

Cultural diversity among the personnel as a competitive advantage and a strategic choice to combat the shortage of expertise

**International recruitment practices shared by the companies from
the Lahti Region**

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Abstract

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Abstract <p>This Master's thesis explores the current state of cultural diversity in Finnish companies, especially focusing on the companies based in the Lahti Region, the competitive advantages it creates, and how diversity can be managed efficiently.</p> <p>The thesis presents multiple ways the companies can in practice reach, hire, and retain successfully international experts in order to access a wider pool of talents and achieve a higher cultural diversity among the personnel. Culturally rich personnel can help increase company's competitiveness, improve its employer image and help ultimately help reach its social responsibility goals.</p> <p>The background of this thesis relates to a widely acknowledged labor market encountering problems affecting Finnish business life extensively, and the rapidly aging population in Finland resulting in a lack of experts in many business sectors. Economically it is effective to increase labor-based migration to combat the shortage of expertise.</p> <p>The results show that companies with international operations benefit most from culturally diverse personnel, and they are also most experienced in hiring from abroad. The thesis also presents a growing form of hiring international talents - diversity recruitment - and why it is an efficient way to attract the right talents from international networks. The results also show that more flexible policy guidance is needed from the state level as well as more open attitude among the companies to speed up the cultural diversity in Finnish workplaces.</p> <p>Primary data consists of interviews among the selected Lahti region-based companies with recent experience in hiring international experts. The secondary data was sought through topic-related literature and studies. Theoretical background together with interviews provides useful knowledge and supports companies' decisions to increase and find the right cultural diversity management model and include them in the company strategy.</p>		
Keywords Cultural diversity, multi-culturalism, inclusion, competence, recruitment		

Contents

1	Introduction.....	1
1.1	Introduction to the topic and research process.....	1
1.2	Research context and methods	2
1.3	Thesis process	3
1.4	Research objectives and questions	4
1.5	Research scope and limitations	5
1.6	Theoretical Framework	6
1.7	Validity and reliability	6
2	Europe and Finland is lacking skilled workforce.....	8
2.1	Immigration in Europe.....	8
2.1.1	Immigrant flows	9
2.2	Causes and effects of labor shortage	9
2.3	Different types of immigration	13
3	Immigration rates in Finland.....	15
3.1	International employees and experts in Finland.....	16
3.2	Demographic development indicators for the Lahti region.....	17
3.3	Expertise gaps in the Lahti region.....	17
4	Characteristics of multiculturalism and diversity.....	20
4.1	Definition of multiculturalism	20
4.2	Diversity and inclusion	21
4.3	Cultural factors in communication	21
5	Multicultural work community.....	23
5.1	Culturally competent organization.....	23
5.2	A diverse work community as a company resource	24
5.3	Diversity as a part of company strategy	25
5.4	Effects on company culture.....	27
6	Diversity management.....	29
6.1	Multicultural work community management	29
6.1.1	Humanizing equity	30
6.1.2	Diversity networks as diversity management instrument.....	30
6.1.3	The Ring Theory.....	31
6.2	Interculturally competent leader.....	33
7	Recruitment is a process	37
7.1	Recruiting EU/ETA or non-EU citizen.....	39

7.2	Different ways to recruit an international expert	39
7.3	Diversity recruitment	42
8	Talent attraction	43
8.1	Public sector talent attraction	43
8.2	What hinders public level talent attraction	44
8.3	Private level talent attraction	45
8.4	What hinders private level talent attraction	47
9	Social capital as company resource	49
9.1	Further education increases organizational competence	51
10	Introduction to empirical research data analysis.....	52
10.1	Data Acquisition.....	52
10.2	Research partner introduction.....	52
11	Empirical research and data analysis.....	54
12	Conclusions	74
12.1	Reflection on research questions.....	74
12.2	Summary and conclusion from theory and interviews	77
12.3	Further research	80
	REFERENCES	81

Appendices

Appendix 1. Diversity recruitment example: cooperation between Pointer Potential and Raute

Appendix 2. The Chambers of commerce's survey for member companies about the shortage of skills they recognize. Answers, part 1.

Appendix 3. The Chambers of commerce's survey for member companies about the shortage of skills they recognize. Answers, part 2.

Appendix 4. Interview questions

1 Introduction

1.1 Introduction to the topic and research process

Many European countries are facing demographic and labor market challenges. As the countries are combating high-level unemployment rates, at the same time the companies are struggling with a shortage of skilled workforce due to globalization, migration, EU free movement policies, aging population and shrinking labor market. Finland needs more work-based and education-based immigration to help companies find enough experts and to strengthen Finland's vitality and public finances. (Valtioneuvosto, 2021.) Labor shortage affects some sectors more than others. As an example, the health and social service sector has suffered from alarmingly low employment rates recently.

Especially outside the growth centers, the working-age population is declining rapidly and there are fears that companies will disappear as a result. The existing working-age population in Finland is unable to meet this need. In Lahti region, a significant number of companies admit that the poor availability of skilled labor already limits the company's growth and business development. (Hämeen Kauppakamari, 2021).

There are a lot to consider throughout the organization before hiring an international expert. A company, that invests in social responsibility and is thereby prepared to hire foreign experts, can provide more receptive and non-discriminatory working environment and attractive career opportunities.

In a predominantly homogenous country ethnic diversity is not always embraced with open arms, as it is directly linked to immigration and it often raises social insecurity and identity dilemma in natives. (Botika 2018, 5.) Diversity and inclusion should not being handled as a current social responsibility trend, but as a differentiating factor in organizational competitiveness.

This thesis explores especially ethnic diversity because it is one way to increase a company's knowledge and experience capital and thus the competitiveness. Companies should be more aware of the best practices how to reach new international talents. The topic at hand is one of the most effective, but also one of the most controversial ways to maintain and increase Finland's employment figures.

The thesis helps define various actors and policies to increase labor migration in companies and help to integrate diversity in the long term into, for example, a part of the responsibility plan. The theoretical part delves into the importance of the topic and identifies the forces of change that are effecting the world, which also have effects on Finnish society and future

employment prospects. The thesis also shows and explores the differences between public and private recruitment services to help the companies focus on actual recruitment instead of stumbling with bureaucracy. The list of service providers is not completely exhaustive, as it focuses mainly on nationally known service units and, more regionally, on public and private actors in the Lahti region.

The number and variability of the statistics presented in the research section show that data on the number of foreign workers are available, but the data are fragmented and accumulate in different sources with a delay. For example, the exact reasons and motivations for entering Finland cannot be determined for every newcomer. Gaining an overall picture of international labor mobility requires the ability to combine information from different sources.

The empirical part approaches the topic practically. In it, SMEs and large companies in the Lahti region share their experiences of recruiting an international expert, concentrating on how the expert is found and what helped him or her to integrate on the work community and new environment. With the qualitative research method, research remained at the center of the phenomenon, ie. the experiences of companies and their thoughts, feelings and motivations towards to subject. These examples aim to encourage Finnish companies to consider the benefits of diversity in their own business. Attractiveness of the region plays also an important role in attracting international professionals. At the end of empirical part the companies share their thoughts on Lahti region as business environment the is and how the attractiveness of the region could be increased.

1.2 Research context and methods

After backgrounding the topic and explaining the context, it is important to present the research methods chosen for this thesis and discuss suitability of the chosen methods. This chapter reveals the research approach and description of the methods and tools used in this thesis.

A semi-structured interview as a qualitative research method was used to collect the data. This method was selected because it provides direct interaction between the researcher and the respondent. Interview questions for selected companies were planned out during gathering the theory part. Semi-structured questions allowed companies to freely share their experiences of foreign recruitment processes and tell the stories in their own words. Similarities and differences between the company procedures were found during the interviews, which are summarized in the final chapter. The interview questions are shown in appendix 4.

Like most qualitative research studies, this thesis is not based on hypotheses or assumed results. In this way, it is possible to get acquainted with the topic with the help of the material with as few presuppositions as possible.

1.3 Thesis process

The topic of a skilled workforce, and especially the lack of it in the future, is wide and many articles and studies also seemed to contain authors' own opinions. Limiting this topic to an easy-to-deal problem space was not easy. Many sources on foreign labor also contain confrontations and some of them are highlighted also in this thesis. At the beginning of the thesis process the assumption was, that there are no unambiguous answers and ways to maintain the company competitiveness only by increasing the diversity and that the matter had to be dealt with on a case-by-case basis. as the investigation progressed, the world political climate changed with the start of a full - scale war with Ukraine in the spring of 2022.

The discussion around the cultural encounter during the new political situation in Europe in the spring of 2022 due to war Russia started against Ukraine brought more profound questions around the concept. Therefore, the layout of the research questions also had to be re-examined from time to time, because the subject gained new sensitive features.

Companies from the networks of the researcher and research partner, the Talent Hub project, that were known to have recent experience in recruiting international experts were selected to be interviewed. Nine companies were asked to be interviewed and two of them declined. A total of seven companies shared their experiences in recruiting an international talent. The approached person in the company was either the CEO, HR manager or another manager level representative. The person was contacted by email and was informed about the topic and the purpose of the interview. Interviewees received the questions before the interview to give them time to be prepared for the interview. The interviews lasted approximately one hour and were done via Teams online meeting tool.

After the fifth interview, the thesis received iterative features. The interviewee's convincing experiences with an external recruiting partner brought depth to the topic that could not be expected at first. Iterative progression means there is room for research to evolve in a partially unpredictable direction by bringing in an additional plot or story. As a result of this iterative turn, the collaboration and the results between the interviewee and the recruiting partner are presented in the empirical part of the thesis and in Appendix 1.

1.4 Research objectives and questions

Research objectives are:

- to gather information on the reasons why companies are facing a shortage of skills and experts (chapter 2)
- present different ways for companies to hire an international expert ensure the availability of a skilled workforce in time (chapter 7 and 8)
- explore different outcomes of cultural encounters (chapters 4)
- explore competitiveness factors the diverse work community can create and seek information to support the assumption that international recruitments are worth to pursue (chapter 5)
- and as a practical objective to provide information on how organizations can be more prepared for facing multiculturalism and what does it require from managers (chapter 6).

Finally, the empirical section aspires to bring these theoretical issues to life and show how some companies have succeeded in recruiting the right international experts by applying the new forms of co-operation and new ways of thinking while bringing added value to the business.

Research questions

Research questions to be addressed in this thesis are

1. What are the reasons and impacts of expertise shortage?
2. What competitive advantages does diversity bring to a company?
3. How and where can company reach international talents?

Sub-questions to be addressed are

1. What is culturally competent organization?
2. Why is diversity management important?

1.5 Research scope and limitations

The thesis is both theory and practicality driven. The interview questions were created after familiarization with the theory and as the writing work was well under way. On the other hand, after the interviews, some theory sections had to be changed or viewed from a new perspective. In this thesis, familiarization with theory supported practical progress and vice versa. Both parts of the thesis complement each other. As practice and theory evolved interdependently, the two areas supported each other's progress, created new ideas for the phenomena to be studied, and provided practical boundaries for dealing with the topic.

Some limitations were set as the work progressed. Both geographical and time-bound limitations for the selected companies were developed at the beginning of the research process. The companies interviewed had to meet certain criterias in order to be comparable and, on the other hand, to provide enough different experiences. Therefore the interviewed companies were pre-selected. The companies were selected together with thesis partner, Talen Hub – project. The project partner is introduced more on the later chapters. Companies were suitable if they had recent experience in hiring foreign experts. They also had to operate in the Lahti region and be willing to share their best practices in recruiting from abroad.

Diversity in work communities encompasses all kinds of differences between employees, including age, gender, ethnic background, sexual orientation, family situation, disability, language, religion, and beliefs. The thesis deals with diversity only in terms of cultural variables.

When searching information on the career development of foreign experts in Finland, the sources almost invariably turned to the employment opportunities of immigrant groups and the discriminatory practices of the labor market. In recent years, Finland has experienced an unprecedented wave of asylum seekers from Syria, Iraq and Afghanistan. According to European Commission (2016), more than 32,000 asylum seekers arrived in Finland, many times the usual number. This new phenomenon increased the debate on immigration policy. Asylum seekers and international experts, who in fact have very different starting points and impact on the Finnish economy, are still easily bundled in the same immigration debate. The discussion on working life between these groups is different, therefore this thesis does not focus on migrants who have recently arrived in Finland as an asylum seeker and not as an international expert.

1.6 Theoretical Framework

The theoretical framework helps to lead the research's conceptual structure and steer thinking towards the goal. The theoretical framework of this thesis combines researcher's previous knowledge and topic-related literature. The knowledge base of this thesis consists of a multifaceted theory related to the topic, which brings together perspectives, observations and research-based information on multiculturalism and its phenomena. International publishing platforms, reliable websites and the researcher's own working life experience and intuition have been combined to define the literature-based knowledge base. The academic literature review selected for this thesis is based on peer-reviewed studies and research findings in the field of social psychology and working life research by internationally renowned researchers. Information has been sought and structured also from articles, news and industry journals to diversify the topic and provide practical examples to the reader. Literature is critically treated, compared and summarized for relevant theoretical framework. Related key concepts are explained in their own paragraph in the theoretical part. Other terms are defined in the context in which they arise. The research questions determined the nature and number of sources acceptable for the thesis. Empirical data acquisition is explained in empirical part more detailed.

1.7 Validity and reliability

A good quality research study provides evidence on how validity and reliability factors are addressed. Validity is defined as the extent to which a concept is accurately measured in a quantitative study. (Heale, R et al. 2015). One feature to measure the reliability of a qualitative research is how well the results can be scaled and generalized. The theory part of this thesis deals with labor shortage extensively first globally, then on European level and finally lowering to country level and finally regionally focusing on the Lahti region. The theory part also specifies different business areas that are facing the most severe labor shortage. The theoretical part is thus very generalizable, especially in similar social structures as Finnish society represents.

The empirical part narratively approaches the selected companies' personal and unique recruitment experiences. The stories are intended to serve as inspiring examples for other companies and are not intended to be copied as they are. The empirical section of the thesis cannot be scaled as such, but it can be exploited in an applied manner. This would also be desirable when considering the effectiveness and impact of the thesis.

Reliability relates to the consistency of a measure (Heale et al. 2015) and it can be a way of assessing the quality of the measurement procedure used to collect data in a study (Laerd dissertation.) In order to reduce errors and minimize the impact of external factors in the empirical data collection, all interviews were conducted in the same way, giving the interviewees the same amount of prior knowledge about the topic and motivation to conduct the thesis.

Research participants and the interviewees were informed about the publicity of the final thesis and they are aware that the interviews, which were held in Finnish, will be translated into English exclusively by the author. The interviewees were asked separately for permission to submit citations under their own and company name. Five of them accepted to use their names and two wanted to be handled anonymously. An additional interview with the recruitment company about the diversity recruitment, which is found in the appendices, was also allowed to be published with name.

2 Europe and Finland is lacking skilled workforce

This chapter deals with the development of immigration history in Europe and Finland. Some key identified statistical and register data contents have been included at the beginning, because they are important in predicting future migration trends.

Reliable and comparable statistics provided by the European Union Member States are relevant for immigration monitoring, evaluation, and decision-making within the region. There are several key actors responsible for immigration policies and related statistics in Finland, most of them working closely with EU networks and connections. Some of the actors worth mentioning and also relevant to this thesis are:

- The Finnish Immigration Service collects and maintains data on the registration of EU citizens.
- Statistics Finland produces reliable and impartial statistics on Finnish society and immigration.
- The Finnish Center for Pensions receives and produces annual statistical data on employees sent to Finland on the basis of A1 certificates issued to Finland by the social security authorities of the EU member states.
- Locally, public services, such as municipalities, TE Employment Services, Centre for Economic Development, Transport and the Environment as well as regional development companies provide data and instructions to support immigration.

To review national age trends in Finland and how Finland is ageing compared to other countries, from global databases Countrymeters was selected as a key source in this thesis. Countrymeters provides data on population for most countries in the world based on different open-sourced statistical databases. The Statistical office of the European Union Eurostat and The European Migration Network (EMN) provide also objective and comparable information on migration and support policymaking in the European Union in these areas.

2.1 Immigration in Europe

Even though the starting point for the development of a European migration policy was the signing of the Treaty of Rome in 1957, Europe took the first active steps on the migration policy cooperation in the 1980's. Since then, the focus has been on cross-border issues

such as free movement of citizens, guaranteeing fundamental rights, the fight against terrorism and organized crime, and asylum and immigration matters. (Seilonen, J., 2016). The European Union is an economic and political union of 27 European Member States. Migration and asylum policy will enable the EU to benefit from increased mobility and to meet its challenges. (Euroopan komissio, a.)

According to Luedtke (2016, 412) in order for a Europe without internal borders to work, and for EU to have a common external border, it is necessary that the member states agree on a common policy on who are allowed into the EU, and what rights and freedoms the non-member state nationals have. (Seilonen, J. 2016).

The principle of sustainability guides Finland's skills-based immigration policy. The most internationally visible and recognized guidance tool (also affecting immigration policy) consists of the seventeen sustainable development goals defined and set by the United Nations, their numerous sub-goals and almost 250 indicators. (United Nations.).

2.1.1 Immigrant flows

Among the major regions of the world, the largest number of international migrants in 2020 resided in Europe, with a total of 87 million. Northern America hosted the second largest number of migrants, with almost 59 million. Northern Africa and Western Asia followed with a total of nearly 50 million. (Montiglio, 2021). In 2018, according to Decoding Global Talent 2018, Finland was not among the countries that foreign talents likely wanted to move because of work. The TOP5 countries in 2018 were the USA, Germany, Canada, the UK, and Australia. (Staffpoint, 2020).

In 2020, 8.6 million non-EU nationals worked in the EU labor market, representing 4.6% of the total EU workforce (189.1 million people aged 20-64 in total). Many non-EU nationals are workers in so-called critical sectors and have long been oversupplied in Europe. (Euroopan komissio,b.) The corona pandemic created a lot of unemployment in Europe and in some areas it further increased the oversupply of labor. In others, long-standing problems have worsened due to the pandemic. (Eurofound, 2021, 3).

2.2 Demand and supply powers of labor markets

OECD has thirty-eight member countries. Data collated by the OECD, within its most advanced industrial democracies, about 20 million fewer people are working than before the

coronavirus struck. Of these, 14 million have exited the labor market and are classified as “not working” and “not looking for work”. Compared to 2019, 3 million more young people are not in employment, education or training. (Taylor, 2021.)

Causes for the labor shortages vary from one country to another. Retirement of large age groups have long been a well-known phenomenon also in Europe, but the corona pandemic have accelerated retirements and thus labor shortages in some countries.

Generous furlough benefits and part-time work schemes in European countries, as well as stimulus checks in the United States, have given many workers a financial cushion that may be delaying their return to the job market. Between 2013 and 2019, the proportion of businesses indicating that the availability of labor was a factor limiting production increased nearly fivefold in construction, quadrupled in industry and more than doubled in the services sector. (Eurofound, 2021, 3.)

While most developed countries try to curtail immigration of basic-skilled workers, migration of high-skilled workers is often encouraged and facilitated. For those European countries that have been for long proclaiming themselves to be non-immigration countries, these developments represent a major shift in immigration policy. (Hercog 2008.) Globalization, new technological achievements and ageing of rich-country population are the three long-term trends that are most often referred as the ones that most raise the intense international competition for talents. Finland is also highly affected by these three of the above-mentioned trends. Nearly all developed countries go beyond simply attracting skilled workers by also developing their attractiveness in order to make skilled people stay longer (Staffpoint, 2020.) As skills-based immigration is evidently increasing, it is important to ensure the responsibility of operations on a large scale, both from the point of view of the newcomers and the receiving society.

Ageing population

Older population needs more governmental support and therefore it is important to monitor the age of population. The Finnish population is ageing rapidly and the birth rate is insufficient to maintain population growth. The picture 1 shows, that the Finland population pyramid represents a contracting type. This type of pyramid is fairly common in highly developed countries with low birth and death rates. Countries with this kind of population age distribution model usually have high level of education and good health care, that leads to long life expectancy (Countrymeters.)

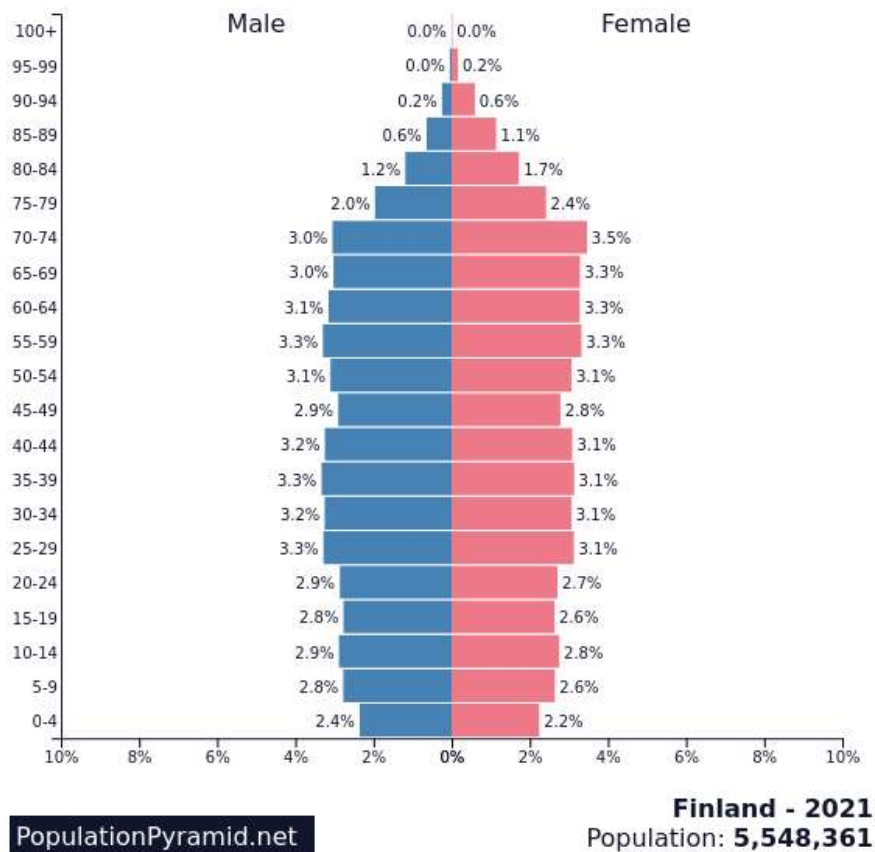


Figure 1. Population Pyramid of Finland in 2021 (PopulationPyramid.net.)

Globalization and urbanization

Globalization intensifies worldwide social and economic relations. Distant localities are linked in a way that local occurrences are shaped by events occurring thousands of miles away and vice versa. (Anthony Gidens, according to Dokos, T. 2017, 104.) The pace and direction of globalization (to cover not only the "core" but also the "gap") is just one of many trends and factors affecting population movements, albeit an important one (Dokos, T. 2017, 103.) The acceleration of globalization has led to a demographic shift. The line between global affairs and domestic matters is increasingly blurring and both have impacts on each other. Urbanization draws masses of people to cities, and as information connections and the availability of data increase, people in every corner of the world set off in the hope of a better future. The increased mobility among migrant workers travelling around the globe for career progression, and the rising need for a talented and skilled workforce are resulting in diversity becoming a key driver in economic growth across the world (Global Diversity Practice.)

Technological development

Technological development requires increasingly diverse and advanced expertise. Companies compete on these experts globally. Technological developments provide companies with, for example, increasingly accurate future forecasts to support their business and smarter interaction between people and systems. As the world becomes more and more networked, and expert and development work, in particular, can be done remotely almost anywhere globally, the physical location of an international expert is no longer a threshold issue.

Finland has a reputation as a world leader in innovation and technological development, which is of interest to IT professionals in India and South-East Asia, for example, to offer good personal development opportunities. In this way, Finland also receives the necessary new know-how outside the borders. However, moving to Finland requires much more than just a promising career.

Dependency ratio

According to Countrymeter, the total dependency ratio of population in Finland is 51.2 %. Dependency ratio of population means a ratio of people who are not generally a part in the work-life or not included in the labor force (the dependents) to workforce of a country (the productive part of population). The dependent part includes younger and older population, population under 15 years old and people aged 65 and over, which is considered as the productive part of population. Finland's dependency ratio is relative high showing that the dependent part of population is more than a half of the working part and the pressure on productive population in Finland is high. (Countrymeter.). Countrymeter's statistic also show that aged dependency ratio in Finland is 26.9 %, which is a ratio of people above working age (65+) to workforce of a country.

Pension system

A high employment rate and well-functioning pension system are the foundations of a welfare state. Finland has a highly developed pension system, which guarantees either an employment pension or a national pension and guarantee pension for every citizen. According to Keva, particular attention should be paid to coping and well-being at work, including those with disabilities and partial disabilities. Every employee is needed for to take care of our pension system and our society. (KEVA.) Migration is a phenomenon that is not only a result of the economy but is one that is constantly affecting the economy (AP Human Geography Migration.)

Push and pull factors for migration

People migrate for different reasons, such as economic, political, social or environmental factors. People migrate to find more secure and stable environment to live in or to be closer to family or friends. Political persecution, war or natural disaster force people to find better life-quality around the world. Economical migration means moving to find work or follow a particular career path. (Bitesize.) Economical pull factors play an important role for people looking for more income level or otherwise higher standards of living.

Economic push and pull factors define the migration flows between the countries. Economic push and pull are the primary driving forces in modern migration (AP Human Geography Migration.)

Economic push factors are based on negative forces such as poverty, environmental degradation, unemployment, low pay, low standard of living, high taxation, and lack of resources and services or factors forcing people to migrate. Economic push factors can result *brain drain*, when the best and the brightest leave a country because of a lack of opportunities. (Economic Push & Pull Factors, 2021).

Pull factors on the other hand attract people to move to a new country. These positive forces usually relate to career opportunities or better working conditions, higher wage or higher standard of living, low taxation, attractive amenities as well as abundant resources and services. (Economic Push & Pull Factors, 2021; Thet, K.K. 2012).

2.3 Different types of immigration

As people migrate on different reasons, they are also handled different in political systems way due to their social status as migrants. The concepts of immigrant involve both broad umbrella concepts and more specific and limited terms. In everyday language, concepts are sometimes confused with each other, but in official use, concepts need be handled with care.

A refugee has left their home usually due to push reasons, to escape from uncertain political situation in their country, usually war or other catastrophic occurring. Refugees carry hardly any possessions with them and may not know exactly where and when they will finally settle. Refugees are often dependent on states and systems.

Asylum seeker is a person applying for asylum and a residence permit in a foreign country. Only a small number of asylum seekers receive UN refugee status, but asylum can be granted without the need for protection or on humanitarian grounds. Asylum seekers are usually motivated by the push factors.

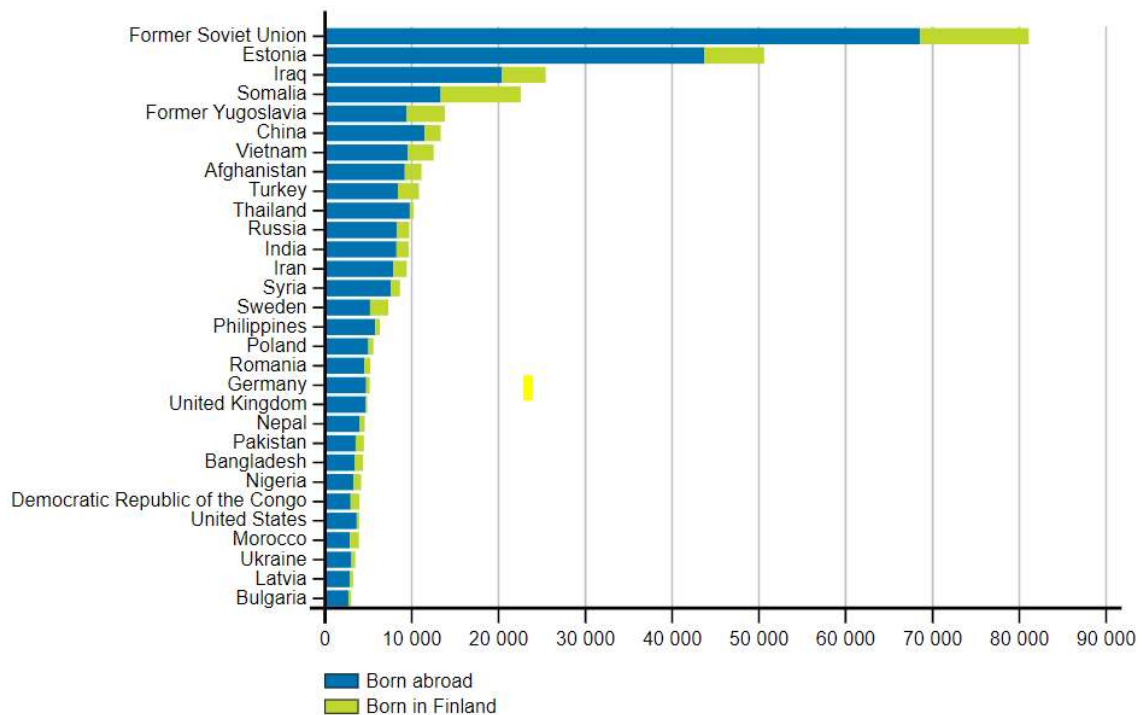
Immigrant is a person who is a citizen of another country and moves to the country for a longer period of time. Immigrant can be motivated by either push or pull factors or both. Basically, the concept of immigrants include all those who have moved to another country from different reasons.

Migrant is a person who has voluntarily and with permanent intentions moved to another country to live and find job. The word should not be used, for example, for refugees or asylum seekers. However, as a broad concept, migration can include people who move for different reasons. Migrants are usually motivated by the pull factors. (STT.).

3 Immigration rates in Finland

At the end of 2019, a total of 423 494 people with a foreign background lived in Finland (Statistics Finland, 2020.) Biggest background country groups of persons with foreign background 2020 came from former Soviet Union region, Estonia, Iraq, Somalia, former Yugoslavia, China, Vietnam, Afghanistan and Turkey. Statistics Finland's figure (2) illustrates the largest groups with a foreign background by country in Finland in 2020.

Biggest background country groups of persons with foreign background 2020



Statistics Finland / Population structure

Figure 2. Biggest background country groups of persons with foreign background 2020 (Statistics Finland, 2020)

According to Countrymeters, the number of migrants in Finland within a year is roughly around 20.000 per year. This is roughly one third less than natural borns in Finland. Between November 2020 and November 2021 19.504 migrants arrived to Finland. The foreign labor and foreign degree student statistics that have remained at the same level for a long time and supports the view that Finland should be better marketed to talents (Staffpoint, 2020.)

Countrymeters predicts that the Finnish migrant level will increase by almost 2000 migrants by 2023, estimating 21.900 migrants for 2022 (60 immigrants average per day). The actual

numbers do not reflect the exact migration situation due to COVID-19 movement restrictions. (Countrymeters.) The Government is seeking to at least double the current volume of work-based immigration by 2030 to attain the overall increase of at least 50,000 work-based immigrants. (Valtioneuvosto, 2021.) As mentioned also before, the skills-based immigration is evidently increasing and it is important to include the responsibility aspects in all operations on a large scale, both from the point of view of the newcomers and the receiving society.

Europe offers unique possibilities for immigrants and is attracting them in with its growing economies. Freedom of travel within Europe enables immigrants to start in the most accessible country and later make their way to their final destinations, such as Northern European countries. (AP Human Geography Migration). For many employees, it is a usual way ending up work in Finland; settle in the country first and then look for jobs.

3.1 International talents in Finland

Finnish economy would especially benefit if more international specialists, entrepreneurs and researchers find jobs in Finland. At the moment, the vast majority of those who apply for a residence permit to work in Finland are workers, such as seasonal workers. Only a small number of specialists aspire to Finland. International students are also a desired group. In best case, students can meet their future employers during their studies in Finland and stay in the country having a long career after graduation.

The most typical person arriving to work in Finland is a construction worker from Estonia, Poland, Lithuania or Latvia. Estonians represent the largest group of foreign labor in the construction sector. Many of them have settled in Finland more permanently and set up their own firms. (Rakennusteollisuus.) As many as a third of applications for a residence permit for ordinary workers have been submitted to the construction industry this year. Seasonal work, especially in the summer, has traditionally attracted a large number of workers from Eastern Europe and the Baltic countries. Finland is also becoming a destination for health care professionals and especially private health care companies have hired thousands of nurses from Philippines.

It is challenging to differentiate international experts with specific competence by country. It is commonly known that IT professionals are educated in India and high value-added expertise can be acquired from America. Unambiguous statistics specifying the countries of origin of high-skilled workers are scarce. Finnish employers are not obliged to keep a register of the nationalities of their employees. In case asking, an employer should be able to

justify why he or she is asking for it, as in principle, the employees culture or ethnicity does not determine their skills. Certain tasks in the security sector or in the national defense require Finnish citizenship.

Finnish cultural minorities have a legal right to maintain and develop their own language and culture in Finland (THL.) Those who are able to implement themselves freely are more likely to stay in Finland to work longer.

3.2 Demographic development indicators for the Lahti region

According to Statistics Finland's demographic statistics, the official population of the city of Lahti at the end of 2021 was 120,027. Cultural minorities represent marginal proportions in Lahti. There are no large minority concentrations in the region. Russian-speakers formed the largest group of foreign-speakers in Lahti. The slight increase in the population of Lahti was based entirely on the foreign-speaking population, as the number of native speakers in Lahti decreased during 2021. The number of foreign speakers increased by 394 people. At the end of 2021, the share of foreign speakers in the population was 7.8% in Lahti, i.e. 9,406 foreign languages, which is the highest figure in the history of statistics. The share of foreign citizens in Lahti in 2021 was 4.9%, or 5,871. Societal and language training is available for immigrants either on-site at local training centres or online from elsewhere in Finland. (Marola, J. 2022).

3.3 Expertise gaps in the Lahti region

At the national level, the shortage of experts is expected to increase in the future. 64,5 % of respondents reported in the study that the need for work force will increase (some say significantly) over the next six months. It is estimated that in two to three years, the corresponding figure will be 76.3%. According to companies, the leading recruitment challenges stem from the fact that there are simply not enough candidates applying for the jobs. Applicants' limited work experience, or unsuitable training, is also a problem, leading to a so-called clash problem. Incentive traps, i.e. the fact that it is not worth taking a job because the after-tax share of wages is not much higher than subsidies, were also barriers to accessing labor. (Valtonen, M. 2021).

The industry structure of Päijät-Häme companies is quite similar to that in Finland in general. Industrial companies employ significantly more and construction companies slightly

more in Päijät-Häme compared to the rest of the country. Many family-owned businesses in Lahti have long roots and a significant impact on the region's economic success. The city of Lahti and the whole region compete for attractiveness and migration with other major Finnish growth centres while struggling with the burdens of an aging population.

In 2019, 74% of the turnover of Päijät-Häme companies generated from industry, trade and construction. 70% of the turnover was generated in Lahti, which shows that the city of Lahti with its surroundings is the business hub of the region. Exports of goods by domestic industry are relatively more important in the regional economy of Päijät-Häme compared to the rest of the Finland. (Päijät-Hämeen Liitto, 2021).

The shortage of experts will also increase in Häme, but with a slight delay compared to the rest of Finland. According to similar survey conducted by the Päijät-Häme Chamber of Commerce's to 106 companies in the Lahti region, the main challenge in recruiting employees is that there is simply not enough candidates for vacancies. In the Lahti region, companies also consider intensified competition for employees and the applicants' limited work experience or unsuitable training as recruitment challenges. In addition, weak labor mobility, ageing and long distances to the workplace pose many challenges in the Lahti region. (Hämeen Kauppakamari, 2021). Specific figures on how many companies employ international professionals and how many different nationalities work in companies are not available. These figures are also expected to vary, as some are permanent and some represent temporary labor. Uncertainty of the numbers is increased by several seasonal workers from arriving from abroad in Lahti, especially for summer and Christmas. In the empirical part, the interviewed companies for this thesis were asked about the share of foreigners in the labor force, which indicates the coverage of foreign labor employed by industrial enterprises in the Lahti region.

In both the national and Päijät-Häme Chamber of Commerce's surveys for companies in 2021, the responses strongly highlighted the need to increase the work-based and study-based immigration and further actions to attach them with local work life.

Appendices 2 and 3 show the differences between the responses given to queries. According to the surveys, increasing work-based immigration was seen as very important in Päijät-Häme's companies, while nationally it was seen as somewhat important. This shows that companies in the Lahti region believe that increasing labor-based migration is one of the best ways to increase the employment rate in the region.

In the next few years, companies in Päijät-Häme will need experts in the fields of technology, trade and administration and service sector, in particular. It is estimated that there will

be a shortage in the Lahti region in the coming years for those who have completed a secondary vocational degree or a bachelor's degree. On the other hand, there is no perceived shortage in recruiting from the extreme ends of the degrees i.e., either primary school graduates and university doctors. In addition, there is uncertainty about the required number of applicants for data processing and telecommunications professionals and the availability of the latest related information. (Hämeen Kauppakamari, 2021).

4 Characteristics of multiculturalism and diversity

4.1 Definition of multiculturalism

Where are people, there is culture. Culture takes time to develop and is not changed rapidly. To understand the complexity and competitive advantages of multiculturalism, it is useful to explain certain concepts related to culture and its forms.

Culture is defined as the shared patterns of behaviours and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture group while also distinguishing those of another group. (University of Minnesota.) According to Damen, L. (1987, 367.) culture is mankind's primary adaptive mechanism. Having a sense of culture and its related skills is a unique human attribute. Fundamentally, culture is a group of problem-solving tools for coping in a particular environment. (Moran, R. 2011, 34.)

In the history of the world cultures have been born and lost. The strong have won and the weak have faded away or merged with other cultures. Culture is a personal experience for people and determines a person's image of themselves and the world around them. People and corporate cultures have much in common. Corporate culture means what happens when no one is watching. According to Bush (n.a.) a corporate culture is the feeling that makes you want to go to work or alternatively stay at home (Great Place to Work.)

Collins relates the idea of equality on multiculturalism and defines the concepts as a situation in which all the different cultural or racial groups in a society have equal rights and future prospects, and where any cultural minority is ignored or regarded as less important. (Collins Dictionary.) Multiculturalism stands as a challenge to liberal democracy. (Eagan, J.L.). Multiculturals are individuals who understand more than one societal culture, which allows them to make informed cultural interpretations in multiple contexts. (Lücke, G., et al. 2014.) Globalization assembles multi-cultural spaces in modern societies.

Cognitive perspective studies shows, that meaning systems have long been considered a critical aspect of culture, if not the essence of it. Understanding how people internalize meaning systems that help them interpret multiple cultural environments is essential for explaining multiculturalism. (Lücke, G., et al. 2014.)

4.2 Diversity and inclusion

Diversity is about globalization, organisational learning and the growing importance of knowledge management, just as much as it is about recruitment, equal opportunity workforce demographics and social integration (Moran, R. et al. 2011, 165). Diversity means understanding one another by surpassing simple tolerance to ensure people truly value their differences (Global Diversity Practice.) Culture and diversity are strongly interlinked, but with the difference that culture describes people and manifests itself at the societal level and diversity describes people at the individual level (Young, A. 2020.)

Academical studies identify and examine two types of diversity: inherent and acquired. Inherent diversity involves traits one is born with, such as gender, ethnicity, and sexual orientation. Acquired diversity involves traits one gain from experience, such as working in another country can help one appreciate cultural differences, for example, while selling to female consumers can provide gender smarts (Hewlett, S-A. et al 2013).

When talking about diversity, it is also important to know the different levels of it and how much these levels drive the attitudes towards others. Differences between surface-level and deep-level diversity explain the differences how people think and act as they encounter diversity. Surface level diversity is a person's genetic or visible physical traits, such as gender, age, or skin colour. These physical characteristics have very little to do with how a person thinks, although they may affect his or her behaviour depending on possibly experienced discrimination. Deep-level diversity refers to non-perceptible traits that can be hidden or revealed at a person's discretion, such as beliefs, attitudes, norms, values and religious beliefs. (Young, A. 2020).

Inclusion, on the other hand, is appreciating differences between individuals. In business life it means organisational efforts and practices in which different groups or individuals with different backgrounds are culturally and socially accepted and welcomed (Global Diversity Practice.) In simple terms, diversity is the mix, and inclusion is enabling the mix to work well (Global Diversity Practice.)

4.3 Cultural factors in communication

Intercultural communication is a process whereby individuals from different cultural backgrounds attempts to share meanings. Effective communication across cultural and linguistic boundaries is difficult, for it involves learning to use flexible approaches to listen, observe and speak according to the specific situation at hand. Words represent perhaps only ten

percent of the total communication (Moran, R. et al, 2011, 39-58) and therefore, understanding the differences of non-verbal gestures and signals in different cultures can help us become better in cross-cultural communication. Gestures, facial expressions, hand movement and even a touch can mean different thing depending on the culture. Figure 3 illustrates a hand-gesture and what it means in three different countries.

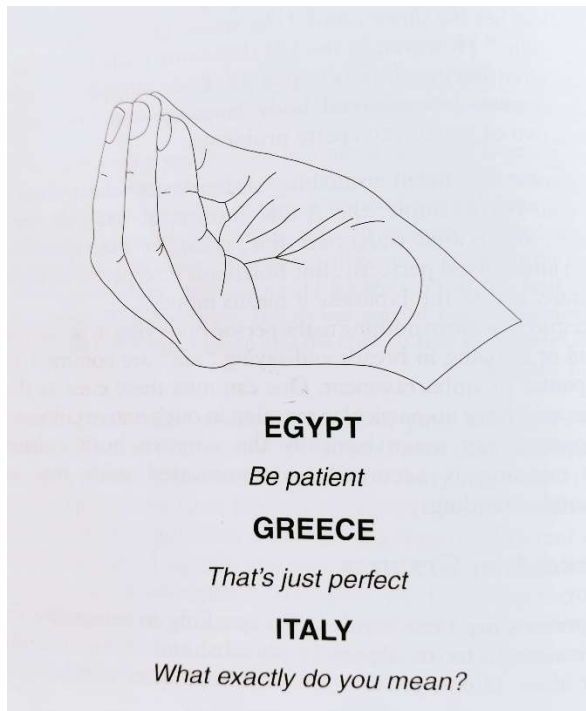


Figure 3. Hand gesture with various meanings (Moran R. et al. 2011, 60)

Misinterpreted non-verbal communication can have far-reaching implications. It is good to know the cultural background of the business partner so that, for example, there is no unnecessary confusion or time spent interpreting different gestures during a meeting or negotiation.

People can communicate in many ways and a shared understanding through communication is vital in the workplace. For example, safety guidelines in the workplace should be understood regardless of languages spoken in the workplace. The company's onboarding material and various safety-enhancing signs can be multilingual and illustrated. A common language connects people and proficiency in Finnish is in many cases a precondition for getting a job in a large number of companies.

The study of Finnish by immigrant workers should be made extremely easy and rewarding. Employers can support language studies during working hours or fund a language course during the evening. this also helps engage the employee in the workplace.

5 Multicultural work community

In a business environment, multiculturalism means the policy of maintaining a diversity of ethnic cultures within a community (Collins Dictionary.) Understanding how to deal with cultural multiplicity is particularly important for multinational corporations (MNCs), as it affects their ability to conduct critical tasks such as global integration of dispersed operations, cross-border transfer of management practices, and learning across different environments. (Lücke, G., et al. 2014.)

5.1 Culturally competent organization

Culturally competent organizations have a lot of similarities in key characteristics. Barr and Strong (1987, 20-23) defined four characteristics/conditions of multicultural organization:

- genuinely committed (action as well as words) to promoting diversity at all levels
- sensitive to maintaining an open, supportive and responsive environment
- working toward and purposefully including elements of diverse cultures in its ongoing operations
- authentic in responding to issues confronting it.

In action these also mean that organizational policies and practices are carefully monitored to the goals of multiculturalism and there is true commitment to change policy practices that block cultural diversity. (Sue et al. 1998, 44.) A broader range of skills and experience within the team thru diverse workforces is proven to create better problem solving and avoiding “echo chamber” or confirmation bias mentalities much more effectively (McConnel, B. 2021.)

According to Barrett (2006), the following competencies are recommended to be adopted by organisations to help create the conditions that recognizes the human factor and demonstrates value for diversity. This can be done by analyzing the employee work environments and mechanisms through the lens of multiple legal systems and being culturally sensitive to each employee’s motivational dynamics and administrative systems. Company should also create mechanisms for employees to identify cultural differences and provide ways to connect across those differences. (Moran, R. et al 2011, 166-167).

Even though Barr, Strong and Barrett have studied the key organizational competencies in different decades, the outcomes are quite similar; diversity is a natural part of humanity and

should not be hidden at any level in the work community. In his work, Barret places a special emphasis on the company's responsibility to create a safe, functional, and communicative work environment for individuals. Both authors also emphasize the importance of fluent verbal and non-verbal communication among staff as a starting point for culturally competent organization. Company's and especially leaders role in enabling communication within the organization is discussed later in the thesis in chapter 6 that handles diversity management more profound.

The Diversity Barometer 2020, conducted by the Finnish Institute of Occupational Health, describes the views of Human Resources (HR) professionals on diversity in Finnish workplaces. The results suggest that there have been positive developments in attitudes towards diversity in Finland over the last ten years. A total of 250 HR professionals participated in research for the Diversity Barometer. (Bergbom, B. et al, 2020). Cultural competence can be measured with job satisfaction surveys, personnel diversity questionnaires and providing ethical guidelines among others.

5.2 A diverse work community as a company resource

Not only are individuals product of their cultural conditioning, but institutional values and practices often reflect the biases of the larger society (Sue et al. 1998.) Inside organizations, where predominant ethnic majority are natives of the country, recruiters and managers tend to employ people similar to themselves, with the same appearance, opinions and beliefs and thus sometimes unconsciously avoiding diversity. Therefore, it is important to stress the fact that diversity and inclusion are not only a current social responsibility trend, but it is more and more regarded as a differentiating factor in organizational competitiveness. (Botika 2018, 5.)

According to Työterveyslaitos, the diversity of the work community has been shown to have several benefits. Diversity has a positive effect on

- organizational innovation and creativity
- customer satisfaction
- reaching new customer groups-
- economic viability
- attractiveness of the workplace

- staff satisfaction and
- the public image of the organization.

Companies with high levels of racial and ethnic diversity are 33-35% more likely to outperform their industry averages financially (Hunt et al. 2018.) The benefits of a diverse workforce not only provides social harmony at work for the employees, but also increases productivity and profitability that will help the organisation to succeed in the global marketplace (Global Diversity Practice.) Diversity unlocks innovation by creating an environment where “outside the box” ideas are heard (Hewlett, S-A. et al 2013.) Diverse companies are more successful in bringing aboard top talents, excelling in customer and employee satisfaction, taking better decisions, and have a global mindset (Botika 2018, 8.) Sharing the legacy of diverse cultures advances social, economic, technological and human development (Moran R, 2011, 34.) According to Talent trends research, more than half (58%) of company leaders say the biggest gain is giving the organization a broader and more inclusive perspective on topics and projects - in other words, accelerating work as a result of different voices. (Randstad Sourceright, 2019).

According to Tharenou & Kulik (2020) skilled migrants hardly ever replace local employees, a concern often felt by host countries’ citizens, but instead it may help developing a whole new jobs in a host country (Nieminen, M. 2020.) This also applies to the company hiring international professionals: a diverse talent pool attracts even more diverse applicants. New research provides compelling evidence that diversity unlocks innovation and drives market growth—a finding that should intensify efforts to ensure that executive ranks both embody and embrace the power of differences (Hewlett, S-A. et al 2013.)

5.3 Diversity as a part of company strategy

Companies are still uncertain about how they can most effectively use diversity and inclusion to support their growth and value-creation goals. Multiculturalism can be either an absolute value or a strategic choice that aims, for example, to brand a company to a new customer base by hiring representatives of the target customer base in the company. Diversity strategy makes employees feel the business is focused on people and the strategy positions the organization for growth (Randstad Sourceright, 2019.)

In Finnish Diversity Barometer 2020, 69% of human resources (HR) professionals estimated that diversity and equality have been highlighted in their organisation strategy or action plan. The corresponding share was 58% in 2011 and 64% in 2016, which shows that

the integration of diversity into operational planning has gradually increased year by year in this respect. (Työelämätiето, 2021). Figure 4 below illustrates this trend. Companies now embracing diversity into their values and strategies are many steps ahead of others on their way to future success (IMAGO-hanke, 2022.) Communicating about the values helps an organization to understand that diversity strategy is not just cosmetic, but has a real purpose for everyone connected to the organization (Randstad Sourceright, 2019.)

Onko monimuotoisuuden ja yhdenvertaisuuden arvostaminen nostettu esiin organisaatiosi strategiassa, toimintasuunnitelmassa tai vastaavassa?

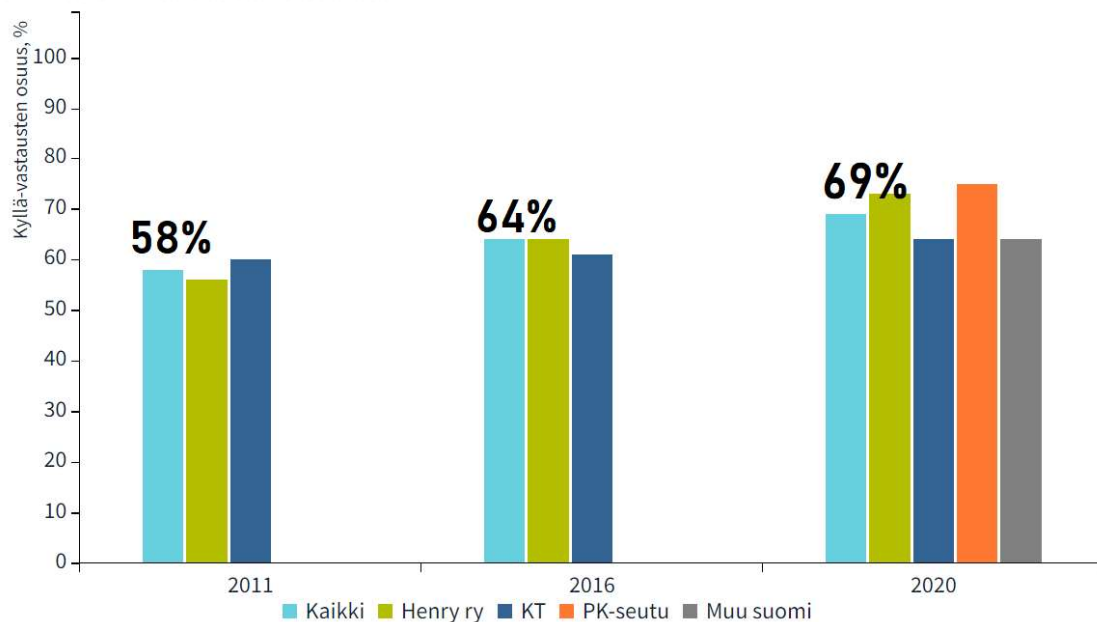


Figure 4. Companies' gradual growth trend in the integration of diversity into operational planning (Työelämätiето, 2021)

Considering diversity at the strategic level means careful preparation for the company. There are various indicators and policy recommendations that help to reach the targets. Business Finland has introduced a so-called diversity meter as an introduction to companies to help them assess:

- the readiness to recruit international labor
- the openness of the organisational culture
- and the suitability of their practices to diverse management of the work community.

The diversity meter enables the company to assess seven dimensions of the work community: mindset of the management, recruitment needs, supervisory work, teamwork, customers, communication, instructions and systems. (Hiekkanen-Mäkelä, U.). The power of diversity can only be unleashed and its benefits reaped when individual differences are recognized and learned to respect and value each individual irrelevant of their background (Global Diversity Practice.)

5.4 Effects on company culture

Inclusive cultures make people feel respected and valued for who they are as an individual or group (Global Diversity Practice.) According to Sue et al. (1997, 110) Process for planning a cultural diversity is a broad one. The process involves assessment, building support, facilitating leadership, developing policies and implementing change. Although changes in an organization's cultural competency may occur by plan or happenstance, a planned change is usually perceived as desired change, whereas unplanned changes are more likely to cause confusion and resistance. (Spanion et al. 1990, according to Sue et al 1997, 110).

Diverse company culture and related inclusion processes engage employees and make them feel valued as essential to the organisation's success. Evidence shows that when people feel valued, they function at full capacity and work hard to achieve common visions and missions. This shows that culture shift towards inclusiveness creates higher-performing organizations where motivation and morale soar. (Global Diversity Practice).

Schein (1990, according to Sue et al 1997, 110) starts the cultural diversity assessment by looking at three levels of organization from three perspectives: levels of organizational intervention, barriers to multicultural change and ways of incorporating multicultural competencies into organizations. After assessing the readiness and resources available for change, planners should make sure they have cultivated support for their cultural competency goals. Diversity must be combined with institutional policies that value diversity, therefore no comprehensive implementation of multicultural practices can take place without the support of top decision- and policymakers of the organization. (Sue et al. 1997, 113).

Corporate culture can be viewed at three different levels; multicultural, cross-cultural and intercultural. The differences between these are best explained through communication; in multicultural organization people work alongside one another, but each cultural group does not necessarily have engaging interactions with each other. In cross-cultural communication, differences are understood and acknowledged, and can bring about individual change,

but not collective transformations. In cross-cultural societies, one culture is often considered “the norm” and all other cultures are compared or contrasted to the dominant culture. Intercultural communication focuses on the mutual exchange of ideas and cultural norms and the development of deep relationships. In an intercultural society, no one is left unchanged because everyone learns from one another and grows together. (Schriefer, P. 2016). The differences are largely related to the views through which people encounter each other. How much a company encourages employees to engage in multicultural collaboration determines the degree to which the company reaches the three-point scale described above.

6 Diversity management

6.1 Multicultural work community management

Diversity management is a broad concept and goes deeper than leading a group of people to make their co-existing inclusive or helping them to create diversity-driven action models for the rest of the organization. Since there are many approaches to the topic, this paragraph handles the topic from two aspects: first, by describing the competitive advantages the well-performed diversity management creates, and second, approaches the subject from the field of social psychology thru concepts such humanizing equity and diversity networks.

Growing cultural diversity with lack of cultural competence can lead to predicament situations. The diversity itself does not yet bring benefits. Diversity must be managed in such a way that its benefits can be harnessed. Personal cultural competence is a key requirement when working in multi-cultural organization. When the management of the company wants to recruit foreign talents, the organisation should first initiate internal internationalisation (Hiekkänen-Mäkelä.)

Diversity management creates a competitive advantage in multiple areas within the company and the main are: creativity, talent acquisition, problem-solving, organizational flexibility. (Botika 2018, 8.) Diversity management raises the awareness of cultural differences and can channel these assets for the benefit of the company. Diversity management and governance require resources and exceptional management skills (Bergbom, B. 2020.)

Learning to manage cultural differences is a means for all people to become more global in their outlook and behaviour, as well as more effective personally and professionally. When cultural differences are understood and utilized as a resource, then all benefit. When they are not, the costs are significant. (Moran et al. 2011, 35). There is a very strong empirical confirmation that the successful diversity management and a resulting improvement in organizational performance are positively correlated (Moran et al. 2011, 164.) Ortiz (2018) encapsulates useful tips for managing diversity, dividing them into guiding principles and guidelines to facilitate communication:

- facilitate open communication to diminish cultural and language barriers,
- create inclusive policies to help everyone follow same policies, practices, and procedures,
- encourage workforce interaction to help them appreciate differences (Young, A. 2020).

6.1.1 Humanizing equity

Humanizing equity is an approach to equity work that ensures the most marginalized people are the face of the solution, not the problem (Johnson, A. 2021.) As an organizational discussion, it means finding ways to shift future practices so that the work is community-driven and inspired. Humanizing equity is a valuable addition to expand diversity leadership to a new direction because it can help lead the organization toward a more permissive path. A leader can promote social equity discussion and its inculcation in the community by collecting and conceptualizing equity efforts and inventing ways to humanize those efforts.

Humanizing equity means also that the diversity efforts and practical advancements are in line with the needs of the community members to make sure that the organizational change towards a more inclusive and permissive community starts and continues to progress to right direction. This helps the whole community understand the richness of the engagement for common goal and helps the community avoid the so-called white savior complex, which is toxic for community-oriented advancements in the long run. Johnsson A. (2021) describes white savior complex in the community as folks who go into the community, give the solution and then walk away. The solution ends up having nothing to do with the community needs, but is rather a single opinion from someone who assumes to know what the rest of the community needs.

6.1.2 Diversity networks as diversity management instrument

Diversity management and related strategies can enhance company's equality agenda. In recent years, the use of diversity networks as diversity management instruments in organizations has increased tremendously. Diversity networks support several needs of employees with different social identities, such as ethnic minorities. (Dennisen et al. 2019). According to Foldy (2002), as part of the larger diversity management agenda, these in-company networks are initiated to inform, support and advance employees with historically marginalized social identities. (Dennisen et al. 2019.) Diversity networks can have different purposes and can be set up either for members of the same minority group or for anyone who wants to take part in diversity conversation in a company. Diversity networks can help to progress equality by:

- providing a regular forum for discussing diversity issues
- providing networking opportunities

- raising issues in a safe environment
- contributing to policy development and implementation
- organising social events
- arranging events to raise awareness and celebrate diversity or
- contributing to staff development activities. (University of Cambridge, 2022.)

According to Cross and Armstrong (2008) and Friedman (1996) diversity networks are perceived to have a positive effect on members' career advancement, facilitate a safe space for members to share experiences, and provide possibilities to advise management about diversity and equality-related issues. (Dennisen et al. 2019.)

These researches discuss the importance of networks to promote two-way interaction between employees and managerial level, which is the starting point for a well-functioning organization. Diversity networks at the company level mean bringing inclusiveness to organizational norms, policies, and practices. For example, diversity networks seek to involve management to draw their attention to the organizational culture and processes that cause inequalities. The network pushes minorities to call for changes in both mindset and practices in order the company to include minorities in all decision making.

However, the positive effects of the networks are overshadowed by the fact that naturally well-functioning networks cannot be ordered. They must be allowed to be developed on their own. Foldy (2002) agrees, that *diversity networks have met scholarly critique for their lack of power to challenge organizations as they would have no choice but to follow the managerial agenda* (Dennisen et al. 2019). Even though scholars assign great significance to building social capital through informal social ties, and social networks have positive outcomes for certain social groups, the same forms can adversely affect on other groups. Although tightly knit networks make possible the achievement of certain ends for their members, this inner cohesion may restrict entry and deny benefits to non-members. Strong bonding may also produce excessive social pressure for conformity, thus undermining personal freedoms. (Poteyeva, M. 2016).

6.1.3 The Ring Theory

This chapter has dealt with humanizing equity and diversity networks to give diversity management new insights. The psychology-based Ring theory (figure 5) provides an interesting

way to tie these two areas together and therefore give new structure to diversity management. Even though the Ring theory was developed by clinical psychologist Susan Silk, the Ring theory can be applied to all sorts of situations or set-ups needing a better understanding of the (supporting) roles of individuals around the situation. The key message of the Ring Theory is: comfort in, dump out. In practice, it means the order of communication tones and directions and who gets to ask for help from who while approaching the topic from a pre-described angle.

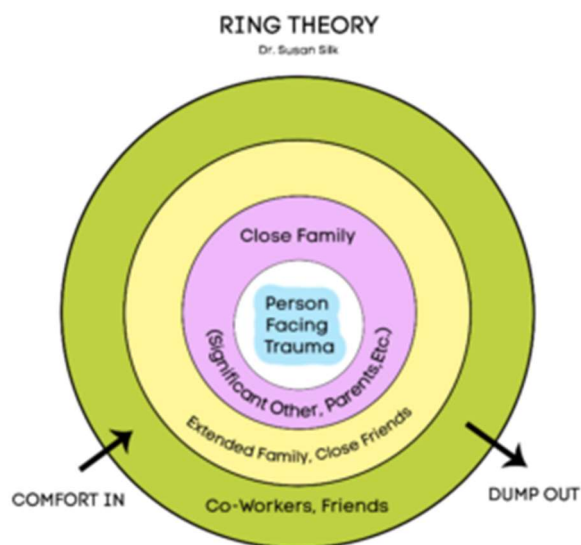


Figure 5. The Ring theory by Dr. Susan Silk (Premack Sandler, E. 2017)

The Ring theory can also be used as a tool to increase multicultural discussion by understanding the importance of different roles in the process. In the ring theory promoting diversity (figure 6), the inside-outward communication is genuine and problem-oriented. Outward-inward communication is adaptive, supportive, and solution-oriented. In this way, each person involved is heard from their own point of view, everyone's needs can be taken into account, but in the middle remains either a person or a group of people who represent a cultural minority and who therefore receive the most attention.

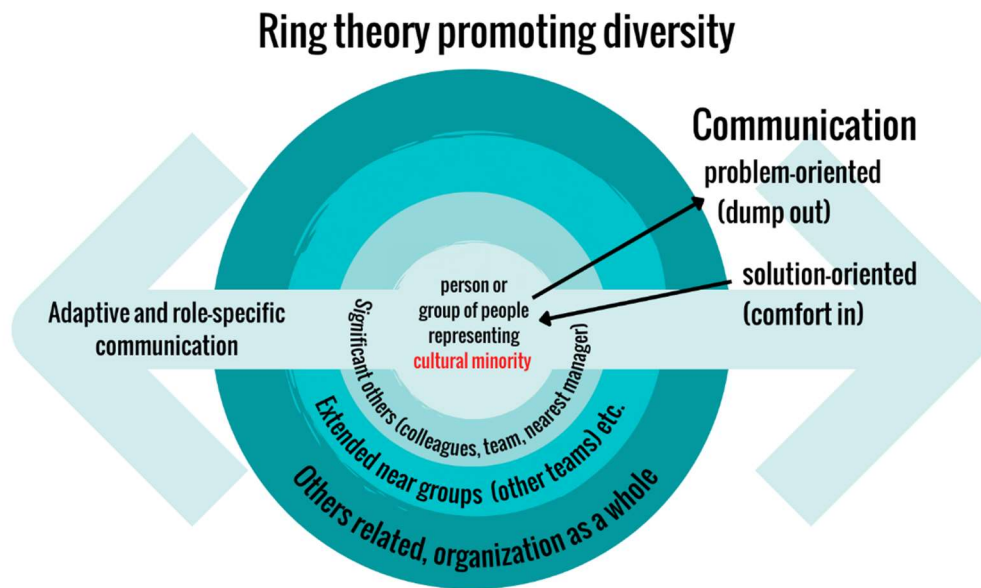


Figure 6. The ring theory promoting diversity (Anri Vuori. Adapted from Susan Silk's Ring theory)

The ring theory promoting diversity can help conceptualize and understand the tones and directions of an organizational discussion to support diversity and inclusion. The advanced model of the original ring theory has been developed during this thesis process and is driven by social-psychological views that dominate the diversity management discussion. The new model is a tribute to the original developer of the model and shows that using simple models like the ring theory, can help the organization to conceptualize and support controlled diversity transformation within in the organization. The ring theory promoting diversity highlights the role of adaptive and role-specific organization conversation which is essential for the diversity change to happen and maintain in all organizational levels.

6.2 Interculturally competent leader

Today's leaders are challenged to create new models of management systems. For that to happen, managers and other professionals must become more innovative and recognize the contribution of each individual or unit to the effective workings of the whole. (Moran et al 2011, 30).

A capable manager respects every employee as a person as well as an expert and knows how to appreciate an employee's specialty. According to Barnevik (1991) a manager have to acknowledge cultural differences without becoming paralyzed by them (Moran et al. 2011, 31.)

Intercultural describes communities in which there is a deep understanding and respect for all cultures (Schriefer, P. 2016.) Sheridan (2009) describes interculturally competent leader from three clusters; intrapersonal competencies, interpersonal competencies and social competencies. In her work, she describes a global leader at different levels, and one aspect of leadership is leading multiculturalism. The following model of seven C's (Figure 7) works well for measuring or guiding multicultural leadership values for a smaller and locally operating company and is therefore included in this thesis.

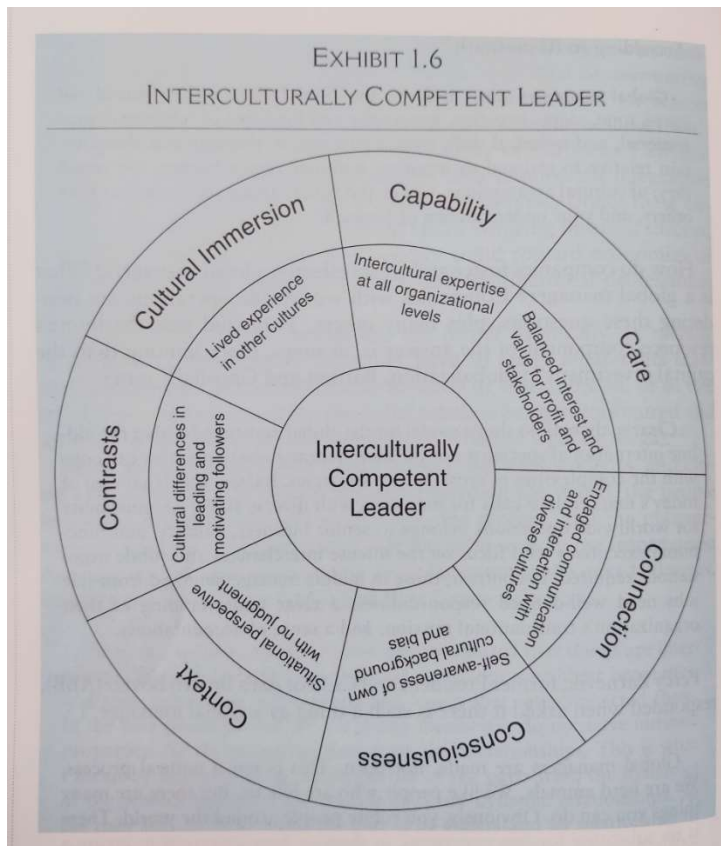


Figure 7. Interculturally competent leader "Seven C's" (Moran et al. 2011, 32)

A competent leader helps employees to develop their work community skills. Being a full member of the work community and working in different teams requires the ability and skills to make a constructive impact at work. Work community skills are manifested in good deeds and businesslike behavior, as well as a positive attitude towards the issues that are important for the organization, the members of the work community, the manager and the workplace. What is needed is the ability to listen, the ability to bring things in, the ability to express dissenting opinions, and the effort to be understood. (Työturvallisuuskeskus.)

Global business environment sets new challenges and requirements for the leader to adopt the perspective of a global leadership. Global leadership results from the ability to unite a

global workforce around one vision by demonstrating personal mastery, thinking globally, anticipating opportunities and using shared leadership networks. The most effective business leaders understand that global thinking and combining a diverse workforce give them a competitive edge. Effective, multi-level diversity leadership means that business leaders approach the management from perspective of team improvements, overall organizational improvements while keeping the entire organization reformation available. Leaders can develop competitive advantage by consistently integrating deep-level diversity externally, actively promoting diversity, and through their internal systems and processes. (Young, A. 2020.) A business leader can cultivate an atmosphere of inclusion by developing a deep level of diversity in the organizational environment. This means establishing systems and policies that support the emergence of diverse problem-solving and decision-making teams and their smooth collaboration. Thus, a leader with a diverse mindset does not steer the individual too much but allows the emerging team dynamics among individuals to steer everyone towards commonly understood goals. In this way, each team member also takes responsibility and commits to appreciating community and inclusion.

Hewlett, S-A. et al (2013) listed six useful behaviours for a leader to unlock innovation across the board:

- ensuring that everyone is heard
- making it safe to propose novel ideas
- giving team members decision-making authority
- sharing credit for success
- giving actionable feedback
- and implementing feedback from the team.

Leaders who allow diverse voices to freely be heard are nearly twice as likely as others to unleash value-driving insights, and employees in a “speak up” culture are 3.5 times as likely to contribute their full innovative potential. (Hewlett, S-A. et al 2013).

A leader's working life skills serve as an example and guidance for employees. A leader's strong interaction skills, conflict solving skills, and empathy help to develop these skills around the organization. Interculturally competent leaders encourage mutual respect among cultures by supporting intercultural understanding within the organization. If diversity brings major upheavals to an organization, customized diversity training can be a good way for international team leaders to adopt and learn to dispel employees prejudices about diversity, create cohesion, and promote employees' working life skills.

Every company defines functional leadership differently. How intensively company operates in an international environment and how multicultural personnel it has determines how much diversity-driven management the company needs. Leaders who understand the potential of cultural diversity recognize diversity as a positive force that encourages individuals and teams to be creative and dynamic performance and pushes towards excellence. These leaders understand why cultural wealth renews and refreshes a company and ultimately improves competitive performance. (Young, A. 2020). Greater competitive advantage helps to attract and retain high-quality talent, which again cultivates new competitive advantages thru new type of social capital. Social capital is an interesting phenomenon and it brings multidimensional debate around the topic of cultural diversity and especially how it is affected by cultural heterogeneity. Social capital is discussed more detailed in the paragraph. Before that, it is important to look at different recruitment methods that the companies can use to guarantee the availability of the right experts.

7 Recruitment is a process

Cultural diversity begins with recruiting diverse people. These practices take non-discrimination and equality into account. Recruitment is always a two-way deal, and if failed, can affect all the way to company's profitability. For an applicant, too, the experience can be traumatic if the recruitment fails because they have been hired due to their personality and not because of the skills. Central to the employment of an international expert is the active network management with rest of the population and, in particular, with one's own field. Most jobs are filled through informal networks of the majority population, which are easily excluded by immigrants, at least in the early stages of their stay. (Forsander, A. 2001, 64-65).

This chapter focuses on different ways to recruit new talent in a company because the interviews conducted for the thesis reveal how little information employers have about available recruitment opportunities. The list of actors is not exhaustive, as it focuses mainly on nationally known service units and, more regionally, on public and private actors known in the Lahti region. Some of the actors are also temporary and project-type activities. However, the list provides a comprehensive picture of the services currently available to Finnish companies when it comes to outsourcing whole recruitment process or some part of it.

Successful recruitment is significant for achieving the company's goals. A separate human resource unit (HR) often handles the recruitment issues within the company, and it should operate and communicate seamlessly with the company's management. This makes it easier for a company to identify all its competencies and thus makes it easier to identify gaps in competencies and capabilities

Before looking for a new expert, the company should carefully review the overall strengths of the units and team and identify gaps in skills and invest in missing areas of expertise and strengthen weaknesses. Instead of primarily looking always for experts, in some cases, a certain type of person is the missing piece that complements a company's expertise.

Non-Discrimination Act (1325/2014) prohibits discrimination on the basis of age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation, or other personal characteristics. The prohibition of discrimination applies to the entire recruitment process during recruitment: in the preparation of the job advertisement, the invitation to an interview, the selection of the employee and decisions on salary. (Finnish Institute of Occupational Health.) Discrimination is when an applicant is placed in a different position with regard to the above factors. In

accordance with good company governance, recruitment should be inclusive and non-discriminatory in principle and it is only in the company's interest if it is able to keep all doors open to different applicants. Perfect Finnish language proficiency cannot be used as a selection criterion if the job does not require perfect Finnish language skills. (Finnish Institute of Occupational Health.)

It is not appropriate to look only for a specific nationality in the job description, but a precise job description, for example by including language requirements that may be relevant, for instance, in an export-focused job, may attract the desired kind of applicants, who may know the target market personally. According to Kumari (2012), this selective recruitment is also called as *dual objective*, which will minimize the cost of processing unqualified candidates. It should provide information so that unqualified applicants can self-select themselves out of job candidacy; this is, a good recruiting program should attract the qualified and not attract the unqualified candidates. (Kumari. N, 2012.)

A separate diversity statement in the job advertisement enables an organization to express its appreciation of employee diversity and encourage people from different under-represented groups to apply for the open position. Example of a diversity statement: [Name of organization] values equality and diversity in the work community. We welcome applicants from different backgrounds, such as people of different ages, different genders and members of different language, cultural or minority groups. (Finnish Institute of Occupational Health.)

The job advertisement notice should also be published using the same channels as the most potential applicants use. With all the above, the employer can ensure that the job advertisement reaches the right target group.

Depending on the company's resources and commitment opportunities, the company can either handle the recruitment process itself or use outside help such as middle-men.

Using a middle-man in hiring process provides a company several benefits, such as

- middle-man knows the foreign labor markets and help find the suitable target country and a local partner for cooperation
- can assist in participating in job fairs or organise a recruitment event in the target country
- can receive and respond to applicants' enquiries and make a pre-selection within the candidates

- can advise foreign employees in matters related to migration and Finnish working life. (TE services, c.)

7.1 Recruiting EU/ETA or non-EU citizen

A foreigner's right to work in Finland is determined by one's nationality. EU citizens are allowed to work in Finland without a residence permit as well as citizens of Norway, Iceland, Liechtenstein and Switzerland. A non-EU citizen must apply for a residence permit for an employed person when he or she does not have another type of residence permit entitling him or her to work in Finland, no other specific residence permit can be granted for the work and the type of work cannot be performed without a valid residence permit.

The employer is obliged to ensure that a foreign worker has the right to work in Finland. An employer, who employs a non-EU citizen, shall promptly provide the TE Office with an account of the key terms and conditions of the employment relationship. (TE services, b.). The Finnish Immigration Service provides more information on residence permits and the foreigners' right to work in Finland.

7.2 Different ways to recruit an international expert

Public recruitment services

According to research, employers are fairly unfamiliar with public recruitment services and they are perceived as scattered. The permitting process and its various stages and the competent authorities appeared as a rather complex whole. Employers consider common reasons for dissatisfaction with public recruitment services, in particular the length of the Migration Agency's migration process and the lack of integration support.

The Ministry of Employment and the Economy is responsible for the development of employment at the national level. The ministry runs the TE Employment Services, which operates through TE Offices of which there are over 120 throughout Finland. Services are offered to the unemployed, those who are currently working or entering working life, as well as employers. TE Offices' Employer and Enterprise Services experts can give advice on matters related to the recruitment of foreign labor. (Expat Finland.)

The Ministry of Employment and the Economy is preparing for the restructuring of employment services, which is a very significant change. The employment services of the state TE

offices would be transferred to the municipalities starting at 2024. It remains to be seen how well the reform will support the vitality of the regions, increase employment and exploit the many opportunities of the municipal ecosystem.

EURES (European Employment Services) is a comprehensive European cooperation network and a high-quality public service that brings employees and employers together in all of Europe. EURES portal is a recruitment tool with its European vacancies and CV database. Employers can advertise job vacancies and browse jobseeker's CVs in the portal. Employers may also join the experts at recruitment events held in different European countries. (TE services, c.)

Private recruitment services

When making targeted international recruitments, companies use mostly private services. The companies have various recruitment agencies and partners, internationally renowned websites and social media platforms to choose from. Public services (eg. TE offices and tepalvelut.fi - website) are less used in these cases. (Lahtinen, H et al. 2021).

The role of private actors in the provision of employment services has increased in recent years. Personnel service and staffing companies are at the forefront of changes in working life, which is their strength as providers of employment services. Finnish private personnel service companies are mostly full-service staffing companies providing temporary staffing, recruitment, head-hunting, and other customized services of the private employment sector.

Private recruiting sector provides turnkey solutions all the way from establishing the job announcement to onboarding and signing the job contract according to company's need. Indisputable advantages of the private personnel service companies are their extensive networks, for which they can seek and pre-screen candidates around the world. Some private service providers can offer employers an opportunity to hire a person with temporary contract before permanent employment relationship, which can provide a less riskier option for the employer to get acquainted with the skills and suitability of the employee.

Internal transfers to abroad

Internal recruitment may be the best option when the necessary expertise is already available. Internal transfers have the same kind of social benefits as job circulation: an employee develops himself / herself, increases his / her skills and can advance in his / her career. It has benefits for the corporate also: implicit knowledge is transferred in both ways, which strengthens the corporate vision. However, public job posting should not be neglected, as it is always a good opportunity for brand marketing. An employee can be transferred inter-

nally (ICT) to Finland within a company or group of companies to work as a manager, specialist or trainee. The employee must have the competence and education required for the job and should be issued a residence permit based on intra-corporate transfer by another EU country. (Finnish Immigration Service.)

International students

Foreign students in Finland are a significant, but undervalued resource and labor force. International students in Finland have already accustomed to some extent to the Finnish language and culture. If a student cannot join the working life network already during their studies, there is a risk of moving abroad after graduation, in which case Finland will lose student's knowhow and information capital. Many companies have found a committed employee in a graduate student who brings new knowledge and fresh insights to the company. International students are valuable resources to Finnish businesses due to their linguistic and cultural backgrounds. (Bottacci, E. 2020). Companies can provide students with work-related projects that open career opportunities and students can help companies understand new ways of solving problems through collaboration.

Based on international statistics, it can be stated that foreign degree students stay in Finland after graduation and are employed better compared to other European countries. For example, in the Netherlands and Denmark, the number of international degree students staying in the country after graduation is significantly lower than in Finland.

Three factors, in particular, affect the employment of international students in Finland. These are proficiency in the Finnish language, relevant work experience and attitude. In addition to language skills, the main obstacle to employment is the weak link between higher education and working life. As many as 40% of foreigners graduating from Universities of Applied Sciences say they have experienced ethnic, cultural or religious discrimination in their job search.

The employment of international students graduating from Universities of Applied Sciences employed in Finland varies by income region. The differences are emphasized in the employment rates between Finnish and EU and EEA nationals compared to students from other countries. Those who come from the EU and the EEA countries, are employed as efficiently as specialists and experts as Finns, but those who come to study from other countries, are less employed in these positions. (Arene, 2022).

According to the long-term governmental action plan *The roadmap for education-based and work-based immigration program*, the number of new foreign students should be tripled to 15 000 students per year by 2030, aiming also 75% of them to stay and work in Finland

after graduation. (Valtioneuvosto, 2021.) Increasing the number of foreign students and ensuring that more of them stay in Finland will support the development of our higher education institutions and the internationalisation of our companies. (Valtioneuvosto, 2021.)

According to International Student Barometer and other surveys, the most important reasons for an international student to choose to study in Finland are low costs of studies, quality of teaching and research, content of education, reputation of the university, the high employment expectancy with Finnish degrees. (Nannett, 2021., Arene, 2022).

The legislation of international students in Finland is currently undergoing a reform, with a string of amendments being proposed that students could double the length of time they to find a job after graduation and make it easier for them to return to Finland after they leave. The changes in legislation would also enable foreign graduates to apply for job search-based residence permits within five years of their student visas' expiry. (Bogdanov, J. 2022).

According to Koponen (2022) these kinds of reforms will facilitate the permit process and remove uncertainty about continuing studies and living in Finland until graduation. Additionally, the reforms would improve opportunities for foreign students to find work in Finland after finishing their degrees, which is the goal of many international students. (Bogdanov, J. 2022).

7.3 Diversity recruitment

Diversity recruitment and diversity recruitment strategy are emerging and increasingly refined concepts in the HR field. It is difficult to find unambiguous answers to either of these from the literature, but combining different sources they seem to form from a bunch of different practices to attract and hire candidates using a process free from bias against a person or group. As recruitments usually are, this also means merit-based recruitment that aims to find the best possible candidate for the job, but it is built so that all applicants, regardless of their background, have equal opportunities.

An efficient way to reach diverse candidates is to audit past recruitment ads and modify them to speak to a broader range of candidates. Using blind resumes is a sure way to screen candidates without cultural bindings. With these types of practical choices, a company can advance its diversity recruitment strategy. Comparing the recruitment channels and methods mentioned in the previous paragraph, the company can screen the right channel to reach the professional who meets the required criteria.

8 Talent attraction

This chapter highlights some of the short- and long-term goals and actions on a public and private sector driving or hindering the work-based immigration and talent attraction to Finland. Talent attraction is a term that comes from Human Resources and Talent Acquisition field to describe attracting the most competent, but still passive candidates to get interested in a specific employer and incentivizing them to apply for open vacancies with implied and envisioned benefits (Stroud, J. 2020.)

8.1 Public sector talent attraction

Finland strives to increase the labor migration in many ways. Effective arguments to attract foreign experts to Finland that regularly deserve global media attention include our equal working life, high-quality basic and further education system and other personal development opportunities. Finland is a politically stable country and the country's security is at an excellent level. Finland has a high-quality country image and an attractive brand, especially among the tourists. Country marketing relies on imaginative arguments, such as clean nature, good quality of life, secure society and sustainable development – values that reflect a highly developed society.

In many years, Finland has been ranked as the happiest country in the world and at the beginning of 2022, global news-based media channel CNN honoured the city of Lahti among the best destinations to visit globally (Marcus, L. et al. 2022.) Tourism flows are great benefits for Finland, as many travellers found the Finnish nature, culture and ways of living attractive and can therefore decide to settle in the country and apply for a job. However, too few foreigners find Finland attractive enough to move here and create a career.

Although Finland's diverse competitiveness is acknowledged, the country is not on the talents' wish list. Finland's ranking in prestigious country competitiveness surveys has been stable and relatively good. For example, Finland ranked 11th in the Global Competitiveness Report 2019 survey of World Economic Forum and 15th in the competitiveness survey of IMD. In the Talent Competitiveness Index (GTCI) study by Adecco, INSEAD, and Tata Consulting, Finland ranked as the sixth best country in the world as a producer of talents and entrepreneurs, whilst in the city comparison of the same study, Helsinki ranked up to the seventh best, beating e.g. New York, Paris, and Stockholm. (Staffpoint, 2020).

The Government's objective is to at least double work-based immigration from its current level by 2030. In the autumn of 2021, the government published a so-called roadmap on

ways to promote the migration of international professionals. In the global competition for labor, Finland aims to offer “the best immigration experience in the world”. (Valtioneuvosto 2021). Also, immediate practices are needed to root foreigners already living, working or studying here, to the Finnish working life.

There have been many significant reforms to the Aliens Act in recent years. These reforms help to combat the exploitation of foreign labor and improve the position of the victim of exploitation in Finland. c (Finnish Government, 2021). It is also important that employees with a foreign background know the Finnish working life rules as well as their own rights and obligations. Information and counselling is needed, preferably in their own language.

Finland is clearly making gradual reductions and facilitations to the permitting process, and reform of service attitudes has started as well as the importance of changing overall attitudes towards difference has also been identified.

The TE Employment Service (TE offices) operates through TE Offices of which there are over 120 throughout Finland. Employers are offered services and financial support to recruit from abroad, such as:

- The Targeted Mobility Schemes (TMS) project helps employers recruiting employees and jobseekers finding jobs within the EU, Norway or Iceland.
- EURES (European Employment Services) is a comprehensive European cooperation network and a high-quality public service that brings employees and employers together in all of Europe.
- a trainee can be hired thru The EURES portal. (TE services.)

Financial support may be granted to the employer to cover some of the costs of induction training and integration in the new country. The local ELY center (Centre for Economic Development, Transport and the Environment) help companies to find the right financing components.

8.2 What hinders public level talent attraction

Finland lacks a coherent and systematic national strategy aiming to attract talents to Finland. Immediate practices are also needed to root foreigners who already live, work, and study here in the Finnish working life (Staffpoint, 2020.) There is no seamless digital service path available in Finland for both employers and skilled workers to ensure smooth and cost-efficient immigration. Services provided by the authorities and other support services to

backing up the integration of skilled workers and their families are not lined together, which creates delays and uneven application handling times. Slowness of the residence and work permit process as well as lack of one-stop service model to provide information on the integration practicalities for the rest of the family are among the concrete challenges to tackle.

Finland is traditionally a homogeneous country with no large minorities and minority concentrations. There are many prejudices against different cultures in Finland. Prejudices or biases are harmful if they cause unequal treatment of others. In the worst case, prejudices can lead to discrimination or racism. Prejudices can be affected, for example, by the fact that foreigners commit more sexual offences than, for example, native Finns. The media can also exacerbate these cases. Cultural and language barriers and hints of intolerance atmosphere make Finland drop from the most wanted places to move and work.

Working age people look for and value different matters depending on their age and cultural background and it is therefore hard to give unambiguous answers which factors make Finland drop from the most wanted countries to work in. Climate and especially darkness during the winter months, unilateral country brand, the language, few work opportunities and complex work permit process are some of most common answers.

8.3 Private level talent attraction

COVID-19 pandemic increased remote and multi-location work and increased companies digital and remote management skills. The world is becoming more international and networking while experts' work increasingly happens online. The location of the company is no longer a number one determining factor in job search. Ensuring a favourable working environment, securing fair treatment, and ensuring unique value for every employee can attract more expert applicants from abroad. But what do the talents expect from their employers, regardless of where the job is located? According to the European Talent Trend review, hard values – the salary and benefits – are still the deal breakers. Material prosperity is important for 30–45-year-olds who have a family, whilst older people rate leisure time higher. There are also other factors that attract talent besides compensation. These include an organization that is financially healthy, provides good job security and offers a good work-life balance. Surprisingly, employers' responses differed greatly from what they considered to be the most important factors for talents seeking job. Figure 8 shows the difference between the answers. (Randstad Sourceright, 2019).

what does talent care about most when considering their ideal employer (top 5)?



Figure 8. Talents' thoughts on an ideal employer (Randstad Sourceright, 2019)

According to Zhu, to attract the best talents on the market, it is essential for a company to create a company brand and reputation, because it attracts new and diverse talent pool. Investing time and effort on creating an efficient recruitment process promotes and reflects this reputation (Robert Walters Group.) An exciting brand, sound financial investments, long staffing careers, and a way to communicate leadership values are the things on which applicants create their opinions about the company as a potential employer. Besides company reputation, a company culture, personal relationships and fulfilment and career progression opportunities are efficient and non-financial company practices to attract the best candidates abroad. (Robert Walters Group.)

As in all communities, functional and considerate communication is important in a multicultural work environment. Responsible employer and sustainable company culture support productivity and well-being of the work community. What type of cooperation the company has with educational institutions may also be an important criterion for the applicant to consider the company as a potential future employer.

The employer is responsible for ensuring non-discrimination at the workplace and in recruitment. The employer must comply with non-discrimination legislation and other employment laws that may be relevant to compliance with the principle of equal treatment. Employers have a duty to promote equality. If an employer regularly employs at least 30 people, the

employer is obliged to draw up an equality promotion plan. (Non-discrimination Ombudsman, n.a.). Employees are often proud of their employer who invests in inclusion. Related mentions made by employees, for example on their social media, strengthen the employer's image and thus help attract new applicants.

8.4 What hinders private level talent attraction

Companies are regarding inclusion and diversity as a source of competitive advantage, and specifically as a key enabler of growth, but the change has started too late and is progressing too slowly (Hunt et al. 2018.) Companies are still uncertain about how they can most effectively use diversity and inclusion to support their growth and value-creation goals. Companies report that materially improving the representation of diverse talent within their ranks, as well as effectively utilizing inclusion and diversity as an enabler of business impact, are particularly challenging goals (Hunt et al. 2018).

Finland's high taxation and moderate wage levels do not promote the immigration of skilled workers. It is difficult for Finland to compete for skills at the wage level with the United States, for example. In the United States, an engineer's salary can be 2-4 times higher than in Finland. Tax revenue covers, among other things, public services and pensions, which is not self-evident to all foreigners. (Lahtinen, H. et al. 2021, 29.)

A company with an unclear brand and no clear pursuit of growth or strengthening of its market share hardly attracts employees to move to Finland. Also, employer's difficulties in communicating publicly to its stakeholders and the lack of leadership direction indicators may cause the applicant to be uninterested in the company as a potential employer.

Larger and more well-known companies and especially those with visible strategy to promote diversity and inclusion have a clear advantage in attracting experts. The more the company can lower the language barrier by favouring other languages in its daily life, and the more the individual's diversity is respected and communicated, the more attractive the company is to applicants.

Morrison and Von Glinow (1990, according to Sue et al. 1998, 115.) suggest that because cross-race relationships usually take longer time to develop, cultural minority employees may need to be pointed with two mentors; a majority-culture mentor to initiate them into the organizational culture and a minority- or same-culture mentor to increase their comfort and security level. There is no doubt, that the employee adapts more easily to the work community if the onboarding and job guidance are well taken care of. The company also benefits

from successful induction as work productivity increases. With such a complex approach to onboarding, there is no doubt that the company finds it challenging to recruit a representative of another culture.

Qualifications and diplomas obtained abroad may differ significantly from domestic training, making it sometimes difficult for the employer to get an overall picture of the foreign applicant's skills. The employer can consider foreign recruitments cumbersome because of the time-consuming permitting processes and if there are no guarantees that the work community is truly receptive to new cultures. The processing time of work permits in Finland is prolonged by the pre-control of the terms and conditions of the employment and the determination of the availability of labor. Of these, the former takes most of the time required. The process can take up to a year on average, even though it could be completed a lot quicker. (Staffpoint, 2020).

9 Social capital as company resource

In the field of political science, the impact of ethnic diversity on social capital is relatively new. As a central concept of modern managerial and organizational theories and practices, human capital has its long history rooted in the exploration of the question: what is the role of human beings in the organized activities in human society? (Ran, B. et al 2016.) A lot of the time, the concept *human capital* is provided in wider context. When searching for social capital on the internet, a whole range of related words is provided along and most of them are useful to clarify the meaning of human capital, such as: sense of belonging, diversity, social influences, social cohesion, shared norms and shared values.

During the last decades the concept of social capital has become widely acknowledged. Mainly, it describes a number of phenomena concerning social relations at the individual and societal level. Valuing diversity is becoming a more significant and valued part of the concept of social capital. Valuing diversity increases the trust of people working together, and trust is the starting point for new ideas and well-functioning teams. A high degree of trust among participants on a same mission fosters a sense of mutual obligation and permits them to be more effective in pursuing shared objectives. Social capital has been shown to be of great importance for societal well-being. Studies have found that levels of social capital are related to levels of employment in communities, academic performance, individual physical health, economic growth, and immigrant and ethnic enterprise. (Poteyeva, M. 2016).

Human capital is a term coined by James Coleman and Robert Putman in the early 1990's and the term has received many forms after that. (Sukiasyan, T. 2013). Social capital is a term created by multiple authors, so it has different definitions that can sometimes be very different. The figure 9 shows three prominent scholars – Bourdieu, Coleman and Putnam, and their respective perspectives on the social capital.

Bourdieu	Coleman	Fukuyama	Putnam
“the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. ”	“A variety of entities with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors... within the structure.”	“The existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them.”	“Features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.”

Figure 9. Three approaches to social capital (Sukiasyan, T. 2013)

Social capital refers to either the activities and trust between the community's own members or the activities of a person that promotes social relations in the community. Even though the social capital promotes cooperation between two or more individuals, a more individual centric approach is prevailing in the business life. The traditional definitions on social capital seem to focus very differently on the individual's role. Generally, a high social capital is a value worth pursuing in the company. Low levels of internal conflict are examples of high social capital. The importance of ethnic cohesion as an enhancer of social capital has yielded very different results in research.

Robert Putman stated that even though in the long run immigration and diversity are likely to have important cultural, economic, fiscal, and developmental benefits, in the short run, however, immigration and ethnic diversity tend to reduce social capital. Putnam argues that ethnic diversity leads to people 'hunkering down', being less social, trusting, and altruistic.

The general belief is that countries with weak social capital tend to be less ethnically cohesive democracies. Social cohesion refers to people's relationships and interactions in society, including the role of citizenship. Social cohesion is a basis for stable democracy, consolidation of plurality of citizenship and reducing inequality and socio-economic disparities and fractures in the society. (Cuellar, R. 2009).

Some authors argue that social capital consists of the networks solely. The debate over social capital especially concerns how to measure it: what should count as the constitutive parts of the social capital, and what are the effects and sources/origins of the social capital.

The term human capital is widely used in business life and companies recognize it as a cornerstone of success. Many companies consider it as the company's main capital. For this reason, it is worth investing in the training and development of supervisors, experts and

other personnel. Developing staff skills is an effective way to increase and update a company's knowledge capital.

9.1 Further education increases organizational competence

There are various educational organizations in Finland that specialize in adult education. Joint staff training and in-service training are effective ways to develop staff skills. Further education center Salpaus is an example of educational service provider for both immigrants and employers. For immigrants, Salpaus provides for example Finnish language and culture courses as well as integration training courses. For companies hiring foreign experts, Salpaus provides multi-cultural training and training for workplace instructors. (Salpaus Further Education.)

By providing additional training for employees, a company can increase employee motivation and expand its skills to meet future challenges. According to Koulutus.fi, there are many benefits to continuing education. It can allow a person to

- stay at the forefront of skills
- advance in their careers
- raise salary levels
- gain new benefits
- stay motivated or increase motivation
- receive new variations into day-to-day life
- become qualified to perform specific tasks
- obtain permission to perform licensed or otherwise regulated tasks or to use a specific title. (Koulutus.fi, 2021).

Employees of modern organizations are inspired to achieve their full potential in the process of contributing to the larger good of the collectivity in which they are part of. (Ran, B et al 2016.) Through further training, the employer can promote the individual's skills and unify the staff's competencies. Further training is also a way to increase staff cohesion and engage employees.

10 Introduction to empirical research data analysis

10.1 Data Acquisition

The data acquisition for empirical part of the thesis was completed between January and April 2022. The data gathering process began with outlining the questions for the companies after the theoretical frame had been familiarized with. Maximum of 10 companies was estimated as a suitable number to be interviewed through Teams in order to gather enough experiences. Teams is a common remote meeting software in a business world, and in the current corona pandemic situation, it was suggested that the interviews would be conducted remotely using Teams. All the companies selected for the thesis were pre-known to have experience in recruiting an international talent. The companies are long-term operators in the Lahti region, either medium size or large companies. Most of them have international operations, such as export or production and assembly in other countries. All the interviews for the thesis were carried out in the Finnish language. However, for the purpose and language of the thesis, English, they have been translated and brought forward into the study by the author.

The interviews were recorded and partially transcribed between February and April 2022. Interviews lasted approximately an hour and due to the multifaceted discussions, in accordance with the objectives of the work, only the essential parts are included in this work.

10.2 Research partner introduction

Master's thesis is often carried out in accordance with the wishes and goals of the business life partner or commissioner. There was no commissioner for this study, as the topic is broad and not tied to a single actor. However, the empirical part of the work has been partially carried out in collaboration with the Lahti Talent Hub project. The project representative helped to map out most of the interviewees and to come up with suitable interview questions.

Lahti TalentHub – project introduction

Lahti TalentHub promotes the availability of a skilled international workforce in the Lahti region. The aim of the project is to bring local employers and international talents together and create growth opportunities in the region by developing a service model for international recruitment as well as promoting immigrant entrepreneurship. Lahti TalentHub's operations

are based on the needs of local employers. The project aims to strengthen the internationalization and growth efforts of local companies as well as to support the integration and settlement of international talents in the region. The project is running from 1 August 2020 to 31 May 2023 and is funded by the European Social Fund and the City of Lahti. (Lahti TalentHub.).

11 Empirical research and data analysis

When companies were sent interview questions for prior review, they were also asked to answer additional questions either during the interview or separately by email. Additional questions were:

How many employees does your company employ currently in Finland?

How many of them are international experts?

What nationalities do they represent?

Table 1 shows, that most of the companies do not consider it relevant to keep records or ask their employees nationalities. Some of the companies on the other hand keep records on different nationalities. Motivations behind these practicalities seemed to differ a lot depending on the company. For some, it is vital to know the cultural background and nationality of their staff, either because of the nature of their international business or because nationality has otherwise come into the discussion with the employee.

	Oy Luna-wood Ltd	ISKU	Company A	Peikko Finland Oy	Raute Oyj	Ferroplan	Company B
How many employees does the company employ currently in Finland?	140	600	230	350	550	50	155
How many of them are international experts?	No data collected	No data collected	30	29	No data collected	2 permanent + contract workers	No data collected
What nationalities do they represent?	No data collected	Several/ no specific data collected	Russia (also others, no data available)	Brazil	Russia, India, Vietnam, Nepal, Kamerun, Romania, Ghana, China, Brazil, Czech Republic	Vietnam, Russia, Estonia	Several/ no specific data collected

Table 1. Number of employees and their nationalities

The request for information was not limited to any level at which international talent works, so the number can include all foreign employees, clerks, managers, and so on. In four out of seven companies, it was possible to tell how many international experts they had in Finland. Five companies were able to identify which nationalities they represented for the most part. Two companies (Raute and Ferroplan) knew all the nationalities working for them.

We feel that we are entering a gray zone if we start asking for nationalities. We have to ask ourselves is it really the knowledge we need? If not, then there is no need to collect it from employees. (Surakka, A-R. 2022. HR Director. Lunawood Ltd. Interview on 8 February 2022).

Interviews show that the higher the internationalization rate the company has and the more international trading a company does, the more naturally the cultural diversity of the personnel grows.

For us, a large number of international talents was not an endeavour, but a consequence of selecting the most competent people for different positions. When international expansion is the goal then international skilled workers will emerge. (CEO. Company B. Interview on 9 March 2022).

We have a lot of international employees in ISKU. But we do not hire anyone for their nationality, we hire people for their competence. In practice, we do competency-based recruiting. Nationality is a side issue. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

Question 1. For what needs has your company hired or is hiring international talents?

International sales were the most common response mentioned by the companies interviewed when considering in which area international talents have been specifically hired. The aim was to promote international trade by a person who knows the target market and the ways of working there.

The interviewed organizations had very different capabilities to build a multicultural work community. The companies had prepared for the arrival of a foreign employee in different ways. The respondents agreed that the company's readiness to build a multicultural work community is seen as a one of the future success factors.

All the companies interviewed currently have or have recently had an international employee or trainee.

Peikko Finland Oy (further Peikko) has hired international experts for construction tasks, product development and software engineers.

We have recently hired from Brazil for R&D Engineer. Especially on the software side, the Finnish language is not an absolute prerequisite. On the production side, there are nationalities from all over the world, we do not keep

track on their nationalities. We are currently looking for international experts in welding and robot welding. (Lähteenmäki, M. 2022. HR Manager. Peikko Finland Oy. Interview on 18 February 2022).

Raute has recently hired international talents especially in mechanical design, automation and they are launching a recruitment campaign to acquire talents for software development.

Company A provides personnel services and has the most experience in hiring foreign experts among the interviewees. Company A employs experts and temporary staff with foreign backgrounds for their own and customers' needs. Company A's way of working is to look for the right experts for companies in Finland or abroad, enabling the customer to focus on its core competencies. The recruitment process always starts with identifying the company's actual needs, leading to selecting suitable candidates and ultimately selecting a new employee. Although Company A takes responsibility for the process, the work is always done together, starting with the company's needs.

In practice, most of the people with a foreign background we hire, are either production or process workers. We are being asked and increasingly looking to find professional titles on the international labor market that local companies could employ. We work so close to the labor market, clearly seeing which skills are in short supply. --- There is a great demand for experts and artisans in the traditional fields, such as carpenters, HWAC experts, electrical experts, welders and machinists. There is a huge shortage of these specialists, especially in Päijät-Häme. --- In a way, we solve our clients' expertise shortage by searching for specific titles. (Area Manager, Company A. Interview on 5 February 2022).

In practice, Company A fills the space in the labor market with imported labor that Finnish workers cannot fill. Their logistic customer recently hired 15 people for their operations. Company A has Eastern European experts, whose language and cultural knowledge from those markets is utilized in finding the staff to Finland from those areas. ISKU, on the other hand, approaches the topic from another view.

We have hired international talents to support our business growth, especially on pre-sales, sales as overall and to order-delivery process management. We have international talents working on both managerial and performing level. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

Ferroplan has hired a Vietnamese automation designer and a Russian management assistant. Both of them have lived in Finland prior to their career in this company and thus no special investment was required on the part of the employer for cultural integration. There are also several welders in production in Estonia employed as contract workers.

Question 2. Did you find an international expert in the company's networks, or did you use external help in recruiting? What recruitment channels did you use?

The most common recruitment channels mentioned were LinkedIn, company websites, other social media channels, and public or national recruitment channels. In particular, private recruitment partners were described as agile and with them in particular, and Raute, Peikko and Ferroplan have entered into strategic partnerships. Live recruitment events have all been out of the range for nearly two years due to the corona pandemic.

During the interviews, companies mentioned several supportive reasons why they co-operate or would co-operate with an external recruiting agent, such as: time-saving, cost-efficiency, wider reach of experts, efficient candidate pre-selection and over all well-managed recruiting process. According to CEO of Company B, by using a well-known recruitment agency, company's credibility and reputation can be increased in the eyes of the job seekers.

The interview revealed that the more the company's communication channels (website, social media etc.) generate contacts from job seekers, the less external recruitment support and services were used. Comparing the companies, it seems that the faster the company grows, the more attractive it is among job seekers.

For Company B, a large number of applications is almost problematic, as there might not be time to handle them all. Company B's job advertisements can receive up to 120 applications from India, regardless of the channel where the job advertisement is published.

These applications come specifically from Indians living in India and most often arrive via LinkedIn. We had to start writing job applications in Finnish in order to curb the number of Indian applications, but it did not restrain the number thanks to Google translator. Our parent company has good experiences with Indian know-how and employees, but it is challenging due to Corona, because we are not able to interview these applicants live on site. Lately, we have started receiving some applications from the Middle East and Turkey as well. There are a lot of companies in the Middle East functioning in suitable industries for us and has therefore the know-how that we look

for, but no matches have yet been found there. (CEO. Company B. Interview on 9 March 2022).

A large number of job seekers was not mentioned as anyone's particular goal, but in most cases, a specific skill was sought, making the networks of a recruitment professional perceived valuable. Mostly mentioned external recruiting help were private personnel and staffing service providers, head hunters and straight contacts to higher-educational and university level education providers. They have specific talents studying and available for projects or interested in trainee period.

For Lunawood, previous collaboration with a familiar recruiting partner proved useful in finding a current trainee. The company had identified a new need for expertise and before the company had drafted job advertisement, the partner contacted and informed about a candidate possibly suitable for Lunawood.

Companies find the right employees in very different ways. In most cases, the vacancy was advertised in a multi-channel manner. In the case of an international job, such as that related to the company's export activities, the language of the job advertisement was selected accordingly.

In this context, it is worth mentioning that the interviews did not focus on the content of the job advertisements. Still, it became clear that the company could particularly exclude or attract certain target groups with specific advertisement layouts.

Raute's LinkedIn channel reaches applicants from both Finland and abroad in a variety of ways. Still, Raute has a clear shortage of experts in certain tasks. The company has consciously intensified its co-operation with recruiters who acquire especially foreign labor to Finland as entrepreneurship does not receive all the necessary know-how from Finland.

We have been involved in recruitment campaigns targeting foreigners living in Finland. Last year, we became a sponsor of IWWOF. IWWOF promotes the employment of women with a foreign background living in Finland. The program leader Caroline actually visited us last year and we sat down and discussed with her together with our employed women, also having a foreign background. IWWOF does valuable work. It is part of our sponsorship partnership that they bring us out in their network and we can look for new experts through them. (Könnilä, M. Head of HR. Raute Oyj. Interview on 23 February 2022).

Raute continued with another successful example of how the company had found the right international experts through a new type of experiment with the recruitment company that specializes in diversity recruitments.

Last spring we tried something new. With the help of Pointer Potential, we got four people for mechanical design. We have been very pleased with the cooperation and will continue outsourcing recruitment. --- And these are very highly educated people. Before, one of them used to work as a cleaner in Finland. A lot of this is happening. Their motivation and commitment is something amazing as we provided them jobs that matched their skills. Next, we'll start looking for two software developers through Pointer Potential. (Könnilä, M. Head of HR. Raute Oyj. Interview on 23 February 2022).

Raute's and Pointer Potential's cooperation is an example of a successful diversity recruitment and is described in more detail in appendix 1.

ISKU is a Lahti-based, family-owned furniture and design company having retail shops internationally in almost 70 cities. Global mindset is the driving force for this big company, and ability to work and communicate for the common global development vision is more of a prerequisite than an option.

At ISKU, the right international talents are found mainly via our own networks. We are constantly searched and well known among the international talents. And more we grow globally, the more we are searched. We work closely with all kinds of institutes, and we can use these networks to find the right kinds of talents. --- We do a lot of targeted marketing and brand-management globally, which helps us reach the right kinds of talents. --- Overall, talent management is an essential part of hiring and engaging and retaining employees. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

Ferroplan relies on a strategic partnership with a local private recruiter in its recruitments. In recent years almost everyone hired by the company has been found with the help of this private operator.

Through our long-term recruitment partner, we also found our Vietnamese designer, who was selected based on his skills but just happened to be Vietnamese. --- The channels of our recruitment partner are so huge that most of the time we don't even need to advertise vacancies on our own website. (Patosalmi, M. CEO. Interview on 25 February, 2022).

The interviewee simply states that without a long-term and reliable recruitment partner, they certainly would not have been able to recruit these great professionals. In the end the interviewee also states that they consider it as a huge resource when there is a reliable outsider who can, so to speak, sell them as an employer to the right experts.

Question 3. Did the recruitment or onboarding of an international expert differ from normal or was there something that needed special attention?

At Lunawood, the recruitment and orientation of trainee was different in the sense that the language was English and it was made sure that the work instructions were in English, but otherwise it followed the exactly same model as with everyone else. And since the trainee had already settled in the Lahti region, the employer did not have to think about integration issues either. In this case, as also typically, Lunawood favours work pair practice when new person comes in. This means that pair try to work at the office together as much as possible. The practice promotes the adoption of processes and practices and was also considered useful in the case of the trainee.

Peer-to-peer integration support provided by workers was seen as a very important part of onboarding foreigners. This is supported, for example, by couraging to interact also outside working hours and by increasing community spirit thru free conversation among the staff.

Peikko's practical onboarding support for a new foreign employee stood out. Other interviewees did not bring up such systematic and practical support to help new employees settle in the Lahti region. Most interviewees said that the managers of multicultural teams most often had also background working abroad or working in multicultural teams, in which case the person already has substantial experience of working with different cultures. Employees who have previously moved to Finland are especially willing to advise and help new employees recently moved to Finland on how things work around here.

Peikko supports a family-oriented approach in onboarding. For Peikko, advancing communality is an excellent way to engage employees.

We have a family-oriented approach to a new employee coming from abroad. In practice, we send someone to receive and welcome a family or a couple moving in and help them to get things started. We already have many English-speaking employees who will help new ones adjust. We always prepare an onboarding program for everyone, and it is available in also in English. We also invest in "entering society", and the new person is told how the

Finnish work community functions. During coffee breaks and lunch conversations, these issues are encouraged to talk at work. Peikko has many so-called hosts who make sure the new person knows what's going on in the neighbourhood over the weekend or what they can do on holiday. Sometimes we have had an active ice swimmer here who has taken all the foreigners to the ice swimming. For us, cohesion is crucial. (Lähteenmäki, M. 2022. HR Manager. Peikko Finland Oy. Interview on 18 February 2022).

Some of the companies also have experience in helping in the integrating process for the whole family, and Peikko, for example, finds the associated bureaucracy time-consuming for both the moving family and the employer.

Company B had a successful experience of employing a Vietnamese who studied in Finland.

We hired our Vietnamese coder through an external service provider. He was first hired for six months, after which we hired him as a permanent employee for Company B. We first hired this young worker for us on a probationary period of six months. He had been educated for the job before arriving and first served as a consultant for us. Our contract with the service provider included deciding whether or not to hire him directly after the first six months. If we hadn't had a place for him after six months, the service provider would have already had a place for him in another company. This was an exciting and successful experiment. He integrated well into the team and stayed with us. (CEO. Company B. Interview on 9 March 2022).

The personnel and staffing company A has acquired several process workers from abroad for its customers. For example, they have been hired for packing or warehouses, where there are no high language requirements for these types of clear and repetitive job. According to Company A's experience, companies are willing to provide paths for work-life by providing them first jobs with low language requirements. This kind of working life orientation is easiest to perform with tasks where, due to a linguistic misunderstanding, no fatal mistakes can occur for the customer, the company or the employee.

In Finland, we are familiar with certain work standards. It's quite different elsewhere. Through our client companies, we have come across the fact that it is not clear to all foreign employees that they will get to work on time, at some point they must also go home and that the workplace should be notified if they cannot get there.--- Nearest managers are usually mostly responsible for the onboarding of their employees. In Päijät-Häme's industrial

companies, there are only few or non-mid-managers with a foreign background. From the linguistic requirements, it is difficult to acquaint an employee if they do not speak the same language. Therefore, to ensure fluency in our projects, the companies we work with usually have foreign mid-managers, or the language issues have already been considered. (Area Manager, Company A. Interview on 5 February 2022).

According to Company A, onboarding is an obvious obstacle in hiring a foreigner in the company, especially with small firms in the Lahti region.

For a company of, let's say four employees, it is too expensive and time-consuming if a company has to engage another person for full time to onboard, interpret and thus help integrate into the workplace. --- In Finland, using labor is expensive and employers know how to calculate exactly when an employee becomes productive. This is not only a sin for a small business, but big ones do it also. --- Companies do consider what is also needed from their side to engage a good employee. That's why it's just easier to find a native employee. (Area Manager, Company A. Interview on 5 February 2022).

ISKU strives to grow and develop together with each new employee. New employee is asked to share their observations during the first 100 days as a basis of growth.

In general, employment documents and HR documents must be in English. Of course, from the perspective of a company's language policy, it is critical how a company has defined the languages in its internal operations. --- In the case of an international expert, more attention needs to be paid to the basic knowledge of the company. Finns usually know our story as a family business in Lahti, but the storyline needs to be made meaningful for a foreigner. And how we want the company to be introduced in the target markets is not only a language matter but more like a localised or contextualised copyright. --- My team's working language is English. At the moment, everyone in our team understands Finnish, but we all speak English and all the memos, for example, are written in English. --- A new resource is always a new opportunity. When a new person arrives, he or she makes observations for the first 100 days. We even ask them to share with the management team what a new person has discovered during the first 100 days: what works and what doesn't work, where there is room for improvement, etc. Whether an organization is willing to learn and grow with a new entrant matters a lot. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

We have not explicitly considered whether we have the special capacity to recruit other language speaking people, but we have done well. What has happened now is that we have started to make an equality plan, and with that we have woken up to the fact that the general signs in our premises as well as general events and materials are only in Finnish. --- We have worked quite a lot remotely during the corona, so we haven't really paid attention to how the physical work environment supports the adaptation of different languages, for example. If we had to figure out how well we are, let's say right now, prepared to welcome a foreign employee, who doesn't speak or read Finnish, I'd say quite poorly. (Patosalmi, M. CEO Interview on 25 February 2022).

The interviewee also stressed that even though there are no pre-determined restrictions on who can or cannot be recruited, the language is the determining factor – if the person cannot speak English, he or she cannot be fully onboarded. The team members, with whom the new person is going to work with should be able to communicate with each other, cause the team has a big role in the onboarding process.

Question 4. How does multiculturalism occur at daily work?

During the interviews it was surprising how challenging, and for some respondents, even uncomfortable, it was for some respondents to detach multiculturalism from company's day-to-day life as its own phenomenon and subject to handle. Multiculturalism is reflected in the everyday lives of the companies interviewed mostly in darker hair and different languages around the coffee table.

At Lunawood, multiculturalism is seen in the company's core business, as 95% of production is exported and customers come from 60 different countries. Multiculturalism is especially evident in multilingual communication with customers. Within the company, Finnish and English are used actively and working hours vary depending on where the work is done, ie if you are dealing with an American customer, working hours are adjusted accordingly. (Surakka, A-R. 2022. HR Director. Lunawood Ltd. Interview on 8 February 2022).

There is a lot of talk in the HR field today about diversity and multiculturalism and some consider these as a corporate culture factors. I think more practically, that is, everyone brings their own personality and skills and your cultural background and your language are, after all, a quite a small part --- in

everyday life the added value comes from a person's skills and a slightly different way of thinking, which we can consciously support by keeping our business hierarchy low --- and involve people in various projects. I can't say in detail how it appears in everyday life because I can't think of it as a separate phenomenon. (Surakka, A-R. 2022. HR Director. Lunawood Ltd. Interview on 8 February 2022.)

It is a difficult question how multiculturalism shows in a company. Perhaps it shows as internal wealth when different kinds of people of different ages and different cultural backgrounds come together. If I think about our client companies, multiculturalism reflects diverse ways of thinking in them. I don't see big differences in doing the actual job, especially if the job is very independent. I've seen cultural hub formations in these companies. Thai people may spend time in their own groups and Latvians may be in their own group. They can work side by side, but social interaction takes place in their own hubs. This is exactly where it should not go. In some countries, starting points can be very racist. Although we in Finland are quite tolerant, cultures hubs may be born among other nationalities. These can cause quite harmful confrontations and situations in these companies. (Area Manager, Company A. Interview on 5 February 2022).

The internationally renowned ISKU mentioned keeping up all the language versions of the company's documents is laborious, as the company has stores in several language areas. Otherwise, multiculturalism and diversity is an integral part of the company's DNA and is not a separate phenomenon

At best, it doesn't even show, it's just our everyday life at work. Multiculturalism is nothing special. Suppose you look at it through the eyes of business anthropology, then there are differences in behaviour, temperature, differences in conversational culture, differences in gender expectations, and so on - especially when working with the Arab world. But if I think purely through activity, everyone here has the same rules, everyone is expected to have the same code of conduct, and it does not include cultural anomalies. --- I'm always looking for people with different backgrounds in my team with their different tempers and different skills. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

I think our foreign people are already so integrated in the Finnish society, so you can't detect any specific cultural nuances. Sometimes I would like to encourage our vietnamese professional to look me in the eyes, because I know it is not typical for Asian workers to make such contacts with a manager. --- I don't recall we've ever had to make any special arrangements because of cultures, such as multifaith prayer room etc. Time tends to weld the crew together. (Patosalmi, M. CEO. Interview on 25 February 2022).

Question 5. What added value or challenges has multiculturalism brought to the company?

In general, the interviewees perceived the diversity of different thinking styles and problem-solving abilities as the best aspects of a diversified organization. Hiring an international expert for foreign trade and export companies brings confidence and accessibility for operating in the target market

Diversity theories have truth in them, and sometimes they are in place, that a certain percentage of staff should be representatives of another culture, but relying on them alone can overshadow hiring the best expert. (CEO. Company B. Interview on 9 March 2022).

According to Lunawood's HR Director Anna-Riitta Surakka, there is a considerable advantage in the customer interface, customer knowledge, and market information acquisition if the employee has a previous understanding of the culture or knows the country, or what the work includes or requires. This experience comes only by living a long time in that country or by knowing the language or the job.

Necessarily, multiple cultures do not add value, but in general, getting someone to fill the position and to do the work is essential. I have not seen so few applications in certain positions during my career in the Lahti region. There might come, let's say, two applications. It is a horrible situation for an employer if no employee is found in time. (Area Manager, Company A. Interview on 5 February 2022).

At ISKU, multiculturalism is "nothing special". Diversity related issues are anticipated and problems solved already before recruitment.

Multiculturalism among people has not brought any challenges in our company, instead international growth has brought the challenge that we need more international experts than before. And because we have international

people, we need to internationalize all our processes. So multiculturalism has not brought any problems. The problems are anticipated and resolved already before recruitment. --- People are different in many ways. Nationality and culture is, after all, just a character trait, just as joy or energy. It bothers me if there is too much separation due to cultural backgrounds because the cultural manifestation is in every person's DNA and experience. --- The most crucial thing here is how to manage diversity overall in a company. Multiculturalism can become a natural thing in the work community with the right diversity management. A good example here comes from the school world, where, in principle, each and every pupil is valued as a special individual. --- I think multiculturalism is not just about multiculturalism resulting from nationality, it also comes from different social layers. Multiculturalism is three-dimensional; one part comes from cultural heritage, the other comes from social encounters, and the third comes from personal experiences, family encounters, and others. For me, this is multiculturalism in the organization. It is a broad concept. --- If we do not talk about added value or challenges but about the phenomena that multiculturalism has brought to our community, I can distinguish such as language discourse, differences between languages, differences in understanding hierarchies and authorities, and differences in understanding the importance of effective measurement, such as using KPI's. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

It has only been a positive thing for us to sometimes have to speak English. What comes to our Vietnamese automation designer, I believe he has some difficulties in his day-to-day life here, but due to his culture, he doesn't bring them up. In this case it also difficult to try to develop the conditions since he doesn't share his thought on how things work or do not work. --- The greatest added value has come from the languages that the person has brought into the house. I have been able to benefit from the language skills of our Russian employee when we have had Russian clients visiting us. (Patosalmi, M. CEO. Interview on 25 February 2022).

Question 6. When attracting experts, what kind of business environment is the Lahti region with its services?

The interviewees found the Lahti region's size and location as positive and negative for attracting foreign experts. Positive features of Lahti business region mention were:

- compact size
- clean and safe environment with a lot of nature around to enjoy
- good opportunities to combine work and leisure with a balanced rhythm of life
- excellent logistic location in the Southern Finland
- the influence of metropolitan area of greater Helsinki extends to Lahti region
- easy to get to work in Lahti from Helsinki due to the train connection and the low price level of housing
- diverse and interesting business palette
- There are many small or medium-sized family businesses in the Lahti region. Especially smaller companies have a low hierarchy and they prefer an open discussion culture. Workplaces with an open discussion culture encourages to talk about the factors that increase employee retention, which in turn prevent good employees from escaping to another Finnish growth center, for example, in pursuit of a higher salary.

The interviewees detected some of the negative or challenging features of Lahti business region. The listed things were, for example:

- Lahti region is lacking the opportunities to meet same minded people and people coming from same cultures
- difficulties to create professional networks (especially compared to other European cities)
- people are turned inwards, and the difference is not allowed into their own social circles
- Lahti region province level communication and marketing doesn't differ from the other provinces marketing campaigns
- Some perceived Lahti's old or historic reputation as a burden, although it brings a peculiar character to the region
- there are no quick or easy to reach connection to all Southern Finland growth centers. Tampere was mentioned as one due to the lack of railway connection.
- Helsinki has the most international experts, and it is difficult to reach them there in the right networks.
- lack of investment opportunities, which in turn is reflects as slow growth of jobs
- slow renewal of infrastructure, which affects the cityscape. Other growing urban areas in Finland are renewed and constructed in a metropolitan way, but there is no ambitious desire for renewal in Lahti

- Low wage-levels that does not correspond with the overall living expense development

Company A is familiar with the recruitment needs of the local companies. In addition to regional shortcomings, Company A acknowledges that especially in Päijät-Häme, there is also room for improvement in the general ability of the companies to hire foreign labor.

Generally, local companies have weak readiness for onboarding and engaging foreign employees (Area Manager, Company A. Interview on 5 February 2022.)

Question 7. How could the attractiveness of the region be promoted?

According to the interviewees' experiences, the common way for people to enter the Finnish job markets is that they first search for a specific job and then they get interested in Finland as a location. After that, the applicant maps out where is Lahti situated. According to the interviewees, applicants have found common information and pictures about the Lahti region online. At this point made Google image search of Lahti shows city-focused aerial photos illustrating idyllic and nature-centered living. For some of the interviewees, and especially for family-owned businesses, Lahti and demographic ties are cherished values, but for some the emphasizing the regional ties are indifferent.

We would benefit from high-quality, united and up-to-date regional marketing material and especially visual material, that we could use while giving a presentation abroad telling about our company and where we are based. --- With united marketing material, we could increase the sense of togetherness and be able to talk to listeners with the same tone of voice about the Lahti region as a business environment and how it is a safe city and a great place to work. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

The interviewees felt that they did not have information about the so-called one-stop service, which they could inform their new employees moving to Finland, where one can find all the useful and updated information on how to settle in Lahti. Companies with a lot of experience in recruiting from abroad were able to help their employees settle in Finland, for example in banking and housing matters and arranging day care for children, while those who did not have information on integration matters felt that more information on one-stop service would be helpful. If there is such service, it should be communicated to companies. This type of information could lower the foreign recruitment threshold when

the employer does not have to take care of integration matters or rely on the employee to have full service in related issues.

According to the interviewees, the visibility and reputation of the Lahti region could be raised, for example, in the eyes of international jobseekers as follows:

- as a young university city, Lahti can afford to raise the region's reputation as a new high-tech hub. High-tech reputation can improve the region's reputation instead of continuing to be known as an old industrial city.
- cheaper housing costs in the Lahti region could be marketed more effectively.
- the worldwide corona pandemic enhanced the remote working culture. Those companies who can continue offering remote working modes should remember to keep on marketing these unique opportunities instead of requiring an international talent to move here.

The public organizations and companies of the city of Lahti could cooperate more to bring the Lahti region on the global map. Companies could receive ready-made, visual promotional material that companies could use in their presentations in different contexts abroad and as a selling point for professionals considering moving here. The core messages of the Lahti Region could be clarified and placed in the corporate marketing toolbox. It can then be adapted culturally to suit the target audience, but the basic material from the region should be the same. We have experts worldwide, and they could all have the same story in the toolbox. Increasing the region's attractiveness is a two-way street - it must be done in cooperation with both public actors and companies in the region. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

Question 8. Has there been or are there plans to acquire international students or trainees? Are you aware of the university and higher education cooperation in the region?

Universities and other education providers in the Lahti region are valued and co-operation with them is seen as one way of acquiring the skills of the future. Interviewees hoped that the local upper-level educational providers would increasingly match provided education with the skills and knowledge needed in the companies.

All of the companies seemed especially appreciate if they contact the local higher educational providers direct, or even the teacher in charge directly, in order to ask if some necessary talents could be found there for an internship, do a thesis or a project with a company or if the school can recommend a summer trainee, for example. During the interviews, it became clear that many of these talents sought from schools were also hired after graduation as permanent staff,

None of the companies interviewed had applied for a student for the above-mentioned positions especially from international degree programmes. Thus, it does not seem to importance for the company whether the person is studying domestical or international degree, but, for example, the student's fluent English was seen as a more significant issue, according to which students were selected to companies.

Every year Lunawood have had university level students or summer trainees and they have had several theses done. From the point of view of acquiring knowledge, it did not matter whether the student was international or Finnish. Working closely with the training organization was seen as a good way to get trainees into the house. Also Peikko have had success in acquiring students, and especially international students.

Just recently we had a fruitful collaboration with Salpaus Further Education. We had immigrant metal industry students visiting from the school, and we interviewed them and immediately hired three for production. (Lähteenmäki, M. 2022. HR Manager. Peikko Finland Oy. Interview on 18 February 2022).

International students are recruited for companies especially because of their language skills and new kind of skills. Their potential was identified especially in companies operating internationally. This confirms the fact claimed in the theoretical part that an international student have the full potential of becoming mediators for companies that want to operate abroad.

Thus, it can be concluded, that cooperation with regional educational service providers is important for companies, who are looking for new skills. Fortunately, the Lahti region has begun to promote more systematic co-operation between schools and businesses in order to prevent graduate students and researchers and their skills from escaping the region.

According to Company B, too many students will leave Finland after graduation. The main reason for this is that they can not find work in Finland.

Vietnamese and Russians in particular do not stay in Finland after graduation. Many of them are here to get a degree and then go home. (CEO. Company B. Interview on 9 March 2022).

When there was a Salpaus further education unit nearby, we had a really close collaboration with it and we had a lot of trainees. When Salpaus moved away, then zero. As a result, a completely shocking number of applicants were lost. But now, we have warmed up the collaboration with Lab University of Applied Sciences. We have also been involved in a program where multidisciplinary, international university teams responded to the business challenges posed by companies. It was a true cultural splash and we collaborated with a punch of cultures. (Patosalmi, M.CEO. Interview on 25 February 2022).

Question 9. What would you recommend to companies considering hiring an international expert? For example, where should you start? What should you do by yourself and what should you outsource?

For companies, I recommend using recruitment services for employers who have difficulties finding skilled employees. And also by keeping in touch with soon to graduate students. (Surakka, A-R. 2022. HR Director. Lunawood Ltd. Interview on 8 February 2022).

I would start with the company's current employees and capabilities first. Existing employees should be involved in preparing the welcoming base for the newcomer together, thus giving room to new nationalities and customs in the organization. However, it is not worth completing everything beforehand. It is worth allowing a change for the new person to bring his or her influences to the company and the job as well. --- If the company documentation is only in Finnish and the person does not speak Finnish, the new person will hardly feel very welcome. (Könnilä, M. Head of HR. Raute Oyj. Interview on 23 February 2022).

Recruiting an international talent to a company where the personnel consists of multiple nationalities differs from a company with homogeneous staff with no previous experience "like day and night". (Area Manager, Company A. Interview on 5 February 2022).

From the experience of a company with solid international DNA such as ISKU has, it is easy to gather a different kind of recommendation for a company considering hiring an international expert while pondering how the encounter of nationalities affects the dynamics of the staff.

Multiculturalism and diversity are usually a result of strategic leadership. Especially as the strategic aim is international growth, it means various actions

such as internationalization of processes, process documentation must be able to serve international experts, we need to recruit international experts here and abroad, and so on. and the result of all this is a group that works together towards strategic core goals, but that just happens to represent many different cultures. I want to spar the idea from these starting points. When recruitment starts from a strategic point of view, the result is exactly the people and skills that the company needs. And as a result, you have a bunch of people who are enthusiastic and motivated to pursue common goals, and that just happen to be multicultural. –I would start with measuring our ability to welcome a foreign employee. And after that, start thinking about where he or she is coming from. --- Determining the community's own capabilities and checking how welcoming the atmosphere is - that's where it all begins. Also comprehensive planning of the job description and how well this position blends into other activities. These should be done first. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

Ferroplan, on the other hand, recommends outsourcing recruitment process as completely as possible. They, as an employer, do the final interviews, but the previous stages of the process are handled by their local and reliable recruitment partner. This has brought time and cost savings for the company, and the recruitment process has remained under control.

Question 10. Are you aware of what public services and funding are available for the recruitment of international skills and have you made use of these services?

The most common answers for this question were *we are not aware* or *we have not used*. However, after a moment of discussion, many of the interviewees said they actually have participated previously for example in recruiting fairs, but since the corona pandemic paused all of the live events and fairs, they were not fresh in memory. Only two of the companies, ISKU and Company A, were aware of the Talent explorer funding available for recruiting an international talent and Lunawood expressed their familiarness with the EURES project.

Various funding components seem to be appearing more and more often, and the employers' associations communicate and keep companies informed about these. However, we have not used public funding to recruit international skills. (Könnilä, M. Head of HR. Raute Oyj. Interview on 23 February 2022).

There are maybe five big companies in Lahti, which have so large HR machinery, that they have the time and resources to find out about the financing possibilities. In our experience, most of these, let's say about 5,000 SMEs that employ most in our region, don't have a clue about what help is available for them especially to be used in international recruitments. (Area Manager, Company A. Interview on 5 February 2022).

For ISKU, the different financial components and recruitment events are familiar. Around the time of the interview, the company received information that it is granted Talent Explorer funding to hire a new person, and according to the interviewee, the funding application process went well too.

Our challenge with financial instruments is that we are a midcap company, which means that many of these (instruments) are not available for us. But apparently, there are some clarifications upcoming regarding which financial instruments will be suitable for this size of companies. (Tarvainen, E. COO. ISKU. Interview on 9 February 2022).

The interviewee emphasizes that employers should remember that although funding is available, a person should only be recruited when there is a real need for his or her skills, not because there is sufficient funding available.

12 Conclusions

12.1 Reflection on research questions

This study aims to find answers to main and sub-research questions and based on the theoretical and empirical data collection and analysis, brief answers are provided.

1. What are the reasons and impacts of expertise shortage?

People and knowhow are globally unequally centralized creating slow-growing knowledge-capital-intensive welfare societies and fast-growing agrarian societies. Globalization, migration, EU free movement policies and shrinking labor markets make companies struggle with shortage of skilled workforce. Retirement of large age groups have long been a well-known phenomenon also in Europe, but the corona pandemic have accelerated retirements and thus labor shortages in some countries.

People migrate for different reasons, such as economic, political, social or environmental factors. Economic push and pull factors define the migration flows between the countries. Economic push and pull factors are the primary driving forces in modern migration. Political persecution, war or natural disaster force people to find better life-quality around the world. Economical pull factors play an important role for people looking for more income level or otherwise higher standards of living. Economic push factors can result *brain drain*, when the best and the brightest leave the country because they lack opportunities for self-development and stable income flow.

Causes of the labor shortages vary from one country to another and labor shortage affects some sectors more than others. As an example, the health and social service sector has suffered from alarmingly low employment rates recently. The poor availability of skilled labor is already limiting the growth and business development and expansion of some companies. Generous furlough benefits and part-time work schemes in European countries, as well as stimulus checks in the United States, have given many workers a financial cushion that may be delaying their return to the job market.

Lahti Region based companies are facing recruitment challenges stemming from the fact that there is simply not enough workforce available to fill the jobs – the jobs and applicant do not meet each efficiently and on time. Applicants' limited work experience, or unsuitable training, is also a problem, leading to a so-called clash problem. Incentive traps, i.e. the fact that it is not worth taking a job because the after-tax share of wages is not much higher than subsidies, were also barriers to accessing labor. In addition, weak labor mobility, gaps in skills and long distances to the workplace pose many challenges in recruitments in the Lahti

region. Companies with no previous experience in hiring international talents might perceived foreign recruitments too cumbersome and bureaucratic. Companies are unaware of all the benefits of diversifying culturally their personnel and therefore the skilled labor thus, a skilled workforce is continued to be sought from a limited domestic labor market.

2. What competitive advantages does cultural diversity bring to a company?

A culturally diverse organization has multi-level problem-solving prerequisites and is authentic in responding to issues confronting it. Cultural diversity has better organizational capacity to embrace the mindset for international growth. Cultural diversity affects positively on organizational innovation and creativity, customer satisfaction, economic viability (for example by reaching new customer groups), attractiveness of the workplace and the public image of the organization, which are vital for the company to expand and succeed in the global markets. Companies with high levels of racial and ethnic diversity are 33-35% more likely to outperform their industry averages financially and are reported high staff satisfaction and social harmony. Organizational policies and practices are carefully monitored to the goals of multiculturalism and there is a true commitment to changing policy practices that block cultural diversity. Culturally diversity creates a global mindset for the company, which helps to attract top talents. Cultural diversity can attract new customer groups, as many customers already see increasing diversity in companies as fulfilling their corporate social responsibility and the customers are increasingly choosing a service provider or producer according to how well the social responsibility is fulfilled. Inputs in cultural diversity is thus also a strong image factor that can be justified as economically viable investment.

3. How and where can company reach international talents?

People migrate on different reasons, mainly due to economic push and pull factors, which define the migration flows between the countries. Finland is a country of advanced development, offering high living standards with a variety of chances for self-development thru career. Economically, Finland would especially benefit from arriving and settling international specialists, entrepreneurs, researchers and students. In companies, the requirements towards international talents are more complexed and case-specific. Whether it is an employee or an expert the company is looking for, the employer is likely to reach the right people using multi-channel job advertising in the same channels as the target group is present. An attractive and inclusive employer image attracts international professionals. Social responsibility communication creates an image of an easy to settle and open work community, whatever the cultural background. Through collaboration with universities and other educational institutions, cooperating with recruitment professionals, or using well-thought and targeted network marketing, the employer is likely to find the right people for the job

with whom they can start building the job position and thus engage the workplace. As an employer, it is worth remembering that a hired international expert brings in his or her own network as well, through which the company can find the new skills it needs in the future.

The physical location of an international expert is no longer a threshold issue due to accelerating globalization at hand speeding up the remote working culture, so hiring an international talent for remote work is worthwhile considering. As highlighted in this study, community presence is important for a person's commitment and full contribution, therefore remote working forms should be viewed with caution as primary recruitment methods.

Sub-questions to be addressed are

1. What is culturally competent organization?

A culturally competent organization is sensitive to maintaining an open, supportive and responsive environment and works toward and purposefully for common goals. In culturally diverse companies, both higher staff and customer satisfaction can be measured. This sort of organization pays less attention to a person's cultural specificities and invests in supporting open communication culture. Different problem-solving and case-handling abilities meet constructively, sometimes even colliding with each other causing different situations. Therefore, in a culturally rich organization, attention is paid to the management of both different individuals and team formations. Leadership manifests itself as leading people, supporting individuals abilities and personal development goals. The organization in return benefits from this with dedicated staff that works creatively towards common goals. Cultural competence can be measured with job satisfaction surveys, personnel diversity questionnaires and providing ethical guidelines among others.

2. Why is diversity management important?

Diversity must be managed in such a way that its benefits can be harnessed. Well-performed diversity management creates a competitive advantages in company's creativity, talent acquisition, problem-solving, organizational flexibility. Even though diversity management and governance require resources and exceptional management skills, done properly the investment pays back by helping to raise the awareness and possibilities of cultural confrontations, lower biases and prejudices among the personnel and can channel these healthy assets for the benefit of the company.

12.2 Summary and conclusion from theory and interviews

According to research, the management of cultural diversity most often focuses on streamlining everyday work and uniting the competencies of teams and individuals. The interviews in the empirical part of the study challenged this notion in the sense that diversity management in these companies is also reflected in preparatory work that ensures a good start for the employee before he or she starts in the company. In practice, this means including international experts, that are already working in the company, as part of the onboarding team, identifying integration needs, ensuring equal employment opportunities (compared to native Finns), and ensuring that the new person has career development opportunities. According to the interviewees, by investing in these issues, the employer helps the international expert's commitment to the company and can reduce the work caused by constant personnel changes. Teams, that already had international experts, are eligible to share their know-how on the repatriation or adaptation process, which provides the new worker and his or her whole family with valuable tips on how to settle in a new culture. Experiences raised during the interviews show that usually international experts are happy to help each other with these issues. It brings another surplus also: it facilitates the employer's onboarding process, which according to the study, requires more effort and time from the employer than onboarding a native Finn.

In general, leaders who understand the potential of cultural diversity recognize diversity as a positive force that encourages individuals and teams to be creative, dynamic, and aim to give their best. Leaders, who support a diversity mindset, understand why cultural wealth can reform and refresh the company and can ultimately improve financial results. A leader with a diverse mindset does not guide the individual too much but also allows group dynamics that emerge among individuals to guide individuals toward jointly set goals. In this way, each member of the team can take responsibility and become committed to promoting community and inclusion.

Every company defines functional leadership differently. Questions such: How international is the environment, where the company operates in and what is the current multicultural level that the company has, determine how deep diversity management know-how is needed in the company.

Diversity-driven leaders understand how diverse problem-solving and decision-making teams can create value for the company. These leaders understand that bringing together people with different beliefs, values, and attitudes provides all members with new ideas and unique perspectives, challenges their expertise, and develops their problem-solving skills.

This is based on the fact that different teams are proven to develop more creative solutions and are more productive than homogeneous teams.

Several literary sources deal with diversity management at a very general level, with a particular focus on ensuring the group dynamics to function without problems. On the other hand, the literature on diversity management refreshingly focuses on the so-called blue collar leadership. Also in the literature that handles diversity management, less attention is paid to the environment that determines management, for example, the sector in which the company works (service or industry) and how the company operates in international networks. It may suggest that the subject has only recently begun to be explored as multidimensionally as it deserves.

People's individual prejudices always affect how they see and navigate the workplace, so it's important to encourage open and honest dialogue where everyone feels welcome. Suppose diversity brings major upheavals to an organization. In that case, customized diversity training can be a good option for international team leaders to learn and teach to dispel employees' prejudices about diversity, create cohesion, and promote employees' working life skills. With successful diversity management, a company can help an individual's own development while supporting the emergence of strong group dynamics.

In general, it can be said that in Finnish companies, the diversity management is handled from the company's needs, leaving too little attention to the personal development of an international expert.

A company acts from these starting points, is not enabling the international expert to commit to the firm to the full potential and will probably waste resources on unnecessary staff exchanges. Supporting the emergence of a diversity network is one way to keep the committed international experts in the company. The concept of a diversity network is intentionally opened up in this study from several different perspectives to show its benefits for the employer and as well as for the employee.

As was expected, the Interviewees did not mention any separate guidelines for cultural management that these companies seek to follow. Instead, a person who has worked abroad or otherwise has experience leading a diverse team is usually selected to lead a multicultural team. This contributes to the fact that multiculturalism is perceived as a natural thing and that space is given to its natural formation instead of pre-written guidance. The interviews revealed that a person should be hired according to their skills, not based on their culture. Of course, there are exceptions, for example, when a cultural expert is needed for market expansion and succeeding in it requires experience in working in the markets and profound acknowledgment of the cultural nuances. In this case, recruiting based on

cultural perceptions is justified. This message is also supported by the literature that handles non-discrimination in the labor market and is also referred to in earlier paragraphs of this study.

Companies must take the labor shortage, which is inevitably threatening Finland, seriously to ensure competitiveness in terms of quantity and the quality of skills. A dialogue between companies and universities is needed so that future lines of study and programs meet the skills needs of the future identified by companies in the regions. International students should be provided with more networking opportunities with local companies to be able to contact local employers and build work-life networks before graduating.

Recruiting an international talent to a company where the personnel consists of multiple nationalities differs from a company with homogeneous staff with no previous experience “like day and night”, as one interviewee aptly described. It seems the biggest efforts relate to planning, resourcing and executing international recruitment for the first time. Once this talent has settled in the company and the whole recruitment process has become familiar, barriers to aiming the recruitment abroad become lower. International experts are proven to be more interested in companies already having foreign employees working for them. International and diverse personnel, therefore, seems to increase the interest of foreign applicants in the employer, which can help a company threatened by a shortage of labor.

The majority of the companies interviewed felt that they had succeeded well in international recruitments. Cooperation with a private recruitment service providers was particularly praised.

An example of Raute’s and diversity recruitment-oriented Pointer Potential’s strategic collaboration, where the company dared to recruit experts in a completely new way, brought a new dimension to this research and proved the positive effects of cooperation to be true. A detailed description of the cooperation is described in appendix 1. It is worth mentioning as genius practicality of how the company boldly went to set out to try new ways to ensure that it remains competitive with a skilled workforce. The success of the recruitments was emphasized by the fact that besides work, they were able to connect to local societies and they found their places in various networks, which made them want to stay in the work and settle in Finland. It is not self-evident that once the international employee starts in a company, he or she will want to stay here. An employer can do a lot to make sure that an employee, that is hired through hard work, stays in Finland and commits to the company.

Thus, integration must also be successful outside working life in order for a person to remain in Finland. This is both a challenge and an opportunity for employers: an employer can support a person to find the networks that help the employee to set personal goals, support

his or her values and respect their culture. An employer has the opportunity to achieve an increasingly attractive status among international applicants, the more it is able to communicate its successful international recruitment and strategic goals it has set for cultural diversity.

12.3 Further research

As further research suggestions, firstly I suggest examining more deeply the reasons and motives the companies have in hiring foreign experts to complement their organisation's expertise. If the work can be learned by doing and the Finnish language is not seen as a barrier, diversity recruitment may be in place.

Secondly, I suggest researching greenwashing in recruitment. Research questions can be, for example, how to avoid recruiting international talents from false starting points and whether the company, by hiring international talents, fulfils its social responsibility from a strategic point of view, not from market pressure?

Thirdly, this thesis explores several different ways to recruit international talents. As further research, I suggest exploring and providing companies with more information about the channels where they can find the job seekers and what kind of employer image attracts these job seekers in these channels.

This thesis emphasises the factors that aim to ensure international talents' availability for Finnish employers. The fourth further research suggestion relates determining the primary drivers behind the decisions according to which the international talent decides to move and work in Finland. Suggested research questions are: are international talents more motivated to settle in Finland by the content of the work and career development opportunities or by the living conditions and social networks the person can relate to?

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APPENDICES

Appendix 1.

Diversity recruitment example: cooperation between Pointer Potential and Raute

Pointer Potential is a recruitment company founded in 2020 with the aim of leading international professionals based in Finland into the Finnish job market. Pointer Potential strives to enhance the diversity recruitments and better utilization of the international professionals already living in Finland and accustomed to Finnish society. The company can match companies searching for talent with international professionals in Finland. (Pointer Potential). Although the company is fairly on the market, its representatives have long experience in diversity recruitments.

According to the CEO of Pointer Potential Johanna Korpia (interviewed on 1 March 2022) international experts can be recruited for each stage of the company's value chain. The interview focused on the co-operation between Raute, which advantages are previously described from Raute's point of view in chapter 10. Briefly, Raute was looking for mechanical engineering competence and needed a recruitment partner like Pointer Potential to reach a wider pool of candidates.

According to Johanna Korpia, currently, not enough engineers are trained in Finland, and there is a shortage of them in today's technology-oriented Finland. Foreign engineers from abroad work in significantly lower paid jobs than Finnish engineers. When it comes to international recruitment strategies and implementation, there is a huge gap between companies in the extent to which the strategy is implemented and how strategic a choice an international recruitment is.

Large companies increasingly have a diversity strategy, but it is not yet reflected in the number of multicultural recruitments. This observation is based on discussions with hundreds of companies. An employer often turns to a recruitment company when there is a need for specific skills that it cannot find from the existing networks or when there is a need for certain language skills, market or cultural knowledge.

As a special consideration, companies make international recruitments not only to strengthen their position in the market, but also because they look and prepare for the future, realizing that there is a shortage of labor in the Finnish economy and massive retirements are ahead. Only a very small part of companies make international recruitments only

because they can fulfil their social requirements set by the stakeholders. Greenwashing in recruitment is a phenomenon that should be recognized, but luckily it happens very little these days.

Finnish employers are, according to Johanna's experience, responsible and the employee's skills are valued. Pointer Potential also wants to cooperate with companies when the recruitment is based on the right needs.

Pointer Potential considers Raute exemplary because of the open-mindedness of the company, as employees were sought with competence first, not from cultural points of view. The cooperation saved Raute a considerable amount of time in the recruitment process since it was only presented with candidates with profiles that we most needed. The cooperation was successful, because both parties knew where to aim with the recruitments and the set goals were eventually exceeded in a way that at the beginning, they were looking for one candidate but ended up offering a contract to nearly everyone on the shortlist – to four candidates.

The strength of Pointer Potential is that it knows where to reach the international talents and is present in the same channels. Thru these channels the company can communicate about open vacancies to a diverse pool of talents and reach the potential applicants for the companies. The immigrants feel that the recruitment company is on their side and is therefore accepted into these channels.

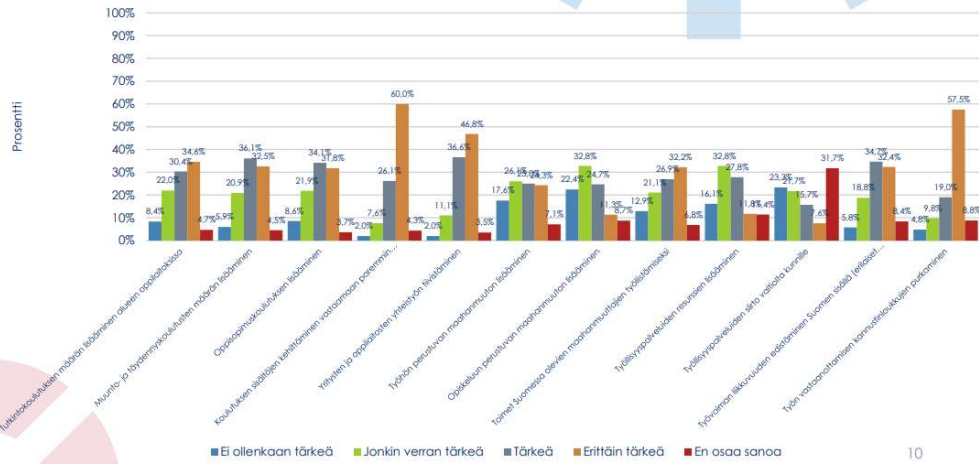
The cooperation with Raute was also based on the fact that the recruitment company in question reached international talents in these closed channels, which Raute would not have been able to contact. The recruitment company was also able to communicate the need for competence in a right way and, at the same time, it could detect and communicate experts' hidden competence back to Raute. Diversity recruiting specialist seem to have a special sensitivity to understand not just the competence but the motivation and ability to engage to the job. Looking at Raute's example, diversity recruitment can be a resource-wise way of reaching a new kind of diverse competence in the company.

Appendix 2.

The Chambers of commerce's survey for member companies about the shortage of skills they recognize 31 August 2021. Answers, part 1.

Kauppakamareiden kyselyn vastaukset jäsenyrityksille osaajapulasta 31.8.2021, osa 1.

Arvioikaa seuraavia vaihtoehtoja keinoina osaavan työvoiman turvaamiseksi?



31.8.2021

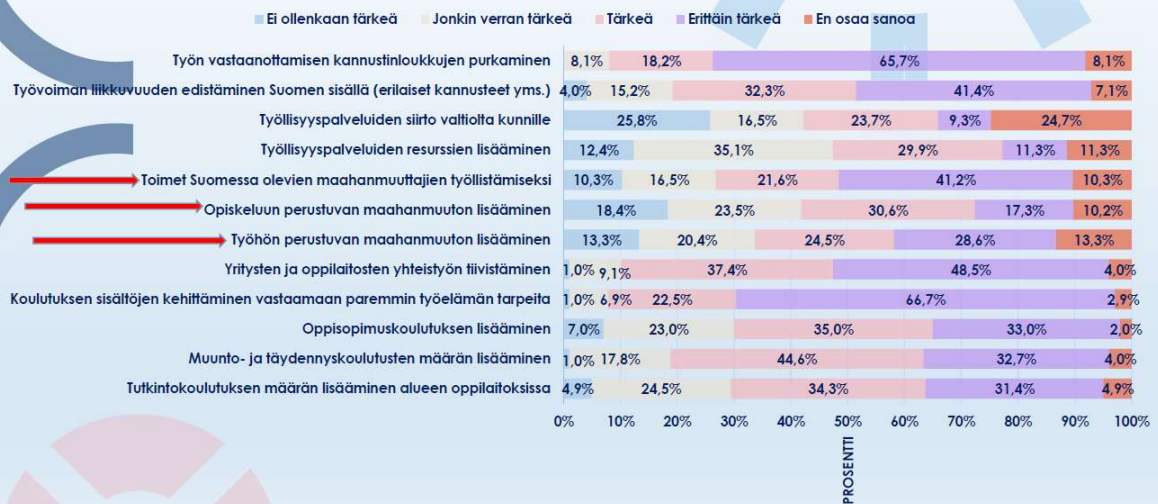
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Appendix 3.

The Chambers of commerce's survey for member companies about the shortage of skills they recognize 31 August 2021. Answers, part 1.

Kauppakamareiden kyselyn vastaukset jäsenyrityksille osajapulasta 31.8.2021, osa 1.

Arvioikaa seuraavia vaihtoehtoja keinoina osaavan työvoiman turvaamiseksi



3

Appendix 4. Interview questions

Experiences and practicalities

Question 1. For what needs has your company hired or is hiring international talents?

Question 2. Did you find an international expert in the company's networks, or did you use external help in recruiting? What recruitment channels did you use?

Question 3. Did the recruitment or onboarding of an international expert differ from normal or was there something that needed special attention?

Question 4. How does multiculturalism occur at daily work?

Question 5. What added value or challenges has multiculturalism brought to the company?

Information and recommendations

Question 6. When attracting experts, what kind of business environment is the Lahti region with its services?

Question 7. How could the attractiveness of the region be promoted?

Question 8. Has there been or are there plans to acquire international students or trainees? Are you aware of the university and higher education cooperation in the region?

Question 9. What would you recommend to companies considering hiring an international expert? For example, where should you start? What should you do by yourself and what should you outsource?

Question 10. Are you aware of what public services and funding are available for the recruitment of international skills and have you made use of these services?

Anything else you want to say on the subject?

In addition, asked by email or during the interview:

- how many employees in total are there working in your company in Finland?
- how many of these are international experts and what nationalities do they represent?