Company values guiding the recruitment of employees with a foreign background

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Abstract

Purpose – In this paper, the following research question is addressed: Why do business organizations recruit employees with a foreign background? This was examined in terms of the values that guide organizations and their management in their behaviour.

Approach – The study focused on two businesses in Finland that are frontrunners in the recruitment of immigrants. A case study approach was adopted. The research data consist of interviews and documentary data. The data were analyzed using thematic analysis.

Findings – Companies and their management can act as an enabling force in the integration of immigrants into the local labour market, especially when the company’s value basis includes not only economic values.

Research limitations – The study was conducted only in two case companies in Finland.

Practical implications – Companies and their management have the potential to affect local people’s attitudes towards immigrants as workers. This is important because many western societies are likely to face labor shortage in the future due to aging population and low birth rate.

Originality/value – Prior research has mostly investigated the topic from the viewpoint of the immigrants themselves and of policy makers. The value of this study is that it makes the employers’ viewpoint visible. The dominant theories applied in the field of immigrant recruitment are inadequate to explain employers’ behaviour due to the theories’ underlying assumption of the overwhelming importance of economic values in decision-making.

Key words Business organization, case study, employee with a foreign background, Finland, immigrant, recruitment, values

Paper type Case study
Introduction

Due to the increased immigration and the globalization of firms, many societies and organizations have become and are becoming more diverse (OECD, 2013; Almeida et al., 2015, 2016). Although many countries have introduced migration policies to make it easier for companies to recruit from abroad, previous studies show that employees with a foreign background are often working in jobs that are below their competency (Ortlieb and Sieben, 2013). It has been noticed that both in Finland, which is the societal context of this study, and elsewhere, these employees face more problems and more discrimination in the recruitment process than local people (McGinnity and Lunn, 2011; April and Syed, 2015; Kingston et al., 2015; Tilastokeskus, 2015a, 2015b). The refugee crisis in Europe might further limit the opportunities open to immigrants – whether refugees or not – in working life, since attitudes toward immigrants seem to be becoming more hostile. However, due to the rapidly aging population and low birth rate in Europe, the workforce potential offered by immigrants is likely to be vital for the future of European societies (El-Cherkeh, 2009; Salminen et al., 2019).

In this research, we are interested in what leads companies and their management to hire employees with a foreign background and, thereby, to participate in the ongoing social change in societies and working life in terms of the increasing migration and ethnic diversity in the population (El-Cherkeh, 2009; Syed and Özbilgin, 2015). The research question of this study is therefore, Why do business organizations recruit employees with a foreign background? We explore the topic from the viewpoint of the values that guide organizations and their management in their behaviour. We focus on values in practice, not the values formally defined in official company documents, because the literature shows that the values practised in everyday organizational life have a significant influence on an organization’s behaviour (Schein, 2010). We answer the research question by means of an explorative case study (Tight, 2017) in two business organizations in Finland. By ‘employees with a foreign background’ we mean employees whose nationality and ethnic background are different than that of the majority of Finns. Nationality is a legal relationship between an individual and a state, and in this case the individuals in question do not have Finnish nationality, or Finnish citizenship. Ethnicity refers to the shared cultures, values, language, spirituality, beliefs and loci of control of a specific group of individuals (Balcazar et al., 2010, p.83).

This study contributes to the literature in the following ways. Firstly, we enlarge understanding of the topic by exploring it from the viewpoint of employers. Prior research has mostly investigated the topic from the viewpoint of the immigrants themselves and of policy makers; the employers’
viewpoint has received less academic attention (Ortlieb and Sieben, 2013; Scott, 2013; Almeida et al., 2015), despite the fact that employers’ behaviour is crucial in shaping the functioning of the labour market and employment. This is particularly true in businesses that are led by owner-managers, as is the case here, because the owner–manager is often the driver of values (Quinn, 1997; Jenkins, 2006; Gorgievsky et al., 2011; Lähdesmäki, 2012; ).

Secondly, this study draws attention to the inadequacy of the current literature in explaining employers’ reasons for the recruitment of employees with a foreign background. Although there are some exceptions (e.g. MacKenzie and Forde, 2009; Almeida et al., 2015), the majority of prior studies are based on the idea of the business case, referring to the cost-saving or competitive advantage to business results brought about by the diversity of the workforce (e.g. Cox and Blake, 1991; Richard et al., 2003; Robertson and Park, 2007; Moryarty et al., 2012; Ortlieb and Sieben, 2013). Often, these studies are based on human capital theory (Becker, 1964), resource dependence theory (Pfeffer and Salancik, 1978) and diversity management (Syed and Özbilgin, 2015), although research also brings out that compliance to equal opportunity requirements may play a role (e.g. Rodriguez, 2004; MacKenzie and Forde, 2009; Bartram, 2010). We extend the literature by showing empirically that employers’ reasons for recruiting employees with a foreign background can be more varied than has been suggested in previous research. In particular, we emphasize the role of values in understanding the motives that lead companies and their management to such recruitment. According to Bartram (2010), values in relation to immigrants are typically taken as self-evident and are not often reflected upon. Syed and Özbilgin (2015) emphasize that there is a need to understand the topic not only from the viewpoint of economic interests but also from other viewpoints such as, for example, responsible business.

Finally, organizational values, which are a micro-level phenomenon in the workplace, do not occur in a vacuum but are connected to macro-level phenomena such as the socio-cultural and historical features of the society and industry (Pučėtaitė and Lämsä, 2008; Van Laer and Janssens, 2011; Kujala et al., 2018). However, as MacKenzie and Ford (2009) bring out, the majority of researchers downplay the significance of the broader social context for understanding employer behaviour in the recruitment of immigrants. In this research, we offer new insight into the topic by highlighting how organizational values in recruitment are linked to the values of the company environment.

Literature review
Values signal what is important and preferred in a company (Schein, 2010). Values guide the way organization members choose actions as well as assess and reason their actions (Rokeach, 1973; Schwartz, 1992; Gandal et al., 2005). Values are motivational by nature, they show what people think to be right and wrong, good and bad (Gandal et al., 2005). Due to the socialization process, a company’s values system is likely to be accepted over time by the members of the organization. Although we cannot say that it is entirely unchangeable, this set of values does not change easily. A well-known classification of values is that of Rokeach (1973). Rokeach distinguishes terminal and instrumental values. Terminal values are ultimate goals of behavior, such as equality and social recognition, while instrumental values (e.g. effectiveness and hard work) refer to modes of behavior to achieve the goals.

A well-known, widely tested and accepted framework of values is that of Schwartz (1992; Schwartz and Bardi, 2001; Gorgievski et al., 2011). Schwartz (1992) distinguishes several values categories. The main categories are openness to change, self-enhancement, conservation and self-transcendence. With reference to business organizations, openness to change refers to learning, innovativeness and willingness to accept challenges. Self-enhancement is linked to superiority and prestige; in the business context economic success, winning competition and growth are signs of this. Conservation as a values group stresses security, stability and tradition; respect for and acceptance of traditional ideologies, customs and norms, for example, are crucial for a company that stresses this category. Finally, self-transcendence is related to a company’s motivation to advance people’s welfare; respect and acceptance of differences between people are also important in this group. (Schwartz, 1992.)

Organizations and its members build values hierarchies according to the significance of different values to the organization – some values are prioritized over others (Gandal et al., 2005; Tuulik et al., 2016). A crucial element that influences the organization’s values system is its management. Managers are in a powerful position to create matching behaviour in those who observe them; those who have a lower position in the organization are far less influential. Managers can have far-reaching effect on organizational values through their decision-making and behaviour (Smircich and Morgan, 1982; Huhtala et al., 2013; Riivari and Lämsä, 2019). A person in a managerial position influences the values of other organization members and especially when it is a question of the owner-manager, the effect is likely to be strong (Lähdesmäki, 2012).
The recruitment of employees with a foreign background has been studied from the employers’ viewpoint usually through the lens of human capital theory, resource dependence theory or diversity management (Ortlieb and Sieben, 2013). According to human capital theory, human capital means the knowledge or characteristics the employee has that contribute to his/her productivity. An employer’s investment in human capabilities thus plays a crucial role in achieving successful business results (Becker, 1964). This theory assumes that the labour market treats its potential workforce equally, on their competencies (Almeida and Ferdando, 2016). The theory suggests that it is economic values that are crucial for the company’s motivation to hire foreigners. The theory does the theory explain the discrimination against employees with a foreign background in the labour market.

An idea in resource dependence theory is that the need to accrue critical resources such as social capital and abilities is crucial for a firm’s survival (Pfeffer and Salancik, 1978). According to this line of thought, in recruitment decision making an important aim is to hire employees who have the abilities necessary for the company’s success. For example, drawing on resource dependence theory, Ortlieb and Sieben (2013) argued that competencies related to foreign employees (e.g. their language skills and cultural skills) and ethnic background (e.g. internationality, image value) can be potentially valuable resources to the company that offers them employment.

Drees and Heugens (2013) say that resource dependence theory draws mainly on the assumption that business organizations are motivated by economic values but that the theory can also explain organizational actions that rely on social acceptance: it is not only its economic values but also its actions that legitimize the role of the company in its environment and are of importance for its success. This suggests that companies rely in their decision making not only on economic values but also on social responsiveness to the external environment, that is, on their adaptation to broader traditions and customs in the environment. Seen from the viewpoint of resource dependence theory, companies are likely to adapt in their recruitment also to the broader values of the social environment in which they operate.

Diversity management stresses that workforce differences, for example ethnicity and nationality, have the potential to create a working environment in which diverse people’s competencies and characteristics are utilized to achieve organizational success (Cox, 1991; Syed and Özbilgin, 2015). Diversity management is typically based on the business case for diversity (Cox, 1991; Syed and Kramer, 2009). In the majority of diversity management approaches it can be said that a company’s
and its management’s reason for recruiting employees with a foreign background is based on economic values.

However, Ely and Thomas (2001), for example, broadened the idea of diversity management by showing that three different standpoints on workforce diversity can be distinguished, namely, the integration-and-learning standpoint, the access-and-legitimacy standpoint, and the discrimination-and-fairness standpoint. The integration-and-learning standpoint stresses the value of learning as a key idea in diversity management, while the access-and-legitimacy standpoint emphasizes the adaptation of employee characteristics to the diversity of customers in the market. Finally, the discrimination-and-fairness standpoint is based on moral values: it is a company’s duty to hire and employ diverse people in order to ensure the fair treatment of the members of society. According to Ely and Thomas (2001), the integration-and-learning standpoint is likely to be the most appropriate approach to achieve long-term and sustainable results from diversity.

Methods

A case study as a method focuses on a small number of cases that are studied intensively, and this allows close focus on the topic in its context (Cassell and Symon, 2015). Two companies that can be considered exceptional cases (Tight, 2017) were selected for this study. The companies were chosen because they are frontrunners in their own region and field of business in the recruitment of employees with a foreign background. Their policy can be considered risky in their environment due to the fact that no other companies had decided to pursue a similar policy. In general, despite the increasing number of immigrants, Finland is still a homogeneous society, and the fact that the number of people with a foreign background is not high means that few companies have much experience of hiring foreigners.

The companies selected are located in two different local authorities in rural areas of Finland, one in the west and the other in the north of the country. In these areas it is important for businesses that the local labour market functions well and that compensation can be made for the ongoing decrease in the population of working age. However, the majority of workers with a foreign background in Finland live in big cities. As foreigners are concentrated in the cities, the availability of a workforce in rural areas cannot be guaranteed unless companies as well as the local authorities can attract foreign workers and engage them as part of their local community. Both case companies are of Finnish origin and their management is in the hands of the owner-manager. One case, referred to
here as the “Factory”, employed people with a foreign background who had come to the country for occupational reasons, while the other company, the “Pharmacy”, had hired an asylum-seeker as a trainee. Their recruitment strategies being different, it is possible for us here to capture the topic more broadly than if the cases had been similar (Tight, 2017).

The research data consist of two primary data sets. First of all, three open-ended interviews (Rubin and Rubin, 2005) were conducted with the owner-managers of the companies. Interview topics included the company’s key principles, strategies and methods, its personnel policy and recruitment, its reasons for and experiences of hiring employees with a foreign background, and the challenges encountered in the recruitment process. Interview questions were posed so that the interviewees could easily speak of the topics in their own words. Secondly, various forms of documentary data were collected about the cases and recruitment: website information put out by the companies and local authorities, minutes of municipal council meetings concerning setting up a refugee centre, and a petition to the municipal council from local inhabitants setting out the problems of foreigners living in the area and their recruitment into the companies. To contextualize the primary data, secondary data were also used, in the shape of parliamentary papers and information from Statistics Finland and from the regional authorities concerning immigration, employment, and the social and economic environment of the region.

The data were analyzed using thematic analysis (Cresswell, 1998; Guest et al., 2012). We started with a thorough reading of the data in order to familiarize ourselves with it. We then discussed ideas and preliminary themes in our research group and made notes on these, working with the data from the ground upwards (Urquhart, 2013). At this phase it became clear that the material was very rich and provided a complex view of the topic and case contexts. Next, the data were grouped in such a way that we could build text blocks concerning issues related to the recruitment. Then, the blocks were grouped so that similar ideas related to values in the recruitment were categorized together. In this process the researchers discussed the data thoroughly to identify relevant themes. The analysis process was iterative by nature: we moved back and forth between the empirical data and the theoretical background (Urquhart, 2013).

Case study findings
The results are presented case by case. Firstly, the main characteristics of the companies are introduced and this is followed by a description of their key values. We then highlight how the values are applied in the companies’ recruitment practices.

The Factory

Natural internationality: the case company and its environment

The Factory, founded in 1956, is a firm operating in the field of construction. Besides Finland, the company operates in the U.K., Sweden and Russia. The company employs over 550 people, the majority of whom are based at the company’s headquarters in Western Finland. At the time of the data collection one in every five permanent employees at headquarters was of foreign origin. The Factory is a family business with its roots in a small, local woodworking and carpentry shop. Initially the Factory sold its products to local customers but during the 1970s it became a nationwide player. The company entered international markets at the turn of the millennium. From the early 2000s the Factory has systematically recruited foreign labour.

Despite being an international company, the Factory is profoundly local at heart and boasts about its regional heritage. This region has played a central role in the history of Finnish internationalization. An exceptionally large proportion of the population of the province left in the mass emigration of Finns to America in the late 1800s and early 1900s. A second wave of mass emigration from the same area took place in the 1960s and 1970s, this time to Sweden. Some of the migrants stayed on in their countries of destination, others returned to Finland (Kero, 1972; Korkiasaari, 2000; Virtanen, 1979). But even those who did not strike gold and returned to Finland claimed that they had increased their human capital: “Even if you don’t get rich on your travels, you will get wiser.” (Toivonen, 1963, p.204).

The municipality where the Factory’s headquarters is located is a small one, with some 3000 inhabitants. The Factory began the systematic recruitment of foreign workers around 2005, and the policy intensified in the 2010s. This had a marked influence on the population structure of the place: in 2006, the share of foreign language speakers in the population was 0.54 percent, but by 2010 the figure was 1.37 percent and by 2015 it had risen to 5 percent. The rate is notably higher than in the region in general and almost as high as the average Finnish rate. The Factory has been a prime motor in this development, and other enterprises in the region have followed suit and also recruited foreign labour. Nevertheless, a majority of the foreigners in the area work in the Factory.
Business development connected with traditional Finnish values

As for the Factory’s corporate values, it is relevant that this is a family business now spanning three generations. The Factory’s and its management’s values are not arbitrary or random, nor have they been adopted from some fashionable new doctrine, but they rely on tradition. The Factory’s value set is grouped as follows: 1) appreciation of hard work, 2) equality and 3) growth and development as a profit-generating business resource.

The inhabitants of the region are traditionally regarded as possessing an exceptionally entrepreneurial spirit, as valuing hard work, and as having ideals of equality and a devout attitude to religion (e.g. Zimmerbauer, 2002). Such principles derive in large part from a Protestant value set, particularly Calvinism, but also from Pietism (Weber, [1904] 1980: 57–94).

If you think of our home village, it’s very strong in terms of religiousness. […] We [our own family] surely do have [a religious background]. It stems from [our home village ...], that’s where these values are from. Revivalism and valuing of hard work above all else. And equality above all else. Everyone starting off from the same line. […] If someone achieves something, it’s their own achievement, not something gained or inherited. (Managing director)

The high regard for work, emerging from Protestant values, is a fundamental aspect of the Factory’s value basis; it means a strong organizational ethos with an emphasis on the personal ability of each employee. For example, anyone working in blue-collar jobs can advance up the corporate ladder into supervisory, sales or administrative positions on the basis of merit. Recruitment is based on the prospective employees’ diligence and know-how gained through hard work; “Hard work wins over hard luck” is an old Finnish proverb, which exemplifies this value.

Equality and equal opportunity – key values in Finnish society in general – are core values also in the company. The same payroll system applies to all employees, and the terms of employment are the same for everyone. The Factory’s payroll system is based on the employees’ performance. No difference in recruitment is made with reference to where you come from or what language you speak or whether you are male or female. The emphasis is on the employee’s own abilities and effort.
The Factory’s target has always been towards business growth and development. The company has grown in the last 60 years into a consolidated corporation operating in an international business environment. The growth of the company has come through its own development efforts, not as a result of mergers or acquisitions of other companies and their know-how. Instead, the Factory has relied on developing its own competence and expertise. The Factory sees the skills and performance of its workforce and its own corporate knowledge base as key resources for business success.

Foreign labour guarantees growth

In the 2000s the Factory started to base its recruitment policy on foreign labour. The rationale behind this strategy was the prevailing labour shortage. The situation was similar around the region: industry was unable to recruit employees either locally or regionally, or even nationwide (Mattila and Björklund, 2013). Turning to foreign labour served the company’s goals and values of growth and development.

[Had we not been open to this alternative], we’d probably be just like so many other enterprises in Finland. Complaining about the labour shortage, no chance of growth, it’s impossible to find labour, [which] prevents everything. We would have been stuck at a certain level, we’d be a much more static company. […] Instead[,] we started off briskly. […] Ours was definitely a strategic choice. (Managing director)

Initially, the Factory turned to workers from within the EU. The first step was to hire workers from Estonia. Somewhat later the search was extended to the rest of Europe, as a result of which employees were recruited especially from Romania and Poland. At around the same time, nearby vocational colleges were attracting large numbers of Russian students, mainly from Russian Karelia on Finland’s eastern border. The company made it known that apprenticeships at the Factory were available to construction students. This led to some students being recruited through apprenticeships to work in the company. As a result of such arrangements, workers from three countries in particular - Estonia, Russia (especially Karelia and St. Petersburg) and Romania - were employed in the company. The company’s foreign labour therefore came both from within the EU, with its free movement of labour, as well as from outside the EU, namely from Russia. The company has gained a reputation as a recruiter of foreign labour.

The Factory’s recruitment policy is based on the value of equality. Foreign recruits include men and women alike, although there are more men than women. However, the proportion is the same
among Finnish employees. The company has launched a special research and development project to promote the principles of equality and equal opportunity in a multicultural work environment and to commit employees with different cultural backgrounds to the work community. Even though most of the foreign workforce are recruited into production, they also include office staff. This means that foreigners do not work only in manual jobs, but are genuinely on the same footing as Finnish nationals.

Some basic training and experience in the construction industry are considered an advantage when applying for a job at the Factory, but not an essential condition of employment. The most important consideration in the recruitment of new employees is their diligence and will to work hard. A positive attitude and resolve to learn are decisive, since the company basically trains its workforce. The managing director says he respects the old system of apprenticeship and learning on the job:

What is the actual level [of Finnish vocational education]? What has been achieved, say, in the past 10 years? [Lately] the apprentice-based approach has started to gain momentum. Similar to what they have in German industry. There they have a long historical tradition with BMW or some other [well-known] brands, for instance. There it’s a natural training method. But in Finland the prevailing idea seems to be keeping these youngsters sitting at their desks growing frustrated. (Managing director)

The Factory’s foreign employees are introduced to their work and their work environment in an induction process which includes training material in several languages: Finnish, English, Estonian and Russian. The induction process is the same for all recruits; no difference is made between different groups. The Factory’s transformation into an enterprise using international labour owes much to the ease of the change: it has been a question of the organic growth of their “own” company in a situation of labour shortage. The company’s active and unprejudiced personnel policy with its recruitment of foreign labour has been a key to the company’s corporate growth, development and business success. It is very likely that without its active recruitment policy, the Factory would be a much smaller enterprise, and probably a local one.

The Pharmacy

Winds of change: the case company and its environment
The Pharmacy is located in Northern Finland. It was established 128 years ago. Despite being a small enterprise, it is of medium size among Finnish pharmacies. The enterprise has 11 permanent employees in addition to the entrepreneur, all of whom are women. The current entrepreneur has been in charge of the Pharmacy for 10 years. In the course of autumn 2015, the local authority where the Pharmacy operates experienced at first hand the ongoing refugee crisis. As a result of the crisis, a record total of some 32,500 asylum seekers entered Finland, a huge increase from the 3600 refugees who arrived the previous year. The situation was almost chaotic, as applicants surged into the country.

A considerable number of asylum seekers were settled in the Pharmacy’s municipality, Northern Finland being an important point of entry into the country. Winter was on its way and it would soon be cold, so there was an urgent need to find warm accommodation for everyone. The reaction to the situation was characteristically Finnish - “Necessity is the mother of invention” - and creative solutions had to be devised quickly, from scratch. An emergency accommodation unit, later to become a reception centre, was quickly established in a village in the Pharmacy’s area. Then the Pharmacy made the decision to offer a traineeship to one of the asylum seekers staying at the reception centre.

Sceptical attitudes towards foreigners
The municipality has a population of about 9000, of whom 62 were foreign nationals in 2015. This corresponds to 0.6% of the municipal population, whereas the figure for the whole country was 4.0%. Due to the small number of foreigners in the place, its inhabitants were likely to be rather unaccustomed to interacting with people with a foreign background. Indeed, there were sceptical attitudes towards the asylum seekers among the population. One example is that a nationwide TV news broadcast showed residents of the village where the refugees were staying saying they had received “150 uninvited guests”. For another example, a public petition concerning a refugee centre was sent by inhabitants of the village to the municipal decision-makers, using the following arguments, among others:

What happens when winter comes and there will be even less to do? Where can they release all that extra energy? In our opinion, idleness is not a good starting point for the period of days, weeks or even months that these asylum seekers will stay in emergency accommodation. We want to help, but there is a limit to helping. We don’t want to do it at the cost of our home village, our homes and our lives. We do not think
of ourselves as racist or unfair just because we want to keep our home village peaceful and preserve its reputation as a safe place to live. (Village Association Petition, 2015)

Despite the petition, a reception centre for asylum seekers was opened in the village, and the trainee employed by the Pharmacy was staying there. In general, the opinions of the inhabitants in the municipality were divided into positive and negative. The employment of an asylum seeker as a trainee in the Pharmacy therefore took place amidst a lot of controversy. Public discussion generally took a fairly negative tone: asylum seekers were presented as a uniform group and a source of social problems. The media, on the other hand, pointed out positive aspects, especially from the viewpoint of labour, noting that asylum seekers were hard-working and eager to do odd jobs for people who lived round about, such as changing winter/summer tyres free of charge.

Quality connected with learning and accountability

The value set of the Pharmacy can be described in terms of three key values: 1) high quality, 2) learning and development and 3) accountability.

The quality criteria for pharmacies are very stringent. Human health, even human lives, are at stake in the sale of drugs and other pharmaceuticals. Apart from the regulation by the public authorities, pharmaceutical enterprises are expected to base their operations on high quality, with an emphasis on reliability, professional competence and carefulness. The high level of education and know-how demanded of pharmacy personnel provides a solid basis for quality. Pharmacy personnel need to have a relevant qualification, often a university degree. High quality can be regarded as a value that is inbuilt in the industry, and it is seen in the values of pharmaceutical enterprises such as the Pharmacy. It is also likely that whoever seeks employment in the industry has similar values, which further strengthens the culture of quality in the pharmacy sector.

Under the current entrepreneur’s term and contrary to the situation under the previous owner, continuous learning and development have been introduced as core corporate values at the Pharmacy. Several major reforms have been implemented during her tenure. Pharmacy staff are encouraged to learn new things through continuous training and development, as well as to acknowledge and discuss problems and mistakes openly. This applies to everyone equally: the employees and the entrepreneur herself. Under the management of the current pharmacist, the Pharmacy has evolved into an active, modern enterprise.
An important value of the Pharmacy is a strong sense of accountability. Accountability reflects here the principles of care ethics (Gilligan, 1982) and corporate social responsibility (Jenkins, 2006). The principles of care ethics are seen in the way the Pharmacy supports a good working atmosphere and the staff’s wellbeing. It is believed in the Pharmacy that when this can be ensured, all else will follow – including the desired financial results. Financial performance is not an end in itself but it has instrumental value. Employee relationships should be built on trust, and the entrepreneur urges employees to talk openly about all issues, including difficult ones.

Even though the Pharmacy does not have a written corporate social responsibility programme, its choices regarding social responsibility are well considered and deliberate. The staff have been informed about these choices and the entrepreneur has discussed them together with the employees. The Pharmacy implements its social responsibility by supporting employment, among other things. It gladly employs trainees to give them a chance to get to know the pharmacy industry and see if they are interested in the field. The Pharmacy also cooperates in the local community, for instance, with the sports association, which engages in youth work, and with the pensioners’ association, and it also offers summer jobs to young people at the local school.

First foreigner ever – and moreover, an English-speaking male!

When the decision was made to recruit an asylum seeker for a traineeship, the recruitment process went swiftly, as usual in recruiting trainees. What was different, though, was that it is usually the trainee who contacts the pharmacy asking for a job, but this time the initiative came from a reception centre worker, who suggested the idea to someone working at the pharmacy. Potential candidates for training at the Pharmacy were selected by the reception centre. The Pharmacy was told that two asylum seekers had announced their interest in the job: one was a young man with no experience or education in the field whatsoever, while the other was a 28-year-old man who had migrated to Finland with his wife and small children and had studied chemistry and worked in the pharmaceutical field in his home country. This information was based solely on what he claimed – he had no certificates or other documents to prove it. Because the quality requirements for pharmacies demand that all employees must have a certain level of competence, the latter applicant was selected for the job on the grounds of the professional experience and education that he claimed. When the man heard he had been chosen for the training job, he was so happy he burst into tears.
The Pharmacy is probably the only pharmacy in Finland that has employed an asylum seeker for training. A national magazine of the pharmacy industry wrote an article about his recruitment. The decision to hire an asylum seeker was guided by the value of caring and the will to do good and to help. It was thought in the company that it was their moral obligation to do what is right and to address an urgent social problem by offering a refugee a training opportunity.

The [asylum procedure] process goes on and on, and these people, they have nothing to do. [...] At some point I heard that it might be possible for them [asylum seekers] to work at a Finnish workplace, that is, to get to know Finnish working life. That, and even more importantly, to have a chance to get away a little from the centre, out into the public. [...] And well, I see humanity in this, [a human being] meeting another human being. (Managing director)

A rural environment such as the area where the Pharmacy operates, with only a few foreign inhabitants, means that foreigners with a different ethnic background are very visible in the community. The Pharmacy had never before had a foreign employee, and what is more, the person selected for the job became the only male in an otherwise female workplace. In addition, he knew no Finnish apart from basic greetings. In other words, there were three features that rendered him particularly visible: foreignness, gender and language. Even though the staff of the Pharmacy had been apprehensive about how to manage in English, language never became a major issue. In contrast, the asylum seeker’s maleness and his ethnic background were aspects that affected the employees’ preliminary attitudes towards him. The manager describes these prejudices as follows:

And then you have this man arriving here, well, at first we wondered what he might think of us women bustling about here, and of ending up in such a predominantly female workplace. I kept wondering whether a pharmacy could employ someone like that. And if it’s a foreigner, would he steal drugs more easily and what was his mentality like and his attitude towards us and the products that we sell here. So these were the kinds of things I was considering, whether to take [an asylum seeker] to work or not. (Managing director)

It soon became clear that the trainee did indeed have earlier work experience in the pharmacy industry and the necessary professional competence for the job. He quickly learned the special features of Finnish work practices, which differed somewhat from those in his home country. The
staff regarded the trainee as hard-working, committed and motivated. After becoming familiar with his job, he even suggested some extra tasks that he felt needed to be done.

Overall, the Pharmacy employees felt they had learned something very significant during the trainee’s work period. Seen from the value of learning, the enterprise itself had succeeded in its aim of promoting mutual learning: the asylum seeker had learned about Finnish working life and the pharmacy staff had learned not only about foreignness but also about losing their prejudices. In the course of the working period, the setting of “the only male among women” lost its meaning. The main thing was that he was a good, motivated worker. The enthusiasm with which he got down to such duties as cleaning, for example, which are traditionally considered more suitable for women, helped in this regard.

Discussion and conclusion

This case study indicates that business organizations and their management have the power to affect foreigners’ employability in the local labour market. The findings also suggest that companies and their management have the potential to affect local people’s attitudes towards immigrants as workers. We suggest that especially when it is a question of rural areas, where there are fewer companies, as was the case in this study, and where companies typically stand out and their activities are known by locals (Lähdesmäki, 2012), such an effect may be significant.

Typically, when employers’ motives for recruiting employees with a foreign background have been studied, it has been argued that the business case is the reason for the recruitment (e.g. Moryarty et al., 2012; Ortlieb & Sieben, 2013). It has been shown here, however, that not only instrumental economic values (Rokeach, 1973) but also terminal values such as ethical, moral and cultural values can be important in the recruitment of foreign workers. Seen from the viewpoint of the values framework of Schwartz (1992), it can be said that in addition to the values category of self-enhancement, referring to business growth, profitability and the need for a competent, qualified and hard-working workforce, particularly openness to change, such as a willingness to learn, and self-transcendence, such as care, equality and respect for diversity, can also play a role in the recruitment (cf. Ely and Thomas, 2001; Syed and Kramar, 2009).

In this research, it was assumed that organizational values are linked to the broader values of society and industry (Pučėtaitė and Lämsä, 2008; Van Laer and Janssens, 2011; Kujala et al., 2017).
The findings show that in addition to the economic benefits, the values of the larger and more internationally-oriented case company (the Factory) tended also to rely on the values of cultural and religious tradition in the region. The smaller, locally operating company (the Pharmacy), on the other hand, tended to rely on an industry-specific value basis that resulted in an emphasis on high quality as a key value of the company. However, what was interesting was that in the specific recruitment decision discussed in this paper, the refugee traineeship, the ethical and moral values were preferred over other values. It was not only shown here, then, that organizational values are connected with broader values in the company environment, but also that the preferred order of values (Gandal et al., 2005; Tuulik et al., 2016) is not a stable phenomenon but can be dynamic and context-bound. Finally, in this study, the case companies’ effect on the environment can be considered positive. The companies were participating actively in the ongoing social change brought about by the increasing migration and immigrant workforce (OECD, 2013; Almeida et al., 2015, 2016).

Research limitations and further research

Although the values of the studied case companies were positive towards the recruitment of employees with a foreign background, it is possible that other employers’ value basis is sceptical about these employees. Therefore in the future we need more studies on how such employers handle the paradox that evidently occurs if there is a shortage of local employees but the employer’s orientation towards foreigners is negative. In general, it is important to broaden the sample and study more companies than here.

This study showed that recruitment, specifically the recruitment of employees with a foreign background, is not value-free. Hardly any attention has been paid to this aspect in research on personnel recruitment, so this angle merits more research in the future, also in relation to other groups, company types as well as societal contexts than those explored here.

Conclusion

It is concluded that the dominant theories applied in the field of immigrant recruitment – human capital theory, resource dependence theory and the diversity management approach (see Becker, 1964; Cox and Blake, 1991; Ortlieb and Sieben, 2013; Pfeffer and Salancik, 1978) – are inadequate to explain employers’ behaviour due to the theories’ underlying assumption of the overwhelming importance of economic values in decision-making. The findings of this study show that such an assumption is restricted and provides only a limited view of the topic. It is suggested that the values
framework, such as, for example, Schwartz’s (1992) theory used in this study, can offer a fruitful approach to the topic, because it has the potential to reveal variation in employers’ reasons for recruiting employees with a foreign background. Furthermore, as highlighted in some discussions in the field of diversity management (Syed and Kramar, 2009), the idea of responsible business may offer useful approaches to an investigation of the topic.

The European Commission has launched various projects to encourage employers to take diversity, such as, for example, ethnic diversity, into consideration in their strategies. Syed and Özbilgin (2015) found, however, that despite various attempts to change the situation, organizations in the EU and elsewhere remain racialized, and prejudices and social stereotypes prevail in the workplace. But the results of this study also signal something positive: it is concluded here that business organizations and their management can act as an enabling force in the integration of immigrants into the local labour market, especially when the company’s value basis includes not only economic values.

References


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