

# The Nordic Management Style and Great Places to Work



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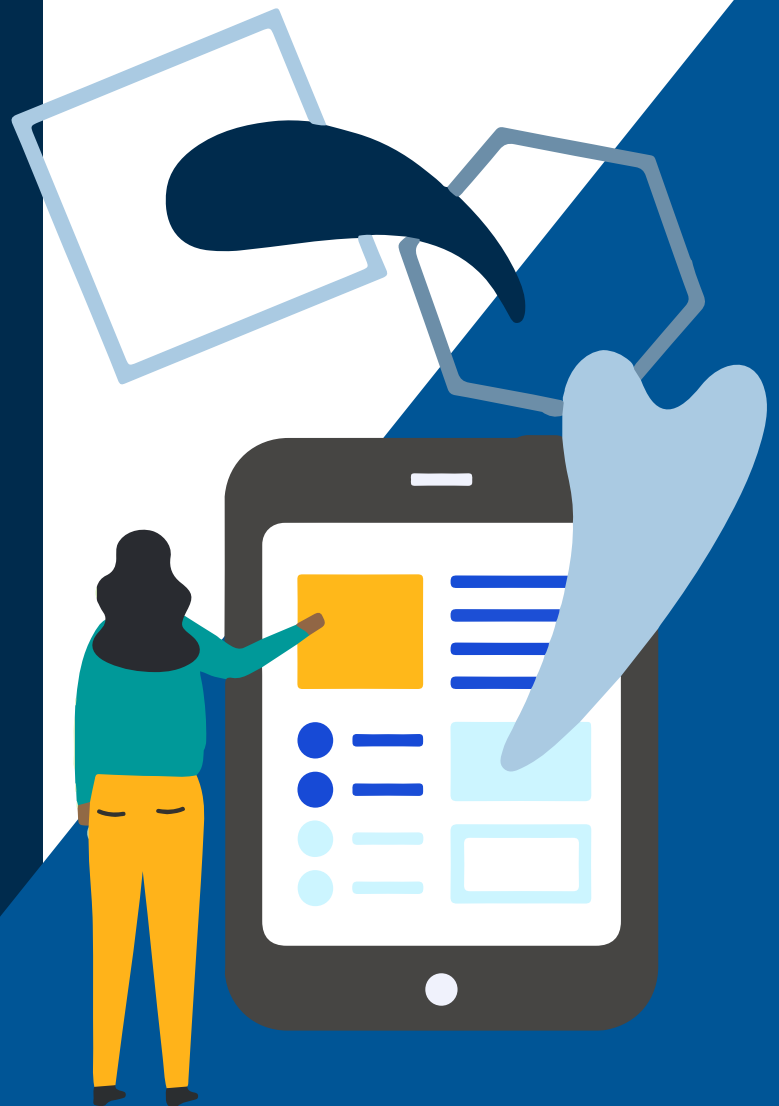


## A Great Workplace is For ALL

You can create a high level of trust in any country. \_\_\_\_\_ 21



# Introduction



# Why we do what we do

## The Great Place to Work® Trust Index® Framework

Around the globe, for 30 years, Great Place to Work has used a coherent, standard framework called the Trust Index® to measure and map out the conditions that must be in place for employees to experience that their organisation is a *great place to work*. That framework, driven by surveys, often conducted annually, is consistent around the world.

In Europe, for over 20 of these 30 years, Great Place to Work has collected and analysed data from millions of employees, in tens of thousands of organisations, in 20 countries.

The results of Great Place to Work surveys throughout Europe have been remarkably consistent over time when it comes to the relationship between leaders, managers, and employees. Every year, we see that mutual trust is the foundation for successful and productive organisations. Trust in the workplace requires credibility, respect, and fairness.

A workplace culture that is strong and positive is one where an employee's relationship and role within the organisation is developed in a way that inspires pride and camaraderie between colleagues. We know that no matter where people are, they all want the same thing: trust in the people they work for, have pride in the work they do, and enjoyment amongst the people they work with. Achieving a culture of trust is not simple, especially for global organisations that must create consistency across borders. This is why we survey.

# Executive Summary

## *The Power of Trust*

*National culture may have some effect on creating trust in the workplace. But overall there's great consistency across the continent when it comes to measuring pride, trust, and camaraderie.*



There are two types of culture we're most familiar with – our national cultures and our workplace cultures. In our homes, on the street, and in media we live within national cultures – a sensibility, behavior and personality that characterises a person as Danish or Greek, English or Italian, French or Austrian. And yet, there is a set of characteristics – from working relationships and trust, to pride and camaraderie – that define how we operate within our workplaces. Distinct from national culture, this is our **workplace culture**.

These two combinations of cultures lead to three interrelated questions in:

*To what degree, if at all, does national culture influence workplace culture?*

*What can be done to promote trust, pride, and camaraderie independent of national culture?*

*And is workplace culture significantly different between countries?*

In this study, you will find out what European leaders have in common and how they are working to maximise the human potential of their employees to build a better workplace culture for all.

# This Survey

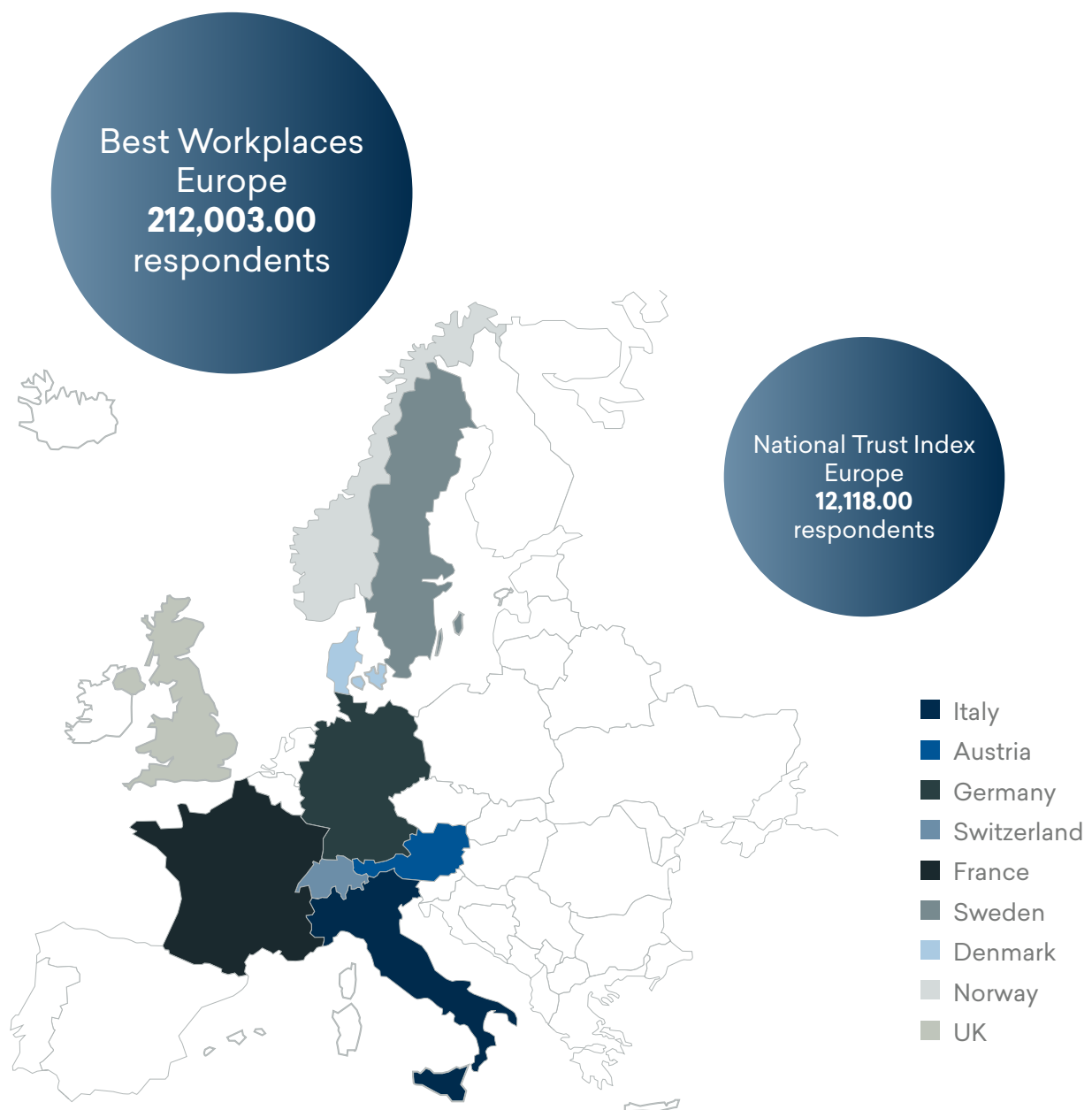


# EU Respondents

## Comparing Workplace Cultures between European Countries

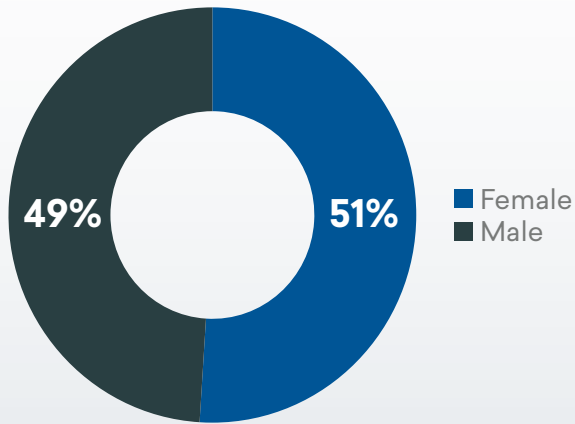
What effect does national culture have on *workplace* culture, trust, and the employee experience? Is there a significant difference between countries within Europe – and between regions within the continent?

Every year, each Great Place to Work country in Europe conducts our standard Trust Index® culture surveys to more than 212,000 employees within thousands of organisations. We took a subset of these surveys, representing more than 12,000 employees in nine countries to compare workplace culture differences.

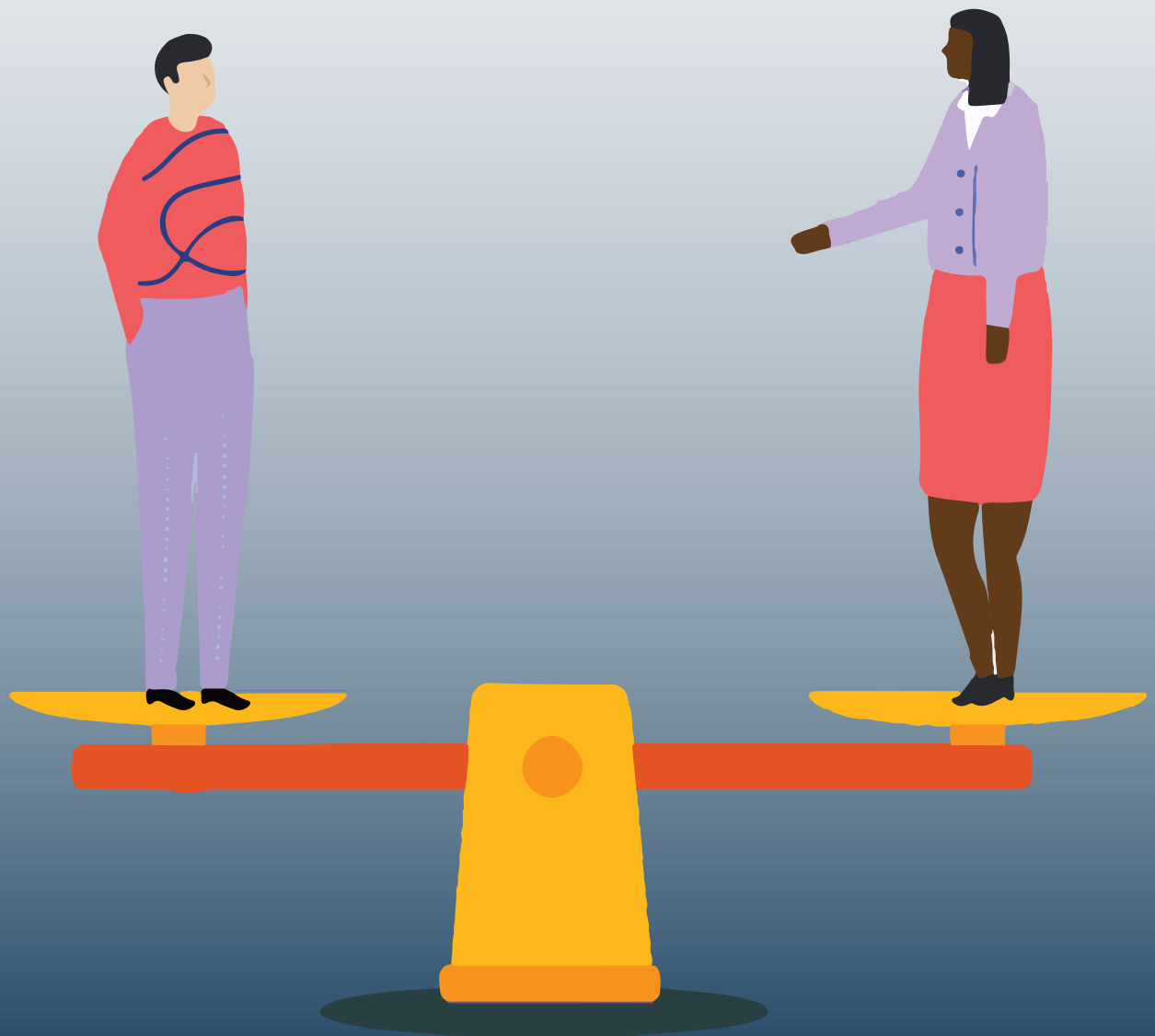
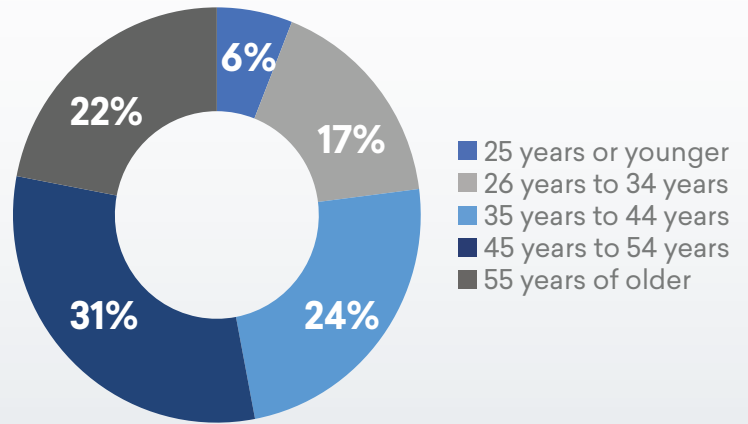


# EU Respondents

Gender



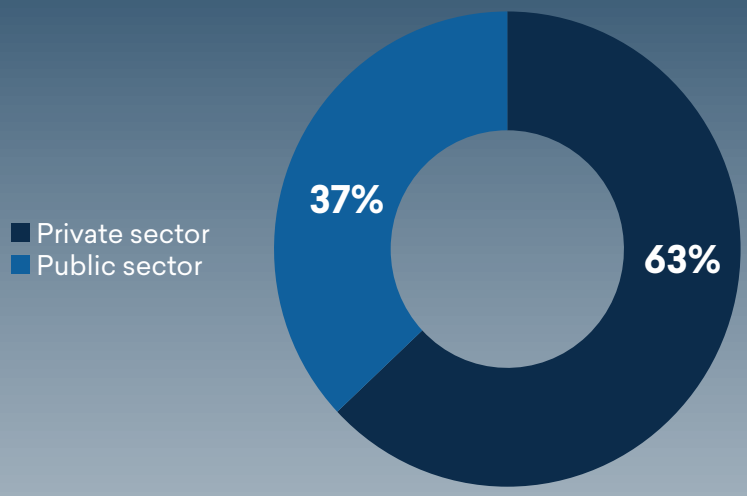
Age



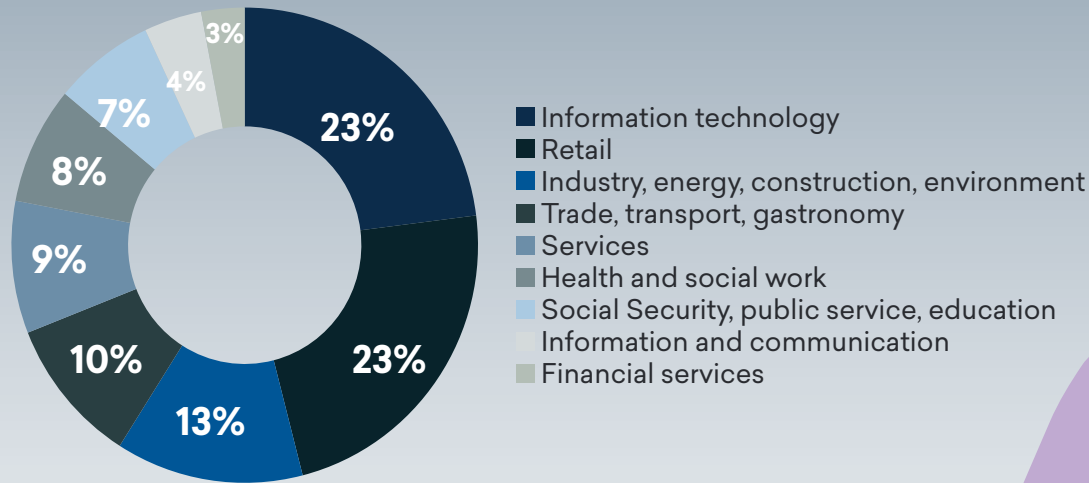


# EU Respondents

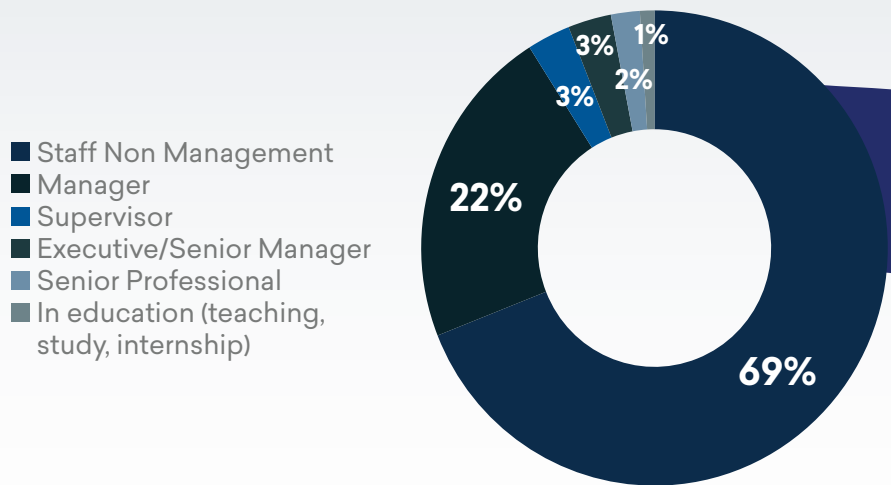
### Ownership



### Industry



### Job Title



# The Nordic Management style and Great Places to Work



# What do European countries have in common?

Creating a great workplace independent of culture, social structures, or the business environment

What are the common positive factors that European employees experience? Of all the questions in our surveys, one of the most remarkable results for European employees, is that they experience, overall, a higher level of autonomy. This happens when employers give employees more responsibility and this creates more *trust* between them.

The Trust Index® covers many metrics, such as communication, setting clear expectations, or receiving adequate recognition. One of the most important metrics is employee views regarding management control and whether managers trust them to do an excellent job without watching over their shoulders. Trust is stronger when there are high levels of job autonomy and little unnecessary control.

Job autonomy translates into a set of employee experiences, which provide room for freedom, independence, and the exercise of judgment.



**88%**  
Of the Best  
Workplaces Europe

... experience that people are given a lot of responsibility

Best Workplaces  
Europe  
**89%**

... experience that management trusts people to do a good job without watching over their shoulders

“One of the most remarkable results for European employees, is that they experience, on the whole, a higher level of **autonomy**. And that contributes to creating trust between them.”

# What can you learn from the strong workplace culture in the Nordics?

Greater employee experience can be strongly correlated with higher levels of Trust, Camaraderie, Pride, Work-life Balance and Autonomy.

There are few significant differences between countries in the north and south of Europe when it comes to individual employees' overall experience. Employees in both the north and the south experience a higher degree of pride and camaraderie where there is less of a tendency for managers to micromanage. In these organisations employees experience a greater sense of **trust, credibility, respect, and fairness** – values that create a more pleasant working environment.

Why is that so? Organisations perform better when they create a strong sense of **camaraderie**. The more collegial relationships are within an organisation, the higher the level of camaraderie. Bonds between employees are threatened as a result of poor leadership or lack of communication, or because of external threats such as non-work-related stress.

Several attributes are consistent across Europe. This includes being proud of the job you do or feeling a sense of pride in what your organisation accomplishes. This is true regardless of internal conditions in your business or overall external business relationships.

All businesses in these nine European countries have great potential when relationships between leaders and employees are built with trust. And where there are gaps between the best and average workplaces in our survey, we can point to management and how behavior can be improved.

When examining each country's national studies, individual employee experience is not where the most significant differences lie. However there are three exceptions: Denmark, Norway and Sweden. The proportion of respondents in the Nordics who experience good relationships in the workplace – characterised by trust, camaraderie, credibility, respect and fairness – is from 5 to 10 percentage points higher in those countries.

## Best Workplaces

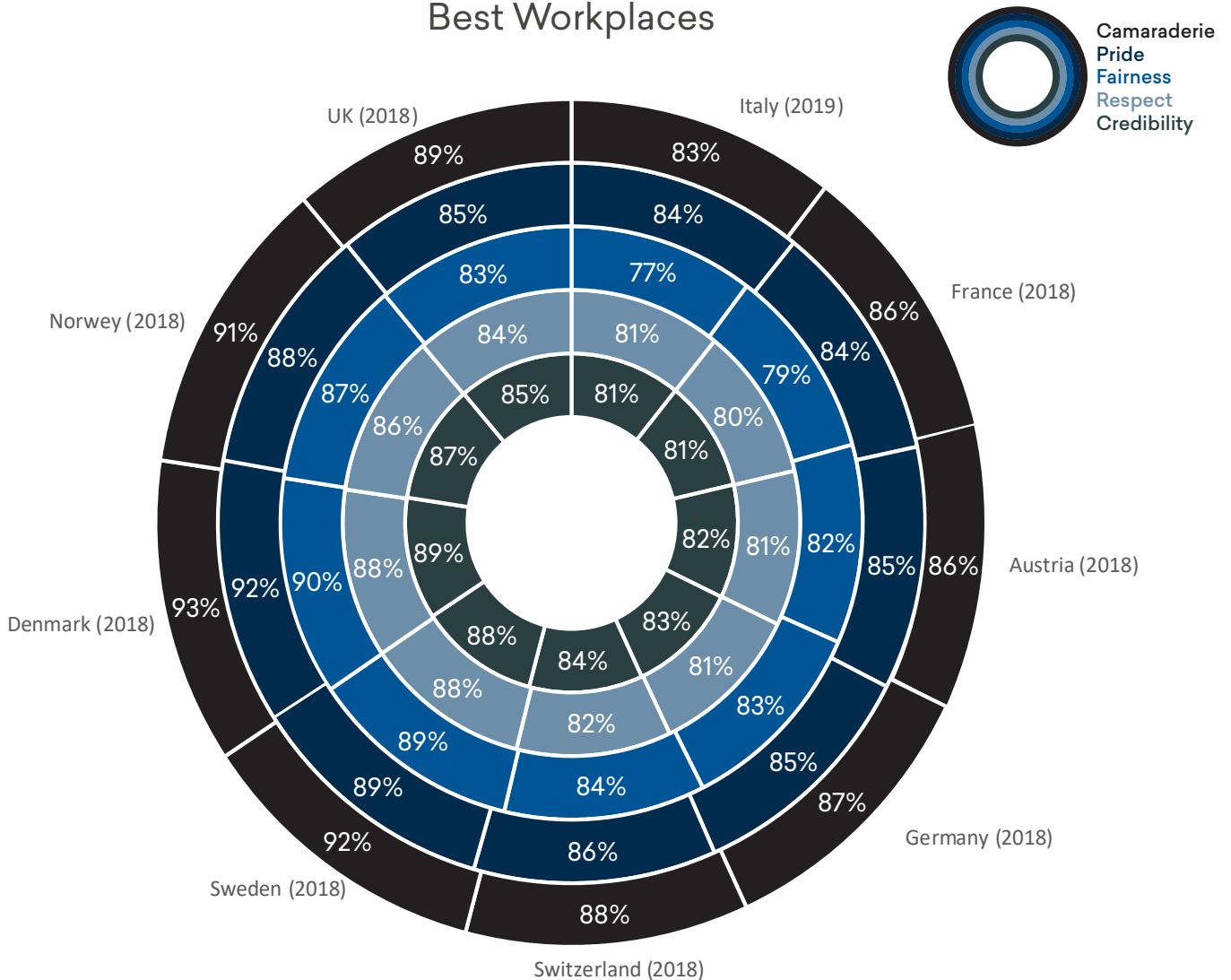


Figure 01 Best Workplaces

Our analysis of best workplaces shows that geography, social structures, and your business environment – in short, national culture – does not affect your ability to achieve success (as shown in the graphic above).

There is little variation between countries when it comes to the best places to work. Europe's Best Places to Work, published on June 5, 2019, demonstrates this, considering the surveys of businesses from all parts of Europe.

There are three main pillars in the manager's reach for building a better employee experience that can be introduced in organisations of any industry or size. It is the trust, the fairness and the camaraderie in which employers and employees can build to ensure a sustainable and pleasant workplace.

We researched those pillars with three core statements that help to measure the trust managers put in employees to develop a good job in the face of challenges, the fairness given to promotions and rewards and the camaraderie and enthusiasm of coming to work.

# The Core Measurements

The three statements are part of the Trust Index<sup>®</sup> report of Great Place to Work's annual global survey. It helps organisations understand employees' views on things **they do well** and should continue to be doing and maybe **a couple of things employers need to stop doing** or **do less** of because it breaks the connection between them and some of the people that work for them.

## Management Actions and Words:

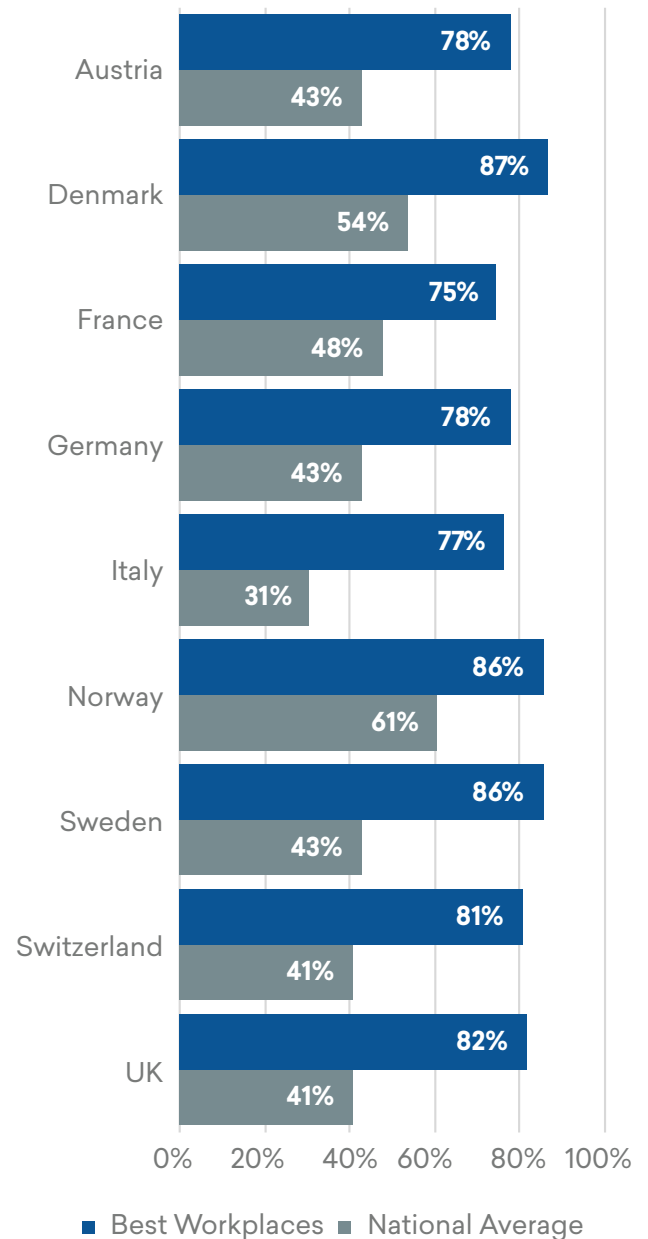
The challenge for many managers is to build high-quality relationships with employees. Why is this so difficult?

The answer may lie in the perception by employees who don't experience their managers as credible.

In their view, management actions don't match their words. And that leads to a low level of trust.

We see a strong correlation when comparing the gap between the average of all survey respondents, by country, on this issue, and employees in the Best Workplaces.

Companies where employees perceive that management actions match their words tend to become Best Workplaces. in those geographic areas.



# The Core Measurements

## Favouritism:

An essential part of professional development is the opportunity for employees to be given new responsibilities and roles.

Employee views about the injustice of promotional processes are remarkably similar across European countries.

This is an area we often see neglected when organisations create policies and practices for employee development.

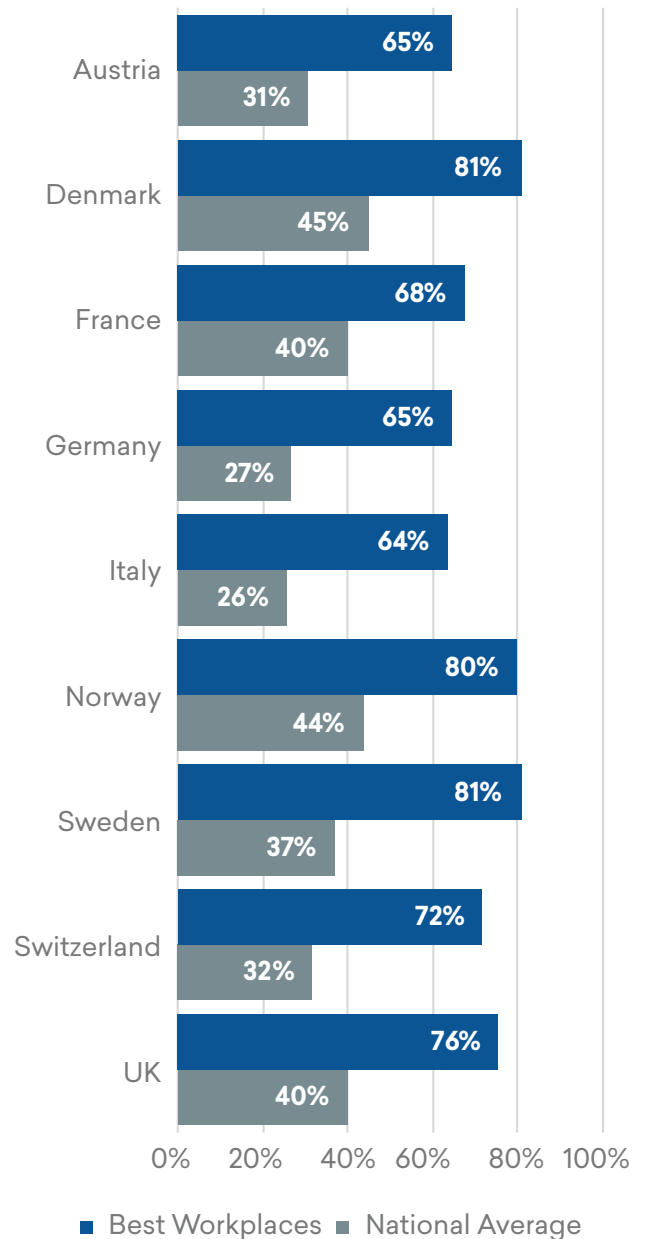
That's challenging for leaders.

Often there is a lack of clarity, openness, or even a not clear internal promotion process.

And when the process is vague – or poorly communicated – it is challenging for employees to understand why others get opportunities while they may not.

The result is a kind of psychological “breach of contract,” where employers don't meet employees' expectations.

And that makes it harder for employees to create – and sustain – relationships with managers built on trust.



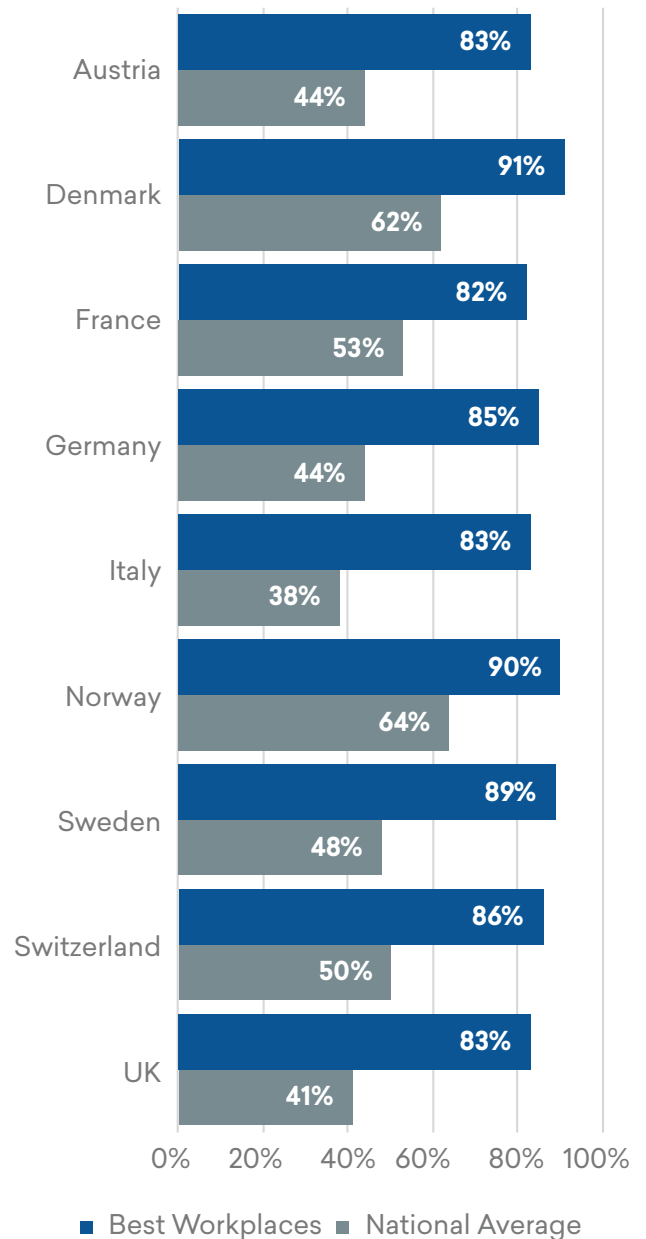
# The Core Measurements

## Enthusiasm about coming to work:

There are many employees who don't look forward to coming into work. Throughout Europe, a large proportion of employees are not engaged. (See [State of the Global Workplace, published in 2017 by Gallup.](#)) In national average surveys, just under half of employees say they often or almost always look forward to coming to work. The consequences are significant. Business, government, and society suffer from productivity losses, as well as high costs, when employees have little enthusiasm for their work.

Looking at central and southern Europe, only between one-third and one-half say that they look forward to coming to work. In several Nordic countries, the proportion of employees that say so is more than 60%.

Our experience with hundreds of companies shows us that even the Nordic survey results here are too low when it comes to the national average in the market. These figures may impact business objectives, such as increased revenue growth and lower employee turnover. (See our most recent book, [A Great Place to Work for All.](#))



### Why are enthusiasm levels so low?

We think it comes down to three core issues: whether management actions match their words, favouritism, and leadership style.



# Identifying a Nordic Management Style



# Identifying a Nordic Management Style

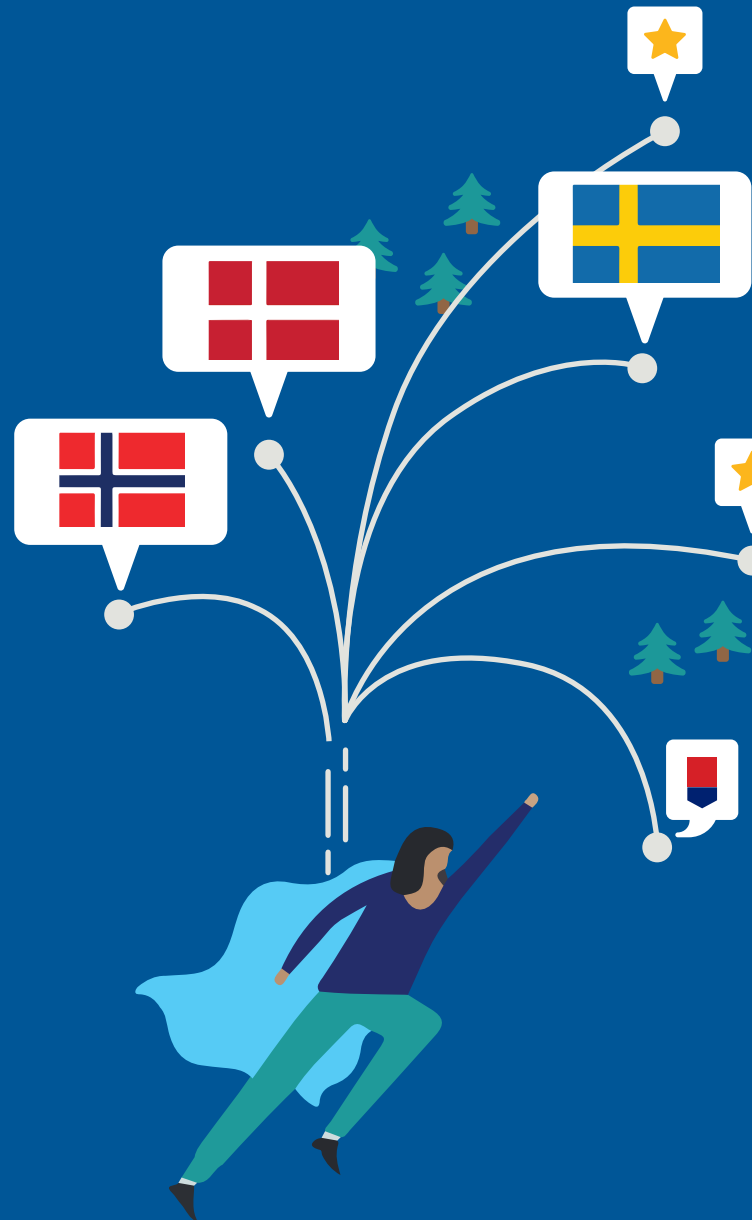
Earlier we pointed out that companies in Denmark, Norway and Sweden stand out compared with the other six countries in this study in the list of Europe's Best Workplaces 2019. Can the explanation behind this be linked to Nordic national culture? Is there a Nordic management style? We've determined that there are three characteristics that stand out in Nordic countries:

- . A high degree of employee involvement in the decision-making processes.
- . Close relationships between leaders and employees; and
- . The freedom to operate under the rubric of one's responsibilities.

Employees have a great amount of leeway to take the initiative and operate independently. All three of these qualities are essential to creating a culture of mutual trust.

Here, national culture may be a factor. Because Nordic countries are characterised by overall societal views that promote equality, there may be a closer, trusting connection between leaders and employees. In Nordic countries, there are high levels of intergenerational, social mobility and wellbeing.

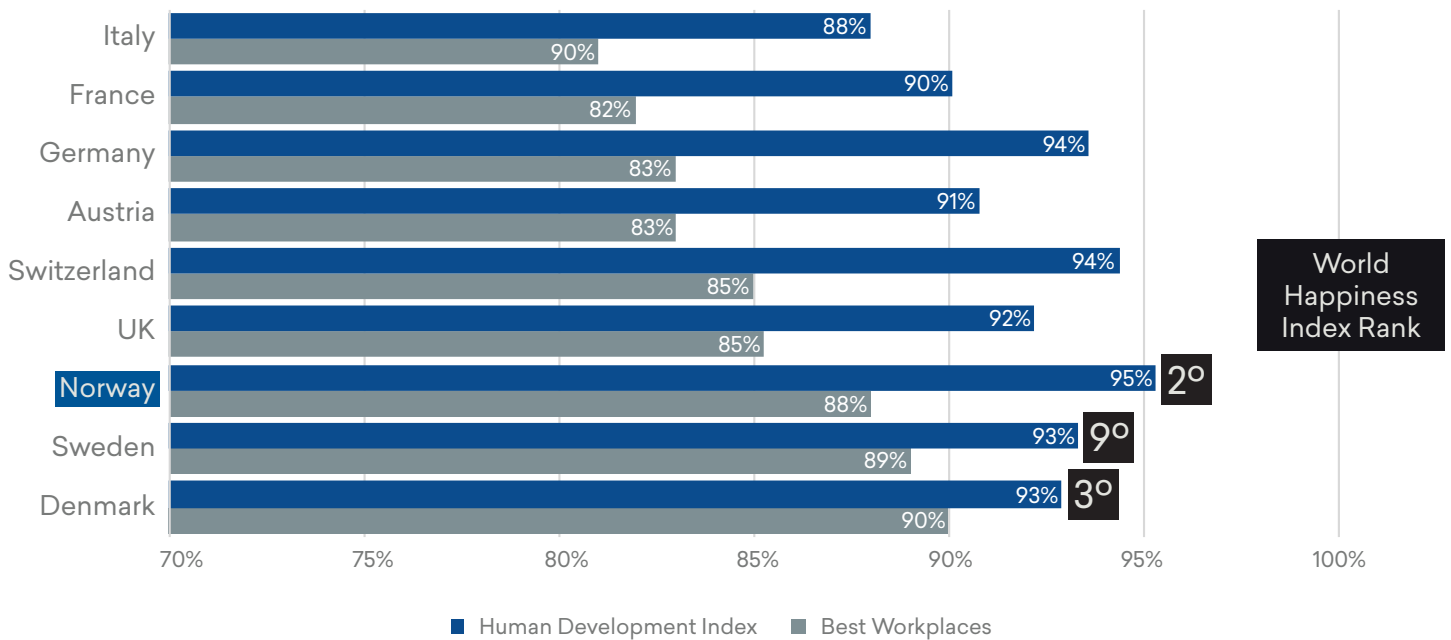
That means equal opportunities for all. (Indeed, it could be said that "the land of opportunity" is now in the Nordic countries, and not in the United States.)



# Identifying a Nordic Management Style

A common cultural feature across Nordic countries relates to work-life balance and overall welfare. Not only is there a desire for economic growth, but Nordic culture also promotes social equality.

Human Development Index vs. Best Workplaces



Neither employees nor management are viewed as being “superior.”

Taking the Nordic experience into account, can we then say that a nation’s culture, structures, and social conditions are decisive when it comes to the degree of trust in an organisation? Not really.

The data suggest that national culture may underpin trust only up to a certain point.

Those organisations that have a strong desire to succeed will do so, regardless of culture, geography, or social structures.

National culture may help, as we saw in the Nordic case, but when companies anywhere have high expectations about the kind of culture that can be built, they can still become one of Europe’s Best Workplaces.

# A Great Place to Work is For ALL



# You can create a high level of trust in any country.

Differences in culture and business structure across Europe may be significant. But there are several common challenges throughout the continent. Too large a proportion of employees do not look forward to coming to work. Management's lack of ability to "walk the talk" occurs everywhere. And there's a continent-wide challenge when it comes to favouritism and advancement. Each of these attributes negatively affects a company's ability to reach its goals to develop, grow, and reduce costs.

With exceptions – Denmark, Norway and Sweden – national culture has little affect on how employees experience their workplace. Do the Nordic countries have a culture or style of management that's a prerequisite to build a culture based on trust?

The study shows that the Nordic model can be held up as a positive example. But this requires more energy to meet high expectations. The Best Workplaces in Europe succeed by creating a high level of trust, regardless of country or industry.



# References

Unless otherwise indicated, all survey data is from the Great Place to Work 2019 Study on Local Culture and great places to work.

[United Nation Development Program – 2018](#)

[Happiness Index - 2018](#)

[State of the Global Workplace – Gallup - 2017](#)

**Our mission is  
to build a better world by  
helping organisations become  
Great Places to Work for all**

