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The market of talents in Scandinavian countries

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Summary

Scandinavian countries have the common feature of being organized as horizontal and group-oriented societies. These strong cultural traits do however call into question the capacity and willingness of these societies to develop policies and practices that emphasize individual merits and talents.

This chapter is about exploring whether it is possible to create an efficient and dynamic market of talents without undermining this cultural feature, often seen as the root cause of Scandinavia's long-lasting economic prosperity.

As we examine the story of Nova 100, we will enter a new world of business top talent identification, and will see how this creative enterprise has succeeded in matching the demands of the horizontal society with those of the current war for talent in Scandinavian markets.

Introduction

The very notion of "Scandinavia", just like that of "North America" or "South-East Asia", is as much an artificial construction of the mind as an objective reality: if the Scandinavian peninsula (which encompasses Sweden and Norway, but excludes Denmark, which belongs to the European landmass) is a geographical fact, it is definitely risky to tell a Norwegian that you don't see any difference between their country's culture and that of neighbouring Sweden! The same could be applied, if I am not mistaken, to Canada and the USA or to South-East Asian countries.

Still, though they differ in many ways, Scandinavian countries' do have, for the external observer, strong patterns in common when it comes to the way they have organized and shaped their economies, their social systems and their markets. At the core of their common heritage you find societies built on *horizontality* and *group orientation*. In these societies, which, as we will see below, strongly value group cohesion, all are welcome to develop their individual talents and make fair use of them ... as long as they keep their heads down and stay within the group.

These unwritten but very deeply ingrained values do strongly influence the way business people in Scandinavia think, take decisions

and, of course, relate to the issue of talent identification and talent recognition. In essence, developing policies to locate, attract and develop talent is about differentiating between people and individual merits, which is rather foreign to the Scandinavian way of thinking. This cultural background also sets limits to what's OK and what's not OK in the strategies that professionals may develop on the talent battlefield.

The question – and the dilemma – for players in the “market of talent” in Scandinavia is whether they have to abandon their long-praised values of group cohesion, which have strongly contributed to the performance of their economic model for so many decades, in order to win the war for talent.

In our case study, we will see how an innovative enterprise, which focused its efforts on locating young talents, succeeded in addressing this dilemma creatively and contributed to the shaping of a marketplace allowing genuine Scandinavian top business talents-to-be to emerge.

Searching for young talents in horizontal societies

In their search for young talents Scandinavian companies usually go through the same procedures as any other company in the world: they build trainee programmes, post job ads in various physical or virtual media or participate in university fairs, where they get the opportunity to present themselves to the students. Though these procedures have a real value their limit lies in the fact that their results are largely dependent on the experience and field knowledge of the talent managers who design and implement them. In their search for young talents, however, at the end of the day HR professionals have to take for granted that young talents validated as such by the academic system will prove to be business talents as well. In a nutshell, the implicit rule is that recruiting top students coming from high-end universities is the safest way to enrich your corporate “stock” of talents.

In Scandinavia this rather universal approach is historically made more difficult owing to specific cultural traits which I defined earlier, *horizontality*² and *group orientation*. Horizontal societies, as stated by Laurence Friedman (1999), can be opposed to pyramid-shaped ones in the sense that they strongly resent any kind of overt expression of status, rank or hierarchical difference between the members of the society. In a sense they consider that the achievement of democracy necessitates fighting all kinds of difference, manifest or hidden, that may prevent anyone from realizing himself. In that sense, Scandinavian societies have much in common with the American one. But in Nordic countries, this drive for democracy as a means of individual self-realization is taking place in the context of a *group-oriented culture* (while the American culture is deeply individualistic). As a consequence, Scandinavians are encouraged to put the *group* before the *individual*, considering that “a chain is only as strong as its weakest link”.

These traits have long been praised as contributing strongly to the success of Scandinavian economies. The issue for us is to understand to what extent they have affected business practices and HR policies.

In a nutshell it could be said that Scandinavian corporations don't value lonesome heroes and do not recognize them either. The differences between the highest- and lowest-paid employees in terms of the distribution of salaries within an organization are definitely among the lowest in the industrial world. For the market of talents and the search for gifted young professionals one consequence, for example, is that there is no official ranking of universities. Another is that students have not learned to brag about their results and special gifts. Quite the contrary. During their entire school career, from kindergarten to graduate school, they have learned that performance is a product of social cohesion and teamwork, rather than individual excellence and personal strategies, which have to be downplayed. To summarize, when you're a Swede, a Dane or a Norwegian, and you enter the job market, you have learned to pay

tribute to the *Jante laws*,³ which remind you that it's OK to be good, but definitely not well received to pretend to be better than others.

The Nova concept: building a network of "budding stars"

In the mid-1990s, Sweden was just recovering from a dramatic economic downturn that had instilled some doubts about the efficiency of its economic and social model. Unemployment had skyrocketed for the first time in the country's modern history, productivity was low and businesses were establishing themselves abroad. People were starting to wonder whether the social democratic society had lost its spirit and had gone too far in deterring individual initiative.

In this context a group of students from Stockholm decided to develop a *network of talented students*. The idea emerged as a consequence of the fact that there was nowhere for ambitious and dynamic final-year students to be exposed to challenging business projects and show themselves to interested employers. The immediate success of the network, along with the growing interest of local employers, rapidly transformed the network concept into an entrepreneurial idea, which started to professionalize its approach in order to be able to offer a new breed of services to Scandinavian recruiters.

Among the early issues that Nova – as the network called itself – had to address were definition, identification and access to "business top talent".

Nova founders started with the philosophy that business talent has its specifics and represents only a fraction of the talent that can be found in society as a whole. The business world has its own constraints and rules that differ from, for instance, the world of arts or academia. To begin with, Nova founders considered that academic excellence was by no means a passport to business excellence, even if it was certainly an element of it. They eventually came up with

a three-dimensional matrix making it possible to assess students according to their AQ (Academic Quotient), BQ (Business Quotient) and EQ (Emotional Quotient).

AQ refers to disciplines and grades that appear on the student's CV. In the Nova frame of reference, academic achievements are there to show that the professionals-to-be can articulate their more essential inner resources (manifested, as we will see, by their BQ and EQ) in the rational language of business culture. In other words they show that they have learned to build bridges between the encrypted language spoken instinctively by their heart and guts and the formal language of the mind.

So, beyond AQ, what Nova people are looking at when they are scanning an applicant are the BQ and the EQ. The BQ, Business Quotient, can be defined by the manifested drive. Drive can have many meanings. For Novas, drive is the quality of character that people "who want to change the world" manifest. They are the ones who, during interviews, do not emphasize what they have already achieved – even when it is impressive – but rather what they are not satisfied with, what they could do better. They are the ones who ask questions, oblige you to be more engaged in the interaction; otherwise they start to get bored. They are, at the end of the day, the hungry ones, eager to make a difference.

But business drive is not an end in itself. If it is not balanced by other qualities, it may turn into unnecessarily aggressive behaviour, leading eventually to early burnout or to endless conflicts with one's environment. That is why the equally valued EQ, the Emotional Quotient, represents the third pillar of the Nova talent framework. Simply put, EQ is about the ability to be nice! If the BQ is instinctive expression, the EQ is the ability to express the intelligence of the heart – the capacity to show compassion and people orientation, the ability to mix and match with others because you recognize and value their perspective and are able to build on it.

At the end of the day, these three dimensions form a system and