nordic countries.
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Content

Introduction

Background
Scope and aim

Part I: Interview-survey in the Nordic public sectors

Method
Execution of the Interview-survey

The common context of municipalities and regions
Introduction
Current demands and expectations
What can be done?

Nordic management: trans-national similarities
Introduction
The Nordic Values
Challenges for Nordic leadership
Is Nordic leadership threatened by globalization?

Nordi Leadership: The nationally specific
Introduction
Denmark
Finland
Norway
Sweden

Connections between job satisfaction, effectiveness and co-creativity/coworker influence
Preface
Job satisfaction gives effectiveness
Effectiveness leads to job satisfaction
Things go both ways
What part is Nordic leadership playing?
Perspectives
# Part II: General perspectives on Nordic leadership

*Introduction: Why is leadership in Nordic municipalities interesting?*  
The common past opens doors to a common future

*Key-concepts are defined: What are we talking about?*  
Are we talking about borders or cultures?  
What is culture?  
The national cultures – seen from the inside and the outside  
What exactly is leadership?

*The connections between job satisfaction, effectiveness and co-creativity/coworker influence*  
Introduction  
Effectiveness as a result of job satisfaction  
Effectiveness as a cause of job satisfaction  
An important model  
Teamwork, effectiveness and job satisfaction  
Summary

*Profile of Nordic leadership*  
Some of the classic surveys

*Perspectives: And where do we go from here?*  
Best Practices: Is one thing better than the other?  
Possible research questions  
Summary

*Literature*

*Appendices*  
Appendix 1: A guide to reading the report  
Appendix 2: Interview guide
Introduction

Background

This report is the result of research on leadership in the Nordic public sector (municipalities and regions). The analysis was carried out by a research-team working together with a steering group consisting of representatives from all the Nordic public sector employment organizations. The project started in late 2006 and consists of a survey of already existing research and an interview-based case study in Sweden, Norway, Finland and Denmark. The interviewed are top and mid-managers, human resources managers and elected representatives in municipalities and regions, and also researchers with insight in municipalities and regions. Most interviews were done within municipalities, and therefore the term municipalities will be used, meaning both municipalities and regions.

The report is about Nordic leadership in the Nordic countries. In short, it will go into details concerning the following - do we perceive Nordic leadership as a common characteristic among the Nordic countries?

Leadership in the Nordic countries, on the other hand, is regarded as the specific and often distinct characteristics of leadership in each individual Nordic country. Hence, the perspective leadership in the Nordic countries focuses mainly on the differences rather than the similarities. This analysis concerns municipalities.

The common denominator, Nordisk Lys, covers both Nordic leadership and leadership in the Nordic countries. Primarily, we are looking at municipalities and regions, but we will also refer to, and look at, the private and state sectors.

This research project is limited to current characteristics in leadership in the Nordic public sectors, and will pay lesser attention to the background and consequences of leadership. The only important exception from this are the effects of job satisfaction, effectiveness and co-creativity/employee-influence. This topic is a part of the interview-survey, and this is why it is part of this report.

Scope and aim

During the process of preparing this report, discussions with the steering committee have frequently occurred, concerning in which ways this report may be put to use. Who will read it?

This report should be read independently and give an overview on central topics on Nordic leadership and leadership in the Nordic countries. Also, the report should at the same time, provide answers to topics where documented research already exists, and also point out some issues and topics that might need additional research in the future to gain more insight in leadership in the Nordic public sectors.

The report consists of two parts.

Part I presents the results of the interview-survey. We try, as close as possible to present statements from the different interviews. Statements from interviews are written in italics so that it will be clear what the person interviewed said.
Part II contains a brief summary of previously existing research and surveys on leadership in the Nordic countries, with its main focus on whether it uncovers specific, national and cultural differences or common Nordic characteristics. Quotes from scientific publications are written in italics so that it will be clear when other sources are cited. There are also a few citations inserted in the text, these are not part of the general text, but they illustrate/make important points. These insertions are written in a smaller font size, to clarify that they are external citations.

A reading-guide is enclosed in Appendix 1.

Prior to the interviews, a report on national culture and leadership had been done. This report was of great aid in connection to the structure of the questions used during the interviews, partially because it created consistency between the report in general and the interviews.

There is also a popular summary of this report. It primarily contains a summary of Part I, that is, the specific results of the research done in this project.
Part I:
Interview survey in Nordic municipalities and regions
**Method**

*Performing the interview-survey*

As previously mentioned, the concept Nordisk Lys, is a common denominator for what seems to be the similarities (Nordic leadership) and differences (leadership in the Nordic countries) between the Nordic countries. The sectors that the project targets are municipalities and regions. As noted above, these will be mentioned as “municipalities”, both municipalities and regions. What the differences are between the two, you will discover.

It was clear at an early stage of the project, that a series of interviews would be carried out in all four countries (Sweden, Norway, Finland and Denmark). Those interviewed are top and mid-level managers, human resource managers, elected representatives and researchers. They were selected by their national member of the steering committee.

The distribution of those interviewed is as follows:

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<tr>
<th>Category</th>
<th>Denmark</th>
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<td>Researcher</td>
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<td>Representative from organization</td>
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An interview-guide was presented, containing:

a. 10 questions concerning social/cultural background-factors in the Nordic region
b. 16 questions concerning strictly national and Nordic leadership
c. 1 question concerning the main project
d. 1 openly formed question

The interview-guide was used during the first interviews, but turned out to be too extensive. Hence, the interview-guide was shortened to prioritized issues concerning leadership within municipalities, leadership on a national level in each individual country's public sector, Nordic leadership and the effects concerning job satisfaction, effectiveness, an co-creativity/ coworker influence.

In total, 45 interviews were conducted. At nearly every interview, there was one interviewer, the person interviewed and one member of the national steering committee present. A total of 105 pages of notes came out of the interviews. Following the interviews, the notes were processed. Important statements were preserved and gathered in a database from which data was analyzed,
sorted and used as major content of Part I of the report.

The interviews contain a very rich and valuable amount of information. They are qualitative, explorative and narrative and illustrate the tone of the interviews. There are many notable points of view within, and they provide a very colorful picture of leadership in the Nordic region. Rhetoric and stereotypes regarding leadership and national culture have undoubtedly influenced those interviewed. A contributing cause of this is that none of the 45 interviewed have lived or worked in another Nordic country than their own. Their opinions on other national cultures and their leadership characteristics are therefore based upon secondary knowledge.

Nonetheless, we have chosen to let their voices be heard. Part I is as close to authenticity as it gets, concerning fidelity to what was really said. We differ in text between three types of statements, namely, “many stated”, “some stated”, and “one stated”, but we cannot claim that the material based on the interviews is representative. Part I shows the spectrum of variation when it comes to perception of Nordic leadership and leadership in the Nordic countries, and does not intend to draw universal “middle of the road”-conclusions. Part I does not intend to evaluate or draw any specific conclusions, we merely present what was said and by whom. Neither do we wish to have any impact on statements except for the unavoidable, yet restricted influence that comes as a result of editing the material gathered from these interviews. This influence is extremely limited. Material from the interviews is presented as it was collected, regardless of logical consistency or if the statements agree with statements by others.

The interview-guide is presented in Appendix 2.

The general text is an editorial summary of points of view, made during interviews. The text is presented with the highest possible amount of fidelity and authenticity. Attached are also actual quotes in their authentic form. They are printed in italics, to clearly indicate that they are quotes.
The common context of municipalities and regions

Introduction

It is, among the interviewed, a general perception, that it is incredibly complex to be a leader in a politically governed environment. Even if it is complex, it is not necessarily complicated, as one of the interviewed stated. Complex means, that there are many actors, extended decision-making processes and procedures, and that decisions should be made on a political basis. And when a decision is finally made, and it has been politically sanctioned, you could still, as a leader, ignore the politicians and their decisions - and make things easier. This is why it is not necessarily complicated to be a leader, as the person in question said.

As an example of complexity, a Norwegian interviewee mentioned that Norwegian municipalities have about 400.000 employees and that yearly, they hire 40.000 people for 400 different types of jobs.

Current demands and expectations

Some of the interviewed point out that twenty years ago, citizens were pleased with what they got from the public sector. But with growing prosperity and welfare, both standards and expectations among the citizens grow, in both the private and the public sectors. This puts pressure on the municipalities and regions. Whether it is viewed as either expectations or demands from citizens makes a difference, especially as expectations lead to greater possibilities of dialog with citizens than when it comes to demands.

The following is a brief presentation of areas where increased amount of complexity can be seen. These are the topic areas:

- Higher quality and more individualized social benefits
- Centrally fixed social benefits and standardizations
- More complicated demands from the political to the administrative system
- Value-based leadership
- Right to service instead of service available – and a low threshold for complaining
- Expectations of service for everyone
- Expectations on greater transparency/openness, closer communications and evaluations
- Social benefits given accordingly, in competition with other suppliers
- More and higher-often conflicting demands on leadership
- Leadership in collaboration with elected representatives

Let us focus on the most main demands and expectations.

Higher quality and more individualized social benefits

Many point out that within most public sector service-areas, there are expectations of high quality. Fewer employees are expected to deliver higher quality, and often at a lower cost. This puts great demands on effectiveness and rationalization.

It is taken for granted in Nordic public sector service, that people are treated equally. It is referred to as fairness, consistency and equality. During recent years though, it has become a widespread
opinion that if citizens are treated at all, they are treated differently. Added to this, many say, is the fact that good service is more frequently considered as service, only when adapted to individual and specific needs. The individualized demands on service are closely related to the needs of the individual citizen, subsidiary to their children’s or parent's.

*Centrally determined social benefits and standards for these*

The demand for individually adapted service is in contrast to, that fact legislators create national legal rights for individuals and the responsible inspection agencies require different and very detailed rights. Service has become more governed by laws and provision than previously, which not only creates pressure on the public sector, but also makes it more difficult to meet increased demands for individual service.

*More complicated demands from the political to the administrative system*

The co-operation between the political and the administrative levels has become more complicated during recent years. Since it has become so complex to practice politics on a local level it is important that politicians remain on a general level and do not dive too deep into single matters, as some of the interviewed put it. In this way, politicians have better opportunities to set their priorities on long-term- and also better political targets.

*Value-based management*

According to many of those interviewed, most municipalities are currently influenced by a predominantly attitude-and value-based management. This provides an overall backdrop and is the result of a close social environment, a strong culture etc. Decisions are made in this value-based environment and thus represent more than single, isolated decisions. Not only are they single cases, molecular events, but also living examples of values and culture in the public sector.

*Rights before offers – a low threshold for complaints*

Public service is increasingly looked upon (considered) as a natural right instead of something that we should be happy to receive. Citizens know their rights- for better or worse. They no longer ask “what can I get?” or “what do I need?, instead they ask “what am I entitled to?. Service from the public sector is taken for granted. Until service deteriorates to the point that it becomes inadequate, it goes unnoticed. This is consistent with the observation that laws and regulations are becoming more and more focused on rights.

Citizen's rights are more pronounced according to many of those interviewed. The public sector is increasingly met by with a lawyer at his or her side (figuratively). At the same time, the threshold for complaints has been lowered and new, different means of sanctions are being put into play if someone is unsatisfied with something or some sort of service. The media is also playing a new and larger role as channel for complaints sometimes in preference to available, established channels.

The person complaining naturally wishes to be heard and does not get an adequate amount of attention by complaining within the system. The example below is based on a statement from an interview:
A man had his father living in a care-center. The son rarely came to visit his father, but when he did he noticed that his father's nails were dirty and that he considered the hygienic standards in the care-center to be too low. The son immediately turned to the press, and the whole thing became a first-page story, with a big picture of the father. The paper failed to mention that the father did not want to wash up. The staff at the care-center were helpless, because they are not allowed to force anyone to do something they do not want to do. Later, when the father went down to the cafeteria to eat with the other residents, they pointed their fingers at him, mocking him for criticizing the care-center. The father was so ashamed and upset that he isolated himself in his room for several weeks.

Expectations of providing service for everyone

More citizens have an increased expectation that the public sector should be able to service the entire society, not only the needy. The public sector has its responsibilities toward everyone, also beyond the working life, and its strong citizens. This puts great pressure on the capacities and resources of the public sector. For example:

An Oslo suburb used to be considered a rural municipality, with many farmers and an aged population. Because of its vicinity to Oslo there was a massive migration of younger citizens, who commuted into Oslo. This new group came with new and more demands, which created a rather militant atmosphere in the suburb, and the farmers began to feel uneasy about the situation. There were no torch-t protest marches concerning care for the elderly, because the younger generation had their parents in other parts of the country. There was no fuss about the care for the elderly. However there were many demands when it came to childcare, daycare for children and indoor climate in schools. These topics created a stir!

Expectations on greater openness, better communications and evaluations

The rising pressure from citizens concerning flexibility and individualization go hand in hand with the fact that citizens gain awareness, and desire to influence the use of public sector resources. They can only achieve this, if there is an increase in openness and communication on behalf of the municipality. Citizens expect answers to everything when they call, someone said, and it is expected to be easy to get through to the municipality. One municipality reduced the number of available telephone numbers by 1.400 and replaced them with one service-number, from which you can be directed to the right place.

Another way to achieve transparency is through quality control. Municipalities experience an increase in these, many of the interviewed point out. Goals and results are measured equally, and if the political level suddenly becomes interested in a new, special area, it will also be subjected to quality control evaluations.

Demands for documentation are growing, and the reason for this may be to protect those involved, if there should be any attention or criticism in an area. On the other hand, it is an additional strain on resources meet these increasing demands for evaluation and documentation. This puts managers in a terrible dilemma: “When distributing management-attention, should it be on control or
(administration) or competence? The central government expects total documentation, and citizens expect total service.”, as one of the interviewed commented.

Social welfare is facing increasing competition from other suppliers

It is a basic feature of the Nordic public sectors that social welfare is distributed equally. Traditionally, there has also been a conscious distance to market-based welfare, according to many those interviewed. Though during recent years, the idea of market-based economy is gaining ground. Market surveys are carried out, and an increasing number of welfare-institutions are facing private competition. In Sweden for example, there is great pressure from the private sector. This general evolution is, according to many of the interviewed, on a direct collision-course with the basic principle that you should not be able to buy better service than others, just because you can afford it. One of the interviewed stated:

The idea of equality is strongly founded, as opposed to the Americanized, private solution, where you buy services. Market-based thinking comes to a halt, when it faces the cultural, Nordic wall.

The idea of equality is still the basic principle in the Nordic region, but pressure to privatitize has been great during a period of time, for example in Sweden, but is now ebbing out to some extent. That it has been correspondingly difficult to establish something similar to market-based standards might be blamed upon the deeply rooted resistance on which it is founded. One of the interviewed states a very current example of the mechanisms put at jeopardy when public sector welfare institutions are exposed to competition:

I've been the manager of four primary healthcare centers, but just yesterday, one of these was leased to a private entrepreneur. This came as a result of budget deficits during recent years. This is why a decision was made, to lease a total of eight healthcare centers. Before this decision was carried out, there was an election, and privatization was left in abeyance. The process of privatization of one healthcare center had by that time, gone so far, that it was carried out. There was talk of a ideologically based privatization, that was also expected to bring savings. The profit has turned out to be marginal, in part because many of the original staff members have decided not to take employment with this new entrepreneur. The center is now being closed down by its original owner (the county council), and it is expected to be an expensive transaction.

More and greater -often contradictory- demands on management

The evolutionary tendencies mentioned above show themselves as greater, often contradictory, demands on management. There are expectations that managers should simultaneously be able to handle work management, staff management and general financial management and still carry out a specific job, for example a chief physician who is expected to do surgery (and possibly be the best at it).

Let us round this part up with a quote to summarize what an administrative top-manager describes as the new reality for the public sectors, also summarizing the issues mentioned above:

There are increased demands as well as increased expectations on tailor-made public sector service in meeting other service functions. Needs of the individual require
increased and new means of looking after. Standard solutions are no longer acceptable. The citizen wishes to be seen as an individual. This is typical in health-administration. Relatives live far away from their parents and expect that their parents are looked after by the public sector. Meanwhile, the citizens are well aware of the demands they can make. They are not satisfied with what they are receiving. Citizens make greater demands on the public sector. This is a great problem since we have experienced ten years of budget cut-backs. Although there has been an increase in welfare services, expectations have also increased and an expectation-gap has been created.

Practicing management in cooperation with union representatives

A basic management-standard in the Nordic region is cooperation with unions, many of the interviewed say. As a manager in one of the municipalities puts it: we are tightly integrated with the unions-for better or for worse.” Anything else would be difficult, when almost 90% of public sector employees are members of a union.

It is obvious and clear from the interviews, that managers are aware and dependent upon this cooperation. One top-manager, for example, states that political procedures can be put on hold if unions disagree. As one of the interviewed says: “If the union doesn't want it, you can just forget about it. You can't use power, that is when you just have to re-think your strategies and tactics.”

Accordingly, the elected union representatives acknowledge that they have responsibilities concerning all of the groups that they represent, not just the specific interests of a single group. As one elected union representative put it: “You work together for common values during eleven months of the year, then fight for wages in the twelfth!”.

This role is not necessarily an easy one for these elected union representatives. The ideal situation is when management and employees meet in a constructive dialogue. This situation might in itself, hold back the union representative. As one representative puts it:

If I can manage to get the employees and the manager to improve their communications, I have done a good job. In that part, I play a rather background role where I hear what the manager's problems are, and then, I have an informal chat with the employee. I have a very clear strategy for the public sector manager and the management to be seen and follow through when they need to, but on an everyday basis, I might as well be invisible.

Some of the elected union representatives- and also some of the union members- may find this stance as one that is too passive. This is why, some of the elected union representatives say, that they should be a more constant and functional support to their members, and stand by their side. Many of the interviewed question this rather classic form of representative's work. Arguments for this stance are, as one of the more consensus-seeking elected union representatives puts it, for example:

I am fundamentally divided, by this I mean to say that I represent a whole. That is why I take part in laying out strategies, and this is where I represent all of the employees, so that management can draw reasonable conclusions and make competent decisions.
This union representative adds, that in extreme situations, he tries to keep good relations with management:

For example I never participate in protest marches because it lessens my chances to be taken seriously. This is why I don't always agree with what many of my colleagues do and express as union representatives.

This tight cooperation with the management leads to the notion that the elected union representative acts as the prolonged arm of the management. Many of the interviewed state that top-managements have been good at letting the coworkers win. Union representatives are also involved in situations concerning budget cut-backs, and are encouraged to be constructive in such matters. As a top-manager stated:

They cooperate with us, because they realize that there are savings to be made, and prefer to face it in a constructive way, rather than fighting with their backs against a wall. (If you can't beat them, join them).

The trust from the management's side for the union representative, can sometimes be so great, that the representative might actually remove a manager that employees are massively unsatisfied with. As one representative puts it:

It can be done, even if it is extremely rare. The manager of the public sector has such great faith in me, that if a situation may arise where it's come to "the manager or us", the union representatives and the employees often win.

Transitions are more rapid nowadays, and this increases the necessity of cooperation. Legitimacy is important, and the union representatives play the part of translating what leaders say into something that the coworkers will consider as a good idea – even after the fourth transition-procedure, where it is usually hard to find the enthusiasm.

A researcher points to a more basic problem:

Up until recently, there has been a high correlation between employee appreciation of their own influence, and the influence possessed by their union representative. In other words, the union representative is looked upon as a sort of door opener of the common employee. The question is, will this remain so? By this, I mean, that the influence of a union representative is only meaningful to a certain level, and after that level is reached, it may only be disruptive, for example as a result of training and competence. On occasion an individual person might achieve more by directly addressing management instead of going through the union representative.

This dilemma is of great importance to Nordic management, since it is so deeply rooted in the cooperation between labor market parties.

What can be done?

Finally, these are some examples of what some public sectors have done to live up to these new, heightened demands. Keep in mind that these are examples from interviews.

Interactive cooperation with citizens: Many public sectors have made huge efforts to improve their interactive cooperation with its citizens. This is done, to meet demands for improved accessibility
and service. In one municipality, for example, it is referred to as interactive services, and that covers areas such as electronic applications, processing of day-care applications etc.. Use of these services has grown from 10 to 70% during just a few years.

**Altered organizational-structures:** Instead of different organizational units with specific, limited fields of work, which make it harder to create continuity, services are now divided into the different stages of life: childhood, teenagers, and so on. In this way, citizens have one place to turn to. Access to services is easier with this type of structure.

**Electronic contact:** As previously mentioned, one municipality chose to replace 1,400 separate numbers with a five-digit phone-number that citizens may use, no matter what the errand is. This centralization lead to some internal conflicts, but it has simplified matters for citizens-and has provided greater transparency to the public sector.

Another example is a hospital ward, that has increased its effectiveness, rationalized and has managed to create better service at the same time. The ward used to receive 60-90 phone-calls every day, which was distracting and stressful. That is why they changed the system so that all calls were quickly returned. The goal was to get back to the caller within 5-10 minutes. In one week, the longest waiting period was 26 minutes. This was a cultural transition for co-workers, who now had to get used to, and learn to respond to calling patients, before dealing with the ones in the waiting-room.

**Involving politicians-with a more open agenda:** The traditional experience in many public sectors is a wish to keep as much distance to political management as possible, and maybe even try to get rid of it. An increasing number of people are now against this stance, calling it non-constructive: it is on the contrary, important to include politics and politicians, but only in the important areas. Everything might backfire if it is not done properly to begin with, and a sensitive matter comes up that would have been impossible without the aid of politicians.

**New leadership roles:** There is an increasing number of examples concerning team-leaders with responsibilities for operations, not personnel. This is blamed on the fact that some people do not want to, or lack the knowledge required for dealing with personnel management issues. Others say: I can't be a manager, when I don't have responsibilities for personnel.

**Value-based management:** One municipality has put in a lot of work to create common values, common understanding, a sense of the overall mission and transparency within the organization. As of such, they have created a set of values they call “RCBCTEH”.

Respect
Care
Bravery
Cooperation
Troubleshooting
Engagement
Happiness

As they describe it. “With care, trust and respect, we find solutions and get good results”.[OK]

This is used on a daily basis, and can be found on the web-site and printed out. In this way, it can become an active leadership tool on a daily basis.
**Nordic management: trans-national similarities**

**Introduction**

This section refers to what the interviewed said, when questions about similarities in Nordic leadership were asked. One characteristic experience, for all of the interviewed, is that there is something specifically Nordic in Nordic leadership (or at least Scandinavian, see below). It is often hard to define what this specifically Nordic feature is though. On the other hand, it is easier to define what Nordic leadership is not, and is compared with leadership in the U.S.A., but also, to a lesser extent, in comparison to southern Europe and in one case England.

**The Nordic Values**

Freely interpreted, there are many similarities between descriptions of Nordic leadership and the old ideals of freedom equality, liberty, and fraternity. The interviewed point out the Nordic welfare-states as the foundation on which Nordic leadership rests. It is something special, and it stems from a democratic mentality, that creates a unique set of values in the Nordic countries. There is a firm conviction among the interviewed, that leadership has developed in it a special way in the Nordic countries, in comparison to other places in Europe or for example the U.S.A.

One example is the statement: “Nordic leadership is more pragmatic. It is attributed to the Nordic culture. Nordic farmers do not drive their tractors into the big cities to protest.”

In the Nordic countries, many say, welfare or the competence of the public sector is not questioned, this applies to the private sector as well. This is because the public sector is very large in the Nordic countries, compared to other countries. This fact, many say, is the essential basis as to why Nordic leadership is such a specific concept.

In the following we will present some of the characteristics that are said to represent the foundational pillars of Nordic leadership:

**Short power distance**

Leadership is built upon a belief of equality and respect for each other, many say. This means that the organizational structure is flat. Leaders, managers and coworkers work close together and hierarchy structures are low, communication is informal and is marked by natural respect—not just level-based authority. If you have disagreements with your executive, you may express it. There is less symbolism and ceremonies concerning level-based authority, and leaders spend a lot of time with his or her coworkers.

An head nurse states, in one example, that when she started her new job, she spent a lot of time to create cooperation from the ground up, in relation with the different teams. Earlier, the organization was built like a flower, with the manager in the middle and the different sub-groups as petals around her. There was not much cooperation between groups, management seemed to be the
necessary center, and communications went through her. As a contrast to this, she is now trying to keep up closely with the different teams of coworkers, at least once a month by attending their team-meetings.

Profession management

It is a characteristic of the Nordic countries, that workplaces are very knowledge-intensive. This means that a great part of the employees have an identity strongly connected to their professional-training. Basically, it cannot be said that this is a generic Nordic phenomenon, it exists in several other highly educated regions, but it has great impact on the culture in Nordic workplaces. It matches something that is very specifically Nordic: cooperation and involvement of the employees in management-related issues.

There are many examples in the interview-survey of what consequences are, of dominating groups of employees on a workplace who have such profession-based education and identity. For one, these groups represent a competence of priceless value to the workplace, even if differences occur on what is perceived as something organizationally important, and what is professionally important. As one manager of a hospital ward puts it:

*There is an official description of our responsibilities. It describes, among other things, your different responsibilities, and what tasks need to be carried out. The problem is though, that many of the nurses carry out their job in a way that makes it seem as if Florence Nightingale is still alive. Nurses used to do everything for the patient, and the patient still expects this. This includes shopping for the patient, calling the family and so on. Now, both patients and nurses are taught better planning of their work: I'm supposed to do this and that, but not this and that. These new priorities of tasks are to be carried out, without the nurses losing their professional pride, and this is hard.*

This means profession based management, i.e., that someone with similar training as coworkers is put in a management position. Often, this is done through internal recruiting, where someone is suddenly managing people who used to be his or her colleagues. This might have the same consequences, as one of the interviewed say: “In a profession-dominated organization, you are oft focused on your personal professional specialty, and underestimate that tasks often demand cooperation.” It can be hard for a person with a non-traditional background, to suddenly come in as a manager, partially because the dominating profession monopolizes management-positions, and partially because it might be hard to gain acceptance if you do not belong in the same circle of professions. Though one example of success is Swedish hospitals. One of the interviewed has taken over responsibilities of a vast area of a hospital, even though she is not a doctor, or has any special experience in the areas:

*It used to be impossible that a non-physician became head of operations. Nowadays, more than half of them are. Non-physicians concentrate more on management than those with a background as doctors. The pendulum though, has swung too far to one side, so that now, there is a shortage of physician managers. One might ask why physicians do not object to the fact that a non-physician becomes manager. This might be blamed on the fact that physicians within this specialty are less prestige-minded. They are afraid to slowly lose professional respect and competence, if they put too much time into management. They also have several other ways to have some influence, apart from being managers.*
On this basis, you can see in profession-based organizations, that people shift between being managers and coworkers, in this way, they get the best of both worlds. Apart from this, it is very hard, as a manager, to retain (the illusion of being) a specialist more competent than your coworkers, and there is perhaps no basis of this being true. One of the interviewed for example, describes how she was assigned a position as manager in a field where she had little knowledge. Instead of looking at this as an impossible task, she saw it as something positive:

> Me not having the same knowledge as my coworkers gives me the legitimacy to ask questions. And I can tell that coworkers feel delighted when the are able to answer these questions. Also, they are required to answer in such a way that someone outside their specific field of knowledge can comprehend what they are talking about, this gives them such an opportunity.

One of the interviewed researchers points out, that people working in the public sector often have three roles:

- **Responsibilities toward citizens:** There is a responsibility toward the citizen that you are supposed to serve.
- You are *an employee* as well as a colleague, which means, that loyalty is aimed toward the organization and colleagues
- You are *a specialist*, which means that you gain your legitimacy through your competence and professional ethics.

It is especially the latter, which is described above. According to the researcher, the good workplace is defined by a good balance between these parts. This is why it is good leadership, to be a part of, and to tend to these three parts being seen to. If one of these gets an overhand, it will lead to inappropriate consequences. One of the interviewed, a manager in the hospital-sector, describes what can happen when profession-identity develops into a long-term problem (She is thinking about the workers that are stuck in their same old jobs, do not leave the organization, but do not want to transfer. When she points out to them, that they may lose their chances of moving, the answer is: “Yes, but why should I move to another health-center, where I will be doing the same things as I'm doing here?”). “But it won't be the same”, my response to them is. “The environment, culture, colleagues, and so on, are different!”.

When there is in the Nordic countries, perhaps less prejudice towards leader, it is not necessarily attractive to become a leader, it can also be blamed upon the fact of how we look, culturally on leadership, many say. We look upon leadership in contrast to other, more hierarchic and (status-sensitive regions- more as a task to be carried out, not unlike any other task. This is why leadership, is not, as in other countries, surrounded by any sort of glamour. Leaders are practical, pragmatic and oriented towards results. As one of the interviewed said:

We never boast of our formal position, and this is why we have an impact. An Italian executive of a public sector would be beating his chest and say: “I'm a chief executive in the public sector!””. His Nordic counterpart would never do this.

Only when leadership becomes quite clear, it is expressed in a controlled form, as in the following quote from one of the interviews: “One does not stand *above*, but *beside* the troops while leading them.”

It is clear from the interview-survey, that the struggle for the good knowledge based coworker is very tough. There are examples of hospitals where they try to attract knowledge based workers with offers of individual development, responsibilities and a financial compensation for the realization of
an individual development-plan. Another example is the use of substitutes, who get up to double the wages of the regular employees, but in return have to produce more and do not participate in the back office work, that for example, typically can take up to half of the regularly employed doctors work-time.

Incidentally, it is mentioned by many of the interviewed, that typical, Nordic leadership, where coworkers and good management of them is given a high priority, is harmonizing well with the expectations that the younger generations have when it comes to working life. They include knowledge-based leadership and the opportunity for development and responsibility. These expectations are meant to be easier to adapt into an organization based upon the principles of Nordic leadership.

Participation and cooperation, involvement and being co-creative/have influence

There is a close connection between short power distance and the amount of influence/co-determination that coworkers have, many say. This co-determination falls into two categories: the formal one (often through permission) and the informal one, which expresses actual leadership practice in the operations. Concerning the first category, the primary rules regulation co-determination are generally the same for all of the Nordic countries. The informal co-determination, reaches much further because of the consequences of the short power distance in the public sector in the Nordic countries. Leaders expect their coworkers to be competent, reliable and able to act independently. When the trust that this reflects, is confirmed, it becomes natural to involve the coworkers to a greater extent, many of the interviewed confirm.

It is, however, important to be precise when it comes to terminology. Where co-determination may be an expression of a formal set of rules, it is an increasing degree of involvement where the term co-creativity is the greatest degree of involvement, independence and responsibility for implementing a process. To be co-creative in the Swedish and Norwegian model involves being more active than in the Danish model, something the Danes could learn more about according to a Danish participant.

The collaborative leadership-form is expressed in some main areas. Primarily, communications between leaders and coworkers change. It has the characteristics of a dialog, which both indicates and requires mutual trust.

Collaboration also affects decision-making. Whereas in other cultures, decision-making is solely up to the leader, but in Nordic leadership, coworkers are both heard and involved to a certain degree when it comes to decision-making. This often makes the process of decision-making much more complicated and time-consuming, but does not necessarily, due to this, lead to poor decision-making, many of the interviewed say.

One of the interviewed gives an example of how a coworker can choose or choose not to participate in decision-making:

Two North Sea oil-rig support-ships, anchored in the Copenhagen harbor on a Friday afternoon, because they both had problems. The German ship cast anchors, sent a message to Germany and awaited an answer. The Norwegian ship also sent one to their headquarters. Neither of their messages was answered, since both of the offices were closed for the weekend. The German crew stayed in port until Monday morning, awaiting instructions from their headquarters. The Norwegian crew, on the other hand,
went into town, found a supplier who could deliver spare parts, bought them, installed them and then set sail for home.

A third main area, where coworkers are involved in leadership is when they are involved in the implementations of values/strategies. One example mentioned, is that life-quality is a value that the public sector focuses upon, in relation to their citizens (and also as a workplace). Involving the individual coworker in this, turns the coworker into a co-creator of (=has influence over) the process, hence it is influenced by will, desire and motivation instead of just performing a task just because someone told you to do so. Many of the interviewed express, that it is very important, but also very sensitive, for public sectors to enforce value-based leadership. The public sector is, as an employer, both big and also very visible in the local area. As one of the interviewed puts it:

_We employ nearly 10% of the active working population, but when we count families and relations, almost half of the total population discusses the employment/staff-policies in the public sector._

Here are some examples of the positive views of coworker collaboration, as it is described by the interviewed:

- One municipality has three principles of leadership, the first one being leadership through cooperation, such as team-leadership and that coworkers are included in decision-making. The other two being courage/risk-taking and taking action.
- Another municipality states, that if we are to develop the organization, it has to be done bottom-up, because things just cannot simply be implemented from the top. It is from the top that we get the signals, but the desire to create and realize development/change should come from the bottom.
- A third municipality has, as a basic principle, that 95% of things that leaders are employed to do, might as well be shared with coworkers, which is a massive argument for knowledge-sharing.
- In a fourth municipality, they say, that leadership-decision-making is overrated. It is mostly concerning procedures, because decisions are made on their own. This is a low-profile type of leadership, because you daily processes move towards decisions.
- In a municipality they have a central employee hiring group consisting of eleven leaders and five elected representatives to approve all of the newly employed, on all positions. Bosses/managers/leaders are then supposed to convince this group of the necessity of maintaining his/her position within an area. If not, it will be transferred to another, more urgent area.
- In the same municipality, a local group of coworkers is appointed by two leaders and one representative for the coworkers, with the task of approving the local procedure and candidate. Anyone of the three has the right to veto and can prevent the hiring of a particular applicant.

However, there has also been expressed some concern in relation to the extended employee involvement in the Nordic countries. First of all the decision-making processes can be very long, which we will return to when going through the subject Management in the Nordic countries. As is has been expressed:

“For an impatient leader, Nordic leadership can be hard to bear”. Secondly, cooperation does not necessarily mean shared responsibilities, and it can be problematic. In some cases, the process can go on, without any decisions being made, Because as long as no decisions are made, no one can be held responsible. In a Danish municipality, for example, if a work-group is appointed, it may have a
maximum of four meetings, and there are unconditional demands on results, here and now. A third point of criticism of the informal collaboration/co-determination when it comes to leadership-procedures is, that this might be in conflict with the formalized/institutional cooperation between leaders and coworker-representatives.

It should also be noted, that coworker-collaboration-leadership, as we know it in the Nordic countries, is not just an expression of cultural characteristics. It was also attributed to, that specialized leadership is increasingly looking upon leadership in a relational perspective, rather than as an expression of single person's (=leaders) personality, style, methods and tools. A researcher, who was interviewed in connection to the project, put it this way:

"In line with the way we have organized over the last 10-20 years, the institutionalized leader-role has become increasingly outdated. Leadership comes into existence in the relation-and it is not something that exists on its own. This is why collaboration is important, and it gives deferred roles to leaders and coworkers in their internal relations. This is very clear in the public sector in Norway. Great changes in the organization within the individual municipalities? have led to the removal of organizational teams, so that, for example, the so-called level 2 model has been spread to about half of all municipalities. These changes have meant that the control-span (the number of coworkers per leader) has gone from perhaps 20 to 80. When this has been done, among other reasons, due to a belief that individual coworkers can be increasingly self-led. Meantime, there are many different types of leadership-tasks on the shoulders of the leaders. Where a public sector leader, earlier could concentrate on operational leadership and (in varying degree, and varying desire) staff-leadership, the leader is now faced with a wide spectrum of tasks and demands. It is harder for the leaders to live up to these demands, along with the coworkers who feel that leadership has been “thinned out”, simply because it was previously the core, namely operational leadership, that is now playing a smaller role. At least, this is how it is experienced. Norwegian/Nordic municipal leadership have to a limited degree abandoned the very strong principle of hiring leaders who are experts in the same profession as coworkers. In a few specific areas, for example, daycare, there have been departures from the principle following a struggle."

Leadership-communication

It is a very dominant opinion in the interview-survey that everyone is on guard when it comes to the communications-system in their municipality. To be a good leader in the Nordic countries is identical to being able to communicate with your coworkers. You do not get many chances to get or to preserve a leadership position, if you do not have good communication skills-and give priority to dialogue. The leader is close with his or her coworkers, and this is why, it is necessary, that he or she understands what they are thinking, and helps them come up with ideas, values and projects. Small talk is an important tool for the leader. Dialogue between leader and coworker is fully characterized by being open and equal. It is less authoritative and more delegating than in other parts of the world and it reflects some national, cultural characteristics. This demand for leadership-communication goes hand in hand with the (also increasing) expectations that both leaders and coworkers can communicate effectively with citizens/clients/patients.

Many of the interviewed see similarities between leadership and the world of athletics: There is a focus on both the team and the individual, and on the team results and individual talents and personal development. The development of the organization is dependent on the development of the
coworkers—and vice versa. This is why leaders in Nordic municipalities have to act upon the basis that they mostly have to work with coworkers, who have clear expectations for their jobs, of which the wish for professional development is one of the clearest. It is just as important for the leader to meet coworkers’ wishes to affect their own working-environment and their own job.

Engagement

When engaged, highly motivated coworkers figure as special characteristics of Nordic leadership, it is connected to the values mentioned above: openness, flat structures, dialogue, democracy, communication, collaboration, outsourcing responsibilities. There is, among the interviewed, a widely held belief that the Nordic values give a greater engagement to the job, the leader and to the organization. This remains to a great degree a truism. There are no data to support this connection.

Divided leadership

At the same time, it is a characteristic of Nordic leadership—and there are many demands on this—the execution of divided leadership, also known as total leadership. This means that many leaders have had a tendency towards, and maybe even prompted to, optimize leadership of their own unit—and really do not have the need to be interested in the organization as a whole. This characteristic can be traced to professional-environments, where the definitions of quality and organizational success are tightly tied to the effectiveness of operations at the single unit level.

One of the interviewed researchers summarizes what is happening. The theme is that there are obvious tendencies toward decentralization and centralization at the same time. It is explained in the following way:

− Goals and result-management have been experimentally introduced as an alternative to detail-management, but have proved to be counter-productive. The harder you manage a single unit towards goals and results, the bigger the problems concerning flexibility become. Problems occur and the cross-section mobility decreases. An authentic example of this is that coworkers refuse to be loaned out, from one school to another, even if there is an emergency. It is not in the results-oriented contract that coworkers can be loaned out. The more of this that is seen, the greater the transactional costs.
− There is a delegation of responsibilities to unit-leaders and coworkers, who gain greater control of their own work. This is positive in itself.
− Meantime, there is an empirical controversy, whether strategic decisions are made centrally—in line with New Public Management. Responsibilities are delegated from the politicians, but it will not get by the administrative top-leaders. Surprisingly enough, this has been described historically, with national leaders using a classical administrative model.
− There are good arguments for cross-section coordination in leader-groups, and in practice it is crucial. The better it succeeds, the more difficult the situation becomes for the individual leader. What is discussed on the general, cross-sectional level is management, while the individual expert suffers. This is not a desired effect—it is merely an unavoidable side-effect of the other, generally positive efforts to tie coordinate the entire organization.

Let us conclude with an example of one municipality where the belief that the future will bring massive goal-and frame-based management (leadership). Earlier, there was not much overall leadership, and the organization had a large budget deficit. Now, contracts are entered with all
the administrative-areas, nearly a total of 10, and systematic follow-ups are carried out. These take place during monthly meetings, which the management, the head of finance, and the head of human resources have with the individual administrative-areas. Here they discuss the budget, the number of employees and so on. The representatives of the municipality mean that there are two positive consequences: Primarily, the financial situation has improved greatly, and secondly, it trickles downwards. It is clear from the lower levels, that the process is taken seriously.

Decentralized responsibility for personnel

The Nordic countries are characterized by the single supervisor in the organization, who has a very great responsibility for the staff. This is looked upon from a general point of view in Part II, but this is also clear, judging from many of the interviews. Hence, one municipality describes how they have formulated three main-tasks that should be part of all leadership-jobs: staff, economy and operational development. Another example comes from a hospital, where staff-responsibility is also consequently delegated to the first line supervisor, and where his or her superior avoids getting involved in staff-related matters-to avoid taking responsibilities from the mid-level leader. The superior leader never meets with the coworkers alone - but always with the closest supervisor/leader/manager.

Many of the interviewed emphasize that there are great demands on putting all staff-responsibilities completely onto the decentralized leader/manager/supervisor, but it is a general feature in the Nordic countries – and it works both naturally and necessarily in knowledge-based economies such as the Nordic ones.

Social responsibilities

The welfare-state is based on collaborative and democratic institutions, that strive for equality. Means of financing the welfare state highlight, according to what many say, the community's responsibilities for leadership. There is acceptance for – and also a positive attitude towards – a large public sector. Public-sector employees in the Nordic countries have a view, increasingly characterized by some sort of calling and a humanistic attitude., The source of motivation is the feeling that employment within important community contributes to the development of the community, rather than the hopes and wishes for a high salary and material goods. Nordic management is therefore characterized by internal responsibility for the coworkers, and also external responsibility for the citizens and the community. This is clearly shown in the high awareness of what is produced and how it is claimed. A thought-provoking example is a municipality that has a leadership development-program for all its leaders. The title of this program is: “The leader as the community-builder”!

Many of the interviewed express, that in the Nordic countries, we make a living from selling the good life. We are aware of the environment and energy resources, and have created economic potential because of this. It is seen, for example, from the fact that we produce windmills and that we have a large health care industry. We also have big niche-productions when it comes to lifestyle and culture. We have an overall awareness of quality in what we make/do. We have such a high standard of living that we can reflect upon the good life. It is a good material life, but also a life in accordance to our basic values, as for example, social responsibilities. Because, deeply embedded in the Scandinavian set of values is the idea that everyone deserves a chance. This is respected and considered in the concept of leadership. This is how many of the interviewed experience things.
Challenges for Nordic leadership

Nordic leadership sounds like perfect harmony, but naturally, it faces many challenges. Because, Nordic leadership is also a very demanding concept, many of the interviewed say. We have an ambitious leadership, where coworkers are included. This is demanding. Coworkers do not carry out a task just for the sake of doing it. They should feel that they command it, because they are both competent and independent. This means that frustration often arises, if these expectations are not met.

Nordic leadership means long procedures, many meetings and many involved, many of the interviewed say. Hence, many express, that in the Nordic countries, many meetings are held, especially in some of the countries, Sweden for example. Leadership is about making decisions, but if everyone is involved, there is a risk, that no one will take responsibility, and/or that no decisions are made. It becomes non-responsible. “When everyone is supposed to be responsible, it ends up with no one taking responsibility”, as one of the interviewed put it. This means, that the final decision, that can be very hard to make, becomes hazy, bogged down – yes, even avoided. Uncomfortable decisions are hard to make in a consensus-culture, many say.

As previously mentioned, it can also be hard to be impatient by nature, since decision making-procedures can go on for a very long time. “Nordic leadership is an endless discussion-forum”, as it is said!

The short power distance can also be a challenge, since consequences are, that in many situations, you can simply take the power you want, many of the interviewed underscore. It can be done in either a good or a bad way: The bad way is apparent in situations, where the leader controls coworkers in a refined, psychological game. The good way is characterized by leaders possessing relational competence, the ability of entering into, and using, empathetic abilities and being able to read people. The leaders are able to clarify for the coworkers, what role they are playing in relation to the overall mission, they set up good boundaries, goals, standards and so on, and the intervene when something is unsuitable.

Is Nordic leadership threatened by globalization?

Many of the interviewed point to new tendencies containing contradictions to the values of Nordic leadership. With globalization come, for example, increased demands for effectiveness and resource-awareness. Everything can be produced cheaper in other parts of the world. As a result, it is said, everything is weighed and measured to a much greater extent that what it would have been just a few years ago.

One example of this is the very detailed time-registration for home-services for example. It challenges the coworkers’ opportunities to plan their work and take responsibility for their tasks to be carried out in a satisfying way. In connection to this, the Lean-concept is mentioned as an example of leadership-principles that are not based on the Nordic values. Lean Management is a method of leadership that focuses on the trimming of production-processes by focusing on principles such as creating values and closeness in relation to the customer, surveying value-directions, focus on processes instead of functions and perfection. The method is inspired by experiences from Toyota (Womack etc., 1991). Nonetheless, an increasing number of these tools
gain ground in these years. The basis of this evolution is said to be the fact that we have no awareness of the values, which we in the Nordic countries build our style of leadership upon. We are uncertain and insecure, and are therefore tempted to import other, often American, principles and-methods of leadership, many of the interviewed say.

Another tendency is, that the youth of today are far more concerned about careers and high salaries than their parents. The question is, is this a result of increasing competition as a result of globalization? The younger are also from the smaller generations, and the capable ones can choose between many different dream-jobs and have great demands. There is, among the interviewed, a great doubt, as to whether the younger will respect the Nordic values such as the social responsibilities, or abandon them for material welfare.

The conclusion, according to many of the interviewed, is that it will take an increased effort during the coming years to preserve and maintain the Nordic values if you wish to keep an independent, action-taking and motivated workforce with a understanding of and support of social values.
Leadership in the Nordic countries: The nationally specific

Introduction

We have, in the previous section described common Nordic characteristics, which the interviewed define as Nordic leadership. In this section we will analyze leadership in the Nordic countries, which means that we present the differences in leadership-practice in the individual countries, as defined by the interviewed. These differences tell us a lot about national characteristics, which among other things can be interpreted from specific, national historic circumstances. Apart from this, some special comments concerning Finland will be taken into consideration. Finland has a very special status among the Nordic countries. Finland is bilingual, 94% of the population speak Finnish, which is not in any way related to the other Scandinavian languages. Only 6% speak Swedish as their native tongue. With two languages come two cultures, which affect each other, but also, a great effort is being made to preserve the Finnish-Swedish minority-culture. The public sector is naturally influenced by the fact that the country is bilingual, and this is why the interview-survey in Finland included all the different types of municipalities: the solely Finnish-speaking ones, the mixed Finnish and Swedish-speaking one and the solely Finnish-Swedish municipality.

Without going into a deep historic analysis, it should also be mentioned that all different Nordic countries have had a very diverse history. One, for this project, very evident and important feature is that all the countries, in some degree, and in different ways, and at different times have been subordinate to another – Nordic or non-Nordic – country. This applies especially to Finland and Norway, but also, in some degree Denmark and Sweden.

We find it important to take notice of these different features, as they in different ways are reflected throughout the interviews.

Mind that the entire section is based upon what the interviewed have said – and does not express the steering group’s or the researcher's points of views or opinions. For every country there is a general text, that captures the main lines of what was said. Following this are more independent, authentic statements from the interviews. These statements supplement the general text, but are not integrated within it.

Denmark

The historic background highly affects Danish leadership-praxis. As one Danish interviewee expresses it:

The individual features of the Danes were shaped several hundred years ago, since we were a community of farmers, built upon “the small farmer”. And even if the Danes invented the cooperative-movement, there was always an individual element within. We ruled by our head and not by heads of state.
Even if Denmark does not have any natural resources – except for the oil now – we have always gotten through export-wise. We live off of three things: self-interest, individuality and that “the wise mocks the less wise” (“the wise mock the fools”). Danes possess a great talent for trading. We are an old trade-nation, since “we live from selling things, which we do not have”, because we never had any natural resources.

Leadership in Denmark is generally described as equal to that practiced in Norway (compare below). Typical features are involvement of coworkers, distribution of responsibilities, the chance for coworkers to affect working conditions and their own job, openness in the management, a more casual tone, etc. Many interviewed say, that a loud-voiced discussion in leadership-groups is fully accepted in Denmark and Norway, as opposed to Sweden. In these two countries you have to air your opinion clearly and distinctly. But when it comes to actual decision-making, it is accepted in both countries that decisions are made by the boss, as opposed to Sweden.

Danes are quick and impulsive, when decisions are to be made. The differences in decision-making processes are a big source of frustration when Danes and Swedes are to work together. It is stated by many Norwegians, Swedes and Finns, that only Denmark could undergo and accept such a vast reform of the public sector, so fast. In the other Nordic countries, there has been talk of huge changes of structure, but not many believe in quick decisions.

- Danes are slightly fresher, because they dare to decide, of which the reform of the public sector is clear evidence. It is evidently a political stance, that just will not happen in Norway. Here they just talk and talk, and it has been like that for years. (N)
- Sweden is viewed as more formal. Norwegians can be so direct that it is considered to be rude. Danes are more continental. Finland is also more formal. Island is a family-community – who are you related to? (N)
- It is harder to get Danes and Norwegians than Swedes to walk at the same pace. (N)
- Danes have the same values as Norwegians, the have a casual style. Swedish leaders are more aware of their status – above the employees. (N)
- Norwegian and Danish leadership are similar, featured by openness and heartiness; in Sweden, leaders are more formal and formalizing, greater distance between leader and worker. (DK)
- Swedes are more aware of which part they are playing, and what wishes from the boss are, whereas Danes need things spelled out. When a Dane gets an order he carries it out just like that. It is easier to command a Dane than a Swede. Decision-making is often more time-consuming in Sweden than in Denmark, but as Swedes are better at listening, there is a better understanding for consensus, when you want it (DK)
- Danes are more pragmatic. When you talk about strategies, the eyes of a Dane will go blank. (F)

**Finland**

Several Finnish leaders are men, and this has led to leadership-style being characterized by the fact that more leaders have done military service and have held jobs in the military, than in any other Nordic country – and also maintained connections with the military as reserve-officers. Hence, the military style of leadership has played a very big part in civilian leadership. Up until very recently,
Finland has experienced terrible financial conditions, suffered from scarce resources, and been under pressure from the east. Many of the Finnish interviewed characterize Finnish leaders like this:

They are direct, they don't talk much and they concentrate on facts. It has the advantage, that it's effective, but commando-leadership can lead to inner tensions. This is opposite to Sweden, where they, unlike the Finns, talk and talk. A Finn listens to people, but does not drown them in a debate. They are pragmatic: they can establish cooperation with anyone. They are opportunists and have often been able to establish alliances between responsible units. In all, Finns have learned to manage war-and crisis-situations.

It is pointed out that the consequences of many wars and crisis are:

- A Finn does not expect positive feedback and does not care for negative feedback.
- They are on real and open terms with each other.
- Striving towards consensus: They wish to be diplomats, which may result in conflicts being swept under the carpet.
- Finns are used to resistance, poverty and war and therefore they are supposed to stick together.

Management by perkele

Originally a Swedish concept, to describe Finnish leadership, characterized by quick and effective decision-making, as an opposite to the Swedish decision-making-process, characterized by consensus, which ensures that everyone is heard before decisions are made.

Management by perkele (where perkele is a Finnish curse-word) refers in a more negative way to a military form of leadership, which does not allow any room for discussion or deviating opinions. The concept descends from the time when many officers were recruited to leading positions in working life.

The fact that this term is still used is probably blamed upon that the Finnish style of leadership can be characterized by the positive side of the concept. Effectiveness and straight-forwardness is typical for the Finnish style of leadership, and there is great awareness of tasks, goals and rolls, as well as the decision-making-process being quick.

Finland shares the same values as the other Nordic countries, but is especially attached to the following three:
- Respect
- Feeling responsibilities toward citizens, owners and coworkers
- Equality: To meet everyone in the same way.

It is said that Finns work in a different way from other Nordic countries; they are more precise and more conscientious. You go to work, even if you are a little bit sick. Finns also adjust better to rules and regulations, for example when the EU decides what a cucumber should look like. They are very aware of quality and have very high standards for health-care and a high level of quality in the educational system.

Traditionally, Finnish leadership has been authoritative. It is less characterized by consensus than
its Swedish counterpart, where there are meetings before the decisions are made. When a decision is made in Finland, it is first implemented, and then, questions are asked. Hence, they do not put as much value in dialogue in the decision-making-process as other Nordic countries, and they have a very brief phase of discussion, before decisions are made. There are often principle-decisions: It should be like this, and what are the consequences? For example, the Finns accepted that there was no referendum concerning EU membership. A Finn has general trust to the system.

It is expressed that communication is not the strongest characteristic of the Finns. They make decisions and move on. As one municipal managing director expresses it:

\[ \text{One of the errors I made when I started, was to think that it would be fruitful to bring the union-representatives to a series of important meetings. I noticed that they didn’t say anything until afterwards – then they could grumble. Hence, they were free of responsibilities. So I said: “But I want to hear what you have to say at the meeting.” It took a year until we could get things straightened out.} \]

The lack of dialogue also creates a challenge when it comes to annual reviews with employees. This is usually easier in the areas where a Finnish-Swede has a degree of influence, since the Finnish-Swedish culture is traditionally a more talkative culture than the purely Finnish culture.

In connection to this it is interesting, what is being said about female leaders: Female leaders are different – and often better. Their way of presenting things is better. They are better at communication, they often have a better education than men, and in some cases it is an advantage not to have served in the army.

Leadership in Finland is summed up as such:

- There is a strong faith in technology, which sometimes leads to the fact that people forget, that there are people behind it.
- Leadership with focus on economy as opposed to other Nordic countries
- Focus on knowledge and things before people
- Effectiveness and results before people; they need to be balanced
- Specialized leaders instead of professional leaders
- Leaders lack education and therefore rely on their professional competence
- In the public sector, there are many amateur-politicians, who interfere with operations, and administrators who interfere with politics.

Possibly as a result of military service, they say, that Finnish leaders are more authoritative than their Nordic counterparts, but that Nordic leadership – also the Finnish - as a whole, are less authoritative than leaders in, for example, Italy or the U.S.A.
Finland is very good at inter-municipal cooperation, because there are only two levels. It increases the pressure. (N)

Finland has a relatively open and liberal municipal administration. This reflects the need to be independent, and not be a victim of EU-bureaucracy. We wish to be autonomous. Besides: Politicians already set the tone in municipalities. It is, among other things dependent of whether it is a growth or non-growth municipality (F)

Swedes discuss more. In Finland you make a decision, carry it out, and then, maybe, you begin to ask questions. (F)

Finland is very conservative concerning innovation, lot of talk, but it is rhetorical. Not in contradiction to this, there is a great interest for management information systems such as SAP. That solves all of the problems, so there is no need for a lot of dialogue. (F)

Finland versus Denmark: The union organization in Finland is stronger, and is more top-down than the Danish (F).

Norway

A series of statements from the interviewed points to the belief that Norwegians are often experienced as self-righteous. They do not have the same interests as Swedes or Danes, they say. The argument for this being that if you have been an independent nation for only 100 years, there is possibly a need to be oneself and this may lead to self-righteousness. Isolated living was common in Norway, and to some degree, this is still true. Sweden may have a similar geography to Norway, but Sweden experienced an earlier industrialization. Sweden was also centralized much earlier, in the 18th century, and there was, from the beginning an acceptance to this centralization. In Norway though, there has always been a focus on the right to be a smaller unit/community, and there has always been resentment to centralization. This is also shown by a strong focus on the rights of individuals.

Another feature of Norway is the economy, and the impact of the oil. A Norwegian interviewee describes his countrymen like this:

We are 4 million people, but we act as if we were 20 million. We have the best welfare-system in the world, but we do not have 20 million people to finance it with. We live first class lives, but after us comes the deluge, and the question is, will leadership get us out of this tight spot?

This quote describes the awareness of resources that characterizes the Norwegian society, that for centuries used to be characterized by a poor standard of living, but because of oil, became one of the wealthiest countries in the world, this without changing the mentality of the population.

In Norway, we find that the interviewed have a basic belief in equality. There is less of a distance between top and bottom than in other countries, which reflects that Norway is an egalitarian society. Even if there is a lot of involvement of coworkers in leadership, and even if there is a clear bottom-up philosophy, it is both possible, and generally acceptable, for the leader to make a decision without involving, coordinating and communicating with others. Perhaps this great maneuverability is a reminiscence of the strong, individualistic tradition, that descends from and is built upon a society dominated by independent farmers and fishermen. It was, and is still the Norwegian legacy that means and meant so much for the local community.
The traditional leader-role holds a firm position in many municipalities, but a solid effort to raise the level of competence among leaders is being made, so that they are equipped enough to guide, coordinate and coach their coworkers. Norwegian leadership has, up until now, been featured by competence for better or worse, but is increasingly strengthening the development of leaders in the field of leadership. Not necessarily in a dramatic tempo, but with solid focus on changes. Those interviewed from the western parts of Norway say that they founded their culture of fishing, facing England and the U.S.A. They have a tradition of taking more chances and creating more opportunities to change at a faster rate, than what is the case in the eastern parts of the country.

In conclusion, it should be noted that Norway is not as affected by globalization as the other Nordic countries. This is, according to many of the interviewed, the reason for Norway's non-membership in the EU. One of those interviewed states that there is very little international involvement in Norwegian enterprises. There are few non-Norwegians on any board of directors, and there is very little cooperation between Norwegian and non-Norwegian enterprises.

- When politicians become powerless, they start to get interested in simple things. The political powerlessness is blamed for not being a political agenda. They do not know what to grab hold of. The political level should be revitalized – not by them taking over simple matters, but by creating an agenda, and by recruiting more resource-strong people. (N)
- Perhaps we are not as democratic as we think. Our form of leadership does not approve of the struggle for power, which always exists in an organization. Our openness and our decent form makes us disapprove of the many feelings in the organization – and the struggle for power within. (N)
- There are great regional differences within every single country. In Norway there are differences between east and west, north and south. These differences can be bigger than the ones between countries. (N)
- Norwegian leadership means, to have knowledge and competence to guide, coordinate, coach, so that the single coworker is noticed and praised for good work for the effort. (N, said about a progressive Norwegian municipality)

**Sweden**

In Sweden, the political model for the public sector is different from, for example, Norway. In Norway, politicians generally stay out of the administrative areas, whereas in Sweden, they go in and change things or strongly affect the administrative processes. This is, perhaps the basis of the complexity and uniformity that some comprehend as features of Swedish leadership. One of the Danish interviewed describes Swedish leadership like this:

*In Sweden we find a high level of stringency in leadership, but it sometimes happens, that it is a little mechanical and very rule-governed, for example in the field of work-environment. There is more top-down leadership than in Denmark, and a higher degree of authoritative-execution.*

Swedish leadership distinguishes itself from the other Nordic countries when it comes to the decision-making process. A decision, can first be made when all concerned parties have discussed it. The dialogue is long, but gradually, a consensus is created concerning a common goal, and when this happens, the boss can implement decisions. It is a pretty troublesome and demanding process,
but is effective in the eyes of many. The decision is followed when it finally is made. The Swedish type seems to be the most democratic, and this is why the question arises: why do both Danes and Norwegians share the opinion that there is far more top-down leadership in Sweden than in Denmark and Norway. Finns generally seem to think that Swedes just talk and talk without getting anywhere.

But this drawn out decision-making process also has its limits. This is described by one of the interviewed like this:

*We are afraid of objecting. We are so democratic and we are afraid of not involving everyone. This is why we don't present limits. Everyone should be involved, but it ends up being very unclear and hazy. Even when everyone has been included, you still have to make decisions as a boss, when the situation calls for it, but that is very hard in Sweden. We suffer from compromising ourselves to death, even if we know, that it's not good for the whole. Perhaps it's good in the short term, but not in a long term. We block this out, because we don't want to bring up disagreements – and accept them.*

Yet another facet of Swedish leadership is that it – especially in the private sector – is very internationally influenced. Sweden is more international in their culture of enterprise than the other countries. Apart from Norway, the leadership-group is very closed in relation to Denmark and Sweden. As one of the interviewed puts it: “It is remarkable, that Sweden employs more people outside the country, than in the country itself.”

- It is over-rated, that the leader makes the decisions. It is mostly about procedures, and then, decisions come on their own. It is a slow type of leadership, since you process toward decisions. (S)
- An administrative coworker about politicians: It is important for politicians to make policy decisions and stay out of simple matters. They should concentrate on what should be done, not how. The public sector apparatus should likewise leave politicians to take care of their own jobs in peace and quiet. If this happens, and the politicians have trust in the public sector apparatus, it will work. It is in fact a threat to democracy if they start interfering in simple matters. The politician says: I was elected thanks to small matters, so now I have to do something about them! (S)
- The best thing to do would be to combine the thoroughness of Swedes and the quickness of Danes. Swedes experience that their thoroughness is increasingly challenged. In the global community of today, it is more necessary to be a quick and agile player on the market. This collides with the thoroughness of Swedes, because when they are finally done with their analyzing, the conditions have already been altered. Thoroughness is not sufficient anymore. (DK)
- One Norwegian tells of a visit from a Swedish twin-municipality: While they were visiting, a local matter was under media focus, and the administrative leader made a statement. The reaction from the Swedish side was clear: For them, it would be unimaginable for the administrative leader to be visible, without things being politically clear. They have a more visible political leadership, while the administrative side is more held back. (N)
- Top-down, authoritative leadership is most obvious in Sweden. But steering leadership in the Nordic countries is less common than in other places in the rest of the world (N).
Connections between job satisfaction, effectiveness and co-creativity/coworker influence

Preface

An important theme in the interview-survey is the experienced connection between work satisfaction, effectiveness and co-creativity/coworker influence. Two conclusions were obvious from the interview-survey:

- all of the interviewed feel that it is relevant to look at the relation between these three concepts
- most of the interviewed found it difficult to answer the question of what this relation really is.

It is clear from the following, that there are many interpretations of – or guesses about – how these three key-concepts co-relate, and often “things go both ways” was added.

Also, there is uncertainty – in the case of the concept of effectiveness – of what this concept really means – and criticism of the way it is used. As it is said in one of the interviews:

Effectiveness is a difficult concept. You can produce a service with small resources, and that can be efficient in itself, but not effective for the one who needs the service. We produce for people, and this is demanding. If home healthcare personnel visit ten citizens, it is more effective than eight, but not if they get the wrong medicine.

Another example comes from a hospital ward, where the immediate effectiveness-criteria is, how many patients that are treated. But there are also other demands/goals, for example, that coworkers should use protective gloves – every time. This, naturally is a health issue. However, the problem is that it takes time to get these gloves on and off, and this is why it is contradictory with another effectiveness-criteria: to treat as many patients as possible at the same time.

In this concrete example, the interviewed expresses that if she, as a leader, only prioritized the number of treated patients, coworkers would never use protective gloves every time. She uses an extended concept of effectiveness – that of course as many patients as possible should be treated, but with protective gloves. For her, the actual use of gloves is an indicator of effectiveness, and it supports the effort to make the coworkers use gloves.

There is not as much uncertainty when it comes to the concepts of job satisfaction and co-creativity/coworker influence, but many of the interviewed express that is only in speeches that it seems as if we recognize job satisfaction. The realities of a workplace do not always allow it.

Let us look at how the relationships between the three concepts are described in the interviews.

Job satisfaction gives effectiveness

Some of the interviewed clearly express that job satisfaction leads to effectiveness, as in these quotes:
Job satisfaction is a prerequisite for effectiveness.

You focus on effectiveness, but this is achieved through job satisfaction. There is not adequate attention to this, so that is why you stare yourself blind at effectiveness.

If the working-climate is good, you give it some extra effort.

If there is no job satisfaction, the energy is focused in a destructive direction. You get, for example busy with saying negative things about others – colleagues, coworkers and bosses – and this has an effect on effectiveness. Discontent coworkers are ineffective, as it is expressed.

What factors affect job satisfaction? Here, money is mentioned, the necessary knowledge, opportunities to develop, good colleagues and a good leader. If you have good tools in your work, clearly defined tasks and a clear role, you will experience job satisfaction, and this improves effectiveness. One of the interviewed however, said that job satisfaction is not necessary for effectiveness. You can clench your teeth and be effective – at least for a short period.

The mood in the workplace is also mentioned. Enthusiasm, humor and an infectious good mood are greatly valued, as for example when it is said:

*If the boss shows up in the morning, looking like a budgetary deficit, there will not be any job satisfaction. On the other hand, if the boss is enthusiastic, positive and inspiring, it will create security and job satisfaction.*

In this organization (a county council), they have tried to identify what factors make people feel job satisfaction. They do it by surveys, calling it “healthy attendance”. They have one group of coworkers, who are nearly never sick, and instead of staring blindly at absence from work, they try to focus on features of the group that has nearly no absenteeism. The desire is to get more coworkers of this type, because there is a belief that the typical employee can and wants to make a greater effort.

One example of the opposite is a municipality, with very high absence from work. The municipality actually is among the top ten in the country, which of course is dissatisfying. There is a clear apprehension that the great amount of absenteeism affects job satisfaction negatively – and hereby effectiveness. Now the plan is to come to terms with this high absenteeism. They do not want to go so far, as some of the interviewed apparently do, as to hire a CHO (=Chief Happiness Officer), but instead, they wish to involve leadership and coworker-representatives in the identification of relevant initiatives.

It is only seldom expressed that co-creativity/coworker influence affects job satisfaction. One of the interviewed state, “that only if there is room for action for your undertaking of your job, there will be job satisfaction.” Another one states that co-creativity/coworker influence is partially the foundation of job satisfaction.

Most say though – as we shall see below - that co-creativity/coworker influence affects effectiveness and thereby only indirectly job satisfaction.

**Effectiveness leads to job satisfaction**

It is a relatively widely opinion among the interviewed, that *effectiveness leads to job satisfaction.* To achieve results, receiving feedback and the awareness of having a task that needs to be performed, creates effectiveness – and as a *consequence* of this, job satisfaction. “The experience of working effectively, and that the citizen/client/patient is satisfied, leads to joy.” If you are working effectively, you get an affirmation of what is important in the working-situation, and through this,
you become even more effective. It is on this basis, that in another municipality are saying: We say, at every opportunity, that we have a task to do. This should not be forgotten, but it can lead to job satisfaction”.

**Things go both ways**

Many of the interviewed express that the relationship between job satisfaction and effectiveness go both ways. Some typical statements are:

- People love to succeed, they want to see results. This is why they should be given tasks – and thereby get an opportunity to be effective. On the other hand: if you have improved job satisfaction, it leads to effectiveness.
- It goes both ways. Quality awareness means that effectiveness leads to job satisfaction. But it also goes the other way around.
- If you experience that you have been effective at your job, you are happy, and the other way around.

One municipality is well aware of the relation going both ways, but chooses to focus on effectiveness.

*We call it task-focus, instead of coworker-focus. It is highly motivational when coworkers are faced with tasks that they can complete – and be responsible for.*

**What part is Nordic leadership playing?**

A very necessary question is, naturally, how does Nordic leadership fit in the picture? It is a characteristic for most interviews, that the meaning of leadership (generally) and the leader as a person is of great importance. A somewhat extreme, but authentic example from one municipality is:

Enthusiasm has had a great importance in our municipality. Just look at our mayor. He is an encouraging leader all the way. He can make a budget deficit seem positive.

The general picture is, that leadership/the leader can affect both job satisfaction and effectiveness, and that leadership/the leader is very decisive for what possibilities there are – or for the lack of possibilities – for co-creativity/coworker influence.

There is also, among the interviewed, a definite belief that Nordic leadership affects effectiveness, job satisfaction and co-creativity/coworker influence in a special way. It varies among the interviewed if they feel that Nordic leadership affects job satisfaction, which affects effectiveness, or if Nordic leadership affects effectiveness (with the following indirect effect on job satisfaction). As one leader puts it: “Nordic leadership has a positive influence upon effectiveness. We put great focus on involvement and comfort, and it leads to job satisfaction which in turn leads to effectiveness.”

When the positive consequences of Nordic leadership are drawn out in this way, it is often connected to an implication that other forms of leadership are not equally good.
A suggestive example of this is one leader, who describes how he is dependent on coworker-involvement and process-oriented (Nordic) leadership, which we know in the Nordic countries. In his formal position of leadership, he is actually in a position to make decisions:

*I can easily make decisions on my own. This is among other things, according to the law. This means, that if I make decisions, these cannot be discussed – only consequences can be discussed. This form of leadership rests upon the presumption that “the gods have granted good wits”. If it gets out that a poor decision has been made, it would be a catastrophe. This is why the formal decision-power is a very fragile form of leadership. It is both more effective – and more usual – to involve more people. The most stupid thing to do is to try to pretend as if you are involving people, when decisions have already been made.*

The quote shows that leadership is not performed in a vacuum, but in a social space, that among other things, involves the coworkers. Many of the interviewed say, that it is a characteristic of Nordic leadership, to be more attentive to contextual factors than traditional, person-fixated leadership. This point of view is very clear from the following quote:

*Nordic leadership is in many ways a good model. When the “infrastructure”, including leadership, decision-making procedures, communication, collaboration with trade unions, etc. is working, it becomes effective. It becomes nice and pleasant to go to work, and you are listened to. That produces effectiveness.*

Here, some of the ingredients of Nordic leadership are pointed out, but at the same time, it is underlined that this refers to the whole of a leadership infrastructure/context.

In the wake of this, there is still a basic issue: is it Nordic leadership that is the reason for job satisfaction and effectiveness, or is it the welfare and the wellbeing, that makes room for leadership based on the values which we describe as Nordic leadership? The issue is raised by many of the interviewed, but none of them have the answer. Though one of the interviewed said:

*Welfare in the Nordic countries has to do with our set of values. That's how it's connected to Nordic leadership. But it's not necessarily the leadership that provides the welfare. It could also be the other way around: Since we are so rich, we have time to develop competence!*

The answer is blowing in the wind, but the issue is naturally very important in a project examining the consequences of Nordic leadership.

**Perspectives**

Evidently, there are many - different and colorful – interpretations of the relational interaction of effectiveness, job satisfaction and co-creativity/coworker influence. The following quote, which we have already used to some extent, is very typical of the way that the interviewed describe the themes:

*I want to believe, that it is job satisfaction that creates effectiveness. If it's low, effectiveness plummets. The experience of working efficiently, that the citizen/client/patient is satisfied, gives joy. Participation gives the opportunity for comfort, and this creates a good circle. Dissatisfied coworkers become ineffective.*
It should be concluded, that it is not unequivocal, whether job satisfaction leads to effectiveness or if it is the other way around, and co-creativity/coworker influence is mentioned only as a secondary factor, that primarily affects effectiveness. There are also indications that the presumptions of what influences which is very much influenced by emotions and position – and can bean expression of rhetoric, rather than reality.

There are, among the interviewed, two almost equal positions. One has a great belief that effectiveness leads to job satisfaction based on the motto that when coworkers experience that they are contributing to the results, it leads to effectiveness. Hence, job satisfaction becomes a result of effectiveness – rather than the other way around. The other position is totally opposite, they mean that job satisfaction in itself leads to effectiveness. If efforts are to be made to raise effectiveness, the effort should be put into improving job satisfaction.

One of the interviewed says that it goes both ways, but that it is easier in one direction: “You can create job satisfaction through effectiveness, since employees can suffer working conditions that reduce effectiveness, but the opposite is the most simple.

Others say, we have gone from believing that job satisfaction (in the form of motivation and job satisfaction) is the key to effectiveness, to now meaning that effectiveness creates the conditions for job satisfaction. Behind effectiveness, hide terms such as good leadership, developing jobs, good technology etc.

This contributes to the explanation of why the importance of leadership is so strongly emphasized in nearly all of the interviews: “Without good leadership there is no job satisfaction, and without good leadership there is no effectiveness.”

Nordic leadership is seen as an important factor in the interaction between job satisfaction, effectiveness and co-creativity/coworker influence, and it seems plausible to point out the specific features of Nordic leadership as a catalyst for the three concepts. Interpretations of these are often based on intuition and personal experience rather than systematic evaluations.
Part II
General perspectives on Nordic leadership
Preface

Why is leadership in Nordic municipalities interesting?

Part II contains, as previously mentioned a brief overview of existing research and surveys on leadership in the Nordic countries – with its main focus on how this reflects different, national or common Nordic features. The research has been identified with the help of digital databases. Since the research area is not a large one, and the individual research projects or publications all use the same sources and references, it becomes unavoidable that references, concepts, models and researcher's names are reused. Even publications that only partially are about Nordic leadership have been screened, and in these, only occasional comments have been found that are of value to this project.

Why is it important and interesting to investigate municipal leadership across the borders of the Nordic countries? The reasons are because the public sector play a vital role in the society of the Nordic countries, because leadership is an important topic in running and developing the municipalities, and because the public sector is currently experiencing major challenges and a process of change.

The following quote shows the fundamental changes that are currently seen in the public sectors.

In the year 2015, municipal-and regional maps in the Nordic countries will look different from today, if the reforms that are being considered become reality. In Denmark, new, larger, municipalities and regions begin to work as of January first 2007. In Finland, an agreement was reached in June of 2006, on the directions of a reform of the municipal-and service-structure. In Norway, the government has decided to carry out a reform of the administrative system in the year 2010 that especially aims to create a new regional level.

In Sweden, a parliamentary committee (ANSVARSKOMMITTÉN) proposed a new structure for the social administration in February 2007. In Iceland, the latest effort (2005) failed, to carry out a vast reform to merge municipalities, but the matter is still of interest.  
Source: Finlands Kommuntidning,6.2006, p. 2

In figure 1, an overview of what changes are being made in the municipal and regional areas in the Nordic countries:
Different aspects of the regional reform-plans in Nordic countries

Source: Mandag Morgen, no. 4, January 29 2007

The massive changes that either have happened, or will or could happen in the public sector in the separate countries are a good example of how general conditions of municipalities are connected to the practice of leadership in specific organizations. A reform is a process and it contains many levels and partial aspects as Figure 2 shows.

**Figure 2: A reform exposed as a process**

<table>
<thead>
<tr>
<th>External reasons:</th>
<th>Filtered through:</th>
<th>Results in:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demography</td>
<td>National political culture</td>
<td>Varying interpretations of the need for change</td>
</tr>
<tr>
<td>Globalization</td>
<td>Existing administrative systems</td>
<td>Varying ways to organize municipal-and regional structures</td>
</tr>
<tr>
<td>Financial pressure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urbanization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reforms in other ways</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Finlands Kommuntidning, 6.2006, p. 2

In such a situation, there is great need for leadership, and it should be leadership that harmonizes with the national context. Beyond general, historical and cultural factors that affect leadership in the
Nordic countries, there are other conditions that are characteristics of the public sector, and which affect leadership. Some typical characteristics of work-tasks in the public sector can be:

1) Builds on the meeting between people (schools, healthcare, hospitals, social administration etc.) are personally intensive
2) Dominated by services, delivered by people- personnel intensive
3) Delivering of many, complex, individually adapted services. Even limited possibilities in relation to delivering standardized services
4) High level of meaningfulness built into the services. Helping others is seen by most people as being meaningful.
5) Mechanistic- and automated services are few and prospects of producing great savings through automation are small. Can this contribute to effectiveness being achieved through coworker collaboration and creativity?
6) National management of the services offered – in Sweden, the state decides, to a large extent, what services are to be delivered at the local and regional levels
7) Services should, in general, be delivered in geographic proximity to the citizen
8) Many services demand a high degree of knowledge, skill and professionalism

One example of the importance of leadership in relation to processes of change, and what it means, if these are to be successful, is a project carried out by SINTEF in Norway for the Nordic council of ministers (Øyum & Co., 2006). Here, they have analyzed how leaders have managed to make processes of change into a positive experience for the employed. We will return to this survey, but one of its conclusions is, that closeness to coworkers, communication, trust and the empathy with the coworkers situation, are important factors, if coworkers are to experience changes in a positive way.

**The common past opens doors to a common future**

Over time, there have been many proposals about what it is that unites the Nordic countries, and thereby opens up for the possibility of common characteristics of leadership. We will, in the following, concentrate primarily on common characteristics of leadership.

*Geographical, historical and cultural common characteristics*

The Swedish researcher Lars Lindkvist has identified ten generic factors that are associated with Nordic leadership. The factors were summarized from literature-studies and an interview-survey, and the ten factors are as follows:

- Common geography and climate
- Common language-family. Low lingual differences between the Nordic countries, which among other things results in common literary movements
- Common religion
- Common judicial system, more similar to Nordic and German law than Roman law.
- Common goals for a welfare-state with a broad scope
- A common interest in consensus, where you try to achieve the most widely accepted solutions
- A collective individualism characterized by short power distance and a limited need for regulation, interest in quality of life and care for other people in conjunction with a strong individualism.
On the organizational level: a system- and process-orientation that is aimed toward long-term results and survival.

- A community-based foundation characterized by interaction between enterprises and surroundings. A combination of bargaining economics and entrepreneurship.

(Source: Lindkvist, 1988, p.60-61)

Schramm-Neilsen, Lawrence and Sivisind point out in their survey on leadership in Scandinavia that similarities can be traced back to the following common cultural characteristics:

- similar language
- welfare states and wage equality
- trade unionism
- economies in high gear
- cross-border cooperation, post-Second World War.

(Source: Schramm-Nielsen et al., 2004, p. 8-16)

Yet another researcher, who has also analyzed national cultures, is Gert Hofstede. We will return to his survey, but here, we just wish to mention one point. As a possible explanation for the Scandinavian countries' feminine stance, Hofstede points out the heritage from the Viking-age, when women had leading roles on the farms and in villages, when the men were out sailing. The next question is, did the men venture out to sea, just because they had strong women to take over leadership? Or did they perhaps not? Another possibility is that men and women at that point were already used to sharing authority and responsibility. (Schramm-Nielsen, 1986, p. 85).

These examples show the breadth of explanations of Scandinavian or Nordic leadership. It can seem very exotic and speculative to involve everything from climate to Vikings in the explanation of cross-border leadership. Our project is more limited, but anyhow, shows the effects that historic and community characteristics have on terms of leadership in the Nordic countries. As in Part I, the descriptions and interpretations of Nordic leadership and leadership in the Nordic countries are also broad.

**Common values**

In the project “Norden som global vinderregion [The Nordic Countries as a global winner region]” (Mandag Morgen, 2005), the Common Nordic values were described. By the concept “common Nordic values” we mean “ features within communities and populations that we can confirm across the national borders”. These are not values that we, in the Nordic countries have patented, but it is the combination of them, that is uniquely Nordic.

Figure 3 contains an overview of the value-complex that was identified in the project. In the left column are the values, and in the middle column, the position of strength, that is connected to the effective value. In the right column are connected normative statements. By this we mean, how the values are operationalized in our actions.
Figure 3: Nordic values and positions of strength

<table>
<thead>
<tr>
<th>Value</th>
<th>Position of strength</th>
<th>Normative statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equality</td>
<td>Welfare-production</td>
<td>We take care of each other</td>
</tr>
<tr>
<td>Trust</td>
<td>Innovation</td>
<td>Vi support each other</td>
</tr>
<tr>
<td>Short power distance</td>
<td>Leadership based on proccessional strengths</td>
<td>We meet on the same level</td>
</tr>
<tr>
<td>Inclusion</td>
<td>Wide and strong base of competence</td>
<td>We wish to involve everyone</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Ability to adjust</td>
<td>We explore and adapt to our surroundings</td>
</tr>
<tr>
<td>Respect for nature</td>
<td>Long-term sustainability</td>
<td>We take care of nature, today and tomorrow</td>
</tr>
<tr>
<td>Protestant work-ethics</td>
<td>Work discipline, personal responsibility and effectiveness</td>
<td>We find meaning in work</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>Design and functionality</td>
<td>We value the harmonious, simple expression</td>
</tr>
</tbody>
</table>

Source: Mandag Morgen, 2005, s. 10 and 25

In the project, we distinguish between the Nordic common values and the – often different – behavior, that is seen in the separate countries (and within them). The point is, that different behavior does not preclude that there are common subtle values. It was said:

...the experienced differences are on a business level. The focus is not on the values in the background, but on the concrete behavior. Here, on the other hand, we are talking about two different logical levels; behavior is not the same as values. It is possible to share values and still have different actions for various reasons, such as experience, geopolitical placement, history etc. Just like it is possible to share a value-complex consisting of a number of values that are differently ranked. Both of these situations create a sense of difference even if the basic values are the same. As a Finnish journalist expresses it: “Values are to a great extent, the same – but our behavior varies as our background with them differs.” Nonetheless, we can easily recognize that these behavioral differences lead to some problems in cooperative situations when several Nordic nationalities are involved. Maybe it is because we expect a greater similarity? (Mandag Morgen, 2005, p. 20-21).

Led us look more specifically at the job-market.

Labor-market conditions
A social condition that also sheds light on leadership is the trade union organizations' role. The table in Figure 4 shows the part of the workforce in the Nordic countries that is union organized. The numbers may not look dramatic, but compared to other countries or regions, the percent of organized labor in the Nordic countries is very high. Denmark, Finland and Sweden are very similar and they have experienced an increase in organized labor, while in Norway, the percentage is lower and there has been a decrease in the percentage of organized labor.

**Figure 4: Development in organizational degree, 1970-2003**

<table>
<thead>
<tr>
<th></th>
<th>Denmark (in %):</th>
<th>Finland (in %):</th>
<th>Norway (in %):</th>
<th>Sweden (in %):</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>70,4</td>
<td>74,1</td>
<td>53,3</td>
<td>78,0</td>
</tr>
<tr>
<td>Change (absolute)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970-1980</td>
<td>18,3</td>
<td>18,1</td>
<td>1,5</td>
<td>10,3</td>
</tr>
<tr>
<td>1980-1990</td>
<td>-3,3</td>
<td>2,9</td>
<td>0,2</td>
<td>2,8</td>
</tr>
<tr>
<td>1990-2003</td>
<td>-4,9</td>
<td>1,6</td>
<td>-5,2</td>
<td>-2,8</td>
</tr>
<tr>
<td>1970-2003, total</td>
<td>10,1</td>
<td>22,8</td>
<td>-3,5</td>
<td>10,3</td>
</tr>
</tbody>
</table>

Source: Visser, 2006

The European fund for improvement of living- and working-conditions has surveyed the mobility in a series of European countries. This survey shows, that the Nordic countries (Sweden, Finland and Denmark – Norway and Iceland are not part of the survey) are characterized by both a very high mobility in the labor-market and a tendency among the young to leave their parental home, this means, geographic mobility. The geographical and labor-market mobility is, apart from this, connected to the fact that one form is rarely separate from the other, either they are low or high on both dimensions. This is shown in Figure 5.
As the figure shows, Denmark, along with Sweden, Finland and the UK are very high on both geographical mobility and mobility on the labor-market – followed by the Baltic countries (Estonia, Latvia and Lithuania) and Holland. From the survey there is a clear connection between the high mobility (on both dimensions) and the welfare-model that characterizes the Nordic countries. These are featured as the social-democratic and liberal welfare-regimes and reinforced by social security-structures that contribute to that even less well-educated groups are stimulated into mobility.

If we turn our attention to leadership, research shows, that there is, among the Scandinavian or Nordic countries, a series of common features. This, we will look deeper into in the following section. Most results from the survey though, are based solely on Scandinavian, and not Nordic relations. The documentation of common features in the Nordic is not as thorough as for the Scandinavian situation.

This is an example of how Scandinavian leadership is described:

Successful Scandinavian leadership is built upon the strengths that the culture, the context and the history of Scandinavia give. These strengths include fair procedures for decision-making, which is based on discussions before decisions have been made, combined with a spread of knowledge, up-skilling and empowerment of the employees, which altogether results in a feeling of inclusive creation and a real opportunity to exert influence. On the other hand, our survey shows that not all enterprises have been able to take advantage of these potential strengths. In such enterprises, leaders will set out a clear direction when it comes to essential, strategic matters, responsibility tends to be diluted, and the coworkers show reluctance to change. Not all Scandinavian leadership is good Scandinavian leadership. (Schramm-Nielsen and more, 2004, p. 166-167).

Nordic leadership is unique and exciting, and an interesting arena for some of the most important tendencies of change within leadership, leadership-development and convergence/divergence in leadership-praxis across borders. This is explored in greater detail in the following sections.
Key-concepts are defined: What are we talking about?

In this section, we will briefly talk about the scientific status of the key-concepts, which this project is about. Hence, we wish to examine the words Nordic and leadership. Concerning the latter, we wish to talk about public/municipal leadership. The discussion will be brief since this section primarily serves as a clarification of concepts in relation to the subsequent section.

Are we talking about borders or cultures?

Geographical vicinity is not in and of itself a guarantee that national cultures are similar. This is illustrated – even if it is stereotypical – in the following quote:

Give the working person of the Nordic countries the opportunity to say what she/he thinks and you will hear all the old ethnic clichés: the Danes are treacherous; the Finns, gypsies; the Icelander, totally incomprehensible: the Norwegians, thick-headed; the Swedes, self-righteous puritans. Yet, despite these petty sentiments (which are usually based on scraps of history and personal experience), there are good reasons why the Nordic people feel at home with one another.” (Bliss McFate (1984), s. 52, here reproduced from Lindkvist in Schramm-Nielsen, 1991, s. 57)

This is also clear, in a more documented way, in Hofstede’s surveys of national cultures, which we will return to. Because, we wish to clearly review some important explorations within comparative cultural analysis.

International and inter-cultural

There is a very complex discussion behind the matter of what the concepts international and inter-cultural really include, since it is based on the presumption that one can talk about national and cultural borders. When these two concepts are examined they do not necessarily always go together in parallel. One nation may have several different and differing cultures, and on the other hand a culture may flow across borders and exist in many nations. The special features that fall within the concept of international or inter-cultural leadership are both actualized by crossing national and cultural borders.

International leadership, especially, focuses on the national concept – which means, the crossing of national borders – and this is why differences among nations are often the foundation for the categorizing which is done by those interested in international leadership. On the other hand, international leadership is often given flesh and blood by referring to cultural, rather than national, relations and this is why the distinctions are so hard to keep separate.

In their cultural analysis, Grønhaug and Nordhaug (1994) talk about macro-and micro-environmental factors, and divide them into three categories, these are socio-economic, institutional and cultural influences (Rubery and Grimshaw, 2003, p.218). Let us briefly present these categories.
The socio-economic environmental factors include social-economic and labor-market conditions, including unemployment, educational structure, wages and agreements etc. Institutional relations primarily include laws, regulations and collective bargaining agreements that are made between the social partners of the labor-market. Among cultural factors, a gender-based behavioral pattern, career perceptions, norms and values can be mentioned in the varying societies. These three types of macro-factors affect both the conditions for leadership, but also the way that leadership is carried out in practice. This is typically seen, if for example, a private enterprise operates in several countries, but will also be seen in an organizations (for example a municipality), that only operates in one cultural context.

Grønhaug and Nordhaug also present what they call micro-environmental factors. It is to a greater extent the effects, within the four walls of the organization. These are, on the other hand, indirectly affected by the organization's surroundings. This applies, for example, in a municipality that according to its nature looks after tasks in relation to its surrounding environment, which includes all the citizens of the municipality.

Leadership presupposes an ability to identify factors in the surroundings on institutional and national levels. It is the ability to navigate in such an archipelago, which means to adapt leadership-practice to the pre-existing surrounding realities that influence if organizational success will be achieved.

**What is culture?**

*Definitions*

Let us start with some examples of how some prominent researchers in this field have defined culture (here reproduced from Røstum, 2002):

Schramm-Neilsen (1993, p.23) have defined culture as “the acquired, common, implicit and explicit pattern of values and norms, which a group of people have in common and which are expressed in social systems, interaction and behavior. The cultural pattern is handed down from generation to generation.”

Geert Hofstede defines culture, among other things, as a form for average/typical patterns of the perception of values.

Trompenaars defines, among other things, culture as the common means, from which groups of people perceive and interpret the world. He sees culture as an onion. To understand it, one must remove one layer at a time. Specific cultures can differ in the special ways in which they solve problems.

One of the fundamentals of why it is hard to talk about universally correct means to success within leadership is cultural difference. The Scandinavian countries are a good example of this. On one hand we point out the similarities, the common cultural features and the common history of Scandinavia. We talk about Scandinavian leadership as a unique, identifiable concept (Schramm-Nielsen and more, 2004), and this has attracted some international attention. On the other hand, the national cultures within Scandinavia have many individual features, as we have pointed out.
Differences and similarities in cultures are very much dependent on how one looks at them. At a distance, all cats look gray – and the national cultures of Scandinavia seem very similar. The closer one gets, the differences between them will become more and more apparent. And if an observer approaches a single national culture, the regional cultures of that one country will become apparent.

In this section, we will present some prominent examples of theories and surveys on cultural differences.

**Hofstede**

For better or worse, the most recognized analysis of cultural differences is the one that the Dutchman Geert Hofstede undertook in IBM, where he was, briefly, employed (Hofstede, 1980a, 1994). He defines culture as “mental programming of the mind”. The cultural values within humans, he refers to as “mental maps”. They affect our everyday behavior (including finding out how we will behave in a certain situation), and help us to understand people, who in relation to ourselves, have a different cultural background.

On the basis of a questionnaire including over 100,000 IBM-leaders and -coworkers in the entire world, he undertook a series of statistical calculations, which led to the description of four dimensions within national systems of values:

*Power distance (large/small):* By this is meant that differences among people are considered natural and that they are accepted. The power distance can, in any given culture, be large or small. His survey shows that in Denmark and Sweden, among others, there is a small power distance. In Germany and in the U.S.A. it is a little bit higher, and another gap to France and Spain. In working-life, the small power distance is expressed through decentralization, flat organizational structures and collaborative leadership, while a larger power distance is associated with hierarchic structures, orders and positional authority.

*Uncertainty avoidance (high/low):* This concept features a low threshold for uncertainty, ambiguity and flexibility. (Occasionally, the term “need for structure” has been used as the concept uncertainty avoidance). In other words, there is a great need to plan, structure and regulate situations – as opposed to letting accidental occurrences (perhaps even destiny) prevail and act impulsively and spontaneously. There is little tolerance for differences and the effects of the unforeseen are minimized by rules, procedures and plans. Denmark and Sweden are low on the factor of uncertainty avoidance, while the U.S.A. is in the middle. France and Spain are at the top.

*Individualism vs. collectivism:* This factor expresses, if one acts on one’s own initiative, independently of others and chooses one’s own way, or oppositely, attaches to social groups with great collectivism and joins in the fellowship. In an individualistic culture, one desires to focus on an individual's unique competence and education at employment, and the career-development reflects personal needs and desires. In a collectivist culture, on the other hand, great focus is put upon the person's contributions to the fellowship, both at selection and determining job demands, staff-evaluation and salaries. Relations and networking are more important than recognizing individuals and individual achievements. In Hofstede’s survey, the U.S.A. holds the highest score when it comes to individualism, while Denmark, Sweden, France and Germany are on a somewhat lower, yet similar level.

*Masculinity vs. femininity:* Masculinity reflects “hard” values such as assertiveness, competition, achievement, reputation and acquisition of financial/physical goods etc. while feminine, soft values such as personal relations, quality of life and caring for others. In working life, masculinity is
expressed through focus on competition, achievements, quantitative and financial goals
decisiveness etc. Feminine values on the other hand, are expressed through good cooperative skills,
an interest in the well-being of others, humility, intuition, respect for the feelings of others etc.
Sweden holds the lowest masculinity-scores, while Spain, France, the U.S.A and Germany are
considerably higher in this dimension.

Hofstede's cultural map has become known in very large circles, which is seen, among other things
by the fact that Hofstede's survey is the most quoted one in European, community-scientific
literature. His survey has, through many years, been criticized on a number of important points. The
validity of surveying people who all work in the same company (even if it is in about 100 countries)
is doubtful. Hofstede is also criticized for having a westerner’s bias in the way in which his
questions were asked and of having drawn broad conclusions and presumptions on the basis of
relatively few questions that were used in defining the individual factors.

Criticism is raised concerning the individual factors, among other things, because they are
contradictory to parts of the research already made by the company. It is also doubted that a
country's culture can be described as one-dimensional as in Hofstede's survey. The group of
countries that are presented on the basis of similar scores on single cultural values, are conceived as
over-simplifying. Finally criticism is raised – to a increasing degree – because the survey is by now
more than 25 years old.

Also, it should be added, that Hofstede in a development of the original model (and in that way the
four values) added what he called Kung-Fu-dynamics and a short/long-term perspective (Hofstede
and Bond, 1988; Hofstede, 1991). This happened partially on the basis of statistic evaluations of the
validity of the individual factors, and partially due to the desire to include a more non-European
perspective. However, it is the four factors described here, that have become historically notable,
among other things, because Hofstede never include this new factor into his own research.

Laurent

Laurent (1986) undertook a follow-up-evaluation, where he specifically focused on uncertainty
avoidance and power distance. He did this, among other things, by asking the participants of the
survey (leaders from different countries) to respond to this statement:

“It is important for a leader to have direct answers to questions that coworkers ask
about their job.”

The number of leaders from the singled out countries that affirmed this were as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent (yes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>13</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>13</td>
</tr>
<tr>
<td>Holland</td>
<td>18</td>
</tr>
<tr>
<td>Denmark</td>
<td>27</td>
</tr>
<tr>
<td>U.K.</td>
<td>30</td>
</tr>
<tr>
<td>(Western)Germany</td>
<td>40</td>
</tr>
<tr>
<td>Switzerland</td>
<td>40</td>
</tr>
<tr>
<td>Belgium</td>
<td>49</td>
</tr>
<tr>
<td>France</td>
<td>59</td>
</tr>
<tr>
<td>Italy</td>
<td>59</td>
</tr>
</tbody>
</table>
His survey is a clear documentation of how differently aspects of leadership are looked upon in different national cultures. This has, on the same basis been used a lot to illustrate the importance of an enterprise to “think globally and act locally”, as it has been expressed.

Trompenaars

A third – and also widely used – survey of national cultural differences was made by Trompenaars (1993, Smith et al., 1996). His survey included respondents from circa 50 countries, and the targeted group were leaders, who were participants in leadership conferences in their respective countries. On this basis, a total of five dimensions were crystallized, whereof the three most important ones will be mentioned here:

Universalism vs. particularism. Universalism reflects that a culture empahsizes the basic belief that rules and regulations apply to everyone – no matter who you are. In a more particular culture, this does not apply. Here it is more important who you know and who your network consists of. Regardless of whether you like them – or not – you have to obey the existing cultural rule.

Status acquired through results. This dimension reflects whether a person’s status is acquired through concrete results achieved at work or in general life, or if it is given through background – family relations and education etc.

Self-control. The third factor reflects if people have the notion of what they experience in life is primarily their fault/credit, or if it is blamed upon outside factors. Hence, this dimension indicates if people experience that they are in control of their own lives, or if the believe themselves to be victims of coincidences or even destiny.

Comparison and conclusion

Even if the three models focus on partially different cultural features, they still have many things in common. All three of them form typologies over cultural values and point to the great differences between the different countries. By this, there are also magnifying glasses, with which current or desired leadership-praxis can be evaluated. The problem is, however, that these typologies, which are often empirically produced, and do not necessarily have a theoretical foundation. The theoretical explanations as to why a culture looks exactly the way it does, is narrow – and often of the type: “We know what the results are – a cultural profile – so now, we will find the cause...”. The typologies are also cultural snapshots, taken at a precise moment, and do consequently not describe the developmental dynamics, which all cultures contain. To explore deeply rooted cultural values should not reduce the fact that cultures change, but it is tempting to be fascinated by a cultural profile to the point where time stands still.

The value of applying these three models therefore primarily lies within increasing the understanding of the complexity and differentiability in cultural values. It increases the possibility to guide leaders- and leadership-development and to find ways that are sensitive to- and match cultural profiles. On the other hand, this increases the risk of creating cultural stereotypes. Such a
flattening could reduce or, in a worst case scenario, neutralize the ability to perceive culture with the person whose task it is to implement or improve leadership-practice.

**The national cultures – seen from the inside and the outside**

Cultures can be seen from within, which is to say, the way they are looked upon by their own members, or from the outside. There can also be arguments that these two pictures overlap each other – and are very different. An example of such a meeting between one’s own and other’s opinions is given in Figure 6. Here is a summary of how Finns look at themselves compared to how Danes, Swedes and Norwegians look at them. As shown, there are areas where there is great unity, and areas where the opinions of the Finns are not shared by their surroundings.

**Figure 6: Description of Finns – as they and others see them.**

<table>
<thead>
<tr>
<th>Finland (self)</th>
<th>Denmark</th>
<th>Sweden</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stubborn</td>
<td>Little bit slow</td>
<td>Like tough things</td>
<td>More authoritarian than other Nordic managers</td>
</tr>
<tr>
<td>We have SISU</td>
<td>Have fighting spirit</td>
<td>Have SISU</td>
<td>Results are very important</td>
</tr>
<tr>
<td>Get things done to keep our agreements</td>
<td>SISU</td>
<td>Keep their promises</td>
<td>Less striving for consensus</td>
</tr>
<tr>
<td>Honest</td>
<td>Natural</td>
<td>Keep a straight line</td>
<td>Need structures</td>
</tr>
<tr>
<td>You can trust us</td>
<td>Reserved</td>
<td>A little bit reserved</td>
<td>Have a larger degree of uncertainty avoidance that other Nordic countries</td>
</tr>
<tr>
<td>Reserved</td>
<td>In some part they are a little bit aside, maybe lost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As long as we do not say anything, we do not make, or say anything wrong</td>
<td>We are a little bit blue eyed people</td>
<td></td>
<td>Very historically conscious</td>
</tr>
</tbody>
</table>

Source: Lindkvist in Schramm-Nielsen, 1991, p. 54-55

We will only give this one example, but the different national cultures views of themselves and each other is an important theme in the interview-survey, presented in Part I.

On the other hand, we now wish to focus on the second foundation in the concept of Nordic leadership, namely, leadership.
What exactly is leadership?

Leadership and culture are closely related. As Philips-Martinsson (1991, p. 103) expresses it: “Management styles are a reflection of the culture.” (reproduced from Røstum, 2002, p. 25). Clear examples of this are the concepts of leadership- and organizational culture. On one side, these concepts point toward intra-organizational phenomena, which is to say, the inner life of the enterprises. On the other side, these concepts reflect the influence that the surrounding environment has on the enterprise.

In the following, we wish to delve deeper into the concept of leadership, which is, in relation to the project Nordic Light/Nordisk Lys is very important for two basic reasons:

- Leadership is seen, not only as a single person's (the leader's) personality, style or behavior, but rather as interactive processes in the organization.
- Nordic leadership is also characterized by the inclusion of coworkers in leadership-procedures.

Leadership is more than leaders

Leadership can be found everywhere – at any time – in every enterprise and is normally concerns leaders, but they do not monopolize leadership. “When we hear the union representative’s wooden shoes in the hallway, then we know that strategic decisions are going to be made.” These words were heard at a Norwegian wharf, and they reflect one of the fundamentals of Nordic leadership, this being that leadership is processes that easily can involve others than leaders. Leadership is not only what officially appointed leaders do, say, think or mean. Leadership is processes of influence, which flow between people who could be, but are not necessarily, leaders. Hence, leadership is present in an autonomous group, even if it has chosen not to have an appointed leader. Leadership is practiced in public school classes, even if the teacher is not present. Leadership is practiced in an enterprise, even if all the leaders are at a training center – and are not present at the actual workplace.

This broad definition of leadership harmonizes well with the highly educated and responsible group of coworkers, which we find in the Nordic countries. At the same time, this broader concept of leadership allows leadership to be practiced and learned even if one does not hold a formal position of leadership, or if one wishes to have it. Leadership is practiced in collaboration with people, and it is specific to situations. Let us go into details with this situation specific and process-oriented aspect of leadership.

Universal or situation specific leadership

Through the search for what good leadership really is, it has been tempting to express general statements with universal validity. Normative literature on leadership contains many, and the market is filled with one-size-fits-all tools for leadership. It was, especially in the pioneering age of scientific leadership-research, common to try to point out ideal properties of leadership. Later, focus was on leadership-behavior, but this belief in a universal characteristic of leadership became increasingly contradicted as we became more aware of the importance of situationy specific leadership. This led to the understanding that leadership is a collaborative process between people, rather than the specific characteristics of one person.
In its generic form, situationally specific leadership is an affirmation of the fact that the concrete surroundings (demands and terms) decide what good leadership is. These surrounding conditions include, among other things, type of enterprise, branch, technology, organizational history and national cultural features. In this way, Nordic leadership is a good example of situation specific leadership.

One of the first, best-known and most innovative bids for situation specific leadership was the model that Fred Fielder developed (1967). He identified three factors that together give an overview of how favorable situational leadership is (for the leader):

- the relation between the leader and the coworkers, expressed through mutual trust, faith and respect
- the structural degree of tasks, including what level of routine they are on and how simple and direct they are
- the formal power of the leader for leading and distributing tasks, rewards and sanctions, suggest career-development etc.

If relations to coworkers are good, the tasks are direct and structured, and the leader holds great formal power, it is theoretically a very favorable situation for leadership. If, on the other hand, relations with coworkers are poor, tasks are complex and diffuse, and the leader's formal power is low, it will be a very unfavorable situation for the leader. For both of these extreme situations, the model recommends a very task-oriented (“hard”) style of leadership. In between these two, where the leadership-situation is (un)favorable, a more personalized (“soft”) style of leadership is recommended. One might wonder why a very favorable and a very unfavorable situation is the basis for a task-oriented style of leadership. The explanation is, that if relations with coworkers are good, they naturally accept that the leader practices visible and noticeable leadership. If relations are, on the other hand, very poor, it might be risky/impossible to use a soft style of leadership, and yet again, things point to the task-oriented style of leadership.

Leadership processes

The more situation-based factors that are included, the more inevitably one must consider processes, and not exclusively single persons. This has led to the recognition that leadership, can be considered as processes, i.e., a associations between individuals who can be, but are not necessarily leaders. This point is of fundamental importance. In the Nordic countries, we actually have a long tradition of speaking of leadership as a set of processes. We actually talk about Nordic or Scandinavian leadership as concepts, since leadership is rooted in our national cultures. Instead of saying: “Show me your box in the organizational diagram, and I will tell you who you are”, we look at how influence evolves and flows in the interaction with the people of the organization. We typically use the same words – especially influence, impact and even power – to describe leadership, but we also let the voices of others than the leader’s be heard. Coworkers with a great professionalism and competence as well as (well functioning) elected representatives, for example, have great possibilities to practice leadership by means of their personal stature. It is in that exact light, that the previously mentioned quote from the HR-boss on a Norwegian wharf should be seen: “When we hear the union representative’s wooden shoes in the hallway, then we know that strategic decisions are going to be made.”
Two Danish examples will illustrate this point. The then “Patent Office” (now the Board of Patents and Trademarks” carried out a few years back, when the organization mainly consisted of autonomous sections, a leadership-development program. The sections had collective leadership, and none of them desired to appoint a leader. That is why current (and eventually potential) leaders could not be identified, to tell them that this leadership-development program was for them. Instead, the decision was made, that the program was for those coworkers who felt that they had the qualifications and the desire to influence leadership-processes. None of the participants were leaders, but the program served to improve the leadership-procedures in the department, and that is why the program was for the people who had realistic possibilities to contribute.

Another example concerns a Danish competence-development program for ca. 60 elected representatives (nurses, schoolteachers, bank-employees and policemen etc.). It ran for over a year and meant that the participants carried out individual, yet coordinated projects in their individual workplaces – in cooperation with their colleagues and their local leaders. Even if the immediate objective was to develop competence among the participants, the projects were in fact organizational development projects – and hence, affected the leadership-processes at the workplaces. When the project became a relatively large success, it was said that it harmonized with the “Nordic” perception of competence- and organizational development and the participation of elected representatives in leadership was perceived as something natural.

The conclusion is that the concept of leadership in the Nordic countries focuses on leadership as an interaction between people, who can, but do not necessarily need to be leaders. The leadership-procedures are affected by and on the other hand affect norms, culture, values and behavior in the organization. As a result, leadership becomes something else and more than the specific characteristics of a formally appointed leader, for example this person's personal characteristics and behavior.

**Insistent delegation:**

The leader challenges reluctance toward taking responsibility. Insists that coworkers and partners take ownership of tasks and agreements. Follows up on delegated responsibilities and consequently points out unsolved tasks and the shortcomings in carrying out agreed tasks. Takes personal responsibility for risky tasks and has clear communications concerning the delegation of personal and other people's responsibilities. Constantly looking for connections between responsibilities and goals, and consequently correcting the delegation of responsibilities in accordance of the changing paces of projects and goals.

Ledere der lykkes, Væksthus for ledelse, 2006

**Leadership as a social practice**

Viewing leadership as being both situationally specific and process-oriented is connected, if leadership is defined as a social practice. An example of this is Westenholz (2005), that is about leaders as individuals and yet as team-leaders, directions etc., and defines leadership as a relational phenomenon. The social practice exists within a system (an organization for example) and contributes to creating meaning in the actions, within the system, and also, the borders/limitations that the system has in relation to its surroundings. Hence, the social practice involves a large number of people; it reaches beyond the circuit of formal leaders and actually breaks the shell between the leaders and “the led”. Hence, the concept of leadership contradicts traditional hierarchic leadership that merely operates through clear lines of commands, including, who holds a
formal position of leadership in relation to who.

Westenholz defines leadership in the following way:

*Leadership is a social praxis, where meaning is created through the function and limitation of a system. Leadership is practiced in situations, where participants stand for a type of uncertainty, that cannot be reduced by calling in experts or seeking out information in other ways. It might be said that values and goals are ambiguous and unclear, but uncertainty may also consist of the lack of ability to foresee the consequences of ones actions, because one can not tell what the world will look like tomorrow.* (2005).

This paradigm of leadership (=leadership that is cross-hierarchic) becomes nonetheless important when we examine Nordic leadership. Here, there is a tradition for – and also some natural possibilities for – cross-hierarchic leadership. Westenholz provides five examples of this:

1. Worker’s collectives and negotiations with trade unions/union representatives as an expression of – and a result of the mutual acknowledgment of the organized employee and the organized employer. This social construction of two identities (=organized parts) has to a very high degree affected labor-markets in the Nordic countries since the end of the 19th century.

2. Autonomous groups of coworkers and a democratic dialogue as a result of union demands influence group- and social psychology, inspired by for example the prominent researcher Kurt Lewin and the so-called Tavistock-experiments. These played a prominent role in Norway, that developed an especially strong, scientifically rooted, yet practice-based tradition for autonomous groups. These experiments were to a large degree connected to Thorsud and Emery – and shed light on working life in all of the Nordic countries. Though, in a rear-view mirror, it can be confirmed, that the evolution of the latter decades have not been able to live up to the very optimistic, yet justified expectations for a wide spread of these new co-operational forms. It seems as the last decade has seen the (re)introduction of – at least partially – autonomous groups, but there is a long way to go again, before we can call this a distinctly Nordic feature.

3. The coworker as a strategic actor can stand for a third example of cross-hierarchic leadership, since this underlines the employer's need for and dependence upon competent employees, who can contribute to reaching organizational goals. Strategic competence becomes a condition for the long-term survival of an enterprise, since it insures that production processes along with their built-in technology keep working as they should.

4. Actual coworker-ownership played a certain part in the 70's and 80's – particularly in the community-based rhetoric, but less in the practice of the enterprise. Through the rear-view mirror it can be stated, that these higher ideals never became fulfilled. Westenholz points to a series of reasons why, including that Scandinavia does not have a prominent culture of “collective entrepreneurs” and that there was resistance, not only from employers, but from employees as well, and that there was not a political support for this, and that the state of the market was a barrier in itself.

5. Westholz refers to his fifth category as “organizational citizens” and point toward employee representatives on committees (boards of directors). Here, the traditional, perceptual conflict of interests between “us” (coworkers) and “them” (leaders) has vanished, and is replaced by “us, in this enterprise vis-à-vis the market”

Westenholz concludes, that four out of five forms of cross-hierarchic leadership have “survived”, whilst the fifth – actual (co)ownership of the enterprise – has generally not been maintained.
Even though (most of) the five forms of cross-hierarchic leadership have worked well in the Nordic countries, they were not invented here. On the contrary, these impulses were brought here from other countries, especially from the U.S.A. and England. Though they have undergone massive cultural adaptation when crossing the borders into the Nordic countries, and local actors have to a large extent contributed to this cultural “domestic blend”. Typically of the Nordic countries, there have been many participants: the different parts of the labor-market, researchers, politicians, individual enthusiasts on all sides, along with the effects of media (daily newspapers, magazines, books, radio, television, etc.).

**Leadership is both leadership and management**

Unfortunately, the Nordic languages do not have such an exact distinct difference as, for example, English when it comes to management and leadership. Hence, we make the nuance possible through the English language. Management contains the classic principles of leadership such as planning, directing, decision-making, coordination, follow-up, control etc. These activities have an administrative or an economic aspect and can be learned. By this, the leader is able to cope with and lead in complicated matters. Leadership, on the other hand, emphasized the personal leadership-components: leadership-qualities, values, basic opinions, norms, ethics etc. This is why the term “personal leadership” is sometimes used, since it reflects a person like a shadow, and follows this person everywhere he or she goes. The words management and leadership are often put in relation to efficiency and effectiveness, respectively, where efficiency expresses the ability to do things correctly, while effectiveness in a higher degree is to do the right thing.

In figure 7, the differences between the two concepts are outlined:

**Figure 7: Management and leadership**

<table>
<thead>
<tr>
<th>Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administers</td>
<td>Renews</td>
</tr>
<tr>
<td>Maintains</td>
<td>Develops</td>
</tr>
<tr>
<td>Focuses on systems and structures</td>
<td>Focuses on people</td>
</tr>
<tr>
<td>Builds on control</td>
<td>Builds on trust</td>
</tr>
<tr>
<td>Asks how and when</td>
<td>Asks what and why</td>
</tr>
<tr>
<td>Focuses on the bottom line</td>
<td>Focuses on the horizon</td>
</tr>
<tr>
<td>Imitates</td>
<td>Creates something original</td>
</tr>
<tr>
<td>Meets short-term demands</td>
<td>Meets long-term demands</td>
</tr>
<tr>
<td>Is busy doing things right</td>
<td>Is busy doing the right thing</td>
</tr>
<tr>
<td>Performs set tasks</td>
<td>Creates tasks</td>
</tr>
</tbody>
</table>

Source: Mogens Stiller Kjærgaard, Civiløkonomen, 8/2001

Experience shows that leaders always have a harder time practicing leadership than management. Many leaders were – especially historically – chosen from their professional qualifications. In the public sector, there is a great pressure on leaders to demonstrate their leadership in the profession they represent, to improve and insure quality, and also to avoid faults and errors. This leads to, that in both selecting and developing leaders, focus has been on the management-aspects and either tacitly accepted or merely stated afterwards, that these leaders have not been able to live up to the
other standards of leadership. This is especially unfortunate, since, as previously mentioned, it can be rather difficult to alter a person's (shortcoming) competence as a leader.

*Organization development*

As previously stated, many of the organizational processes are elements of leadership. This is why it is relevant to look at the correlation between leadership and organizational development. The saying “change management ↔ management change” demonstrates this. But there is also another reason to include the concept of organizational development: the basic set of values for the actual concept of organizational development harmonizes better with some specific cultures than others. There is a thought-provoking analysis of this that was carried out, which we would like to mention briefly (Jaeger, 1996).

The concept organizational development – and the following concrete method of intervention – appeared in the U.S.A. in the 1960's and 70's. It was called OD (Organizational Development) and was quickly relatively well-defined and very well-described (French and Bell, 1978, Beckhard, 1969).

Organizational development is the term for an intervention strategy which has its starting point in behavioral science (primarily social- and organizational psychology) methods which captures, changes and then maintains an organizational state of being. This begins with a meticulous diagnosis of the characteristics of an organization, with cooperation from the many participants of the organization (primarily leaders and coworkers) and typically with external help from a consultant. The basic set of values is anchored in democracy and a humanistic view of organizational life. Even with this once broadly limited definition, organizational development has gained a relatively wide-spread use – as a field of research- and practice and across national borders.

This is also true for the Nordic countries, and an explanation of this might be found in the survey by the American researcher Alfred Jaeger (1996). He looked into which national cultures harmonize best with the basic set of values that the concept of organizational development is based upon. As an expression of national culture, Jaeger used the four cultural dimensions, described by Hofstede. Despite the fact that organizational development as a concept and a method of intervention, is an American invention, Jaeger's analysis shows that Denmark, Norway and Sweden and their national cultures, are the countries that harmonize best with the values behind the concept of organizational development. The reasons for this are said to be the low power distance, the low level of uncertainty avoidance, the moderately masculine culture and the medium of individualism. Finland is close to the Scandinavian countries, there is only a small discrepancy on one of the four cultural dimensions, this being uncertainty avoidance.

Figure 8 shows how the Nordic – and a number of other – countries place themselves in relation to the set of values behind organizational development. It is thought-provoking, how far the U.S.A. (as a national culture) is placed from the concept that they invented themselves.

*Figure 8: Comparison of national values and sets of values behind OD (Organizational Development)*
Degree of difference between OD values
and country rankings (Hofstede)

<table>
<thead>
<tr>
<th>Very different</th>
<th>Somewhat different</th>
<th>Hardly different</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 dimensions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia, Austria, Canada, France, Germany, UK, India, Iran, New Zealand, Singapore, South Africa, Spain, Switzerland, Turkey, US</td>
<td>Uncertainty avoidance: Finland (close), Israel</td>
<td>Denmark, Norway, Sweden</td>
</tr>
<tr>
<td>Three or more dim.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina, Belgium, Brazil, Chile, Colombia, Greece, Hong Kong, Italy, Japan, Mexico, Pakistan, Peru, Philippines, Portugal, Taiwan, Thailand, Venezuela, Yugoslavia</td>
<td>Masc./fem.: Ireland</td>
<td>Ind./coll.: NL (close)</td>
</tr>
</tbody>
</table>

Hence, Jaeger's survey supports that in the Nordic countries it has been easier to see leadership as interactive processes, which involves and activates coworkers, and where developmental leadership, leadership development and organizational development support each other. The Nordic countries contain some culturally founded possibilities to create synergy between individual leader development and strategic organizational development, that at the same time increase the competence in individuals and increases flexibility of the leadership processes in the organization.

An example of organization development in praxis

An illustration of what creates successful change processes in an enterprise is shown in the SINTEF-project, which we have mentioned previously. This project, which was launched by the Nordic Council of Ministers/(NORDISK MINISTERRÅD), had the goal to identify and analyze good leadership-practices in change processes. This was done by analyzing authentic examples, where leaders have turned the process of change into something positive for the employees. The results point to, that this type of leadership-practice has Nordic, cultural characteristics. Øyum and colleagues (2006) state, that a good leader of change efforts generally stands out in the following five areas:

- communicator
- energy builder
- chaos buffer
- evident use of time as a parameter
- people-oriented

The five areas can in cue be described like this:

Communicator
- Information is actively used to establish common knowledge and make visible why and how
adjustments shall be carried out
− Involvement of the employees in the interpretation of information
− Testing how the recipients comprehend and experience things
− Listening as much as talking
− Admitting that communication contributes to establish importance and security in a situation characterized by uncertainty.

Energy builder
− Motivation of the coworker's desire to participate in the design of their new, future workplace.
− Employees are given responsibilities and tasks in the process of change
− Improves professional and job-related skills and competencies
− Inspires trust among the coworkers and gives them the opportunity to be seen and heard
− Creating security through the power of the leader's professional know-how and experience.

Chaos buffer
− Reduces disruptions
− Looks after the daily running of the process of change
− Looks after the interests of the unit and takes its cause to owners and superior leaders.
− Has a feeling for what should be communicated – and how
− Is prominent with a “personal style” which clearly states a point of view and what the desired achievements are
− States a personal stance and preferences to the coworkers

Evident use of time as a parameter
− Good at finding time -both for him/herself and others – on short notice
− Works fast and prioritizes
− Good balance between the process of change and daily maintenance-tasks
− Has high work-capacity and does not get stressed
− Is comfortable with the energy provided and demanded by adjustments.

People-oriented
− Has as a basic perspective that processes of change are about people
− Clearly shows that individual coworkers are acknowledged
− Active involvement of the coworkers – constantly
− Secures and confirms the influence of coworkers on how changes shall be and how they are carried out.

The following points are the ones that especially harmonize with the Nordic set of values:
− involvement, cooperation and co-determination
− information
− competence development
− leaders who are able to be “our person in the big system” which means, that he/she has the ability to mobilize positive energy by combining the interests of the unit with the organizational realities
− leaders who practice leadership based on their strong and weak sides
− patient leadership, that is, waiting, while the organization matures
− Creation of forums for reflection, where people get a chance to ask questions.

Perspectives
We have previously presented some central characteristics of the concept of leadership. We have connected these to the concept of culture and means of how leadership can be looked upon as a social practice in a cultural context. It is in this way that the relation between culture, leadership and organizational development is created. We have also seen, that the Nordic countries have a set of values that harmonizes with the values of the concept organizational development.

These different elements can be gathered into a definition of Nordic leadership. The definition below probably concludes the essential dimensions of Scandinavian and not Nordic leadership. Though it is our opinion, that in its applied form, it can also be used as a description of Nordic leadership. The definition is:

Scandinavian leadership is characterized by:
- a management style characterized by informality, equality and restraint;
- paralleled by generally flat hierarchies, compressed salary spreads and low fringe benefits;
- a consensual, participative and inclusive approach to decision making and change implementation;
- a reluctance by most managers to articulate their power, an inclination to reasonableness and quiet persuasion rather than to charismatic dominance; and
- a market and/or customer focus tending to promote coordinative mechanisms across hierarchies and between departments.

We wish to let this definition act as a conclusion to the discussion on culture, leadership and national characteristics, and go from here to the connections between job satisfaction, effectiveness and co-creativity/coworker influence, before we sum up the concept Nordic leadership.
The connections between job satisfaction, effectiveness and co-creativity/coworker influence

Introduction

There are many reasons to direct interest towards these three concepts – and the relation between and among them. Effectiveness is important from a production point of view. From a welfare-point of view, job satisfaction is important – much so, since most adults spend a substantial amount of their time at work. Co-creativity/coworker influence is important, since it gives people the opportunity to realize their potential, and because it is often stated that it affects job satisfaction and effectiveness in a positive direction.

But how are these concepts related? This question has kept researchers very occupied. Before we get in to this, there are a few things to mention concerning the terminology.

Effectiveness is the Nordic, pragmatic term for the English expression performance. English distinguishes the two terms, efficiency and effectiveness, where the first primarily means to do things right, whereas effectiveness is doing the right thing. Performance is to a great degree doing the right things, but during the last decades more attention has been paid to non-financial interpretations of performance, in both and research. Concepts such as sustainability, environmental awareness, and CSR (corporate social responsibility) are all examples of an enterprise's possibilities, and to a greater extent, to pressuring into dealing with performance criteria beyond mere effectiveness.

Job satisfaction is also a complicated concept, and there has not been any major Nordic research that has specifically looked at this concept. A definition of the concept is presented in the following statement:

“Job satisfaction is mostly used in daily speech when one wishes to express well-being, she says, and it is a vague concept that really cannot be measured. On the other hand, it can be broken down into partial components, like for example, influence, possibilities for development, support, appreciation, and feedback, which in this way may give a picture of the different aspects of job satisfaction, This can be studied.” (Annika Härenstam, www.suntliv.nu).

Internationally, there has been – for decades – a lot of research on job satisfaction. This concept is increasingly perceived as very narrow, and this is why words like motivation, engagement and commitment have been added, in which we will give some examples of below. For about 75 years there has been research on motivation. There are many different definitions of this concept, but they can be summarized as “the factors that initiate decisions for action and support peoples’ activities, including work in a wide sense.” (Ibsen and Christensen, 2001, p. 88).

The many theories of motivation fall into some main categories, on the basis of what they say
promotes human activity:
- the fulfillment of needs (for example social contact and self-realization)
- the fulfillment of factor producing satisfaction (for example responsibility and possibilities for development)
- the leader's view of people (for example McGregor's distinction between X- and Y-views of leadership)
- characteristics of the different tasks of a job (variation, overall features, necessity)
- fulfillment of difficult, yet obtainable goals
- the experience of justice and fairness in relation to the person's frame of reference
- fulfillment of expectations that work/effort lead to attractive rewards and job satisfaction

Co-creativity/coworker influence is the third concept that we examine. In the report we compare co-creativity and coworker influence, since in Sweden, it is primarily referred to as co-creativity, while in Danish terminology it is primarily referred to as coworker influence. In common is the fact that both terms refer to the means in which actors, typically coworkers, have an opportunity for influencing, with regard to the organizational actions, what is going on. This influence can be indirect, informal and maybe even hidden, or it might be formal, visible and direct, since it stems from formalized rights and channels through which the interests of the employees can be met and fulfilled.

So even if we hereby have tried to define the three key-concepts, it should be noted that there is a great terminological uncertainty/complexity. The limitations of this report do not permit an in-depth examination of the definitions and their internal relations. As an example, a well renowned periodical database, Emerald Management Xtra, which contains articles from 150 periodicals, contains more than 9,000 articles linking performance and satisfaction.

Effectiveness as a result of job satisfaction

The motivational area has devoted a lot of energy to analyzing the important, but also complicated relations between job satisfaction, motivation and effectiveness. The classic belief has been:

\[
\text{Job satisfaction} \Rightarrow \text{Motivation} \Rightarrow \text{Effectiveness}
\]

Most of the above mentioned theories on motivation reflect this view, but it is especially the older theories on motivation, that fall into this category. The theories have created an immediate interest since an effort toward job satisfaction has such a positive sound to it. For some, among these, employees and their union organizations, job satisfaction and motivation have been goals in themselves. For employers, on the other hand, job satisfaction and motivation have been used as a way of achieving effectiveness with this being the true goal. The two positions joined hands, so to say, on the first part of the road, and this would explain the very great attention that was devoted to these theories of motivation.

Despite the intense research-effort, there was never any proof of satisfaction leading to motivation, and that motivation leads to effectiveness. This is why, in more recent research, there has been a search for other possible causal relations, including that effectiveness leads to motivation and job satisfaction, rather than the other way around.
Selected statements on satisfaction in the public sector:

Public sector employees feel more comfort than employees in the private sector. No one is more proud of their work than municipal employees. (MMI "Offentlig ansattes oppfatning av egen jobb", 2005. References: www.kfo.no)

Employees in the public sector are equally motivated, commited and loyal as employees of the private sector, but there are differences in where the motivation lies. The daily work-tasks are the most important for public sector employees for them to feel at ease. Employees in the private sector value salaries and goods higher than the daily work-tasks. (Svensk medarbeiderindeks 2003. References: www.hmorge.no)

Meaningful work is the most important part of working in a municipality. (Danish survey. Det personalpolitiske Forum. Personalpolitisk undersøgelse, 2006)

Effectiveness as a cause of job satisfaction

The theories of expectations that are mentioned as the final category above, hypothesize that the cause-effect relationship is totally opposite. The point is, that if people are placed in a work-situation, where they have the opportunity to be effectively, this will lead to motivation and job satisfaction:

Effectiveness ⇒ Motivation ⇒ Job satisfaction

Despite several decades of intensive studies on the driving forces for motivation in occupational settings, as a field of research, the area has almost stagnated. There are many possible explanations as to why this is. The pioneers in motivational research have retired and they were not replaced by a younger generation. Neither is the area seen as very glamorous, since it has been researched for half a century. But finally, there is among some researchers, a creeping sensation that, maybe there is no single answer to what motivates people in a work-related situation.

The current status is therefore, that the “struggle” between the two opinions, is not yet over, though consensus seems to favor effectiveness leading to job satisfaction, and not the other way around. The cause of this is said to be, among other things, that there is mostly a belief in the theories of expectation. As these theories in an excellent way illustrate the Nordic workplaces, we wish to expand upon this.

An important model

The variant of a theory of expectations, that the two researchers Porter and Lawler propose, that has gained widest acceptance. Graphically, it can be described as in Figure 9.

Figure 9:
As the model may not be immediately comprehensible, it will be briefly explained here: The middle of the figure shows the three causal relations, which are the core of theories of expectation. If I, as a person make an effort, my evaluation of, if the work-effort leads to a satisfactory work-achievement (this is the arrow between box 6 and 7 in the figure), partially, my abilities and characteristics will be affected (box 4), and partially my impression of the role that I play in relation to the working-situation (box 5). The work-achievement that comes as a result of this (box 6) results in intrinsic and extrinsic rewards (boxes 7a and 7b). As previously mentioned, it is important to pay attention to the differences between the two, but they contribute in the social context to my satisfaction (box 9). Intrinsic rewards includes the value, that I (which means the person alone) get as an exchange from my work-achievement, whereas extrinsic reward includes the recognition (financial, status etc.), that I get from my surroundings. Based on which value the achieved reward has to me, I have learned something about the interaction between effort and satisfaction. I have “become wiser”, and this is why there is a feedback-loop from box 9 to box 1. I have also “become wiser” in another way, that is, how the work-achievement leads to rewards, and it leads to an equivalent feedback-loop (to box 2).
An example: You are a nurse at a surgical ward and you make a great effort (box 3). Depending on whether you are a part of a good team, and the right equipment is available, your effort will actually be apparent through a good result (box 6). You feel it as personal satisfaction, that you participated in a heart-surgery during the morning (box 7a), and you enjoy great recognition from the hospital board of leaders, the patients, the affected families, the press etc. (box 7b) This creates a positive feedback to box 3. If you, on the other hand (with an unchanged effort) feel, that your good effort does not succeed, because of your team functioning poorly, or because of malfunctioning equipment, then maybe you will commit errors, and suddenly, you are facing criticism. You feel great dissatisfaction, and either your future efforts will be half-hearted (!), or you move on, to find a place with more motivating working-conditions.

The model shows a sensitive understanding of the correlation between effort, achievement and reward – with room for individual differences, experience and feedback. It includes a great understanding for the subjective aspect of rewards, and it takes explicit consideration of differences between – but also connections between – intrinsic and extrinsic rewards. Perhaps the most correct perspective in the model is that it does not state that motivation leads to effectiveness, but that effectiveness, on the contrary, is the cause of motivation, since effectiveness triggers (experienced) attractive rewards.

In relation to Nordic leadership, this model is interesting, since the characteristics of Nordic leadership to a great degree affect the input-side, this being the left side of the model. This is true for example:
- job formation, including job-development and self-leadership
- low power distance, with following consequences of dialogue, feedback, knowledge-sharing
- responsibility and challenges, including inclusion in leadership
- and so on

These conditions mean a greater probability that the coworker's work-effort actually results in a higher work-achievement (effectiveness). In this way, the chain-reaction has started – with the likelihood of increased motivation as a result.

The (possible) causal relation between job satisfaction and effectiveness is something that is considered in the interview-survey. Her it is linked to matters concerning the relation between these two concepts and the concept co-creativity/coworker influence.

**Teamwork, effectiveness and job satisfaction**

Before we leave the subject, a survey of how teamwork affects effectiveness and job satisfaction should be mentioned. The basis of this, is that we see teamwork as a possibility (among many) to create co-creativity/coworker influence in a work situation. It is not the only one, but for the Nordic countries, a very typical way. It is, as previously mentioned in other sections of this report, that there is a Nordic tradition to create teams that not only work together but also are dependent upon each other in working situations, and through teamwork, they increase their possibilities to have influence on work processes and results.

A survey carried out in all of the E.U.'s membership countries examined the role teamwork plays, not only for effectiveness in the work-efforts, but also the ability to learn something new, and the degree of satisfaction with one's work situation.
The starting point was the assumption shared by many experts, that teamwork boosts job satisfaction and that meanwhile, production is increased. The results of this survey are not unequivocal but they do show some tendencies.

Out of all of the E.U.-countries, Sweden, Denmark and Finland have the oldest tradition of teamwork, to the degree where teamwork has reached a point where it has become an integrated part of working processes in the enterprises. The opposite can be found in the post-communist countries, which have only since 1989 started to introduce newer ways of organizing work. Here, there is a very short tradition of teamwork.

It is taken as a truism that the possibility of learning something new, improves the quality of ones working life. The survey states, that teamwork strengthens coworker's personal and professional development. It also shows that coworkers who have participated in teamwork are more likely to get offers for further education, paid for by the employer, than coworkers who have not participated in teamwork.

Finland is mentioned as an example of good practice, where team-workers prove to have greater autonomy and better possibilities for education and training at work. They are also, relatively happier when it comes to work-tasks although they do not work harder because of teamwork, which is otherwise a common result. Neither are there more complaints concerning health-problems as a result of work than in the group of coworkers who did not work in teams.

The report shows that the old tradition of working in teams in the three Nordic countries results in job satisfaction, which in turn results in effectiveness and productivity.

The source of the report is:
http://eurofund.europa.eu/ewco/reports/TN0507TR01/TN0507TR01.htm

Summary

Let us summarize the most important points in this section.

There is no doubt, that there is both a research and a practical interest in whether there is a connection between job satisfaction, effectiveness and co-creativity/coworker influence. If you look at the international, scientific literature, there are several thousand studies that have not given a unanimous answer as to what this relationship is. This is blamed upon a series of factors. First of all, it is in itself, uncertain, how the different concepts are defined. Secondly, it is very dependent on situations as to what works and how. Thirdly, these studies contain a great methodical complexity, which in itself makes it difficult to prove causal connections. Fourthly, it is relevant – but also increasingly complex – to introduce the concept co-creativity/coworker influence, when looking at the relation between job satisfaction and effectiveness, because this is a significant concept that has not gained the same dissemination in foreign practice and research. Fifthly, it is in itself a problem that most of the surveys on the connection between effectiveness and job satisfaction have been carried out outside of the Nordic region, typically in the U.S.A. Finally, it is probably harder to survey these concepts in a municipal context, since this sector is very affected by and also affects municipal conditions, which cannot be simplified to the bottom line of profit. This is why it is relevant to emphasize that possible future research can, with advantage, examine the complex relation between job satisfaction, effectiveness and co-creativity/ coworker influence.
Profile of Nordic leadership

In this section we present, in brief keyword summaries, some of the most important surveys on Nordic leadership. We will not go into depth with these, since Part I already contains a more detailed analysis of Nordic leadership – based on our own interview-survey and with its special focus on the public sector.

Some of the classic surveys

Thygesen Poulsen

Just a few decades back, a systematic analysis of the characteristics of Nordic leadership was made. Per Thygesen Poulsen (1987) formulated, on the basis of 18 successful Scandinavian pioneer-enterprises, ten characteristics:

1. Common vision and culture
   Clear and consequent expectancy, which is often formulated in a dramatic or humoristic way.

2. High level of service
   The knowledge of how technology can be used to satisfy the needs of a user/customer. This is built into both physical products as well as the organizational structure.

3. Immediate communication with the customer
   The knowledge of usage is created in direct communication with the customer.

4. Autonomous units
   To create close connections between development and application, an enterprise is often split up into small autonomous units, who have the same responsibility for the entire process (from development and construction to sales and service) towards a well-defined customer segment, that a complete enterprise usually has.

5. Loose ties to companies
   The concern-wide leadership is small. The individual companies have a high degree of autonomy.

6. Common results are rewarded
   Piecework-salaries and other forms of achievement-based salaries are the exception. It is the common overall result that influences strategic decisions and as many as possible of the coworkers are included in budget-decisions.

7. Co-ownership and shares
   The interest of coworkers in the common result is often connected to shares or coworker stocks or options.

8. Equality
   The distance between leaders and the coworker on the floor is no greater than absolutely necessary. Symbols of status are few and groups of coworkers are treated equally.

9. Creativity and control
   Creativity is not connected to special units, but is instead found among all of the coworkers. Instead
of creativity-killing control, the basis is responsibility and self-control that requires access to information. But in the key-areas, control and demands are precise.

10. Conflict and consensus
An effort is made to create consensus not necessarily with unanimity and necessary conflicts are used a force for renewal.

(Source: Poulsen, 1987, p. 17-19)

Larsen and Lindkvist

A more concrete description of Scandinavian leadership is the analysis of Scandinavian (not Nordic) leadership (1989). Here are the prominent elements:

View of humanity
Humanistic view: trust, openness, honesty and naivety
Acceptance of others flaws, you do not throw suspicion on your surroundings
Freedom to think, say and do, what you feel is correct.
Low competition between individuals
The Nordic concept of the Jante-law: a low notion of some people being better than others, boastful, too successful
A slightly depressed view of people: self-critical, mentions problems before successes, underestimates one’s own effort and importance, humble. Enthusiasm, reliance on ceremony and the ability to take things easy are missing. Humor can be somewhat heavy.

Democratic foundation
Common cultural values: The belief in and the respect for democracy
Collaboration, co-determination/participation and short channels of communication from top to bottom
Short power distance
The notion that every person is equal
Dualism between collective, social responsibility/loyalty and maintained decision space for the individual
A democratic cooperative pattern at the workplace, both through formalized, collective bodies and informally on a daily basis
Collective responsibility for the operation and development of the enterprise

Leader’s competence professional discipline
A priority for long-term survival, rather than short-term-profit
The existence of the enterprises is based on niche-production.
Competitive parameters: quality, know-how and adaptability
Organizational structure: “ad-hocracy” and knowledge-based enterprises
Socio-technical inspiration and methods of work

Leadership techniques and methods
Qualitative (and to a lesser degree, quantitative) basis for planning, targeting and steering
A broad conception of productivity
A widespread decentralization, freedom under responsibility and general competence
Informal means of communication, where the informality of the communication is formalized
Low level of bureaucracy
Decisions are made when there is acceptance for them
Management by walking around, visible leadership

**Leadership development**
A coordinated development of individuals, work structures and organization
Intensive use of learning by doing, participation in leadership and cross-organizational groups
The objective is to develop people into leading themselves through knowledge and charismatic, instead of formal, authority
Importance is placed on visions, internal and external networks

**Rooted in a social context**
Great dependence of public regulation: legislative, financial, taxes and fees, social and health-services, social insurance systems
Leadership as a political process, as a result of the dependence on – and participation with – external and internal partners and networks
The enterprise as an actor in the Mixed-economy (“pragmatic socialism”)
A broad conception of productivity

(Source: Larsen and Lindkvist, 1989, p.17-21)

**Exporting the fight on corruption**
The Nordic countries are known worldwide for having high ethics and morals when it comes to corruption in the public sectors. This has become an exportable product, Nordic consultants help governments in other countries fight corruption. For example, a Danish consulting firm was selected to help the Romanian government increase corruption-awareness among the public and the employees in the public sector. This is being done through various PR-campaigns, TV-spots, posters, public meetings etc. The background of the project is that corruption is a major obstacle on Romania's road towards integration with Europe.
Source: www.ramboll-management.com

**Agersnap and Larsen**
Another early example of cataloging characteristics of Scandinavian leadership is Agersnap and Larsen (1987), who mention the following factors:

- Tolerance for uncertainty
- Short power distance
- Part of the new, modern
- Contact-seeking
- "Small is beautiful"
- Orientation towards harmony
- Pragmatism
- Can shift between fun and serious

These positive and value-loaded words also have a reverse side:

One can talk about egalitarian, humanistic, socially oriented, harmony-emphasizing, pragmatic and flexible leadership-culture. Most of these words are positive. One can
also summarize some of the features and associations we have made, in more negative
terms. One can then talk about a scared, unprincipled, slow, conflict-avoidant, cosy,
conformity-seeking, talkative and frivolous style of leadership…. Evaluations say more
about the evaluator and his/her starting point, than of the actual style of leadership.
(Agersnap and Larsen, 1987, p. 120, here reproduced from Lindkvist, 1988, p. 41).

**Scandinavian leadership in practice – the hard way**

When SAS airline, in Jan Carlzon's best years, was crowned as the world’s most punctual airline, all
of the employees received a gift, this being a wristwatch, with the hands shaped like airplanes. This
drew great attention (both internally and externally), but according to Jan Carlzon there were huge
differences in the reactions among the three national groups represented by SAS. The Swedes, who
were accustomed to an industrial culture and very interested in technology, held up the watch and
said, “Tick, tick” The Norwegian coworkers were the most grateful and said, “Thanks, thanks”. The
Danes on the other hand, were more suspicious and said, “Tac-tic” when they received their
watches!

**Schramm-Nielsen, Lawrence and Sivesind**

Schramm-Nielsen and colleagues look at the following main dimensions of Scandinavian
leadership:

- strategy
- espirit de corps
- production and organization
- organizational culture
- relation between leaders and coworkers
- interpersonal behavior

(2004, p. 151-166)

We will describe their thorough and detailed analysis:

**Strategy**

The conclusion is, that differences between countries are less than the differences between
branches/sectors. That does not, on its own, point in the direction of a very strong Nordic concept of
leadership, but should be seen in relation to these following factors.

**Esprit de corps**

It is very interesting and striking, that the enterprises, not only on the surface, but also in the way
that people in the different parts of the organization and on the different levels talk about the
enterprise, express the same common ideas and values. It is not just rhetoric used on ceremonial
occasions, but also values and ideas which are deeply founded in everyday life. The most prominent
ones are:

- Emphasis is placed on information, discussion and the opportunity to make suggestions before
decisions are made. Not only are there many formal meetings, but there is also a knowledge-
sharing from these. This contributes to open communication. As the authors put it: Leadership
meetings often involve many sections or many levels of the hierarchy. This has become more common due to process-oriented organizational structures, coordinated selection, more or less permanent projects or even matrix-structures. (p. 161).

The actual decision making process is considered to be very important and takes a great amount of time, since there is often a lengthy, informal process before decisions are actually made. This long-winded process is defended by arguments that it is important that the fundamental information needed for the decisions that are to be made is as complete as possible, before decisions are made. The negative aspects of such a long-winded decision making process are counter-balanced by that in the events that follow, there is greater support for the decisions, even if there objectively have been disagreements, or if decisions are inconvenient. However, there are national differences. The decision making process in Denmark is faster than it is in Sweden. There are mixed opinions on whether this is good or bad. It may be seen as positive, that there is a will for re-considering a decision, which because of certain circumstances may prove to be inconvenient, but it can on the other hand be seen as negative that “you can't count on a decision to be carried out”.

Production and organization
During recent years there has been an increase of the number of work-groups, project-groups and teams working across organizational boundaries. This is, among other things, due to the advances in information-technology, which has lessened the need for concrete person-to-person work-/operational leadership. The quota between leaders and coworkers has hereby been altered, and strengthened in other parts by coworkers taking over an increasing number of leadership tasks. This is the latest part of a historical development that actually dates back to the first attempts with job- and cooperative development during the 1970's in Scandinavian enterprises. Compared to countries outside of Scandinavia, this pioneering work was very professional and relatively successful. The rate of development was not maintained and it is only within the last decade that it has begun to accelerate once again.

Organizational culture
Schramm-Nielsen and colleagues (2004) are of the opinion that the concrete organizational culture plays an important role in whether the terms of leadership in a specific organization are characterized by Scandinavian values and forms of practice. It was, on the other hand, the general finding of this research project, that employees of an enterprise who most often have a difficult time describing their own organizational culture. Exceptions are situations, where enterprises have merged, and where it therefore becomes more apparent where it is that one comes from and hence, what is lost, and what is (tried) to be applied as a replacement. As a consequence of the difficulties of expressing the specifics of an organizational culture, it is even more difficult for the employees to evaluate how this culture is rooted in and characterized by Scandinavian culture.

Cooperation between leaders and employees
It is well-known that Scandinavian organizations are characterized by strongly formalized coworker influence through union organizations. Schramm-Nielsen and colleagues (2004) confirmed this and it leads to an environment that values consensus in the organizations. As it was often expressed by the coworker representatives: “We're in the same boat” (understood to mean: as our leaders). There was a noticeable difference as to how positive (and consequently, how negative) union organizations were perceived. The perception was least positive in Denmark while in Sweden and Norway, employers were unreservedly positive to the rules regulating interactions with union organizations.
Interpersonal behavior
In their survey, Schramm-Neilsen et al. (2004), found that Scandinavian organizations are not only characterized by cooperation and consensus-seeking behavior but also short power distance, egalitarianism, informal manners, direct communication, decency and conflict avoidance. As stated, several of these features are known from other studies on national cultures – and hereby also typical for other national cultures than the Scandinavian ones. The point of the authors, however, is that the combination and the concentration of them that is unique. Hence, they find reasons to conclude:

- Leaders downplay their authority, avoid giving direct orders and prize the ability to be able to talk to anyone, high or low.
- There is less of a salary-based gap between coworkers and leaders than in most other countries-
- A Scandinavian leader consciously refers to (or unconsciously? Authors comment) to the team instead of him-/herself if things go well, since it would not be seen as positive, if he or she took all the credit for him-/herself.
- Forms of meetings and manners are informal and non-hierarchic, and every participant has the right to speak.
- Emotions, conflicts and tensions are repressed, and are primarily expressed outside social gatherings (meetings), and there is pressure to make things work, no matter if personal chemistry among those involved is good or not. As it is expressed: “You go after the ball, not the player”
- Social responsibilities are demonstrated both on the local level and in relations with the community. This is expressed through relations with local communities, environment, social relations etc.

Diversity
There are fewer to recruit, but there are more to recruit from. It is a fact that more than half of the increase in population in Finland is due to immigration. The same is true for Sweden. ”Think global, act local”, as one municipality had chosen as a motto for the process of change it was undergoing to meet the effects of globalization. A chief executive in another Finnish municipality specifically mentioned the need to speak Russian as a second language. The increasing diversity creates new needs and expectations. The municipalities need to consider diversity in a new way, as they try to meet the increase in individual and other demands from citizens on the municipality's services, since the citizens are a very culturally diverse group. In the same way, the municipalities need to redefine how they can make the municipality into an attractive workplace for people with widely different cultural backgrounds. It is an enormously important process, which is exemplified in the following statement from Sweden:

“Since Sweden is the third most culturally diverse country in the world, we have to be able to create security, so that we can handle differences. Predictability is the way to create security, but how do we create it today?” (Morgondagens ledarskap i kommuner och landsting, Sveriges Kommuner och Landsting, 2007)

Dealing with increased diversity
Diversity must be reflected in our organisations. We must learn to handle and see opportunities in differences. We need to live the message by going from words to actions, for example through
Lindell and Arvonen

An example of a quantitative survey of how to prove the existence of Nordic leadership is the Lindell and Arvonen survey from 1994. They take their starting point in three different types of leadership:

- Task-oriented leadership, where the leader defines and structures, both his/her own role from what it may contribute to the fulfillment of the group's formal goal
- Coworker-oriented leadership, where the leader is caring, accommodating, supportive and attentive to the well-being of the coworkers
- Development-oriented leadership, where the leader stimulates learning and experimentation, legitimizes risk-taking and navigates through uncertain and complicated situations.

With a starting point in these three forms of leadership, the possibly significant differences between leadership in the Nordic countries and leadership in the Latin, southern-European countries, are examined through a questionnaire. The survey shows:

- that leaders in the Nordic countries are more coworker-oriented and less task-oriented than the south-European leaders
- that this seems to harmonize with traditional beliefs, that leadership in the Nordic countries places special demands on the use and development of human resources function
- that there is no difference between the Nordic countries and southern Europe when it comes to development-oriented leadership
- that this seems to be explained through the fact that the pressure on innovation and renewal is comparable in the two regions, among other things because of the fact that the pressure is coming for the same reasons: technology, globalization and so on.
- that there are within the Nordic countries significant differences in styles of leadership between the countries, considering task- and people-oriented leadership, but not development-oriented leadership
- that the Nordic region is therefore – despite the historic bonds between the countries – not so homogeneous when it comes to leadership as rhetoric often claim it to be.

Lindell and Arvonen summarize the features that to the highest extent differentiate Nordic leadership from southern-European leadership in the following way:

- Great weight in planning and words, delegating responsibilities, friendly relations to coworkers and focus on innovation
- Short distance between the leader and the coworkers and open communications
- The leader puts great effort into using the creative potential of the coworkers instead of leaning on the power-based structure of leadership and making decisions above their heads.
Risto E.J. Penttilä, who is the chief executive of the Finnish think-tank EVA, claims that it is the attitude towards life and leisure time, that are the main ingredients in the Nordic success. He states that, the inhabitants of the Nordic countries take their leisure time just as seriously as their work. “A good balance between work and leisure time is just as important for Nordic inhabitants as hard work once was. In our time, a good balance between work and leisure time is considered a sign of being one of the chosen ones. The Protestant work-ethic has in other words been supplemented by the Protestant leisure time ethics.”

To work late is therefore not a cultural norm in the Nordic countries in the same way as in many other countries, Risto E.J. Penttilä states. The decisive cultural norm in the Nordic countries is to be effective at work and to strive for plenty of time for recreation. (Dagbladet, 25.1.2007).

Larsen, Brewster and Mayrhofer

As a conclusion, we would like to describe staff leadership in the Nordic countries. This, with a starting point in the previously mentioned Cranet research project, analyzes national differences in the ways that Human Resource Management is organized. HRM is a common abbreviation for Human Resource Management, a concept that points to a strategically anchored use of the human resources in an organization. HRM can be especially important in knowledge-based organizations, such as municipalities, where there is a great dependence on the competence and engagement of the coworkers. It has given staff issues a more central role, and individual and organizational development is seen as a mutual interest. This is also why the toolbox is expanded from just containing what can be done with individuals (typically attract, keep and develop) to, how you in total can create a better cooperation between people, jobs, leadership and organization. This wider spectrum is the core of HRM – in contrast to staff-administration/-development, which are the concepts we typically have used to describe initiatives beyond those directed toward individuals.

Here we will show the rankings of the Nordic countries in relation to twelve other European countries, concerning the main areas of HRM:

− to what extent is the HRM-strategy integrated with the overall business-strategy?
− to what extent is the staff-responsibility decentralized to the line-leadership?

These two factors are combined in Figure 10, and as stated, there are four sections. In the lower left corner, HRM-efforts are to a high degree placed in a central HR-function, but the connection to the business-strategy is modest. This does not prevent good HRM-work, but occurs behind the scenes, in the workshop of the HR-people. This is why the HR-function plays such an important role as a professional mechanic, but it is unattached to the strategic life of the organization.

The upper left corner of the matrix indicates that HRM and business-strategy are closely connected, but that the line-organization is not involved. The HR-people typically have a strategic view on life, and play a strategic role, but the close contact with the line-organization is modest. This is why, typically no one in the organization knows, what the HR-function actually does. And the other way around, the HR-function is not often much disturbed by the harsh realities of the practical life.

The lower right corner indicates that it is the line-bosses who perform the HRM-tasks, but that they
occur without much interference from the overall business-strategy. The field is called “The Wild West”, since there are only limited controls and interactions in the ways that HRM-efforts take place. The top right corner is the guidebook, dream situation, since the line-organization is actively involved, and the HR- and the business strategy are integrated. In relation to the way that HRM-work is usually done in practice, this placement is innovative – hence the name.

Figure 10: Models of HRM

<table>
<thead>
<tr>
<th>Great Integration</th>
<th>Ground-breaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locked in strategist</td>
<td>Professional mechanic</td>
</tr>
<tr>
<td>The Wild West</td>
<td>Staff responsibilities of the line-boss</td>
</tr>
<tr>
<td>Little</td>
<td>Great</td>
</tr>
</tbody>
</table>

Source: Larsen & Co., 2005

Larsen & Co. (2005) have calculated an index regarding the extent to which HR strategy is integrated in the business strategy. This is done by connecting three factors: the top HR-responsible member of the top leadership, do they contribute to decisions about the business strategy, and is there a written HR-strategy? In a similar manner, there is a calculated index for what extent staff responsibilities are placed on line-bosses (within areas such as recruiting, selection, education etc.) If this data is combined, the picture which is shown in Figure 11 will appear. The letters refer to country codes, and the arrows illustrate how the ranking of the different countries have changed during the period 1992-1999.

Primarily, it is the small Nordic countries that are in the “northeast” part of the diagram, and it is also somewhat inexplicable why Turkey is also there. Denmark and Holland are in the section “The Wild West”, but are nearly over the border. As seen here, Holland has moved considerably during the period 1992-1999, while Denmark's placement is unchanged. In the northwest corner are Spain, France and Ireland. The two great industrial nations, Germany and the UK, are along with Portugal in the lower left corner, where HRM-work can be pretty much isolated and may even have to evolve into becoming a state within the state.

If you look at the development during the period 1992-1999, as illustrated by arrows, it can be seen that there has been a general increase of the integration of HR- and business strategy. This is seen through an overall upward-pointing movement in the diagram. On the other hand, there has not been any movement towards the right section, so the line-leaders have not – for the twelve countries
as a whole – gained staff-responsibilities. On the other hand, there are large individual differences – in both directions. Therefore, it can be said, that through the period, there has been some convergence in the aspect of integration, but not in the placement of staff-responsibility.

**Figure 11: Model for HRM in 12 European countries (1992-99)**

Source: Larsen & Co., 2005
Perspectives: And where do we go from here?

In this section, we will first of all summarize the main results of this report, and we will do this by integrating the results of the interviews from Part I with the general analysis of conditions of Nordic leadership in Part II. After that we will discuss dissemination of concepts of leadership such as Nordic leadership. Finally, we present some of the issues that the research project has not been able to answer but can be of interest in a subsequent main project.

Summary concerning Nordic leadership

In the report, we have analyzed Nordic leadership and leadership in the Nordic countries. Nordic leadership has been defined as common characteristics crossing the borders of the Nordic countries, which characterize leadership. Leadership in the Nordic countries, on the other hand, was defined as the specific and often different characteristics of leadership in the individual Nordic countries. The expression Nordic Lights was used as an encompassing term for leadership in the Nordic countries and Nordic leadership. Primarily, we have looked at leadership in the public sector.

Culture

Culture reflects the characteristic, important common features of impressions, interpretations, values and/or behavior in a group of people. For example it is seen when Schramm-Neilsen defines culture as “the taught, common, implicit and explicit pattern of values and norms, which a group of people have in common and are expressed through social systems, interaction and behavior. The cultural pattern is passed down from generation to generation.” (1993, p. 23)

A fundamental reason for the difficulty in talking about universal means to success within leadership lies within cultural differences. The Nordic countries are a good example of this. On one side, we present the similarities, the common cultural features and the common Scandinavian history. We talk about Nordic, or especially Scandinavian leadership as a unique, specific concept, and this has created some international attention. On the other side, the individual Nordic or Scandinavian countries have several individual features.

What cultural differences or similarities there are, are very dependent of from where you look at them. From an great distance, the national cultures in the Nordic countries may seem very similar. But the closer you get, the more apparent the differences are. And if you step into an individual national culture, the regional cultural differences will appear.

We have analyzed a series of different theories on culture, which contain typologies of cultural values. These can be used as lenses for evaluation of current or desired leadership-practice, since they clarify the understanding of the complexity and differences in cultural values.

Leadership

We have analyzed the concept of leadership, and the two main points are:
- leadership is not seen as the personality, style or behavior of an individual (the leader's), but as
interactive processes in the organization.
- Nordic leadership is featured by the involvement of coworkers in leadership processes.

Leadership is not only what officially appointed leaders do, say, think and mean. Leadership is effect- and influence-procedures, which flows between people, who can be, but are not necessarily leaders. Leadership is practiced as an interaction between people and this is specific to situations.

The importance of leadership as both situation and process-oriented is combined if leadership is defined as a social practice. An example of this is Westenholz (2005) that deals with leaders as individuals and as leaders of teams, boards of directors etc., and defines leadership as a relational phenomenon. The social practice finds its place within a system (for example, an organization) and contributes to create meaning in both the actions, which take place within the system, as well as the limitations that the system has in relation to its surroundings. Hence, the social practice involves a large circuit of people; it stretches beyond the network of formal leaders and removes the barrier between the leaders and the led (p. 4). Hence, the concept of leadership contradicts traditional, hierarchic leadership that operates merely on the basis of lines-of-command, including who holds a formal leadership position in relation to who.

This interpretation of the concept of leadership becomes important when we look at Nordic leadership, since the Nordic countries are typical knowledge-based economies with highly educated employees.

When talking about leadership, it is important to separate management and leadership. (Unfortunately, the Nordic languages lack exact expressions for these two forms of leadership. This is why we use the English terms). Management contain the classic disciplines of leadership, such as planning, directing, decision-making, coordination, follow-up, control etc. These activities have an administrative or a financial feature and can typically be learned. Thus, the leader is able to have an overall view and lead complicated activities. Leadership on the other hand, refers to the personal leadership-baggage: leadership-qualities, values, basic positions, norms, ethics etc. The term management is often connected with the ability to do things right or correctly, while leadership to a higher extent is doing the right thing.

Leadership is affecting organizational procedures. This is why it is important to look at the relation between leadership, leadership-development and organization-development. We have presented the American researcher Alfred Jaeger's survey of which national cultures obviously harmonize best with the fundamental set of values in which the concept of organizational development rests (1996). As an expression of national culture, Jaeger used the four cultural dimensions formulated by Hofstede. Despite the fact that the concept of organizational development and interventional methods is an American invention, Jaeger's survey shows that Denmark, Norway and Sweden are the countries with national cultures that harmonize best with the values behind the concept of organizational development. This is said to be because of the short power distance, the low level of uncertainty avoidance, the moderately masculine culture and the medium level of individualism. Finland is close to the Scandinavian countries, and there is a only a slight difference in one of the four cultural dimensions, this being uncertainty avoidance.

Jaeger's survey supports that in the Nordic countries, it has been more relevant to see leadership as interactive processes, which involve, include and activate coworkers, and where leadership and organizational development support each other.
**The municipal context**

For many reasons, it is important and interesting to examine municipal leadership across national borders in the Nordic countries. The public sector plays a vital role in communities in the Nordic countries. Leadership is an important central issue in the operations and development of municipalities, not least during these years, when the public sectors in all of the Nordic countries are undergoing massive challenges and changes.

The interview survey that is part of the research project shows, that the typical current challenges and demands on Nordic municipalities are as follows:

- Higher quality and more individualized services
- Centrally fixed services, and standards for these
- More complicated demands from the political to the administrative system
- Value-based leadership
- An altered power-balance between the political and the administrative levels
- Consequences (also negative) of a broader consensus-culture
- Expectations from citizens concerning their rights instead of services being offered – and a low threshold for complaints
- Service for everyone
- Expectations on greater openness, closer communications and evaluation
- Growing competition from other suppliers of citizen-services
- More – often conflicting – demands on leaders
- The ability to practice leadership together with union representatives

It is with this starting point in this description of demands and expectations on the Nordic municipalities that we have analyzed Nordic leadership and leadership in the Nordic countries.

**The Nordic universe**

It is very characteristic for all of the interviewed, that they all have an idea that there is something specifically Nordic about the ways that leadership is practiced in Nordic municipalities. It is somewhat harder to describe exactly what the specifically Nordic actually is. On the other hand, it is somewhat easier to describe what Nordic leadership is not, and here, the interviewed refer especially to the U.S.A., but also, other European countries.

This also harmonizes with, that the scientific research within the area also points to some basic features in the Nordic countries, which creates common features of leadership. These are some of them:

- (Mostly) related languages
- Common geography and climate
- The welfare-state as a basic social model
- A large public sector and many interested parties – and an accompanying obligation for organizations to be socially rooted in their work
- High degree of organization with an according presence and importance of trade unions
- Related institutional conditions, including legislature, judicial systems etc.
- Consensus, dialogue, involvement as basic assumptions for communications and decision-making in the society
Focus on quality of life, fellowship and care, combined with a large amount of individualism

(inspired by Lindkvist, 1988)

Among these characteristics, the welfare-state especially, is mentioned as the foundation on which Nordic leadership lies. The welfare-state originates from – and supports – the democratic notion which creates a unique set of values for leadership in the Nordic countries.

This is highlighted by a mutual set of values across the national borders of the Nordic countries. We have, previously in the report, presented the project “The Nordic countries as global knowledge region/Norden som global viderregion” (Mandag Morgen, 2005), since, in connection to this, the mutual Nordic set of values have been identified. Since this is a very clear illustration of problems, the most important points are summarized here.

With mutual values, this project means “features in each other's communities and populations, which we can recognize across the national borders.” These are not patented Nordic values, but it is the combination of values that is uniquely Nordic.

Figure 12 contains an overview of the value-complex, that is identified in the project. In the left column are the values, and in the middle column, the position of strength, that is connected to the effective value. In the right column are connected normative statements. By this we mean, how the values are operationalized in our actions.

<table>
<thead>
<tr>
<th>Value</th>
<th>Position of strength</th>
<th>Normative statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equality</td>
<td>Welfare-production</td>
<td>We take care of each other</td>
</tr>
<tr>
<td>Trust</td>
<td>Innovation</td>
<td>Vi support each other</td>
</tr>
<tr>
<td>Short power</td>
<td>Leadership based on</td>
<td>We meet on the same level</td>
</tr>
<tr>
<td>distance</td>
<td>processional strengths</td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>Wide and strong base of</td>
<td>We wish to involve everyone</td>
</tr>
<tr>
<td></td>
<td>competence</td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Ability to adjust</td>
<td>We explore and adapt to our surroundings</td>
</tr>
<tr>
<td>Respect for</td>
<td>Long-term sustainability</td>
<td>We take care of nature, today and</td>
</tr>
<tr>
<td>nature</td>
<td></td>
<td>tomorrow</td>
</tr>
<tr>
<td>Protestant</td>
<td>Work discipline, personal</td>
<td>We find meaning in work</td>
</tr>
<tr>
<td>work-ethics</td>
<td>responsibility and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>effectiveness</td>
<td></td>
</tr>
<tr>
<td>Aesthetics</td>
<td>Design and functionality</td>
<td>We value the harmonic, simple</td>
</tr>
<tr>
<td></td>
<td></td>
<td>expression</td>
</tr>
</tbody>
</table>

Source: Mandag Morgen, 2005, p. 10 and 25

As the model has been previously described, we will not go into further details here.

Nordic leadership

The interview survey has shown that the concept Nordic leadership especially contains the
following important characteristics:

Short power-distance is a forceful feature of Nordic leadership. Leadership is based on a belief in equality and mutual respect. Leaders and coworkers are close to one another, hierarchy is low, the manner of speech is casual and featured by natural respect – not just position-based authority. If disagreements arise between a coworker and a leader, it is possible to express these.

Profession-leadership is another feature of Nordic leadership. The reason is said to be that Nordic workplaces are very knowledge-intense. This is why many of the employees have a professional training and education and an attached professional identity. This promotes involving other coworkers with identical or associated professional skills in leadership.

The need for profession associated leadership is also illustrated through the description the public sector employee's three roles, which one of the interviewed researchers made:

- Responsibilities toward citizens: You have a responsibility toward the citizen you are supposed to serve
- You are an employee and a colleague, which means that you have a loyalty to the organization and your fellow workers
- You are work and have skill in your profession, which means that you get your legitimacy through knowledge, skill and professional ethics.

Good leadership means, that space is given for development of all three roles. The leader, who often has the same professional background as the coworkers, should be able to arrange leadership space, so that the coworkers can develop their own professional skills and competence. As one of the interviewed said: “You are not above, but in front of the troops when you lead them.”

Influence, involvement and co-creativity/coworker influence are also said to be distinct features of Nordic leadership. There is a close connection between short power-distance and the degree of influence that coworkers have. Co-determination affects the ways to make decisions. Whereas in other cultures, it would be unthinkable that the decision-making is left to anyone else than the leader, it is a common feature of Nordic leadership to let the coworkers be heard and involved in final decisions. This often makes the decision-making process more complicated and lengthier although there is no evidence that it lead to poorer decisions.

Leadership communication is seen as a significant condition for leadership. As a leader in the Nordic countries, you have to be able to communicate with your coworkers – and prioritize dialogue. The leader is closely connected to the coworkers, and it is therefore necessary for him or her to sense what they think and is able to involve them in ideas, values and projects.

Engagement is also one of the characteristics of Nordic leadership. This can be traced back to the fundamental values of the Nordic cultures: openness, flat structures, dialogue, democracy, communication, involvement, decentralizing responsibilities etc.

Divided leadership is both a characteristic and a condition for Nordic leadership. Divided leadership- also called overall leadership – means that the leader not only optimizes his/her unit, but also contributes to general and horizontal leadership. This is especially challenging in professional environments, where the definitions of quality and organizational success are closely connected to how processes in the individual unit are going – and not necessarily the optimization of a whole.
One last characteristic of Nordic leadership that we will mention is decentralized staff-responsibility. The Nordic countries are characterized by individual leaders of an organization having very large staff-responsibility. It is very demanding to completely put staff-responsibilities on a decentralized leader, but it is a general feature in the Nordic countries – and it seems both natural and necessary in knowledge-based economies, such as the Nordic ones.

Social responsibility is the last element of Nordic leadership that we will mention. The welfare state is based on co-determination and democratic institutions, which strive for equality. Means of financing the welfare-state strengthen the social responsibilities of the leadership-task. A large public sector is widely accepted. This creates responsibilities, not just within the organization, but also outside, towards surrounding social institutions.

**Effeciency, job satisfaction and co-creativity/coworker influence**

There are many reasons to be interested in these three concepts – and their relation between them, and it is requested by the instigators that we address this. Effectiveness is important from a productional view. Job satisfaction is important from a welfare point of view – not least because most adults spend an essential amount of time at work. Coworker participation is important, because it gives people an opportunity to realize their potentials, and because it is believed to have a positive effect on job satisfaction and effectiveness.

For 75 years, researchers have tried to survey motivation in the working life. There are many different definitions of the concept, but we have used a summarizing definition which describes motivation as “the factors which trigger, direct and maintain/support peoples activities, including work in a wide comprehension.” (Ibsen and Christensen, 2001, pg. 88).

With this as a starting point we have first analyzed the classic belief, that satisfaction leads to motivation, which in turn leads to effectiveness. Many theories of motivation reflect this belief, but it is especially the older ones that fall into this category.

Despite the intense research-effort, there is no proof that satisfaction leads to motivation, and that motivation leads to effectiveness. This is why more recent research has been looking for other possible causal reactions, including that effectiveness leads to motivation and satisfaction, rather than the other way around. The so-called theories of motivation suggest that the cause/effect relation is the exact opposite. The point is, that if people are placed in a work-situation where they have the possibility to be effective, this will lead to motivation and satisfaction:

The current status is that the struggle between the two beliefs is not yet settled. Though it seems as if the belief that it is effectiveness that leads to satisfaction is enjoying the most unanimity, and not the other way around. This is said to be because there is more trust in the expectancy-theories these days.

In relation to the theme Nordic leadership, there is also the special point that the Nordic countries are, as previously stated, knowledge-economies. This means, that there are many knowledge-coworkers for whom the possibilities to gain responsibilities, professional challenges are important. Expectancy-theories suggest that the job itself works with characteristics (contents, variation,
This harmonizes with the characteristics of Nordic leadership, since, among other things, it is expressed through:

- job formation, including job-development and self-leadership
- low power distance, with following consequences of dialogue, feedback, knowledge-sharing
- responsibility and challenges, including inclusion in leadership

These conditions mean increased probability that effectiveness and co-creativity/coworker influence can be secured – and as an effect – job satisfaction.

The matter of effectiveness, job satisfaction and co-creativity/coworker influence was a part of the interview-survey. There are, among the interviewed, to almost equal wings. One has a great belief that effectiveness leads to job satisfaction based on the motto that when coworkers experience that they are part of the results, it leads to effectiveness. Hence, job satisfaction becomes a result of effectiveness – rather than the other way around. The other wing is totally opposite, they mean that job satisfaction in itself leads to effectiveness. If efforts are to be made to raise effectiveness, the effort should be put into raising the job satisfaction.

The importance of leadership is also underlined in nearly all of the interviews: As it was put in one interview: “Without good leadership there is no job satisfaction, and without good leadership there is no effectiveness.”

**Challenges for Nordic leadership**

Nordic leadership may sound like sweet harmony, but it also faces a series of challenges. Nordic leadership is also a demanding and ambitious form of leadership. Coworkers do not just carry out a task, just for the sake of doing it. They should feel that they possess it, since they are both competent and independent. This means that frustration easily arises, if these expectations are not met.

Nordic leadership means long procedures, many meetings and many involved. Along with this, there is a risk that no decisions at all are made, because there is no one, among the many involved, who will take any responsibilities. There is also a risk that unpleasant decisions can be hard to make in consensus-based cultures.

Another challenge is globalization. Many of the interviewed point to a series of new tendencies, which contradict the values of Nordic leadership. Along with globalization, there are, for example, increased demands on effectiveness and resource awareness. Everything can be produced cheaper in other parts of the world. As a result, everything is weighed and measured to a much greater extent than just a few years ago. This challenges coworkers’ possibilities to adjust their work and see to it that their tasks are solved in a satisfactory way. In connection to this, the Lean-concept is mentioned as an example of leadership-values, which are not based on the Nordic values. Nonetheless, an increasing number of such tools gain ground during these years. The reason for this development is said to be because of our lack of knowledge of the values which we, in the Nordic countries build our style of leadership upon.

The conclusion is, according to many of the interviewed, that it will take an increased effort during the coming years, to preserve and strengthen the Nordic values, if there is a desire to have an independent, forceful and motivated workforce with a heart for social values.

**Best practice: Is one thing better than the other?**
Let us now look at what research on the dissemination of organizational practice has lead to. It is natural for operations that they wish to optimize the use of their human resources. To do this, it is tempting to look at how others get along. Herein lies the foundation for wishing to define best practice. Best practice is one of the most controversial subjects within leadership, since the basic stances are very different. Some think that a survey of best practice and evidence of what is the best practice in other sectors is the only way to professionalize an area of operation. Others say, that by copying the best, you can only walk in their footsteps and not beyond them. And others say that the searching for best practice is wrong, since the situation and context determine what is good and bad.

Even if it is a very controversial area, many surveys point to that within the so-called institutional organizational theory, that many organizations adapt to each others’ practices. This means, that what is considered as a suitable way of structuring an organization may be copied by others and/or that there is an adaptation between units, for example within a municipal administration. In the same way, you can imagine a cross-border adaptation.

**Said about the Nordic countries**

The Nordic countries remain a role model for the rest of the world’s economies. They share a number of characteristics that make them extremely competitive, such as very healthy macroeconomic environments and public institutions that are highly transparent and efficient, with general agreement within society on the spending priorities to be met in the government budget. And whilst high tax rates could be a potential problem area, there is no evidence that these are adversely affecting the ability of these countries to compete effectively in world markets, or to deliver to their respective populations some of the highest standards of living in the world. Indeed, the high levels of government tax revenue have delivered world-class educational establishments, an extensive safety net, and a highly motivated and skilled labour force.

Source: Augusto Lopez-Claro, World Economic Forum
World Competitiveness Report 2005

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**Isomorphism**

This tendency to resemble others is in organizational theory called *isomorphism*. (Iso means like or similar and morphism means form – isomorphism means taking on the form of something else). Rubery and Grimshaw argue that there are four forms of isomorphism – illustrated here in relation to organizations and nations:

- *local* isomorphism, where the daughter organization adapts to local conditions, among other things, since the main office’s policy is that you should evolve your own local strategy

- *operational* isomorphism, where the centrally determined organizational culture is so powerful that local conditions are filtered through this culture, and are therefore only seen in a processed form (dependent of how well they fit into the centrally determined culture)

- *cross-national* isomorphism, which is seen especially in international organizations and which means that all daughter organizations adapt to an overall, superior and powerful organizational culture, which originates from the culture of the country from which the organization stems

- *global* isomorphism, where the organizational culture is fixed in a general, superior, global culture, rather than a specific national culture.

As stated, three of these four forms mean that you do not adapt to local conditions – but adapt to a more superior (national or organizational) culture. This, of course, is only done if it is considered
good or necessary. In other words, you imitate or mimic behaviour that you see in your surroundings, which you find desirable. (DiMaggio and Powell, 1983).

Three ways to promote international behavior

The dynamics of best practice arise, because organizations observe organizational behaviours, which they consider to be attractive – and therefore copy them. In the same way, you can imagine how nations are inspired by each other's practices. (This is actually one of the main objectives of the Nordic Light project). Rubery and Grimshaw state, that organizations can typically act in three ways if they wish to promote international behavior:

- by appointing international leaders
- by generally developing and using organizational culture (as an organizational “glue”)
- by stimulating parts of the organization to be comparable and similar to other parts of the organization.

Municipalities do not work across borders in this sense, so these three methods are not immediately transferable to Nordic municipalities. As the three methods illustrate the dynamics of isomorphism and best practice, we wish to briefly mention them.

To appoint international leaders can be one possibility, but it is no guarantee that a daughter organization adopts the culture and view of life of the main office. The national background a leader has, can to a greater or lesser extent influence how dedicated they are to the task. Besides, an organization (read: daughter organization) has many opportunities – effective or not – to incapacitate a “cultural ambassador” that is sent out from the main office. An especially effective way is to discreetly lock out the person in question from important information concerning life in the local organization. Simply because you are at the top of an organization is no guarantee that you actually know what is going on. This is especially true when the subordinate team does what it can to insure that information does not get passed on. The team will in such cases inhibit negative information from reaching the top of the organization.

The more it does not work to appoint international leaders, the more you can choose to try to influence a feature of the organizational culture. This will, in turn, lead to altered, visible forms of behavior (artefacts), values and basic presumptions (Schein, 1994). Frequently used methods include symbolic behaviour, ceremonies, educational activities, new forms of communications, the use of role-models and altered patterns of communication. This could be very effective, but will not be, unless people can understand the purpose. This is often the case in subsidiaries, which do not understand the cleverness of the initiatives and decisions that come out of the “main bunker”. The subsidiaries pursue local goals and have a hard time understanding or accepting the overall perspective which comes from the main office.

The third method is to create visible comparisons between different parts of the organization – and let the good example influence the other parts. Problems with this methods are many. One of the assumptions of this approach is that the different parts actually are comparable in a meaningful way. Another assumption is that there is a will to be compared to others – and a desire to act in a constructive way, if the comparison is not to your advantage. These comparisons can be a cause for giving bad excuses and rationalizations and, in such cases, can be worse than not making comparisons. A third problem is that to be able to inspire, you have to know what is going on. This
puts demands on transparency and knowledge sharing in the organization. Knowledge sharing means that there is a desire to share, and a desire to take part.

The discussion above shows that these otherwise effective methods can have different outcomes depending on how they are used. The barriers are many, but they are not necessarily insurmountable obstacles. It is dependent upon the actual conditions (including the need for change), power relations and the chosen intervention method. Experiences from international organizations show that organizational behavior can easily be affected – it is just not a matter of course that change occurs, and that it happens in the desired direction and in the desired way. By paying attention to the problems and dealing with them as they occur, the chances to carry out a behavioral change or a change in position are greatly improved. The same applies across the national borders of the Nordic countries.

The conclusion is that it can be very difficult to identify what best practice is. Even if this succeeds, there is no guarantee that people wish to be inspired by this – much less implement best practice into their own unit.

It is really an important part in any project on Nordic leadership that you do not – based on a belief on that you have something that is unique and good – expect that others wish to copy it. It is very doubtful that other countries feel that they in the shadow of the Nordic countries, and wish to stand in their lights. The national, cultural connections are typically different, and this decreases the desire to import a Nordic model for leadership, no matter how well it may be working in the Nordic countries. We can turn the question around and ask: How interested are we in the Nordic countries, in importing other countries’ leadership practices, just because they work there?

**Convergence or divergence?**

This report has its starting point in that there is something special about Nordic leadership, that there is something common that can be found across national and cultural borders. This is why there is an especially important question to ask: Are these borders increased or decreased? International trade, the mobility of the workforce, the improved means of transport and communications and the technological developments which cross borders all contributes to the levelling of national and cultural boundaries. The same thing happens when international organizations (in our case the EU) sets regulations which affect organizational conditions and conditions of leadership.

This is seen, not only in the field of leadership. Especially in the cultural areas regarding national languages and national (sub)cultures, there is a fear, that these unique cultural values are lost in the name of internationalization or globalization. This fear may not be very apparent in the field of leadership, but there are many examples of this. In this report, we have pointed to some new concepts, methods and tools of leadership from, for example, the U.S.A. Sometimes they have had an easy crossing over the borders of the Nordic countries. It has either been said that it has been tempting to be first out with something new, or there has been a lack of criticism.

However, there are also forces that oppose convergence – or actually support divergence. An increasing number of countries are developing their own leadership culture, methods and forms of practice. There is also developing a more critical stance towards flashy ideas transported across the Atlantic Ocean. And, as contextual factors are taken more seriously, and are adapted into
leadership, the understanding of developing or using methods of leadership which are adapted and
tailored for the national and cultural context is increased.

These two current opposing forces, and organizations that operate internationally, actually
contribute to the fixation of this dualism. In some respects they contribute to divergence. It is
common nowadays, that an organization is something special, it has a unique core competence and
overall visions and goals, which cannot be imitated by others. Against this backdrop, it does not
seem overstated to formulate and implement a leadership practice, which is a copy of other related
organizations.

On the other hand, there is an increase in convergence, when leadership- and human resource
management systems cross national borders and cultures. This contributes to the increase of private
and public organizations’ abilities to meet “the need to differentiate across cultures and integrate
through an international strategic process” (Jackson, 2002, p. 11). As an example of very extreme
integration there are, for example, the American organizations, which after a massive research
formulated a model or checklist for the ideal leadership-style/behaviour, which was afterwards
implemented world-wide – no matter how. This radical form of cultural imperialism is not seen in
municipalities, but it is important to be attentive to the forces that are at work, and a future project
could contribute with valuable insights into this area.

The conclusion is that the dimension divergence-convergence is very central in intercultural
leadership and human resource management, but the conclusion, with regard to distribution and
consequences is unclear. Almond and colleagues conclude for these reasons that the picture will
become less blurred, if you instead of looking at leadership and human resource management and
practices, analyze more specific themes. (This is for example illustrated in the previously mentioned
Cranet-survey on integration and line-leader responsibilities in 12 countries). Forces of convergence
and/or divergence are more apparent here. Moreover they state that “…it is important not to mistake
what seems to be popular opinions among employers and leaders, with more continuous changes in
character of terms of employment on a society-level.” (p.629)

Of course, the individual municipalities are not in the same situation as the international
organizations referred to, which operate across national borders and cultures. The dynamics and
processes of isomorphism and divergence-convergence are also found in the Nordic public sectors –
and are an fundamental basis for the project Nordic Lights.

**Possible research questions**

This preliminary study was initiated on the basis of the assumptions or hypotheses listed below,
which cover existing research and knowledge regarding Nordic public sector leadership. A future
continuation should consider the following themes:

1. Expectations regarding the public sector in the Nordic countries are undergoing massive
   changes. This means, that the qualifications that historically have been sufficient and successful
do not necessarily match future needs. This can be separated between the concept of
qualification (understood as a term for knowledge and skills) and competence (which refers to
doing that that is useful, i.e., doing the right thing). We have previously given numerous
examples of changing expectations during recent years regarding the public sector. This means
that what was once important cutting-edge competence is something else that what is currently
expected. The competent coworker (yesterday) runs the risk of being incompetent today, unless their qualifications harmonize with the demands being made on the public sector and its employees. A good example of this, which even harmonizes with the Nordic perspective, is value-based leadership. Since leadership in the public sector is increasingly based on values, goals and strategies instead of rules and procedures, this puts both leaders and coworkers in a difficult position where they need to contribute to value-based leadership. This is just one example of new demands for competence. Another is information technology.

2. A project on leadership in municipalities has to include the conditions for strategic work, including the interaction between the political and administrative levels of the municipality. The classic division, where politicians develop a strategy and the administrators implement it in the municipality, is being challenged. Instead, an increasing number of complicated and varying interactions between the political and administrative levels are seen, and there are also great variations between the individual Nordic countries. It would be relevant for future surveys to examine the consequences that these changes in interactions between the political and the administrative spheres have on leadership.

3. Research shows that Nordic leadership includes both similarities and differences. From a great distance, leadership in the different countries will seem rather similar, but differences are also apparent. There is, between the Nordic countries, a relatively great difference regarding the extent to which human resource management practice is rooted in the overall strategic development of an organization. This is documented in the Cranet-research project, which surveys human resource management practice and strategies in a large number of countries, including Denmark, Norway, Sweden, Finland and Iceland. An interpretation of this – and other data – would be important in any following project on the conditions of Nordic leadership.

4. In future research it would also be interesting to examine the dynamics between convergence and divergence. In other words: Will leadership in the individual Nordic countries be even more similar to one another, or will they develop in different directions? Analyses on a European level, including the Nordic countries, show promise. The findings are that the spread can be amazingly small. This is said to be, among other things, because an organization does not often feel the need to be inspired by others, if things are already going well. If things go badly, there is often a lack of mental preparedness for considering new forms of practice. This problem is of great importance for a project, which has its goal to spread good practice between the participating countries, and possibly even outside the region. It will be an important topic for a future project.

5. The Nordic countries are, as previously mentioned, characterized by the fact that staff-responsibilities are often de-centralized to the individual leader. This reflects (and this is especially true when it comes to the public sector, including municipalities), that the production is immaterial and consists of administrative yields, knowledge-work, serving citizens etc. When this is the case, there cannot be a clear division between the contents/quality of the production and the effort/achievement of the co-worker, as in for example an industrial organization, where there is a physical product – which can be separated from the workforce. In the public sector, the primary tools are heads and hands, rather than machines. Quality and effectiveness in the public sector are therefore closely connected to the characteristics of the employees, for example competence and commitment, empathy etc. This is why it is natural to connect work- and staff-leadership at a de-centralized level, with the individual leader. There is a great need to examine, in theory and practice, how leadership of immaterial production is carried out in the Nordic municipalities.
6. As we have shown, there has previously been an orthodox belief that job satisfaction and motivation lead to effectiveness. More recent research shows that job satisfaction is more of a consequence of effectiveness and not a cause of effectiveness. The effective work-effort leads to motivation and job satisfaction – not the other way around. This means, that working conditions and leadership should be adjusted in such a way, that the co-workers are given the opportunity to be effective, among other things, because this leads to commitment and job satisfaction. Because of this, great demands are put on job-design and staff-leadership, so that the potential of the co-workers is developed.

7. The Nordic countries represent on the one hand, traditional human resource management practice, as it is known in other countries and is described in human resource management theory and practice. On the one hand, the Nordic national economies are unique: knowledge-based economies with a high proportion of well-educated employees, with both competence and involvement, but who also expect a psychological contract that meets their expectations concerning working conditions. Human resource management in the Nordic countries is special and the Nordic Light project encompasses these characteristics. This special profile deserves further study.

8. It is important, that Nordic Lights continues to focus upon the inter-dependency between organization and co-worker. The co-worker should be competent and committed to be able to contribute to the organization and public sector needs to be an attractive workplace and have the ability to attract the best applicants. This is a great challenge for the public sectors, since it does not have as good an image as a workplace as the private sector does. Among citizens there is often a great satisfaction with the public sector, but the sector does not have a good image or reputation as an employer. This is especially true for the groups with educational backgrounds suitable for both the public and the private sector. These groups state that they are not planning a career in the public sector. This is why this dimension is important in a project which is occupied by the interactions between co-worker-involvement, effectiveness and job satisfaction.

The steering group has also discussed a series of other issues related relation to leadership in the public sector:
- interactions between effectiveness, job satisfaction and co-creativity/influence
- innovation
- age management
- diversity
- gender/equality
- interactions between the political and the administrative levels
- ethical changes
- staff-leadership in general.

These subjects all have relevance, but have not been fit into this project, since this is supposed to be explicitly about national, cultural similarities and differences in municipal leadership. It has not been realistic to give the report a very wide focus, since the report would have become superficial if so many subjects were to have been treated in a very limited space. Secondly, the report would have included presentations of topics that are better dealt with in other publications.

Final comments
As previously stated, there are a number of significant features of Nordic leadership in the Nordic public sectors. In the efforts to identify what is uniquely Nordic, the analysis of differences between these and leadership in areas outside the Nordic countries may have lacked detail. It should be noted that these differences are often a matter of degree or level. We do not mean that the Nordic countries have anything specific or unique that cannot be found to some extent in any other areas.

A very important issue, when examining similarities in Nordic leadership in the public sector is the matter of whether these are a result of cultural effects (nation-region), or if they are dependent upon regional conditions, these being the municipalities. Schramm-Nielsen et al., found in their analysis of different branches, that the strategic decision-making processes within a given branch – and across national borders – showed greater similarities, than those found in the individual countries. They interpret this as supporting the general view that branches are stronger determinants of strategic choices, than their countries (p. 158). They use Volvo, which has created a competitively strong position within manufacturing heavy trucks, as an example. They see this as an expression of the infrastructure in northern Sweden (with few railways and a need for heavy materials for transporting timber, paper manufacturing and road-materials, poor possibilities for road-repairs and extreme road conditions, a cold climate etc.) in itself made it natural/necessary to produce big, sturdy trucks.

Projected onto the public sector, we hypothesize that the specific and special features of the public sector (across national borders) are so strong, that the cover up national differences. Here, both our general overview of literature on intercultural leadership (in Part II), and the presentation of the actual statements (in Part I) show that there is a strong belief in the existence of something generically Nordic. The actual organizational context, the public sector effects to great degree the way that Nordic leadership is expressed in practice but this occurs with a Nordic set of values as a background. Especially if there is a desire to develop municipal leadership practice in the Nordic countries, it will be relevant to go further into an analysis of the relative importance of the intercultural and the sector specific.

One final matter to be raised is the issue of the survival of Nordic leadership in practice. As previously mentioned, there is a fascination for models and tools of leadership from for other countries, especially, the U.S.A. There is a Danish saying: “Foreign food is always better”. Even if this project’s focus is Nordic leadership, it should be confessed that there is no guarantee for the survival of Nordic leadership in the future. This is dependent upon whether it is considered to be the best way to tackle the challenges of public sector leadership of tomorrow.

It is very much up to the individual municipalities and their organizations to create this balance between maintaining and developing a local practice of leadership or – on the other hand – importing concepts from the outside. Choosing between or mixing the two extremes is dependent on which one will fulfil social, organizational and individual goals. This is in itself an argument for further examination of the unique aspects in the concept of Nordic leadership – and their consequences.
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- 95 -


Appendix 1

A guide to reading the report

When reading the report it is important to pay attention to:

1. This is a research project, which can be read independently, but at the same time shows, where there is a need to gather new knowledge and to make new surveys. Therefore you cannot expect this report to present final answers to the very complicated topics associated with Nordic leadership and leadership in the Nordic countries. It has from the beginning been decided that it should be a rather brief report. This report is far longer and more detailed than originally planned but still does not have simple answers to the questions raised.

2. Conditions of leadership in the Nordic countries is both topically, culturally and socially and in other ways closely connected to a series of other concepts, theories, social institutions, etc. The project has tried to limit itself to examining the association between leadership and national cultural factors – along with the leadership practice's connection with effectiveness and co-creativity/coworker influence. To reach an acceptable depth in the analysis, we ignored aspects of general conditions of societies, public administration and leadership, economy and globalization, the effects of structures of society/surrounding conditions on work-tasks and terms for the public and regional sectors (including resources, culture and strategy) along with general staff-conditions in municipalities, including leader-education and – development, careers, recruitment and selection, competence development, mobility, turnover and absence, commitment (motivation), the correlation between leadership and gender and so on.

3. The interview survey is limited in it’s qualitative and explorative character. There were 4-6 categories of people who were interviewed (top- and mid leaders, human resource executives, union representatives and researchers) in the four countries – on both municipal and regional levels. Since the total number of interviewed is 45, it is only to a limited extent possible to generalize from the comments of these individuals. None of the interviewed have lived in another Nordic country than their own, and their knowledge of leadership in other countries are often indirect or limited.

4. Apart from the researchers interviewed, the others interviewed were all employees in municipalities or regions. Not one politician was interviewed. What is therefore said about politicians and the correlation between them and the administrative level is based on what the employees think.

5. The report wishes to separate management and leadership, but in principle, leadership is mentioned in both regards. In statements from interviews, specific conditions of leadership are addressed, connected to, for example mid- or top leaders. The concept leadership is one of the most studied concepts within behavioral science. We have not had as an ambition – or been realistically able to live up to the goal of providing a general analysis of and the status of the concept of leadership. Neither have we been able to go further into whether previous research is based on surveys, interviews, laboraty studies, field observations/experiments or are just an expression of basic research within leadership. When we quote and use specific studies of leadership, we have examined methodological issues.

6. The title of the report was chosen deliberately since it’s general focus and scientific and empirical goal is to look at both similarities and differences in conditions of leadership in the Nordic countries. It is not the project’s desire to favorize similarities before differences – or the other way around. On the other hand, it is one of the project's premises and ambitions, that it should be stated through the project instead of being a pre-condition (axiom), which importance
differences and similarities have in relation to each other.

7. Occasionally, quotes are added – either from interviewed or from written media. These quotes are meant to be viewed as illustrations and cannot be used – and are not meant to be used – as a documentation of absolute opinions.

8. Even if there are on many reasons for the project to look at the correlation between, on one side, the Nordic aspects of leadership, and on the other side effectiveness and co-creativity/coworker influence, we have not been able to let this theme become predominant in the report. There are two reasons for this. Primarily, it is a very essential part of existing research, to look at the associations between different forms of leadership (style, behavior etc.) and effectiveness (performance) developed under fundamentally different conditions, for example, in the U.S.A. And with studies of private organizations, performance criteria are very different from the realities of the public sectors. Secondly, most of the interviewed only have very vague things to say about this topic, so, even on empirical grounds, there has been little information to gather.

9. The project is geographically limited to the Nordic countries – while recognizing that it could have been relevant to study regional conditions of leadership in other parts of the world. We have also, to a lesser extent, been able to include globalization in the analysis.

10. When the four countries are individually presented in the same context, alphabetical order is used: Denmark, Finland, Norway and Sweden.
Appendix 2

**Interview guide**

The interview-guide which was used, was developed during the project and also varied slightly from country to country. The interview-guide below can be considered a common denominator for the questions which were asked in the individual countries.

1. What are typical features of leadership and leadership work in this municipality?

2. Can you give any examples of such leadership situations?

3. To what extent is this a useful/ineffective form of leadership?

4. To what extent is leadership similar/different in this municipality from other municipalities in this country?

5. To what extent do you feel that leadership and forms of leadership here, reflect national, cultural features?

6. Why?

7. Is it meaningful to talk about Nordic leadership?

8. If yes, is it useful?

9. Which problems/side-effects are connected to Nordic leadership?

10. If Nordic leadership is good, what can others learn from it?

11. Is the export of Nordic leadership an advantage or should we keep it to ourselves?

*Note to the interview-guide:*

It should be said, that quotes from the interviews in the report represent what one or more of the interviewed have said, that the statements have been reproduced with as much authenticity as possible, that they are not an expression of the views of others than those interviewed, and that the quotes included are not necessarily an expression of a point of view from the steering group or its members and/or the researchers involved in the project.