

## Doing Business in the Netherlands | Dutch Social and Business Culture

### A Dutch Culture Overview

#### Fact file

- **Official name** – Kingdom of the Netherlands
- **Population** – 16,715,999\*
- **Official Language** – Dutch
- **Currency** – Euro (EUR)
- **Capital city** – Amsterdam (seat of government in the Hague)
- **GDP** – purchasing power parity \$670.2 billion\*
- **GDP Per Capita** – purchasing power parity \$40,300\*



#### A Dutch Overview

Situated in north western Europe between Germany, Belgium and the North Sea, the Netherlands is one of the most densely populated nations in Europe. The name 'Netherlands' means 'low lands' and almost a fourth of the country's landmass is below sea level. A former sea and colonial power, the Dutch are known for their worldliness and language skills. Culturally divided between north and south, the Netherlands does not have a strong national culture. Instead, the country's cultural diversity, tolerance of difference, and receptiveness to foreign influences is emphasised and valued. Working successfully in the Netherlands requires a thorough understanding of the Netherlands and the Dutch way of doing business.

#### Dutch Culture – Key Concepts and Values

**Egalitarianism** – An egalitarian outlook characterises the Dutch society in which everyone is considered valuable and worthy of respect. While people respect each individual's opinion, the Dutch tend to feel uncomfortable when people set themselves apart. Pretentiousness and ostentation is frowned upon and 'acting normal' is a basic precept of Dutch society. Status and respect are obtained through studies and hard work rather than through family ties and old age.

**Individuality** – Closely related to Dutch egalitarian values is their emphasis on individuality. Freedom of each and every citizen is highly appreciated and protected. People are allowed to behave and express themselves however they like, as long as it does not impose on anyone else's freedom. Tolerance for individual differences is regarded a must in Dutch society.

**Consensus** – Though individual input and suggestions are valued, the Dutch place a high importance on consensus. In business, the need for consensus leads to rather slow decision-making and lengthy negotiations since input from everyone must be considered.

**Direct communication** – The Dutch use a very straightforward and direct communication style. In Dutch society, directness implies openness and clarity between people. Dutch tend to mistrust intuition and therefore prefer relying on hard facts and figures rather than emotions and instinct.

## Doing Business in the Netherlands

After twenty years of French occupation, the Kingdom of the Netherlands was created in 1815 together with Belgium. Fifteen years later Belgium broke away to form a separate kingdom and the Netherlands became the nation it is today. With a strong tradition of involvement in international affairs, the Netherlands has one of the most open economies in Europe but depends heavily on foreign trade. This prosperous nation has its economic and political centre in the densely populated region of Randstad where the cities of Amsterdam, Rotterdam, The Hague and Utrecht can be found. As one of the founding members of the European Union and one of the first to use the Euro, the Netherlands is one of the leading European nations for attracting foreign investment. Understanding Dutch liberal values and the emphasis placed on efficiency and directness is critical to effectively working in the Netherlands.

### The Netherlands Business Part 1 - Working in the Netherlands (Pre-departure)

- **Working practices in the Netherlands**
  - Normal business hours are from 8.30 a.m. to 5.30 p.m. The Dutch usually take extended vacations during the months of July and August as well as late December.
  - The Dutch place great importance on the efficient use of time and expect punctuality.
  - Facts, statistics and other hard data are greatly valued in Dutch business. As the Dutch prefer arguments based on rationality as opposed to emotions, business proposals should always be supported by facts and figures.
  - Appointments need to be made well in advance and should be carefully scheduled as last minute changes are not appreciated.
- **Structure and hierarchy in Dutch companies**
  - Dutch organisations are generally quite flat and roles tend to be loosely defined. Seniority and power are not emphasised.
  - Dialogue between management and staff is encouraged and seniors welcome input from subordinates.
  - Equality between genders is encouraged so women officially have the same opportunities in the work place as men. However, inherent gender biases may still persist, limiting women's chance of reaching high managerial positions.
- **Working relationships in the Netherlands**
  - While not necessary, establishing personal relationships with the Dutch can improve professional exchanges. Although initially quite formal, after first contact the Dutch prefer a fairly personal approach, especially when business contact will be over an extended period.
  - Generally, the Dutch will not spend a lot of time socialising or making small-talk at meetings or other business discussions. The focus instead lies on the task at hand.

- The Dutch tend to maintain a clear separation between their personal and business lives.

## **The Netherlands Business Part 2 - Doing Business in the Netherlands**

### **○ Business practices**

- A handshake is the common form of greeting in business situations. It is part of Dutch business protocol to also shake hands as you are leaving.
- Address your Dutch business partner using formal titles and family names until invited to do otherwise. Colleagues will usually use first-names with each other relatively quickly.
- Meetings are usually formal and well structured and as such, tend to adhere to the agenda.
- Consensus guides the decision-making process in most Dutch organisations. The process may therefore be slow as everyone involved will be consulted before an agreement can be reached. However, once the decision is made, implementation of it is normally quite efficient.

### **○ Business Etiquette (Do's and Don'ts)**

- ✓ DO avoid giving work-related compliments to individuals openly. Since most work is done in groups in Dutch business organisations, recognising individual effort is not emphasised. Praise and criticism should always be given in private.
- ✓ DO dress in an informal yet conservative way. Keep your dress modest and simple and avoid anything which may appear pretentious.
- ✓ DO make it clear that you are aware of the difference between the Netherlands and Holland. Don't refer to all of the Netherlands as Holland, since Holland is actually an area which includes only two of the country's twelve provinces: North and South Holland.
- ✗ DON'T brag about your own achievements or over exaggerate your skills. Dutch people value modesty and anyone who tries to show off is frowned upon.
- ✗ DON'T give your Dutch business partner expensive gifts. Large gifts may make the Dutch uneasy as they feel they have to return the generosity. Large gifts may also be interpreted as bribery or unfair treatment to others.
- ✗ DON'T interpret your Dutch colleague's direct communication style as rude or blunt. Dutch believe directness shows openness and honesty.

### **Dutch Culture Quiz – True or False**

1. The Dutch speak openly about their salary with colleagues and friends.
2. Business cards should include any university degree above a B.A. as the Dutch have great respect and value for higher education.
3. In conversations with your Dutch counterparts, make sure you clarify your status and rank in your company.
4. Chewing gum in public and talking with your hands in your pockets is considered rude by the Dutch.
5. Both at home and in the workplace, the Dutch keep their doors closed or slightly ajar. Always knock and wait to be invited in before entering someone's room.

### **Dutch Culture Quiz - Answers**

1. False. One's financial situation is considered a private matter.
2. True.
3. False. Any reference to hierarchy or status should be avoided or played down.
4. True.
5. True. Privacy is of key importance in the Netherlands.

\* Source: CIA World Factbook 2007

Author: Maja Warnstam, MA Intercultural Communication

### **Contact Details**

Communicaid  
Mitre House  
12-14 Mitre Street  
London  
EC3A 5BU

Tel: +44 (0)20 3370 8580

Fax: +44 (0)20 3370 8501

E: [info@communicaid.com](mailto:info@communicaid.com)

W: [www.communicaid.com](http://www.communicaid.com)