



Iceland

Iceland became an independent republic in 1944 and in the late 20th century saw substantial economic growth driven mostly by the fishing industry. The economy diversified greatly after the country joined the European Economic Area in 1994 but was especially hard hit by the global financial crisis in 2008 and the substantial foreign exposure of its banks.

Iceland's economy depends heavily on the fishing industry, which provides 40% of export earnings, more than 12% of GDP, and employs nearly 5% of the work force.

Iceland has a small home market and therefore better opportunities in bigger markets explain Iceland's expansion abroad. Even though it has the smallest population in the Nordic and Baltic region, it ranks as one of the top 15 countries in terms of per capita income in the OECD. It also performs well in many measures of well-being relative to most other countries in the Better Life Index. Iceland ranks at the top in jobs and earnings, and above average in social connections, subjective well-being, health status, environmental quality, personal security, civic engagement, and education and skills.

Icelandic business characteristics most often mentioned are quick decision-making, little hierarchy within companies, the relatively young age of their business leaders, willingness to solve problems, emphasis on initiative, responsibility and informality.

The loose structure of Icelandic companies means that employees are used to taking the initiative. Icelanders believe it is important that everyone acts on what they see. This is sometimes the greatest difference for foreign staff who are more used to a higher degree of involvement by their executive team and a stricter control system.

Icelanders also show initiative in solving problems. They are not ones for brooding over problems at length, rather they have an optimistic expectation that a solution can be found. In negotiations, you should not avoid bringing up anything that concerns you. They show flexibility and a reluctance to make comprehensive plans but a lot gets done at the last minute.

It is claimed that Icelanders are relatively direct and sparse with words, whereas they often maintain that foreigners tend to talk a lot. There is little excess cheerfulness, but nevertheless they are helpful and friendly people. Straight talking, accountability and honesty are important values. The lack of a debate-culture also means, however, they can get frustrated by other cultures that prefer to analyse problems at length.

Icelanders are also known for being informal – not only are they happy to speak with those in leading positions but managers communicate directly with those relevant to the matter under discussion instead of formally working their way through the hierarchy. They also address each other by their first names.

Icelanders have a dark, quirky sense of humour and have no problem poking fun at themselves. Some of this may have to do with the harsh natural conditions that Icelanders have been exposed to for centuries! They are sarcastic and make jokes about those who think too much of themselves.

Finally, unlike western surnames, which are based on patronymics, reflecting the father's last name, Icelanders use the father's first name. A person's surname indicates the first name of the person's father (*patronymic*) or in some cases mother (*matronymic*). For example, Jon is the father of Olafur and Sigridur, so the children's surname reflects Jon's first name, not his last name. Olafur is the son of Jon and so his surname is Jonsson (*son of Jon*) and Sigridur is the daughter, so she's Jonsduottir (*daughter of Jon*). As always, there are some exceptions to the rule. Some family names do exist in Iceland, mostly inherited from parents of foreign origin, while some are adopted.