How entrepreneurial culture can support fast international growth

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ABSTRACT

This paper presents international entrepreneurship in an unusual context. We propose that entrepreneurial culture, defined as one element of a company’s culture, can be a key to successful internationalization.

Eight Icelandic companies are presented. Their growth has been very fast and some are now international leaders in their market. One key to this great success lies in the corporate culture of these companies, their entrepreneurial culture.

The literature offers clear support for our propositions, although research is sorely lacking in this area.

Keywords: Culture; Cultural dimensions; Culture and international business; Entrepreneurial culture; International entrepreneurship
1 INTRODUCTION

Iceland is an island in the middle of the Atlantic Ocean with 300,000 inhabitants. The country is unusual in many ways; its culture shows a blend of European and American influences and there are more than 150 scheduled flights from the country every week, to name a few. Many changes took place in Iceland during the last decade of the 20th century, among them several changes which increased the economic freedom, privatization of banks and decrease in the taxes on company profits. The result of all these changes has been the blooming of many Icelandic companies, both measured by profit and growth.

The international growth of Icelandic companies has been amazingly fast in the years 2004 to 2006. This is underscored by the fact that the direct investment outflow was 42.36% of GDP in 2005, compared to 19.13% for the Netherlands, the second highest OECD country, 4.60% for the UK and 0.07% for the USA. (The FDI outflow is described and analyzed in a Working Paper, due in May 2007.) This growth has been in several industries, albeit only a few companies, but many companies comparative to the population of the country. Due to the small size of the economy, a great growth of Icelandic companies is possible only through internationalization. In the last few years many Icelandic companies have decided on a strong growth strategy and pursued it aggressively. The result has been better than could have been anticipated, warranting further study.

The main reasons for the highly successful internationalization of the Icelandic companies seem clear. (A Working Paper with rather detailed description of this and with statements of several hypotheses is due in June 2007.) On the one hand the company environment is favorable and on the other hand the corporate culture is accommodating,
i.e. a culture that supports companies with fast international growth. The company culture of many of these fast growing companies is characterized by elements like fast decision making, long working hours, emphasis on execution, informality and entrepreneurial behavior. In this paper we focus on the last element, i.e. how entrepreneurial behavior is one of the keys to fast international growth.

A lot has been written about company culture in relation to international business and Leung et. al. (2005) can be used as an entrance to that literature. In some cases, entrepreneurship is given a special attention such as by Oviatt and McDougall (2005). A focus on how company culture affects the results of the company, e.g. the profit, is rare though. There are some exceptions from that, e.g. related to the Denison model.

The main objective of this paper is to increase the understanding of how entrepreneurial behavior can be an important factor in the culture of a company that is experiencing a fast international growth. The paper is divided in several chapters; on one hand the experience of several Icelandic companies and the academic literature on the other hand. First we quickly review the Icelandic economy and culture. Then we give a short description of eight companies and how the entrepreneurial spirit manifests itself in the companies. Then we discuss the literature on company culture, entrepreneurship and results. Finally, we offer some discussion.

2 ICELAND’S ECONOMY

Before 1970 the Icelandic economy was small, closed, primitive and highly dependent on fisheries. The 1970s were a period of strong economic growth for Iceland and it can be said that then a journey
towards the relatively strong, open and diversified economy of today started. One of the first major steps was investment in aluminum production by a Swiss company in the late 1960s, with production commencing in 1970. At that time this was by far the largest foreign investment in the country. A second major step was taken in 1971 when Iceland joined EFTA, the free trade zone consisting of the other Nordic countries, Austria, Switzerland and the United Kingdom.

In the 1980s the development of Iceland’s economy was rather slow although several necessary reforms did take place. Through the 1990s the speed of the development increased and by 2000 the Icelandic economy had changed in some important ways, becoming comparable to other Western-European countries. Market liberalization, privatization and increased economic freedom (e.g. of capital flows) played a role here but much else. A very important step was that Iceland entered the European Economic Area (EEA) in 1994, a free trade zone of the European Union and most EFTA countries.

The Icelandic labor market is quite flexible compared to those in the European Union (EU) and has one of the highest participation rates among OECD countries. This is explained partly by the rate of unemployment having normally been one of the lowest among OECD countries and the participation rate of women in the labor force also having been very high. Participation rates among the young and the elderly have also been quite high. Furthermore, Icelanders tend to work long hours (Central Bank of Iceland, 2006b).

Over the last years government intervention in business activities has diminished significantly and the central government has aggressively pursued a program of privatization. Efforts have also been focused on reducing the corporate income tax, lowering it from 50% in 1991 to the current 18% in 2002, making it among the lowest level in OECD. A flat
tax of 10% is applied on capital gains. The current taxation levels have met with general approval from the business community, with the result of companies deciding to expand their international operations from an Icelandic home-base, rather than moving abroad (OECD, 2006b).

In 2007, Iceland’s economy has grown to a size of $17bn, about 40% of Luxembourg and 6% of the Danish economy. Today, Iceland ranks among the wealthiest countries in the OECD (OECD, 2006b) and the annual GDP growth has exceeded most countries. Two indicators of the blooming economy are that Iceland boasts a GDP per capita of more than $35,000 and the country is ranked 12th in the World Bank’s Doing Business ranking.

Foreign expansion of Icelandic companies in recent years has also had a great impact on the economy. As can be seen in table 1, direct investment flows have been greater in Iceland than in the comparison countries.

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<td>Iceland</td>
<td>3.57%</td>
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<td>Denmark</td>
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<td>Finland</td>
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<td>Sweden</td>
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<td>UK</td>
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<td>USA</td>
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<td>Finland</td>
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<td>Norway</td>
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The foreign expansion has rapidly gained pace, largely through acquisition of companies abroad. Foreign investment is mostly concentrated in the UK and Scandinavia but has also spread all over the world (Central Bank of Iceland, 2006b). Figure 1 shows the rapid growth of foreign direct investment from Iceland in recent years. Although data
for 2006 are not available, it is known that it is much higher than for 2005.

![Figure 1. The growth of Foreign Direct Investment from Iceland. Reference: Central Bank of Iceland (2006a).](image)

### 3 FAST GROWING ICELANDIC COMPANIES

Many Icelandic companies have grown very fast in recent years, mainly through mergers and acquisitions. Here, the focus will be on eight Icelandic companies that all have significantly expanded their operations abroad in only a few years. First Kaupthing Bank, Landsbanki and Glitnir Bank, the three largest commercial banks in Iceland will be described. Then a description will be given of five manufacturing companies; Actavis, Bakkavör, Marel, Promens and Ossur, but all of those companies have reached the position of becoming one of the leading players in their fields globally.

#### 3.1 KAUPTHING BANK

Kaupthing’s roots go back to 1929 when the Icelandic parliament passed laws about Bunadarbanki, a bank fully owned by the government that opened for business in 1930. In 1998 Bunadarbanki was
incorporated, starting its privatization process that ended in 2003. That same year Bunadarbankinn merged with Kaupthing bank under the name Kaupthing bank.

Kaupthing was founded in 1982 and was originally established as a small agency for financial advisory and security brokerage. Kaupthing was at the forefront of changes in the Icelandic financial market, when restrictions on the market were lifted and it began to open up. The bank was the first to offer managed funds and one of the five founding partners of the Icelandic Stock Exchange. Kaupthing established the first global mutual fund in Iceland and was the first Icelandic financial institution to launch a company abroad, which was in Luxembourg. This pioneering spirit has remained a central force as the bank continues to chart out new frontiers in the global financial market.

Kaupthing has strengthened its international operations through acquisition and establishment of subsidiaries. Today Kaupthing Bank is the largest company in Iceland and among the eight largest banks in the Nordic region, operating in ten countries.

3.2 LANDSBANKI

Landsbanki is Iceland’s oldest full-service commercial bank, established in 1885 and opened for business in 1886. Following its privatization process from government ownership in 1998-2003, Landsbanki has expanded rapidly. Landsbanki extended its services into new markets when it acquired the London-based Heritable Bank in 2000. Today Landsbanki and its subsidiaries have offices operating in all major financial centers of Europe, as well as North American representation in New York and Halifax.
During the final stages of the privatization of the bank three entrepreneurs acquired the majority of its shares. In the following year they lead the bank through a transformation into a company that pursued an aggressive growth strategy. The bank and these three entrepreneurs have put their mark on several other fast growing companies such as Actavis (see description later in the paper) and Eimskip, a transportation and logistics company.

3.3 GLITNIR BANK

Glitnir was formed in May 2000, with the merger of two banks; Íslandsbanki and FBA – The Icelandic Investment Bank. The merger created what was at that time the largest financial group in Iceland and the largest company listed on the Icelandic Stock Exchange.

Extensive changes have taken place in the bank’s operations in recent years. It has evolved from an Icelandic bank into an international financial company operating in eight countries. The bank defines Iceland and Norway as its domestic market.

In 2006 Glitnir opened a representative office in Shanghai, China. One major area that the bank specializes in is providing capital to business involving sustainable energy and has financed the construction of a geothermal district heating system in Xianyang, the official geothermal city in China.

In January 2007 Glitnir, along with two other Icelandic companies, founded an investment company, Geysir Green Energy. The new company will invest globally in renewable energy projects based on geothermal sources. Glitnir Bank has made it a priority to become a leading consultant and financer in the field of renewable energy.
The turnover for the three banks has grown rapidly in recent years with the expansion into new markets as can be seen in figure 2.

![Figure 2. Turnover for the three banks.](image)

Icelandic banks had almost no presence abroad before 2000. The internationalization started in 2000 but the growth first took speed in 2004 and has been extremely fast since then. It can be argued that the banks now have both the characteristics of startup (entrepreneurial) companies and established international companies. This offers exciting possibilities of future research and analysis.

### 3.4 ACTAVIS GROUP

Actavis Group is one of the world’s leading players in the development, manufacturing and sale of high-quality generic pharmaceuticals. The company (then Pharmaco) was founded in 1956 as a purchasing alliance by seven Icelandic pharmacists. Four years later the company began production of its own pharmaceuticals. In 1999 the company established an international presence when it acquired the Bulgarian pharmaceuticals manufacturer Balkanpharma along with
Amber International Invest. In 2002 Pharmaco merged with the Icelandic pharmaceutical manufacturing company Delta and the company changed its name to Actavis in 2004.

One of the key elements of Actavis’ corporate strategy is a broad portfolio brought faster to market. In line with this objective, Actavis puts great emphasis on development and the corporate culture of Actavis is very dynamic. The key managers have an extreme ambition to succeed and they do what needs to be done to reach their goals (Herstad, 2006). That ambition has made it possible for the company to grow extremely fast in few years. Actavis has 11,000 employees operating in over 30 countries around the globe and is among the world’s five largest companies in the industry.

3.5 BAKKAVÖR GROUP

Bakkavör Group is a leading international food manufacturing company, specializing in fresh prepared foods. Two Icelandic brothers founded Bakkavör in 1986, when they were just 22 and 19 years old. Initially the company focused on supplying raw fish to retailers in Iceland but quickly moved into making processed consumer meals for European stores.

Bakkavör Group operates 46 factories and employs over 16,000 people in 7 countries. In 2002 Bakkavör Group ranked number 2 on Europe’s 500 listing of high growth, job creating companies and in 2004 the company ranked number 3 on the listing.
3.6 MAREL

Marel’s history goes back to 1977 when two engineers at the University of Iceland began to examine the possibility of developing and manufacturing scales for the effective control of production in fish processing plants. The company was formally founded in 1983. Marel’s activities were originally focused on the design and manufacturing of specialized scales and related monitoring equipment but its R&D focus soon expanded into other areas. The company soon established itself as one of the leading manufacturers of scales and production monitoring equipment in the North Atlantic area. The company acquired a growing reputation for the quality and innovation of its product. In 1986 Marel formed its first subsidiary, based in Halifax. Today Marel operates fifteen subsidiaries in Europe, America, Asia and Australia. Marel’s chief advantage lies in its high-technology solutions. The company’s products are also distinguished by their outstanding quality and Marel’s competitiveness is largely based on its strong product development (Marel, 2006). Ever since the beginning, the employees of Marel have relished the challenge of technically difficult wishes from their customers. In that sense, they have strong characteristics of entrepreneurs.

3.7 PROMENS

Promens is the largest rotational-molding plastics group in the world, with 55 manufacturing plants in 20 countries and employs about 1400 people. Promens (at that time Saeplast) was founded in 1984 to produce double-walled plastic tubs for storing fish. The company has since then grown to become a global leader in the design and manufacturing of multi-purpose rotational-molded insulated plastic
products for all sectors of the food industry, along with an innovative range of specialized products.

3.8 ÖSSUR

Ossur was founded in 1971. From the company’s founding until 2003, Ossur’s primary operations were the design, manufacturing, sale and distribution of prosthetic products. But in 2003 the company entered the orthopedics market. Today Ossur employs about 1500 people in 13 locations around the world.

At Ossur, R&D has always been seen as essential to future development and the company is determined to maintain its technological competency through investment in research and development activities.

Managers at Ossur have said that coming from a small country, with little hierarchy and bureaucracy, they often do not see the obstacles and complications that their foreign co-workers focus on. This could result in easier access to information, quicker decision-making and less cost. The managers have also said that there is a general entrepreneurial or innovative spirit in Iceland, which has been very important for Ossur (Herstad, 2006).

As in other companies there are both written and unwritten rules. Unlike in most companies, the employees at Ossur are told that they are free to, and in fact encouraged to, break unwritten rules. This is one of numerous examples showing how entrepreneurial thinking and behavior is fostered in Icelandic companies.

The five manufacturing companies have been growing fast in the last few years as can be seen in figures 3 and 4.
The five manufacturing companies have all experienced fast international growth in recent years. Their growth continues as they are constantly seeking out new markets to enter and companies to acquire.

4 ENTREPRENEURSHIP AND ICELANDIC CORPORATE CULTURE

The Icelandic companies previously discussed have all grown very fast in recent years and have all established a strong international presence. Most of them are among leading global players in their
markets and have reached that position in a fairly short period of time. But how did they do it? What explains the fast international growth of these companies from a little island in the North Atlantic? Is the Icelandic organizational culture perhaps unique in some way?

Organizational culture is a concept which is hard to describe but has been summarized by Silvester, Anderson, and Patterson (1999). There is some evidence that links organizational culture with entrepreneurship, e.g. the model of Trompenaars and Woolliams (2003). Their model of organizational culture is based on two main dimensions; one represents how egalitarian or hierarchical a culture is, and the other represents to which extent the culture is oriented towards the person or towards the task. Mapping cultures according to these two dimensions produces four culture types, the incubator, the guided missile, the family and the Eiffel tower. Two of these culture types, the incubator that is egalitarian and people oriented, and the guided missile that is egalitarian and task oriented, have strong links with many aspects of entrepreneurship.

Entrepreneurship is also a term which can be described in many ways. Johnson (2001) describes an entrepreneur as an individual who takes agency and initiative; who assumes responsibility and ownership for making things happen; is both open to and able to create novelty; who manages the risks attached to the process; and who has the persistence to see things through to some identified end-point, even when faced with obstacles and difficulties. Johnson also defines what can be called entrepreneurial attitudes and behavior and sees those kinds of attitudes and behavior as a requirement for entrepreneurship. The incubator is person oriented, the individual is given power, the individual’s self-realization, commitment to oneself and professional recognition, are all key goals, an in turn support entrepreneurship. This
person-oriented culture is characterized by a low degree of centralization and formalization, both important characteristics for entrepreneurship. Structure is loose and flexible and has strong focus on empowerment and to creating change. This description fits very well to commonly heard descriptions of the culture in Icelandic companies.

The second culture type, the guided missile, also has a strong relationship with entrepreneurship. This is a task-oriented culture, with a low degree of centralization and in its ideal type is task and project oriented. Phrase such as “getting the job done” and “the right person in the right place” are typical expressions. Organizational relationships are very results oriented, based on rational considerations and limited to the specific functional aspects of the people involved. The key goals are achievement and effectiveness and rank above the demands of authority, procedures, or people. This culture is oriented towards the task, knowledge and expertise gives power, it is committed to the task, and employs management by objectives and pay for performance. These are characteristics of many Icelandic companies, especially task orientation but pay for performance is not as common as might be expected.

The Denison model of measuring organizational culture also shows some evidence for the links between organizational culture and entrepreneurship (Denison, Haaland and Goelzer, 2003). The framework was developed by Denison and his colleagues (Denison, 1984, 1990, 1996; Denison and Mishra, 1995, 1998; Denison, Haaland and Neale, 2002) and focuses on the effect of organizational culture on organizational effectiveness and performance. The model divides organizational cultures into four dimensions and they are further divided into three sub-dimensions.

The first dimension, involvement, is about building employees’ capability, ownership, and responsibility. It reflects how much the
organization focuses on developing, informing, and involving the staff and getting them engaged. The three sub-dimensions are empowerment, team orientation and capability development. Empowerment is clearly a strong characteristic of most of the companies previously discussed. In many of the companies’ acquisitions the difference between empowerment in the Icelandic company and the acquired one has been extreme.

The second dimension, *consistency*, relates to whether the organization has a strong and cohesive internal culture. The three sub-dimensions are core values, agreement, and coordination and integration.

The third dimension, *adaptability*, focuses on the organization’s ability to adapt quickly to the signals from the external environment, including customers and the marketplace. The three sub-dimensions are creating change, customer focus and organizational learning. All the sub-dimensions characterize the Icelandic companies. In fact, adaptability of the Icelandic people is partly a direct consequence of harsh nature, dependency on volatile fisheries and the isolation of the country.

The fourth and final dimension, *mission*, defines successful organizations as those which have a clear sense of purpose that defines long-term directions. This culture type is useful in identifying whether the organization is in danger of shortsightedness or is equipped with systematically defined strategic and action plan. The three sub-dimensions are vision, strategic direction and intent, and goals and objectives. All of the eight companies have very clear growth strategy.

Denison and Mishra (1995) research found that the traits of involvement and adaptability were the best predictors of innovation which is strongly affected by entrepreneurship. The management style of the Icelandic managers seems to support both the incubator and the guided missile culture types described by Trompenaars and Wooliams.
(2003) both of which have strong relationship with entrepreneurship. Research on the organizational culture of the Icelandic companies has been launched that will shed light on to which culture type the Icelandic companies belong and which dimension of the Denison model they fall into.

5 BUSINESS ORIENTATION AND PERFORMANCE

Some research shows a strong link between firm performance and entrepreneurial orientation. Chow (2006) discussed the relationship between entrepreneurial orientation and firm performance in China. In terms of organizational characteristics, entrepreneurial orientation shows significant negative correlation with ownership type, firm age, firm size and environment. Non-state owned, smaller and younger firms tend to be associated with a higher level of entrepreneurial orientation. Mostafa, Wheeler and Jones (2006) investigated the links between entrepreneurial orientation, commitment to the Internet and export performance in small and medium sized firms. The results show that firms with high entrepreneurial orientation are more committed to the Internet and have better export performance than firms with low entrepreneurial orientation. Contractor, Hsu and Kundu (2005) tried to explain the export performance by examining the international growth and competitiveness of software companies in newly-industrializing countries of India and Taiwan. They argued that there has been relatively little investigation based on the entrepreneur’s characteristics and on small start-up firms. Their findings were that entrepreneurial characteristics such as educational background, technological innovativeness and strategic orientation of the entrepreneur are important in explaining successful export performance. Jantunen, Puumalainen,
Saarenketo and Kylaheiko (2005) studied the effect of an entrepreneurial orientation on international performance by using data from 217 manufacturing and service organizations. Their findings indicate that a firm’s entrepreneurial orientation and reconfiguring capabilities have a positive effect on its international performance and provide empirical support for the dynamic capability view of the firm. They argued that entrepreneurial behavior combined with organizational reconfiguring capabilities constitutes a potential source of competitive advantage.

Other research shows the connection between the entrepreneurial orientation and other business orientations such as learning orientation, market orientation and product innovation. Those orientations have all shown strong positive links with performance. García-Morales, Llorens-Montes and Verdú-Jover (2006) studied a series of strategic capabilities or factors that affect organizational innovation and organizational learning. Their findings show that organizational learning and innovation, driven by entrepreneurship, are positively related to organizational performance. They suggest that both organizational innovation and organizational learning jointly promote organizational entrepreneurship and increase competitive advantage. Their results also show the need for strengthening different strategic capabilities to achieve an adequate level of both organizational issues and thus improving performance and encouraging entrepreneurship.

Atuahene-Gima and Ko (2001) develop a concept of an alignment between the market and entrepreneurship orientation. A sample of 181 firms was classified into four categories labeled as market/entrepreneurship orientation, entrepreneurship orientation, market-oriented and conservative firms. The results indicate that these groups of firms differ significantly with respect to both subjective and objective measures of new product performance, and with product
innovation strategies pertaining to timing of market entry, product quality, market synergy, proficiency of market launch and management support for innovation. The question is whether the corporation is market oriented, entrepreneurship oriented or both. Previous research on the relationship of organizational strategy, structure and innovation has generally assumed that entrepreneurial and market orientations represented different “logics” of organization. The study by Atuahene-Gima and Ko shows that entrepreneurial and marketing activities can be integrated by an orientation towards entrepreneurial marketing that drives innovation in the firm. Slater and Narver (1995) argued that although a market orientation provides strong norms for learning from customers and competitors, it must be complemented by entrepreneurship and appropriate organizational structures and processes for higher-order learning to occur. Therefore though the cultural values of a market orientation are necessary, it is not sufficient for the creation of a learning organization.

Hult and Ketchen Jr. (2001) argued that although market orientation can enhance success, its potential value should not be considered in isolation. They suggest that four capabilities, market orientation, entrepreneurship, innovativeness and organizational learning, each contribute to the creation of positional advantage for some firms. The results were based on data drawn from 181 large multinational corporations and indicate that positional advantages arising from the confluence of market orientation, entrepreneurship, innovativeness and organizational learning have a positive effect on those firms’ performance.
6 DISCUSSION

From the discussion above it is clear that a thorough investigation into the entrepreneurship orientation is both interesting and important when seeking to better understand the internationalization performance of Icelandic companies. One key explanation for the fast growth of the Icelandic companies may be the Icelandic innovation system and the entrepreneurial behavior of Icelanders. By many indications, the Icelandic innovation system has gained considerable ground in recent years. Most international comparative studies on innovation performance praise Iceland’s innovation and economic performance in the last five to seven years. Iceland performs well above the EU-average and often above the OECD average for many of the leading innovation indicators. Iceland is often referred to as a leading country in innovation (OECD, 2006b). Results from the Global Entrepreneurship Monitor support this. In recent years the results have shown that the prevalence of entrepreneurial activity in Iceland is higher than in most other countries in the world (Bosma and Harding, 2007; Minniti, Bygrave and Autio, 2006).

Icelanders have a reputation for using different business methods than people from other countries. Fast decision-making, unique problem-solving skills, enthusiasm and dedication are often mentioned. In a report by Sigrun Davidsdottir (2006) Icelanders are said to be very different from Scandinavians regarding working habits and working hours. Icelanders do what it takes to finish their projects within a certain time limit, while others tend to be stuck with an eight-hour working day. They do things more quickly and their decision making is faster (Davidsdottir, 2006).
Most Icelandic companies are relatively small when they venture into foreign markets. They are used to informality and direct communications regardless of hierarchy, but such a behavior is very much in line with the Icelandic culture. Although it is often a challenge, Icelandic managers often actively try to retain the spirit of informality and direct communication in spite of the corporate growth. In some cases the Icelandic mother company has the policy to invite new staff to Iceland on their first day at work in order to familiarize them with the spirit of the company and to meet their Icelandic colleagues. This is done in order to facilitate informal contacts within the company and to inspire the staff to take initiative (Davidsdottir, 2006).

Interviewees in Sigrun Davidsdottir (2006) report said that Icelandic leaders have the typical characteristics of entrepreneurs; they are creative, willing to develop, willing to grow and ready to take great risks. They also mentioned Icelanders’ willingness to solve problems. They do not brood over problems but take it for granted that a solution could always be found. If Icelandic managers are confronted with a complicated problem they do not concentrate on breaking it into parts but focus on the solution right away.

The international growth of Icelandic companies has been remarkably fast in the last few years. This can be seen from high direct investment outflow and rapid growth in turnover and the number of employees of Icelandic companies. There are many indications that this growth will continue.

One of the keys to this great success is firmly believed to be the strong presence of entrepreneurial qualities in the culture of Icelandic companies. This shows itself in characteristics such as informal communication, fast decision-making, empowerment and high change readiness. This has its roots in the country’s culture, which has the same
characteristics. There are other keys to this great success, such as a favorable business environment and availability of money, but there is strong evidence that points to the corporate culture as one of the main influences on this fast growth.

For those who are familiar with the culture and management style in Icelandic companies, it is clear that it has qualities that foster entrepreneurship. This can either be seen by comparing it with the culture types of Trompenaars and Wooliams (2003) or the dimensions of the Denison model. Research on this topic is underway.

The growth of the Icelandic companies has to a large degree been based upon acquisitions. In many cases, following the acquisitions, the managers start to introduce elements of the Icelandic management culture to the new company, in order to improve its performance. This may perhaps be seen as an export of Icelandic entrepreneurship. This also presents an opportunity for interesting research into the nature and role of new international ventures and the source of their competitive advantages, see e.g. discussion by Zahra (2005).

There are numerous opportunities for interesting research in connection with the international growth of the Icelandic companies. An ambitious research program was established at the Institute of Business Research in the University of Iceland in 2006, which will provide several papers in the near future. The pursuit of the answers to these and related questions has been ongoing for several years by many people, without much coordination. Several masters’ theses at the University of Iceland have been written (in Icelandic) about the subject and some at other universities, e.g. Gudmundsson and Benediktsson (2006).
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