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Our 5 business areas



Background to Business in Denmark

The industrial landscape of modern Denmark is made up of a great many small to medium-sized organisations. Danish companies have tended to specialise and Denmark is famous, not for mass-market products, but for production which stresses creativity in design and excellence in the quality of the products.

In the furniture sector for example, Denmark produces top quality office and conferencing products but eschews lower end mass-market opportunities. Danish companies have tended to concentrate on specialised, high margin production and have maintained their position in certain markets, more through product and design innovation, than through improvements in production technology or price competitiveness.

Outside the metropolitan district of Copenhagen, these medium-sized companies often dominate smaller towns and this situation possibly accounts for the importance placed on community relations by Danish industry as a whole and by many individual Danish business people.

Danish Business Structures

Denmark, a small country with a population of just over 5 million inhabitants, has achieved a remarkable degree of economic success over the last 50 years or so. With GDP per head of around 62,000 Euro the country ranks fifth in the world and ahead of both Japan and Germany in terms of purchasing power. This remarkable economic success has been achieved by the Danes thanks, in no small measure, to their pragmatic business style.

The Danish approach has many attributes which could be deemed Scandinavian such as a strong equality, the need to seek consensus and the attribution of status according to competence rather than class or education. There are also ties of language and history which bind together the three key Scandinavian countries of Sweden, Denmark and Norway.

However, there are certain characteristics and approaches to business which are specifically Danish and these differences could be linked to the country's much closer geographic ties with continental Europe. This country profile will try to highlight some of the characteristics which mark out Denmark as distinct from the other Scandinavian countries - but remember that these are, on the whole, differences in degree rather than very substantive distinctions.

Danish Management Style

Business structures tend to be very flat in Denmark, which fits in neatly to the Scandinavian desire for an egalitarian approach and the need to seek consensus. A manager will not really want to be seen as a thrusting individual who has single-handedly taken on a difficult decision and 'gone the difficult mile.'

In a society that requires people to follow famous Danish dictums as 'don't think that you are somebody', 'don't think that you are wiser than us' and 'don't think that you are better than us', it is difficult for the manager to play a traditional, paternal role.

Thus a good manager is somebody who encourages and coaches; who delegates to competent colleagues and who communicates clearly and unambiguously. The manager becomes the manager through a meritocratic system of reward for ability in a particular field. It is important therefore to be seen as competent and diligent in order to progress. Personal relations are secondary to technically demonstrable competence. The obvious corollary of these expectations of management are that anybody who approaches Danish colleagues with an autocratic style is likely to be seen as rude and arrogant and is therefore unlikely to be given the necessary levels of support and local assistance.

Danish Meetings

Danes tend to have lots of meetings and often complain that they are too long. Meetings can be used as information exchanges, discussion forums or decision-making events and it is important that all participants are made aware of the emphasis of the meeting in advance, in order to allow the appropriate level of preparation to be undertaken. Although thorough empirical preparation for meetings is seen as essential, pre-meeting lobbying can be seen as underhand and political just to keep the power.

Meetings tend to follow a pre-determined agenda, which nearly is always followed. Although not as strict as their neighbours the Swedes, punctuality is definitely a virtue and meetings will begin and end on time.

Due to the consensus-orientation of the Danes, meetings can seem to be overly discursive to cultures more used to a 'command and control' approach from management. Everybody is expected to speak and everybody is "kindly" listened to.

Debate can be very direct but is rarely confrontational - confrontation being seen as unhelpful in the consensus-building process. Attendees tend to speak one at a time and often seek permission from the meeting leader before speaking.

Interrupting somebody who is speaking, or overt signs of emotion, are seen as poor meeting etiquette and would be reacted upon.

Danish Teams

The classical Scandinavian characteristics of consensus, loyalty to the community and equality are well disposed to make Danes good team players.

Thus Danes are good team players - as long as the team accords to their view of how teams should behave. As long as the team is seen as a collection of individuals of similar stature and worth, things will go well. If the team is seen as being constituted of one strong, dominating force who directs everyone else then problems could arise and Danes might openly voice their displeasure at such an approach.

Thus, although teams can be made to work extremely effectively in Denmark, it is important that everyone feels of value and is included in the process. It is important that information is widely disseminated and that a 'need to know' culture of information sharing is

avoided. In fact, cross-departmental information sharing tends to work much more effectively in Denmark than in most other countries.

Danish Communication Styles

Danish industry is highly export-oriented. As few non-Danes speak good Danish, Danes have therefore had to become proficient in other languages - often speaking two or three to a high level of proficiency. Danes tend to be good communicators on the international stage.

Danish communication patterns, however, when taken into a second language can be somewhat problematic to cultures more used to a diplomatic approach to communicating in business. Plain speaking is admired and being frank is viewed as a sign of respect to the person you are dealing with. This directness can sometimes be mistaken as rudeness when encountered by cultures, which place diplomacy and tact at the forefront of business interactions.

It should not be assumed that, because Danes can be direct in their use of language, they revel in confrontation. Danes value direct debate - which is very different from confrontation - and will avoid any personal references or confrontational situations.

Danes use humour in most business situations and see the thought over use of humour a key weapon in the search for "hygge" which translates as a kind of cosiness in which everybody feels at ease in each other's company. Feelings of "hygge" are much prized but poorly explained by Danes and it is an atmosphere which non-Danes find difficult to comprehend.

As with other Scandinavians, body language tends to be quite restricted and this can make interpreting responses and feedback difficult. Questions will often come at the end of a presentation but that does not mean that no interest has been generated during the presentation.

Danish Dress Code

Dress code is somewhat informal in Denmark in comparison with other more formal cultures.

Danes tend to wear smart-casual clothes with the men often wearing sports jackets and trousers. Ties seem to be optional. Pastel colours are often worn. Women will often wear trousers at work - especially in the winter - and again may appear to be less formal than in certain other countries.

Denmark can be cold and almost always windy. It is a good idea to wear several layers of clothing, as offices are often warm, no matter how cold it might be outside. Almost everywhere is near the sea so it rains quite often. Bring an umbrella or wear a Danish "windbreaker" the jacket designed for the Danish weather conditions.

Successful Entertaining in Denmark

Business entertaining is less important in Denmark. However, if you are invited out for a business meal (usually lunch), ensure that you do not discuss business unless your host brings up the subject first. On the whole, meals are reserved for non-work related topics.

Although it would be optional to be offered alcohol at a lunchtime meeting, alcohol - often starting with a beer and then moving on to wine - would definitely be introduced over dinner. The drinking of alcohol is often accompanied by a series of toasts. These simply involve lifting your glass, looking at the person you are toasting in the eye and then lifting the glass again in honour of him or her.

Service charges are automatically added to restaurant bills in Denmark, so no further tipping is really required. Tipping for outstanding service is a matter of personal choice, but is not expected.

Tips doing Business in Denmark:

1. The drive for equality between people is strong in Danish business circles. This leads Danes to be consensus-oriented in many situations
2. Danes seek consensus through detailed discussion and the search for a negotiated agreement.
3. Denmark has few big companies but has hundreds of highly respected players in niche-markets.
4. Danish success has been largely built on high levels of design, creativity and technical excellence.
5. Structures are much flatter than in many other countries with wage differentials reflecting this.
6. Managers are expected to be 'first amongst equals' rather than figures of authority who give direct instructions to subordinates.
7. Promotion tends to be determined through achievement rather than through relationships or networks.
8. People are expected to be well prepared for meetings and to be able to argue their own point of view convincingly.
9. Pre-meeting lobbying could be viewed as underhand and political just to keep the power.
10. Meetings can be long and are certainly plentiful - due in no large measure to the consensus-seeking process.
11. Debate is often very direct and this is seen as a positive style of communication. Overly diplomatic or coded-language will be viewed with suspicion.
12. Danes make good team players - so long as they understand and approve of the team 'rules'.
13. Communication across functional lines tends to be very open and leads to an expectation of being kept constantly 'in the loop'. To be suddenly denied access to information would cause concern.
14. Levels of foreign language speaking are very high with many people speaking two or three languages.
15. Humour is an oft-used communication tool in Denmark and is seen as one of the key tools in creating a feeling of hygge (cosiness or snugness).
16. Body language can be somewhat limited which makes the interpretation of responses difficult for people from more expressive cultures.
17. Danes tend to work contractual hours and make a strong separation between work and private life

Danish Culture according to Geert Hofstede

Power distance

With a score of 18 points Denmark is at the very low end of this dimension compared to other countries. This matches perfectly with what many foreigners in Denmark express: Danes do not lead, they coach and employee autonomy is required. In fact, Denmark ranks highest amongst the EU27 countries in terms of employee autonomy. With a very egalitarian mindset the Danes believe in independency, equal rights, accessible superiors and that management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Respect among the Danes is something which you earn by proving your hands-on expertise. Workplaces have a very informal atmosphere with direct and involving communication and on a first name basis. Employees expect to be consulted.

Individualism

Denmark, with a score of 74 is an Individualistic society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. It is relatively easy to start doing business with the Danes. Small talk is kept at a minimum and you do not need to create relationships first. Danes are also known for using a very direct form of communication.

Masculinity / Femininity

Denmark scores 16 on this dimension and is therefore considered a feminine society. In feminine countries it is important to keep the life/work balance and you make sure that all are included. An effective manager is supportive to his/her people, and decision making is achieved through involvement. Managers strive for consensus and people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation and Danes are known for their long discussions until consensus has been reached. Incentives such as free time and flexible work hours and place are favoured.

Uncertainty avoidance

With a score of 23 Denmark scores low on this dimension. This means that that Danes do not need a lot of structure and predictability in their work life. Plans can change overnight, new things pop up and the Danes are fine with it. It is a natural part of their work life. Curiosity is natural and is encouraged from a very young age. This combination of a highly individualistic and curious nation is also the driving force for Denmark's reputation within innovation and design. What is different is attractive! This also emerges throughout the society in both its humour, heavy consumerism for new and innovative products and the fast highly creative industries it thrives in – advertising, marketing, financial engineering.

At the workplace this low score on UAI is also reflected in the fact that the Danes tells you if you are in doubt or do not know something. It is ok to say "I do not

know" and the Danes are comfortable in ambiguous situations at the workplace.

Long term orientation

The Danes score 46, making it a short term orientation culture, though very close to the middle. Societies with a short-term orientation generally have a strong concern with possessing and if A is true then B must be false. Focus in business life is very much on what is happening now instead of in ten years time. Priority is therefore given to abstract rationality and analytical thinking

Denmark

