

Nordic Business Culture – Finland, our dear loved and hated neighbour!

Looking at Estonia from the outside, many would think that Estonians feel close to Latvians and Lithuanians, after all we are the three Baltic States. But in Estonia, we compare ourselves to Finland and the Finns. Simply because Finland is the closest to a sibling a country like Estonia can have. The Scandinavians have each other, most likely Latvians have the Lithuanians (we do not really know or care?) but Finland and Estonia are the only Fenno-Ugric republics in the world.

Template – Tekst: Nordic Business Culture – Finland, our dear loved and hated neighbour!

Just like the love and hate relationship many of us have with our own siblings, the same way we feel about our Finnish brothers and sisters. Finland is also the first choice of a foreign market for many Estonian companies and thus very important for the Estonian economy.

As almost every Estonian has his or her own personal relation to Finland and the Finns, I am not trying to convince anyone that my views supersede anyone else's, but perhaps it still gives some food for thought?

Compared to the other Nordic countries, Estonians feel that we have so much in common with the Finns that we do not expect much differences in the business cultures and perhaps we stop being sensitive and empathetic? We take things for granted instead of being open and flexible about the small but yet important differences. There is also a hint of admiration for Finland and its welfare system that sometimes makes Estonians a bit romantic and not so realistic when looking at our Northern neighbour. The same admiration can Estonians sometimes show towards Sweden. And here you will instantly find something that separates us. The love and hate relationship between Finland and Sweden is on a very high level in Finland and should not be underestimated.

Historically, Estonia and Finland have inherited the educational system, the courts structure and the structure of the State administration from our Swedish roots. Many do not think about it, but today's Finland was once Eastern Sweden (and no, there was no occupation). Back in the days, the two super powers of Europe were Russia and Sweden and they were at war from time to time. As a result of the Great Northern War, Sweden lost in 1721 large parts of Karelia and Ingria as well as today's Estonia to Russia. As a result of the next war between the two, Sweden lost in 1809 all of Finland as well as the Åland islands to Russia. But this was also the start of today's Finland, the Duchy of Finland. Similar to Estonia, a republic could be proclaimed after independence wars were fought against a Russia that was weakened by the revolution in 1917. If you happen to meet Finns whose mother tongue is Swedish, you should know that these common Swedish connections as well as the existence of the Swedish speaking minority in Estonia are cherished and nurtured and can be nice topics for non-business talks. On the other hand, should your counterparts be Finnish speakers by birth they would be happy to share the experience about the awful forced Swedish (in Finnish: Pakkoruotsi) they had to learn in school and this can be easily understood by Estonians having to learn Russian during the Soviet era.

To have a similar culture and language as Finns and Estonians do should in theory lead to better understanding but it could also be a false friend.

Looking at us from a distance, we have many common features in how we conduct business: the boss is the boss - consensus is for cowards (like the Swedes); we do not speak unless we have something to say; communication should be clear and straight to the point; everyone can have their say but the decision is made by the person highest in the hierarchy.

However, looking from another angle, the societies where we conduct our businesses in are very different. I like to look at it as we are in different ages. Estonia is currently moving out of its teens becoming an energetic young adult while Finland is middle aged, quite content and experienced. Partly this comes from that the Finnish business life is still dominated by persons who are about to retire within a decade and as they set the agenda, values such as experience and knowledge are very important there. The Estonian business life is to a large extent directed by persons born in the 1980's and they are lively and eager. In Finland, the trade unions are still powerful, living on the dreams about the "good" old days when the employers where the giant industrial money-hungry exploiters and collectivism was needed to balance the forces on the labour market, just as in Sweden. In today's economy when the private sector on both sides of the Gulf of Finland is dominated by small and mid-sized companies that need flexibility to thrive, the old world's framework fits poorly. These factors make us act differently despite our common cultural features and should also be taken into consideration when trying to find suitable co-operation partners.

One very important factor when negotiating is language. Have you also noticed that many Finns are certain about how similar our languages are? I have heard Finns saying that they understand Estonian 100%. What they have not understood, however, is that what they think is Estonian, is an Estonian person speaking his/hers most perfect self-learned Finnish language with an Estonian accent.

Thus, many of the Estonian-Finnish business co-operations use Finnish as their common language. From a negotiation strategy perspective, I would suggest using English instead. Why? Because the Finns will always have an advantage if they can use their mother tongue. English is a foreign language to all and creates a more neutral ground.

Many Finns look upon Estonians as their distant poor cousins. But something is about to happen to this prejudice. Young Finns have no personal recollections of early Post-Soviet Estonia and have their own experience about Estonia and Estonians when travelling here for work, studies or pleasure. The Estonians that used to cross the Gulf of Finland to do shady work under uncertain conditions for a salary level they could only dream about at home have now either settled down in Finland, or realised that there is more to life than a high salary that perhaps does not pay off if you also live in a high cost society.

Compared to Estonians, Finnish business people are more formal. This being said, they are not always keen on long written agreements as Estonians can be. One other feature that sticks out is that Finns have a very high sense of duty in relation to performing their job. In Estonians I find the same high sense of duty regarding the safekeeping of the Republic Estonia but not in work related issues. Finns are also very self-assured and confident when you meet them in their home country. But if you meet your Finnish partners elsewhere in the world, they somewhat lack that self-esteem. Estonians on the other hand are more cosmopolitan and can be perceived a bit cocky by Finns.

So sum it up, the similarities in language and culture can be used to your advantage but you have to be attentive so you do not miss the devil in the details, use English when negotiating an important deal so you do not give away anything for free, try to behave a bit more formal but also listen and learn from people with more experience than you and you will excel in doing business with the Finns!

Need more good tips on how to do business with the Finns? Contact NJORD partner Karolina Ullman.



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