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Women's underrepresentation in leadership roles in Nordic SMEs

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ABSTRACT:

Nordic countries are often known as global leaders in gender equality and advancing the United Nations Sustainable Development Goals (SDGs). Sustainable Development Goal 5 emphasizes gender equality and women's empowerment. Despite Nordic region's leading position in gender equality, women still remain underrepresented in leadership positions, especially in top managerial roles. This thesis focuses on small and medium-sized enterprises (SMEs), where informal structures and leader-centered decision-making can shape how gender equality practices are implemented in everyday organizational life. In such contexts, equality outcomes are less driven by formal policies and more influenced by individual leadership attitudes and organizational culture, which can either support or hinder women's advancement into leadership roles.

The aim of this thesis is to examine women's underrepresentation in leadership positions, with a focus on Nordic SMEs. The study addresses three research questions focusing on the barriers to women's advancement, the role of leadership in promoting gender-balanced practices, and the extent to which gender equality is integrated into SME decision-making processes. Together, these questions aim to provide a comprehensive understanding of how gender equality is shaped, maintained, and potentially advanced within Nordic SMEs.

The findings indicate that barriers to women's leadership advancement are multi-layered, often invisible and built into the structures of organizations and society. These barriers operate at societal, organizational and individual levels. In Nordic SMEs, these barriers are reinforced by informal practices that make gendered norms difficult to identify and challenge. Typical Nordic leadership characteristics, such as low hierarchy, future orientation and shared responsibility provide a strong foundation for gender equality, but they are insufficient without concrete actions. The thesis suggests that advancing gender equality requires increased awareness of gender-based barriers, the formalization of equality goals and embedding them into strategic everyday decision-making. When SDG 5 is integrated into leadership practices, responsibility for equality shifts from individuals to the organization as a whole.

KEYWORDS: Small and medium-sized enterprises, gender, gender equality, leadership, Nordic countries

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1 Introduction

Women's underrepresentation in leadership roles is a current trend that has gained recognition globally and has become an important social and political goal, especially in the Nordic countries where striving for equality between genders is culturally very respected and aimed towards. Due to this, the Nordic countries are highlighted to be the leading countries in equality and often rank highest in different international equality indexes. However, despite the strong emphasis on equality, gender equality is still not fully achieved even in these countries, particularly in positions of substantial decision-making power (Kreitz-Sandberg & Lahelma, 2021; Seierstad & Opsahl, 2011). This controversy between formal representation and actual positions for decision-making can be especially seen in small and medium-sized enterprises (SMEs), where leadership is closely shaped by individual leaders' values, attitudes and informal practices (Halme & Korpela, 2014.)

Previous studies are mostly based on large corporations and public organizations, whereas SMEs are less studied, even though they account for around 99% of all companies in Europe, making them a huge part of the area's entire economic field (European Commission, n.d.). In the field of Human resource management (HRM), only 0,5% of all articles are written on SMEs which creates a clear gap for research (Harney et al., 2022). At the same time goals focused on gender equality like the UN sustainability goal number 5 (SDG 5) are creating even higher expectations for companies' management practices and strategic decision-making, including those of small and medium-sized enterprises.

This thesis focuses on current topics such as the institutional advancement of gender equality, responsible leadership practices and cultural norms that affect women's advancement into leadership positions. Previous studies bring up barriers that women face while trying to advance in their careers, such as gender stereotypes, exclusion from informal networks, psychological glass-ceiling, leadership perceptions, insufficient mentoring and sponsorship as well as work-life conflicts (Diehl & Dzubinski, 2016). These barriers can be categorized into societal, organizational and individual levels. Even

though studies around these barriers exist, empirical and theoretical understanding of this topic in the context of Nordic SMEs is still very limited and fragmented.

The aim of this thesis is to respond to this research gap by studying the causes and current situation of women's underrepresentation in the Nordics as well as examining how gender equality and SDG 5 can be seen in SME leadership practices and decision making. The information provided by this thesis creates more understanding around Nordic SME leadership and organizational cultures. It also aims to identify effective approaches for advancing gender equality in SMEs more efficiently and to show the benefits of these actions towards equality.

1.1 Research questions and objectives of the study

The main purpose of this thesis is to examine the factors contributing to women's underrepresentation in leadership roles in Nordic small and medium-sized enterprises. Although the Nordic countries are often seen as global leaders in gender equality, imbalance still remains noticeable in the business sector. This imbalance is not only an issue of equality but also a factor influencing organizational performance and innovation. Research covered in this thesis have shown that companies with balanced gender representation in leadership positions have better linkage to ethical decision-making, stronger corporate governance and innovation (Enciso-Alfaro & Cunha-Araujo, 2024). Addressing women's underrepresentation is also essential for making sure that Nordic SMEs are able to fully benefit from diverse perspectives and inclusive management practises. By examining factors behind this imbalance, the study intends to give insights into how gender-inclusive leadership practices can be strengthened and how Nordic SMEs can better align with the principles of SDG 5. The aim is to answer the following research questions in the light of scientific research:

Research questions:

- 1) What are the key barriers to women's advancement into leadership roles in Nordic SMEs?
- 2) How can leadership in Nordic SMEs be made more gender-balanced?
- 3) How is Nordic SME's commitment to gender equality and SDG 5 reflected in their decision making?

1.2 Definitions of key terms

Small and medium-sized enterprises (SMEs) are businesses that operate on a smaller scale. According to the European Commission (n.d.) SMEs are firms with fewer than 250 employees and annual turnover under 50 million or balance sheet not exceeding 43 million. SMEs are the backbone of most economies, especially in developing and high-income countries and SMEs represent about 90% of all businesses and over 50% of employment worldwide (World Bank, 2025).

Gender is a complex concept that consists of different factors shaping human identity and social interactions. The term gender includes an individual's gender identity which is one's internal sense of self as well as gender expression which means how that identity is communicated to others through behaviour and appearance. Gender also involves social roles and norms, which can be noticed through cultural expectations about how people should act based on their perceived gender (Barr et al., 2023).

Gender equality in this study is viewed through the United Nations sustainability goal number five (SDG 5). SDG 5 outlines gender equality as ensuring equal rights, opportunities and participation for both genders in all aspects of life. The main aim is to remove legal, social and cultural restrictions that work as barriers in women's access to employment, decision making and personal autonomy. Even though global commitments have been put to place the progress towards gender equality remains slow and notable gaps in representation and opportunities still exist. (United Nations, n.d.)

Leadership as a concept has multiple different definitions. Most often it can be defined as the act of enabling, influencing or motivating others to achieve a set specific goal. Sometimes, this includes having a formal title or external recognition through a position. However, leadership is not always limited to formal position and can also be demonstrated through initiative and participation in other ways (Brent et al., 2019). In this study we view leadership as a formal role in organizations.

Nordic countries is a term commonly used in academic writing when grouping together the countries of Finland, Sweden, Norway, Denmark and Iceland (Gupta et al., 2008). These countries are often grouped together, for example in the GLOBE project they form the Nordic cluster for examining cultural dimensions (GLOBE 2020, n.d.). In this thesis we also mostly discuss these countries as a group for our context of study.

1.3 Structure of the thesis

This thesis has been divided into five main chapters. The first chapter introduces the topic of the thesis and presents the research questions as well as the objectives of the study. Key words are also defined in the introduction in order to understand the perspective used in this thesis and to help the reader familiarize with the topic. The introduction is followed by three main theory chapters. The first theory chapter discusses gender equality and sustainability around it. First, the chapter examines the significance of SDG 5: gender equality and women's empowerment. This is then followed by a focus on the underrepresentation of women and barriers that women face that often lead to this underrepresentation. The second main theory chapter focuses on leadership in both SMEs and the Nordics. The chapter explores characteristics of SME organizations, Nordic leadership practices and cultural dimensions that affect these practices. This is then followed by our third theory chapter that attempts to pull the first two theory chapters together by discussing how gender equality can be integrated into SME leadership practices and what the benefits of doing so are. The final chapter of this thesis brings together

conclusions and answers the research questions posed at the beginning. At the end, possible suggestions for further studies are also presented.

2 Gender equality in leadership roles

Progress towards gender equality has been a long and complex journey. Nordic countries were among the first countries to grant women full political rights (Nordic Council of minister, n.d.). This laid the groundwork for women's participation in public life. Women in leadership play an essential role in advancing gender equality, as leadership positions shape not only organizational outcomes but also societal norms and opportunities (Diehl & Dzubinski, 2016; Kossek & Buzzanell, 2018). When women are represented in decision-making roles, they challenge traditional power structures and create more inclusive pathways for future generations ((Diehl & Dzubinski, 2016). Despite progress in education and workforce participation, women remain underrepresented in top management positions. This imbalance isn't only a matter of social justice but also a strategic concern, as leadership diversity has been linked to improved decision-making and stronger organizational performance (Lafuente & Vaillant, 2019). Understanding the importance of women in leadership is central to promoting gender equality, as it highlights how leadership representation and institutional practices are interconnected. This chapter examines the underrepresentation of women in the business sector with a focus on their role in leadership positions.

2.1 The significance of SDG 5: gender equality and women's empowerment

Sustainable development goal 5 (SDG 5) seeks to achieve gender equality and empower all women and girls (United Nations, n.d.). Gender equality is a basic human right, so everyone, regardless their gender, should have the same opportunities. According to United Nations (2015) SDG 5 consist of nine targets, and every target has one to two indicators. These SDG targets explain what should be achieved globally to reach gender equality and indicators provide specific measurements that show whether countries are advancing towards given targets (United Nations, n.d.).

The Nordics as whole were among the first to set clear political goals for gender equality (Kreitz-Sandberg & Lahelma, 2021; Nordic Council of minister, n.d.). Nordic countries have joint background of Nordic history and so-called state feminism, which is a close partnership between feminist movements, equality officers and gender researchers (Ahl et al., 2014; Kreitz-Sandberg & Lahelma, 2021). Nordic state feminism was combined results of two main focuses: second wave feminism, which aimed to enable women to work without giving up motherhood, and the social democratic political movement, which emphasized an equal distribution of resources and power, which were supported by concrete policy measures (Ahl et al., 2014). This partnership has played a key role in promoting gender equality, and the countries are still cooperating to further achieve it (Kreitz-Sandberg & Lahelma, 2021).

SDG 5 is not only a human right issue, but also a driver of sustainable development and organizational success. SDG 5 has been proven to have the most significant positive relationship with other SDG targets, so achieving gender equality is essential for achieving all SDGs, which is the goal of Agenda 2030 (Tiron-Tudor et al., 2025). It's not only essential for promoting gender equality but also for strengthening corporate performance and sustainability. The active participation of female directors in the boardroom contributes to better governance, innovation, and ethical decision-making, which in turn accelerates businesses toward the broader Sustainable Development Goals (SDGs) (Enciso-Alfaro & Cunha-Araujo, 2024). The involvement of women has been shown to have positive impacts on both environmental practices and especially social responsibility, reinforcing the interconnected nature of gender equality and sustainable development (Enciso-Alfaro & Cunha-Araujo, 202; Yahya, 2025). The most significant impact on social responsibility is when women are CEOs, rather than just board members, supporting the idea that women tend to have more altruistic traits and make business decisions that prioritize the well-being of others (Yahya, 2025).

2.2 Underrepresentation of women in leadership roles in the business sector

Gender inequality remains widespread across all dimensions of sustainable development (Beloskar et al., 2024). Globally, women still continue to be underrepresented in leadership, holding less than a third of senior and middle management roles worldwide (United Nations, n.d.). The gap reflects structural barriers, cultural norms and organizational practices that prevent women's advancement. Data shows sizeable regional variation about the problem (United Nations, n.d.). According to United Nations (n.d.), if this current pace of gender equality development continue, progress will be slow and highly uneven, which means that it could take several decades to achieve real equality. Women's representation in leadership positions is generally higher in regions, such as Australia, New Zealand, sub-Saharan Africa and Europe compared with more developing regions, such as Central and Southern Asia and Easter and Southeaster Asia, where progress has worsened in the last years (United Nations, n.d.).

The Nordic countries are known as pioneers in gender equality policies, and Nordic countries consistently rank high in international equality indexes (Kreitz-Sandberg & Lahelma, 2021; Tiron-Tudor et al., 2025; World Economic Forum, 2025). The Global Gender Gap Index, published by World Economic Forum (2025) is a yearly published index which measures gender equality globally across four main dimensions: economic participation and opportunity, educational attainment, health and survival and political empowerment. World Economic Forum tracks the progress of 146 countries towards closing gender gaps since 2006. The countries leading the index are Iceland, Finland, Norway and Sweden, i.e. Nordic countries. Still no economy has achieved full gender parity. The greatest progress towards gender parity has been observed in the areas Economic Participation and Opportunity, and Political Empowerment, but gaps still need to be closed in these two dimensions (World Economic Forum, 2025.)

According to Kreitz-Sandberg and Lahelma (2021), women in the Nordic countries are formally well represented in leadership positions in the business sector but not

necessarily in roles of substantial decision-making power. They may hold seats on boards, but far fewer reach executive or chairperson roles. This demonstrates that although many structural barriers have been removed, deep-rooted organizational cultures and traditional power structures continue to favour men (Kreitz-Sandberg & Lahelma, 2021). This is supported by Seierstad and Opsahl's (2011) study that address women's underrepresentation in substantial decision-making power.

Concerns about the low share of women in corporate decision-making have increased political interest in making company boards more gender balanced. In Norway, this led to the introduction of the Norwegian Gender Representation Law, which was implemented between 2006 and 2008 (Seierstad & Opsahl, 2011). The law requires that publicly listed companies' boards consist of at least 40% women and 40% men. While the legislation successfully reduced women's underrepresentation on boards, women's access to the most senior positions, such as board chair roles, remained limited (Seierstad & Opsahl, 2011). This means that the underlying equality problem about women's actual decision-making power wasn't fully addressed by the legislation and is still an ongoing problem.

According to the Nordic Statistic database (n.d.), using information provided by European Institute for Gender Equality, the share of women CEOs in the Nordic countries remains extremely low despite the strong reputation these countries have for gender equality. The statistic is based on each country's largest publicly listed companies. Table 1 demonstrates female CEO and member of board representation. In 2024, the situation is most unequal in Sweden, where only 4 % of CEOs in the largest listed firms are women. In Iceland, the situation is the best, where 18 % of CEOs are women. Norway, Denmark and Finland fall between these two. This demonstrates that even in highly gender-equal countries, women's advancement to the very top of corporate leadership remains rare. Representation of women is somewhat better when looking at board membership. Based on the statistic (Nordic Statistic database, n.d.), 44 % of board members in Iceland and Norway are women, while Finland and Sweden each stand on 38 %. Denmark falls

between these numbers. This gives a general picture of the situation of female leadership in Nordics. However, it should be noted that the result may be different in SMEs, where leadership statistics remain under-researched (Harney et al., 2022). These figures reinforce the observation that high female board representation doesn't guarantee genuine influence (Kreitz-Sandberg & Lahelma, 2021; Seierstad & Opsahl, 2011). Gendered structures continue to shape access to top executive roles, as shown in the Table 1 by the very low number of women CEOs in the Nordic region.

Table 1. Female CEO and member of board representation in Nordic countries in 2024 (Nordic statistic database, n.d.).

Female CEO and member of board representation in Nordic countries in 2024 (%)		
	Chief Executive Officer (CEO)	Member of board
Denmark	9	43
Finland	6	38
Iceland	18	44
Norway	15	44
Sweden	4	38

The belief, that equality is already achieved, can make progress more difficult, as it downplays the subtle inequalities that exist (Edström & Brunila, 2016; Kreitz-Sandberg & Lahelma, 2021). As a result of this, the responsibility shifts to individuals, with women being expected to develop themselves and adapt to the system, when in reality, the system should be modified to be more equal (Diehl & Dzubinski, 2016). The idea of equality becomes a self-perpetuating obstacle that reduces the efforts to achieve true equality (Edström & Brunila, 2016). Gender and equality remain sensitive and complex topics that require ongoing critical reflection, even in societies that consider themselves as global leaders in equality (Kreitz-Sandberg & Lahelma, 2021).

2.3 Barriers to women's advancement

Despite progress toward gender equality, women still face persistent obstacles and barriers that limit their advancement in the workplace and especially into roles where they have real influence, such as top management leadership roles (Kreitz-Sandberg & La-helma, 2021; Seierstad & Opsahl, 2011). Such barriers are multi-layered, often invisible and built into the structures of organizations and society (Diehl & Dzubinski, 2016). These barriers can be divided into three different levels: societal, organizational and individual (Diehl & Dzubinski, 2016). They shape career paths long before women reach top positions and restrict the ability to progress.

2.3.1 Societal level

Societal level barriers restrain women from advancing in leadership roles and restrict women leaders' ability to fully contribute their expertise (Diehl & Dzubinski, 2016). Gender stereotypes, leadership perceptions, scrutiny and limitation in family-friendly policies are societal barriers that hinder women's advancement. Stereotypes form from relatively fixed and oversimplified generalizations about women (Diehl & Dzubinski, 2016). As a consequence of these stereotypes, leadership continues to be associated with masculinity, meaning that men are more viewed as leaders and women's competence is questioned (Diehl & Dzubinski, 2016; Kocanci et al., 2025). Women often feel the need to prove their competence, and they must ongoingly provide evidence of their abilities even when their competences are equally good (O'Brien et al., 2023). Their leadership is evaluated more harshly than men's (Diehl & Dzubinski, 2016).

Stereotypes about leader's behaviours and prejudices towards women's leadership competence leads to less favourable evaluations of women's leadership potential (Eagly & Karau, 2002). Behaviours that are stereotypically associated with leadership are perceived as less desirable when carried out by women than by men, which contributes to women being viewed as less suitable for leadership positions (Eagly & Karau, 2002).

These stereotypes, prejudices and constant need to prove themselves prevent women from gaining influential responsibilities but also affect how women view their own abilities as leaders (Diehl & Dzubinski, 2016; O'Brien et al., 2023). In this way, gendered stereotypes and masculine leadership perceptions act as a structural barrier that perpetuates gendered power dynamics within organizations.

Nordic countries are considered as the forerunners in family-friendly policies. These family-friendly policies have increased women's economic independence and facilitated the reconciliation of work and family life (Gupta et al., 2008). However, these policies also have their downsides. While Nordic's family-friendly policies have promoted gender equality, they have also reinforced gendered division that may undermine the position of educated women in the labour market (Gupta et al., 2008). Long and well-compensated parental leave benefits mothers, but they have also had negative effects on women's wage progression and career advancement (Gupta et al., 2008). According to Gupta et al. (2008), this has led to a phenomenon called "Welfare state-based Glass Ceiling". This term describes a structural glass ceiling in the Nordic welfare state, which is not based on discrimination within individual companies but on the system's structure itself (Gupta et al., 2008).

The family leave systems in the Nordic countries also allow fathers to participate (Gupta et al., 2008). Despite this, women still use the majority of parental leave (Gupta et al., 2008). This reinforces the gendered division of labour and increases employers' reluctance to hire women for positions that require continuous work input (Gupta et al., 2008). Leave to care for sick children enables flexible response to children's illnesses but mothers take up most caregiving days, which reinforces the assumption that women are the primary caregivers (Gupta et al., 2008). These dynamics create a boomerang effect, whereby welfare policies unintentionally weaken the position of women at the senior-level labour market positions (Gupta et al., 2008).

2.3.2 Organizational barriers

Exclusion from informal networks, discrimination, male organizational culture and lack of sponsorship and mentoring are organizational barriers that represent ways of downplaying women's leadership contributions (Diehl & Dzubinski, 2016). A strong male-dominated network within organizations limits women's access to informal support networks, opportunities, and recognition (Kocanci et al., 2025). This male solidarity, which is rooted in gender norms, reduces women's participation and access to rewards and at the same time reinforces the stereotype that women have lower competence (Kocanci et al., 2025). Career advancement is often based on informal relationships so excluding women from such networks reduces their visibility and limits their opportunities to gain influential supporters (Diehl & Dzubinski, 2016; Ibarra et al., 2010). Women also don't receive genuine support from male colleagues as often as other male employees receive (Kocanci et al., 2025). Especially when gaining a new role, support is important but not as often received (O'Brien et al., 2023).

Insufficient mentoring and especially the lack of sponsoring are significant organizational obstacles to women's career advancement (Diehl & Dzubinski, 2016; Ibarra et al., 2010). Sponsorship refers to going beyond feedback and advice, i.e. the sponsor advocates for protégés interests with senior management (Bhide & Tootell, 2018). Sponsoring is strategic relationship, where the sponsor provides opportunities that would otherwise be inaccessible (Ibarra et al., 2010). Sponsorship increases women's visibility, recognition from decision-makers, and increases trust and self-confidence (Gröschl et al., 2024). Mentoring focuses more on guidance and personal development and is a two-way relationship from which both parties can benefit (Bhide & Tootell, 2018; Ibarra et al., 2010). Mentoring and sponsoring are developmental relationships that empower employees, making them important tools for personal growth and career development (Bhide & Tootell, 2018).

Women are over mentored but under sponsored, which leads to them gaining fewer opportunities, because sponsors are often the ones who elevate an employee's visibility,

advocate for them to senior leadership, and put their name forward for key assignments (Ibarra et al., 2010). Women's mentors have usually less organizational clout than men's mentors, which slows women's career advancement, because the more senior the mentor, the faster mentee's career advance to promotions (Ibarra et al., 2010). Women receive extensive advice on developing their skills, whereas men are more often advocated for, recommended for career-advancing opportunities, and encouraged to step into leadership roles (Ibarra et al., 2010). Mentoring and especially sponsoring provides women with access to the informal networks through which career advancement often occurs (O'Brien et al., 2023).

2.3.3 Individual level

Individual level barriers refer to the challenges that appear at the level of the individual woman herself, and these include the psychological glass ceiling and work-life conflict (Diehl & Dzubinski, 2016). Psychological glass ceiling refers to unwillingness to appear assertive and undervaluation of one's own abilities (Diehl & Dzubinski, 2016). This barrier primarily appears at the individual level, but it's produced and reinforced by societal and organizational level dynamics. Gender stereotypes and organizational cultures that subject women to increased scrutiny create conditions in which women repeatedly experience doubts about their own abilities (Diehl & Dzubinski, 2016). This impact is visible at the individual level but rooted in broader structural and cultural forces.

Gender stereotypes shape women's self-image and perception of their own competence (Heilman, 2012). The mere stereotype of women's limited competence is enough to lower women's own expectations of their performance, influencing their career choices, willingness to put themselves forward, and their ability to take advantage of opportunities that serve as pathways to advancement (Heilman, 2012). Heilman (2012) also highlights that women tend to take less credits for their accomplishments and downplay their own contributions, which can increase self-directed bias even more. These gendered dynamics form a central foundation for the psychological glass ceiling. Internalized norms

and lowered expectations of own competence prevent women from applying for demanding positions, taking risks and seeking promotions, which perpetuates structural inequality even when external barrier appear to have been removed (Heilman, 2012; O'Brien et al., 2023). This way stereotypes act as a self-reinforcing system that limits women's career opportunities both externally and internally (Heilman, 2012; O'Brien et al., 2023).

Although men and women are equally expected to participate in paid work, women are also expected to carry the bigger weight of unpaid work at home due to gender role expectation, because childcare and housework are responsibilities that are socially imposed on women (Björk-Fanta et al., 2024). As a result, balancing work and private life is a struggle for women. Women spend more time on household chores and childcare, which slows their progress especially in high-paying positions (Gupta et al., 2008). A female employee's work-family conflicts can also affect managers' interpretations of her commitment, as managers may mistakenly view these pressures as a sign of weaker commitment or lower interest to advance in her career (Hoobler et al., 2014). These incorrect and negative assumptions directly affect evaluations of women's leadership abilities, as managers may assess that family responsibilities will limit a woman's availability and performance in leadership roles (Hoobler et al., 2014).

The expectation that a leader should be constantly available makes work-family conflicts especially visible (Hoobler et al., 2014; Kossek & Buzzanell, 2018). Although Nordic day care systems provide full-time childcare, their opening hours are often aligned with standard working hours, requiring parents to adjust their working time to meet care responsibilities. In practice, these adjustments are more often made by women, increasing their involvement in time-limited caregiving tasks (Björk-Fant et al., 2024). Women experience that engaging in these time-limited tasks has negative effects on their wages, especially at the higher income level (Gupta et al., 2008). It also limits women's ability to meet expectations of constant availability. At the same time, Björk-Fant et al. (2024) study shows that work-life balance strongly depends on workplace conditions: strong

social support improve it, while demanding work weakens it. As leadership roles are often very demanding, these pressures, combined with structural childcare responsibilities, create conditions that limit women's opportunities for career progression and overall well-being.

3 SME organizational traits and Nordic leadership culture

Small and medium-sized enterprises (SMEs) operate in an organizational environment, with unique factors like limited resources, flexible company structures, and close ties within workforce (Harney et al., 2022). Due to these characteristics, leadership in SMEs has a big influence on the whole company, as decision-making and strategic directions are heavily tied to the personal values and actions of individual leaders (Halme & Korpela, 2014). This flexibility in organizational and leadership structures makes SMEs a good study point for integrating new practices such as gender equality into leadership roles.

In the Nordic context, leadership and organizational cultures are also influenced by cultural norms and dimensions introduced in Hofstede's theories as well as the GLOBE project. These theories state that in the Nordic countries' equality, collaboration, and shared responsibility are key characteristics for organizational environments (Hofstede, 1980; GLOBE 2020, n.d). Better understanding these cultural values is important because they are key factors in creating a supportive environment for improving gender equality in leadership roles.

The combination of SME characteristics and Nordic values creates a unique setting for companies where low hierarchies, participative decision-making, and trust-based relationships are the driving factors of workplace culture and company performance. Which aligns with the opportunities of integrating gender equality into SMEs, which is further discussed later in this thesis. This chapter dives deeper into introducing these characteristics and cultural values as well as discusses how they affect leadership styles in the Nordic context and in SMEs.

3.1 SME organization characteristics and leadership

Small and medium-sized enterprises cover around 99% of all businesses in Europe (European Commission, n.d.) and take part in more than half of all the private sector employment worldwide (World Bank, 2025) making them a big part in global economics. Defining what can be included into SMEs can be complex and done in many ways. According to the European Commission (n.d.) the definition of SMEs is solely based on the count of employees, turnover and balance sheet total. This definition states that SMEs are companies with a headcount of less than 250 employees and a turnover of less than 50 million euros annually or a balance sheet total of less than 43 million euros.

On the other hand, studies such as the one made by Harney et al. (2022) state that research focusing on SMEs can include companies with anything from 2 to 500 employees, keeping subsidiaries of larger companies included in this definition. However, they also bring up the EU categorisation offering a broad guide to differentiating organizations based on the number of employees within the company. These include micro with less than 10 employees, small with 10-49 employees and medium with 50-250 employees, which all fit into the larger category of SMEs (Harney et al., 2022).

In addition to employee counts and financial indicators, common key characteristics can also be found among SMEs. In their study, Harney et al. (2022) highlight six key characteristics typical to SMEs: resource constraints, environmental vulnerability, concentrated ownership, informality, proximity of relations, and employee experience. In their article, these are heavily tied to human resource management studies but also give a good overview of SME characteristics in general.

As said before SMEs rely heavily on the decisions, behaviours and attitudes of their individual leaders, which makes leadership an especially important part of these companies (Halme & Korpela, 2014). In SMEs, leadership and different leadership styles are often also extremely connected to organizational context, where informal structures, close relationships and the small size of the companies are usual (Harney et al., 2022).

Due to the organizational context of informality and flexibility, Berisha et al. (2024) state that SMEs may benefit from leadership styles that focus on communication, motivation and prioritizing employee needs. This type of leadership can be seen in both transformational and transactional leadership, both relevant for SMEs depending on the stage of the company. Studies suggest that Transformational leadership better supports creativity, innovation and employee development, when transactional leadership focuses more on stability, clarity and performance, which is shown to work better in more regulated and advanced SMEs (Berisha et al., 2024; Franco & Matos, 2015). It is still important to note that studies have not found one leadership style to be the most dominant within SMEs, but more so that the leadership style of SMEs is highly tied to the specific organizational characteristics of each company and their individual leader as well as individual employee needs (Franco & Matos, 2015).

3.2 Leadership in the Nordic countries

According to Hofstede (1980) leadership practices are often closely tied to national cultural contexts such as historical social and institutional factors. This is why leadership styles are proven not to be universal, but instead often reflect the cultural characteristics of each country. In the case of the Nordic countries, leadership is affected by cultural values such as trust, equality and collaboration which also affect organizational norms across the region (Lindell & Arvonen, 1996).

This section studies the key characteristics of Nordic leadership with a focus on the commonalities that the cultures of these countries have. By examining these national culture traits and the effect they have on leadership in the Nordics, this chapter aims to provide understanding of the leadership traits valued in the region and how they together with culture affect organizational environments.

3.2.1 The core values of Nordic cultures and leadership

When talking about Nordic cultures low power distance (PDI) is one of the defining characteristics of the Nordic countries. As proven in the Hofstede's four dimensions study that included Denmark, Sweden, Finland and Norway. These Nordic countries scored significantly lower on power distance compared to other European countries like France and Belgium (Lindell & Arvonen, 1996). This comparison can be seen in Table 2. According to Lindell and Arvonen (1996) this low power distance leads to employees being less dependent on managers and consultation between leaders and employees is typically preferred, which then builds a trusting environment in organizations. They also state that in cultures of low PDI companies tend to have a lower sense of hierarchy and shared responsibility for decision making is very typical.

As also seen on Table 2. and mentioned in the study by Lindell & Arvonen (1996) Nordic countries score low on Hofstede's masculinity dimension which translates to high femininity within the culture. High femininity can be connected to values like cooperation, modesty and care for others over competition or assertiveness (Hofstede, 1980). This drives from the fact that based on Hofstede's study (1980) people that are raised in feminine countries are thought to be more modest and loyal whereas people from masculine countries are raised to be well rewarded, ambitious and competitive. Due to these core human values, managers in feminine cultures are often expected to be considerate and employee centred (Lindell & Arvonen, 1996). As a result, together low power distance and high femininity form the cultural base of the Nordic leadership style that can be defined through traits like mutual trust, openness and shared responsibility where collaborations and relationships inside organizations are valued over hierarchy and formal authority.

Table 2. Hofstede's dimensions comparison (Lindell & Arvonen, 1996)

Country	PDI score	MAS score
Belgium	65	54

France	68	43
Denmark	18	16
Finland	33	26
Norway	31	8
Sweden	31	5

Another well-known research focusing on cross-cultural management and cultural dimensions is the GLOBE (Global Leadership and Organizational Behaviour Effectiveness) project. According to House et al. (2002) the project's intention is to examine social cultural values and practices by measuring nine different dimensions. With those dimensions the project aims to identify how these cultural values and practices impact organizational habits and leadership. The study was created with a survey made for thousands of middle managers and focusing on their attributes of effective leadership. The survey was done in 61 nations (House et al., 2002). Six of the GLOBE project's dimensions have been inspired by the dimensions introduced by Hofstede such as the Masculinity vs Femininity dimensions are comparable to the GLOBE's Gender Egalitarianism and Assertiveness dimensions. The assertiveness dimension demonstrates how individuals in societies or organizations are confrontational, assertive and aggressive in social settings which demonstrates similar traits to Hofstede's Masculinity dimension (House et al., 2002).

Out of the Nordic countries Denmark, Finland and Sweden participated in the GLOBE project. In the study these countries form the Nordic Europe cluster, which characteristics are studied to form a specific cultural profile that has a strong impact on the region's leadership practices as well as expectations. According to the official website of the GLOBE project and as seen on Table 3, the Nordic countries have a very low score on Power Distance as well as Assertiveness, which also align with the findings for these countries in the Hofstede's dimensions theory demonstrated in Table 2, with the dimensions of PDI and MAS (Lindell & Arvonen, 1996). Low PDI and Assertiveness demonstrate social equality, low status-based privileges and less confrontational attitudes in personal

relationships (GLOBE 2020, n.d.) making the organizational cultures have less hierarchy and more shared responsibility.

This organizational culture of low hierarchy, shared responsibility and loyalty is also supported by the findings of high Institutional Collectivism and lower In-Group Collectivism within the Nordic cluster compared to other clusters. According to the official GLOBE website institutional Collectivism highlights group loyalty, shared responsibility and shared rewards, whereas low In-Group Collectivism individuals tend to be more self-reliant and less tied to family networks and other relationships. Adding to this the Nordic countries also score very high on Uncertainty Avoidance which demonstrates how in these countries following the rules and planning to avoid uncertainty in the future is very valued (GLOBE 2020, n.d.).

According to the GLOBE website and as seen on Table 3. the Nordic cluster ranks on the higher side of the medium scores on dimensions like Future Orientation and Gender Egalitarianism. The Future Orientation dimension demonstrates how the Nordic countries have tendencies to plan for the future and participate in future oriented practices more than most of the other clusters. Their score on the Gender Egalitarianism also shows the less male dominated nature of the Nordics. These two together explain why Nordic countries often rank highest on Gender equality indexes, because these dimensions show that in these cultures progressive, inclusive and forward-looking ways of thinking are valued (GLOBE 2020, n.d.).

While these cultural practice scores give insight on how Nordic societies behave, their societal value scores show how people in these societies believe things should be like (GLOBE 2020, n.d.). This comparison between cultural practice scores and value scores is demonstrated in Table 3. In comparison to the practice scores Nordic people hope to have higher In-Group Collectivism and Gender Egalitarianism, meaning they aspire to have even more gender equality as well as closer family ties (GLOBE 2020, n.d.).

Table 3. GLOBE Dimensions for the Nordic cluster (Globe 2020, n.d.)

Dimension	Practice (1–7)	Value (1–7)
Power Distance	4,54	2,55
Assertiveness	3,66	3,56
Institutional Collectivism	4,88	4,08
In-group Collectivism	3,75	5,65
Uncertainty Avoidance	5,19	3,76
Future Orientation	4,36	4,76
Gender Egalitarianism	3,71	4,82

It is important to note that even though studies like the Hofstede's dimensions theory and GLOBE project are good for comparing different cultures with each other and how these affect behaviour, they are not very suitable for individual level of comparison (Minelgaite et al., 2020). For example, one of the biggest criticisms toward the GLOBE project is that it studies societal and organizational cultures as two totally different dimensions. Leaving out how national culture shapes individual values which then affect individual actions in an organization. Overlooking this important connection might limit the findings of cross-cultural management and leadership (Minelgaite et al., 2020).

3.2.2 Leadership styles and organizational characteristics

As mentioned earlier, leadership practices and management styles are not universal but are instead formed through national culture. Based on similarities in cultures countries tend to form cultural clusters like the Nordic cluster (GLOBE 2020, n.d.). Within these clusters leadership behaviours show major similarities and therefore can be combined in studies.

According to Lindell and Arvonen (1996) the Nordic management style can be identified through a set of shared cultural and institutional characteristics typical for these countries. The Hofstede's dimension theory and the GLOBE project as introduced earlier state

that organizational cultures in the Nordics are heavily influenced by values like fairness, cooperation and inclusiveness. These values make leadership practices emphasize participative decision-making and shared responsibility over hierarchical control or high authority in leadership (GLOBE 2020, n.d.). A core feature of Nordic organizational culture is consensus-oriented decision-making, which has been proven to provide the Nordic societies with advantages when it comes to solving complex social and organizational dilemmas (Lindell & Arvonen, 1996). As a result, to these cultural factors Nordic management styles seem to build more around participative and team focused leadership rather than concentrated individual authority (GLOBE 2020, n.d.).

This cultural focus of inclusiveness and low hierarchy and the effects they have on everyday leadership have been further empirically studied. In his study Pöllänen (2006) states that Nordic leaders especially in Finland are prone to adopt non-authoritarian and people-oriented leadership styles. This kind of leadership style does not rely on formal power but instead managers focus on cooperation and trust which leads to more consultative decision-making that demonstrates the participative and shared responsibility nature of these organizations (Pöllänen, 2006).

In addition to this Nordic leadership practices have been studied to highlight delegation, employee autonomy and empowerment, leading to less close monitoring and instead having more responsibility and trust at lower organizational (Pöllänen, 2006). This shows that instead of adopting leadership styles focusing on monitoring and control, Nordic leaders are often described to be supporting, coordinating and facilitating, leading with their own example. This type of leadership has its emphasis on creating cooperative working environments where social responsibility is also taken into consideration (Lindell & Arvonen, 1996). This is why Nordic leadership is proven to be low in power distance and highly relational, with authority figures stemming from competence and example instead of only positional power (Pöllänen, 2006).

4 Integrating gender equality in Nordic SME leadership practices

SMEs contribute to more than half of all private sector employment worldwide (World Bank, 2025) and therefore are in a significant role for improving the overall representation of women in the business sector. In SMEs, the leader has an exceptionally large influence, and the leader's attitudes are directly reflected in the organizational culture and decision-making (Halme & Korpela, 2014). This flexibility in leadership provides SMEs the opportunity to address the barriers to women's advancement such as exclusion from informal networks and gender stereotypes as introduced earlier. SMEs' responsibility for this matter often occurs informally and silently and isn't reported and standardized like in Multinational Corporations (MNC) (Spence, 2016). SME responsibility is based on the firm's own values and moral obligation, rather than in external market pressures typically experienced by MNCs (Spence, 2016).

In the Nordics, equality is strongly achieved, but it doesn't necessarily transfer to SMEs because formal processes are often weak and decision-making personalized. This is where the characteristics of Nordic leadership and culture, as introduced earlier, can play a significant role by promoting a more inclusive and egalitarian nature of leadership practices which then better align with the integration of SDG 5. The successful integration of SDG 5 depends highly on leadership attitudes, organizational culture and willingness to formalize equality goals. The Nordic context as presented earlier provides strong societal conditions for this (GLOBE 2020, n.d.). In addition, Nordic people also aspire to have even more gender equality and closer family ties, which can create a natural link between earlier identified barriers and ways of achieving gender equal outcomes for them. In this chapter we examine ways in which these aspirations could be achieved and integrated into strategic commitment in Nordic SMEs.

4.1 Gender equality practices as part of decision making and strategic commitment

Gender inequality isn't only a problem for women but also affects men and the performance of the entire organization (Diehl & Dzubinski, 2016). As these barriers occur at different levels, organizations must recognize that and develop strategies that extend beyond all these levels (Diehl & Dzubinski, 2016). Achieving gender equality requires shifting the focus away from "fixing" women and more toward changing the practices, structures and norms that maintain inequality (Kossek & Buzzanell, 2018; O'Brien et al., 2023). Improving women's career development requires a significant change in organizational culture, which still reflects masculine ideals of work and leadership (Kossek & Buzzanell, 2018). Organizations must break away from the idea, that a competent leader is always available, works long hours and prioritize work over other areas of life, which is a norm that is traditionally been more easily accessible to men, but narrows the opportunities for women to balance work and family-life (Kossek & Buzzanell, 2018).

One key approach to strengthening women's leadership representation is including reporting on SDG 5 goals in corporate strategy and increasing corporate transparency (Tiron-Tudor et al., 2025). SMEs often operate with informal structures and therefore are rarely subject to mandatory sustainability reporting (Spence, 2016). However, SMEs can still choose to voluntarily codify practices (Spence, 2016) and integrate sustainability reporting into their strategy. According to Tiron-Tudor et al. (2025), companies that report on gender-related indicators become more aware of the disadvantages of women's career development. Organizations that commit to SDG 5 reporting actively promotes actions to strengthen equality, for example by setting targets for the number of women in leadership roles, participating in global networks promoting women's empowerment and developing advancement programs aimed for women (Tiron-Tudor et al., 2025). In this way organizations strive to break down structural barriers to strengthen equality.

When SDG 5 is integrated into strategic leadership and governance, equality becomes part of organizational culture and structure, and the visibility of women increases at the

highest decision-making levels (Tiron-Tudor et al., 2025). Organizations that don't integrate gender-related reporting into their strategy tend to treat equality more as an isolated HR issue rather than a strategic priority, resulting in limited accountability and fewer concrete actions to advance it (Kossek & Buzzanell, 2018; Tiron-Tudor et al., 2025). Reporting is a tool for transparency and a driver of change that improves women's opportunities to advance in their careers.

Achieving deeper gender equality requires increasing men's participation in parental leave, which improves workplace flexibility, and balancing financial incentives between genders (Gupta et al., 2008). Increased participation of fathers in parental leave is important because it facilitates women's return to the labor market (Duvander & Johansson, 2012) while simultaneously reducing career breaks for women and changing the narrative that family care is the sole responsibility of women (Gupta et al., 2008). At the same time, it weakens the perception of women as higher-risk employees and reduces work-family burden placed on women (Gupta et al., 2008). Nordic culture provides a good context for parental leave reforms with their generous benefits, universal childcare and strong equality legislation (Duvander & Johansson, 2012). Cools et al. (2015) provide evidence from Norway that reserving a portion of leave only for fathers significantly increases paternal participation. This is supported by Duvander and Johansson's (2012) study from Sweden, where similar reforms introducing father-only reserved leave were implemented. These studies indicate that parental leave policies must be substantial in size, simple to understand and norm-shifting, in order to change behavior and promote equality in parenting (Cools et al., 2015; Duvander & Johansson, 2012).

As earlier stated, the right kind of mentoring and sponsoring is important for women's career advancement. It is important to create long-term relationships that last throughout the employee's career and operate across different networks (Gröschl et al., 2024). When the mentor or sponsor and protégé are of the same gender, they can better relate to similar experiences, which makes it easier to discuss shared gender-based academic challenges (Maguire et al., 2024). Women networks and relatability create solidarity

among women and encourages to pursue more demanding roles (Gröschl et al., 2024; Maguire et al., 2024). Despite this, research shows that women in leadership positions are mainly sponsored by men (Gröschl et al., 2024).

Ibarra et al. (2010) bring up that in order for sponsorships to work, the sponsor must have enough organizational power and must use this power to help the protégé progress by providing visibility, opportunities, and access to networks. Managers must also be able to recognize women who are seeking advancement in their careers (Hoobler et al., 2011). Employees aspiring to move upward on their careers signal this by seeking to form relationships with individuals in positions of influence, taking on visible tasks and showing initiative in career-related matters (Hoobler et al., 2011). When managers respond to these signals, they can provide significant benefits for employees, such as access to their professional networks. It is therefore important that managers understand the strategic importance of mentoring, their own role in it and actively identify women who may benefit from mentorship (Hoobler et al., 2011).

Women's doubt about their own abilities emerges mostly in organizations where gendered norms remain unchallenged, and decision-making is non-transparent (Heilman, 2012). Informal decision-making processes foster self-doubt and reduce women's willingness to pursue higher level positions (Ibarra et al., 2010). Overcoming women's psychological barriers requires organizational practices that address both the internal barriers women may experience and the structural mechanism that reinforce these barriers (Diehl & Dzubinski, 2016). A good way for organizations to mitigate these barriers is to implement transparent evaluation and advancement systems, as they reduce uncertainty, limit bias in decision-making, and legitimize women's leadership aspirations by clearly defining performance criteria and advancement pathways (Kossek & Buzzanell, 2018). Informal decision-making in SMEs makes advancement unclear and the importance of networks is emphasized (Halme & Korpela, 2014), so such informality can make gendered leadership norms easily unchallenged (Ibarra et al., 2010; Heilman,

2012). Therefore, leaders must make conscious choices to create an open work community.

Sponsorship and mentoring also play an important role in overcoming psychological barriers as they help women gain access to important networks, increase visibility, and organizational influence (Gröschl et al., 2024; Ibarra et al., 2010). Leadership styles that explicitly challenge gendered leadership norms by redefining leadership effectiveness to include collaboration, relational competence and individualized consideration can weaken internalized stereotypes and at the same time reduce women's internal psychological barriers (Eagly & Johannesen-Schmidt, 2001).

4.2 Benefits and impact of building gender-balanced leadership

The growing trend of gender-balanced leadership is starting to shift its focus from only representation to also its relevance to organizational performance and benefits. These benefits cover factors related to financial and performance-related outcomes, the quality and ethics of decision-making, as well as how the companies are perceived externally, for example their organizational stability and institutional credibility.

A study done by Lafuente and Vaillant (2019) provides empirical evidence showing the performance benefits of building gender balance in leadership, especially focusing on the board level of companies. Their study uses longitudinal panel data from financial firms to provide evidence, that boards with 40-60% of female representation are associated with having better economic performance. The findings show positive effects especially on indicators like the return of assets (ROA) and net intermediation margins (NIM). Showcasing that gender balance should not only be valued but it also provides measurable benefits (Lafuente & Vaillant, 2019).

An important factor to note is that in the study done by Lafuente and Vaillant (2019) the performance benefits are not measured in companies that have only increased female

representation by little, but in the ones that have reached gender balance. This indicates that gender balanced leadership provides measurable benefits when it is fully reached and not when it is only symbolically implemented. In addition to this the study has also found that these positive outcomes are not tied to women being the top executive roles such as CEO but more so the overall composition of the top management team is what matters (Lafuente & Vaillant, 2019).

In addition to economic benefits, it is also studied that gender-balanced leadership can be linked to better risk-related performance in companies. Due to that it is suggested that leadership balance may contribute to more effective governance and decision-making. Supporting the argument that gender balanced boards can provide the company with more stability, especially when it comes to risk management (Lafuente & Vaillant, 2019.)

Adding on to this, the proportion of women in management positions further strengthens the quality of decision-making. Involvement of women on corporate boards is linked with companies' ESG performance (Khatri, 2022). Female leaders' altruistic characteristics and their risk aversion are among the reasons for this ESG connection (Yahya, 2025). The greatest impact has been shown when critical mass is achieved, meaning that at least 30% on boards are women (Khatri, 2022). This justifies the mandatory gender quota legislation in Nordic countries (Khatri, 2022).

As a result of female involvement on top management positions, companies can perform better, particularly in areas of social and environmental responsibility (Yahya, 2025). This is important in the Nordic context, where business culture is deeply embedded in sustainability regulations and policies (Halme & Korpela, 2014). The United Nations Sustainable Development Goals are closely integrated into Nordic corporate governance practices (Nordic Council of Minister, n.d.; United Nations, n.d.) so women's leadership approaches that emphasize sustainability, help companies meet growing social and environmental demands and maintain their competitive advantage (Halme & Korpela, 2014).

Integrating ethical and socially responsible decision-making strengthens trust between a company and its stakeholders, serving as strategic resource for Nordic SMEs (Halme & Korpela, 2014).

From the perspective of gender-social role theory, women have stronger social and environmental values, and these are reflected in their leadership styles (Eagly & Johannesen-Schmidt, 2001). Gender-social role theory provides a key theoretical explanation for why women's leadership styles are often more participatory and communal (Eagly & Johannesen-Schmidt, 2001). In contrast, men tend to be more autocratic and passive in their leadership styles (Eagly & Johannesen-Schmidt, 2001). These social roles and the behaviors resulting from them are directly reflected in leaders' decision-making: women emphasize more employee well-being, ethics and long-term sustainability (Eagly & Johannesen-Schmidt, 2001). Leadership styles that prioritize well-being increase employee engagement and improve the psychological safety of the work community by promoting open conversations and providing emotional support (Eagly & Johannesen-Schmidt, 2001). Employee engagement has direct impact on organization's efficiency (Franco & Matos, 2015). Female leaders' participatory and sustainable decision-making (Eagly & Johannesen-Schmidt, 2001) is especially important on SMEs, where organizational culture is built around few people, and the leader makes strategic decisions directly (Halme & Korpela, 2014). This highlights the role of the leader's own values and leadership styles significantly.

5 Conclusion

The main goal of this thesis was to examine women's underrepresentation in leadership roles with a specific focus on Nordic small and medium-sized enterprises (SMEs). Even though the Nordic countries are often talked about as being the leaders of gender equality globally, the findings of this study state that this advancement does not fully extend all the way to top managerial positions. It also finds that in SMEs where decision-making often falls on individual leaders and organizations work under informal practices the commitment to gender-equality practices still have a long way to go. This study aimed to answer three research questions around the barriers to women's advancement, the role of leadership in promoting gender-balanced practices and the way that gender equality and Sustainable Development Goal 5 (SDG 5) are included in SME decision-making. In this chapter we provide findings based on these three questions.

This analysis highlights the role that organizational culture and leadership practices have in shaping women's advancement in their career. It is found that in SMEs the leaders have a significant role in shaping organizational practices and norms which also leads to gender equality practices being strongly tied to the individual values and attitudes of the leaders. Nordic leadership characteristics such as low hierarchy, trust, shared responsibility and future orientation also provide a strong foundation for improving gender equality, but these cultural characteristics alone are not enough, but demand for concrete action as well. These actions can be achieved through making gender-based leadership barriers more known and adopting equality goals into decision-making and strategic planning. Having these actions embedded into SMEs is crucial in order to prevent gender norms from becoming a part of everyday operations inside organizations.

5.1 Summary of the findings

The findings of this study show that the main barriers to women's advancement into leadership roles in Nordic SMEs exist at different levels these being societal,

organizational and individual levels. The barriers include gender stereotypes, psychological glass ceilings, exclusion from informal networks, leadership perceptions, work-life conflicts, and insufficient mentoring and sponsorship. In the context of SMEs these barriers can often be reinforced by the informal structure of practices and decision making, which can further make the gendered norms difficult to identify and challenge.

The study also shows that leadership in Nordic SMEs can be made more gender-balanced by taking the focus away from “fixing” women and more toward putting in the effort to change organizational practices, norms and structures that maintain this inequality. Making gender-based barriers visible by pointing them out and openly discussing them is especially important in SMEs, where informal practices play a key role. In addition to this the thesis highlights that typical Nordic leadership characteristics such as shared responsibility, future orientation and low hierarchy create ideal conditions for breaking down these barriers. They just need to be actively leveraged in everyday leadership practices.

Lastly, the findings suggest that Nordic SMEs commitment to gender equality and SDG 5 isn't reflected through traditional standardized reporting and formal governance systems but instead is more tied to leadership attitudes, organizational culture and informal practices in strategic decision-making. This is why the successful integration of SDG 5 is highly dependent on the leaders' willingness to formalize equality goals and adopt them into strategies. When Nordic SMEs align their leadership practices with societal gender-egalitarian values, gender equality becomes a shared organizational goal rather than an individual challenge.

5.2 Suggestions for future studies

This area of study could gain better insight by incorporating qualitative methods into future research. These studies such as interviews with SME leaders and employees, could help gain better understanding of how gender-based leadership barriers are experienced and negotiated in everyday organizational practices. Due to the informal nature

of SMEs, qualitative data would help make gendered norms and practices more visible. In addition, survey-based studies could be used to examine leadership attitudes, organizational cultures and practices across a bigger sample of Nordic SMEs since currently this context has limited research.

Future studies could also dive deeper into understanding the role of individual leaders and especially how leadership values and behaviours influence the integration of gender equality and SDG 5 in SMEs. Examining how Nordic leadership characteristics are implemented in practice could also help to understand why some SMEs succeed in advancing gender equality while others do not.

Use of artificial intelligence

Artificial intelligence (ChatGPT 5.2) was used in this thesis as supportive tool to support the structuring and organization of the texts, as well as in the development of headings. AI was also used to support the clarification of sentence structure and language, as well as for translation purposes. The content, quality and critical thinking of this thesis are entirely the authors' own work.

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