

Doing Business in Finland | Finnish Social and Business Culture

A Finnish Culture Overview

Official Name – Republic of Finland
Population – 5,250,275* (July 2008 est.)
Official Languages – Finnish and Swedish
Currency – Euro (EUR)
Capital city – Helsinki
GDP – purchasing power parity - \$195.2billion (2007 est.)
GDP per capita – \$37,200 (2007 est.)



Overview

After gaining independence from Russia in 1917, Finland struggled through two world wars to later become a highly industrialised and successful nation with one of the freest markets in Europe. With over 188,000 lakes and a northern temperate climate, Finns have a dynamic appreciation for nature and enjoy the tranquillity of the countryside. This “Land of a Thousand Lakes” is renowned for its education system, high standards of living, technology and healthcare and ranks high in global business competitiveness. Finns are known to be hard-working and highly educated, but their introverted nature and direct communication style can be confusing to newcomers. Understanding Finnish society and culture is essential for successfully doing business in Finland.

Key Concepts

Equality – Finns highly emphasise equality and egalitarianism and believe that every person deserves the same advantages and opportunities. This attitude prevails in the business world as well, as women and ethnic minorities have a strong presence in both political and corporate life. Finns firmly believe in the protection of democracy and civil rights and there is little difference between social classes.

Individualism – In both the professional and personal aspects of Finnish culture, Finns are self-sufficient and prefer to keep to themselves. Finns tend to be very private and group work is not as popular as in other western nations. Because Finns are typically introverted, Finnish communication may seem impersonal at times though Finns often become friendly once they know their colleagues better.

Pragmatism – Finns are logical thinkers who tend to consider all decisions thoroughly. Most have a very analytical viewpoint and prefer to make decisions based on facts rather than on emotions. Finns are open to new ideas but prefer to keep a realistic perspective when negotiating or planning.

Directness – Finns have a very upfront and direct style of communication. While other cultures may try to sound optimistic when delivering bad news, Finns would rather their business partners to be straightforward. This style of communication may make foreigners uncomfortable, as Finns often seem blunt and upfront. Foreigners will often try to soften their language when something is unsatisfactory and ultimately give false hope to Finns.

Doing Business in Finland

Finland has a free-market economy with a highly industrialised manufacturing sector. Revolutionising its market during the 1980s, Finland emerged with a GDP comparable to the UK and Germany. Finland later abolished public monopolies and fought internal corruption to become one of the most efficient markets in Europe and has been named as one of the most economically and politically stable countries in the world. In the past two years, unemployment has dropped to 6.8% and there has been a substantial amount of growth in the technology sector. Finland has continued to attract foreign investment due to its economic success, high standards of living and flourishing business developments. Successfully doing business in Finland requires a thorough comprehension of Finnish culture and etiquette.

Finland Business Part 1 - Working in Finland (Pre-departure)

○ Working practices in Finland

- Meetings are not typically scheduled during the summer months as most Finns are on holiday during July.
- Most offices operate between 09:00 and 16:00. Finns are not required to work overtime and earn about four or five weeks of paid annual leave.
- Finns are very punctual and expect their international business partners to be on time. If you are running late, it is best to let them know in advance and apologise.

○ Structure and hierarchy in Finnish companies

- The Finnish emphasis on equality prevails in the workplace. Organisations are not typically hierarchical and are usually flat in structure.
- Finns tend to take company policy very seriously and follow the rules. Finns do not expect favouritism nor do they expect exceptions to the rules to be made.
- Finns respect managers who are experienced and hardworking rather than managers with status alone.

○ Working relationships in Finland

- Finns are uncomfortable with small talk and tend to avoid it, preferring silence over frivolous chatter. Long silences and pauses in conversation may make foreign business partners uncomfortable, but Finns use the silence to contemplate what has been said.
- Saunas are a large part of Finnish culture and symbolise Finnish ideals of hospitality and cleanliness. Saunas provide the opportunity to connect with your Finnish business partners and to experience Finnish culture.
- Finns prefer to maintain a certain level of formality with colleagues. In negotiations and meetings, Finns do not engage in small talk and prefer discussing business matters straightaway. Finns are reserved, and while some western Europeans and

North Americans will greet new colleagues with a smile, Finns tend to view this as insincerity.

- Personal relationships with colleagues are not as important as in other business cultures. It is not required to build friendships with business partners as Finns prefer to keep their personal and professional lives separate.
- Finns tend to look at facts and have more trust in contracts and documents than in personal promises and relationships

Finnish Business Part 2 - Doing Business in Finland

o Business practices

- Verbal communication is vital in Finnish business culture and Finns will not typically rely on emotions when negotiating business. Finns pride themselves on being direct and expect the same of foreigners.
- If a meeting is scheduled for one hour, it will end after one hour. Finns generally adhere to planned schedules and deadlines since punctuality is taken seriously and meetings are very structured.
- Finns pride themselves on their work ethic and believe it to be the secret to high Finnish standards of living. Finns are efficient and effective and expect the same of their international business partners.
- Maintain formality in business meetings and negotiations. Finns do not typically use humour in their presentations or around their colleagues. Avoid exaggerating and never interrupt your Finnish business partners.

Finnish business etiquette (Do's and Don'ts)

- ✓ DO maintain eye contact and speak directly to your Finnish business partners. Finns take lack of eye contact for dishonesty and untrustworthiness.
- ✓ DO accept an invitation to a sauna. It is an excellent way to connect with your colleagues while learning about traditional Finnish culture, as many important meetings tend to be followed by a trip to the sauna.
- ✓ DO poke fun at yourself and your country, but never make fun of others. Finns appreciate dry wit and enjoy self-deprecating humour. Finns enjoy irony and have a rather subtle sense of humour.
- ✗ DON'T interrupt your Finnish colleagues during presentations. Save your questions until the end and keep them to a minimum. Finns tend to distrust talkative people.
- ✗ DON'T show strong emotions. Finns view this as unprofessional and being too emotional will harm your relationship with your Finnish business colleagues.

- ✘ DON'T be offended if your Finnish partners seem rather blunt and to the point. This is typical in Finnish communication, as Finns prefer to tell the truth directly and take pride in their matter of fact attitudes.
- ✘ DON'T compare Finns to Swedes as there is a firm rivalry between these nations. Finns are very proud of their distinct cultural identity, so try to avoid calling Finns Scandinavians.
- ✘ DON'T complain or criticise. It is never in your interest to be critical or opinionated, as any kind of negativity will offend your Finnish colleagues.

Finnish Culture Quiz – true or false

1. Finns dress conservatively – men and women wear dark suits
2. A pat on the back is viewed as a positive gesture and is quite common in Finnish business culture
3. Finns have the highest per capita use of the internet and cell phones in the world
4. Never use first names when negotiating business with Finnish colleagues
5. Finns are very religious and religion plays a large role in every-day Finnish culture

Finnish Culture Quiz – Answers

1. True.
2. False. Finns view this as patronising.
3. True
4. False. It is acceptable to use first names except when in an especially formal environment.
5. False. While most Finns are Lutheran, many have a very secular view on religion and faith is not openly discussed.

* Source: CIA World Factbook 2008

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