



FINLAND BUSINESS CULTURE

Finland is a fascinating country in northern Europe. Located in Europe's far northeastern region, Finland shares long borders with Russia, Norway in the north, Sweden, and some of the Baltic states across the Gulf of Finland to the south. The country is often referred to as the "Land of 1.000 lakes," although this is highly inaccurate. The best estimate of the number of lakes in Finland is 188.000. The lakes provide beautiful scenery during the summer – a season that, according to the Finns, is much too short. In the winter, the landscape is even more magnificent, with layers of snow and ice reflecting the rare sunlight of the day, and northern lights dancing around at night. The population density in Finland is very low: 17 inhabitants per square kilometer. Today, the total population is 5,5 million people. It is important to understand this number is an average between the more densely populated urban centers – mainly located in southern Finland – and the extremely low population density in Finnish Lapland, where there are only two people per square kilometer.

Finland became an independent country about one hundred years ago. Previously ruled by Sweden and Russia, the Bill of Independence in Finnish Parliament was adopted on December 6, 1917. Subsequent recognition by the international community, including Russia, allowed Finland to become an Independent Republic. During the Second World War, the Russians invaded Finland, but were defeated, enhancing Finnish national pride. They do not attribute this victory to higher numbers of soldiers, tactical warfare, or superior guns. They see it as the result of the strong Finnish fighting spirit called 'sisu'.

Today, Finland is an independent country, and often associated with other Scandinavian cultures and referred to as 'Scandinavian'. This is a misconception, however. Although the Finnish culture is historically connected to the Swedish culture, and Swedish is spoken as an official language in parts of Finland, Finland is distinctly different. Proud Finns will certainly correct anyone who identifies them as 'Scandinavian.'





It follows that Finnish business culture also is different from other Scandinavian business cultures – in fact different from any other culture worldwide. With regards to individualism, power distance, and uncertainty avoidance, the Finns fare like most western European cultures. However, there are big differences and it would behoove professionals from countries working with the Finns to understand how Finnish culture works. Finns themselves benefit from reflection and being aware of how their culture comes across to others. In turn, we would profit from realizing how we are regarded from a Finnish culture point-of-view.

Finland and its culture are not very well known across Europe and the rest of the world. The 100-year anniversary of Finnish independence is a fitting moment to write an article about this fascinating, often misunderstood, culture. In this article, I highlight five cultural differences between Finland and other cultures, and provide some practical tips on how to deal with these particular behavioral differences.

WARNING: The analysis that follows uses frequent stereotypes, especially in the bulleted recommendations. I realize however we are all different, and that no single behavior defines all Finns or all other cultures. Stereotypes are used here to clarify, but should never become a guideline for behavior.

1 COMMUNICATION: STILL WATERS RUN DEEP

One thing many people know about the Finnish culture is their comfort with silence. The Finns do not speak much, and they recognize this about themselves. When speaking about this character trait, they do so with a rare combination of pride and shame. Over the past 15 years, I have worked with mixed-cultural groups that have included many Finnish participants. Certainly, they are amongst the quietest participants in our sessions. It would follow, therefore, that Finns are introverts. However, this is far from the truth.





MBTI (Myers-Briggs Type Indicator) is one of the most frequently used personality instruments, and one of its dimensions is the Extroversion vs. Introversion dimension. Globally, the numbers on this dimension are 50/50: there are as many people who get energy from interaction with their external world, as there are people getting energy from within. In Finland, one of the most recent measurements indicates a score of 50,1% in favor of introversion, which close matches the global average. For some countries however, the preference for introversion is closer to 55%, such as Lithuania, Czech, Slovakia, Latvia, and remarkably also Portugal, a country we more often associate with outgoing people.

Clearly, we should not confuse quiet engagement in social gatherings with introversion. As stated previously, many Finnish will score extroverted on the MBTI dimension, revealing that they get ideas from their interactions with others, and they solve problems by talking them through. This does not mean they are frequent talkers, however. The Finnish take pride in being concise and to the point.

Finns are deep thinkers and often use silence to structure their thoughts and come to decisions. When Finns do speak up they will usually be factual, brief, and pointed in their statements and opinions. This is where their value is in complex business settings. I have often been in long and complex discussions, summarized at the end by a Finn with one sentence. Short and concise, with some dry and subtle humor, and well-chosen words.

This strength in clarity and brevity can become a pitfall. Many of the professional contributions of Finns do not get noticed by foreign managers and peers. In a business world where visibility, being heard, and communication skills are valued, the Finn will often feel overshadowed and unable to communicate ideas. He may think, "The others are so noisy. I do not have a chance when others do all the talking." This is where the Finns do themselves a disservice. Their preference for quiet consideration and deep thought cannot be an excuse for withholding contributions to business conversations. In many cultural awareness programs (and individual coaching), we spend time on this aspect with our Finnish participants – we encourage them to make themselves heard! Not because this is the norm in international business, but because it is their professional obligation to voice their ideas and thoughts.

What others should know about the Finns:

- **Silence is not the same as 'failure to communicate'. For the Finns, silence provides an opportunity to think and is an integral part of social interaction;**
- **Short and concise communication with little words is common. Do not get distracted by form. Focus on the content of their message;**
- **They need to be encouraged to speak up. Stop talking and create room for them to contribute. When you invite them to speak, allow them the opportunity to be heard without interruption.**

What the Finns should know:

- **Force yourself to speak up. You have to create room for your professional contributions. Do not rely on others to invite you in;**
- **Do not be afraid to finish what you start. Talkative foreigners will interrupt your sentences quickly; claim the space to give your opinion;**
- **Do not hold back if you think your mastery of English is not good enough. The others are not native English speakers as well, and your English is better than you think it is.**



2 DECISION-MAKING: CLARITY ABOVE ALL

Similar to other Scandinavian cultures, The Netherlands, and Germany to some extent, Finns need consensus building when making decisions. It is important to them that the opinions of both knowledgeable experts and lower-level employees are heard. They look for buy-in across teams when decisions are implemented. The principles of decision-making are democratic, and the culture can be described as consensus-driven.

It would follow, therefore, that in a consensus-driven culture there would be sufficient discussion and debate. However, this is not the case with Finnish people. As previously mentioned, Finns are quieter than many of their Scandinavian and European counterparts. Finns do not equate the “democratic process” and “consensus” to conversation. Rather, Finns prefer brief dialogue and take pride in reaching consensus with minimal talk. It is here that the Finns differ greatly from their Swedish neighbors. The Finns have little patience for the Swedes, who engage in lengthy discussion rather than dealing with something swiftly. In turn, the Swedes find Finns blunt and fact-driven and too linear and cold in their arguing.

Stated differently, in Finland decisions are made based on facts and figures, and they prefer refraining from introducing irrelevant contextual information, emotional considerations, or political sensitivities. They want to hear information succinctly and efficiently, without subjective observation or personal beliefs.

Although the Finns are consensus-driven and all levels of the company are invited to share ideas, the power of a Finnish manager is considerable. If discussions take too long or consensus cannot be reached, the Finnish manager acts decisively. Providing clarity in the decision-making process has priority over consensus-seeking.

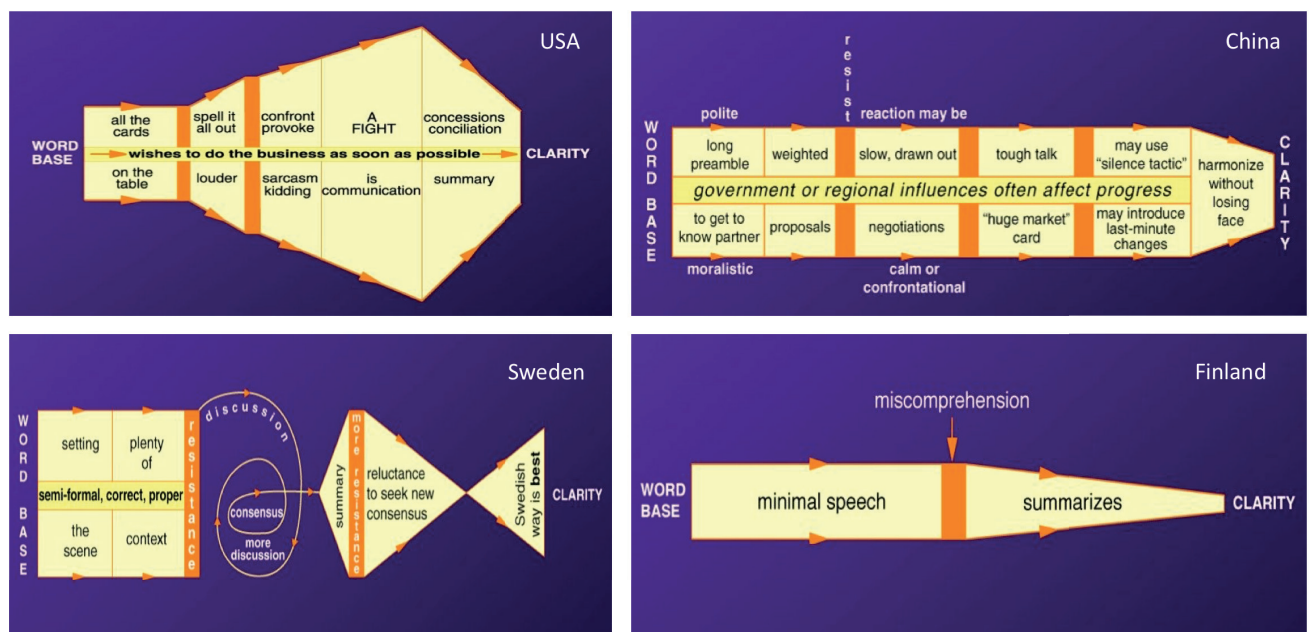



Figure 3: Communication patterns compared between the USA, China, Sweden and Finland.

Source: *When Teams Collide*, Richard D. Lewis, 2011

Figure 3 shows the work of Edward D. Lewis and illustrates communication patterns in the decision-making processes of 4 relevant cultures: the US, China, Sweden and Finland. The picture shows the no-nonsense



and fact-driven Finnish approach in contrast to the more complicated approaches in the US (vocal and opinionated discussions), China (sensitive harmony seeking in a negotiation style) and Sweden (a search for consensus where all inputs are weighted and present in the final decision). The Finns take pride in their 'simplistic' way of approaching complicated decisions.

Here emerges a challenge to Finnish professionals. When confronted with higher management who uses high-level, hypothetical, or biased language, Finns often get reserved or even downright cynical. When speech is unclear and disjointed, they'd rather not hear it. In fact, they may decide to boast and contrast a long managerial monologue with their own clear and to-the-point three-word summary. Conversations between well-informed Finnish professionals and foreign upper management can become disappointing and fruitless when there is little appreciation of the other's business style. Finns would achieve more by reaching out and connecting.

What others should know about the Finns:

- **Prepare for decision-making and negotiations. Have facts and figures at hand, and refrain from emotional considerations;**
- **There is no need to make your point when somebody else already made this point. Minimize the speech, and only bring in information that is new and relevant;**
- **Proposals should be short and concise. Refrain from abstract wording or 'sales-talk.'**

What the Finns should know:

- **Short, sharp, and 'staccato' contributions may be perceived as cynical. Do not try to outsmart others with your sharp observations;**
- **There will be discrepancies between what Finns consider 'relevant information' and what others consider 'relevant.' Contextual information, sensitivities, and political considerations may be very relevant to others;**
- **Give others time to reach the same conclusion, without compromising strength. The Finnish drive for clarity is a strength and advantageous to the group.**

3 RELATIONSHIPS AND BUILDING TRUST

Across the world, trust is built in different ways. In some cultures, trusting someone does not require the development of a personal relationship. If commitments and promises are delivered on time and with attention then that is good enough for a continued business relationship. The Finns, together with most northwestern European cultures and the US, belong to this category. Personal relationships may develop out of business relationships, but they are not a necessity for long-term business collaboration. The Finns are task-focused, and as such there is no immediate need for personal connection.

This contrasts to many other cultures in the world, such as southern and eastern Europe, Asia, Latin America, and the Middle East. There, building personal relationships is necessary for working together. All business is personal. The collaboration of a client and a supplier is an interaction between two people who represent the client organization and the supplier organization respectively. It is important to get to know each other and build a connection that extends beyond the commercial interaction. Here, building personal contacts is time well invested in developing long-term business.



The Finns are a typical example of a 'coconut culture,' they possess a tough exterior, but once through the hard shell, they are warm and likeable. This stands in contrast to the Americans, who can be described as a 'peach culture,' soft on the outside, but the hard, personal core is not easily penetrated. The coconut Finns are at the extreme end of the spectrum. The inhabitants of Finland have strong characters, and do not easily open up to foreigners. Therefore, coconut behavior often is misinterpreted by foreigners. They may decide – based on first impressions – the Finns are disinterested, laid-back, and indifferent. These stereotypes – like most stereotypes – dissolve once through the tough outer layer. In fact, Finns are interested, but do not feel the need to share. Finns are switched-on, sharp, and active. They think deeply about the things that are said, and contribute at the appropriate time. Additionally, they are goal-oriented and care about work and the projects with which they are involved. Again however, they do not feel the need to display this in the same way as Americans, Spanish, or Brazilians would. Instead, the Finnish display little emotion in public, as it is considered unprofessional. They also take pride in being to-the-point.

In Finland, trust and reliability are closely interlinked. When working with Finns, don't promise something and then fail to deliver. This is a quick way to lose trust, and business can stagnate very rapidly. When promises are kept, and people work hard and approach projects with seriousness, Finns are likely to open up.

What others should know about the Finns:

- **Initial silence and distant behavior is not meant to be unfriendly; there is no immediate need for them to get personal;**
- **Stay business-like and professional.**
Focus on the task at hand, and, after a while, the Finns will open up;
- **Humor can reduce tension in Finland. It is a quick way to break through the hard coconut skin, and connect to a warm person.**

What the Finns should know:

- **You can come across as tough, cold and not interested.**
Spend a few words to tell to your business partners from other cultures that you care;
- **In many other cultures, trust is built by getting personal over dinner and while going out.**
Remember, this is always time well-spent in relationship-based cultures;
- **There is no need to adapt to relationship-based cultures and get personal.**
Keep doing what you always do, but discuss the cultural differences openly.



4 CREATIVITY AND OUT-OF-THE-BOX THINKING

In business settings, Finns are often only noticed after they speak up. Finns make short and concisely formulated observations, frequently making the point with creative word choice and emphasizing very specific key points. When they speak, they do so slowly and articulately and often use refined humor to underline their point. This has a tendency to be distracting and can focus attention away from content. When conducting business with Finns, it is advantageous to focus on facts and content over style.



In many instances, Finns are explicit and use language that sounds ‘simplistic’ to others. They may say, for example, “I think you missed the mark. We should invest now, tomorrow is quite late”. “Quite late” is a phrase that is unclear and has the potential to be misunderstood. The sentence as a whole appears indefinite and begs to be taken seriously. However, behind the comment, there is a person who has weighed the pros and cons of investing now versus later, and came to a conclusion that is in the company’s best interest. It behooves those working with the Finns to ask questions about how they arrived to their answer. Ask the Finn “Why do you think we should invest now?” and you will get the 3 reasons for this, crystal clear.

Unfortunately, in international projects, Finns often have difficulty relaying their ideas. They find it a challenge to speak up in a timely manner. When discussing this with Finnish managers and challenging them to share without hesitation, they will often respond that they prefer to wait until a moment presents itself – that they will wait their turn. Of course, an opportunity might not ever arise, but Finns are adverse to being loud and aggressive. One manager even suggested that he did “not want to become an American.” It is good practice to remind a Finnish professional that they risk not being heard by their company. Oftentimes, prefacing a comment by stating intent is helpful for them. For example, beginning the contribution in a conversation by saying, “I have an important observation to make,” or “Let me share how I see this,” forces others to pay attention.

It follows then that at the start of a brainstorming or problem-solving session, it is important to discuss process and expectations. Brainstorming is a common practice for Americans, but less so for Finns. Thinking out loud and sharing the first thing that comes to mind does not come easily for them. Finns prefer to share one well-considered idea, than multiple untested ideas to ‘see what flies.’ Again, it is beneficial to discuss differences in style prior to a next brainstorm session. This is even more important if your sessions are via video or conference call.

What others should know about the Finns:

- Their creativity is a valuable source of new ideas and insights.
Help them to share their thoughts;
- Ask follow-up questions. Though initially they may not use many words, if you continue asking you will find strong analysis and sound plans;
- Discuss differences in communication.

What the Finns should know:

- Do not hold back when you are not confident in your ideas.
Creative thoughts are worth being heard;
- Introduce contributions to conversations with expressions such as
“Let me share with you how I see this;”
- Elaborate more than feels natural and avoid being overly simplistic with your thoughts.

5 SISU: PERSISTENCE WHEN OTHERS GIVE UP

The Finnish character trait sisu is largely unknown to foreigners. There is no direct translation, as there is no equivalent in most western European cultures. Sisu can best be described as a mindset – the spirit of fighting to achieve a goal. It is perseverance and persistence, especially in the face of obstacles. Rather than being distracted or discouraged by challenges, somebody with sisu will fight with relentless determination to overcome them. Sisu was once described (in Kiss, Bow or Shake Hands, T. Morrison and W. Conaway) like this: “I may not win, but I will gladly die trying.” Sisu is the mental capacity to overcome hardship; it is the mental strength needed to continue to pursue goals when others would give up. The concept applies to sports, the battlefield, and to the business world as well.



Sisu is fascinating. Finnish Emilia Lahti is a researcher, public speaker, and social activist who studies the concept of ‘sisu’ and lives it on a daily basis. Her inspirational website is focused on ending domestic violence across the world. Currently, she is on a journey through New Zealand to run 50 ultra-marathons in 50 days. To learn more about sisu, study her website or watch the inspiring TED-talk at <https://www.youtube.com/watch?v=UTlIZGyf5kU>. Lahti says, “Sisu is not just fighting to overcome difficult situations. It’s how we orient toward these situations: Are we able to endure, persevere, and grow, or are we limited by the situation we are in?”

This Finnish spirit is visible in many aspects of Finnish business life. As illustrated here, the Finns are not ones to talk endlessly about strategy or ideas. However, in the implementation phase of a project, Finns are fiercely determined and show a great drive to achieve results. This is where the success of many Finnish high-tech startups comes from: creativity and out-of-the-box thinking



coupled with the ability to execute. This execution phase does not get mired down by a lot of procedures and processes. Instead the Finns have a no-nonsense approach to execution. They have little patience with bureaucratic processes, and will not spend time worrying about what could go wrong. Should something go wrong, they act. In a straight-forward, decisive way, they analyze the problem, propose the best solution, and move forward.

Interestingly, when there is an issue that needs to be resolved, Finns do not reach out to the bureaucratic hierarchy to get approval on a solution. Management is fine with this approach, as they have already set objectives with the team and expects them to handle any upcoming problems. The Manager will only step in when the team cannot resolve the problem. This hands-off managerial approach can be seen at all levels in the Finnish hierarchical system. They respect the hierarchy, but don't allow it to impede progress and move forward with determination without constantly checking in with upper management.

In business negotiations the Finnish *sisu* spirit is also present. Buyers and sellers know how to fight for their interests without settling or compromising too quickly. When negotiating, Finns are friendly, though their style can be cold and is often misinterpreted as disinterested. It would be a mistake to think this. Finns are creative and engaged and always use their skills to find an outcome suitable to all parties. Their negotiation tactics are methodical, and they prefer to tackle issues one by one. It's in this regard the Finns get easily frustrated with cultures such as the Middle East, Brazil, France, and Italy, where several items are discussed at the same time and is less methodical in style. In their opinion, this approach is inefficient, and they can easily revert to the comfort of silence, rather than accept the challenge and adapt. They will hold strong opinions about their counterparts from these cultures, and then have difficulty communicating with tact.

What others should know about the Finns:

- **Before labelling Finns as stubborn and inflexible, recall their 'sisu' and determination;**
- **Finns are not unfriendly. Negotiation is a serious business process that they execute methodically;**
- **People from hierarchical cultures are used to get things done using the hierarchy. In Finland, it is acceptable to approach your peers to get things done, without formally going through the manager.**

What the Finns should know:

- **In many cultures, it is important to discuss new insights as they arise. This is not meant to be disruptive; it is done in an effort to learn new points-of-view;**
- **Delegation of work to lower levels is part of the Finnish management style. Some hierarchical cultures may see this as weakness of the manager (ie. "He is not hands-on.")**
- **Recognize that Finns can be seen as inflexible and stubborn in negotiations. Be open to discussing anything without compromising execution.**





CONCLUSION

The Finnish business culture is distinctly different than many other European or North American cultures. It has unique features that can be described and interpreted as positive or negative.

Negatively stereotyped, Finns can be considered disengaged, quiet, anti-social, inflexible, and stubborn when trying to achieve a goal.



Positively interpreted however, Finnish people are sharp, creative, and insightful, and make thoughtfully considered decisions. It is a culture where people listen intently in order to fully understand everyone's viewpoint. They value everybody's ideas and do not overcomplicate business conversations. They'd rather say little, and interject only when there is something valuable to be said. This picture of the Finn is one of a person who builds few deep relationships, rather than many superficial ones. This Finn is a powerful out-of-the-box thinker, and has *sisu* spirit, drive and determination.



Frank Garten is author of 3 books on cross-cultural cooperation (in English: The International Manager and Managing Through a Mirror). He provides lectures, public speaking and workshops across the globe. Frank brings a rich international experience as project manager, commercial manager and general manager in NXP Semiconductors and Philips. He worked with colleagues, clients and suppliers in most countries of the world (especially focused on Asia, Western and Eastern Europe and the US). With a PhD in Physics he quickly connects to the work context of technical specialists as well as higher management. With an open and enthusiastic style, he confronts people and helps them increase their impact. Frank has a special interest in the Nordic cultures, and plans to do a series of workshops and lectures in Sweden and Finland in 2019.



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strength in diversity