



Dispelling the Nordic Nirvana myth

Gender equality advocates tend to view Scandinavia as the shining example of true equality between the sexes. But the evidence suggests that the reality is different – especially for women working towards executive roles.



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January 24, 2018 by **David W. Smith**

It's become a cliché that Scandinavian countries, especially Norway and Sweden, are **an egalitarian paradise for women**. But the reality is nowhere near as utopian as the image suggests. Although Scandinavian **women benefit** from generous welfare provisions and are relatively well-represented in both the boardroom and politics – partly as a result of quotas – **they still face discrimination** when it comes to landing big jobs as CEOs and CFOs. “Sweden is seen as a beacon for women, but in the private sector it's far from equal. It's still a world made by men for men and it's hard for women to get promoted because they fall victim to traditional male bias. Even in Scandinavia, change is so ***** hard,” says Sofia Falk, a former spy in the Swedish army who is now a **leading expert in diversity**, working with corporations like Volvo, Ericsson, H&M and Ikea, to challenge outdated attitudes.

Plenty of research supports Sofia Falk's views. Last year, the Nordic Council of Ministers produced the report aiming to “dispel the Nordic Nirvana myth for women”. It confirmed the slow progress at senior management level, with only around 12% of Scandinavian businesses having a female CEO. For the richest 102 companies, it was even worse, with only 4.8% having a female CEO.

Norway offers a striking example of the **Scandinavian paradox that female achievements** in the boardroom and politics don't translate into corporate power. Norway pioneered quotas in 2003 with a legal requirement that at least 40% of boardroom members had to be female and has led the way in **politics** by having a woman prime minister for 12 of the past 20 years. It placed second behind only Iceland and two places ahead of Sweden, in the 2017 Global Gender Gap report from the World Economic Forum. Despite all that, none of Norway's top 32 companies had a woman in the C-suite. Surprisingly, the highest proportion of women in senior roles is in the BRICS countries – Brazil, Russia, India, China and South Africa.



Sofia Falk has a burning passion to create the conditions that allow Scandinavian women, and ethnic minorities, to shatter the corporate glass ceiling. Ten years ago she founded her own company,

Wiminvest – now known as We Are the StoryDoers – to challenge what is known in Sweden as the “Anders effect”. The concept is that Anders, the company CEO, prefers to work with a nice guy who reminds him of himself. **They can play golf, talk about football and take a ‘bada bastu’** (swim and sauna) together. Anders’ bias leads him to recruit another Anders into a senior role, who then recruits yet another Anders...

To understand why Sofia Falk developed into such a perceptive critic of the Scandinavian status quo, it’s essential to trace the development of her ideas about diversity during a short, but extraordinary career. She began as a 20-year-old spy in the Swedish army, focusing on trafficking and smuggling in Kosovo, in 2003-04. Though born in Sweden, she grew up in a very different culture, in Colombia, in South America, meaning she was a double outsider in the male-dominated army world. She was quickly put in her place as a female.

“The first few months training were hard. There was a lot of crawling through dirt on combat exercises. One day, I ran a gruelling race of 21km carrying a 15kg backpack and an automatic pistol. I was the only woman and I finished 5th out of 60. At the end, one man said to me ‘what a lucky girl you are to finish 5th,’” she says. His ignorant attitude only made her more determined and she outperformed the vast majority of men in exams and on the shooting range. “But I could not change the fact I was a severe minority in the group dynamics. I started to act like them, talk like them and doubt my performance. But if I couldn’t be myself, how could I reach my potential?” she says.

Before Falk **left the army**, she had a positive experience that revealed the benefits of diversity. The Swedish male soldiers could extract no information from the Muslim women in Kosovo, but Sofia built more open relationships with them, leading to more accurate intelligence.

After leaving the army for the corporate world in 2005, she worked as a consultant in crisis management in Stockholm. But she found the same deep-rooted bias against her gender. “I was waiting to deliver a talk about crisis management when one guy said to me ‘when is the consultant coming?’ I said ‘that’s me’. He made an assumption about me lacking competence based on my gender,” she says.

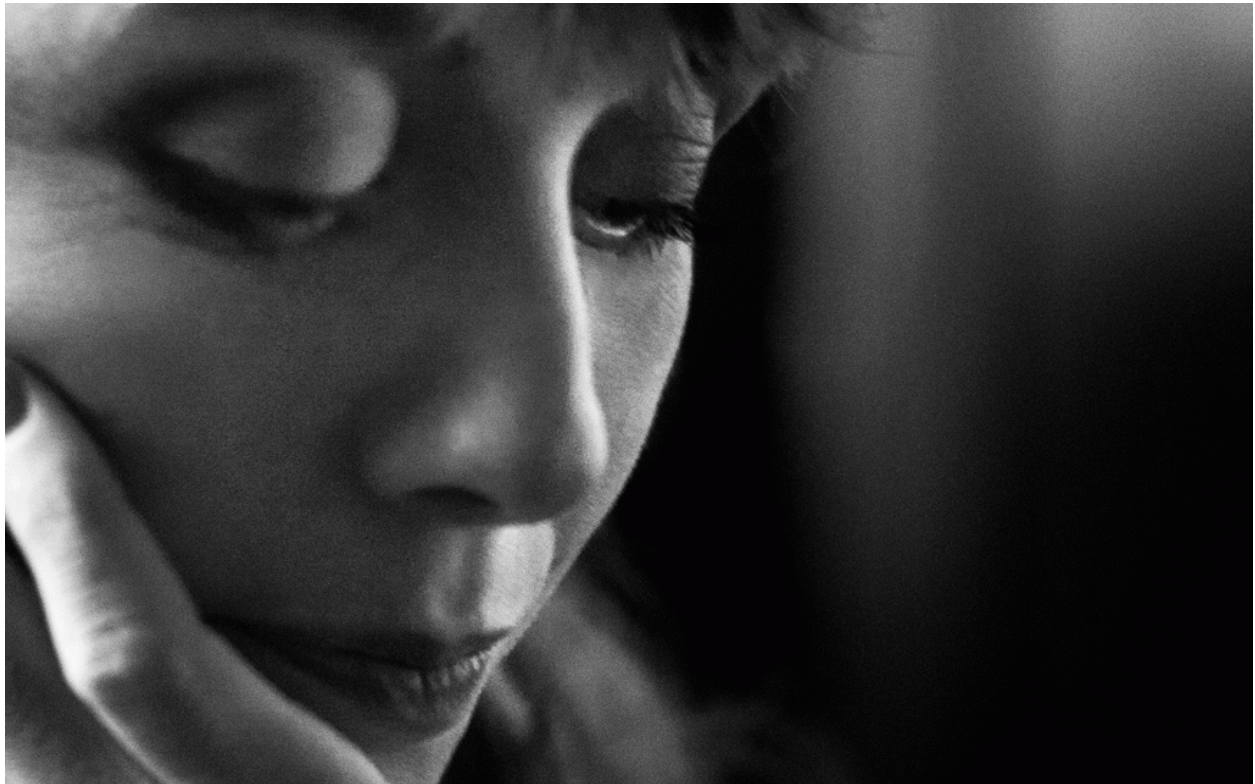
After two years in crisis management, Sofia Falk had had enough of being marginalised as a woman and joined a public relations company, assuming she would have more of an equal chance in a female-dominated profession. But even the PR industry contained a glass ceiling for women. The partners, senior managers and rising stars were all men. “They made excuses that women didn’t want to become managers. But they were missing so much potential,” she says.

Companies in the top quartile for racial and ethnic diversity were 35% more likely to have above-average financial returns.





Sofia Falk was not about to give up without a fight, however. Once voted “Sweden’s most stubborn woman in business”, she resolved to overthrow the system that held women back. In 2008, she founded the consultancy firm Wiminvest – now We Are the StoryDoers – to help large corporations ‘hack’ their undiversified systems. Her decision was timely. There was a growing thirst in the corporate world to embrace diversity, but no one knew how to do it. The business case was becoming impossible to ignore. For example, a 2015 McKinsey report, Diversity Matters, showed the financial benefits of diversity. **The researchers examined data for 366 companies in the UK, the US and Latin America.** Companies in the top quartile for racial and ethnic diversity were 35% more likely to have above-average financial returns. If they were in the top quartile for gender diversity, they were 15% more likely to improve their results. Meanwhile, in the US, for every 10% increase in racial and ethnic diversity on the senior-executive team, earnings rose 0.8%. And in the UK, for every 10% increase in gender diversity at C suite level, earnings rose by 3.5%.



Falk says the collective and emotional intelligence of diverse, or heterogenous, **management teams is higher than for more uniform teams.** “You’re more likely to get different perspectives than in homogenous groups. If everyone comes from the same background, we can skip what John says as we can already predict it. Diversity leads to boldness and innovation in decisionmaking,” she says.

By running ads for longer periods and using words like “design” instead of “construction”. Scania received more

female applicants.



Diversity even creates a kinder, more inclusive, less hierarchical, environment, she argues. “If I cannot read you easily, I have to look in your eyes and listen more carefully to what you’ve said and not interrupt you. This leads to more equal contributions in diverse groups,” she says.

A notoriously ‘racist’ blunder by Google’s computer programmers provided a horrifying demonstration of the limited intelligence of mono-cultural teams, Falk says. Google’s Photos app labelled a black couple as ‘gorillas’ because its artificial intelligence software had been unable to recognise dark-skinned people. “When the Google teams were programming the algorithm, the largely white teams tried out so many more pics of white people that when it used the term ‘human’, black people were categorised as gorillas. It’s a neat illustration of the benefits of diversity,” she says.

When Falk, and her team, work with a corporation to increase female representation at C-suite level, they allow the managers to come up with solutions. Sofia may suggest strategies, but nothing is imposed. The CEO of one bank, for example, thought up a policy to **provide more opportunities for women** to take senior management positions. The bank had no new openings, so the CEO imposed a mandatory period of between three and five years in top posts. It led to more opportunities and the percentage of women in C-suite positions rose from 15% to 42%.

Meanwhile, when the Swedish truck maker Scania wanted to employ more high-potential women as managers, it introduced the simple strategy of **making sure all available jobs** were advertised rather than handed to the next person in line. By running ads for longer periods and using words like “design” instead of “construction”, Scania received more female applicants.

Another technique is to use anonymous applications that withhold name, gender, age and nationality. They give women a better chance of getting to interview. Even then, it can be frustrating when male bias kicks in again during face-to-face interviews. Falk says that when one Swedish heavy industry company used anonymous applications for a senior role, the tactic produced two candidates, one male and one female. The woman was highly skilled and clearly the best option. “But at the final interview, the CEO asked her if she was ‘really interested in technical matters?’ It betrayed his stereotypical assumptions about women. Of course, the man got the job,” she says.

Progress has been made, but there is a long way to go to make Scandinavian workplace culture more accepting of women and minorities in powerful posts, she says. “It’s not just about gender. We have to dig into the corporate processes and invent new routines that nudge the brain to change its perspectives so it doesn’t act out of stereotypes. If we can re-programme people to **accept more diversity**, they will realise it’s possible to be black, or gay, or a woman, and still be a great leader,” she says.





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