CHAPTER V.8

CULTURE AND MANAGEMENT IN NORWAY:
BETWEEN MARGINALITY AND GLOBAL MARKET RELATIONS

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Abstract. Despite its strong and open economy, Norway does not feature largely in the management literature. Culture and management in the far reaches of Northwestern Europe are often presented under the broader categories of ‘Western’ or ‘Scandinavian’. However, there clearly is a distinct Norwegian tradition. This chapter traces the roots of Norwegian management, from its foundations in the natural environment and early history of the nation, to everyday interactions in the framework of the modern-day welfare state. It portrays a tradition where equality, authenticity and participation are key values. Negotiation and consensus-seeking are important, and a democratic, humble style tends to be preferred. At the same time, the chapter shows how these values and preferences interact with global concepts and ideals, lending shape to different practices under the influence of different actors in different markets. Currently, there is great variety and dynamism, and the established model for work and business relations is increasingly coming under question. Nevertheless, the focus remains on participation and collective processes. This has certain drawbacks, but may also be considered as a force in management development.

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ROOTS AND REPRESENTATIONS

Norwegian culture is rooted in a severe climate and the Viking spirit of its people. The fierce nature with deep fjords, snowy mountains and frozen lakes. (Japanese business executive)²

Contrary to Norwegians’ own perceptions, Norway and its people are far from the world’s centres of activity. Most foreigners associate Norway and Norwegians precisely with its rugged nature and barbarous ancestors. But we Norwegians are keen to show that we also possess a rich contemporary culture. In spite of this, we very often resort to the Vikings, fjords and mountains when presenting ourselves. This may not be surprising when the issue concerns tourism, history, or the environment, but when the subject is business, the emphasis on the wilderness and violent voyagers of the past is even more striking: the current Norwegian Yellow Pages list 306 companies which use the word ‘Viking’ in their name, and the words for fjord and mountain feature even more frequently.

What is it that we wish to communicate by emphasizing these connections to nature and history? Why are fjords and Vikings such important emblems, even for modern business organizations? The answers to these questions are complex, but at some level cultural values are involved. Nature, in the eyes of many Norwegians, is a symbol of power and continuity, endurance and simplicity. Civilizations may crumble and fall, and man as a social being may be complicated, difficult, and wrongheaded, but nature always prevails, pure and firm even in its ruthlessness. The Vikings likewise represent what is crude, strong, and genuine: men who conquered successfully using violence, but who lacked the sophistication to pretend and deceive. They were men who acted simply as men, down-to-earth and equal in their primitive desires and ambitions.

Taken together, the Vikings and nature represent key values in Norwegian culture. There is, and has long been, an emphasis in Norway on perseverance and authenticity, equality and individual assertiveness. These values are also present in the business environment. Continuity and trust, straightforwardness and non-discrimination are emphasized in customer as well as employee relations. A high-performance, no-frills practice is viewed as an ideal, in this as in other spheres of life. Symbols connected with nature and the Viking era create a high level of meaning in the Norwegian context. Therefore, even companies that are extremely future-oriented, global, and

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² Quoted in Habert and Lilleboe (1988, p. 19).
‘hi-tech’ in outlook find them useful in branding and marketing, as well as for internal purposes.

Many foreigners who have spent some time with Norwegians also make these desired associations. The Japanese businessman quoted above, for example, went on to say that Norwegians are generally concerned more with content and less with appearances. We are rather plain and view waste as a moral failure, due to the rationalism of the Viking era. Visitors from Europe and the United States also note the simplicity, directness, and lack of status symbols in Norwegian business life. In line with our preference for natural, basic lifestyles, Norwegians have been described as modest and fearless, with an informal and consensus-seeking management style (Habert and Lilleboe, 1988).

On the other hand, foreigners also make connections that Norwegians do not like to make: some find that Norwegians are too nature-oriented and simple, leading them to conclude they are provincial and unsophisticated. Others claim that the straightforwardness valued in Norway comes across as naïveté, insensitivity and lack of diplomacy. Like the Vikings, we are sometimes too boastful on behalf of our country and our culture, with a less than sympathetic desire to prove ourselves against the rest of the world. We are seen as introverted and serious individualists at home, but as rather group-oriented when we go abroad. According to a German business executive, Norwegians: “feel much stronger, and frequently behave accordingly (…) The behaviour of “the Vikings” cannot be denied” (Habert and Lilleboe, 1988, p. 53). In relation to this, foreigners suggest that Norwegian managers at times appear rigid, inflexible, and overly conservative.

Thus, business life in Norway, as elsewhere, is wrought with symbolism and culturally specific practices. These practices are played out and perceived differently in different situations, but they are still characterized by certain key themes. In the following pages we will explore these themes a little further, before we turn to a more detailed discussion of how they influence management.

A Peripheral History

To understand Norwegians better, it is an advantage to have some knowledge of the country’s history. (German business executive)3

Norway is located in extreme Northwestern Europe, at geographical coordinates 62°00’N, 10°00’E. With the North Sea and the North Atlantic Ocean to the West, and large tracts of uninhabited wilderness along its borders to the East, the country’s location does not exactly facilitate cooperation with other nations.

In the past, the harsh climate and rugged interior also posed a serious hindrance to internal communication: many communities found themselves more or less isolated for long months each year. It was not until 872 that Norway was united under one king. Until then, the country consisted of a number of small, kin-based kingdoms, centred in the most fertile valleys. The farmers and fishermen who inhabited these kingdoms were not well known to other peoples in Northwestern Europe, who vaguely referred to them as “Norvegr”, or “those who live to the North” (Hylland Eriksen, 1993).

From the 8th century, however, the Vikings made their presence felt more widely. Norwegians settled in Iceland, the Faroe Islands, Greenland, parts of the British Islands, and in Normandy. They even attempted to settle parts of Newfoundland. The expansion brought an era of national unification that went on till around 994, when the king adopted Christianity and the Viking raids gradually tapered off. Thereafter, the nation persisted as an independent kingdom until the years of the Black Plague, which wiped out nearly half the population. This was followed by civil wars, poverty and more epidemics. But, in the eyes of some historians this was also a period of cultural awakening (Stokland, 2001). The confrontation with Christianity and religious people from the continent brought about a process of differentiation. Individuals began to perceive themselves as distinct from nature and their kin, and developed a growing awareness of the differences between themselves and other peoples.

By 1387 the royal line had died out. Norway entered into a union with Denmark and Sweden, and after 1450 remained in a union with Denmark alone until 1814. The latter period is often described as a long “sleep” (Kramer, 1991) or “winter” (Stokland, 2001) in Norwegian history. In many ways, the idea of nationhood receded to the back of the public mind. The vast majority of the population were still small farmers and fishermen, with activities focused on the local community. The educated public officials, on the other hand, increasingly oriented themselves towards Denmark. According to Sinding-Larsen (1991), heterogeneous local folk cultures were thriving, but the elite was under Danish cultural domination, painfully aware of their provincial position in relation to Copenhagen. The degree of interaction between the two levels was limited.
After the Napoleonic Wars, Denmark was forced to cede Norway to Sweden. Norway seized the opportunity to draw up its own constitution, but was soon forced into a military union. Independent institutions were maintained and national ambitions kept growing among the elite. Still, the country remained on the periphery, economically, politically, and culturally: in 1814, the country still had a dual economy, based on subsistence farming and export of raw materials. Poverty was prevalent and economic stability was sustained mainly through massive emigration (Hodne, 1981). Foreign affairs were controlled by Sweden, and Norwegian art and literature were characterised by the use of the Danish language.

Norway did not experience any significant industrialisation until the 1850s. Around this time, the economy expanded due to shipping and increased exports of fish and timber. Emerging technological developments boosted improvements in the education system, as well as the development of a more elaborate state bureaucracy. With increasing geographical mobility, a growing number of people were exposed to alternative ways of living, thinking and communicating. Dissatisfaction with the union grew and inspired a search for a distinct national identity. A combination of local traditions and continental elements blended into a romantic nationalism that gained more and more momentum towards the end of the 19th century.

In 1905, Norway finally gained independence. It was only from this time that serious efforts to develop our economy began (Kramer, 1991). Like other colonies, Norway suffered long from severe under-development, and the role of foreign experts and foreign capital was quite similar to that in other developing countries (Hodne, 1981). Besides shipping, timber logging and iron production, the following industries were established in the early 1900s: textiles, consumable goods, and electrometallurgical industries. A period of growth commenced, but the vast majority of the population was still engaged in primary production. In many ways, Norway remained in a marginal position. This situation continued through and after World War I, when Norway stayed neutral, but suffered heavy losses to its shipping. During World War II, the five-year occupation by Nazi Germany left a large part of the country and its economy in ruins. Gradual reconstruction in the 1950s was tough and partly financed via massive aid from the United States. These years of hardship added fuel to the nationalist sentiment. However, they also appear to have sustained a feeling that Norway was peripheral to world affairs.
The oil and gas boom that started in the 1960s partly changed this perception. Over a couple of decades Norway had suddenly become one of the richest countries in the world. Still, the 1970s and 1980s were characterised by insecurity in the domestic economy. A welfare system no less extensive than the ones in Denmark and in Sweden was developed, and the social democratic model came to be upheld as an ideal in many quarters around the world. Today, one of Norway’s explicit ambitions is to play a vital and visible role in world affairs, through the UN and other arenas. On the other hand, there is growing concern about the extent to which our future welfare depends on non-renewable resources, and a strong awareness that Norway is “not a top of the mind nation” (Leonard, 2003). In many ways, we remain a periphery, both in relation to Europe and the rest of the world (Hylland Eriksen, 1993).

**Marked by marginality?**

Norwegians are unbelievably provincial. It is as if they have no inkling of what is happening on the other side of the mountain. (Danish business executive)\(^4\)

Critical voices use the term “odd country out” (annerledeslandet), to point out how Norway and Norwegians are marked by the history described in the previous pages. With a sense of vulnerability, Norwegians emphasize that they are unique and distinct from their neighbours. In many people’s view, protective measures are needed in a range of fields. Strict immigration laws, subsidies, and severe customs barriers are advocated and maintained to preserve the cultural, economic and political autonomy that was gained in the not-too-distant past. In response, accusations of protectionism are voiced every now and then.

Tellingly, Norwegians rejected joining the EU in referendums in both 1972 and 1994, and the idea of future membership is debated with great emotional intensity. Another indication of a lingering sense of marginality can be found in the motto for the Winter Olympic Games hosted by Norway in 1994. Launched by the then prime minister, the motto was “we can do it!” (Vi kan gjøre det!). This simple phrase aroused an amazing wave of enthusiasm and national pride, precisely because it appealed to Norwegians’ sense of being a small, marginal nation, which was striving to excel and acquire more status in the eyes of the world.

The history of marginality can also be found in modern business relations. Foreigners who come to do business in Norway for the first time

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\(^4\) Quoted in Habert and Lilleboe (1988, p. 15).
sometimes find that certain aspects of services, facilities and infrastructures are provincial. More importantly, some also find their Norwegian contacts to be provincial in outlook. According to one United States business executive, Norwegians are generally “somewhat self-limiting in that they are seemingly prepared to downgrade themselves in relation to others. Too conscious, as they often state, of the size of their population. Not sufficiently prepared to give importance to their culture.”

Norway is less visible in international business than the other Scandinavian countries. Vikings or not, foreigners often indicate that Norwegians lack a clear business image (Vea et al., 2006). As the above quotation suggests, many Norwegian businesspeople are painfully aware of this, sometimes to the extent that they exhibit a kind of inferiority complex (Habert and Lilleboe, 1988). They are touchy about unfavourable comparisons and sometimes lacking in confidence when faced with companies from other nations. This is particularly the case with Sweden, in which case it is more appropriate to refer to a ‘big brother syndrome’.

Besides their history as colonisers, Sweden is popularly perceived as being more cultured than Norway. After all, Sweden has a long-established aristocracy and a well-known industrial tradition. In addition to its bigger size, more populous countryside and more fertile land, Sweden also prospered during the two World Wars and was able to lay the foundations for an advanced welfare state from an early stage. Due to historical connections and geographical proximity, business life in Norway is closely linked to that of Sweden. Ties go both ways, but until now, the tendency has been that Swedish are considered as the ‘masters’ in these relations, whereas the Norwegian companies supply parts and raw materials to Swedish end producers. As a consequence, a large part of the industry in Norway remains geared to Sweden, some would claim to the extent that they fail to build competence and networks with other more important markets.

While some Norwegian businesspeople are seen as too humble and therefore lacking international ambition, others are perceived as being too proud and ethnocentric. They do not, in foreign eyes, appreciate the difference of scale between Norway and other countries. Instead, they believe success can be achieved anywhere with the same means as in Norway. It has also been claimed that Norwegians know surprisingly little about other countries, while assuming that other people should know as much about Norway as they do (Hylland Eriksen, 1993). As with other formerly colonised peoples, there is a strong current of nationalism. This has to do with

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the struggle for independence in the recent past (Kramer, 1991): To build a nationalist movement, Norwegians have highlighted sameness at the cost of regional differences, with the effect that our awareness and respect for cultural heterogeneity has been somewhat short-circuited.

The latter observation is echoed among foreign business executives, who see their Norwegian associates as being overly self-centred and protective of their country and culture (Habert and Lilleboe, 1988). In some of our own work with multinationals (Damman and Osmundsen 2002a, 2002b), a colleague and I also found that Norwegian managers tend to believe they use a universally applicable approach, whereas foreigners see this approach as grounded in Norwegian values and therefore expressive of a local, rather than global, mindset.

Marginality has not only affected the pace and course of industrialisation, but it has also coloured attitudes to other cultures and management practices. There is a feeling that we lag behind and are less significant than other nations. At the same time, there are indications that marginality has affected our room for self-reflection: Norwegians may have become more concerned to keep up their own ways and less sensitive and open in handling cultural differences than other peoples. We will next take a closer look at what Norwegians are so determined to hold on to; what they have come to select, elaborate and celebrate as being particularly Norwegian; and why these cultural constellations form an important backdrop to management traditions in Norway.

**Nature and National Identity**

“All Norwegians love nature. They are off to their country homes. Or they go for walks… It’s a ritual, like going to church.” (Australian business executive)

In literature, Germanic self-understanding can be traced to two paramount sources: Tacitus’s *Germanica*, and the *Eddaic Poems* (Witoszek, 1998). The *Eddaic Poems* are ancient Norse scriptures, positing a cosmology where a central ‘tree of life’ is surrounded by the forces of nature in the form of violent gods. Unlike *Germanica*, the *Eddaic Poems* gave rise to a more egalitarian, down-to-earth and rational tradition, which is at the heart of Norwegian culture and identity (Witoszek, 1998). Here, as well as in later folk tales, there is an emphasis on respect for and holistic participation with nature. *Askleadden*, the hero in one of Norway’s most important fairytales, reaches his aims neither because of wisdom nor because of hard work, but by “action in non-action”: he allows himself to be distracted and is always

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open to the voice of nature, which comes to assistance at the most critical points in his adventures. This way, the ontological equality and interplay between all living beings is stressed (Witoszek, 1988).

Generally, nature in the Norwegian tradition is construed as powerful, but benevolent: it is a home, and a friend. This theme is found in 19th century writing as well: for example, in the works of Ibsen, the inside of the home often represents the pathological and restrictive, whereas outdoor life or nature is a symbol of freedom, health and truth. Likewise, Hamsun’s novels are concerned with the relationship between man and his natural environment; in early years with youthful, celebrative ‘back to nature’ sentiments, and later with a more reflective and resigned, but still respectful awe. Moving on to our on time, the emphasis on closeness and harmony with nature continues in the eco-philosophy of Arne Næss and others, where holism and sustainability are key concepts (Witoszek, 1998).

For Norwegians, nature is associated with a set of tales and images that resonate with a collective experience as farmers, fishermen, and lovers of outdoor recreation. Historically, nature is a central theme in many cultures, but in Norwegian mythology and metaphor, nature has taken on a special significance that has carried through into modern times. Those who sought to define a distinct Norwegian identity in the 19th century selected nature as the epitome of Norwegian-ness. As we have seen, there were few alternatives: lacking an urban elite or landed gentry, nationalism had to take a different course than in other European countries. Hence, the nationalist movement was – and remains – rural and egalitarian, and it glorifies nature and country life rather than military pomp or urban settings (Hylland Eriksen, 1993).

The 1800s saw the development of a national symbolic world inspired by nature and peasant society, with its own heroic history, literature, art and music, as well as a distinct Norwegian language. These elements were all more or less put together by an urban elite that travelled to outlying fjords and valleys to collect folk traditions, which they brought to town and presented as expressions of the Norwegian soul (Kramer, 1991). Nature was canonised not only to build a new Norwegian nationalism, but also to counter an impending modern condition (Sinding-Larsen, 1991): there was a growing need to define rural society (and nature) as something of the past; as something to romanticise and dream about in an increasingly urban and industrialised present.

From 1905 onwards, the urban elite no longer needed nationalistic sentiments to further their interests. Romantic folk culture increasingly became a medium for the rural people themselves (Sinding-Larsen, 1991).
After World War II, this change became even more apparent: industrialisation caused increasing numbers of people to migrate to urban settings, and a wave of intense physical and cultural urbanisation re-shaped the countryside as well. In response, folk culture became increasingly politicised, especially in 1968, when it was cross-fertilised with the anti-commercial and anti-industrial cultural movement in continental Europe (Sinding-Larsen, 1991).

In more recent years, the trend has been an attempt to extract the political connotations from folk culture. Its foundations are sought in the local fjords and valleys from whence it came, as well as from more universal human experiences. There is increasing interaction and experimentation with input from other cultural traditions and perhaps an emphasis on unique expression rather than the maintenance of specific traditions.

Still, nature and rural living remain central themes in Norwegian culture. Skiing and hiking are favoured leisure activities, and simple cabins and boats are preferred to luxurious holiday hotels. We think of the modest mountain farm as a ‘typical Norwegian’ home, in a way an urban dwelling can never be. Likewise, the historical and political aspects of our Independence Day have faded, but nature remains a central theme. Spring leaves are an important symbol, and children parading with marching bands are at the centre of events. A combination of physical exercise and art, communal rather than elitist functions, and an emphasis on the collective, rather than the individual, is characteristic of the festival (Witoszek, 1998). The marching children are key actors, but also key symbols in the show. Together with crowds of women dressed in traditional attire, they stand out visually and signify the continuity of life; nature as opposed to culture.

In a similar vein, the popular imagination values physical strength, natural style, and useful ability over delicacy, sophistication, and theoretical knowledge. People tend to present and perceive themselves as down-to-earth and simple. These biases and preferences lie behind the many observations that foreign businesspeople find to be both strange and exceptional. The Norwegian style of dress is informal and often very plain, dominated by jeans, sweaters, and windbreakers. Subjects of conversation revolve around holidays, sports and outdoor hobbies, rather than high culture, food, or wine, and great value is accorded to leisure time.

Many foreigners I have met are frustrated by the way Norwegians stick to official working hours, and by the lack of sophistication at the lunch or dinner table. More significantly, they sense a lack of availability, especially around public holidays, which may prove damaging to international rela-
tions. At times, foreigners have also reacted negatively to the way they are received as visitors. Norwegian hosts may feel that their obligations end at 4:00 pm. The entertainment offered in the form of food and drinks may also be rather sub-par. These are no doubt practices Norwegian companies need to work on if they want to improve their image abroad. At the same time, it is important for foreigners to understand that these manners do not necessarily indicate a lack of commitment or respect, but that they are grounded in cultural configurations and may thus require some time to change.

**Peasants in town?**

“One may today scratch many Norwegians and quickly find the peasant very close to the surface, barely covered by a very thin veneer of urban living.” (British business executive)

The village or local community (*bygd*) in Norway has remained a key source of legitimacy that works alongside and partly competes with the modern state (Sørhaug, 1991). Here, relations are characterised by social intimacy and stability, close-knit networks and a basic, common sense of equality (Sørhaug, 1991). The understanding of equality does not, however, mean that all people are perceived as being equal. It implies, rather, that they have to give the public impression that nobody is perceived as better than anybody else. This makes for a clear distinction between insiders, who are subject to this form of impression management, and outsiders, who are beyond the limits of the universe thus created.

Under the surface, the village or rural community is full of conflicts and competition. Everyone it is aware of this, but it is considered tactless to refer to in public (Larsen, 1991). Gossip is prevalent, but does not threaten the community as such. Everyone is linked together via cross-cutting bonds, as neighbours, colleagues, relatives and friends, and all are well aware of this. At the bottom line, all relations and issues are personal and economic (Gluckmann, 1966). In such a system, management and control are interwoven with other actions and institutions, to the extent that political processes are also seen as personal and economic in nature.

The state, on the other hand, is considered to be the result of explicit, rational, and systematic processes. It is founded on a universal, impersonal logic, and considered to be separate from the interests of particular groups and individuals. Norway prides itself in having a fairly just and efficient state system, with relatively little corruption. Still, it is a society where the

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form of legitimacy associated with the local community has remained strong (Sørhaug, 1991).

“You can take me away from my valley,” writes a distinguished Norwegian anthropologist; “but you can never take my valley away from me” (Larsen, 1991). Even in contemporary urban contexts, many Norwegians stick to rural ideals. This is manifest symbolically in that many city-dwellers retain remnants of a peasant way of life in their leisure time. They do this by gardening and participating in outdoor activities of the above-mentioned kind, but perhaps most visibly by the way they keep their homes and cabins, which in many ways are modelled on the rural household (Gullestad, 1992). In contemporary Norway, the home is actually gaining in importance as an arena for cultivating and idealizing “roots” and identity, as well as for maintaining stability and control over one’s life (Gullestad, 2006).

Late urbanisation on a limited scale, and/or an ideological emphasis on country living are associated with a closely integrated culture. In Norway, meanings, actions, and identities from different spheres of life are strongly connected (Larsen, 1991). To sort out and act on a matter requires the unravelling of many social links, which are made relevant across a wide range of fields. Still, the final, imperative connection tends to be political: specific issues are not assessed independently, but translated into ‘principles’ in various power games. Your arguments in a case are seen in the light of your religion, party, professional background, age and gender, as expressive of vested interests. In a sense, they are reduced to symbols, and the signalling of political identities may thus appear more important than action (Larsen, 1991).

Due to these tendencies, debates in Norway may at times be less constructive than a manager would like. In the same way, apparent agreement or disagreement may occur, without a thorough exploration of conditions that are critical to the matter at hand. On the other hand, the tendency to trace everything to a primary instrumental reality makes for a realistic and pragmatic orientation that may be desirable in a modern business context. Yet again, this might make Norwegians less ready to use fantasy to spur creative processes, unless it is a stated aspect of the work itself.

Another related observation is that Norwegians are “allergic” to apparently empty rituals, words, and gestures (Larsen, 1991). In most cases, elaborate symbolism and dramatic forms of self-expression are considered unnecessary, conceited, and deceptive. People prefer words and actions that are ‘natural’ and to the point, firmly rooted in the everyday reality that serves
as the locus of experience. Since the Reformation, Norway has had a strong Pietist movement, which also has contributed to this orientation. In the religious sphere, as well as in other areas of life, there has been a tendency to simplify and purge symbolic ornamentations, so that only the essential parts of action and communication remain.

In business life, this tradition manifests itself in a relative lack of ritual paraphernalia. Ceremonies are few and short. Meetings tend to take a simple form, with only a minimum of protocol. Speeches, likewise, tend to be brief and plain. Not because the recipients are considered unimportant, but because there is a preference for the simple word, and the assumption that lengthy and flowery expressions would create a sense of awkwardness and ostentation. The preference for straightforward communication also comes across in other ways. Many foreigners note that Norwegians are not good at small talk. In the words of a Danish business executive: “Norwegians are often very straight, to the point, which in many contexts is a valuable asset. However, the other side of the coin is lack of diplomacy, where that should be exercised.”

Others indicate that Norwegians may appear a bit rude and impatient, unable to hide a feeling that ingenious small talk serves mainly to cloud the issue at hand.

With this perspective, Norwegians are often seen as introverted and serious, but also as a very trustworthy and trusting people, sometimes to the extent of naivete, wherein they may fail to realise that people do not always divulge their thoughts. However, it is also noted that Norwegians may be somewhat cautious in business. In the words of a Finnish business executive: “At least when there are foreigners or strangers around, I have felt that many Norwegians find it hard to relax… and they seem to observe each other carefully.”

The latter observation may also illustrate another point: the scepticism towards purely expressive messages and acts goes together with an extensive use of meta-communication, in the form of body language, acts and indirect verbal expressions (Larsen, 1991). Perhaps more often than in other cultures, complex intentions and emotions are expressed indirectly; by the way you look at a person, by tone of voice, or by simple, seemingly innocent acts and utterances. Thus - fortunately or unfortunately - Norwegians may not be as simple and uncomplicated as they often seem to be.

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**EGALITARIAN INDIVIDUALISM**

“Norwegians are little concerned about rank and titles – they are more or less themselves.” German business executive

The preference for an instrumental perspective is associated with an emphasis on utility and usefulness (Larsen, 1991). If you ask a Norwegian about happiness, she will neither refer to wonderland nor to the rainbow’s end, but relate it to more realistic images, such as ‘doing well’ or ‘having a nice job’. In a similar way, other abstract realities, such as those of art, literature and philosophy, can be traced to and evaluated in terms of practical rationality.

In the rural community, the degree of interdependence and the nature of daily work on tiny family farms and fishing boats makes utility and usefulness stand out as key cultural values. It was imperative to not let anything go to waste. Sharing and cooperation were critical to survival, and the ability to work hard and well was more important than beauty, wits, or individually accumulated riches. But this is not to say that collectivism prevailed: traditionally, individualism and individual efforts were and are admired, whereas explicit collectivism is very non-Norwegian (Sørhaug, 1991). The individual man, striving for his family at the mercy of nature, is a central theme in our folk culture, as well as in the works of writers such as Hamsun and Ibsen.

At the same time, we have seen the stress on equality, over and against individual differences. The central value concept here is likhet, meaning not only equality, but also likeness, similarity, identity, or sameness (Gullestad, 2006). It implies that social actors must consider themselves as more or less the same to feel that they are of equal value. Somewhat paradoxically, it is mainly when they manage to establish such a situation they gain confirmation of their own individual worth. To realise the identities they desire, Norwegians need relevant others to support them, and in the logic of the local community the only relevant and likely supporters are people who are regarded as similar. This often leads to an interaction style where sameness is emphasized while differences are played down (Gullestad, 2006). Sameness is also stressed in gender relations, where respect is linked with equal treatment, rather than complementary standards and behaviours.

In their private lives, Norwegians like to associate with people who “match them” (passer sammen med), who are of equal social standing and embrace similar norms and values (Gullestad, 2006). In working life, Norwegians are ready to accept a certain hierarchy on the basis of professional

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competence (Barnes, 1978). Still, the ideal form of interaction is one where differences of rank are downplayed. Efforts at self-assertion are best made within an idiom of equality, where a good performance is presented indirectly, modestly, and in the context of contributing others. More outright or aggressive forms of self-assertion are evaluated negatively. For example, many Norwegians tend to experience Americans, with their more direct forms of self-expression, as boastful and self-aggrandising (Gullestad, 1989).

Notwithstanding the cultural emphasis on equality, Norwegians take part in diverse social games. A striving for equality seems to be at the core of political contests (Archetti, 1991). This involves a basic contradiction, since the contests in question would cease if equality were ever achieved. Still, Norwegians tend to believe this point can be reached. Contests go on, since everybody thinks that everybody else is trying to get better or reach higher than they themselves. Assuming the latter, each person tries to prevent others from reaching beyond the level of accepted mediocrity. Too much recognition cannot be afforded openly to others. Hence, people remain in a state of ambiguous equality (Archetti, 1991).

Whenever differences become too pronounced, communication breaks down. Withdrawal and/or avoidance, rather than open conflict, tends to be the end result. These and other forms of distancing are characteristic of social life in Norway (Gullestad, 1989). There is a continuum, from polite rejection, through limited interaction marked by certain signs of inaccessibility, and onto intimate relations. Moreover, the tendency to actively construct social distance is increasing, since life in our time involves more and more fluid relations, where it is difficult to establish the platform of equality required for meaningful interaction (Gullestad, 1989).

With distancing, it is relatively easy to find a common basis for interaction, for example in politely distant business transactions. You do not need to establish close relationships, of the kind required in certain other countries. On the other hand, this may make Norwegians appear cold, reserved, and difficult to reach. Foreign business executives note that Norwegians take a long time to open up. We are reluctant to invite people home unless they are considered to be close friends, and if we do, a certain level of formality is maintained. According to a French executive: “There is not this spontaneous hospitality… Generally speaking, the Norwegian avoids contact, even with his compatriots. He does not greet his neighbours in the stairway; he avoids them.”

These tendencies, again, are associated with an emphasis on the political, economic and social independence of the individual. Maintaining equality, as well as distance, requires a certain balance in relations. Therefore, Norwegians tend to return favours and respond to gifts or invitations by presenting similar tokens of appreciation very quickly (Archetti 1991). This may be frustrating for foreigners who wish to cement positive and long-lasting relations via symbolic and delayed exchanges. To most Norwegians, however, balancing gifts and favours is a sign of equality and ultimately, of respect and decency. By maintaining symmetry, you are less prone to obligations that are undue and/or difficult to fulfil. However, you also restrict the number of potential allies that can be mobilised by obligation, and come to rely more on purely trust-based relationships.

These practices are related to ‘peace and quiet’ (fred og ro), which make a central category in Norwegian culture (Gullestad, 1989). The expression ‘peace and quiet’ is used in a variety of ways. Among other things, it is associated with the state of being independent: unharassed by claims and requests from neighbours, colleagues, friends and family. It is also used to describe persons and events in positive terms, and to signify celebrations or other functions involving only close family and friends. Moreover, ‘peace and quiet’ refers to a desired state of mind, characterised by the absence of negative and the presence of positive emotions.

‘Peace and quiet’ is linked to the ideals of nature and rural living, but also at a very basic level to self-control: maintaining personal integration and harmony by managing relations well and securing an independent position for oneself. To some extent, these values are recognised in all societies. However, they appear to be more developed in Norway than elsewhere (Gullestad, 1989).

The Puritan logic that framed the development of Western capitalism (Weber, 1984) resonates well with traditional values and has taken a strong foothold in Norwegian society (Larsen, 1991). This logic, which presents individual effort and renunciation as the key to salvation and this-worldly success, serves to integrate the different constellations of meaning we have discussed. Even today, a basic tenet in Norwegian culture is that no act should be an aim in itself, but a means to achieve something, a matter of usefulness.

The theme of utility and usefulness works together with equality and moderation to maintain the form of egalitarian individualism we have outlined here. It is important to note, however, that this form is far from static. There are marked differences between generations (Gullestad, 1995). Narrating their life stories, Norwegians in their 60s and 70s emphasize familial
obedience, being useful, showing kindness and possessing skills, whereas young people speak of “finding themselves” in relation to individuals, groups and institutions outside the family. Even though they express a strong desire for coherence and integrity, younger Norwegians also celebrate pluralism and choice more than sameness and conformity (Gullestad, 1995).

Likewise, internal critics (Bryn, 1992, Rollness, 1992), who see Norwegian society as too homogenous and narrow-minded, indicate by their very presence that change is taking place. Since the 1980s, Norway has undergone a quiet “cultural revolution” (Hylland Eriksen, 1993): The end of the Cold War, computerisation, and postmodernism have led to a more playful, urban-centred culture. Norwegians are increasingly inspired by international trends and subcultures that bring in a more pluralistic frame of mind. Still, it may be argued that the “valley” remains a very strong influence. Tellingly, a committee recently appointed to develop Norway’s international profile concluded that key elements are and will always be nature, equality and peace (Vea et al., 2006). In the following paragraph, we will look at how the factory entered into this context, and how important conditions for management were laid down in the formation of the Norwegian welfare state.

THE WELFARE STATE AND ‘THE NORWEGIAN MODEL’

“Social behaviour is affected by the political system, and Norway has had a socialist-oriented system for several decades. As a consequence, Norwegians are used to favouring common welfare over individual benefit.” (French business executive)12

As we have seen, industrialisation came relatively late to Norway. In its early years, it was dominated by foreign capital. Local authorities were accommodating. Taxes were low and customs policy was to a large extent determined by the interests of exporting companies. Workers, on the other hand, suffered under the demographic pressure of the 1800s. The articulation of workers’ interests around the February Revolution resonated well with their experiences and soon gave them the impetus to state their needs and requests with increasing force.

The conflict of interests between workers and capitalists was concurrent with the perceived divide between the local community and foreigners. This was another reason why Norwegian workers were rapidly mobilised into unions (Sørhaug, 1991). The city and capitalist relations were seen as opposing and destructive to the equality-based local community. They were not

considered old and “genuine” enough to legitimise the introduction of new differences. In the national parliament, a liberal opposition increasingly advocated for a mixed economy with democratic capitalism and a socialist bent. A national labour party was established as early as in 1887, and a vital women’s movement was formed around the same time.

After independence in 1905, social and economic issues became more central in public debate. The workers’ movement had their final breakthrough in professional as well as in political life. The national confederation of trade unions developed its own organisational culture, discouraging militarism and advocating dialogue. However, as nationalism became more regressive and antisocialist, strikes, boycotts, obstructions and sabotage became important means of expression. The labour party kept growing in force and numbers, and formed its first government in 1928. Although the government was short-lived, the party established itself as a realistic political alternative in the eyes of the general population, and has remained strong ever since. From 1945 to 1961 Norway was ruled by a Labour Party government, and after a brief conservative interlude the Labour Party continued to build a social democracy up to 1985.

Since 1985, the political situation has been more volatile. A stable two-block system has given way to changing alliances between right, left, and centrist/liberal political parties. There is more uncertainty surrounding what kind of society Norwegians want for the future, and regarding the ability of politicians and authorities to achieve their aims (Sejersted, 1994). There is a strong consensus, however, that the social democratic tradition has left a distinct imprint on Norwegian management practices (Sejersted, 1997, Byrkjeflot, 1997, Røvik, 1998).

The social democratic regime was characterised by a strong belief in the possibility of coordinated and continuous management without prior commitment (Sejersted, 1997). Working along Keynesian lines, it sought to steer the economy by fiscal and monetary measures. The aim was to mitigate the effects of dramatic fluctuations, and to build a democratic society on the basis of universal human rights. In order to achieve the latter, changes in the distribution of economic resources were considered imperative. According to a popular and oft-used expression in Norway at the time “votes count, but resources decide”. Acting on this basis was possible because the country, as we have seen, was lacking an aristocratic tradition. Economically, it was an individualistic society for low gentry and small freeholders (Sejersted, 1997).
Culturally, social democracy built on and strengthened the ethos of the local community. The idea that all are equal and “in the same boat” hampered the bourgeoisie’s efforts to gain and legitimise privilege (Sørhaug, 1991). Together with the prior economic structure and the presence of a strong and well-positioned workers’ movement, this made for the development of a distinct model of management relations – the so-called Norwegian model – which arguably is founded more on democratic legitimisation than any other national system (Sejersted, 1997). The factory itself never got the weight to serve as a source of legitimisation. Hence, Norway was relatively immune to early “organised capitalism” and the state and organisations could play a more active role in the economy (Sejersted, 1997).

The core of the management system that emerged in Norway in the 20th century is representative participation (Andersen, 2002). This practice is founded in modern social democratic ideals, as well as on a distinct cultural grammar, built around Puritanism and the local community logic in interplay with the state and factory (Sørhaug, 1991). With the value placed on moderation and endurance, Norwegian workers have had a tendency to invite dialogue, rather than to rise against the state and capital owners. The state, on the other hand, has advocated democratic procedures and decent work conditions. And, without a feudal heritage, owners have had less of an independent power base than in other countries. Finally, the ruling Labour Party has maintained strong links to the workers’ movement to ensure a climate of cooperation.

Like the other Scandinavian systems, the Norwegian model has the following macro-level characteristics (Bruun, 1994, Ingebrigtsen, 1994):

- An influential trade union, where the majority of workers in the private and public sector are members and there are few ideological distinctions.
- A high degree of employer organisation.
- Three-party cooperation between employers, employees and government.
- Relatively centralised organisation structures and a national hierarchical system for collective negotiations.
- An extensive set of appointments among the three parties.

These traits are often referred to as “the Scandinavian model” (cf. Bruun, 1994, Ingebrigtsen, 1994, Andersen, 2002). The idea of a common Nordic management culture is furthered in the work of Hofstede (1991). He suggests that the Nordic countries are all characterised by limited power distance, individualism, and so-called “feminine” values. However, other
authors (cf. Sejersted, 1997, Byrkjeflot, 1997) are more inclined to see the Norwegian model as unique. Denmark and Sweden both had remnants of a feudal system, and their democratisation process started later than in Norway. There were also greater concentrations of capital and entrepreneurs with more influence (Sejersted, 1997). Although there are many parallels, the Norwegian tradition also seems to hold egalitarianism more important than its other Nordic counterparts.

Unlike Germany or the United States, Norwegian structures of authority are neither anchored in traditional positions of authority, nor bound up with technocratic elements. On the contrary, the Norwegian norm is that managers are to be democratically elected. Openness, transparency, and even intimacy are required to legitimise authority (Sejersted, 1997). Likewise, decisions must be traceable to objective reasons and assessments. This is in contrast to Latin American countries, for example, where subjective values, personal engagement, and individual characteristics are considered to be more acceptable influences (Archetti, 1991).

The state has mainly played a compensating role, intervening in areas where the market does not work satisfactorily. It never was a big or actively influential owner, but has maintained a key entrepreneurial function (Sejersted, 1997). The degree of corporatism, on the other hand, has influenced management to a great extent. In some cases, it may have worked against democratisation, by forming the basis for a “partnership of top men” (Bull, 1982). It may also have functioned more as a control and less as a facilitator of participation. Still, the overall conclusion is that it has strengthened democratic elements by emphasising links of interdependence and reciprocity between employees and managers (Sejersted, 1997).

To some extent, corporatism also defines the role of management: in the Norwegian context, negotiation is a most critical aspect. Likewise, corporatism makes a positive environment for the development of pragmatic trust (Sejersted, 1997). Foreigners observe that management in Norway tends to be non-confrontational and trusting. In the words of an American manager

Norwegians are reluctant to step on other people’s toes, to hurt their feelings. They try to compromise and make everybody happy with the solution. Americans have a much tougher business atmosphere.\(^\text{13}\)

A Dutch manager similarly characterised his Norwegian business associates as follows:

\(^{13}\) Quoted in Habert and Lilleboe (1988, p. 81).
Norwegians are by nature a trustworthy people. They want to trust you and therefore find it hard to understand if they are not trusted by their counterpart. They highly dislike direct confrontations of power by pulling rank and avoid hard conflicts by merely ignoring them.\textsuperscript{14}

This may relate to the structural framework, as well as to the cultural features we have discussed in previous paragraphs.

In the following section, we will look more closely at some of the consequences that social democracy and the Norwegian model seem to have had with regard to management ideas and practices.

**ADMINISTRATION VERSUS MANAGEMENT**

“If you ask an American manager about the three things he wants to accomplish next year, he will spit them off to you in the right order without any trouble. If you ask a Norwegian manager, he will have to think about it.” (United States business executive\textsuperscript{15})

After the end of World War II, the Norwegian Confederation of Trade Unions proposed a hierarchical corporate structure, where elected production committees were to supplement and control the role of company managers. The proposition was rejected. For a few years, the government opted to influence strategic decisions at the company level via price and rationalisation laws. But starting in 1953, when Norway was offered a considerable aid and development scheme by the United States, private sector matters were mostly left to private competition. At the same time, a productivity policy was introduced, through the Norwegian Institute for Productivity.

Up to then, Norwegian management was strongly influenced by lay charismatic leadership, where the manager was considered as a representative and ‘first among equals’ (Byrkjeflot, 1997). This was related to the fact that small companies, savings banks and local lay expertise played a central part in the country’s development – more so than in Sweden, for example. Still, the bureaucratic model was established within larger corporations. With the level of standardisation, this model was considered more predictable than previous authoritarian forms. It was more in accordance with the value of equality, and corresponded with the logic of rationality. It was suited to a mechanistic worldview, and perhaps most significantly, the definition

\textsuperscript{14.} Quoted in Habert and Lilleboe (1988, p. 81).
\textsuperscript{15.} Quoted in Habert and Lilleboe (1988, p. 172).
of office brought a level of legitimacy and continuity that was suited to the large-scale administration of modern industries (Herbst, 1977).

For a long time, managing was a question of administering stable growth. The key function was to set targets, organise work, and make sure it was carried out according to given specifications (Qvale, 1995). Management was hardly acknowledged as a separate professional area. However, this gradually changed when productivity became a matter of public concern. The 1950s and 1960s saw the development of a distinct rationalisation field (Røvik, 1997). Work measurements and other rationalisation techniques became an important part of management, and a subject of education in our higher learning institutions.

As a total framework, ‘scientific management’ did not find a strong foothold in Norway (Sejersted, 1997). The assembly line principle never played an important role (Mjøset, 1993), and the lay leadership influenced by Puritanism and traditional values worked against some of Taylor’s basic tenets. Nevertheless, elements of American management thinking were carried across in the wake of the United States aid and development programme. First and foremost, they were conveyed through George Kenning. Kenning was an American consultant and former GM director, who came to develop industrial training courses under the aforementioned programme. In the course of a few months, he established close links with a number of influential Norwegian managers. Over the years, this network expanded, and the top management in some of Norway’s major corporations came to embrace Kenning’s management ideas (Amdam & Yttri, 1998).

Kenning’s approach was centred on 31 theses or ‘praxes’, identifying important roles and responsibilities in management. His main message was that management is a profession and involves a form of knowledge that is valid across organisations. Above all, he saw it as a manager’s function to define tasks and targets for his subordinates (Kvålshaugen and Amdam, 2000). Kenning has been accused of simply selling the management principles he saw at work in General Motors (Útnes, 1993), and of advocating an authoritarian management style (cf. Kalleberg, 1991, Sørhaug, 1994). No doubt, a conventional bureaucratic/Tayloristic view of the organisation can be traced through his work (cf. Qvale, 1995). In retrospect, many of Kenning’s followers indeed suggest that his major contribution was as a facilitator and partner in dialogue, rather than a provider of new concepts.

Kenning’s popularity should also be viewed in the light of the times. He entered in a phase when top-level Norwegian managers needed to articulate their expertise and legitimise their prerogatives. He presented
aspects of Taylorism, which was gaining influence in other parts of Europe, in a language that was more suited to the Norwegian context than the original one. It has also been noted that Kenning’s seminars were quite exclusive, so that limited access to the network around them may have added to their attraction (Kvålshaugen and Amdam, 2000).

Furthermore, the rise of so-called ‘Kenningism’ may be seen as a reaction to and against another line of management thinking that emerged in Norway around 1960. This was “the Thorsrud line” (Thorsrudlinjen). Thorsrud was a professor at the University of Trondheim, with close links to the Tavistock Institute. In his view, management practices in Norway and elsewhere were too centred on internal control. There was too little concern with strategic development and other outward-looking activities. Thorsrud foresaw that these aspects of management would grow more important and time-consuming in the future. On this basis, he advocated reorganisation with the goal of obtaining more self-regulating and independent units. By granting more authority and influence to workers, Thorsrud claimed, the productivity, flexibility, and learning ability of the organisation would increase. At the same time, the psychosocial work environment would improve. There is, he said, a close coupling between management, organisation, and democracy at work (Thorsrud 1964, 1972, 1974).

In the 1960s, many managers saw a paradox in the idea that managers would strengthen their position by surrendering authority, and in the proposed link between freedom and productivity (Qvale, 1995). In some quarters, Thorsrud’s theories were seen as threatening. On the other hand, the confederation of trade unions and the national employers’ association embraced Thorsrud’s ideas, and by 1972 a radical law on company democracy was passed, with a great majority of votes.

Thorsrud’s and Kenning’s perspectives were in many ways opposed. Where Kenning saw management as involving a universal kind of expertise, Thorsrud held that it must be considered in relation to the form of organisation and production in each enterprise. While Kenning placed internal control at the core, Thorsrud considered external relations to be a manager’s most important field of activity. And where Kenning continued a more authoritative, bureaucratic line, Thorsrud advocated a democratic, participative approach. This made for a controversy that came to last throughout the 20th century.

It took some time, however, before this controversy reached the general population and had a significant impact on Norwegian management practices at large. The rationalistic approach from the 1950s continued strong
into the 1960s, when big units of mass-production and large-scale departmentalised organisations were developed. Conventional rationalisation techniques were gradually supplemented with socio-technical interventions, in the form of job rotation, relative independence of work groups, and an increasing concern with so-called psychological work requirements (Røvik, 1998). Yet, even though Thorsrud and his colleagues were advocates for the latter ideas, their overall perspective was not applied in full.

A turning point came in 1970, when illegal strikes in Sweden directed attention to the unfavourable work environment caused by the application of Taylorian principles. The unrest was felt in other parts of Scandinavia as well, and marked the beginning of a period of intense corporate activity and heated public debate. In Norway, this ultimately led to a series of workplace reforms, including a new, radical and extensive Work Environment Act, and a law requiring employee representation on every company board (Qvale 1995).

Generally, the 1970s may be described as an era of industrial democracy in Norway (Byrkjeflot and Halvorsen 1994). Equality and mutual respect was stressed in management relations. In 1978, a law of gender equality instituted the world’s first Equal Opportunities Commissioner, and rendered gender inequality illegal in the workplace. A focus on gender equality has remained ever since: in the early 2000s, only Iceland ranks higher when it comes to economic and political equality.¹⁶ A relatively high number of women hold positions of authority and expect to be treated on equal terms with male colleagues. In the 1970s, managers also grew increasingly concerned with employees’ individual competence and motivation. Influenced by Thorsrud, as well as more general ideas from the human relations school, they increasingly opted for more involvement. Employee appraisals, mass training, and co-determination came to be important areas of intervention (Røvik, 1998).

Overall, the period from the 1950s to the 1970s may be seen as a transition period, when management in Norway shifted from bureaucratic administration into a matter of also developing the enterprise through specific interventions. First, these interventions were mechanistic and rationalistic. Later, they became more centred on the interplay between man and machine, and the degree to which organisational change and employee involvement may increase the competitiveness of firms. This period also saw the emergence of a national management debate, which partly turned into a political struggle, but also contributed to structural changes that placed modern business practices more on a line with social democratic

¹⁶ UNDP: Human Development Index 2003.
ideals. Still, one might say that by the 1970s, management as a professional field had only just entered the melting pot. In practice, limited attention was paid to external relations. Likewise, there was little concern with management as a social process beyond structural relations and specific improvement techniques.

As we shall see below, some claim that this has remained a problem in Norway. In some industries, there still is a tendency to prefer production and to view management more or less as an administrative function. As illustrated in the above quotation, explicit and foresighted articulation of strategies and aims do not appear to be a major strength.

Readjustment and Recipes for Management

Business people in most countries want growth. The Norwegian may say, ‘Things are going well, why should I become bigger? I am fine as I am!’ (Swedish business executive)\(^\text{17}\)

Towards the end of the 1970s, a need for readjustment became increasingly apparent (Qvale, 1995). Technological development was moving at a faster rate. With the extended cooperation in the European Community, internationalisation also posed a pressing challenge. Many companies reacted to the early warning signals from the market and politicians, but unfortunately, many of these companies only saw the change required as a shift between stable situations – for example from one production technology to another. In many cases, necessary readjustments when it came to strategy, organisation and management were not carried through with the required speed (Qvale, 1995).

In the early 1980s, many long-established Norwegian companies went under because of failure to readjust. Sometimes this happened because management reacted too slowly. In other cases, trade unions were not cooperative, and in others still, processes that were initiated were not adequately followed through. One reason for these problems may be found in the rapid domestic growth that accompanied the offshore economy. Another reason probably lay in the state’s increased opportunity to offer subsidies and improve the national regulatory environment (Qvale, 1995). Finally, but perhaps most importantly, corporatism seems to have diverted attention away from profit maximisation and owners’ interests. As indicated in the quotation above, this may have had a negative effect on the ambitions and international competitiveness of Norwegian companies (Reve, 1994).

\(^\text{17}\) Quoted in Habert and Lilleboe (1988, p. 172).
The tough times culminated with the so-called “yuppie period” towards the end of the 1980s. Shareholders showed their influence as active partners, and employees increasingly realised that economic growth and secure employment could not be taken for granted. In the 1970s no one really questioned the direction of the Norwegian economy. Through the 1980s, however, it became apparent that participation and democracy at work could neither counteract nor occur independently of international market trends.

This led to a renaissance for Kenning and his perspective. Shareholders and managers increasingly saw a need for ‘strong leadership’ as an alternative or supplement to the participatory model. It seems however that Kenning’s work strengthened Norwegian managers in the ideas and practices they were already applying, rather than opening their eyes to the outside world. The readjustment crisis is seen to have hit many of the companies with Kenning-inspired managers harder than others (Qvale, 1995).

In their search for new alternatives Norwegians increasingly looked abroad: to prestigious foreign corporations, and to the burgeoning field of management research and consultancies in the English-speaking world. Within a very few years, a multitude of new management concepts were introduced. In fact, multiplicity and an “explosive” pace of change are considered as key characteristics of Norwegian management in the 1980s (Røvik, 1998). It is nevertheless possible to identify a few overarching trends.

At a procedural level, three concepts rose to prominence: management by objectives, quality circles, and organisational development (Røvik, 1998). By defining more precise targets, sub-targets, strategies and evaluation procedures, managers sought to reduce vertical specialisation and replace detailed top control with a more self-controlling form of organisation. Quality circles were to increase the level of direct participation and customer orientation, while enhancing flexibility and improving production. Finally, a continuous focus on developing organisations by holistic and participatory approaches was increasingly considered critical to the competitiveness and internal functioning of firms.

Another visible development in the 1980s was a growing concern with external relations. This took the form of a greater emphasis on branding and dissemination of information, as well as different forms of customer involvement. A key concept here was lean production, based on Ohno’s (1988) work with the Toyota system and later popularisations (Womack and Jones, 1990). In its early phase, lean production in Norway was associated mainly with production and quality improvements linked with a growing customer orientation. Structurally, the independence of sub-units
continued. It should be noted, however, that in this framework, independence did not come alone, but together with added work requirements. Results and costs were broken down and credited to particular sections and work groups to increase the levels of accountability, as well as individual motivation and participation.

The concept of corporate culture grew stronger, along with the idea that one might build a stronger, more adaptive organisation by developing a closely integrated world of company-specific norms, ideas and values. Inspired by Japanese management and gurus such as Ouchi (1981) and Deal and Kennedy (1982), many Norwegian companies began a search for their respective cultures and identities. A considerable number also developed explicit value charters during this period. This, as well as the aforementioned measures, clearly affected the area of personnel management, where team-building and motivation became keywords. On the whole, one might say that the focus on personnel management shifted inwards, from general work conditions to individual aspects. This trend was particularly apparent when it came to competence building: the mass training of the 1970s was in large part replaced by interventions targeting personal development and individual careers (Røvik, 1998).

Most striking, however, was a new concern with management and leadership. This went beyond the renewed interest in Kenning. In the 1980s, most of the larger Norwegian organisations established units and positions that were specifically devoted to management issues. Increasingly, they also invested in extensive management training programmes (Røvik, 1998, Byrkjeflot, 1997). Between 1980 and 1990, the number, sales and staff of Norwegian management consultancies more than doubled, and between 1972 and 1990 the number of employees in management and administration increased from 62,000 to 130,000 (Røvik, 1998).

In other words, management was increasingly treated as a separate and critically important field. This reflected the abovementioned changes in the market and the trend in the United States and other parts of Europe. However, it was also related to domestic activities. In Trondheim, Thorsrud and his colleagues systematically continued their work. Likewise, an independent institute for organisational research originating from the community around the Norwegian School of Economics and Business Administration in Bergen had been operating since the 1950s, and gradually positioned itself as a national centre for management training and development.

Although they share common concerns, the centres in Bergen (AFF) and Trondheim (NTNU/SINTEF) represent different approaches to management. Springing from an environment where science and technology
had strong foundations, the Trondheim group has pursued and developed Thorsrud’s line. Emphasizing the connection between production, organisation, and management, they mainly work with management as a social process. The group in Bergen, on the other hand, is rooted in an economic-administrative tradition. To a greater extent than the one in Trondheim, they emphasize the administrative and psychological aspects of management, with a focus on top-level managers and their individual capacities (Jørstad, 2002).

While Thorsrud and the Trondheim group took the centre stage in the 1970s, the group in Bergen strengthened their position in the 1980s. The social climate and call for strong leadership worked in their favour. A core element in the activity in Bergen was a prestigious management training programme called Solstrandprogrammet, which was attended by most top-level managers in Norway at the time. This programme served as a distinguishing mark and locus for networking among influential business leaders. The emphasis in it was, and continues to be, on the development of individual management styles (Strand, 1996). Successful interpersonal relations are seen as a key to more tangible management results. Administration and entrepreneurship are considered to be separate but closely linked, and situational influences are acknowledged to some extent. However, then as now, little attention was paid to change and collective processes (Vie, 2004).

Many of the management recipes from the 1980s live on in Norwegian business life today. Even though it seems to have lost some of its splendour, Solstrandprogrammet remains important. Most of the abovementioned concepts also continue to be applied. However, as we shall see below, the context surrounding their use has changed.

**Disillusionment and Change**

We have seen a change in Norwegian business life... a changing of the guard... new business leaders are not bound by the same constraints... Whereas this group brings in very strong technical abilities, modern business thoughts, etc., it is much more prepared to cast off the culture and the acceptable ethical practices. (United States business executive)\(^{18}\)

In the early 1980s, Norway’s economy became increasingly dependent on oil revenues, which stimulated domestic consumption and increased the costs and price levels. This reduced the competitiveness of onshore industries. In 1986, a drastic fall in oil prices further reduced the value of Norwegian

\(^{18}\) Quoted in Habert and Lilleboe (1988, p. 135).
exports. Together, this resulted in a considerable business downturn (Rustwurm, 2006). It also dealt a deathblow to the yuppie culture. The almost magical belief in the power of money subsided. Likewise, the belief in strong leadership was replaced with more realistic expectations. Although the top-level manager may be important, experience showed that highly valued managers were being poached from one company to the other and that they were not likely to make changes that would have profound, lasting effects on competitiveness (Sørhaug, 1996).

In management studies, there was also a growing sense of disillusionment in the early 1990s. Presumptuous new concepts and tools were being introduced, but critics argued that the field was characterised by too many abstractions and too few specific and empirically well-founded techniques (Abbott, 1988, Halvorsen, 1997). The idea that one may find a universal method to solve the problem of management once and for all was increasingly seen as an illusion (cf. Halvorsen, 1997). This was also reflected in the range of organisation recipes at work in Norway. The total number of concepts and instruments was increasing, and leadership remained an important subject. Still, the relative proportion of recipes on the latter topic was decreasing (Røvik, 1998).

The number of procedures, on the other hand, was on the rise (Røvik, 1998). Realising that the welfare state and its regulations were under growing pressure due to worldwide economic forces, companies looked for practical remedies to maintain or improve their position. In many business segments, “quality” emerged as a promising area of intervention, and new quality concepts were subject to considerable interest.

At the process level, organisational development and management by objectives remained important. In some business segments, notably in the automotive business, lean production methods were applied more systematically than before. At the same time, the 1990s saw the introduction of a new concept, so-called business process reengineering (BPR) (Hammer, 1990). Presented as a fundamental change of perspectives and processes in order to achieve dramatic improvements within a limited time frame (Hammer and Champy, 1993), this concept was extremely appealing to a nation and industry working its way out of a recession. BPR was seen as a means to cut costs and improve quality and effectiveness, without adversely affecting customer relations.

The concept soon came to be applied in major corporations such as Statoil and Norsk Hydro, and this further added to its popularity. It should be noted, however, that BPR in Norway was linked to socio-technical perspectives and coupled with the introduction of new ICT solutions in such
a way that it had more concrete content than Hammer and Champy’s rather abstract account. Although the focus was maintained on devising radical change on the basis of identification of basic value chains, the practical approach was more step-wise than in the original model (Willoch, 1994).

The overwhelming popularity of BPR spurred a focus on radical change and development. This was reflected in management, which became more change-oriented in the 1990s than in previous decades (Røvik, 1998). Increasingly, managers were expected to initiate extensive programmes for change, and to possess the strength and vigour to go through with tough and unpopular actions – such as layoffs – when required. In many of the management recipes circulating in Norway at the time, downsizing was presented as a necessary means and aim for companies that wished to improve their position.

Managers had to accept rapid changes in their own careers, in the form of management rotation, as well as changing ownership and board interventions. They were also required to be more bottom line- and performance-oriented than in previous periods: managers’ pay was increasingly linked to results and achievement, and to a greater extent than before, their reputation came to depend on short-term results and visibility.

The combination of increasing competition and a high domestic cost level pushed internationalisation and outsourcing even closer to the top of the agenda. Future success was associated with growth and international expansion. Many companies already had subsidiaries abroad. However, many established their first units outside Norway during this period. The thirty largest Norwegian companies had approximately 10 percent of their staff located in other countries by the late 1980s, but this number increased to about 40 percent towards the end of the 1990s. Expansion and success abroad was, however, accompanied by downsizing and job losses at home (Vagstad, 1997). This development was accompanied by increasing work demands on the part of Norwegian employees, especially within the manufacturing industries.

Norway’s economic situation was reversed by 1993, when interest rates dropped and investments in both the mainland economy and exports increased (Russwurm, 2001). For several years, price and cost increases had been lower than those of Norway’s trading partners. By this time, our national competitive strength had improved. From 1993 to 1998, the average growth in the GDP for mainland Norway was three percent. Still, international market development was seen not only in terms of its positive potential, but also as a threat to Norwegian industries and their domestic employees.
Together, these developments brought forth a business culture characterised by changing organisational frameworks and unstable working conditions. Workers’ sense of job security and influence in the workplace was diminishing (Qvale, 1995), and corporate ethics became a matter of growing public concern. The latter trend was partly grounded in local, enterprise-specific developments. However, it also seemed to reflect a broader international trend, wherein public interest in ethical issues was awakened after the more frivolous fast-lane atmosphere of the 1980s.

In the area of personnel management, a key concept in the 1990s was empowerment (Monahan et al., 1994). The concern with value chains and radical change directed attention to the structure of authority, and hierarchical relations were increasingly supplemented with network forms of cooperation. The rather vague concept of empowerment gave room for alternative interpretations, and was applied in different ways in different organisations. Still, in essence, it meant that individual employees were granted more influence and authority, in exchange for more prominent responsibilities when it came to the growth and development of the enterprise (Hennestad, 1995, Brown and Brown, 1997).

Senge’s (1990) concept of the learning organisation also spread like wildfire in Norwegian management circles, where it was related to empowerment as well as to the call for flexible, future-oriented organisations. The popularity of the concept was no doubt related to the pace of change in the 1990s, and the realisation that innovativeness and readiness for change was and would remain important. However, it was also related to the meanings of the concept itself, which are manifold and ambiguous, contributing to its widespread appeal (Røvik, 1998). In Norway, as in many other countries, learning is associated with cultural values such as freedom, usefulness, purpose, and development. The concept of a learning organisation was and is attractive to employees, in that it presents them with a promise of personal development at work. At the same time, it is attractive to managers who wish to conduct radical change processes while avoiding the resistance that is often provoked by concepts such as ‘readjustment’ and ‘turnaround’.

The focus on empowerment and collective learning implied a shift in management thinking. To some extent, the focus turned away from individual capacities and on to social process. Kenning passed away in 1988, and even though his clique continues to meet, it has largely abandoned his ‘praxes’ (Kvålshaugen and Amdam, 2000). Also, if we look to the approaches advocated by the abovementioned centres in Trondheim (NTNU/SINTEF) and Bergen (AFF) the trend is clear. During the 1990s, the scope in Bergen
was significantly broadened. Increasing emphasis was placed on tailor-made programmes, where the needs and dynamics of particular organisations were taken more into consideration. To a greater extent, publications from the group in Bergen also presented their approach as holistic (Strand, 1996). The influence of situational factors on management was stressed (Strand, 1996), even though the development of individual styles remained a key concern.

In Trondheim, Thorsrud's ideas were developed further in the 1970s and 1980s, through a focus on collaborative development and action research (Greenwood and Levin, 1998). The approach to management was influenced by participative organisational development, which was seen as a key to success. Management was viewed as a question of running these processes, rather than issuing plans and instructions in an authoritarian way. The concept of management was seen to refer more to a function than to a person, to be inherent in interpersonal relations, and to depend on the knowledge and competence residing in the organisation, rather than on management alone (Ravn, 2002). This is quite a radical view, in that a bureaucratic perspective is replaced by the idea that management is mainly about the facilitation of change and development.

While less attractive in the 1980s, the latter perspective gained currency through the 1990s. The focus on collective processes and change was suited to the times, and corresponded well with the abovementioned concepts in production and organisation. On the other hand, the Bergen approach and other notions from the 1980s also remained. Together, these streams of ideas and practices gave shape to an increasingly complex management context, where leaders had to balance between a multitude of interests and recipes in order to succeed.

**MANAGING WITHIN A ‘MULTISTANDARD’ ENVIRONMENT**

It is hard to characterize a specific Norwegian management style. However, the general impression is that managers are scattered in their reasoning, and responsibilities are not well defined. (French business executive)

In the early 2000s, the upturn of the 1990s was followed by a period with more sluggish growth. Capacity utilisation continues to be high. The level of labour force participation is also markedly higher and unemployment lower than in the rest of Europe (Russwurm, 2001). In consequence,

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19. The concept ‘multistandard’ is borrowed from Røvik (1998) and his idealtype ‘multistandard organisation’.

wage and price increases have been higher in Norway than among its trading partners. The official prognosis is that national growth will be limited by the labour supply for several years to come: manpower reserves have been substantially reduced. At the same time, limited population growth means that the total labour force will grow only slightly in the coming years (Russwurm, 2001).

Furthermore, there is a tendency towards more absence due to sickness and more people being granted disability benefits or early retirement (Russwurm, 2001). This poses a serious challenge to Norwegian companies. In past decades, the Norwegian economy has become extremely open, with a per capita foreign trade rate that is among the highest in the world. In order to survive at home and abroad, companies have had to maintain their international competitiveness.

With this backdrop, there is increasing debate on the Norwegian model. According to one view, the model has become a hindrance to competitiveness (Reve, 1994). On the one hand, it may have directed attention inwards instead of creating an adequate market orientation. On the other, it has been argued that the Norwegian model may have pushed some companies in the direction of general partnerships. There has been a lack of active ownership, which has diminished attention to the market, profit levels, and ability to change.

A different argument (Karlsen and Munkeby, 1998) is that the tendency towards general partnership is in fact not pronounced. Owners, managers, and unions rather work together to create value and develop their respective enterprises. The problem, in this view, is that the Norwegian model has not been fully implemented: in many cases, managements and boards have neither sufficiently utilised employees’ abilities, nor listened to their advice on the development of the enterprise.

A third position (Andersen, 2002) is that the model has affected negotiations and cooperation primarily when it comes to structural conditions. The realities of production have only been influenced to a limited degree. Everyday ‘politics’ prevail, and with the relatively flat organisations and limited degree of formalisation in Norwegian companies, relations tend to be ‘under-organised’: important information and initiatives are lost, and the full potential for creativity and competitiveness remains unleashed.

‘Under-organisation’ (Andersen, 2002) is also taken to explain the high degree of absenteeism. Limited predictability and influence, as well as increasing pressure cause stress in individual employees. This, in turn, is seen to have an adverse effect on their health. Other explanations stress the
so-called change overload, and increasing individual employee accountability for company results (Forseth, 2006). Ultimately, these perspectives, also suggest there is growing pressure on Norwegian employees.

The individualisation of the 1980s has continued alongside the emphasis on collective processes. Increasingly, individual employees are made responsible for wider chains of tasks. They are also expected to be proactive, to address new problems, and propose improvements on their own initiative. Although the principle of equality and solidarity among workers stands strong, the wage plans in many companies increasingly reflect these demands. In the view of many foreigners, the social democratic tradition hardly rewards personal achievement, and thereby limits work enthusiasm (Habert and Lilleboe, 1988). However, the trend since the early 2000s is that performance is given more weight and there is more differentiation than before.

These developments are often seen to be shaping a new, more competence-based workplace (Qvale, 1995). Due to increasing globalisation, human resources have sailed up as the most critical company asset. The raw materials and cheap energy that previously placed Norwegian companies at an advantage are less important in a world where subsidiaries may be established by anybody anywhere. The link between the form of production, organisation, and the company’s development is considered more important. Structurally, this makes for greater variation than before. There is still a tendency towards ‘flat’ or ‘lean’ organisations, but beyond this a wide range of network-, matrix-, project- and team-based solutions can be found.

In such a context, management comes to be a matter of not simply administering key human resources, but of cultivating them, to build and/or maintain competitiveness. The key to successful competence building is considered to lie partly in individual incentives, but mainly in developing work forms and relations that may trigger individual potentials, and will remain despite increasing worker mobility.

In Norway of the early 2000s, the latter view has been strong. In many ways, it represents a continuation of the trend from the 1990s. Still, if one looks to practice, the influence of the changing socioeconomic context can be detected. Currently, the emphasis on change and development is supplemented with a greater concern for individuals and their coping ability. The most visible expression of the latter is a corporate agreement from 2001, where companies commit themselves to adapting to the needs of employees who require special work arrangements due to age, sickness or stress. The aim is to cut back on absenteeism and early retirement. Though not present in a large-scale binding form, there is also growing concern about burnout,
lack of motivation, and maintaining a sense of ownership during periods of radical change.

At the same time, projects for change take place in greater numbers and with more speed than before. Within larger corporations, several projects may take place simultaneously, with overlaps in time and space, but not necessarily with compatible aims and ideas (Hepsø, 2005). Management and organisation concepts are increasingly consumed by enterprises, in the sense that they are picked up and used for a while, sometimes to the extent where they become institutionalised; but sometimes only briefly, before they are replaced by new, more fashionable ideas. As well, multiple, partially contradictory recipes may persist within the same organisation at the same time, as a result of different traditions, interests, and programmes (Røvik, 1998).

Managers are, in other words, faced with a complex environment, characterised by a wide range of standards and continuous, multiple streams of change. At the same time, the organisation itself often consists of global networks with cross-cutting projects, groups, and teams, where the distinction between employees and external partners is blurry. For a large part, this means that the role of the manager changes from that of a decision-maker to that of a mediator between different actors, cultures, and ideas (Sørhaug, 2004). The management function, on the other hand, is spread across a wider range of relations, extending inside as well as out of the organisation, to owners, board members, consultants, customers, and the like.

Still, notwithstanding this development, the manager remains important as the incarnation of these relations. In many ways, his or her most important function is as a uniting symbol (Sørhaug, 2004). As such, the manager’s main task is to inspire others by defining an aesthetical order they can aspire to and identify with. He or she must build an image as someone who may guarantee the structural order of the organisation and forcefully represent it vis-à-vis the external world (Sørhaug, 2004). Not surprisingly on this background, information and communication management is a topic of rising interest.

Another point worth mentioning is that the status of management as a universal profession continues to be questioned. Considering the link between management and enterprise-specific conditions, and the limited legitimacy professional management has been afforded in Norway, many scholars are sceptical of the current ‘managementality’ (Sejersted, 1997; Sørhaug, 2004). On the other hand, some point to the increasing focus on
communication, and suggest the field of management carries a potential, in that it involves a bridge-building generalist language. The value of this language is considered substantial, provided it is used for mediation and not for the production of exclusive expertise (Byrkjeflot, 1997).

**Management in three Norwegian companies**

As indicated above, the multiplicity and flow in management plays out in different ways at the enterprise level. In the following pages, we will look at three companies of different sizes, histories, and structures. The goal is to highlight the diversity in current practices, with a focus on commonalities and links to the abovementioned frameworks. The names of the companies have been changed, but all other information is authentic and based on detailed empirical studies.

**The Cornerstone Group**

Customers, Quality, Boldness, Network-building

The Cornerstone Group is one of the oldest companies in Norway. Located in a small town some distance from the regional centre, it is the major employer in the district, and has been a central influence in the local community. It started as a small mining venture, but became one of Norway’s largest enterprises in the 18th and 19th centuries. With time, the mining activity was replaced by arms production, which made up a significant portion of Norwegian exports.

After World War II, the company played a key role in building up Norwegian industry. Between 1960 and 1987 it evolved from a mechanical engineering company into an enterprise with considerable product development, targeting civilian as well as military markets. Over the same period, however, it also built a large, but rather ineffective bureaucratic organisation. Profits gradually decreased. Confident of the government’s will to maintain a Norwegian defence industry and protect workplaces in outlying regions, the company failed to adjust properly to the market in the 1970s. By the early 1980s it was on the verge of compulsory liquidation. Finally, in 1987, the company went through a drastic restructuring, involving considerable downsizing and job loss. All civilian activities were sold, and the remaining core had to stand on its own.

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21. Cornerstone’s central values, as presented on their website 06.07.2006.
After the fall of the Berlin Wall, the new, leaner company devoted more attention to civilian markets again, and made a shift from industrial to technological production. The 1990s were a period of considerable growth. Profits increased, at the same time as strategic acquisitions were made both home and abroad. By the early 2000s, the company had become a high-tech international corporation with about 3500 employees. The prospects for the coming years are good, but the growth of the 1990s has tapered off, and 2005 saw the sale of an important business segment, along with downsizing, and loss of domestic jobs.

The Cornerstone Group presents itself as a ‘knowledge company’ (kunnskapsbedrift), which combines research and production of complex technological solutions. There is a linear organisation with two main divisions, comprised of ten business sectors altogether. The business sectors have a matrix form of organisation, where a permanent hierarchical structure is crosscut by temporary projects. Due to the nature of Cornerstone products, the projects usually have a long-term horizon. Most of them also involve close cooperation with customers, suppliers and other external partners, some of who are located in distant countries.

This means facing considerable management and organisation challenges, and the Cornerstone Group invests substantial amounts of money annually on research and consultancy to strengthen this aspect of their activity. Managers in the top levels of the organisation attend the abovementioned Solstrandprogrammet. At the same time, one of the divisions has been working with SINTEF on a tailor-made management development scheme, combining coursework with specific development projects targeting challenges in the participants’ units. A long-established internal ‘Cornerstone School’ is also important in the work to select and develop individual competences, in management as well as other fields. However, the management courses and their content do not play any central role in the company’s internal discourse, except as career markers for young and upcoming employees. Neither do the values cited above. Although ‘boldness’ plays on the Vikings, the military context, and the masculine ideals of a rural, male-dominated staff, they appear to be more or less hanging in the air.

In practice, management in the Cornerstone Group appears rather conventional. There is a preference for managers with technical expertise, and most are internally recruited (Damman et al., 2001). In encounters with the human resources department, the author found an emphasis on tools for very specific purposes, rather than broad management concepts, and a focus on practical challenges rather than more complex and vague
issues, such as culture and integration. Despite international expansion and an increasing orientation towards the Far East, there is little concern about developing a global mindset. On the contrary, the idea that the Cornerstone Group is a Norwegian company is a strong one, with values and practices rooted in the local context. The corporate identity is closely linked to the development and protection of the welfare state, and corporate negotiations are fundamental to the dynamics of the organisation.

In the work of particular teams and projects, it seems that few resources are spent on management and organisation (Damman, 2004). Instead, more technical and immediate profit-linked aspects of the cooperation are prioritised, such as ICT and external relations. Even in a big prestige project with many external partners, communication and coordination was largely left in the hands of the individual participants. This posed a challenge to the whole cooperation, which at times was threatened (Damman, 2004).

The common management style in the Cornerstone Group is also quite conventional and down-to-earth. Due to the nature of the business, there is a certain formality, especially in external relations. There is an emphasis on the company’s history and long-established position in Norwegian industry – or, one might say, on communicating solidity. The physical premises and company designs likewise emphasise history and are classical and modest in style.

When it comes to appearances there are marked differences between the two divisions: managers in the core area tend to be firm and self-confident, but at the same time, traditional, low-key and discreet. Managers in the maritime division, on the other hand, tend to be more informal and rough, adopting a more youthful man-to-man approach. Still, notwithstanding these differences, employees in both divisions feel there is too much distance between the workers and management. The top managers are neither very visible nor personally known by employees (Damman et al., 2001). Likewise, it is claimed that information and decision-making processes are complicated and hindered by too much bureaucracy, and that there is too little feedback and interest in hearing views from below. Some also suggest that the emphasis on competence building is merely on paper rather than a reality in the workplace.

On the other hand, many employees enjoy ample professional challenges and are happy with their working conditions. They talk appreciatively of the collegial tone between workmates and their immediate boss, and are proud to be part of the frontline in high technology development. There is a lot of dedication. However, this is a double-edged phenomenon: while
there is much enthusiasm, turnover is also high, and burnout is a recurring theme (Damman et al., 2001). The turnover rate is considered problematic by management, which has addressed it through research, mentorship and continuing education opportunities for young and successful employees. It is not clear, however, if they have attempted to address the distance, bureaucracy and lack of visibility referred to by employees.

**Auto Ltd.**

Discipline, Innovativeness, Honesty, Thrifty housekeeping

As one of the units that was sold in 1987, Auto Ltd. shares the better part of its history with the Cornerstone Group. However, it does not emphasise this background to anywhere near the same extent. Instead, the break-up is considered to be a key event. In the company’s internal narratives, this marks the beginning of a communal struggle to maintain local workplaces and show that it is possible to come a long way via hard work, even against the odds.

As the automotive division of the mother company, Auto Ltd. did not do well. The story has it that it would have shut down if it had not been for the efforts of its charismatic manager. In order to see a continuation, the manager mustered his network of influential capital owners, invited all employees to be shareholders, and made considerable personal investments in the company. In the early stages, he was even working side-by-side with the production workers during weekends due to his eagerness to set the company on its feet.

Since then, Auto Ltd. has developed from a small, peripheral company with a few contracted products into a global enterprise. It currently produces a wide range of car parts, and supports the global needs of a diversified customer base. There are 10 production sites in four different continents, with a total of 2500 employees.

Although increasing funds are spent on research and development, Auto Ltd. remains a manufacturing company. The cost of labour is an important factor. At the same time, the automotive business is seen as one of the toughest in the world: customers require continuous improvement, and margins are small. For these reasons, Auto Ltd. considers growth and internationalisation as a must, rather than as an option. Some of the production concepts that prevail within the automotive market, such as lean production

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22. Auto Ltd’s corporate values, as defined in their internal ‘Value Project’ of 2003.
and the just-in-time principle, also point in this direction: to maximise flexibility and customer orientation, proximity is critically important.

Rapid expansion and a globally oriented organisation involve considerable management challenges, not only when it comes to market relations, but also in internal processes of coordination, communication, and integration. In Auto Ltd., these functions are handled by way of far-reaching standardisation. Structures, processes, and equipment are basically the same everywhere in the corporation. The overall design follows the lines of lean production, but instead of adopting the latter system wholesale, there is a determination to develop a distinct ‘Auto Way’, tailored to company-specific needs (Damman, 2005b). Unions are accepted, but not encouraged. On the Norwegian end, the cooperation between management and employee representatives is reported to be good. Still, there is a feeling among employees that conditions are increasingly established by customers and owners, and only marginally influenced by unions. Benefits and welfare measures are minimal, compared to those in other Norwegian companies.

Also inspired by Japanese management and lean production methods, there is a strong concern with corporate culture. Since the early 1990s the values cited above have been used to guide the organisation, by association with specific norms and practices. Although the human resources department has contributed the most, the CEO and founding father of Auto Ltd. has been a key actor and role model in this work. In words and actions, he has advocated discipline, moderation, and direct communication. He works hard, is punctual and frank, takes only a modest salary, and denies himself and other managers excessive benefits. Likewise, he discourages wastefulness and demonstrates humility in other, more symbolic ways. At the same time, both the CEO and the human resource manager are forceful personalities who stress individual responsibility, by positive encouragement as well as in more negative terms. Employees as well as managers claim that Auto Ltd. is an organisation characterised by equality, where nobody is more important than anybody else, and where people stick together as a family in order to survive.

The values and business culture of Auto Ltd. are constantly evoked in meetings and seminars, as well as in external presentations. They also occur as a key topic in internal management training programmes. The above-mentioned values are presented not only as ideals, but they are taken to reflect current Auto Ltd. practices. As a ‘lean’ company, Auto Ltd. does not devote many resources to management development. There is no company school, and consultants are rarely used. Instead, there is a self-made management training programme, consisting of two lower-level courses and a set
of more extensive global management seminars for managers who are slated for key positions. The stated aim of these seminars is to develop a ‘global mindset’ in the corporation, and to further integration through informal network building.

As already indicated, the management at Auto Ltd. is strong on visibility. Over the years the CEO has become something of a cultural hero. Other key managers are also highly profiled. Some have been head-hunted on the basis of impressive production qualifications, but the vast majority are young Norwegians who have been brought up in the headquarters and serve as important carriers of Auto Ltd’s corporate culture. One might further term the management visionary, in that grand visions are formulated with clarity and communicated widely. It is also charismatic, in that the authority of central people seems to rest on their individual style as much as in their title. Even if participation and self-regulatory practices are characteristic of the company, the latter means that top managers maintain a very strong position. They define the corporate aesthetics, in that most young and upcoming professionals strive to become like them and it is difficult to contest their perspectives.

Generally, there also is a strong emphasis on individuality. Despite calls for moderation, discipline, and equality, there is a celebration of the strong, assertive individual who strives determinedly towards a goal. There also is a strong awareness of individual differences, and concern to take such differences into account in management (Damman, 2005a). Personality tests are systematically administered. The inventories from the tests are used consciously to form a common ‘language’ for the development of human relations. Individual profiles are discussed openly, and scores are taken into consideration when it comes to annual appraisals and internal recruitment. Cultural self-assessment tests are also used, to improve intercultural communication.

While the stated purpose is to further self-reflection and development, the practice surrounding the tests clearly has a normative aspect. Most of the managers in Auto Ltd. have personality profiles with an extrovert and rational-analytical bent, and the latter orientation is formally defined as the pillar of the management system. In recent years this pillar has been supplemented with a ‘humanistic’ one, stressing a concern with relational harmony and respect for others. Still, ‘face the facts’ remains a central motto, and the general tone is direct and sometimes rather harsh.

Employees indicate that Auto Ltd. is full of opportunity, and there is a sense that everybody is seen and heard. The communication lines between
the top and bottom of the organisation are quite open, and input from individual employees is generally encouraged. There is a ‘global’ identity where respect for diversity is highlighted. On the other hand, and somewhat paradoxically, one emphasizes that cultural difference never will be accepted as ‘excuse’ for not adhering to the presumably universal values of the company.

Many employees also stress the advantages of working in a flexible organisation. As a ‘lean’, rapidly expanding company, Auto Ltd. is characterised by limited formalisation. Those who hold the trust of the central management may make decisions quickly and simply, and it is easy to get things done. However, the lack of procedures and specifications is also considered to be a problem. Likewise, the rough, direct tone is appreciated by some, but also increasingly perceived as a drawback, because it may restrict internal debate and thus narrow the scope of management.

HTP Project Services

Together we are more than clever minds.  

HTP Project Services is a small enterprise in Oslo. It was established in 1977, as a consultancy offering project management within the building and construction business. In recent years, the activity has expanded to services, software, and training, in addition to the actual project management. By 2002, there were about 100 employees. The majority were working with system development or as consultants and salespeople (Nguyen, 2004).

Like the Cornerstone Group, HTP presents itself as a ‘knowledge company’ (kunnskapsbedrift). In the company’s own terms this means that employees’ knowledge is greatly valued; that management and employees continually strive to develop their own and the company’s competence; and that they are upfront when it comes to technology (Nguyen, 2004). Employees are not referred to as employees, but as co-workers, and management continually stresses that they are the most important capital of the company. In the development and use of this capital, the emphasis is placed on interplay and cooperation with customers. More than internal development efforts or external coursework, customer relations are seen a source of creative knowledge, and a field where employees are expected to make their utmost learning efforts.

HTP is owned by the manager and founding chairman of the company, together with one external partner and the employees. The organisation

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23. Catch phrase from HTP’s corporate value charter, as presented by Nguyen (2004).
consists of five operational units or sections, tied together via a central management and the necessary support functions. The activities are largely carried out in projects, where employees from the relevant section work in close liaison with customers. Trade unions are present, but seemed not to be important. Most employees are on contracts where the pay is determined mainly by performance. In conflict situations, the size and ideology of the company makes individual solutions possible within the group, which perceives itself as consisting of ‘friends’ and ‘teammates’, rather than involving wider organisations.

Day-to-day activities in the company are characterised by so-called nomadic work. Work itself is not tied down to a particular location. It is carried out with a minimum of paperwork and strongly based on technological integrations that are intended to facilitate knowledge distribution within a flexible project-based organisation. At all times, employees have access to advanced communication systems and are equipped with the latest, most useful computer and telephone models. Employees working closely with customers are often posted at the customer’s premises, while others work from home and from HTP’s own premises. In most cases, they are present at headquarters only periodically, and here the office space is organised as an open landscape without private space or entitlement to specific desks and corners.

This creates a sense of instability. Relations are intermittent and constantly changing. In this context, the management in HTP shares Auto Ltd.’s concern for integration, and like them they seize on values as a means to build a common platform. As defined by the management, the corporate values in HTP are centred on goal-achievement, innovativeness, and teamwork (Nguyen, 2004). These priorities are considered critical to the company’s development. The charter of values is intended to define HTP’s image in relation to the external world, and to uphold explicit corporate standards, which are to guide employees in their everyday behaviour. It is also intrinsically connected to HTP’s identity as a modern, flexible and change-oriented company.

The full charter of values is known as ‘the seven stone tablets’, playing on the Biblical story of how God revealed the Ten Commandments, as well as Moses’ prophecies. Presumably, like the Holy Commandments, they are seen as basic rules for life and the foundation of society. Likewise, it is intended or hoped that they have the force and foresight of the prophecies. Another interesting parallel is that like the Commandments, the values are defined by the central authority alone, not by participation or cooperation with the employees themselves.
The first four “tablets” deal more with customer relations than internal ones, and read more like advertisements than as values of a social-moral kind. The last three tablets, on the other hand, take individual action as the point of departure, but connect it to the proper functioning and future success of the collective. Most of the ‘standards’ are merely popular catch-phrases, such as ‘we speak the language of our customers’ and ‘it is fun to learn from the success of others’ (Nguyen, 2004, p.38), and they are rarely referred to in daily practice. Yet, the expression cited at the beginning of this section seems to be imbued with special significance. Managers and employees alike see synergy and teamwork as the core of HTP’s identity and tend to stress this by using the cited phrase.

In daily work, management tends to downplay their authoritative role. They strive to appear as friends rather than superiors, and all interactions are open for everybody to see. Still, a relatively formal style of dressing indicates that employees are in a professional work setting – a setting perhaps more reminiscent of the American television series “Ally McBeal” than of a traditional, hierarchical system.

While administering the company in a web-based manner rather than through direct, personal communication, management tends to use metaphorical imagery to carry its messages across. Important here is a drawing juxtaposing a castle and a tent: the castle is seen to represent traditional work forms, associated with establishment, culture, rule-bound rigidity, hierarchy and a defensive, retroactive attitude. The tent, on the other hand, is HTP’s ideal. It is light and flexible, associated with nature, equality, improvisation and spontaneity, and often used for adventurous, explorative ventures. Another oft-used picture is of a broad stairway with impressive prizes on each step and a golden star as the distant, overhanging aim. The emphasis is on the importance of process as well as final goal-achievement, and the value of collective step-by-step learning (Nguyen, 2004).

The spatial organisation is also assigned symbolic meaning. That managers and employees alike are part of a mobile system without symbolic markers of rank, prestige or personal territory, and are seen to express flexibility, equality and team-orientation. At the same time, the open office is seen as a distinctly ‘modern’ and future-oriented form, and is intended to reflect the practice at HTP. Extensive use of ceremonial rewards in the form of off-site breakfasts, parties, prizes, and thrill-seeking sports carries the same message and attracts young recruits with a penchant for ‘action’ and urban lifestyles (Nguyen, 2004).
While many employees embrace these meanings, others view them with scepticism. They indicate that the open office space is associated with peer control as well as cooperation, and that nomadic work creates distance and loneliness as well as creativity. Moreover, many see a contradiction between the emphasis on synergy and teamwork and a salary system where substantial bonus arrangements reward individual sales much more than consulting or assisting others. The project form of organisation is largely viewed in positive terms, but here, too, indirect controls are seen to be present. For example, reported overtime would affect the result and thereby the performance and pay of close colleagues (Nguyen, 2004). Many employees chose HTP precisely because they prefer freedom and individual opportunity to security and stable conditions. But, in the end they also feel torn between the desire for flexible achievement and a quest for solidarity and order.

Three practices, one tradition

The management practices in the cases described on the previous pages are rather different. The system in place at the Cornerstone Group has remnants of an older bureaucratic order, where office and knowledge of the trade are the most important sources of authority. The atmosphere is down-to-earth and simple. Still, relations are characterised by some degree of formality. There are detailed structures and procedures, and decisions take considerable time to make their way up and down the hierarchy.

Foreigners who come in contact with the company may find a paradox that seems to prevail in many larger, long-established corporations in Norway: the level of informality may be rather superficial, and despite the distaste for hierarchy, complex and very detail-oriented procedures exist. In fact, decision-making often involves many actors and takes considerable time. Said a Dutch business executive; “I’ve had to work hard to get decisions out of Norwegian engineers. Approval has to come all the way from the floor. The floor decides; the top man merely affixes his signature. Norwegians have a horde mentality that affects the management style, which relies more on teamwork than is the case in Holland.”

Corporate negotiations are central and collective learning processes are considered important, but the individual employee receives less attention. Under a management system that is task-oriented and centred on measurable means and aims, there is limited concern for cultural integration, and the immediate work team is the locus of engagement for most employees.

Auto Ltd., on the other hand, is a leaner and more flexible corporation, with less structure and formalisation. To a greater extent than in the Cornerstone Group, relations are trust-based. Authority levels are more influenced by personal charisma and assertiveness, and a proactive attitude is strongly encouraged in employees. Thus, at Auto Ltd, as in many other medium-sized and more recently established organisations, decision-making is relatively informal and does not usually involve many people.

The presence of these practices leads many foreigners to conclude that the Norwegian management style is rather uncomplicated. In the words of a German executive,

> Communication is easy – not as complicated as in Germany, where it is hard to go above your immediate superior without his being annoyed. In a Norwegian company you can communicate informally with anyone.²⁵

On the other hand, there are those who conclude that Norwegians make decisions too hastily, without proper investigation (Habert and Lilleboe, 1988).

Some also suggest that management in Norwegian companies is excessively top-down in style (Habert and Lilleboe, 1988). In Auto Ltd., we see a participation-based system, yet it is one that seems more authoritarian than the Cornerstone Group. The impression is that management as well as unions are increasingly bound to comply with customer demands. Still, individual managers seem to command more authority than in traditional Norwegian enterprises. Likewise, efforts to construct a strong company culture seem to increase individual accountability and make for more indirect control. This development is criticised by some employees, but apparently it also makes them feel more visible and involved.

Finally, HTP is a small company that aims to follow some of the most recent trends in management. ICT-based projects, nomadic work and open office organisation are important elements. There is an emphasis on synergy and teamwork, and a focus on branding and culture-building. The latter are intrinsically connected processes, centred on symbolic action in the way of stated values, metaphors, imagery and ceremonial rewards.

On the other hand, individual accountability is continually stressed, and salaries as well as career paths depend greatly on individual results. Altogether, this gives a system where employees are largely engaged in self-management. This is done by peer control and internal competition, as well as team loyalty and company ambitions. As individuals, the central manage-

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²⁵ Quoted in Habert and Lilleboe (1988, p. 133).
ment is less visible than in Auto Ltd. Still, through strategic communication with a systematic use of symbolism, it serves the same function of embodying the organisation.

Despite these differences, the three companies also share a common background. Values and symbols that define Norway as a nation are alluded to in their respective management practices. In the Cornerstone Group, the link with the local community is continually stressed. History is emphasized, and there is an ongoing engagement in and for local institutions. In addition to its self-imposed classification as ‘non-global’, the general style in appearance, speech, and manners in the company communicates a strong local identity. The preference is for rural, down-to-earth and ‘natural’ expressions, rather than more fashionable ways associated with urban life.

The preference for classical designs and discreetness, coupled with a predominance of modest rather than assertive forms of behaviour can also be traced back to traditional values of equality and moderation. In a similar vein, the emphasis on knowledge of the trade and the instrumental, task-oriented approach to management reflects a Norwegian concern with use and usefulness. It may also relate to the values of moderation and humility, which suggest that self-elevation is bad, but that knowledge achieved through hard work is a good thing. Grand visions and high-flying ideas are suspect, whereas addressing practical challenges via practical means is an honest way to work.

The tradition for negotiation and participation also reflects the values of equality and moderation, as laid down in the welfare state and expressed in the Norwegian model. In the Cornerstone Group, there is a will to take these values further in organisational learning and development, but remnants of a bureaucratic past remain a challenge.

In Auto Ltd., bureaucracy is more or less replaced with lean production methods. The scope for negotiations is limited by the requirements of customers, owners, and managers to a greater extent than at Cornerstone Group. Still, with its emphasis on participation and accountability, the practice at Auto Ltd. is also co-produced with values of equality, endurance, and hard work. The idea of independent teams, straight lines and removal of unnecessary paraphernalia appeals to the Norwegian preference for simplicity and ‘naturalness’, rather than decadent forms. The limits placed on administration, welfare arrangements and symbolic ornamentation are likewise well-suited to the Puritan logic that remains in many quarters.

If we look to Auto Ltd.’s value charter, we also see Norwegian tradition at play. While connected with customer requirements, ‘honesty’ and ‘thrifty
house-keeping’ also represent the moral economy of the ‘valley’. As we have seen, direct, no-frills communication and concern not to waste resources are central here: you stand by your word, save, and fend for yourself to maintain integrity and independence, despite the knowledge that all are ultimately enmeshed in bonds of mutual interdependence.

The focus on individual strengths and weaknesses may also be related to egalitarian individualism and man’s striving for his house and family against a violent outer world. In Auto Ltd., this outer world is the global market, and the house and family is the company and colleagues. These bonds are repeatedly emphasized. But, as we have seen, there is less focus on collective processes. Participation is important in production, but less prominent when it comes to management, where decisions usually are made in the top level of the organisation.

In HTP, there are also appeals to a traditional, Norwegian value base. This comes out most strongly in the image of the castle and the tent, which links the desired practice with nature, equality, simplicity, flexibility, spontaneity and exploration as opposed to the more rigid and static system in bureaucratic organisations. It is also apparent in the focus on teamwork and collective step-by-step learning, which builds on the tradition for participation and collaboration. Finally, it comes out clearly in the stress on ‘friendship’ as an idiom of interaction. As in Auto Ltd., a strong concern with individual accountability resonates with the form of individualism that goes hand-in-hand with egalitarianism in Norway. Still, as in Auto Ltd., and indeed as in society more generally, there is a tension between individualism and collectivism, which at times is hard to handle.

Thus, even if they are diverse, the studied companies all draw on Norwegian culture as a source of legitimacy, and use these connections in their everyday management. They are influenced by global trends and management concepts, which they have appropriated and applied in local ways. Yet, they form part of a distinct national tradition, which also exerts a considerable influence. Here, as we have seen, equality, authenticity, participation, and process are key elements, and nature and the ‘Viking spirit’ remain important symbolic sources.

**Practical implications**

My rules for dealing with Norwegian businessmen are: 1) Don’t move too fast – take your time. 2) Be well prepared. 3) Information may take a long time to come, but be patient. 4) Be familiar with the Norwegian business environ-
ment. 5) Norwegians usually dislike North American abrasiveness – try to avoid this. 6) Accept the fact that negotiations will be very nationally oriented. – (Canadian business executive)\textsuperscript{26}

The first implication we may draw from the above, is that it is difficult to give advice to foreigners on how to deal with management in Norway. Practices vary, and strategies that apply well in relation to one company may not be useful in dealing with another. Still, a few general observations can be made. First and foremost, there is a need for humility. As we have seen, Norwegian business life may be characterised by a certain degree of provinciality, but there also is a great deal of national pride. There is a strong awareness about individual rights and duties, and respect is linked to expressions of sameness and equality. At the same time, there is a sense that other things in life are more important than work and business. This means that negotiations and other types of relations easily may be hampered if the foreign party appears high-minded or arrogant.

Generally, one might say that cautiousness and patience are required when dealing with Norwegians. They rarely embrace foreign ideas and practices at face value, but always measure them against the ideals of the social democratic tradition. While individual initiative and self-reliance are highly valued, consensus is important. In many cases, the number of actors and level of protocol is such that decision-making may involve prolonged negotiations and take considerable time. Words and actions should be chosen with a view to the degree of corporatism that prevails. It is important that issues be addressed and arguments prepared in ways that take the interests of all involved parties into consideration. However, one may also find enterprises where there is a limited degree of structure and formalisation. Thus, one might also well prepare to let go of etiquette and complex negotiation procedures in order to develop more direct, trust-based relations.

As we have seen, trust is closely linked with honesty and mutuality. In most cases, trust may be enhanced by limiting the degree of small-talk and persuasive arguments, and concentrating on direct, to-the-point communication. It is also advisable to play with as open a hand as possible, since the discovery of hidden agendas or misinformation will not be taken lightly. At the same time, trust may be facilitated by mutual activities outside the formal business setting, such as sports, drinks, or parties. In such contexts, there is more communality. Norwegians tend to be more open, and to expect that true person-to-person understandings may be reached. Gift-giving, however, is a practice to use with caution. In many cases, Norwegians are

\textsuperscript{26} Quoted in Habert and Lilleboe (1988, p. 150).
not allowed to accept any gift from business associates at all, or there are strict limits on value. Small, symbolic presentations are acceptable, but gifts for personal enjoyment may cause embarrassment, not the least because they create an asymmetry in relations and may demand reciprocation.

To ask and listen, rather than to barge ahead with talk and/or action is generally advisable. In the Norwegian view, it is very easy to make too much of oneself, and much harder to be too humble. Consultation with others is in line with egalitarian individualism and a concern for participation, and this will usually be seen as a sign of broad-mindedness and strength, rather than of weakness or indecisiveness. Quite often, professional relations are influenced by the abovementioned tendency towards distancing. Unless they are explicitly encouraged to contribute with their insights, subordinates and colleagues may hold back on valuable input for fear of encroaching on another person’s domain. At the same time, disregard for their opinion may make them turn away and almost unnoticeably shut you out from the equality-based work community, with the effect that it is very difficult to get back in.

To establish contact and build personal relations it may also be a good idea to focus on equality. Rather than showing off or overcommunicating joviality, one might try to identify areas of common interest. Overly personal questions may be perceived as offensive, but more general enquiries will often be answered with reference to the individual point of view. While not much is to be expected in the way of entertainment or home visits, joint leisure activities are often initiated if they appear useful – for example if a foreign associate hints that s/he might need help finding a certain shop or tourist attraction, would like to go skiing, or a similar activity. In such cases, most Norwegians will be happy to assist, and often follow up with meals or additional activities. This neither involves a breach of the private sphere nor requires the presentation of a perfect home, but takes place in a context of solidarity, use and usefulness. Once they find themselves in this kind of situation, many Norwegians turn out to be quite hospitable.

Last, but not least, it is important to acquire prior knowledge about Norway and Norwegian culture. Apart from studies on management and culture, useful sources can be found in art and literature. If possible, it may also be fruitful to gain practical experience with Norwegians, by interacting with individuals or associations of Norwegians outside Norway before getting there. When one has arrived, it is advisable to immerse oneself in the local culture, by observing, socialising, and joining locals in their activities. Successful intercultural communication, it has been said, begins with gaining a fund of knowledge about another culture (Samovar and Porter, 2004).
I would like to conclude by stressing that it always may be improved the same way.

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