

Technocrats to Tycoons: The Shift in Swedish Corporate Leadership and Its Economic Consequences in the 20th century

This paper examines how U.S.-trained engineers on Swedish corporate boards influenced workforce size, composition, and productivity from the late 1800s through 1980. Drawing on newly digitised annual reports from 71 major Swedish firms and biographical data from historical directories, I analyse how the presence of international technical expertise shaped labor outcomes during Sweden's industrial transformation. Using panel regressions with firm fixed effects, I find that firms with higher proportions of U.S.-trained engineers exhibited distinct employment patterns: initially expanding workforces during the early industrialisation phase (1873-1945) but later prioritising labor productivity gains and workforce rationalisation (1946-1980). This mirrors broader shifts in Swedish corporate governance from "managerial capitalism" to "investor capitalism" (Sluyterman & Westerhuis, 2022). My network analysis reveals that these trends were amplified when technically-trained directors occupied central positions in corporate networks, facilitating knowledge transfer between firms (Pavlopoulos et al., 2018). The findings contribute to debates on how technological transfer affects labor market outcomes (Van Lottum & Van Zanden, 2014; Molinder et al., 2021) and demonstrate how the distribution of benefits from imported management techniques and engineering innovations was shaped by board composition. By comparing workforce size and structure between firms with different leadership profiles, the research offers historical perspective on how technical expertise influences the distribution of productivity gains between capital and labor during periods of technological transition (Högfeldt, 2005; Grönberg, 2003).