

## SIMILARITIES AND DIFFERENCES OF NATIONAL BUSINESS CULTURE AND CUSTOMS IN THE NORDIC COUNTRIES AND SERBIA

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### **Abstract:**

In this paper, under the scrutiny of research are business practices and the current situation of the economy in the most developed Nordic countries which are members of the European Union like Denmark, Sweden and Finland, contrary to Serbia which is a country in transition and one of the Western Balkan candidate for membership in the European Union. Synonyms for the Nordic countries economy are macroeconomic stability and developed business culture, and that is the main reason why these countries are the best and *representative examples* that are taken as analysis subject in this paper. Serbia is also example of country and economy that is going through a major change and improvements. The aim of this paper is to analyze the macroeconomic indicators that represent the economic situation and the stability and features of national business practices and the similarities and differences between business culture between the three Nordic countries, on the one side, and Serbia.

*Keywords: business customs, business culture, Nordic countries, Serbia*

## INTRODUCTION

This paper analyzes the business customs and the macroeconomic situation in the Nordic countries, EU members who are on the other side among the most reputable countries in the world, on any socio-economic parameter. As examples of higher-developed society, Denmark, Sweden and Finland are considered as the best examples of that Serbia as a country in transition should emulate. Business practices and culture of a country is firmly linked to its economic situation. Thus, in this paper, in addition to business practices and analyze the macroeconomic situation in the above mentioned countries, which best describes the overall state of the economy. Corporate culture in Nordic countries is based on business practices that respect which should serve business people in Serbia as a model of behavior. Knowledge of business customs and respect for other business environments builds a corporate culture that is at a higher level, which of course should be the targets of further development of Serbia. Professional conduct and business culture respect the way on which to build a better image and the country's position in the business arena, which may imply a long-term economic prosperity. These countries are an excellent example of perfect functioning, regardless of differences. In the Nordic countries and other countries of Western Europe, emphasized the economic and social rights of workers, which is one of the goals of global development. In Serbia, as a transition country such rules are not strictly defined, which is certainly a brake in global development. Also, there are many similarities that indicated that the relations and cooperation between these countries founded the vise. All the differences and similarities as well as the perfect example of cooperation between the Nordic countries analyzed in the economic development and stability, are something one should see the various segments of society. Such a pattern of behavior that is used in the Nordic countries can absolutely be a future model to be implemented between Serbia and the region, so that the area would be economically developed, more competitive and more stable.

## 1. MEANING AND IMPORTANCE OF BUSINESS ETIQUETE AND CUSTOMS

For the globe-trotting international business person doing business in a foreign country offers certain intercultural challenges. Understanding a country's business culture, protocol and etiquette is important in achieving success abroad. Business etiquette refers to acceptable behavior, manners and professional practices in the workplace and in business relation. The basis of business etiquette is respect as well as presenting oneself and the business being represented. It shapes how business is conducted and provides guidelines of accepted behavior. A large part of business etiquette that may not always be considered is being familiar with different business behavior among various cultures. It is crucial to know basic business etiquette differences when planning to meet with foreign business men or business women in order to avoid being disrespectful or offensive. In these situations, manners as well as being accustomed to the business etiquette associated with the foreign colleague's culture will assist with the interaction. Also, an interpreter may be involved when networking with foreign business associates. Being courteous to the interpreter, eliminating unnecessary information, and remaining professional at all times will support effective communication. Business etiquette not only describes actions in the workplace, but also other manners and customs. Business etiquette and customs that are characteristic to some country and region include following segments that part of business-relationship process: business attire, business-card etiquette, business entertaining / dining, conversation and communication style, gestures and public manners, gift-giving etiquette, greetings and introductions, meeting manners, customs about how decisions are made, punctuality, seating etiquette, tipping and toasting etiquette, manners when you are invited to a home, positions of women in business, etc.<sup>1</sup> Whether meeting an associate for the first time or the twentieth, being courteous and well-mannered is the foundation of business etiquette. As career progresses, business person develop skills which are respected and expected, professional etiquette. Professional etiquette builds leadership, quality, business, and careers. It refines skills needed for exceptional service. Without proper business etiquette, potential could be limited, image in risk, and jeopardize relationships that are fundamental to business success. Etiquette, formerly perceived as soft skills, business professionals have found that etiquette influences their success because it differentiates them in a competitive market. Etiquette also modifies distracting and unacceptable behavior and develops admired conduct. Why should modern management theory concerned about etiquette issues in the business arenas? Basically because diversity, based on gender, cultural background, age, and degree of experience in today's business, creates a clash of

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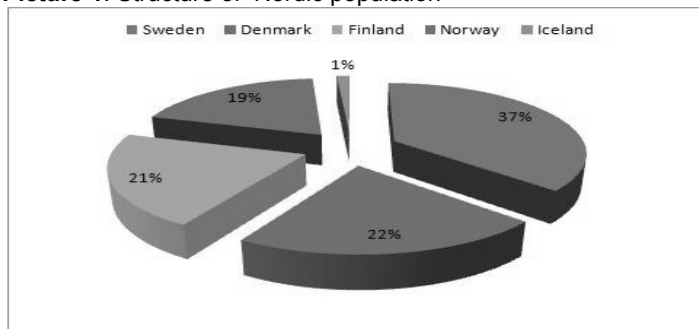
<sup>1</sup>Whitmore, Jacqueline (2005). *Business Class: Etiquette Essentials for Success at Work*, St. Martin's Press, ISBN 0-312-33809-0.

standards and behavioral expectation. Finally, globalization has changed the way we do business, demanding new levels of expertise in dealing with people. Proper business etiquette will get you farther, just that extra step will lead you to better business and better relationships.<sup>2</sup>

## 2. NORDIC COUNTRIES – FACTS AND FIGURES

The Nordic countries makeup a region in Northern Europe and the North Atlantic, consisting of Denmark, Finland, Iceland, Norway and Sweden as well as their associated territories. The region's five nation-states and three autonomous regions share much common history as well as common traits in their respective societies, such as political systems and the Nordic model. The Nordic countries have a combined population of approximately 26 million spread over a land area of 3.5 million km<sup>2</sup>.

**Picture 1:** Structure of Nordic population



Source: [http://en.wikipedia.org/wiki/Nordic\\_countries](http://en.wikipedia.org/wiki/Nordic_countries).

Economically, the Nordic countries have much in common. They are all small, open economies in which foreign trade has great economic significance. They have also rapidly evolved from poor, agrarian countries into modern industrialized economies that are among the most competitive in the world. Nordic countries are in first fifteen world countries with highest GDP per-capita, and among wealthiest country in the world in monetary value, with the with very large capital reserve per capita. If observe the Nordic countries as one country which has a population of about 26 million and GDP (PPP) of \$ 41,205 per capita, such a country would occupy 13<sup>th</sup> place on the list of countries ranked by average gross domestic product at purchasing power parity per capita. Nordic countries are also on top place in the world in the UNDP Human Development Index (HDI) for many consecutive years. They continue to dominate the top of the global index, which takes measurements from across eight categories: economy, education, entrepreneurship & opportunity, governance, health, personal freedom, safety & security and social capital. Question is how these small countries, with large public sectors, including welfare services, and high taxation, have performed so well economically? The Nordic countries industrialized late, but quickly. In Finland and Sweden, the forest was the primary source of opportunities for increased exports, while Sweden's large ore deposits also contributed to its early economic growth. Norway has used its many waterfalls to generate power, and the Norwegian economy has been further strengthened by oil exploration in the North Sea. Denmark's economic development was based to a large extent on its fertile agricultural land, and the food industry has been the key to Danish economic success. In recent decades the Nordic countries have undergone rapid structural change, with particularly swift expansion in the service sector and in industries based on modern technology. The Nordic countries are considered to be extremely innovative. Several countries have a long and close relationship with the Nordic countries, as shown in the picture bellow.

<sup>2</sup>Subotić, Dragan (2010). *Korporativna poslovna etika*, Univerzitet Educons, Fakultet poslovne ekonomije, Sremka Kamenica, Novi Sad.

**Picture 2:** Nordic countries (orange and red), Scandinavia (red) and countries with close relations to the Nordic countries (blue)



Source: [http://en.wikipedia.org/wiki/File:Nordic\\_Countries.jpg](http://en.wikipedia.org/wiki/File:Nordic_Countries.jpg).

The Nordic region has a political dimension in the joint official bodies called the Nordic Council and the Nordic Council of Ministers. In this context, several aspects of the common market as in the European Union have been implemented decades before the EU implemented them. The political cooperation between the Nordic Countries has not led to a common policy or an agreement on the countries' memberships in the European Union, Euro zone and NATO. Norway and Iceland are only members of NATO, while Finland and Sweden are only members of the European Union. Denmark alone participates in both organizations. Only Finland is a member of the Euro zone. Despite their differences with regard to the integration process, the Nordic countries have become more closely linked in recent decades. The integration process and globalization are often reflected in growing regional economic activity. Nordic business has integrated rapidly through acquisitions and mergers between big corporations in two or more countries. As trade between the countries has been extensive, the Nordic countries have often been perceived as an extended home market. The Nordic countries have followed relatively similar institutional development patterns. In all of the Nordic countries, the state and the public sector have played major roles to play in the economic sphere, primarily through investment in infrastructure, education and research, but also in terms of social welfare. Although taxation levels have been high in all of the Nordic countries, the welfare state is considered to be strength when it comes to economic development. Not only does the welfare state benefit the whole population, but it also has a positive effect on the economy. The public sector and welfare services have helped the countries to develop a highly skilled workforce and a high level of employment. This, combined with a stable civil society, a strong democratic tradition and an effective regulatory framework, has led to the emergence in the Region of an extensive social capital, one of the main pillars of the Nordic economy. The political co-operation is built on common values and a willingness to achieve results that contribute to a dynamic development and increase Nordic competencies and competitiveness.<sup>3</sup>

### 3. COMMON FEATURES IN NORDIC BUSINESS CULTURE AND ETIQUETTE

Etiquette in Europe is not uniform. The regions of Europe do not have common manners. Even within a single country there may be different customs, especially when there are different linguistic groups, as in Switzerland where there are French, German and Italian speakers. Nordic business culture and etiquette is so similar, yet so different. Among many, following common features are most characteristic. The democratic company is generally the ideal in the Nordic countries. Short lines of communication between management and employees: Companies take care of employees and everyone is to feel significant and that their voices are worth listening to. People in the Nordic countries are characterized by their Lutheran heritage. They are disciplined and have a strong work ethic. Egalitarianism is the most dominant social value in all Nordic countries. Equality, consensus and compromise and are ingrained into the business and social life. Nordic societies are strongly influenced by the concept of the welfare state. High level of ambition for public social welfare that supports all citizens. Gender equality permeates administration, business culture and relationships between people. All the Nordic countries have high levels of taxation. Products are remarkably often aimed at qualitative mainstream. This means goods for which there is broad demand and that can be produced in large volumes, but at the same time have high standards in terms of quality and design. Deliberate and ambitious actions to support sustainable development are integrated at all levels in the business enterprise. Detailed process analyses in terms of energy consumption, raw materials,

<sup>3</sup><http://www.norden.org/en/about-nordic-co-operation>

chemical use, recycling, transparency, trust, honesty, etc. In international terms a very low level of corruptions! It is acceptable to treat people to dinner, give simple presents, like box of chocolates or something similar. However, not watches, jeweler, luxury trips or such like. A Nordic handshake is to be firm and fast. A person from Nordic country is often uncomfortable with cheek kissing and too much hugging. Generally speaking, the standard of spoken English is very high in the Nordic countries. The Nordic countries are usually on top of all worlds ranking lists, regardless of whether these concern welfare, economy, production, gender equality or personal happiness.<sup>4,5</sup>

### ***So similar yet so different***

**Figure 1:** Consumption expenditure of households on goods and services, in the nordic countries, 2012. (% of total household consumption expenditure)

	Denmark	Finland	Sweden	Nordic countries	EU- 27 average
Food and non-alcohol beverages	11.3	12.9	12.6	12.3	12.6
Alcohol, tobacco, narcotics	3.5	5.3	3.7	4.2	3.5
Clothing and footwear	4.5	5	5	4.8	5.4
Housing, water, electricity, gas	29	26.7	26.9	27.5	22.9
Furnishings, household equipment and routine maintenance	5.5	5.2	5.3	5.3	5.9
Health	2.9	4.5	3.4	3.6	3.7
Transport	11	10.2	12.2	11.1	13.2
Communication	1.8	2.2	3.2	2.4	2.7
Recreation and culture	10.7	11.5	11.5	11.2	9.1
Restaurants and hotels	4.9	6.5	5.3	5.7	8.5
Education	0.8	0.5	0.3	0.5	1.1
Miscellaneous goods and services	13.7	9.2	10.5	11.1	11

Source: Eurostat The latest comparable figures available are from 2012. The figures of Norway are not included (not available).<sup>6</sup>

### **3.1. Business customs and culture in Sweden**

The economy of Sweden is an export- oriented economy, especially wood, hydropower and iron ore. They constitute the resource base of the economy oriented toward foreign trade. It is characterized by a modern distribution system, excellent internal and external communications, and a skilled work force. Sweden is a competitive capitalist country, characterized by prosperity, which is funded through relatively high taxes that ensure that income is distributed to the whole of society, and this model is sometimes called the Nordic model Sweden is ranked second by the amount of total tax revenue earned by government, just behind Denmark. The 2012<sup>th</sup> the total tax revenue was 44.2% of GDP, down from 48.3% in the 2006<sup>th</sup> year. Also, during the 2012<sup>th</sup> Sweden realized growth of 3% and public costs are reduced by 8%. There governments, as opposed to us examples of the immediate environment, a true example of a well-organized and guided monetary policy. Swedes are very proud of their religion and especially appreciate when foreigners are different from Denmark, Norway and Finland. The family was there in the first place so employees do not have the custom of overtime work hours or work on weekends or holidays. Punctuality is very important for Swedes, especially when it comes to business. It is quite common that Swedish employees arrive on time and leave on time. Many Swedes place very high value on their private lives and therefore work overtime only when it's absolutely unavoidable. Moreover, overtime pay considered poor organizational level or the employee's incompetence. They are more clearly separate the private from business life and are very rare meetings per business line. During operation, do not communicate much, but only as long as necessary for the exchange of relevant information, because of the opinion that the best results are

<sup>4</sup> <http://www.norden.org/en/the-nordic-region/business-and-the-economy>

<sup>5</sup> <http://businessculture.org/northern-europe/>

<sup>6</sup> [http://ec.europa.eu/enterprise/policies/single-market-goods/regulatory-policies-common-rules-for-products/index\\_en.htm](http://ec.europa.eu/enterprise/policies/single-market-goods/regulatory-policies-common-rules-for-products/index_en.htm)

achieved by working in an atmosphere of quiet poise and seriousness. The Swedes are quiet people who use the official Swedish, but smooth communication is possible in English. Management is usually not desirable but smile when meeting because they need time to accept the caller and they determine the degree closeness. The communication is very direct, all addressed as "you" regardless of age, gender or status. Titles do not mean anything to them, and all are called by name. They like detail and accuracy to the minutest details of the plan and program of cooperation. At the first meeting, evaluate the interview the company from which comes the proposals that is, so you need to come a few times in orders to reach a result.<sup>7</sup> On all counts be discussed with team members who are familiar with the task to be learned when a decision is reached complete consensus, and expect the other side to comply with all agreed whether provided in written or oral form. Decisions made by top management, but lower levels because the emphasis is on teamwork. Among colleagues there is no competition, particularly unfair. Everything is done so the team awards and criticism over the team, which encourages individual initiative as a contribution to the successful solution of the task. In general, Swedish companies tend to be less hierarchical than companies in many other countries when it comes to internal organization. This means that a managing director of a firm is more openly available to his or her employees, erasing some of the chain-of-command arrangements that exist in other countries. The role of the boss is to inform, provide direction and work as a key coordinator, but there is no hierarchy because the boss is actively involved in solving all problems. Managers are appreciated only by knowledge and the results of the work and not the position they occupy. Due to the strong union presence in Sweden, employees experience excellent working conditions compared with many other countries. Equality in the workplace and job security are of utmost importance, so unions work hard to assure that employees feel secure and unthreatened at work. There are two business customs specific just for Sweden's. The Swedish word "lagom" it's a concept that doesn't easily translate into English. Essentially, "lagom" means "just right" or "adequate" and can be used for just about anything. Employees, and many employers, often focus on doing exactly what's needed and doing it well, rather than doing unnecessary things. This concept can be frustrating for foreigners to understand sometimes. Beside "lagom" concept, one word that every business person needs to know before working for or doing business with a Swedish company is "fika." "Fika" is a break taken from work, the purpose being to drink coffee and chat. "Fika" breaks in Sweden are sacred, and there are usually two or three every day.<sup>8</sup>

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<sup>7</sup><http://sweden.se/business/taking-care-of-business-in-sweden/#start>

<sup>8</sup>Sabath, Ann Marie, (1999). International Business Etiquette: Europe, Universe, Inc. USA



**Table 1:**

<b>Swedes do not like</b>	<ul style="list-style-type: none"> <li>• People trying to push to the front of queues.</li> <li>• Individualism.</li> <li>• Haggling. The price is fixed.</li> <li>• Impractical items and phenomena.</li> <li>• Aggressive people.</li> </ul>
<b>Swedes like</b>	<ul style="list-style-type: none"> <li>• Ethical regulation systems. Swedes have such high ethical standards that some of them are double. Sweden, of course, produces only 'peaceful' weapons.</li> <li>• Industrial exotic food.</li> <li>• Modernism and hygiene. Just look at Stockholm – the entire core of the city was demolished because it was so impractical.</li> <li>• The summer cottage. It is perhaps that only there, far from civilization, that the Swede feels really at home and relaxed.</li> <li>• The latest trends in matters of management, education and ethos. Perhaps because of their poor awareness of history and the humanities.</li> <li>• Sweden. Finally, finally SWEDEN. And this is without being a nationalist in the traditional meaning, because the Swede is definitely not that. But, Sweden is SO superior when it comes to practical matters that it is only a matter of time before everyone else adopts the Swedish norms. And when it comes down to it, these ARE of course the correct and most modern ones: the seat belt in the car, standing on the right and walking to the left on escalators, personal identity numbers, apartment numbers, dipped headlights during the day, absolute minimum-alcohol beer and fat-free meatballs</li> </ul>
<b>The Swedes can be proud of</b>	<ul style="list-style-type: none"> <li>• Their rivers, forests, mountains and valleys.</li> <li>• Volvo, SAAB, Scania.</li> <li>• The Nobel Prize.</li> <li>• Raw, spiced salmon (gravad lax).</li> <li>• IKEA, H&amp;M.</li> <li>• The Vasa ship.</li> <li>• The Ice Hotel in Jukkasjärvi</li> <li>• Ingrid and Ingmar Bergman (they were not married).</li> <li>• The law of common access. People have the legal right, based on custom, to enter another person's land, pick berries and flowers, and even stay one night in a tent without permission.</li> <li>• Their high economic standard and well-oiled social machinery</li> </ul>

Source: <http://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/Nordic-Business-Culture-Guide>; OECD (2012), *Education at a Glance 2012: OECD Indicators*, OECD, Publishing. <http://dx.doi.org/10.1787/eag-2012-en>.

### 3.2. Business customs and culture in Finland

Finland has a highly industrialized, mixed economic, GDP per capita is equal to the other western economies. The largest sector of the economy consists of services with 65.7 %, followed by manufacturing and processing of 31.4 % and primary production of 2.9%. Finland was initially relatively poor country that is vulnerable to shocks in the economy. Until 1930 Finnish economy was predominantly agrarian, and only in the 1950, more than half of the population is employed in industry and 40% of the production is still in the primary sector. In terms of foreign trade, the key economic sector is manufacturing. The most advanced electronic industry (21.6%), machinery, vehicles (21.1%), forestry (13.1%) and chemical products (10.9%). Finland is rich in developed forestry and paper factories, and the agricultural sector is poorly developed, and the policy-sensitive rural population. Helsinki is the capital and it generates only about a third of GDP. Finland joined the European Union in 1995 and the growth rate has since been one of the largest in the OECD countries. Finland is the pinnacle of many indicators of national performance, and one of the 11 countries that adopted the euro as its currency 1 January, 1999. For the production of high technology, Finland is the second largest after Ireland. Finland is highly integrated in the global economy and international trade is a third of GDP. The Finnish climate and soil are practicing agriculture special challenge. Annual precipitation is usually sufficient, but it occurs almost exclusively during the winter months, and the summer droughts a constant threat. As the correct response to the climate, farmers have relied on a variety of plants that mature quickly and are resistant to frost. Most of the agricultural land was originally under forest or swamp, and the soil is treated with lime and required years of cultivation to neutralize excess acid and to develop fertility. Irrigation is usually not necessary, but drainage systems were required to remove

the excess water. Finns have a very strong sense of national identity, which comes from the past.<sup>9</sup> If happen to accidentally comment on such self-criticism, is not welcome any comments, because it would be considered inappropriate. Pay due attention to every spoken word and promise, where they expect to get all spoken and implemented. Since they love to see the whole on all sides, an opinion formed on the basis of several meetings. It held to the accuracy and precision. Always come to a meeting well prepared as your hosts will want to see an organized, logical and fluent presentation. They are very formal and desirable classic business look as concisely and succinctly conducting a meeting. For example, overdressing would be seen as a sign of arrogance. Briefly shake hands, have a direct and open in discussions. After the contract, preferably with the owner to go to the sauna, where the Finns to relax, socialize and forget about the time. If the alien declares that he feels uncomfortable being forgiven him, but subsequent visits are expected to adapt and visit one of the many sauna. The Finns are a tolerant and open-minded society, so the chances are that any cross cultural gaffe will not have terrible consequences. Such tips are meant as a safety-net for those doing business in Finland to help avoid misunderstandings and promote better communication.<sup>10</sup>

Table 2:

<b>Finnish people do not like</b>	<ul style="list-style-type: none"> <li>• Nonchalance and carelessness</li> <li>• Boastfulness</li> <li>• Lack of commitment</li> <li>• Food that is too salty</li> <li>• Empty words</li> </ul>
<b>Finnish people like:</b>	<ul style="list-style-type: none"> <li>• Sour rye bread</li> <li>• Ice hockey. Especially when Finland crushes Sweden.</li> <li>• The country's status as a republic. Denmark, Norway and Sweden are monarchies.</li> <li>• Wife carrying. Running with a woman on your back for 253.5 meters as quickly as possible. Minimum weight (of the woman) is 49 kg.</li> </ul>
<b>Finnish people can be proud of:</b>	<ul style="list-style-type: none"> <li>• Their beautiful lakes. Finland is usually called the country of a thousand lakes.</li> <li>• Their country regularly topping the annual list of the world's least corrupt countries.</li> <li>• Nokia.</li> <li>• Kalevala, Finland's ancient national epic p</li> <li>• All their racing drivers. Are Finnish people born with their foot on the accelerator pedal?</li> <li>• Father Christmas's choice of location: Rovaniemi in northern Finland. He has over a million visitors from all over the world every year.</li> <li>• Jean Sibelius.</li> <li>• The written language – it is more similar to the spoken language than any other language in the world.</li> <li>• The sauna of course.</li> </ul>

Source: <http://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/Nordic-Business-Culture-Guide>.

### 3.3. Business customs and culture in Denmark

Denmark has a diverse economy, but is almost entirely reliant on human resources, because there are few mineral resources are available, in addition to oil and gas in the North Sea. Nominal GDP of Denmark is estimated at 333 238 million, and has the lowest level of inequality in the world, and a balanced balance of payments, according to the World Bank Gunny (%), and the highest minimum wages in the world, according to the IMF. Denmark advocates a liberal trade policy and standard of living for its citizens, on average, among the countries of Western Europe. Denmark has considerable sources of oil and natural gas in the North Sea and ranks as the 32 among the world's exporters of crude oil. In addition, Denmark is a long time leader in the production of energy by means of wind, and the 2011 achieved 3.1 % of gross domestic product from renewable sources of clean energy technology and energy efficiency, or around 6.5 billion euro. Denmark now aims to focus on intelligent battery systems and plug-in vehicles in the transport sector. Denmark has invested heavily in

<sup>9</sup>[www.tradingeconomics.com/finland](http://www.tradingeconomics.com/finland)

<sup>10</sup><http://www.kwintessential.co.uk/etiquette/doing-business-finland.html>



windmills.<sup>11</sup> Initially communications Danes seem strict and formal but very quickly express their sociable side. Respect the accuracy of what they expect from the other side, otherwise the visitor's considered rude. At the beginning of the water a short casual conversation and quickly went to the substance of the meeting. For appointment sent theme and layout. Balance and restraint is the key to good success among the Danes and it is undesirable to make compliments of any kind. Clothing should be as unobtrusive and quiet their behavior, so it is best to try and keep track of all of them. Danes are not noisy people and any temperamental business person should control. If somebody want to earn their respect, it is best to "soak" in the local climate. If a company has experience of more than ten years, it is necessary to specify because they like to work with a stable partner. Punctuality is important in Denmark and it is expected for all business and social engagements. The Danes are very direct and frank communicator's which is perceived in Denmark as a sign of sincerity and honesty. The stranger will notice a good balance between work and private life of the Danes. Most Danes will testify that this is due to sufficient time to have to be dedicated and family and career. Family and children are priorities of Denmark. Many employers will allow flexible working hours to employees, which is adapted for children in kindergartens and schools. All parents as taxpayers will, if they have children under the age of 18, and receive child benefit. The state in 1954 established system of state scholarships for all students regardless of their parents' income. This has resulted in a well-educated nation proud of its educational system. Many couples live unmarried. Marriage brings a lot of legal issues such as inheritance, joint property and like. As an egalitarian society, in their own language are marked dealings with sexually neutral. This is the country with the most females in management positions in Europe.<sup>12</sup>

**Table 3:**

<b>Danes don't like:</b>	<ul style="list-style-type: none"> <li>• Foreign beer (strangely enough)</li> <li>• Excessively strong personal convictions, fanaticism.</li> <li>• People can joke about women and feminism, unlike in Sweden where such things are never, NEVER joked about.</li> <li>• Strong coffee.</li> <li>• People trying to educate them. Because it's impossible</li> </ul>
<b>The Danes can be proud of:</b>	<ul style="list-style-type: none"> <li>• The Little Mermaid and H.C. Andersen.</li> <li>• Royal Copenhagen</li> <li>• LEGO.</li> <li>• Discovery of electromagnetism.</li> <li>• The silent compartment on the train Bang &amp; Olufsen.</li> <li>• The cycling culture.</li> <li>• Mærsk.</li> <li>• The best business climate in the world according to the American business newspaper, Forbes.</li> </ul>

Source: <http://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/Nordic-Business-Culture-Guide>.

#### 4. SERBIAN BUSINESS CUSTOMS AND CULTURE

Since the formation of its first democratic government in 2000, Serbia has been going through the process of political and economic reform, with the aim of progressing towards a modern European market economy. The European Union has been a strong supporter of Serbia's transition, and has offered the country the prospect of eventual membership, once all relevant conditions are met. Serbia has a mixed economy, dominated by a large and growing services sector. However, the industrial sector is still significant, generating about 25% of GDP, as is the agricultural sector at 12%. Serbia has seen its economy grow at a rate of about 6% per year since 2000. Looking forward, the process of economic restructuring will continue the demand for western-standard expertise in areas such as financial services, legal services and a broad range of consultancy. As the country integrates more closely with the European Union, increasing wealth, will offer opportunities in a range of consumer goods and services. In brief, strengths of the market are pro-European Government with defined EU path, strategic position at crossroads between Central and South East Europe, largest market in the region both in size and population – natural centre for trade member of the Central Europe Free Trade Agreement (CEFTA) having the benefit of well-developed trade links with neighboring states,

<sup>11</sup>[www.tradingeconomics.com/denmark](http://www.tradingeconomics.com/denmark)

<sup>12</sup><http://www.kwintessential.co.uk/etiquette/doing-business-denmark.html>

particularly those of the former Yugoslavia, EU Instrument for Pre-Accession (IPA) funding, English increasingly spoken to a high standard etc. It is one of the only countries outside the former Soviet Union to have a free trade agreement with Russia. While Serbia operates on the universally accepted Gregorian calendar, important holidays on religion is Serbian Christmas and Easter date by the Julian calendar. The official language is Serbian and the official script is Cyrillic, while the Latin script is also widely used. In the areas inhabited by ethnic minorities, the languages and scripts of the minorities are in official use, as provided by law. Communication is usually no problem in the bigger cities as English is widely used as a second language, usually acceptable for most business correspondence. Codes of dress in Serbia are much the same as the other European countries. Women in business are common and fully accepted. The business set up in Serbia is very formal and intercultural management will be more successful if formal relation is respected. After years of communist rule and internal political skirmishes, many people remain suspicious of foreigners. In many ways, Serbia is the last of the major European transitional economies. The government is attempting to enact privatization legislation that may offer opportunities for foreign investors in the ownership and management of previously nationalized industries as well as in the developing private sector. The best approach is to start out in formal mode and allow your Serbian counterparts to determine when or if to move to a more relaxed demeanor. Always respect the hierarchy and take care to treat people in authority with particular respect. Decisions are made at the top of the company. Serbia intercultural adaptability and readiness for change is improving although changes are still made slowly, requiring a considerable amount of thought, planning and evaluation. Serbia is a moderate time culture and there may be some flexibility to strict adherence to schedules and deadlines. Nevertheless, the expectations of global business have caused the people to adopt relatively strict standards of adhering to schedules. When working with people from Serbia, it's advisable to reinforce the importance of the agreed-upon deadlines and how that may affect the rest of the organization. Successful intercultural management will depend on the individual's ability to provide and meet deadlines. As well, this may depend upon the industry, the professional level of the employees concerned, and the corporate culture. Serbia is undergoing rapid changes which are impacting business life. In post communist countries, there is a tradition of teamwork inherited from the communal aspects of the previous era where groups and work units commonly met together to discuss ideas and create plans. However, those plans seldom resulted in implementation or results, leading to apathy among the workers.

## 5. CONCLUSION

The Nordic countries have similarities in business etiquette and customs. Generally, in business communications the use of emotions, lively gestures or touching is usually not welcome. Facts and technical details are appreciated. Punctuality is regarded as a sign of reliability and arriving on time is expected. The adoption of internet technologies and internet penetration amongst these countries is one of the highest in Europe. In addition to the aforementioned similarities, between the Nordic countries also observed some differences. Dane's have long tradition as a trading nation and are known to be skilful and tough negotiators that do not give in too easy. Danes are strong nationalists and prefer things to be done in a Danish way. The Finns are hard working. They are brought up in a disciplined knowledge and performance-oriented school. This affects the business culture - gathering information is taken very seriously, which makes managers knowledgeable and well-prepared to make quick decisions. The employees show great solidarity with their company as long as the sense of justice.. Company traditions are important, and people are often a little skeptical about the value of unmotivated reorganizations and modern management methods. Swede's follows applicable rules and regulations. They are practical and looking for a result that has practical use. Making an agreement that is successful in the long term is more important. Sweden business people firmly fixed ethical norms. In Sweden business culture decisions are preferably taken by consensus and hierarchies is shallow. When it comes to economy, synonym for the Nordic country is macroeconomic stability. Any analyses of macroeconomics indicators proves that the Nordic countries are among the most developed and richest in the world, with high standards of living, prosperous economy that is constantly improving. Nordic model include support for a welfare state which is aimed specifically at enhancing individual autonomy, promoting social mobility and ensuring the universal provision of basic human rights, as well as for stabilizing the economy. Serbia also has certain characteristic national business practices, as well as characteristic for the Western Balkans. Despite some specifics, business culture in Serbia is very similar to the European business culture that dominates in most countries. On the other hand, when it comes to macroeconomic situation, in almost any of most important indicators, Serbian is behind the average of the European Union. This difference is even greater between Serbia and the EU countries that are part of the analysis in this paper, Denmark,

Sweden and Finland. These countries are superb examples of exceptional business culture and macroeconomic stability. Analysis in paper emphasizes the similarities countries in one region, but also and differences that did not prevent the strong co-operation and the formation of the Nordic cluster. These examples of different business practices and culture point to several areas must be taken into account when doing business internationally. Doing business abroad brings cross cultural challenges for an international business person. Understanding the country's business culture and work ethic will mean that you respect your colleagues or business associates and it is an important ingredient in establishing good professional relationships and long-term co-operation. Today intercultural sensitivity is necessary because is essence of professional behavior which is from the other side key of good business success. Cross cultural understanding is an important tool for any international business person, company or organization to acquire when doing business abroad. Examples in this paper point to a few areas that must take into consideration when doing business internationally and that will help avoid misunderstandings and promote better communication. Co-operation that demonstrates Nordic countries, should serve as an example to the Serbia and the all countries in the region as a model of organization, connections and operations, and that successful model could be implemented in this part of Europe. Connecting of the different countries in the European Union is certainly one of the ways to improve all forms of cooperation. In the future, the integration process and globalization will be reflected in the growing regional economic activity. To speed up these processes, which contribute to the macroeconomic stability, knowing and respecting business customs and culture of foreign business partners are part of business ethics and professional behavior that will contribute to a better collaboration and successful realization of common interests.

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