

CONSENSUS

The Hidden Codes of Swedish Leadership



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Consensus: The Hidden Codes of Swedish Leadership

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Inter Media Publications
London & Stockholm
www.johnalexander.se

ISBN: 0-906756-11-1

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1. The Best Country in the World?

According to Forbes Magazine Sweden is the most brand conscious nation in the world (April 2006). IKEA, Volvo, Ericsson, Electrolux, ABB, Scania, SAAB, Absolut, Hennes Mauritz, Astrazeneca, Alfa-Laval, Tetra-Pak – the list goes on – company names readily associated with their Swedish origins. They are also successful. In a recent survey on countries with the fastest growing companies Sweden came in fourth (after USA, India and Hong Kong). ‘This is a mystery to me,’ commented an Australian colleague recently. He had lived in Sweden three months and was returning to the Netherlands, which he considered ‘a much tougher work environment – more like Australia.’

How do these Swedish companies succeed, he wondered, with their long holidays, generous sick leave and pay compensation, *mammaledigt* and *pappaledigt* (parental leave – paternity leave was made obligatory in Sweden in 2005), endless coffee breaks (*fikapauser*) and long meetings in which discussions pervaded and decision-making was avoided. How has Sweden achieved such an impressive track record, corporate sustainability, international profitability, and – according to Newsweek – a candidacy for the best country in the world?

The Newsweek survey (July 2004) evaluated criteria for what makes a country work. Looking at surveys

which included the UN Development Index, Global Competitiveness, World Economic Security Index, levels of education and literacy, the Transparency Agency's 'corruption perception index', Sweden emerges as 'the best country in the world'. (Australia came in sixth).

Like my Australian colleague I have also been mystified – after close on two decades of living and working in the Nordic countries – about how the Swedish seemingly non-competitive, non-confrontational and 'soft' approach to international business continues to reap rewards.

The Best Countries in the World [Newsweek, 2004]	
1. Sweden	health care, innovation, research
2. America	geopolitical entrepreneurial powerhouse
3. Norway	UN's 'most developed nation'
4. Japan	major industrial power, major aid donor
5. Holland	liberal ethics and business acumen
6. Australia	multicultural synergy
7. France	culture, cuisine, and EU catalyst
8. Ireland	social and economic transformation
9. Singapore	environmental corporate city state
10. Canada	model 'open society'

Research: John D Sparks

Sweden's neutrality during the war years and a strong post-war economy no doubt helped consolidate the interests of many Swedish companies, but already in 1936 an American journalist suggested that the success

of Corporate Sweden was based on Swedes' 'willingness to adjust, to compromise...'; Swedes 'are the ultimate pragmatists, interested only in the workability of the social order.'

So is Sweden the best country in the world? According to the United Nations Development Index survey (2006) it is the most secure, and in 2007 Swedish Television produced a television series entitled 'The Most Modern Country in the World' (*Världens modernaste land*). For myself and my UK and US publishing clients during the 1970s and 1980s Sweden appeared – for better and worse – the world's most civilised country.

As an agent dealing with English language general and academic books, the Swedish market *per capita* imported more English language titles than were sold in the UK. This, in spite of Sweden's own unrivalled library system, and own impressive Swedish language publishing industry. Next to Iceland, Swedes read and buy more books than anywhere – a sure sign of civilised people.

In 1988 I moved to Sweden, and although by then the renowned 'Swedish model' was costing more money than even Swedish taxes could afford (the highest in the world), Sweden still seemed a very civilised place. Some two decades later, Sweden, just one more nation in the ongoing European experiment, could still be described as civilised – 'the most civilised?' – and from a business point of view, an approach that accounts for one of the most progressive business cultures in the world.

Living in a reputedly civilised society has certain advantages: the social codes emphasise co-operation not conflict; logic, not passion; science not superstition, a social welfare system that works, high ethical standards regarding the upbringing of children, the treatment of animals, and the accomplishments that accompany impressive standards of literacy and education.

Yet the beauty of a civilised society is as sublime as it is abstract. Civilisation is a list of standards that transcend the base nature of humankind – that lives with ideals and possibilities rather than realities. The civilised ideal is a social welfare system that ensures that a minority of weak and disabled citizens can lead a life of relative security. It is a system that holds a majority responsible for not taking advantage of such a structure, which plays down self-interest, and relies upon a collective undertaking of social responsibilities while ensuring the sanctity of individual freedom.

What is civilisation? Historian Kenneth Clarke suggests there are four basic criteria to a civilised state:

- *freedom of mind*
- *intellectual energy*
- *sense of beauty*
- *longing for immortality*

Kenneth Clarke also observes that internationalism fosters civilisation, and extreme nationalism accompanies the decline of civilisation.

These are lofty claims (in particular the last point), and I intend to examine corporate Sweden, consensus style leadership, and see if such claims can be validated.

What Kenneth Clarke does not argue for, is the downside of being 'civilised'. Being civilised is not always a good thing, and nowhere is this more apparent than in the Machiavellian world of corporate dealings. Being civilised also means:

- *avoiding conflict*
- *the paralysis of liberalism*
- *a waning of national identity*
- *the uncertainty and vulnerability of the open-minded mentality*

Civilised leadership is something of an oxymoron in the business climate of today – my intention is to explore the pros and cons of a civilised corporate profile, and its specifically Swedish manifestations when it comes to the decision making processes from the bottom to the top. This process is called consensus and it is a practice that baffles everyone outside Sweden, including their nearest Nordic neighbours, and at times, Swedes themselves.

At the beginning of the last century, author H. G. Wells divided the civilised world into two categories; Obedience and Will. 'Societies of Obedience' (Ancient Egypt, India and China), claimed Wells, were societies where kings and emperors were worshipped as gods,

and population conformed to their wishes, building great shrines in their honour. 'Societies of Will' (Germany, France and England), were characterised by empire building, competitiveness and urge for world dominance. Now, in the beginning of this century, Sweden emerges as a new kind of society – deemed impossible a century ago – a 'Society of Consensus.'

2. Swedish Style Leadership

Consensus is one aspect of the Swedish leadership style. What else is involved? Some general observations must include the emphasis on teamwork, coaching, and a non-confrontational style of communication. Signs of aggression are considered a weakness – an inability to maintain control of emotional impulses. A rational temperament, calm disposition and logical dialogue are expected. Whereas in some business cultures signs of aggression or assertion emphasises credibility, in Sweden the affect is the opposite. The Swedish view is that the ‘tough boss’ with raised voice and emotive rhetoric, diminishes credibility, rather than elevate it.

A radio debate in 2007 addressed the issue: why are Swedish politicians so boring? The conclusion of the panel? That the exhibition of little emotion, the static body language, the calm almost sleep-inducing rhetoric are positive characteristics in Swedish politics. ‘That’s the way we like our politicians. Boring means believable’.

Within a Swedish organisation exist certain expectations regarding leadership strategy. The Swedish leader is expected to communicate with facts, figures, statistics, and define goals in an objective and clear way. The lofty promises of a visionary do not motivate, rather create suspicion. Radical approaches and untried strategies; deviousness of any kind – no matter how

astute, along with concealed agendas and hidden motives, simply create suspicion and mistrust. Swedish corporate culture for the best part of 100 years has evolved on transparency and sustainability.

Leadership credibility and long term trust is created through building alliances, an approach that extended to trade unions and the political system during the agreements ratified at Saltsjöbaden from 1932 to 1938. What is now referred to as the 'Swedish Model' means two things in coming to terms with the majority of Swedish companies: firstly, companies last a long time (hence Sweden's nomination as the most brand-conscious nation in the world); and, secondly, leaders last a long time, certainly in contrast to the more turbulent market strategies in the US. The Swedish leader tends to maintain a low profile, and make seemingly modest commitments that can be kept. The more charismatic approach that inspires confidence in the US market, is traditionally viewed with mistrust in Sweden, borne of the historical ties to the land, and the mundane realities of production.

It is a style that reflects Swedish cultural priorities and core values: values like honesty, informality, social equality (everyone on first name terms) – and a business culture founded on production and engineering, which have been incorporated into organisational structures.

Where do these values come from? An historical assessment would consider factors of nationhood, neutrality, the social and economic causes that

contributed to the social democratic government elected to power in 1932, and their predominance in Swedish politics since. But there are other factors.

The defining of core values function at best as descriptions of tendencies and prevailing attitudes. Yet cultural values and priorities – with the best of intentions - cannot help but risk promoting a form of cultural stereotyping. The cultural models and theories taught in business colleges and universities provide a framework for understanding difference – the problem is that cultural models arise out of a particular cultural perspective. In analysing cultural differences, Swedish leadership and consensus as a Swedish core value, I adopt a ‘narrative’ approach – how stories, anecdotes, and the good example provide insight into cultural attitudes and differences.

I suggest that evaluating national identities as narrative provides an interactive model of cultural rationalism. Cultural models and theories provide a foundation but with these observational approaches there is the risk of self-enforcing cultural projections. A cultural narrative is made up of history, popular culture, traditions, customs, attitudes, anecdotes, and examples.

Further we can look at the values of corporate Sweden from the point-of-view of the ‘pay-off.’ Cultural values endure because there are perceived advantages in holding on to them. Consensus has an historical track-record; collective decision making means decisions that last because of the breadth of support. Consensus may

take time, but the pay-off lies in that once a decision is made, it is quick to implement.

What about other values and their pay-offs? Social welfare means high taxation, but also the advantages of security and the moral position of contributing to a caring society. Honesty as a business strategy may be perceived as a naïve business strategy, but there is a pay-off, at least in a hegemonic business community. Revealing strategies, last price deal-breakers, and bargaining positions at the outset of a negotiation, is hardly standard business practice. But the long-term pay-off – apart from a social commitment to rules and regulations – lies in the advantages of establishing long-term business relations. ‘Once bitten, twice shy,’ runs an old English proverb. Traditionally, Swedish companies do not bite, nor rarely bark, unless severely provoked.

The international mindset is a prerequisite for survival for the small national business nation, and not surprisingly Dutch, Danish, Finnish, Swiss and Swedish companies maintain a strong international profile with accent more for the international market than the domestic. The difference with the Swedish approach is the emphasis on adaptation. To this end Swedes maintain a high standard of English as a second language (highest of the non-English speaking countries in Europe); a broad knowledge of international affairs, and a low profile regarding a national agenda (at least on the surface; more on this later).

A social system that emphasises equality (social equality, gender equality) has led to a leadership style that is low on prestige, high on efficiency. Solving a problem is a higher priority than going through the hierarchy of a chain of command; an approach that in many countries is considered disrespectful, even defiant.

To summarise, Swedish leadership culture emphasises efficiency, social rationalism and consensus. These core values have some common ground in Lutheranism and Protestantism, although few Swedes would describe themselves as religious. Max Weber's *Protestant Ethic and the Spirit of Capitalism* well defined the social pressures of work, social obligations and self-determinism in 1904 and are still valid to Swedish business culture today.

The intercultural perspective is dealt with more fully in a later chapter, but at this point we can note that some of the more common red lights to cross culture business success are these very values and priorities that shape the Swedish mindset.

Consensus is problematic: it is time consuming and leads to watered down decisions that are ineffective and lack vigour. Social welfare, to the extent that it is practised in Sweden, means insurmountable taxes burdens, bureaucracy and ineffective public spending.

Honesty, of course is a virtue in any culture, yet an imbalance of honesty over astute business practice, can be interpreted as a blue-eyed abiding to rules and regulations. Too much honesty leads to a perception of a

business culture naïve to the realities of corporate praxis. A perception that in turn can lead to a vulnerable positioning on the international market.

Internationalism is commendable but at what price to a sense of a company or citizen's own sense of cultural identity? Likewise, equality is a praiseworthy ideal but social differences and class structures are inevitable, and to what extent does egalitarianism lead to the suppression of individual effort, ambition and creativity?

So what might be considered norms in a Swedish business environment may be construed as quite different to international business norms. Other examples that relate to 'consensus-building' include:

Power distance – the distance between levels of the corporate hierarchy, in Swedish companies is among the smallest in the world.

Leader as coach – not commander. The coach delegates, discusses, supports, and encourages individual initiative.

Personal status – is low priority; accomplishment is highly valued. The idea of the leader's socially elevated position is – in theory – not a major consideration in Swedish companies.

Communication style – calm, rational and diplomatic. Criticism is low and non-personal. Swedish executives make the (erroneous) claim that Swedish business culture favours compromise. When in fact Swedish business culture favours consensus.

3. What *is* Consensus?

Consensus kon'senses /*n.* [L.,= agreement] **1a** general agreement of opinion **2.** an opinion held by all **3.** collective opinion

Consensus is not a Swedish word, and although now incorporated into the Swedish language, it is still a word unfamiliar to many Swedish people. Two reasons for this is that, firstly, why a specific word to describe 'normal' discourse, and secondly, it is a word that might be necessary for non-Swedes, because... well, back to the first reason. People in management and business are more familiar with the idea because business people outside Sweden look to Swedish companies and notice a singular approach to making decisions, which does not exist elsewhere to the extent that it does in Sweden. Namely, that decisions are made when everyone agrees. Studies in intercultural business practice reveals that Sweden is 'consensus-orientated'

From a Swedish perspective consensus is normal because not agreeing is counter-productive, and anyway, hasn't it always been like this? For anyone outside Sweden (including their neighbouring Nordic countries) consensus is something of a mystery. For other cultures (Germany, France, Russia, the Far East, the USA), simply not possible. Business meetings for example, are held in order to share opinions, not to proclaim the same opinion.

So how does it work? How do you get it? And why is it so important? According to my Swedish colleagues, getting consensus consists of a three-stage process:

1. investigate (*utreda*) - background research to make sure consensus is a) viable and b) where it lies
2. secure (*förankra*) - get agreement beforehand. This can be phone calls the day before a meeting; informal conversation at the water-cooler or during the coffee-break; a few diplomatically phrased e-mails.
3. agreement – co-operation to the Swedish mind; conformity to the non-Swede. Avoids confrontation, ensures a fast implementation of the decision. The risk of obstacles and resistance in the implementation phase is reduced. Consensus implies a group commitment to a decision, and personal support, thus ensuring a trouble-free implementation.

The investigation process seems self-evident, but the anchoring or securing process requires some elaboration. Some people translate this as lobbying, but lobbying is a more pro-active – like a ‘pitch’, involving some form of sales rhetoric. To non-Swedes to *förankra* (Pron: *fer-ank-rah*) seems a devious approach to avoiding arguments.

The singularity of this 'securing' process surfaced at a cross-cultural seminar of German and Swedish bankers.

A German management team, working for a Swedish banking organisation, expressed their bewilderment at this Swedish notion of consensus. 'It is not possible' said one of the German team members. 'The point of a meeting is to express differences of opinion, not to express the same opinion.'

The German approach to management and leadership is based on hierarchies, management levels and a clearly defined chain of command. There is one person responsible for making decisions. How could Swedes be so synchronised as to always agree with each other?

A Swedish team member described the process with a single word – *förankring* – (to secure or anchor); to make sure you have acceptance for an idea before you throw it out to the group. When does this *förankring* take place? During the coffee breaks (Swedes and Finns have the highest *per capita* consumption of coffee in the world), around the water cooler, or a telephone call the evening before a meeting. It is like lobbying, said the Swedish manager, but it is not lobbying; it is more complicated and less overt than that. For the German team members it was 'dishonest.' 'We have meetings in order to deal with conflicts.' 'No', argued the Swedes; 'we have meetings to avoid conflicts.'

To the outsider Swedish consensus can be a time-consuming process. Even some Swedish managers will complain that there is too much time spent on getting consensus.

Consensus – Minus Points

It takes time

Do we get agreement, or do we get group pressure?

Who makes the decision, finally?

Consensus does not encourage diversity

Those who think different are ostracised

Consensus decisions might eliminate/avoid radical solutions or creative (eccentric) problem solving

There is another down side to consensus, which will be more fully explored in a later chapter. It is this. Conformity makes everyone happy. Except you.

So what are the pay-offs to consensus? Gaining consensus avoids confrontation, ensures a fast implementation of the decision. It results in a decision that most people support. A decision may take time, but once reached is quick to implement. Why? Because everyone has declared their support for the decision.

Consensus – Plus Points

Everyone is (or can be) involved in the decision making process

Long lasting decision

Encourages group commitment and team spirit

Short term frustration; long term benefits

On balance we could say that consensus works best when business is running smoothly and the process leads to long-term decisions, sustainability and broad participation. In times of crisis or a turbulent market, consensus can be an ill-afforded luxury where delays can mean lost opportunities.

The Consensus Model

The decision making process usually progresses in a series of stages, regardless of the business culture. A management team begins by defining the problem, getting information, considering the options, making a decision, then carrying out that decision. Firstly, a look at how decisions are usually made within a corporate structure, then how the process works in the consensus-orientated Swedish business culture:

Define the problem – in order to solve the problem it must be clearly defined, and in defining the problem ways by which to change the situation become apparent.

Get information – gather facts.

Consider options – a solution lies in a new approach, a ‘think outside the box’ approach, and by a process of elimination reducing options to (a) or (b).

Make a decision – a top-steered decision is made quickly; ‘time is money’ – spending too much time on choosing from the available options is ineffective.

Implement the decision – yet the implementation can take time. Within the hierarchical corporate structure, unforeseen resistance or objections may be encountered at different levels. In some companies the lower levels (whether production, sales, R&D), bearing some unexpressed resentment to the upper levels of the decision-making hierarchy, may deliberately thwart the speedy implementation of a management decision.

Of course this is a generalised description, and not exclusive to all Swedish organisations; just as there are Swedish organisations that opt for the first approach rather than the second. In fairness, I should add that in those cases where participatory decision-making has not been the case, the leadership has not been Swedish. That’s simply how it is. German, British, US, French, Danish, Finnish leadership styles and decision making processes – executed in Sweden – are the main causes for often unsolvable cultural problems. (Ch. 9).

The Swedish approach to decision-making, whatever level of the corporate hierarchy, requires an integrated approach involving the group.

Define the problem – understand the situation, adapt accordingly

Get information – get facts, also get ideas, from the group – specialists and non-specialists alike

Consider options – by looking at the whole picture, through input from those who will later be expected to implement the decision, regardless of level or status. Consider past experiences, evaluate the present situation, and explore scenarios based on ‘what if...’ questions, not just ‘how’?

Make a decision – a decision ‘anchored’ through consultations with those who are directly affected by the consequences of the decision. This takes time. Consensus does not mean compromise; it means getting agreement, which means confronting doubts, objections and uncertainties.

Implement the decision – fast implementation. As all levels within the team have been involved in the process, this carries certain responsibilities and commitments to a group decision.

The Psychology of Consensus

In Sweden consensus works (or at least, has worked) because it is integrated into the shared values that define 'Swedish-ness', and the Swedish way of doing things. Consensus is a code of interaction that has an historical foundation; it works in parenting, in schooling, in the community, and at the work place. To the outsider there is a sense that the Swedish mindset is focused on how the social system is in constant need of improvement. When scandals emerge – political, corporate, communal – they most often touch the breach of consensus. 'Abstract greed' is a term that has emerged since the late 1990s to define the phenomena the seemingly irrational behaviour of individuals accumulating an excess of wealth in defiance of the stringent consensual social codes.

These unwritten codes constitute a general agreement of what decent and honourable behaviour entails. So when cases of 'abstract greed', of company directors, of politicians – Swedish consensus is thrown into turmoil. Once the shock of scandal has subsided Swedish society turns inwardly, determined to improve the system. The problem is not people – the problem is in the system.

For no matter how hard the political, social and corporate systems strive for perfection, and strives to enforce acceptable codes of conduct, there is always the

imperfection of human behaviour that threatens to disrupt the system.

British journalist Roland Huntford described Swedish society of the late 1960s in the Orwellian terms of *The New Totalitarians*. Huntford considered such codes as a tyranny against the freedom of individual rights – a system of ethical codes that by the 1970s resulted in author Astrid Lindgren paying 102% in taxation and film director Ingmar Bergman, imprisoned, then exiled for alleged tax-evasion.

Swedish society has changed considerably since the political fervour and socialist ideology of the 1970s, but the Swedish mindset has not. This striving for the perfect social system was embraced as ‘the middle way’ in the 1930s, as ‘the Swedish model’ in the 1960s, and concealed – as yet unnamed – in the hidden codes of Swedish society in the 21st century. Yet in the past 100 years that has shaped today’s Swedish society, the mindset has remained consistent. The Swedish self-perception – the platform upon which consensus is based – is summarised in the view that ‘*lagom är bäst*’; moderation is the best policy.

4. “Average” is Best?

The ‘middle way’ permeates the Swedish business climate to the present day. The expression: ‘*lagom* is best’, is a concept that can be explained, but not translated. Even for Sweden’s Nordic neighbours the *lagom* concept is either unknown or incomprehensible.

Lagom means ‘not too much and too little – just the right amount.’ The *lagom* notion of nothing in excess is a key to understanding Swedish mentality, in business and in private. *Lagom* is imbued in the Swedish management style based on teamwork, collaboration and collectivism. According to the Swedish Academy the word simply means ‘according to the law’ (*lag*=law). Another theory is that the word comes from Viking times when beer - or *mjöd* - was drunk from a large collective bowl. *Om* means around, and *lag*, means ‘team.’ A group of Vikings sat around a large table sharing the bowl. Drinking too much was not good for an individual’s standing with the group; drinking too little was not good for quenching one’s own thirst. As a member of a group, the idea was to have a drink for oneself providing there was enough for everyone else. The bowl had to go around the table – *lag om* – enough for the team. Not too much and not too little.

This may be just a story, but it provides a useful metaphor in understanding Swedish culture, which extends to teamwork, concern for the group, collective

thinking and social welfare. In Hofstede's study of culture and organisations, the one index where Sweden was placed exactly mid-way between two extremes, was the collectivist – individual index (See Ch. 9).

Why avoid extremes? Isn't it extremes that provide us with excitement and that stimulate our senses? By avoiding extremes – being *lagom* – choosing the middle path – isn't there a risk that life becomes bland and colourless? A counter argument is that extremes can only lead to unhappiness. The cultures that find *lagom* easier to relate to, are the cultures of the Far East. In China – *zhong long*, in Japan – *chuu-you*, in Thailand – *por-dee* relate to the Buddhist concept of the middle path. In *The Art of Happiness* the Dalai Lama provides a lucid description of the middle path according to Tibetan teachings. Moderation is the key to a successful life.

Whether we are seeking extremes of love, pleasure, happiness, it is always seeking more and it is 'more' that leads to discontent. 'More' is always a feeling of not having enough. Thus the wealthy person seeks more wealth, because they believe more wealth will bring happiness; the pleasure seeking person seeks more pleasure, because they believe more pleasure will bring happiness; the fame seeking person will seek more fame because they believe more fame will bring happiness. And so on. More always wants more. When can we say; this is enough wealth, enough pleasure, enough acknowledgement? Wanting more leads to suffering, moderation brings peace of mind.

According to Buddhist teachings, the young Buddha, Prince Siddhartha, came to understand the wisdom of the middle path early on his quest for a balanced life. He was listening to a musician in a market place tuning the strings to his instrument, a sitar. First the pitch was too low, then too high, finally – the right sound. The right sound – the middle way – decided Prince Siddhartha, provides harmony and accord, whereas the string not in tune results in friction.

Buddha saw this lesson in his own life. Having lived as a wealthy young prince, then as a wandering holy man rejecting all fleshly pleasures, he realised that neither path gave satisfaction. Finding a balance between the needs of the body, and the needs of the spirit, Buddha saw the middle path as the path to enlightenment.

In the more secular Swedish society, moderation on an individual level, '*lagom* is best', is not necessarily the key to contentment, but it can be a good start. Moderation on a collective level, from a Swedish perspective, makes economic sense. Cutting down a forest might yield a short-term profit, but long-term deprivation. Cut down the right number of trees, and sustain a long-term re-forestation programme and long term moderate economic growth is ensured. In 2007 – 2008 a policy of 'moderate' fishing in Swedish waters, was being calculated in a co-operative venture between the fishing industry and the Swedish department of

agriculture and fisheries. Not too much fishing, not too little; just the right amount.

So what is the down side to *lagom*? It is this. Outside Sweden, and increasingly amongst Swedes, *lagom* is viewed with suspicion, even disdain. Global economics, global marketing and international trade has brought Sweden into a more Americanised view of corporate success. *In Search of Excellence, Good to Great, Winning* – the trend in corporate leadership seems at odds with the more subdued ‘moderation’ approach.

For example a Stockholm based coaching company has this as their motto:

”Bryt Lagomkurvan och trotsa Jantelagen”

which roughly translated means “Break the curve of ‘averageness’ and defy the law of mediocrity.” The more negative interpretations of *lagom* amongst a younger, hungrier, more internationalised group of potential leaders, would include:

1. OK – don’t need to try harder
2. average
3. boring

In this new climate, and in the interests of promoting the virtues of Swedish leadership style, here are some positive attributes of *lagom*:

1. does not exclude striving for personal excellence; a myth prevails that *lagom* means succumbing to the demands of the group and suppressing individual interests.
2. does not mean 'average'; the middle way is not an average but a rationalised medium based on deduction and analysis.
3. does not imply passive acceptance; *lagom* can be an active approach to *attaining* moderation, as a seeking of a middle path, as per Buddhist teachings or humanist principles.

In a corporate context the benefits of the *lagom* mindset can be defined as consideration for the group, avoiding extravagance and wastefulness, and caught between two extreme options, deciding on the middle path as the most successful path toward majority support, namely consensus.

5. Consensus and Equality

First names only

When British journalists covered the Swedish elections in 2007, they were surprised to find their Swedish colleagues address the then Swedish Prime Minister, Göran Persson, as '*du* – Göran.' No 'Mr Prime Minister', or 'sir'; just the common form of 'you', then first name.

The first name praxis of Swedish social, political and business life, is in fact the result of a political movement referred to as the '*Du-reform*,' carried out in the late 1960s. Like other European languages Swedish has a polite and plural form of 'you' – *Ni*; and the informal singular form; '*du*'. Just as in Germany there is *Zie* and *du*, and in France *vous* and *tu*. In 1967, Bror Rexed, then head of the state social services, (*Socialstyrelsen*), announced that he would address all personnel equally with '*du*'. Sweden's leading daily national newspaper *Dagens Nyheter*, had also officially begun to use '*du*', not '*Ni*'.

My first visit to Sweden was in 1974, struggling with the limited Swedish I had learned at the University of Melbourne's Swedish Department. The '*Du-reform*' had not made into the Swedish textbooks, nor onto our course syllabus. The respectful form of address, we were taught, is to address people with '*Ni*.' It is a habit I still

have today, more than 30 years later, and it still raises eye-brows, just like 30 years ago. But there is a difference. Today the *Ni* form is considered old fashioned with a touch of old-world charm. In the more conservative Swedish speaking parts of Finland, *Ni* is quite the acceptable form of address. In the politically intense Swedish society of the 70s however, younger people would react with indignation. 'Sweden is a class-less society', I would be reminded. 'Here everyone is *du*.'

Ethnologist, Karl-Olov Arnstberg suggests that the '*Du* reform' marked a significant change in Swedish society, and goes so far as to suggest that the *Du*-reform movement was an expression of Swedish nationalism, masked in the guise of modernism. The reform was a part of an emerging self-perception of Sweden as a single class society, in an epoch of radical left politics expressed in the anti-US demonstrations, manifestations against the Vietnam War, against nuclear energy, and third-world exploitation. It was a period in which words like 'solidarity' and 'socialism' – at least in the journalese of the day – had positive connotations, in contrast to the more 'free-market' orientated Swedish society of today.

The legacy of the *Du*-reform is that all Swedes are on first name terms, with the exception of some members of the Royal Family. For a manager or staff to address their CEO by first name, certainly contributes to the prestige-less leadership style. It can't be easy for Göran (or Lasse, or Agneta) to bark out a few orders in the role of assertive CEO, only to have the manager reply, 'but *du* –

Göran...’ Consequently, business meetings where everyone is addressed by first name, encourages a sense of equal status, and that contributions can be evaluated on equal terms. Most important, for a diverse group of people to gain consensus, the principle of equal worth is a prerequisite, and first names lay the groundwork. That there may be ‘hidden codes’ as to who or where the actual power lies, is an aspect of consensus to be examined later (see Ch. 8).

In international business first name address is not uncommon; a degree of informality fosters a positive atmosphere. But if this informal approach is the expected norm in Swedish business circles, it is worth asking why first name business practice does not work so well in some of the more established European business environments. In Germany, France, Switzerland, Italy, Spain – first name address comes later rather than sooner, and in the more established industries, not at all.

With the increasing number of German – Swedish mergers and ventures, recurring key issues include leadership style, decision-making processes and forms of address. When meetings are conducted in English German managers have no problem with first name address; in German however, the formal *Zie* and surname address is the norm.

‘There are advantages to the formal German style,’ a manager from Frankfurt explained. ‘In our business discussions we can be forthright and critical. In

addressing our colleague as Herr Bauer or Frau Schmidt, our criticism is directed to the person's professional role, not to the person. The problem in Sweden is – that with everyone on familiar terms – the least bit of criticism is taken personally. The result can be people avoiding each other in the corridors, or bruised egos resulting in soured relationships. In Germany we are not afraid of confrontation – we can get quite aggressive in a business meeting – but after work we are friends again.'

The law of being no-one special

In business circles often our first introduction to a prospective new business partner is in the exchange of business cards. In European circles, it is important that the business card includes corporate status or academic qualifications, or both. In Germany, the Netherlands, Italy the listing of Dr, or Dr, Dr, then PhD, or MA, or MBA, seems extreme, but as a Dutch manager explained, 'if a person is qualified we want to know about it.' In the US, the corporate position is paramount. Consequently, to the European manager, there seems to be an amazing number of Vice-Presidents in US companies. In the Far East, the business card is not only for providing information of the bearer, but is itself an object of worth, and in Japan especially, is accompanied with ritual and protocol that a first time visitor need be aware of, if not to 'lose face.'

For Swedish business people whose dealings pertain to the domestic market, it is not uncommon that the business card provides name, company, address and contact information. Including 'Dr' or 'PhD' or 'Executive Vice-President' is likely to be answered with a raised eyebrow and a look that says, 'and who do you think you are?'

Like the first name form of address, the business card is part of the equalising process of Swedish society, and is often attributed to a special law, an unwritten code that prevails throughout Denmark, Norway and especially Sweden, the law of *jante*, or *jantelagen*; 'the law of not being anybody special.'

It is a principle that suggests conformity is the best policy. *Jantelagen* (or *janteloven* in Denmark) was formulated by a Dane living in Norway, and has been adopted by Swedes as if it were their own.

In 1933 the Danish writer, Aksel Sandemose, then living in Norway, wrote his memoirs 'An exile crosses his tracks' (*En flyktning krysser sitt spor*). He wrote of a fictitious town in Danish Jutland called Jante (which according to the Danish - English dictionary means 'dump'), where the deeply conformist citizens abided by their *Jante* law consisting of ten rules:

The Ten Rules

- 1. Don't think you're anything special*
- 2. Don't think you're as good as us*
- 3. Don't think you're as smart as us*

4. *Don't think you're better than us*
5. *Don't think you know more than we do*
6. *Don't think you're more educated than we are*
7. *Don't think you're good at anything*
8. *Don't laugh at us*
9. *Don't think that anyone cares one jot about you*
10. *Don't think that you can teach us anything*

In 1996 an *Anti-Jante* movement was established in central Sweden. This was during a period of Swedish self-confidence when Nordic know-how was exported into the world market through IT, mobile telephones, DIY furniture and popular music. *Anti-Jante* proclaimed, for example; 'I trust in my fellow human beings and their innate capabilities,' and 'I believe in myself and in the future...' Whereas *anti-jante* quickly disappeared *jantelagen* lives on.

Jantelagen has its origins in the agricultural mentality that pre-dominated before the urban development after World War Two. 'Everyone had the same size piece of land; why should anyone dare to grow a bigger cabbage? It would only draw attention and the envy of your neighbours.'

In Sweden *jantelagen* is viewed with resignation, a negative social restraint that describes the darker side of the Lutheran work ethic. My argument is however, that values that endure, must contain not only some recognisable truth, but also a pay-off. What is the pay-off

to *jantelagen*? Why is *jantelagen* still so embedded in Swedish social and business culture?

For indeed, as far as the contemporary Swedish leader is concerned, *jantelagen* prevails. Whereas in France or Germany the attributes of leadership are flaunted – the top-range BMW, the Armani suit, the Rolex watch – in Sweden they are played-down or avoided. The Swedish leader favours the more temperate Saab or Volvo, a modest dress code and an unassuming leadership style in keeping with the edicts of *jantelagen*.

Likewise, the Swedish leader does not boast of their achievements and merits, nor emulate their US counterpart's propensity for 'winning' rhetoric. Whereas the US corporate careerist makes no attempt to hide a rigorous climb to the top, their Swedish colleagues move strategically sideways and upwards, and always in the 'interests of the organisation', not their own.

So what is the pay-off? On the down side *jantelagen* can be seen as fostering a 'don't try too hard' attitude, an attitude similar to Australia's 'tall poppy syndrome' ('if you don't keep your head down you'll be the first to lose it'), but the pay-off is a society of equal opportunities, where status-seeking doesn't carry weight, where anyone, regardless of background, is entitled to a good education, and the benefits of social welfare.

For the company leader there is the added advantage of 'diminished responsibility' and shared accountability. In a tougher business environment mistakes are not

forgiven; under *jantelagen*, expectations are not a burden, so when things go wrong, well... it is due to the human factor, not human error. Also *jantelagen* allows the CEO to maintain a modest and unassuming role, keeping the trappings of leadership out of the public eye. The image of an egalitarian society may not be entirely true, but provides a good incentive in getting and maintaining consensus.

Not Losing, Not Winning; Something In Between

In 15 years of running cross-culture seminars, and more than 20 years based in Sweden, one is privilege to anecdotes and stories of what it is like to grow up in a society that fosters the egalitarianism of *jantelagen*, and the spirit of co-operation and consensus. How does it work in practice?

Here are a few such stories:

Sverker works for a large Swedish bank. 'When I was a kid at school in the 1970s' he says, 'we played football, but I hated it. Before the match started the football coach would tell us that no matter which side scored the most goals, the match would be declared a draw. Dammit, I was always on the winning side, and we weren't allowed to win!'

Henrik recollects his experiences of playing indoor bandy as an eight year old. 'My dad video-taped the match, and I scored the winning goal. I was so proud. But at the end of the match the game was declared a draw. I made my dad play back the tape. Look I said; I scored the winning goal. No said my dad; no goal – it was a draw. I'm 35 years old and I'm still traumatised. There it was on the screen – me, scoring the winning goal – you can see it. And everyone tells me – no; it was a draw!'

In 1994 Sweden comes third in the World Cup. Brazil wins, and Italy comes second. The Italian team returns home and a few unhappy supporters boo and jeer the players as they return to Rome airport. The Swedish team is greeted at Arlanda airport by hundreds of cheering fans, driven by cavalcade through the streets of Stockholm, and three days of festivities are held in their honour. 'I don't get it', I say to a Swedish friend. 'How can everyone be so happy about coming third; especially when you already beat Brazil once in the series.' 'Exactly' says my friend. 'Beating Brazil a second time – that would be too much!' 'You mean – not *lagom*?' 'Exactly that – not *lagom*.'

A top-ranking Swedish cross-country skier competes for the gold medal at the Lillehammer Winter Olympics. Before the race a Swedish sports journalist asks him what he thinks his chances are. 'Out of the 40 or so in the

race,' he says, 'I'll be glad if I come in around 10th or 11th place.' The race is run, and the celebrated skier comes in at number 10. 'How do you feel after the race?' asks the journalist. 'Good,' he says. 'Came in at number 10.'

It is this kind of satisfaction with moderate performance that prompted a Norwegian sports psychologist to remark that the Swedish '*lagom*' attitude has led to a 'loser' culture.

Yet the achievements of Björn Borg, Ingemar Stenmark, Carolina Klüft, Stefan Holm, Charlotte Kollo, Annicka Sörenstam, Gunde Svan, Stefan Edberg and a long list of internationally acclaimed sports personalities past and present, suggest otherwise. And as impressive as these individual achievements are in themselves, more impressive is the level of social participation in a broad range of sporting events. These include *sportlov*, (a one week time-out for school kids to practice sport), *Wasaloppet* (the long distance ski run with up to 16,000 participants every year), Stockholm marathon (with amongst the world's highest rate of participation), *tjejmilen*, (long distance run for women only) and the other social institutions of sport, music and study groups.

One example of many, illustrating this Swedish brand of civic consensus comes from the Stockholm commune of Värmdö. In the early 2000s, local residents were asked if they wanted to pay lower local taxes, or

subside a community swimming pool/recreation centre. In 2008 the doors opened to the public swimming pool.

From social institutions to 'folk' education, from the voluntary sporting organisations and local communes involving residents in community decisions – these examples constitute a civil code which contribute to a sense of social consensus and co-operation. The participation is the thing, not coming first.

In the US children are trained to compete at an early age, and trained to win. There is always a goal – the gold medal, the victory, the triumph, the money. Whether as top athlete, basketball star, tennis champion, cheer squad leader, quarterback, prom queen, beauty queens.

In Sweden too, training and sport for children is a priority, but less for the competition, and more for self-development. As one Swedish management trainer remarked; in Sweden we don't train to come first, we train to get better. *Lagom* does not mean sacrificing the personal quest for excellence. The moderation lies in the balance between self-improvement and the passion for the sport (long term), against the glory of winning (short term).

Which may help explain why Sweden, most years, has the highest ratio of Olympic gold medals (next to Australia), and a record number of international athletes and sporting competitors. It is the passion for the sport, not necessarily just the desire to win, which is the priority. The Norwegian sport psychologist's view, that Sweden produces a 'loser culture', turns out to be a

hastily drawn conclusion based on one bad year at the Winter Olympics in Lillehammer, Norway in 1994, where not surprisingly, Norwegians performed well.

In the on-going quest for getting better, Swedes have produced new training techniques, new equipment, and new styles (in high-jump, tennis, swimming); in 2007 a training technique developed by the Swedish swimming team, resulted in new records at championships in Munich and Sydney.

Likewise in the world of business and management, effective leadership is training people not to compete, but to improve. In between winning and losing lies the quest for overcoming ones own limitations in order to achieve excellence.

6. The Language of Consensus

High Context or Low Context?

In Chapter One I suggested that cultural models could be useful, but they have their limitations. The narrative approach is to focus on stories, anecdotes and the good example and to learn from the insights they provide. The problem with cultural models is that they are created and developed within some kind of cultural context. Not surprisingly many cultural models originate in Europe where the success of any enterprise relies on successful cultural interaction.

The cultural anthropologist, Edward Hall, proposed a four point cultural model based on perceptions of time, the flow of information, the use of space and modes of communication. Communication, suggested Hall, is not just what we say, but how we say it – in some cultures communication is highly contextual, in others, low in context. Hall, as an American living in Japan for a period, realised that Japanese communication is highly ritualised, and the words themselves needed to be understood against the context in which they were spoken. In Japanese, ‘yes’ sometimes means ‘no’, simply because using the word ‘no’ is considered impolite. This is very different to the way language is used in the US, where a direct form of communication is regarded as

'effective.' But effective can also be interpreted as too direct, too blunt, and in Japanese circles, even offensive.

So in low context cultures 'yes' means 'yes', 'no' means 'no', and 'now' means within 1 - 3 minutes. In high context cultures yes means maybe, yes can also mean no, and now means later. Latin languages are high context, Germanic languages low context. And as context implies, it is not always related to language but to communication. When I began work at a London publishing office, it was easy enough to understand the words, but difficult to decipher the message. When a manager would say that the last report was 'rather good', did he mean it was (a) excellent? (British understatement) or (b) terrible (British politeness)? Australian English is low context; either the report is excellent or it is terrible, and those are the words used.

Nordic languages are Germanic and generally low context; Danish is bluntly matter-of-fact, Norwegian has a friendly lilt, but communication is earthy and pragmatic; Finnish belongs to another language group altogether, but is possibly the most low context of all: few words are spoken but to maximum effectiveness. What about Swedish?

Swedish managers usually answer low-context, think back to a few meetings, then realise they are not so sure. Like British English, Swedish contains a few 'weakeners' or softening expressions, like 'rather' (*ganska*), 'perhaps' (*kanske*), and best of all 'nja', which means no and yes at the same time. Also these

words crop up in conversation, in e-mails and during meetings. On the other hand, Swedish is also a language that has evolved in the traditions of agriculture, production and engineering. It is an instructive language. Petrol stations, supermarkets and IKEA have signs that proclaim '*gör det själv*' – do it yourself. In English 'self-service' is the more acceptable phrase; 'do it yourself' sounds unforgiving as a directive from IKEA or the local petrol station.

So is Swedish high context or low context? The correct answer is; it depends. Which illustrates why cultural models are useful, but only up to a point. A model is a representation, and at some stage the reality it attempts to represent, takes over. In general terms, the rational dialogue of Swedish is low context (defining the environment, a situation, a project, an object); the language of social discourse is high context. In these situations phrases and words are 'softened' to avoid confrontation or the interpretation of criticism.

The success of the Swedish approach to negotiations in the international market is also related to a 'low profile' or 'soft positional bargaining'; an indirect approach that leads a business partner or client into a state conducive to agreement. The 'take it or leave it' strategy which prevails in the USA, and even neighbouring Denmark, is hard to find in the Swedish business environment. In Finland there is an expression 'management by *perkele*' ('bastard style management'), which means thumping a fist on the table, shouting

directives, using expletives, in order to initiate action. It is an approach that has never been popular in Sweden, so to define this aggressive (non-consensual) style, 'management by *perkele*', has entered Swedish leadership parlance.

In addition, the kind of phrases associated with American leadership (directive or delegating style), would be difficult to translate into Swedish or considered contentious. Some examples:

Kick ass

Spit it out

Not an option

You owe me

Talk to the hand

No deal

Walk the talk

My way or the highway

Don't beat about the bush

Get to the point

This is non-negotiable

You're fired

It is difficult to find equivalent expressions in Swedish – Swedish is a 'polite' language. Perhaps...

...the most polite language in the world?

An indicator of civilised Sweden, is the Swedish language – a melodious Nordic language, rich in vocabulary for defining nature and the environment in its many details, but a vocabulary poor in curse words and profanities. It is a non-confrontational language that invites consensus. To the extent that many young Swedish people choose to curse in English, simply because the power of the curse is lacking in their own language. Telling someone 'to go to the forest' (a severe

curse in Swedish) is paramount to inviting a friend to a picnic by Australian standards.

Until the immigrant waves of the 1970s Swedish swearing was conspicuously under the influence of the Swedish Lutheran church. Profanities accordingly refer to the Devil, Satan, Satan's grandmother, and Hell.

The profanities of a culture provide an insightful aspect of cultural discourse revealing something of a nation's character. Swedish 'soft' swearing affirms the idea of a civilised nation. In recent years the cultural invasion of US television, and the immigration of migrants from many different parts of the world has resulted in sexual swearing – relatively unheard of until 30 years ago. Now sexual swearing – usually with English words, sometimes with their Swedish counterparts – is a form of abuse infiltrating the social structure and undermining Sweden's exemplary model of gender equality.

A cultural model popular in analysing cultural differences in business and negotiations, is *dilemma theory* proposed by Fons Trompenaars. In *Riding the Waves of Culture*, Trompenaars considers different situations to evaluate cultural attitudes to business practices, leadership styles, time keeping, ethical and moral choices, etc. In regard to communication styles Trompenaars distinguishes between *affective* culture and *neutral* culture. Neutral cultures conceal emotion (Japan,

Finland), affective cultures do not (Italy, France). The question Trompenaars poses is:

‘If you are upset at work, do you tell your boss?’ The cross cultural survey reveals that the Italians and French are most likely to show they are angry, and the Finns and Japanese least likely. Which for most managers probably confirms the cultural stereotypes of the emotional Latins, the cool Finns, and the smiling Japanese. Sweden was somewhere in the middle; not too cool, not too emotional. *Lagom* angry, as Swedish managers would say.

But what happens when Swedes get angry at the workplace? How do they behave? What do they say when they get angry? Or more correctly – given that expressions of anger are so individual – what are the cultural parameters in which Swedes can be emotionally demonstrable? Trompenaar’s survey provides a statistical overview, but again cultural models and surveys lack the insight of examples and anecdotes. It is the stories and the gossip that fills in the blanks.

One common expression is: ‘Now I’m very angry.’ (*nu är jag jätte arg*). The problem for non-Swedes is that this, and similar expressions, are delivered in a calm and non-aggressive manner. The words say one thing, but the crossed arms, expressionless face and calm body language say something else.

While American executives abuse their subordinates with expletives and profanities, the Swedish manager has at his or her disposal, expressions such as, ‘Go to the

forest' (*Dra åt skogen*) and 'Seventeen' (*sjutton*). Little wonder today's younger globally orientated Swedish executives call upon English language cursing to express anger, dismay, frustration, and, yes, even joy.

The UK head of a new division of Astrazeneca described how he'd managed to upset people within the first few weeks working in Sweden. 'I'd sent out an e.mail and asked for some suggestions to be sent in "asap"- as soon as possible.' People stopped saying hello in the corridors, avoided eye contact and seemed sullen in his presence. He asked a colleague what the matter was. 'They think you must be still angry after that e.mail,' he was told. 'The e.mail? Because I wrote asap?' 'Yes, but you'd written ASAP in capital letters. They want to know why you're shouting at them?'

At a language conference in Stockholm 2007 a delegate expressed her outrage at a crane barge incident; a barge pilot crashed into a Stockholm bridge (see below). The driver – realising disaster was inevitable – shouted English language expletives during the radio transmission. 'Couldn't he have at least had the presence of mind to swear in Swedish?' But when you are about to damage a motorway bridge on the heaviest trafficked motorway in the country, and cause damage that will result in lane closures and severe traffic delays for the next six months, perhaps the barge pilot felt that shouting 'seventeen' was just not strong enough for the calamity that ensued.

The Human Factor

In 1979 a partial core meltdown led to the biggest disaster in US nuclear power industry. A combination of faulty instruments and miscalculated readings at Three Mile Island, Harrisburg led to a failure of the cooling systems, which led to overheating, then a meltdown. The news bulletin on Swedish television's evening transmission attributed the accident to 'the human factor.'

According to Swedish journalists the Chernobyl disaster in 1986 was also due to the human factor, although journalists elsewhere in the world had an alternative explanation. They called it 'human error.' A US enquiry into the Harrisburg accident, also referred to 'human error.'

Swedish socio-linguist, Fredrik Lindström, concludes that here is another example of Swedish misinterpretation of the English language. The English phrase, 'human error', is mistakenly translated as '*den mänskliga faktorn*' – the human factor. 'We Swedes think we're so good at English,' he says, 'yet how many Swedes know the English word for a saucepan?'

There is another explanation however which ties into the Swedish language as a language for building consensus and avoiding confrontation. Why blame anyone? Surely making mistakes *is* human – it is not the error of *one* human, but the factor of being human that mistakes are made.

18 dagars mejl – spårlöst försvunna

30 000 e-postkonton drabbade av Telias haveri

Svenska Dagbladet January 2008

In January 2008 Sweden's largest e.mail server, run by the former telephone state monopoly (Telia), crashed. 18 days mail for 30,000 e.mail accounts disappeared. The reason? The guy responsible for the server went on holiday for the New Year, and his supervisor forgot to get someone to replace him. The reason why 18 days of mail for 30,000 accounts disappeared? It was not the supervisor's fault – it was 'the human factor'.

Likewise a bus crash outside Uppsala, the crane barge that crashed into a central Stockholm bridge (see above), leading to six months of traffic delays, and a catalogue of incidents that are generously attributed to 'factor', not error. The barge pilot admitted he was at fault – a lapse of concentration – but he was not blamed. It was the human factor.

Disasters in Sweden are most often attributed to 'the human factor', sometimes 'unforeseen circumstances', but never 'human error'. The difference is significant and an example of how language can be used to express 'togetherness' and 'shared accountability'. The Swedish phrase suggests that we are all human – we all make

mistakes; no one individual is accountable. It is the inevitability of human nature to screw up. In the US wrong doers are 'brought to justice' or 'made to pay'. British English can be equally unforgiving with expressions such as 'heads will roll'. In British English 'to err is human, to forgive is divine'; in Sweden, to err is human, and forgiveness self-evident. Wrong doings cannot be someone's fault when 'the human factor' is the obvious culprit.

Here are some more words and phrases; plucked from the international language of business English. What is spoken elsewhere in the business community, may be heard quite differently in the board rooms and executive offices of Corporate Sweden.

'Shift focus'

A Swedish boss based in Frankfurt, tells his German Risk and Credits management team, 'I want you to shift your focus to Credits.'

Within six months Risks had declined severely.

The Swedish boss asks for reasons. 'You said shift focus to Credits', said the head of the German management team; 'so we do Credits.' 'Yes, but focus means to shift attention in that general direction; not just one thing to the exclusion of everything else!' 'Maybe in

Sweden,’ said the German team; ‘for us it means look at that and only that.’

The lesson? German focus is clear and sharp; Swedish focus a bit fuzzy; Swedish focus means ‘look more at this, but not just this; look at other things too and divide your time accordingly.’

‘We’ll compromise’

In Swedish, to compromise is considered a positive gesture; an effort to meet a business partner half way, to co-operate, to arrive at a decision that requires concessions from both sides. To compromise is a means by which two sides can continue negotiations or come to an agreement or make the deal, rather than walk away.

In the US to compromise means to give something away. A compromise? What have you lost? Compromise means an incomplete negotiation, and a sign of weakness, not strength.

‘Be humble’

Humility in the US implies ingratiating, self-effacing ‘a loser’. In Swedish, humility (*ödmjuk*) is a positive trait, often listed as a Swedish core value. To be humble means to be respectful and modest. In *How Swedes Manage* I referred to how Ingvar Kamprad almost sabotaged his efforts to open up IKEA into the Russian market, by introducing himself as a ‘humble business-

man from a small country.’ The Russian power base lies in strength – ‘the strong leader’ – and humility is considered a sign of weakness or a lack of resolve.

‘Be sincere’

In the US sincere means forthright, outspoken, unreserved, spontaneous, authentic. In Sweden sincere means kind, considerate, and showing empathy.

Transparency and the Principle of Public Disclosure

At an international MBA course the subject for discussion was ‘transparency’ as a core value for a company’s positive profile. Swedish managers said transparency is essential, and referred to Sweden’s official policy of public disclosure (*offentlighetsprincip*). This policy means that all corporate and political decisions are available to public scrutiny. The French managers agreed, and said ‘transparency’ is a positive attribute, and also favoured by French companies.

In addition, explained the Swedish executives, transparency includes not only company records but also private records – the private finances of company leaders are available in accord with the same principles of transparency. The French participants paled. ‘This is where we draw the line,’ they said. In France transparency is a corporate policy that means company

records are available. That's it. Private records are always private. In Sweden transparency applies to the company, to leadership, to everyone.

In France it is the actions of the company that is (in theory) 'transparent'; in Sweden it is the actions of the company, the boss, a politician, and anybody else, there for all to scrutinise. (See Ch. 10)

Sustainability

Like transparency, sustainability is a core value prized by Swedish companies. Leadership and company policy is directed toward continuity, long term business relations, and guarding a continuity from past to present to future. Hence Sweden's high score on 'uncertainty avoidance' on an international scale (Ch. 9). This question of sustainability was raised during a series of seminars on business practice and ethics arranged by Estonian Business School in Tallin in the early 2000s. Participants came from the Baltic states as well as Poland and Russia. The only point this diverse group could agree upon, was that none of them wanted to be involved in corporate sustainability. But why? Sustainability is a key corporate value in the Swedish business climate. 'It's like this', said a participant from Latvia. 'We had sustainability for 50 years under the communists. What we want now is not sustainability. We want change.'

Sustainability in Sweden implies continuity and maintaining a strong position on the market; sustainability in Eastern Europe is interpreted as ongoing instability, uncertainty and corruption .



Three Important Words

In 2006 Swedish Radio conducted a survey amongst listeners: ‘which Swedish words best describe ‘Swedishness’?’ The top three Swedish words voted by listeners were:

midsummer

lagom

allemansträtt

We have considered how moderation (*‘lagom is best’*) translates into corporate values and leadership practices; what of midsummer and *allemansträtt*?

Midsummer represents the annual return to the nostalgia of an old Sweden – the Swedish dream that unites the traditions of the past with the fading fantasy of the present. Midsummer is the celebration of nature, which, at the end of the summer holidays, finds its expression in ecological safeguards, environmental legislation and the preservation of the old ways handed down generation to generation.

Which brings us to *Allemansrätt* – public right of access. *Allemansrätt* is also connected to respect for nature and concern for the environment. It is also an extension of the *jantelagen* principle – no one person should be considered anything special, nor should their land be considered private. But the key to *Allemansrätt* lies in the edict, that it guarantees a citizen the freedom to enjoy nature, on condition that the citizen accepts the responsibility for its up-keep. ‘Freedom with responsibility’ is virtually a slogan for Corporate Sweden. The boss will not give directives, or a detailed job description sheet. In Sweden gainful employment encourages certain freedoms – to take initiative, to get the work done in whatever time it takes, to contribute with new ideas and possibilities; a freedom from the harsh discipline and watchful eye that is the hallmark of many company environments elsewhere.

But with these freedoms come responsibilities. Above all, the responsibility to contribute to the needs of the group. ‘Freedom with responsibility’ is a concept that functions best within a community based on co-operation, and co-operation built on consensus. What is the history behind consensus? What are the social codes that enable consensus to work at corporate level?

7. Consensus: Where Does It Come From?

The Historical Context

My first introduction to Sweden was in 1971 – a Melbourne art house cinema was showing a Swedish film called *Ådalen 31, aka The Ådalen Riots*. *Ådalen 31* characterises the political mood of the times – an interpretation, and a loose one at that – of events that led to the military intervention during a steel works strike in northern Sweden during the summer of 1931. The deaths of five people and the use of the military in the interests of the factory owners, created a scandal that led to the downfall of the government and the election of the Social Democrats the following year. The Social Democrat Party has dominated Swedish politics to the present day.

The film begins with a short history lesson:

“In 1931 there was no smoke from the factory chimneys of Ådalen. There was sympathy strike for the workers of Marmar, whose wages their employers were reducing by 4 öre, from 1.18 to 1.14 kronor per hour.

During the demonstration that followed five workers were shot and killed by the military.

This film is dedicated to those five.”

At the time, the political message of the film eluded me; the images of a Swedish summer, beautiful landscapes, a fresh realistic cinematic style, and attractive Swedish girls, held a more compelling message than social injustice, and the last historical collaboration between the police and the military in Swedish history.

The film juxtaposes two families – from the working class and the factory owner class – and the love story between the two teenagers that cross the dividing line of social status. The over-reaction of the military, which resulted in the deaths of five workers, transformed Swedish politics. Yet in the highly politicised Swedish society of 1969, director Bo Widerberg concluded the film with:

“So the wheels once again began to roll in the factories of Ådalen. The shots in Lunde helped to bring down the ruling conservative government.

Since then the Social Democratic party has remained in power almost unbroken. A system of social welfare has made Sweden a prosperous island in the world.

Equality has not been realised.”

Bo Widerberg is correct of course – equality in the sense of equal distribution of wealth and power, has not been realised. It is revealing that in the politically ideological climate of the 1960s and 1970s factions of the political left thought that it could. The achievement of

Swedish society, in politics, community life and business, is in creating – in theory at least – equality of opinion. It is up to the individual to be involved in the decision-making processes, and in undertaking that responsibility, contributing to decisions made by consensus.

The year after Ådalen, the Social Democrats came into power and began a long series of negotiations with the trade unions and industrialists, at the Grand Hotel Saltsjöbaden, a resort town outside Stockholm. Between 1936 and 1938, the Social Democrats and the Centre Party (the farmer's party), agreed on a social system, since termed the 'cradle to grave' welfare state, which remains (again, in theory) to the present day.

In the timeline of Sweden's historical narrative many factors have contributed to a society and business environment that embraces group decisions and consensus.

For example, in 1841 the new liberal government passed a law; *folkskollagstiftning* – which made education obligatory for everyone. It was a progressive form of education divergent from the military discipline of English public schools and German didacticism. It was viewed that young minds learned best through asking 'why', not just being told 'how.' It is a vie which prevails to the present day. The following year, in 1842, Sweden became a nation state. From this time Swedes can talk of 'Swedishness' founded on a legislated autonomous state

with a hegemonic culture, common language, and defined national borders.

Three centuries earlier Swedish nationhood was defined by the collective actions of Swedish nobility and peasants, joining forces to defeat the Danes, under the leadership of Martin Eriksson in 1523. Eriksson was crowned King Gustav Wasa, and is commemorated today with Sweden's National Day (June 6th), and the *Wasaloppet* (referred to in Ch. 5). This long distance cross country ski event began in 1922, and attracts up to 16,000 participants every year from throughout the country to the Dalarna region of Sweden, on the first Sunday of March. Between 1.5 and 2 million viewers watch the event on television every year.

Since 1814 Sweden has not been at war. Neutrality (officially referred to as 'non-alignment') as a course of action during World War Two, and the ensuing post war economic growth, is part of an ongoing strategy that co-operation is the best policy. As Sweden's Nordic neighbours are prone to point out, Swedes have a history of avoiding conflict.

Against this historical background, a number of social rituals have evolved that also contribute to decision-making through consensus, from child-rearing, to queue numbers, to joining choirs, and ...

The Coffee Break

The coffee break (*fikapaus*) is an obligatory aspect of Swedish company life, and something of a mystery to non-Swedes. Why is it necessary? How does it build consensus? Why never say no to coffee? How is it possible that the coffee break is *not* a waste of time?

A phrase often used in Swedish business is ‘this will take time.’ It is a positive phrase that suggests good work takes time, the right decision – a decision that gets ‘everyone on board’ takes time, and quality takes time. It is an attitude summarised in the aphorism ‘haste makes waste.’ In Sweden this works fine; elsewhere the business world tends to operate to another aphorism, ‘time is money.’ When a boss in Finland, or the US hears, ‘this will take time,’ they are getting another message; time is not being used effectively, we could be doing this better, we could be doing other things, this is a waste of time.

The perception that the coffee break is another form of time-wasting is strengthened by what happens during the coffee break. People gossip. Not only a waste of time, and avoiding work – gossip is small-minded and petty. But the Swedish *fika* is an important part of decision-making and the *förankringsprocess*; most gossip is work related, thus consensus building, and about creating and strengthening a sense of the ‘the group.’

‘The coffee break is an essential part of consensus building,’ explained a Swedish manager. The first two

phases of consensus require (1) discussing options (*utreda*) and (2) in deciding on an option, making sure that everyone is 'on board' (*förankra* – Ch. 3). The decision (phase three) is made in the conference room; the first two phases are made during the coffee break.

Which is why joining the group to drink coffee is an essential part of the ritual. 'Saying no to coffee will lead to social ostracizing' concluded a research thesis from Gothenburg University (2006).

**Inget kaffe - då tror
andra att du är konstig**

*"No coffee – others will think you're strange."
[Svenska Dagbladet, 6th February, 2006]*

Ingegerd Sigfridsson suggests that joining the group at coffee break is an important part of 'being included'; while avoiding such social norms and rituals can lead to exclusion from the group.

The word *fika* (from *ka-fi*; coffee backwards) is a vague concept. It means taking a coffee break, but may have other meanings. When a boss says, 'let's *fika*' – it could be to discuss work, give advice, ask advice, give caution, talk promotion, or just to gossip. Gossip in the constructive sense – not the slander and malice type of gossip, but exploring ideas, debating rumours and

conjecture, considering different views, and finding out about what's going on.

Fika has no clearly defined expectations, similar to the Swedish word '*träff*', which means a meeting or a date. In the US the word 'date' has overt expectations, as in; 'Is this a date?' or 'Are you asking me on a date?' A date is an initial move with the possibility of developing a deeper involvement and sexual relations, hence the sport metaphor of getting to first base, second base, etc, and 'scoring a home run.' In the more liberal states of the US, the third date is traditionally the point at which to initiate sexual relations. So a 'date' implies levels of contact, leading up to a level of commitment (the third date), with its reward for the male, and repayment by the female. US comedian Jerry Seinfeld describes dating as a job interview for couples; an exploration of mutual suitability.

Similarly 'a meeting', in US business parlance, has expectations of evaluating a problem, developing a project, making an announcement, or making a decision. The Swedish '*träff*' on the other hand, like the '*fika*', does not have specific expectations – goals can be fulfilled, or the time can be spent on gossip, unlike the organisational meeting, or '*möte*.' Here there is no gossip.

Once considered holy (*god-sipp* – related to God) gossip has been, and remains, the cornerstone of evaluating human affairs. Psychologist Robin Dunbar suggests language originated with gossip as a form of

grooming. Grooming amongst the earliest humanoid groups, writes Dunbar, promoted a sense of well-being. When grooming becomes gossip this in turn is transmitted into a willingness to support each other in conflicts. Shared social rituals (gossip, small talk, coffee-breaks) help to build consensus. As Dunbar concludes, we are more willing to support those whose company we enjoy. On the negative side gossip can be scurrilous, inflammatory and a means by which to undermine members of the community in disfavour.

Swedish leadership consultant, Gunnar Ekman, lists a dozen functions of small talk within the work place. High on the list is how small talk creates collective interpretations within an organisation and how a group perceives what's going on internally and externally.

Small talk situations are learning situations; how to deal with difficult customers, what's the buzz on a new product, how effective is a new company policy, what's the new boss like. Whether at the water-cooler, by the copy machine, or during the coffee break, gossip and small talk are essential aspects of the consensus building process. What for many is a hidden code in Swedish decision making processes, is quite apparent in Swedish corporate décor – the coffee break area is the central hub to the Swedish organisation.

Consensus by Singing

Rinkeby is a predominantly immigrant suburb in western Stockholm. In the 1980s and 1990s Rinkeby symbolised a failure of Swedish government policy – to integrate the immigrant population into Swedish society. It was also in the 1980s and 1990s that Rinkeby was considered ‘a problem’; a community that in spite of all official efforts, remained outside the realm of Swedish ‘normalness’. No much consensus in Rinkeby.

In 1992 Swedish Prime Minister, Carl Bildt and Minister for Culture, Birgit Friggebo, visited Rinkeby as part of an ongoing integration program, and at a public meeting addressed a large gathering of protestors of non-Swedish background. Bildt and Friggebo were jeered and the meeting quickly became a political manifestation of immigrant dissatisfaction. TV news cameras recorded the increasing hostility; Carl Bildt stopped speaking, and Culture Minister, Birgit Friggebo took charge of the microphone. ‘Calm, everyone, calm,’ she shouted to the hostile crowd; ‘Now I think we should all sing ‘We Shall Overcome.’ A murmur went through the crowd; Carl Bildt looked as surprised and shocked as everyone else. ‘Come on everyone’ said the Minister for Culture, ‘Let’s all sing: ‘We Shall Overcome.’ Birgit Friggebo began the first few bars but the after a lack of response from the crowd, and an atmosphere of increasing bewilderment, she soon stopped and the meeting came to an end.

Afterwards television journalists asked Birgit Friggebo what she had in mind: ‘I grew up in a church

choir tradition’, she said. ‘Singing for us has always been a way of bringing people together.’

She is not alone. Swedes love to sing together. In church, in choirs, in schools, at parties, at midsummer and at company functions. For any function of medium to large size gatherings, a song book is produced, and during the festivities, people put down their snaps glasses and sing songs. At midsummer, drinking snaps and singing are combined in a ritual known as ‘*snapsvisor*’ – snaps-songs.

Together with Iceland, Norway and the Baltic countries, Sweden has more choirs, and more choir members, *per capita* – a phenomena portrayed in the film *As in Heaven* (Kay Pollack, 2004) in which a dysfunctional community is brought together through the power of singing. The tradition of choirs and music is tied in with the education reforms during the 1900s that places music education high on the syllabus. The most attractive secondary education schools in the larger towns and cities are ‘music schools’.

This level of musical education has also contributed to a thriving (by international standards) music industry, with Sweden during the 1990s and early 2000s as the third largest producer of English language popular music in the world. Apart from the backlist of Abba recordings and the revival of Abba with the musical, *Mamma Mia*, groups like The Cardigans, Roxette, BWO, Neneh Cherry, Eagle Eye, Papa Dee, The Hives, Robin as well as music producers and video directors that have

worked with a breadth of international artists ranging from Britney Spears to Madonna. As with other industries, the Swedish music industry has a remarkable track record for a small nation with a minority language. A factor that will be further investigated in Chapter 11, which looks at consensus as an exportable commodity.

The most popular television programs on Swedish TV include *Melodifestivalen* and *Allsång på Skansen*. *Melodifestivalen* is the annual television soap opera when thousands of Swedish contenders vie for the much prized opportunity to represent Sweden in the Eurovision Song Contest (Sweden has won three times, and is often in the top 10 of the finals); *Allsång på Skansen* – the weekly summer series televised live from an outdoor park – where large crowds sing-along to a cross-generational selection of popular music, come rain or shine. It is a celebration of Swedishness far removed from the Rinkeby Community Centre, where protesting in many accents is the priority – not singing in unison. At Rinkeby, non-Swedes with dark hair and brown eyes, animated lively, talkative and vibrant; at Skansen, blond haired blue eyed Swedes, some dressed in regional costumes – singing, not talking, an exhibition of cultural consensus that dominates Saturday night viewing during the summer months. In addition viewers can watch a plethora of singing programs for the talented and non-talented *Singing Bee*, *Idol*, *Fame Factory*, *Sing-Along*, *Choir* and many more – all of which suggest that singing does bring people together.

So the former Swedish Minister for Culture, Birgit Friggebo, on February 5th 1992 in the immigrant community of Rinkeby, was both right and wrong in trying to get everyone to sing 'We Shall Overcome.' She is right that singing brings people together. It is the ultimate consensus. In rhythm, text and tone – when people sing together, and having been trained to sing together – harmony reigns. She is wrong that singing brings people together in Rinkeby. Singing together (and in English!) to overcome conflicts, *is* consensus building for Swedes. For non-Swedes it is quite charming, though a little bewildering, and just a little odd.

Training in the Art of Consensus

A mother is wheeling her two year old child in a shopping cart through the aisles of the supermarket. She picks up two packets of diapers from the shelf and holds them up. 'Which ones?' she asks. 'Pampers or Huggies?' The two year old looks hard at each packet and finally chooses the Pampers.

As someone subjected to the harsher rigors of parenting in Australia and in the 1950s, one cannot help but admire the level of sophistication in regard to Swedish parenting.

When Mel Gibson visited Sweden in the late 1980s to promote his latest film, Swedish television journalist Stina Dabrowski asked what he thought about Sweden

being the first county in the world to pass a law to forbid corporal punishment. 'Nonsense' he replied. 'If you want respect from your kids you gotta hit 'em every once in a while.' 'Mel Hits Kids!' was the headline in the next day's tabloids, the Swedish chapter of the Mel Gibson Fan Club disbanded within a week, and Mel Gibson has not been back to Sweden since.

Sweden was not only the first country to forbid the striking of a child – whether at school, or at the home – it is now in the process of exporting this legislation to the rest of the EU countries. Along with the humane treatment of animals, Sweden's position on child rearing has become an exportable commodity.

With an ideology grounded in the social reforms of the 1930s, and the writings of Astrid Lindgren in the 1940s and 1950s ('No child ever felt good about being hit'), new and innovative approaches to child rearing have been an important part of the Swedish social agenda since the post war era. It is evident in child rearing today; from two 'year olds given the freedom of choice over diapers, to parents having to negotiate bed time with their six year olds, and applying the 'freedom with responsibility' edict from primary school, to secondary school, to university and to corporate life.

The recommended form of parenting means not having to raise your voice; negotiating options with a child and expressing reason, not emotion. It is a mode of discourse that extends from childhood into the corporate environment of the adult some 20 years from later.

Why Numbers?

An EU research centre in Stockholm has some 80 non-Swedish personnel with plans to expand to twice the number by 2010. At a cross-cultural seminar participants were considering the most difficult aspects of acclimatising to the Swedish organisational environment. Top of the list was the *personnummer* – a personal ID number.

A *personnummer* encodes date of birth, place of birth and gender. However it is only available to Swedish citizens. Visiting students get a provisional *personnummer* – but for those working in Sweden as non-residents, the *personnummer* is not available. The personal number facilitates all aspects of Swedish daily life – banking, insurance, travel bookings, even renting a DVD at the local video shop.

The Australian parliament sent a study group to Sweden in the 1990s to explore the possibility of introducing the system to Australia. One number covers banking, insurance, driving licence, taxation, social welfare, telephone subscriptions and getting a newspaper delivered. The Australian government eventually rejected the idea, although, as I explained to an Australian colleague returning to the Netherlands, the system is efficient and time-saving. 'Providing you have nothing to hide, the personal number system

simplifies so many mundane daily routines.’ ‘Listen mate,’ he told me, ‘in Australia we’ve all got something to hide.’

Not just the personal number, but numbers generally are part of a language of consensus. In shops it is a queue number. In southern Europe heated conversations develop over ‘who’s next’; in Sweden there is no cause for discourse, simply the waving of a number ticket. There is a logic to numbers that make disagreement close to impossible.

Most apparent in understanding both the consensus of numbers and the consensus of commerce, can be found in the Swedish *Systemet* – the government monopoly for the sale of alcohol. It is short for *Systembolaget*, named after the post prohibition era in Sweden. As in the US prohibition caused more problems than solutions, - the outcome was the sale of alcohol through a government monopoly – a system which exists also in Norway (*Monopolet*) and Finland (*Alko*), but not in Denmark. During the 1930s local communities administered the sale of alcohol, and the system developed in Gothenburg was considered the most equitable, least likely to forms of corruption and abuse. Thus ‘Göteborgs system’ was introduced throughout the country, and for a while citizens of Stockholm would purchase their alcohol through the *Aktiebolag Göteborg System i Stockholm*, to give the outlets their full name. This was abbreviated to *Systembolaget*; the system least likely to corruption.

It is ironic therefore, that during the 2000s – with mounting pressure from the EU for Swedish authorities to adapt to European norms and taxes for the sale of alcohol – that *Systembolaget* was embroiled in its own corruption scandal. *Systembolaget* bosses throughout the country were charged with accepting bribes, illegal gifts, and a range of illicit practices that made newspaper headlines for many months, not least because the head of the ‘System least likely to abuse and corruption’ was none other than Anitra Steen, the girlfriend (yes, girlfriend – in Swedish *sambo* ‘living together’) of then Swedish Prime Minister, Göran Persson.

In spite of EU pressure and EU directives to break the monopoly as ‘unfair trading’, a survey in 2006 revealed that the majority of Swedes are in favour of the *Systembolaget*. What’s good about it?

As a government monopoly *Systemet* negotiates good deals with exporters and distributors throughout the world. They were for a period during the 1990s, the single largest customer to the Australian wine exporters. The cost of spirits is high (taxes based on percentages in many cases – numbers again); yet wines are reasonably priced, and are guaranteed (consumers can return a ‘bad’ purchase). In addition, and most important for the Swedish consumer, is the *Systemet* brand credibility; consumers feel they will get good product at fair prices, and not be lured by inferior products with fancy labels and over-inflated prices.

The hidden codes of Swedish consensus are often found in the most conspicuous places. *Systembolaget* is one such example, the *Apotek* (chemist shop) monopoly, another. To the outsider the *Apotek* monopoly, with its slow service, apparent overpricing, few outlets, and a state mentality reminiscent of the Soviet Union of the 1980s, is something of a mystery. For the Swedish consumer however, it is monopoly, like *Systembolaget*, that represents credibility. With all pharmaceuticals purchased comes a brief talk from a staff member dressed in a white coat, and a handful of government printed leaflets explaining the advantages and disadvantages of the medication just purchased.

Apart from the sale of alcohol and pharmaceuticals there is one more aspect regarding Swedish social rituals that help explain this early training to consensus building and reaching agreements. It is a procedure that combines the logic of numbers and the infallibility of a system, yet if abused can lead to dire consequences.

Laundry Rage

During the social reforms of the 1930s an unprecedented housing boom resulted in innovative solutions for the new apartment blocks being built in the major towns and cities. Two of these innovations included the central waste disposal system, and laundry facilities for apartment residents. There are no

laundrettes in Sweden; the laundries are in-house and regulated by a system of booking and keeping to allocated times. On occasion less civically minded individuals 'steal' someone's allocated time. This can result in what has come to be known as *tvättstugaraseri* – laundry rage.

Laundry rage differs from community to community. In non-traditional mixed nationality communities such as Rinkeby (see above), Södertälje, certain districts of Malmö and Gothenburg, laundry rage is direct, confrontational and can lead to physical violence. In the more traditional Swedish communities, laundry rage reveals a process mirrored in social and corporate environments. It works like this...

A tenant comes to the laundry, with a basketful of washing, but has not booked a time for the washing machines. The tenant sees the machines are not being used, takes a chance that no-one will show up, and 'borrows' them. The person who *has* booked time now shows up, also with a basketful of laundry, but must now wait until the other tenant's washing cycle is complete.

In this awkward situation it is quite possible no words are exchanged; the perpetrator looks guilty and the on-looker watches and waits with crossed arms and furrowed brow. This is the first phase.

The second phase begins some days later with *ryktesspridning* (rumour spreading). The perpetrator will be walking up the stairs to their apartment; other

tenants watch a little longer than usual, and begin to whisper in conspiratorial tones. Now everyone in the apartment block knows who it is that 'steals' laundry time.

The next phase is *utfrysning* – being frozen out – ostracised. The perpetrator is no longer invited to residents' summer party, or to residents' meetings, or residents' *fika*, and neighbours avoid eye-contact.

In modern apartments built in the 1990s and later, laundries are fitted with computerised timers. If a tenant misses the booked the doors are locked, as it is impossible for anyone to steal laundry time.

To an outsider, maximising technology to circumvent the risk of confrontation may seem extreme; to the tenants who enjoy the benefits of a structured system to ensure the fair use of laundry time, it is common sense. Here is a system that is just, rational and methodical. It is in this spirit of pragmatism that organisations are run.

Corporate life emphasises a similar pragmatic approach to rational behaviour in which flares of temper are unnecessary, and breaching the codes of conduct result in being 'frozen out.' Go against the hidden codes of corporate behaviour – the angry boss, the display of temper at the meeting, an unprovoked insult, is tantamount to breaking the unwritten codes of laundry etiquette.

Perhaps it is frivolous to talk about laundry etiquette in a study of patterns of leadership. Yet as an outsider observing the lengths to which a society will circumvent

conflict, these social codes provide invaluable insights into organisational behaviour. The lesson is clear. Direct confrontation, or attempts to bend the rules, or to go against the grain of consensus, is an unlikely avenue to achieving one's aims.

So in this climate of social and technological homogeny, how does an outsider determine who makes the decisions?

8. Who's in Charge?

At a company meeting the predominantly male board of directors of a major Swedish bank, sat down at the conference table - everyone on first name terms, dressed in the same grey suits. There was no apparent leader; no 'head of the table.' One man turned to his colleague and remarked: 'Warm today, don't you think?' He removed his jacket, and hung it on his chair. 'Yes,' said his colleague, and did the same. Then the other men followed suit. They all took off their jackets, hung them on the back of their chairs, and sat down.

'Warm today isn't it...'. That man was the boss – he was the guy in charge. To initiate a social ritual is a hidden code to who's in charge.

I am reminded of a trip I made to Japan. I was the only Western guest at a major Japanese film studio. We are about 12 men seated around the conference table in an impressive meeting room. Tea was served and placed before us. We waited. Finally one of the more senior gentlemen picked up his cup and sipped. He looked at me and nodded, and I did the same. Then in turn and order, the remaining 10 picked up their tea-cups in the hierarchical order of their position in the company. The last one to drink tea was the lowest in the chain of command. By tradition, the guest always follows the chairman who is *ichi-ban* – number one.

In most business cultures there exist defining codes of leadership – dress style, office size, chair size, position at the board room table, title, form of address – some recognisable sign of being in charge. In Germany and France the boss wears the best suit, drives the best car, and takes charge. In the UK and the US the boss comes in after everyone else has arrived; everyone stands, then sits down when he/she sits down. In every country, in every business culture, there are prescribed codes and behaviour that distinguish the person in charge. In Sweden these codes are more subtle, and for an outsider, more difficult to discern.

Swedish leadership is a low-key affair. 'Swedish bosses are the weakest in Scandinavia' ran a Swedish business magazine headline in a survey on Nordic leaderships styles. Yet if a Swedish boss would make a show of asserting authority that would be taken as a sign of weakness. By Swedish standards a good boss is supportive allowing 'individual freedom... plus responsibility.' A German colleague remarked; in Germany when the boss comes to speak to you, you think 'trouble'; in Sweden if the boss does not speak to you, you are in trouble – you are being 'frozen out.' It is an unusual corporate structure that would enable a Swedish boss to make a major decision without group consultation.

Swedish companies often refer to their 'coach-style' management, but this can be confusing. In the sporting world a Swedish coach discusses, suggests, opens up a

dialogue. Sven-Göran Eriksson, former England soccer team manager is a good example. Low-key, analytical and non-confrontational. A coach in Australia, UK, USA, Germany, is more the person in charge; someone who instructs, delegates and gives orders.

An 'open-door' leadership style is a better definition than 'coaching' simply because it avoids the semantic confusion that arises when different cultures talk about 'coach-style' management. A Swedish managerial 'coach' is something Swedish. When Kenneth Blanchard describes 'coaching' as one of four basic leadership styles, he uses terms like: structure, control, supervision. The 'coaching style' leader 'directs and supervises, explains decisions, solicits suggestions, and supports progress.' The undertone of authority described here is not alien to Corporate Sweden, just uncommon. More prevalent is the supportive and delegating approach to leadership with a focus on: 'praise, listen, facilitate.' (Blanchard's words).

Open door leadership focuses on communication and adaptation. In the late 1980s Ericsson won a major contract in France, competing against the more favoured Siemens and AT&T. According to the French ministry the decision was based on the Swedish team's high-level communication skills (emphasise 'team'), and the only company to include local cultural adaptation into their proposal.

In the late 1990s, Volvo chairman, Leif Johansson, orchestrated the most traumatic of Swedish corporate

mergers, the sale of the Volvo Car Corporation to Ford. When his predecessor, Pehr G Gyllenhammer, attempted a similar merger with Renault some years earlier, the deal collapsed and Gyllenhammer resigned. The success of the Ford deal and the failure of the Renault proposal can be attributed to a range of factors, including timing and cultural considerations, both corporate and national. Another factor relates to leadership styles that in turn determined the style of the merger process.

Johansson's Volvo–Ford deal aroused little protest in Sweden, rather an acknowledgement that this was the correct and practical course of action. Johansson, a modest and unassuming CEO, was formerly the head of Electrolux where he maintained an open-door policy – an Electrolux employee with an idea or a grievance could find a sympathetic ear. Johansson's style – unlike Gyllenhammer – is more that of the Swedish team coach, conciliatory, not confrontational; communication based on proposals, not directives. (Gyllenhammer, once described as *osvensk* (un-Swedish) in his leadership style, moved to London after the Renault merger fell through.)

The business philosophy of 'knowing and feeling needed' – a sense of belonging, is the foundation of IKEA's success under the leadership of founder Ingvar Kamprad. IKEA stands for Ingvar Kamprad of Elmtaryd in Agunnaryd – the Småland community where he grew up – a region in Sweden known for a down-to-earth and thrifty approach to business.

It is these values he has incorporated into the IKEA concept – today an international chain of 150 outlets in 30 countries. The outlets maintain a Swedish profile – keeping difficult-to-pronounce Swedish names for the furniture and items, and serving Swedish meatballs in the restaurants.

If there is scarce little to write about Kamprad as a personality, it is because he represents the unassuming and modest Swedish style of businessman, whom, in keeping with the Swedish leadership style, addresses the outside world with overt modesty. His advice for sound leadership? Hug your ‘fellow workers’ – which prior to retiring to Switzerland, he did regularly.

9. Cultural Perspectives

Cultural Models

According to Geert Hofstede's study of cultural dimensions in more than 50 countries, the Swedish business style is the most feminine in the world. [5] Japan is the most masculine; Australia is *en par* with the USA at around 15th place. A feminine business culture, according to Hofstede, is non-hierarchical, service orientated and more concerned with group relationships than titles and positions on the corporate ladder. The 'feminine' business culture is more co-operative than competitive, and this is where group consensus is a defining factor of Swedish decision making processes.

Masculine Culture – Feminine Culture

J – US – **S**

Short Term – Long Term Orientation

V – US – **S**

Weak – Strong Uncertainty Avoidance

US – D – **S**

Large – Small Power Distance

Ch – US – **S**

Individual Culture – Collective Culture

US – **S** – Ch

Hofstede's Cultural Dimensions

According to Hofstede's model Swedish corporate culture is extreme in other areas as well. The Swedish organisation seeks long-term strategies, in contrast to Venezuela as the most short-term orientated business culture (with the US somewhere in the middle); the Swedish organisation is least likely to take unnecessary risks (avoid uncertainty), in contrast to the US which favours risk taking and the entrepreneurial initiative (with Germany somewhere in between); the Swedish organisation has the most accessible boss (the open door), in contrast to Chinese business culture where leadership is furthest removed from the organisations lower levels (with the US somewhere in between. There is one cultural index in Hofstede's model where the Swedish organisation balances two extremes of organisational priorities – namely the middle ground between individual freedom (US scores highest), and collective responsibilities (China scores highest).

In other words, according to Hofstede's study:

- (1) *Sweden has the most 'femininised' (service/relationship-orientated) business culture*
- (2) *represents the most forward-looking business culture (ie., long term planning to fulfil investment return in contrast to a return within the shortest possible time as per Venezuela)*
- (3) *is the business culture most likely to avoid risks, even at the prospect of giving up an entrepreneurial advantage*
- (4) *represents a business culture where subordinates have the easiest access to leadership, and the possibility to affect management decisions, and...*

(5) the business culture which most effectively balances individual needs against the demands of the group.

Hofstede's study is the most quoted cultural comparative study for international business practices yet has been criticised in recent years for a tendency to stereotyping, and placing a euro-centric interpretation of cultural differences onto the international business scene. Also Hofstede's study, in regard to most of the cultural indexes, are highly regionalised. Sweden may be the most 'feminine' business culture in the study, but Denmark, Norway, the Netherlands, even Finland, are not far behind.

Yet for our purposes – defining the attributes of Swedish corporate consensus – Hofstede's conclusions add weight to the experiences and insights of Swedes and non-Swedes in defining a corporate environment low on leadership-prestige and high on management participation at all levels; a business culture that is:

1. most service / relationship orientated
2. most 'sustainable'
3. least risk prone
4. most accessible leadership
5. most evenly balanced between individual desires and collective obligations

One of Hofstede's more vocal critics is cultural specialist Fons Trompenaars (a fellow Dutchman) who

prescribes a more interactive approach to defining cultural differences. How different business cultures attempt to resolve dilemmas provides insights into core values and cultural priorities. (See Ch. 6) Trompenaars describes 'seven dimensions of culture' based on attitudes to time, expression of feeling, relationship to the environment, etc. One of the more common dilemmas facing Swedish consensus in international business is the Universalist – Particularist dimension.

The Universalist culture (to which Sweden is ascribed), describes a focus on rules and regulations, an honouring of a written contract, the defining of a single truth, and getting agreement on that truth. The Particularist culture emphasises a focus on relationships, an honour in the exchanging of mutualities (returning favours), and the view that in any given situation there are several perspectives, which may change according to circumstances. From a Particularist perspective relationships evolve – circumstances change.

The cultural dilemma is evident in examples where Swedish manufacturing deals fall apart in the Far East. Up against Chinese '*guan xi*' – knowing the right people that can perform favours on your behalf. A Swedish manager related a story where he had secured a three year contract to export products to China for three years, yet six months later found his product superseded by a South Korean rival. 'We had deal,' the Swedish manager tells the Chinese importer; 'You signed a contract.' 'Yes,'

says the Chinese businessman, ' We did. But that was six months ago. Things have changed since then.'

Here are some views expressed by managers from different countries about how they perceive consensus, not from an individual perspective, but from a cultural standpoint:

From a German business perspective consensus is time-wasting and ineffective.

For the US, a sign of weak leadership.

For British managers, too vague – who makes the decisions? Who do we have to talk to? Who is in charge?

For Finns, a 'Swedish way', but not ours; someone must decide, someone takes responsibility and be accountable.

For Danes, too slow, which means the risk of missing a good deal; consensus is not good business practice.

For Russians, the idea of consensus is impossible; a company needs a strong leader, and he makes decisions on behalf of everyone else, in the belief that he knows what's best for the company and the people who work for it.

In the Far East, there is an understanding for a cooperative, harmonious and non-confrontational business style. In the business climates of the Far East, especially Japan, there is at least a philosophical empathy with the idea of consensus. The *lagom* – moderation concept is familiar to eastern business

culture, but the similarities are deceptive and superficial. Consensus in the East is tied into the to the eastern idea of 'face' – 'saving face', and avoiding 'losing face'.

The symbolic role of leadership is also fundamental to Eastern business culture; in Russia and Eastern Europe leadership is a matter of prestige, in the US a validation of success, in the Far East – formally at least – a burden of responsibility.

"It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work"	
	% of managers who agree
Italy	66
France	53
Germany	46
Belgium	44
Great Britain	27
Denmark	23
USA	18
Netherlands	17
Sweden	10

Laurent, 1983

In the early 1980s a European study looked at the perception of leadership in different cultures; Italian and French bosses were expected to know most of the answers to questions from subordinates (high prestige).

As one French client explained to me; ‘in France, even when the boss is wrong, he is always right.’ The Swedish boss is *least* likely to be called upon to ‘have all the answers’ (low prestige). From the Swedish perspective prestige should not be confused with respect. Attitudes to leadership are simply pragmatic – no-one can be expected to know everything.

In spite of over a quarter of a century of globalisation, Europeanisation and intercultural exchange these diverse perceptions of leadership have not changed.

Cultural Stories

My academic background is in the field of narratology, combining the models of narrative theory with the down-to-earth pragmatism of the good example – the stories that people tell. Here are a few stories that provide some cultural perspectives into Swedish leadership...

Bogdan, 32 years old, a Polish Communications Manager, for a large Swedish organisation; now returned to Poland, after six months in Sweden:

“In Poland every Pole is their own boss. Yet everything still works, even if we don’t know why. It’s crazy and logical at the same time. Also in Poland there is always one person who has power – who gets things done. It is

not always the boss – a Mr X – he is the one who will get a decision accepted. Maybe it's a hang-over from the old communist times, I don't know. So when I first came to Sweden to get experience with this company, it was a huge shock for me. So many business meetings, always meetings. And everyone supposed to decide together? It's not possible. Crazy. At the start of a meeting ideas and opinions would be so far apart there could never be any agreement. Then after an hour or so, or after the coffee break – suddenly, it happens. Everyone agrees, and the meeting is over. It's a miracle. Now after six months I am very used to these Swedish meetings and I like it very much. Everyone participates. Everyone's opinion is important."

Ilona, 34 years, office manager, Vilnius, working at the Lithuanian office of large Swedish company:

"Our Swedish boss took over in the mid 1990s, and had been working in St Petersburg for three years. Lithuanian business style was still then much influenced by the Russian 'strong leader' approach to running a company, but he said when he arrived in three years the Vilnius office would be run 'Swedish style'. When he explained what this meant – that all of us would be involved in making decisions – we said it would be impossible. 'When my three years is up, he said, 'you'll be running this place yourselves.' In the first year, he

was like Russian boss – decided everything, fired people not working hard, made security arrangements with tough gangsters, paid unofficial money that had to be paid. Second year we started having meetings. We never have this before. First we think this is just waste of time. In these meetings we are told what is happening in the company – just information. We can ask questions if we want, but this is not Lithuanian style. In the third year we have meetings, now once a week, every Monday morning – attendance obligatory. Now we *must* ask questions – what do you think about this, opinions about that. Now he is not like Russian boss. We drink coffee together. He makes open-plan work-space, and now his office is tiny. If this was Russian boss maybe we lose respect, but somehow it is OK. After some months we are looking forward to the Monday meetings. Ask questions, give opinions, give advice on local market conditions, who are best people to hire, which contractors to trust. Now we are also part of making decisions. When he leaves, he says; ‘now you are like Swedish company.’ Our new boss was local guy who had been in Sweden six months, and maybe now not completely Swedish-style, but definitely not Russian style. Maybe Lithuanian style?”

Barbara, 42 years, Frankfurt; on behalf of her department of 80 people, has asked me to visit to explain what their Swedish bosses mean by ‘team work’:

“In Germany banking people are usually quite loyal. You want to make your career with the same bank. For us, we had some turbulent years – first we were bought up by a French bank, and that was terrible for us. Much more autocratic than German leadership, no matter what anybody says. When we heard this Swedish bank was going to be our new owners, first we were very pleased. Swedish style business we thought, must be very close to the German style. Sweden has a reputation for good engineering skills, logical business sense, a strong automobile industry – and in Germany, everyone loves IKEA. It will be just like having German bosses, we thought. How wrong we were. In the beginning it was just impossible. When you go to your German boss and you ask, ‘what should I do now?’ he says; ‘I want you to do this and do this, then do this. Now I have a Swedish boss. I have a problem, I ask what should I do, and the Swedish boss looks at me and asks, ‘what do you think?’ I say it’s not up to me what I think; you’re the boss; so what should I do? He says, ‘do whatever you think is best.’ But I don’t know what is best. The boss is supposed to know what is best. Other times you go the Swedish boss and ask, ‘OK, and what should I do now?’ and the Swedish boss looks at you and says; ‘Well, what would you like to do?’ ‘I say I don’t know, you are the boss; I do whatever you want me to do.’ Then you get into a long conversation about freedom and responsibility, then go to meetings, and I still don’t

know what I'm supposed to do. In Germany you have a piece of paper with your job description and it tells you exactly what you are employed to do. So you do it. With this Swedish way everyone is involved, and helping each other, but I'm not sure if it is help, or just confusing. And the meetings. So many meetings."

Matt, 56, a production manager from Illinois:

"When our company was bought up by the Swedish company three years ago they arranged a conference in this beautiful conference centre on an island somewhere near Stockholm. We were about 80 people – managers, designers, even some of the secretaries – from different regions in the States, mainly Illinois. The Swedish CEO listed the core values of the company management style: 'coach style management, clear communication and teamwork.' We thought this was great, absolutely in line with what we were used to. We went back to the States feeling very positive about the whole deal. The Swedish CEO called it a merger, even though it was a buy-out, but we appreciated the diplomacy. Also the message was 'business as usual'. Together with the company leadership style as presented to us, and our respect for the product, we returned in a very positive state of mind. After about 3 months we discovered that our Swedish colleagues were talking about different things altogether. Coach style management? Forget it. What we

discovered were managers that couldn't make a decision, always calling meetings to get our input, so when decisions were made everyone was 'on-board.' In the States a coach delegates, and the players listen. Simple as that. You tell people what to do, and they do it, and trust you that you made the right decision. This 'getting everyone involved' – in the beginning anyway, we thought it was just a waste of time. That was culture shock number one. Culture shock number two: 'clear communication.' Clear communication means telling it like it is. Someone does a crap job you tell them. Now our Swedish production boss is suggesting we should be more supportive. Give positive feedback. I discovered that in Sweden, when the boss comes to talk to you, it's to say positive things, and it's a good thing. In Sweden you should start worrying when the boss *doesn't* talk to you; that means something's wrong. Can you believe it? Clear communication in Sweden means not communicating! That's how you criticise people. Give them the cold shoulder. In the States it's the exact opposite. If everything is OK the boss doesn't need to come to you for a chat. He let's you get on with your job. When there's a problem, that's when the boss comes to talk to you. That's what we call clear communication. Culture shock number three; teamwork. In the States teamwork is like a baseball team. Everyone has their special skills, and you bring these skills together, and focus on winning the match. It takes teamwork. One guy is good at pitching the ball, another is a good striker, and

someone else a field player. You combine these skills and you've got a team. We found out that Swedish teamwork is something completely different. It means everyone is treated the same, everyone's opinion should be treated equally, and we do personality tests to make sure everyone gets on with each other. Three months after the buy-out we had another big meeting, and we told the Swedish CEO we weren't too happy. He brought in a psychologist specialising in change management, and everyone got to discuss these differences. Now, three years later, I have to say, the company is doing good, we're in the black, and we've managed to combine some of the American ways and some of the Swedish ways. These days we hardly ever talk about Swedish culture – American culture, we talk about company culture.”

Jürgen, 34, former German medical trainee based at Karolinska Hospital, Solna 1994 – 1996:

“I'd been working at the hospital (Karolinska) for three months and I wasn't sure who was the boss. Everyone ate lunch in the same canteen (there were no special tables for people in higher positions, like we have in Germany), everyone wore the same white coats and everyone addressed each other by their first name. In addition, no-one acted like a boss, so even if I met him I would not know who it was. Everyone just got on with

their job. We had meetings once a week, and it was really like a team, only I was not sure who was in charge. The decisions were made by everyone together. Then came September 28th (1994). The Estonia disaster. It was chaos. The hospital was on emergency call and all day and all night, just chaos. But now I know who my boss is. This guy who I thought was just one of the guys that sits in on our weekly meetings, suddenly takes charge, delegating people, directing people, making up action plans, clearing wards for the emergency, calling in specialists. He did not sleep for two days – always there and in complete control. It was very impressive. Afterwards, I thought that the Swedish boss is like the captain of a sailing ship. When the sea is calm everyone just gets on with their tasks, and you don't need to know who the captain is. But when there is a big storm, or a crisis, everyone needs a captain, to understand that there is someone in charge, someone who can tell us what to do."

The message is simple: consensus works well when business is running smoothly; the process leads to long-term decisions, sustainability and broad participation. In times of crisis or a turbulent market, a leader needs to stand up and take charge. In crisis situations consensus is an ill-afforded luxury where delays mean lost opportunities, or worse. What other negative aspects are there to consensus?

10. The Down Side

The Myth of Consensus

Cultural research reveals Sweden to be the most 'feminine' business culture, by international standards Sweden (together with Denmark) is shown to be the most egalitarian society, both in terms of social equality and gender equality. Sweden has more women parliamentary members than any other EU country, of the seven major political parties, in 2008, three had women as leaders, and there are more women in top positions in the culture sector than any other country. Socially the Swedish model with generous maternity leave benefits, mandatory paternity leave, and lip-service to equal pay and equal opportunities, is the most progressive than anywhere else.

Yet as this study reveals, consensus is a predominantly male mindset. Many Swedish women in top management positions within male dominated industries assert that consensus is a myth; a myth perpetuated by what has come to be known as the sauna club – *bastuklubben*. The sauna is the metaphor for an exclusively male domain where men get together, agree on decisions and claim; 'we have consensus!'

The consensus expressed may in fact be a male consensus where women feel excluded; the Skandia

scandal (see below) being one such example of consensus gone bad.

For in spite of the politically correct agenda of gender equality, the number of women members of board of directors, is, according to an EU survey from 2003, amongst the lowest in Europe. In the UK 11% of board directors are women, the EU average is 5.7% women – in Sweden 2.8%, and only Italy lower at 1.3%.

‘I can disagree all I want,’ commented Anna, who holds a senior position in a Swedish IT company. ‘But the fact remains, decisions are made and all the men say, ‘we are in agreement’, but me, I didn’t agree at all. Hierarchical companies talk about the glass ceiling; you can see your way to the top, but the glass ceiling stops you getting there. In Sweden we don’t have hierarchies – in theory anyway – so we are not stopped by the glass ceiling. We are kept out of the decision making processes by something else – an invisible wall.’

An Invisible Wall

On the down side, consensus is an invisible wall that keeps non-consenters out. In a hegemonic culture a group that is in agreement can use the consensus as a force-field, a comfort zone, a barrier – to promote the interests of the group, using the illusion of solidarity as a defence against those who dissent. Women in the male dominated areas of the manufacturing industries, talk about the invisible wall. So too do immigrants, and now,

the second generation; Swedes with non-Swedish names. Since the 1980s the Swedish hegemony has been slowly infiltrated by minority groups; these same minority groups which express increasing frustration over being marginalised and not being part of the community.

In effect this may be little different to what happens in politics and business elsewhere in the world, with one important exception – in most other countries, for those on the other side of the wall, it is visible. You know what you're up against. Consequently strategies can be formulated to circumvent the social or corporate reality an aspirant or outsider may be struggling against. In England, it is the class structure that needs to be circumvented in order to succeed in climbing the corporate ladder. In the US the structures of wealth, and top college education. In the Far East the walls are created by oligarchical hierarchies, requiring contacts and 'guan xi' to bypass. In Sweden how do you circumvent barriers that – in theory – do not exist?

In non-consensual organisations, such as the United Nations – consensus is aimed for, but is not possible. So the actual role of the UN is not making consensual decisions, but to create a forum of opinion, attitudes and a diversity of views. How can there be consensus when so many nations and issues and ideologies of national prestige are involved?

Critics of the UN argue there can never be consensus on significant issues, as the disasters in Rwanda,

Sebrenica, and Somalia demonstrate. This reveals an important criteria for consensus decisions – that there must be some foundation for attaining agreement in the first place. This in turn means eliminating or ignoring groups and individuals where prestige is in itself the issue. For minorities trying to find a voice – and in Sweden these include the women’s movement and immigrant minority groups – there can never be real consensus if such groups are not allowed the platform to express their views.

In the case of the UN, consensus decisions would only be viable with a drastic restructuring of the organisation – so that prestige and positions no longer interfere with decision-making processes. In the world of politics this is nigh on impossible. In the corporate world, however, the priorities are different. Mutual interests and long term benefits are the praxis of good business. In Corporate Sweden consensus works when potentially non-consensual minorities remain on the other side of the invisible wall. As the wall is becoming more exposed – minority groups *are* finding a platform – new ways of integrating these views need to be defined.

Not My Fault

In 2006, a Swedish hockey team trainer (AIK) returned to Sweden after several years coaching hockey teams in the USA, Canada, and the UK. ‘The problem in Sweden,’ he said, ‘is that we are always trying to find

mistakes with the team. In the Anglo-Saxon cultures we try to find mistakes and weaknesses in ourselves.'

In business, in politics, as well as sport, the risk of collective decision-making is the collective denial when things go wrong. Rarely will an individual be prepared to stand up and say: 'this was my fault; I'm to blame.'

In 2003 the Swedish press picked up on inconsistencies in the bookkeeping of one of Sweden's largest insurance companies, also heavily invested in banking and real estate. A group of top Skandia directors had siphoned funds into their personal overseas bank accounts, bonus schemes and real-estate investments. After five years of legal proceedings no one individual has been held accountable for what the press labelled as corruption at the highest level. With each of the directors claiming 'not my fault' their actions have not been prosecuted. The effects on the company have been devastating; in three months public opinion toward Skandia dropped from 13% negative attitude to 48% negative attitude from September to December 2003.

Employees at Skandia were harassed by the press and public alike, and by 2004 Skandia's credibility on the Swedish market had declined to the extent that 'selling-up' was the final resort. South African Old Mutual bought the company the following year.

Cartel building is another form of co-operation; good for the business, bad for the customer – a strategy of maintaining high profit margins and control of the

market. At various stages some of Sweden's leading industries have been involved with cartel-building or accused of cartel building at various stages. The bitumen industry (Skanska, Nynas in 2002 and 2007), the steel industry, the petrol industry, the retail grocery industry (Ica, Coop, Vivo), even the evening press (Aftonbladet, Expressen).

Conformity makes everyone happy. Except you...

An old saying goes: "Following the crowd is easy – following your heart takes courage." The risk of consensus lies in remaining in the 'comfort zone' of the group, too intimidated to stand up for one's own opinion.

Lasse, 28, IT communications manager from Ericsson tells this story:

"I'd been working with Ericsson for 4 years, and was promoted to manager. This meant attending production meetings. If meetings and consensus is a Swedish characteristic, then at Ericsson you multiply that by six. So many meetings, and if we don't agree on something, we have more meetings, until finally everyone agrees. Nothing is decided in my department at Ericsson until everyone is behind the decision. I'm from the north of Sweden – Jämtland; we are famous for being trouble-makers and doing what-the-hell ever we want, and to me this was like typical Stockholm behaviour. So I decided to play the devils advocate and test this demand

for consensus to see just how important it is. So every time the group agreed on a decision (we were usually 8 – 10 at every meeting) I decided to say no, just to see what happens. And every time I said no, no-one got angry or upset; some-one would say, ‘that’s OK Lasse – let’s just run through it one more time.’ And we would go over it all one more time and I would still say no. Then someone else would say, ‘that’s OK Lasse, let me try and explain what we had in mind.’ In the end I gave up. Worn down by the process. It’s true - everything they say about Ericsson. You can’t make a decision until everyone agrees. It’s incredible.”

Consensus through perseverance is not an exclusively Ericsson internal strategy. When *The Economist* ran a feature article in the late 1990s on the Swedish Prime Minister, Göran Persson (The Economist, November 1998,) they summarised his negotiation style at EU meetings as one of dogged determination. Persson wears down his colleagues with thoroughness and determination, remarked *The Economist* citing one infamous round of negotiations that persisted until three in the morning. ‘Consensus’ was reached according to Persson. Said a French delegate, ‘I had to say I agreed; it was 3 am, I hadn’t had a proper meal – I just wanted to go and have my dinner!’

The Stockholm Syndrome

Empathy can be a good thing, but empathy for the wrong people can be a bad thing. The term 'Stockholm Syndrome' is often misused. A person can be diagnosed with Stockholm Syndrome for empathising with a perpetrator, and seeing the perpetrator as also a victim. But Stockholm Syndrome in psychological parlance is a condition that affects a group, not an individual. Nor is there much evidence to suggest that apart from the event after which the syndrome takes its name, has this kind of group 'over-empathising' been repeated barring one noteworthy exception.

The syndrome is named after four bank staff were taken hostage during a robbery attempt at Norrmalm Square in Stockholm, in 1973. The hostages turned their sympathies to the bank robbers, to the extent that after the drama was over, the former captors testified on behalf of the bank robbers and helped raise money for their legal defence.

A similar incident occurred in the Netherlands in 1977 when Moluccan nationalists hi-jacked a passenger train. Fifty passengers were taken as hostages, and it was not until 20 days later that all passengers were released, apart from two who died, along with six hi-jackers. After the event a small group of former hostages formed a sympathy group for the Moluccans. This is one of a scarce few repeats of Stockholm Syndrome.

What makes Stockholm Syndrome interesting in relation to consensual decision-making, is that it originates in Sweden, in which the trauma of Swedish hostages with their Swedish captors becomes a bonding experience. Unlike other hostage scenarios, in the Norrmalm Square drama both hostages and captors are Swedes, primed by a Swedish state upbringing and immersed in the political fervour of the early 1970s. Empathising with the 'wrong' people to the extent of 'agreeing' with their cause, is a downside of consensus that in today's more commercially orientated fervour, can be exemplified by board members of large companies adversely motivated by another psychological condition, 'abstract greed'.

Questions of Consensus: A Summary

The thesis of this essay is favourable to the idea of consensus. Group decisions work better, are faster to implement and result in a more productive and more congenial workplace. But there are sufficient examples to show how important it is to recognise the pitfalls. Sometimes consensual decisions are not consensual, simply lip-service to peer pressure. Which is why questions need to be asked when consensual decisions are being made:

Why must it take so much time?

Do we get agreement, or do we get group pressure?

Who makes the decision, finally?

What's wrong with new or different opinions?

Why should we exclude those who think differently?

Are consensual decisions eliminating or avoiding radical solutions or creative problem solving?

11. An Exportable Commodity?

Kick Ass or Be Kind?

Early 2008, high up on the US best selling leadership titles, was the book, *Think Big and Kick Ass in Business and Life*, by billionaire entrepreneur, Donald Trump. Trump outlines tried and true strategies of getting rich, staying rich, commanding loyalty and staying at the top.

Donald Trump made a fortune by finding and buying losing properties and turning them around. In the 2000s, Trump's net worth is estimated at around \$4 billion involving a range of interests including real estate, gaming, and sports and entertainment. Trump's road to success, however, has all the ups and downs of a roller coaster ride: in the early 1990s the media had virtually written off Donald Trump. He was over \$975 million in debt and nearly bankrupt.

But in 1997, at the age of 51, Trump declared in his third autobiography, *Trump: The Art of the Comeback*, 'I'm a firm believer in learning from adversity.' The media turned out to be wrong. In the 2000s Donald Trump is now stronger, richer and, in his view, wiser than ever before, and an entrepreneurial role model, not least for the participants of the Trump's popular reality TV show, *The Apprentice*.

In *Think Big and Kick Ass* Donald Trump outlines his strategies for success:

Be vengeful
Instil fear
Trust no-one
Be deceitful

One critic writes: 'He uses this venue to rehash his disagreements with... anyone who's ever crossed him. It's not a pretty picture, but that's part of his point. It's a tough world out there, and you have to be equally tough to make your mark in it.' Trump describes, 'what it's like to feel the whole world's against you... and to rise to dizzying heights of success by thinking big and kicking ass! It is an attitude that can be easily learned.'

Another reviewer recommends that, 'Individuals who aspire to have any kind of success in the brutal world of business would do well to read this book.'

Think Big and Kick Ass may be an extreme example but not untypical of an acceptable strategy to success in US corporate life. Former CEO of General Electric, Jack Welch in *Winning* (2006) advocates tough mindedness and above all candour, detailing some of his leadership strategies outlined in *Straight From the Gut* (2001).

Jack Welch describes his 'cruel to be kind' approach as the essence of corporate survival, including the much-debated practice of differentiation, which involves winnowing 10% of the workforce at regular intervals.

While US executives and up-and-coming entrepreneurs were concentrating on *Winning* and *Think Big and Kick Ass*, top reading requirements for Swedish leaders included such titles as *The Art of Being Kind*, *Good Business: Leadership, Flow and the Making of Meaning*, *Not Just Money: Getting Better Bosses*, and *The Boss Who Could Talk to His Colleagues: Improve Results and Well-Being*. Little here that relates to ‘the brutal world of business’, ‘the whole world against you’, or ‘thinking big and kicking ass.’

Stefan Einhorn’s Swedish bestseller defines kindness as a desire to do good and to put this desire into practice. Conflicts, he writes are destructive; ‘there are only losers in conflicts. The only thing we can learn from conflicts is how to avoid them in the future... we always lose by having enemies.’

Stefan Einhorn suggests that kindness and co-operation, in business and in life, has a long list of advantages which can be placed into four groups: good for self-image, good for relationships with people close to us; good for our standing in the community; and – for those of religious disposition – good for relations with a higher power.

Recent studies in evolutionary psychology tend to support Einhorn’s claims – mutual reciprocity as a behavioural pattern pays off. Aggressions feeds aggression, rudeness invites rudeness, co-operation leads to co-operation; and even in the corporate world, people like to do business with people they like.

Who's right? Donald Trump and the ideology of 'get them before they get you', or Einhorn and 'be kind'? The cultural contrast between these two extremes can be found in a range of writings. Camille Paglia in her assessment of US corporate culture writes:

'... every workplace is hostile, as any man who has worked his way up the cutthroat corporate ladder will testify. Teamwork requires cooperation, but companies without internal and external competition remain stagnant. Innovation and leadership require strategies of opposition and outstripping however one wants to disguise it.' She concludes: '... a pleasant stress free work environment where the lion lays down with the lambs, is unreachably utopian... the workplace is the pagan arena where head-on crashes are the rule.'

In a similar vein, psychologist Esther Perel, suggests that America invented assertiveness training, with its penchant for clarity and directness. Goals, objectives, plans, strategies, tactics and organisation skills combined with hard work – anything is possible. It is the foundation of American optimism.

One leadership title that has proved popular in both the US and Sweden is Jim Collins, *Good to Great*. It is a wonderfully ambiguous title that translates into any culture, but it seems that every culture has its own perception of what it is being transformed into greatness. Leaders? Employees? Companies? Profits?

The bottom line of Jim Collins examples are – in keeping with US corporate ideology – good profits to

great profits. A much quoted example is the Phillip Morris Corporation and their continued track-record in market dominance and profitability. Yet some of their business strategies to achieve that greatness in profitability are viewed with scepticism by the few Swedish business commentators who care to read between the lines. For example, is it acceptable to maintain profitability by targeting cigarette sales to teenagers in third world countries, when legal restraints prevent them reaching their own teenage market?

Many Swedish leaders – in keeping with Swedish cultural priorities – tend to provide a softer interpretation to good to great – seeking to transform a good company to a great company. Profitability is one measure, but so is sustainability and so is corporate social responsibility.

In spite of the gap between ‘kick ass’ and ‘kind deeds’ US and Swedish business philosophy is not so far removed. Egalitarianism, directness and pragmatism; a belief in democracy, equality, fairness and mutual acceptance are considered positive values in both cultures. The differences lie more in the way in which these values are expressed. In Sweden the codes of leadership may be diffuse, but the business agenda is open (co-operation). In the US, leadership is an open book – who is charge, what they want, how they’ll get it, but the business agenda is hidden. It is the nature of a competitive frame of mind; the ‘poker face’, not to ‘show

all your cards at once', to be 'dealt a good hand.' Competition and rivalry does not encourage an open business agenda. Which may partly account for the devastating statistic that in 2007 US corporations spent more money on litigation than on research and development.

In Corporate America it is the sanctity of commerce and the viability of the deal that triumphs. Hence a business vocabulary that minimises ambiguity and vagueness with strong words and a tough attitude. From a Swedish perspective the apparent vagueness of Swedish consensual language provides room for manoeuvre, the possibility to wait and see, and decide upon the most pragmatic solution when one must be provided.

These polarised views on business and leadership represent more the cultural priorities of the two countries. The aims of business are universal (profit and sustainability), and the combination of competition and co-operation, the two pre-requisites to make business happen. Even Donald Trump is capable of kind deeds.

A story published in a collection entitled 'The American Dream', illustrates this less-publicised side of Donald Trump's character. Trump's limousine broke down one night as he was coming home from Atlantic City. An unemployed mechanic stopped by and fixed it and refused any payment. The next day the mechanic's wife received flowers and a certified letter saying their mortgage had been paid in full.

In the long term it is better business practice to perform kind deeds than kick ass.

Exportable Leadership?

Since joining in the European Union Swedish politicians and lobby groups have undertaken a number of projects to make what is already Swedish law and Swedish practice into European Law and European practice. The campaigns that have met with some success include the humane treatment of animals, legislation to forbid corporal punishment toward children, equal pay and rights for women, in addition to other measures toward gender equality, and in recent years, introducing measures as a response to global warming and climate change. Is Swedish leadership as exportable commodity? Based on some few case studies, it would seem so.

Swedish soccer coach Sven-Göran Eriksson, was appointed to manage the England team in October 2000, and in the six years he stayed with the job, he transformed the English perception of effective leadership.

When Eriksson took up the post, Sean Tyler, sports writer, commented: 'I like what I've seen of Eriksson and think he's the best manager England could have, but the poor man's doomed... What has he let himself in for?' Overcoming considerable resistance 'Svensnis' quickly gained popularity, especially after leading England to an unprecedented 5 – 1 victory over arch-rivals, Germany. It

was a match few English supporters expected to win, but such an outstanding victory secured Sven-Göran's reputation and his 'strange Swedish approach to leadership.'

In their book, *Leadership the Sven-Goran Eriksson Way*, Julian Birkenshaw and Stuart Crainer analyse the success of Sven-Göran's leadership style, a style which 'brilliantly exemplifies a new leadership which defies conventional and historical stereotypes of how leaders think and behave.' They compare Sven-Göran's approach to the Swedish management model – it is polite, non-assertive and founded on the principle 'that you should believe in and respect the ability of every individual who works for you.'

Sven-Göran injected a new spirit of self-confidence into a morally deflated group of players. How did he achieve it? To the surprise of UK sports analysts, he kept the players, but succeeded in changing their attitudes. Instead of eleven skilful individuals playing their own game on the field, he made them into team, integrating individual skills into a single cohesive unit.

Comparisons have been made between Sven-Göran Eriksson and another celebrated international business leader, Percy Barnevik, former CEO for ABB. Both leaders foster team-work, non-hierarchical management, consensus, and encourage dialogue and input from all members of the group. They both advocate a strong sense of team identity and corporate culture, and of course, they are both Swedish.

Analysis, strategy, communication; a 'softly softly' approach with a minimum of grandstanding and raised voices. A leadership style that works best quietly and efficiently behind the scenes. This is how business analysts have described the approach of another Swedish leader that has met with success on the international arena. The philosophy of former head of Scandinavian Airlines, Jan Carlzon, is 'make the person feel needed.' Donald Trump, by contrast, advocates making people feel they're *not* needed. The fact that at any time the words, 'you're fired' may be ringing in the ears of an employee, keeps them on their toes, and instils fear. Jack Welch and the winnowing policy he implemented at General Electric, served the same purpose. At any time an employee may find themselves to be amongst the 10% of 'low-achievers' winnowed out of service. Jan Carlzon, on the other hand, like Eriksson, like many Swedish leaders, preferred a policy of transforming 'low-achievers' into 'high-achievers' through instilling a sense of belonging, of worth, and training – not to win, but to get better.

Jan Carlzon became President of SAS Airlines in 1981, the year they made an \$8 million loss. The following year SAS turned in a gross profit of \$71 million. Success has been attributed to Carlzon's philosophy of 'looking after the customer'. Carlzon reversed the company hierarchy so that priorities concerned meeting the customers needs at each point of contact with the organisation. He emphasised the

importance of the frontline people, those who have direct contact with the customer.

In his book *Tear Down the Pyramids (Riv Pyramiderna!, 1985)*, Carlzon outlines his strategy for successful management. The old system, he maintained, consisted of an administration directing the frontline service, in turn catering to the customer. At SAS Carlzon claimed to reverse the perspective and place the customer at the top, served by the service front line, in turn served by 'support troops' who were provided with strategic leadership.

Carlzon described how at the age of 32 he was appointed Managing Director of a top package holiday company and applied himself to the role of 'boss.' 'You get a new voice, you begin to act in a new way, you play a role which you believe you have been nominated. You begin to live up to the expectations you think have been bestowed upon you. I began bossing!' Carlzon describes the process he went through of clinging onto preconceived roles of 'boss - employee'; of trying to manage everything himself. When he was appointed at SAS in 1981 experience had taught him a new management philosophy - the manager has to 'let go'.

He encouraged the formation of teams, working as integral units, by-passing the bureaucracy of administration - allowing employees to take on the spot decisions, and extending responsibilities in all areas. The aim was simple. To provide customer service and customer satisfaction.

Carlzon extended the SAS services beyond the freighting of passengers from one place to another, setting up a hotel chain and hotel arrangements, even a limousine service which picked up and returned passengers to their doorstep at a cost lower than a taxi could provide. It was an application of the Swedish socialist model of cradle to grave, 'taking care of people' with an significant difference. 'Most important,' he writes, 'is that a person knows and feels they are needed.'

The Gospel of Commerce

Considering the international successes of Swedish run organisations, the press on Swedish leadership has been to date, low-key. This may be related to the traditional strengths of Swedish companies; strong in production and manufacturing, strong in research and development, strong in innovation and design, good at marketing, but weak in sales. The hard sell does not work in Sweden, and for all the skills Swedish leaders may exhibit, there are few who are capable of a good presentation. Low-key leadership within the company, and in the board room is commendable, but the shareholders and the consumers need a profile, someone who can pitch an idea. A Steve Ballmer, a Richard Branson, an Anita Roddick. If business is the new religion, then the CEOs are the present day priests, shamans and spiritual leaders.

In the US, where there has always been a strong evangelical tradition, more often than not, the CEO adopts an evangelical tone – the rhetoric of Donald Trump and Steve Ballmer is interchangeable with Billy Graham and Martin Luther King. The American CEO is the preacher of the new gospel; success, victory and the triumph of commerce.

In Sweden, the State and the Church officially parted company in 2004, yet the Swedish leader still bears the delivery style of a Lutheran minister; ardent, low-key, severe. It is the rhetoric of Percy Barnevik, Sven Göran Eriksson, Volvo's Leif Johansson, Göran Persson and Frederik Reinfeldt, and Bishop Edvard Vergerus, the authoritarian bishop of Ingmar Bergman's film, *Fanny and Alexander* (1982), and other Bergman Lutheran priests.

This difference between rhetorical skills – American evangelicism and Swedish Lutheran sermonising – extends equally into the realm of the management guru; few and far between on the Swedish business scene, but proliferate in the United States. (Swedish leaders prefer the more low-key 'personal coach.')

The difference between these two styles is apparent when the US management guru addresses a Swedish audience. In November 2007 it was the turn of Anthony Robbins who performed before a full audience in a Stockholm sports stadium (also the preferred venue of religious leader, Billy Graham), promoting 'personal power.'

Anthony Robbins calls himself a peak performance coach rather than a motivational speaker. He tries to find out what people do when they are at their peak and then help them access that peak state whenever necessary. He believes what he does is more effective than providing temporary motivation. His seminars run to five energetic hours on stage, he runs workshops on fire-walking, and a series of exercises and talks that deliver the message: 'anything is possible' 'you can do it,' combined with the financial commitments on par with scientology, and EST.

Imbedded in the Lutheran traditions of hard work and sobriety many Swedes resist this 'inspirational' approach, and no exception was the Swedish television reporter who interviewed Robbins after the event. After expressing a certain scepticism regarding any long-term effects such an event may have on an individual's managerial skills, Robbins became increasingly defensive quoting the vast sums of money he earns as a retainer to Bill Clinton, André Agassi and other celebrities whom he coaches around the globe. Not a strategy that would endear his motivational program to a population governed by the law of *Jante*. (See Ch. 5)

When a leading Swedish speech trainer was asked which leaders delivered the most 'powerful' rhetoric, he named Swedish Prime Minister, Frederik Reinfeldt and former Prime Minister, Göran Persson. Why? Because of their 'slow, distinctive and ponderous delivery', a style it must be said, that to foreign ears is reminiscent of the Lutheran priests in the Ingmar Bergman films.

The conclusion to be made from drawing a comparison between these two contrasting styles is this; if Swedish leadership is to develop as an exportable commodity, it requires a voice – an inspirational approach, somewhere between the showmanship excesses of a Steve Ballmer and the low key delivery of a Swedish CEO. *Lagom* works best, even on the international market.

Volvos, Vodkas and Vacuum Cleaners - Exportable Products

Consensus works in Sweden, but can it be exported? In fact, Swedish style consensus is already being exported, and in three principle areas: how to run a company and how to do business and how to make products.

Products by consensus? How does that work, and what's the pay-off? It works by getting the support of a group, not an individual, through the various stages of product development – from research, to design, to marketing, to production. Rather than create products for a niche, the consensus approach to production looks to the broad mid-range market. And therein lies the pay-off. Large market, large return. It is the way Hollywood produces blockbuster movies. Collaboration. Producing merchandise that not is decided upon by one individual, but tapping individual talents into a joint effort. At the risk of over-generalising, this is the how Hennes and Mauritz make clothes, how Electrolux makes kitchen

ware and white goods, how IKEA designs furniture, how Volvo makes cars, how the Swedish music industry accounts for a third of the English language music market, why Sweden's entries in the Eurovision Song Contest consistently reach a high placing, how Sweden's Vin och Spirit manufactures the most successful Vodka in the world, how Ericsson mobile telephones are at the forefront of the telephony market, Alfa-laval and ABB in engineering, Astrazeneca in pharmaceuticals, and why Swedish companies are often successful in infiltrating new markets and new industries (computer games, computer software, Skype, Linux [Finland – Swedish], film and television technology, slow combustion stoves, adjustable spanners, ball-bearings and zippers.

What Swedish companies are good at it seems, is creating a diverse range of products which appeal to a broad middle range of their chosen market. Not exclusive, not budget – somewhere in between – *lagom*.

By defining a universal mean, the market broadens; the 'mean average' means 'crowd pleasing.' Consensus decisions in marketing and R&D and production result in products that have an international middle class appeal; hence the success of IKEA, H&M and Abba in Australia, USA, UK, Europe, Russia. In the UK, Volvo is upmarket, but not luxury; in Germany, Volvo is not Mercedes or BMW, but a reliable suburban family vehicle.

British furniture retailing is defined by class, Italian fashion by flair; IKEA covers the middle market in furniture; H&M in clothing. Mid-range does not mean mediocre. The success of Swedish companies can be compared to Swedish sporting achievements; driven by a passion for excellence and 'getting better', rather than on-gong battles to beat the competitors.

Yet here's the twist. In all my years of running cross cultural seminars for some of Sweden's leading companies (about 15 years), the requests for advancing a cultural profile are remarkably similar. Electrolux, Scania, Hennes and Mauritz, Alfa-laval – it's a long list; 'Our company is not Swedish, our company is international.' 'But you are Swedish!' 'Well, maybe a bit Swedish, but first international.' For a country that Forbes voted as the most brand conscious nation in the world, 'international' seems an odd priority. If Swedish commodities can be exported, under the Swedish brand (and do well!) why not the Swedish corporate philosophy? In the Swedish company we do not 'kick ass.' In the Swedish company – within the parameters of business pragmatism – we are kind. Is that so bad?

12. The Swedish Model Revisited

Scandals Build Consensus

Just as Corporate Sweden has its clearly definable characteristics based on co-operation and moderation, so too is the Swedish political system characterised by a mid range homogeneity which excludes political extremism. There are five major parties (consistently over the 4% electoral share prerequisite); here are their names; the Moderate Party, the People's Party (which is normally translated to Liberal), the Centre Party, the Christian Democrats, the Social Democrats. Can you guess which are left of centre and which are right of centre? The first four make up a right wing alliance that was voted into office in 2006. The Social Democrats are the largest party – the traditional labour party, mostly supported by the Left Party ('Communist' was dropped in the 1990s) and the Green Party (*Miljöpartiet*). The political structure has changed little in the past 20 years, although the Social Democrats have dominated Swedish politics since the 1930s.

In the UK there is a clear divide between Labour and Conservative, in the US you are either a Democrat or a Republican, and in the neighbouring Nordic countries party names express their ideologies in no uncertain terms; the Radical Left Party, the Workers Party, the Christian Party, etc. In Britain the

parliamentary Lower House is designed with two opposing sides, and in television broadcasts the two parties deride each other in a conflict of diatribe, like contenders in a wrestling match. The Swedish Parliament is structured to minimise confrontation – it is arranged as an amphitheatre, and members of parliament are arranged by region to avoid the polarising of political interests. Also the reality of Swedish politics is that during a debate the parliament is empty but for those who are participating. Their colleagues observe the proceedings by internal television coverage.

In a debate between the two main political factions in early 2007, Social Democrat leader Mona Sahlin claimed ‘we agree on most things’; the leader of the Centre Party, during the political campaign of 2006, commented that the major parties agree on 60% of the issues.

After the 2006 election political commentators remarked that, even with a new parliament, the differences would be slight – the Swedish system is too strong not to withstand any threat from the right. ‘Right’ being a question of perspective – Swedish ‘Right’ is quite to the left of the US Democrats, and on many issues, even UK Labour.

In the Swedish community of Arboga, in 2005, the political parties announced in a joint statement, that they had decided to join forces and administrate under a common platform. The political differences were not sufficient to justify party political rivalry. No political conflicts in Arboga, only consensus.

Yet in this political climate of agreement and fair practice, political scandals are uncovered, each seemingly less important than the one before. Such scandals tend to promote the pretence of moral indignation over media-hyped incidents that everyone does anyway, and that everyone knows that everyone does, but pretends that they do not. However, the scandals perform an important function in creating a consensus around issues of social morality and political responsibility. Here are some examples:

The Mona Sahlin Scandal – in 1995 the then deputy Prime Minister, bought some Toblerone chocolate and diapers for the baby with a party credit card – she paid for the goods; but using the wrong credit card suggested a possibility of internal fraudulence, which was enough to keep the tabloid front pages filled for a week. Mona Sahlin resigned her post, to re-emerge in the political front lines ten years later, and was elected leader of the Social Democrat Party after their defeat in 2006.

The Leila Freivalds Scandal(s) – in 2000 through her position as Minister for Justice it was alleged she secured for herself and her family an apartment in a selubrious part of town and with a low fixed rent. Following media pressure Leila Freivalds resigned, but re-entered the political scene in 2003, appointed as Minister for Foreign Affairs. Following government passivity during the Thailand tsunami disaster in which hundreds of Swedes

perished and hundreds more were stranded, Freivalds tarnished reputation plunged further. On being informed of the disaster Freivalds spent the evening at a theatre performance, later revealing she was unaware that was so popular a family resort for Swedish tourists (!) The next major scandal came three years later when her department forced the closure of a right wing website, an action she had refuted.

The Maria Borelius Scandal – former television journalist and presenter was appointed as Minister for Industry in 2006. It was revealed that she had employed a cleaner with black money, extended the house without the necessary building permission, and her entrepreneurial husband, it was disclosed, had an off-shore bank account. Nothing illegal, but the suspicion of what in Sweden has come to be called. ‘tax planning.’

Arguably the biggest scandal is that as a former television journalist, she aggravated the media with an arrogant and brusque style that inflamed fairly minor misdemeanours into front page material for five days. She finally capitulated, handed in her resignation and returned to London with husband and family.

The Cecilia Stegö Chilo Scandal – appointed as Minister for Culture in the newly elected right wing alliance in 2006, when it was revealed she had not paid her TV licence. Two days of media debacle resulted in her resignation and an increase in paid TV licence fees by 60%.

Scandals are a means by which a society defines boundaries of what is acceptable and what is not acceptable. In this light, a scandal is a way in which society reaches consensus over morally acceptable behaviour. Critics claim there are far too many scandals in Sweden, and often seemingly trivial affairs, but as Hans de Geer, Professor of Ethics at the Stockholm School of Economics argues; 'better to live in a society with too many scandals, than no scandals at all.'

There are two factors to these scandals that warrant comment. Firstly, that the most publicised political scandals involve women in top political positions. This supports the claims of many women in top management jobs that consensus is a myth propagated by men in positions of power – that an invisible wall keeps dissenters at a distance. Secondly, the nature and content of the scandals. The slightest indiscretion that can be interpreted as furthering selfish interests is sufficient to create a scandal. To the distant observer it appears that the threat of scandal and public disgrace that follows, constitutes an unwritten code to preserve the fast crumbling of a Swedish dream.

The End of the Swedish Dream

At an intercultural conference held in Stockholm some years back, I was making a comparison between the cultural priorities of Sweden and the USA. 'Swedishness' could be defined by values of equality

and fairness, co-operation and consensus, love of nature. Some of the American cultural priorities listed included competitiveness, communication skills, the positive attitude and 'the American Dream'. The significance of the American dream as a deeply rooted value in US society is this: that an individual, through effort and determination, may achieve their ambitions if they apply themselves to fulfilling that goal.

At the end of the conference I began talking to one of the delegates, a native of Washington DC. 'Of course', he said, 'the American dream. It's what all Americans believe. But I am curious – what is the Swedish dream?'

While not so apparent as its US counterpart, it is there for the analysing. The Swedish dream is the little red cottage in the countryside, close to the forest, by the sea, ideally on an island, close to nature, secluded. It is a dream of cultural nostalgia, of August Strindberg and Astrid Lindgren, of Anders Zorn and Carl Larson and Selma Lagerlöf and Carin Mannheimer, the music of Carl Bellman and Evert Taube and Cornelius, and the humour of Lars Ekborg, Martin Ljung and Hasse and Tage. But it is a dream that is slowly dissipating with time, specifically the time since large-scale immigration into Sweden began in the 1970s, and since commercial television entered the Swedish cultural scene in the early 1990s. As custodians of the archive of 'Swedishness' and the cultural icons listed above – a new generation of television viewers has relegated public service to the 'great unwatched' – SVTs 30% market share (2007) is

decreasing annually. A new generation of Swedes with foreign parents and foreign backgrounds, could care less about Hasse and Tage sketches that were popular in the 1970s.

By the 2000s, when European nations are reducing immigrant intake, Sweden – per capita - takes in four times more immigrants than any other EU country. The question is why?

Ethnologist, Karl-Olov Arnstberg, describes Sweden as a small nation but morally a great power, 'eager to do good deeds,' maybe, he suggests, 'out of a bad conscience that everyone doesn't live as well as we do, and the unspoken national trauma of Swedish passivity in WW2.'

In the 1950s the Swedish government developed a middle way policy toward immigration. On the one hand was the German system of 'guest workers' providing temporary residence for mainly Turkish workers, but without the admission into German society. On the other, was a policy of exclusion – either no or very little immigration (the policy that Finland pursued. The Swedish approach was based on 'stay and be Swedish', not as immigrants but as 'new builders.'

But Sweden's integration model has failed. As a result large international centres have evolved in Swedish cities, towns and rural areas. *Rinkebysvenska* describes a new kind of Swedish language, influenced by many different nationalities, and with a new assertive, colourful tone which is a 'long way from

lagom' (the slogan of a predominantly immigrant Stockholm suburb Botkyrka), and far removed from consensus. The politeness and restraints of old-fashioned Swedish have been interspersed with imported slang, cursing and translation of foreign sexual swearing, once outside conventional Swedish usage.

Arnstberg suggests that the successful integration of the new cultural minorities is a simple matter – 'they need to avoid confrontation and embrace Swedish cultural values.' Yet in the new melting pot of cultures within Sweden's borders, the Swedish dream is fading, and Arnstberg's recipe for integration success, a fading remnant of that dream. The Swedish model is entering a new phase where the multicultural is replacing the monocultural, and consensus-breeding uniformity is disappearing rapidly.

During a visit to Sweden in the 1980s I was invited to a summer crayfish party. It was organised in Swedish style, with funny hats and bibs, crayfish and snaps, and singing funny songs. A man opposite raised his glass and said, 'Welcome to the *utländskabordet*!' 'What's that?' I asked. 'The table for foreigners,' he said. At every Swedish gathering there is the *utländskabordet*. He was from Hungary and had been living in Sweden for some 10 years. Sure enough, next to me was a couple from Italy and a guy from Germany next to them. It was a table for foreigners. 'The reason why Swedish people are always so punctual to parties,' explained the Hungarian guest, 'is the fear of ending up at the *utländskabordet*.

Many Swedes are shy about speaking English. Many Swedes are nervous of foreigners. The *utländskabordet* – it's low status.'

That was in the 1980s. In Sweden in the 2000s, at social functions for companies or at universities and organisations, there still exists the unofficial 'table for foreigners.' But the table is getting bigger, and its status is changing.

The Happiest Country in the World?

The Swedish Model may have been forming for centuries – since Vikings shared bowls of beer around the table and shouting 'for the team!' (*lag – om*). But it was certainly synthesised in the 1930s and has been analysed favourably and unfavourably ever since. In 1936, US journalist Marquis Childs, admiring the socialist balance between communism and capitalism wrote: 'the wisdom of the Swedes lies above all in their willingness to adjust, to compromise, to meet what appears to be reality... they are the ultimate pragmatists, interested only in the workability of the social order.'

Thirty years later, the correspondent for the British newspaper, *The Observer*, described Swedish society as 'an Orwellian nightmare.' *The New Totalitarians*, published in 1968, was scathing in its critique; excessive taxation, a 'big brother' state that suppressed individual freedoms, and a social welfare system that stifled

creativity and independent thought. Just two years earlier, French film director, Jean-Luc Godard, on his return to Paris after making a film in Sweden, declared: 'I have just been to a country of six million zombies.'

Thirty years on, the Swedish model gets mixed reviews. In *Management Worldwide: The Impact of Societal Culture on Organisations around the Globe* (1995), David Hickson and Derek Pugh describe Sweden as; 'an economically successful country... the envy of social democrats everywhere in the world.' In the same year, David Korten writes: 'From the beginning the Swedish model contained the seeds of its own destruction.' (*When Corporations Rule the World*).

Right wing economist, P J O'Rourke, compares the socialism of Sweden to the socialism of Cuba (*Eat the Rich*, 1998). His conclusion: Bad socialism – Cuba; good socialism – Sweden.' As a throwaway curiosity, in the same year a *Star Trek* film is released, introducing the most terrifying enemy the *Star Trek* crews have encountered. Half human, half machine-like drones called the Borg; they assimilate everything in their path into their 'hive.' Having conquered half the universe, their next destination is Earth, to assimilate human beings. Their catch phrase is: 'Resistance is futile. You will be assimilated...' When the crew first catch sight of their terrifying space vehicles, a crew member asks the ship's computer, 'What is that?' 'It is the Borg,' replies the computer. 'Really?' says the crew member. 'Sounds Swedish!'

Which brings us to the 21st century, and more up-to-date evaluations of the Swedish Model. The Economist's *The World in 2006*, described a Nordic model with Sweden and Denmark at the forefront, as a viable approach for further integration into the EU. Commended because of its workable social welfare system, high employment rates, sound economic management, gender equality and social equality.

In 2004, Newsweek's conclusion as a result of the surveys outlined in Chapter One, was that health care and innovation make Sweden 'the best country in the world.' In a follow-up article two years later journalist, Stryker Maguire concluded: 'For all the foreign praise it gets, many Swedes focus on the weak points of their model society... the Swedish model, for all its shortcomings and no matter how heavily questioned at home, looks about as good as it gets.'

The Guardian newspaper (UK) went one step further, describing Sweden as: '...the most successful society the world has ever known. Swedes have it good, and we want what they have.'

So, just how happy are the people of the world's 'most successful society'? Not too happy it turns out. Swedish employees are, according to a survey from 2007, the most dissatisfied employees after France. Whereas the French listed low pay as the main source of unhappiness, for Swedes it was over long work hours, and work stress. So where do the happy people live? For

happy workers Thailand, Ireland and the Netherlands rate highly; for happy citizens – it depends which survey seems most credible. Indeed, any survey that claims happiness can be measured, must be met with some scepticism. Defining what happiness is, is in itself so laden with cultural and individual interpretations. Like the debated Corruption Perception Index, at best such surveys help us examine our stereotype impressions of different cultural phenomena.

Most Dissatisfied Employees

1. France
2. Sweden
3. UK
4. USA
5. Australia

21. Thailand
22. Ireland
23. Netherlands

International Research Institute, May 2007
ca 14,000 employees in 23 countries

Nonetheless, when it comes to perceptions of happiness, Sweden does not rate highly. According to the World Value Survey of 65 nations conducted by social scientists for *New Scientist* (2006), 'happiest' people lived in:

1. Nigeria
2. Mexico
3. Venezuela
4. El Salvador
5. Puerto Rico

Coincidentally, according to the Transparency Agency in Berlin, it is these countries that rate as 'most corrupt'; Sweden, and other Nordic countries, are listed as least corrupt, from a compilation of surveys featuring 102 nations (2006). The New Scientist survey did not conclude Sweden; the US is listed at 16th place.

The New Economic Organisation studied 178 nations on the basis of longevity, environment, BNP and well-being, which concluded that the happiest people lived in Vanuatu – a South Pacific island, followed by Colombia, Costa Rica and the Dominican Republic. Zimbabwe at 178, has the least happy citizens; Sweden ranked at 119. Not too happy.

And even if such surveys should be taken with a large pinch of salt, it is not difficult to get a 'feel' for a society by getting involved in the daily routines of everyday life. The small talk, the gossip, the tabloids, the radio talk shows, watching people in cafes and on buses, chatting with people in shops and at the work place, conversations with taxi-drivers and hair-dressers. And sure, the topics of conversation are about stress and burn-out and the cost of living, but rarely, in my

experience, do people complain about their boss, or their vocation.

My experiences in the US, and England, France and Germany, is that decisions made by the boss greatly affect an individual's life. In Sweden consensus (ideally) involves everyone. The stress in the Swedish work-place is often self-imposed. Freedom with responsibility. Swedish people take their responsibilities seriously. Which is good for a well-functioning company; less good for individual well-being. In the US, managers work a lot of hours – many of those hours are referred to as 'face time.' Managers, employees, even bosses, stay late in their office to be seen, not necessarily to work. In Sweden, the holidays are long, time-off is generous, coffee breaks mandatory – but work time is effective time.

Likewise, if any conclusions can be made about Swedish leadership – the hidden codes and the overt characteristics included – is that it is effective. Sharing the responsibility of decisions, involving people at different levels, emphasising co-operation and support, and striving for consensus, are effective approaches to sound leadership.

Whether it makes for a successful life is another question. From a Swedish perspective, moderation is the key, only it's something you have to work at. And work is something Swedish people are good at.

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Acknowledgements

My thanks, as always, to Therese Bergmann. Also to Lars 'Freddie' Frederiksson, Peter Lysell of Sharing Insight, Dag Svensson, Gunnar Ekman, Anders Lundgren, Arne Rubensson and to those many people from many different countries for their comments and insights, who share a fascination for co-operative business practice in a competitive market.

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