

Doing Business in Denmark | Danish Social and Business Culture

A Danish Culture Overview

Fact File

- **Official name** – Kingdom of Denmark
- **Population** – 5,500,510 (July 2008 est.)
- **Official Languages** – Danish, Faroese, Greenlandic (an Inuit dialect), German (small minority)
note: English is the predominant second language
- **Currency** – Danish krone (DKK)
- **Capital City** – Copenhagen
- **GDP** – purchasing power parity \$204.9 billion (2007 est.)
- **GDP Per Capita** – purchasing power parity \$37,400 (2007 est.)



Overview

Denmark once belonged to the large Scandinavian Empire and has one of the oldest monarchies in Europe. Although Denmark was never a big colonial power, Greenland and the Faroe Islands remain part of the country today. Danes are quite patriotic and will do what they can to protect their Danish language and cultural heritage. Today, Danish society is based on coalition and conformity and people in Denmark are often referred to as the ‘Nordic Latins’ because of their easy-going, communicative and friendly nature. Nevertheless, it is important to understand the complexity of their social and business culture before doing business in Denmark.

Danish Culture – Key Concepts and Values

Directness – The Danes are very direct communicators, preferring openness and honesty which may seem offensive to foreigners. Even in business meetings Danes will leave the small talk for later and get straight to the heart of the subject. They don’t mean to be rude or arrogant; their directness is simply their style of communication.

Consensus – Differences between the sexes are less distinctive and all relationships are valued in Denmark. As a result, Danish people prefer to resolve conflicts by comparison and negotiation so you will often find your Danish counterparts will strive for a win-win solution.

Family – Denmark has a very family friendly environment with a well developed system supporting maternity and parental care. Apart from subsidised parental leave and day care centres, parents are only required to work 80% of a full timetable if they wish. Danes place emphasis on family and friends, which are the centre of social life, and they enjoy spending time together for holidays, celebrations and leisure time.

Doing Business in Demark

Denmark has a long colonial history throughout which it has maintained a certain level of wealth, despite not having experienced an industrial revolution or many raw materials. A founding member of NATO, Denmark has also been a member of the EU since 1973. Denmark has very high standards in the fields of education and environmental protection. Danes pay very high taxes, but these are invested well and are the main reason for Denmark's high quality medical and customer service, standard of living, childcare, infrastructure and IT. Danes are proud of their country and systems and are as a result quite sceptical about Europe and have refrained from becoming a part of the Eurozone. Denmark's important position in international trade, values of equality and efficiency as well as high standards of living make it an attractive place for foreign investment.

Danish Business Part 1 – Working in Denmark (Pre-departure)

- **Working practices in Denmark**
 - Punctuality is very important in Denmark. If you are going to be delayed, it's important you call your Danish counterpart to let them know.
 - Appointments should be arranged well in advance. However, avoid scheduling meetings during the holiday months July and August.
 - The dress code in Denmark is relatively casual and places emphasis on comfort.
 - The working day starts and finishes early, from 8:00am to 4:00pm with a short lunch in the middle of the day. Danes will spend more time taking lunch when they go for business which they do quite often.
 - The family and home are placed before work. There is a strict distinction between work time and social time. Danes work hard during the 40-hour work week, but they expect free weekends, lunch breaks and holiday in return for their time spent working. Taking work home in the evenings, however, is becoming increasingly common.
- **Structure and hierarchy in Danish companies**
 - Danish businesses tend to have flat hierarchies. Employees rely less on personal power and authority and managers are seen more as team leader or coach.
 - Social barriers between managers and their employees are regarded as unnatural and undesirable.
 - Career opportunities are linked to a person's accomplishments, but also to a modest and socially responsible behaviour. Little emphasis is put on prestige so status symbols are not appreciated and people respect and seek to be just average.
 - Flexibility, tolerance, work ethic, social justice and equality for women form the basis of Danish lives and business environment.

- **Working relationships in Denmark**

- Danish value an egalitarian management style. Decision-making tends to involve a lot of people, but consensus is not always necessary. Danish do expect to be able to share their ideas and opinions.
- Danes are hospitable, cooperative and welcoming to foreigners, but they tend to keep their work life separate from their private life. Danish tend to be open and trusting, but you should still make an effort to spend as much time with them face-to-face as possible.
- Greetings and forms of address tend to be formal in Denmark when the individuals do not know each other. It's best to use the appropriate title followed by the last name until you are asked to call your Danish counterpart by their first name.
- Danes are team players and like to work without many strict rules. However, they do respect and defer to roles and responsibilities at different levels.

Danish Business Part 2 – Doing Business in Denmark

- **Business practices in Denmark**

- English is fast becoming the most commonly used language in business in Denmark, but Danish are still very proud and protective of the Danish language.
- The Danish sense of humour is very similar to that of Anglo-Saxons. They appreciate dry humour but will rarely use or even understand irony and sarcasm.
- Danes try to be empathetic and will look at situations from more than one perspective, however they are not always very accepting of ideas introduced from an external source. The Danish way is often considered to be the best way.

- **Danish Business Etiquette (Do's and Don'ts)**

- ✓ DO pronounce the names of your business partners correctly. If you aren't sure how, ask someone before meeting them.
- ✓ DO wait for someone to say 'Skål' (pronounced 'skole', meaning 'cheers') before drinking with your Danish counterparts.
- ✓ DO give handmade gifts instead of expensive ones which may cause embarrassment.
- ✗ DON'T be surprised if your Danish counterparts tend to use very subtle gestures and expressions.
- ✗ DON'T be too aggressive in your negotiation and communication style. Danes will be suspicious of this approach and you may lose their trust and confidence in you.

- ✘ DON'T interrupt. People in Denmark tend to pause as they speak and wait until the other person has finished speaking. You might find communication is a bit more informal in social situations but respect their desire to avoid interruptions.

Danish Culture Quiz – True or False

1. It's okay to make jokes about the Royal Family
2. There is no word for 'please' in Danish.
3. Danes are very competitive workers.
4. Danish business life is marked by a guild system.
5. Danish have a laidback business style.

Danish Culture Quiz - Answers

1. False. One should not criticise the Royal Family as Danes are very proud of their monarchy and look up to Queen Margrethe II.
2. True. Instead, the listener has to rely on context and intonation to understand what is meant.
3. False. Although Danes are very efficient workers, they would rather co-operate than take a very competitive stance. Despite working hard, the business style is rather laidback. This also underlines the importance of the family life in Denmark.
4. True. The guild system is an association of skilled workers in special fields. Unemployment pay is provided so the labour market is rather inflexible and jobs are quite stable.
5. True. Danes also have a lot of patience and will spend as much time as necessary finding solutions.

* Source: CIA World Factbook 2008

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