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## Sweden

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For the remainder of 2015, our attention is turning to the Nordic countries and this month, we focus on Sweden. Sweden is expected to remain one of the most attractive business locations in the world. Sweden has achieved an enviable standard of living under a mixed system of high-tech capitalism and extensive welfare benefits. Sweden remains outside the Eurozone because of concerns over its impact on the country's economy, welfare system and sovereignty. Privately owned firms account for the vast majority of industrial output, of which the engineering sector accounts for about 50% of output and exports.

Swedes believe in an orderly society where written and unwritten rules govern almost every aspect. There is little interference in private lives. Not getting personally involved in someone else's life though has led to the misconception that Swedes can be 'cold' or distant, although their intent may be the opposite.

A key Swedish social value is egalitarianism, with the shared values of honesty and rationality. Compromise and consensus is seen as a solution to most disputes. Swedes' aim is to involve everyone in the decision-making process to assure buy-in and satisfaction. This process, however, requires time and effort which can be frustrating to other cultural groups.

Academic research has identified the Swedish management style as meritocratic, autonomous and anti-hierarchical. It is biased towards a team approach and reluctant to glorify "star" performers. Swedish senior managers tend to focus on the big picture goals, on setting direction and aligning support. They leave the details and execution to their teams. They sometimes have a problem with handling conflicts, but in many cases realize that they need to be more direct and clear when they operate in an international environment.

The Swedish tradition of organizing work is in some ways paradoxical. It stresses the role of the individual – as well as that of the group. This seems confusing. But it was perfectly logical in a poor, sparsely populated agricultural economy with isolated farms where one had the community of the village which helped out in times of harvest and distress but where one otherwise minded one's own business. This explains the preference in Swedish companies for shunning control but still working for the team. Foreign managers in Sweden will find that employees are happy to follow directives, provided that these are loosely set and goal-oriented. The managers will also note that Swedes always expect to be members of a team, but still often prefer to work autonomously. Swedish corporate executives are expected to inspire and lead by example and by setting goals. They will involve their team to a much greater extent than in other parts of the world. This is done by carefully anchoring ideas and proposals with their employees. The practice may puzzle many foreign managers who only see an endless series of meetings where few, seemingly clear decisions are taken.

The non-confrontational or conflict-avoiding strain in Swedish management is a logical consequence of the focus on teams and cooperation. Swedish managers tend to communicate in an understated way. "Understated" may often be perceived as "vague", especially by foreigners. There are significant advantages with such behaviour. A manager who seeks out the opinion of others and acts in an inclusive way, may be more productive than someone who runs his or her business by giving orders. The corporate support units in large companies are also small in an international comparison. Swedish

managers see their employees as capable of doing the work without supervision. This means there is no need for control or direction. One could say they under-control, because of their high trust in their people.

The instinctive non-confrontational style of Swedish managers means they also have to learn to communicate more clearly outside of their home culture. But it should be remembered that Swedish managers have decades of experience in working with foreign partners, and in such circumstances they tend to be more direct and clear than when they are in touch with fellow Swedes. Niklas Prager, head of the U.S. drug group Pfizer's operation in Sweden, told a seminar in 2008 that he alternates constantly between these communication styles. "I delegate a lot and operate in a very informal way in our local organization. The focus is on involving people. When I am in touch with headquarters I will come across as a much more decisive manager. You have to play those two roles, and I don't see any problems with it."

Elsewhere, Swedes are reasonable negotiators and rarely use high-pressure or aggressive tactics. They are co-operative listeners. Rational, clear, factual and logical arguments are considered to be the most acceptable. They value 'getting things done' and any attempt to add emotional arguments tends to be perceived as a weakness.

Finally, meetings usually get right down to business with little small talk. Swedes are sincere people who generally dislike superficiality in conversation. Humour rarely has a place in business discussions, one's private life should not be discussed there at all, and personal comments should also be avoided. It is vital to come well prepared as the Swedes hate wasting time. Nevertheless, it is unrealistic to expect initial meetings to lead to straight decisions. Facts and figures are crucial. Allow sufficient time for questions and clarifications.