

Finnish Firms and the Employment of Foreign Workers

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ABSTRACT

Developed countries have vastly depleted workforces because of their ageing populations. Finland is one of the countries suffering from labour shortages in all areas. At the same time, existing immigrants cannot find suitable work in Finnish firms due to language and integration barriers. This paper aims to explore the importance of the Finnish language in recruiting workers with foreign backgrounds, the need for a foreign workforce and the openness of Finnish firms to cooperation in solving these issues. The focus is on the recruitment barriers and the shortage of the workforce side of the data. The data have been collected from 36 firms from Finland in an interview form between 2020 and 2021 and qualitatively analysed and interpreted. The study explains the level of need for foreign workforces in Finnish firms and their willingness to cooperate with facilitating projects and funding bodies. It also connects the project findings to Finland's official strategic focus for 2030.

Keywords: Finnish language, Finnish firms, Foreign background workers

INTRODUCTION

The growing shortage of skilled labour is affecting businesses in Finland and all countries with labour shortages. International workers are looking for work and submitting numerous job applications without results. At the same time, firms are suffering from shortages in labour. Of those who have moved to the country, 80% are of working age (Finnish Immigration Service Migri, 2020). Despite the skills shortage, firms are not ready to hire employees with foreign cultural backgrounds (Aula Research Ltd, 2021; Bruun, 2021). Companies are concerned about language skills, occupational safety, knowledge of the work culture and responsibility issues (Ahmad, 2019; Bergbom et al., 2020).

According to the guidelines of the European Union, government programmes and regional strategies, internationalization, and the diversification of working life are crucial factors for the economic growth of European countries (Bruun, 2021; OECD, 2019). Finland emphasizes renewable and lifelong learning (Oosi et al., 2019). Renewal is possible when cooperation between educational institutions, workplaces and professionals is effortless and flexible. Global recruitment and induction programmes are already commonplace in larger companies and can provide models for smaller companies (Government publications, 2021). Cooperation between actors at different levels

would provide models, tools and good practices for internationalization to increase labour, vitality or growth towards internationalizing companies.

This paper explores current insights into the importance of the Finnish language for firms, the need for workers and the openness of Finnish firms towards foreign background workers in the Päijät-Häme (Lahti) and Uusimaa (Capital) regions of Finland. Against this background, the purpose of this investigation is to answer the following research questions (RQs):

RQ 1: Do qualitative data prove that the Finnish language is a critical barrier in recruiting workers with foreign backgrounds?

RQ 2: Do qualitative data prove the needs for workers in Finnish firms?

RQ 3: How open are Finnish firms to inducting foreign background workers?

More specifically, this study has two main objectives:

- To explore the importance of the Finnish language in recruiting workers with foreign backgrounds
- To explore the workers, needs and related issues in Finnish firms
- To examine the openness of Finnish firms to cooperation with other organizations in the recruitment process

The RQs and objectives involve investigating 36 Finnish firms in the Päijät-Häme (Lahti) and Uusimaa (Capital) regions of Finland. This paper has four chapters. First, it describes the background research followed by the research methods. Next, the analysis is summarized. The article ends with a discussion and conclusion, as well as the implications and scope for future research.

RESEARCH BACKGROUND

Language skills focused on professional situations and cultural practices are critical factors for employees from different cultures (Ahola et al., 2021; OECD, 2021). In Finland, the working language of the majority of companies is Finnish, which differs greatly from global widely spoken languages like English. Additionally, the self-directed work culture of a low hierarchy and the challenges of networking are initially demanding for an employee from another culture (Bergbom et al., 2020; Alho, 2020). These factors, including the northern location, reduce Finland's attractiveness in the competition for recruitment. In recent years, the debate on multilingual municipalities and firms has diversified in Finland (Lehtimaja et al., 2021). Globally, there are good diversity-enhancing experiences of municipal policies that support multilingualism (Tossutti, 2012). Finland supports multilingual work environments through various programs and legislation. The debate about immigrants as workers is still very superficial and focused on the limitations of immigrants, such as language skills. In recent years, however, the discussion has shifted to looking more at the ability of employers to receive international workers (Heikkinen et al., 2020).

Firms are suffering from a shortage of experts throughout Finland and there is a dearth of workers especially in the municipal and care sectors. More than 178,000 municipal employees will retire before 2030

(Aula Research Ltd, 2021). Retirement for nursing professionals will be almost 50%. There will be a shortage of 3,500 nurses in the Helsinki metropolitan area alone, and more than 8,000 new nurses will be needed nationwide (The Finnish Innovation Fund Sitra, 2021). Other critical areas include the restaurant and catering, cleaning, logistics, construction and IT industries. The IT industry is slightly ahead in international recruitment, because the working language is often English and the employee market is more comprehensive.

The challenges of multicultural work communities are often due to there being too few resources. The typical challenges include gaps in the induction processes, the different language competencies of all parties, a narrow knowledge of cultural differences or unaccustomedness to leading multicultural teams (Gilbert et al., 1999; Stahl et al., 2010; Sogancilar & Ors, 2018). There is a great need in workplaces for cultural competence regarding the local work environment, as well as soft skills and network creation (Järvenpää, 2017; Karjalainen, 2021). Unethical or poorly implemented recruitment processes may also have led to unrealistic expectations (Kanchanachitra et al., 2011; WHO, 2008). According to the current view and international research, language and cultural skills or working in a diverse work community can be learned in the workplace (Ahola et al., 2021; OECD, 2021). A change in working life and society requires the continuous interaction of competence and creativity. Organizations should adapt their activities to meet present and future challenges in terms of both internationalization and digitalization (Dufva, 2020; Government publications, 2021). Global crises force economies to reshape, and survival involves the empowerment of resilience in working life. A vibrant and pluralistic firm is capable of offering value to recovering economies and providing meaningful and sustainable work for diverse employees. New approaches and knowledge are needed to increase the reception and resilience of the economy and the business community. There is still limited research from the perspective of corporate absorption capacity. (Bruun, 2021; Heikkinen et al., 2020.)

METHODS

The survey and interviews were conducted using a questionnaire consisting of 14 questions. The survey included a combination of open-ended and multiple-choice questions. The topics covered in the survey included the job title of the respondent in the company, the company induction models, the induction of new employees (local and remote), the customized orientation of employees with an immigrant background, the availability of digital materials and financial resources, the type of digital tools used in the company, the pandemic impact, and the willingness to cooperate with the Malva project team.

A cover letter and Google online form were developed and sent to the companies via email. The content of the survey and email were also thoroughly discussed with the project stakeholders so maximum benefits could be reaped from the data. A total of 126 firms were contacted by different means, such

as emails, phone calls and digital tools, and 56 replied. Data from 36 firms were used in this article based on the full completion of the interviews.

In the companies interviewed, those in charge of orientation had many job titles, such as, for example, team coach, service supervisor, store manager, marketing manager, project manager, foreman, human resources manager, managing or development director, recruitment unit expert, competence development director, production manager, and training manager. The choice of respondents was made carefully to obtain the best information from the firms.

The firms belonged to various industries, such as care and nursing, personnel and training services, and wood industry, clothing, information technology, food production, building materials, logistics, manufacturing and packaging, waste management, and water heating and cooling firms. About 53% were large (with more than 250 employees), approximately 10% were medium-sized (50–249 employees), and around 37% were small (less than 50 employees). The firms were located in Päijät-Häme and Uusimaa.

ANALYSIS

The interview data were qualitatively analysed and grouped based on the relevance of the information. The insights were grouped into five categories, and each group was further divided into subcategories. The scope of this article covers the last three categories of insight, which are the importance of language, the needs for workers and related issues, and the openness to cooperation. The first group was divided into two, and the second and third groups were divided into five subcategories. Of the firms, 75% showed the need for blue-collar workers and 27.7% the lack of white-collar workers. Table 1 elaborates each insight, related number of respondents and percentage of the respondents.

The authors have also analysed the induction process for employees with foreign backgrounds and the internationalization of companies based on the same data (Zafar & Ahola, 2022; MALVA - Preparing Immigrants for Working Life, 2022).

DISCUSSION AND CONCLUSION

This paper explores the importance of the Finnish language, the type of workers needed and openness to cooperation in the recruitment process of Finnish firms in the Päijät-Häme (Lahti) and Uusimaa (Capital) regions. The data analysis shows firms' feedback regarding the required Finnish language skills for recruiting foreign background workers (RQ1). The qualitative research explains that 41.66% of firms believed that the lack of Finnish language skills was a significant barrier for recruiting foreign background workers. Only 11.1% have a multilingual work environment to accommodate workers from various foreign-language backgrounds. This somewhat corresponds to the Finnish Government strategies of internationalization (*Talent Boost Cookbook Finland 2.0*, 2020), but the lower percentages

Table 1. Insights into the induction process of foreign background employees – Päijät-Häme (Lahti) and Uusimaa (Capital) region firms.

Type of insight	No. of respondent to type of insight	Percentage
	(Total 36)	(%)
Importance of language		
The firm believes that a lack of Finnish language skills is an employment barrier	15	41.66%
The firm has a multilingual work environment	04	11.1%
Needs for workers and related issues		
The firm needs blue-collar workers	27	75%
The firm needs white-collar workers	10	27.7%
The firm needs expert-level skills	15	41.6%
The firm regularly outsources workers	03	8.3%
The firm has a fear of work visa problems for employees with foreign backgrounds	01	2.7%
Openness to cooperation		
The firm has offered on-site visits for cooperation	5	13.8%
The firm's staff have time constraints for any cooperation	9	25%
The firm is open to general networking and cooperation	24	66.6%
The firm is open to collaboration in specific solution development	22	61.1%
The firm is looking for peer support system possibilities	2	5.5%

(41.66% and 11.1%) also indicate that this is not the most crucial hurdle in the recruitment process for foreign background workers.

According to Statistics Finland and organization for academic engineers and architects (TEK) surveys (Nichols & Virsinger, 2021), proficiency in the Finnish language and an intensive job search have not promoted the employment of highly educated people in the desired way. Despite many optimistic expectations regarding employment in Finland, a jobseeker with a foreign background has to work hard to obtain a job interview, finding a job is complicated and the processes are filled with hurdles (Lehtovaara & Jyrkinen, 2021).

The data also provide insights into the shortages and types of workforce in the firms (RQ2). For example, 75% of Finnish firms are in immediate need of blue-collar workers, while 27.7% face a white-collar worker shortage for managerial and supervisor positions. In addition, 41.6% lack expert-level skills, 8.3% outsource workers regularly as per their need and 2.7% fear difficulties in work visa arrangements for foreign background workers. The scarcity of talent and ability has been highlighted recently in many studies (Zafar & Kantola, 2019) and these findings complement similar studies. The

wide need for labour has been identified in all state policies. For example, the Finnish Government's work-life diversity programme emphasizes support for companies' diversity (Bruun, 2021). Processes for obtaining visas and permission to work are being simplified (Government publications, 2021).

The study also investigates the openness and readiness of Finnish firms to cooperate with external recruitment help, such as from schools and projects (RQ3). Only 13.8% of firms have offered onsite visits for cooperation and 25% of firms' staff have little time to cooperate. In addition, 66.6% of firms are open for general networking, while 61.1% are open for specific solution development cooperation. Rarely were firms (5.5%) looking for peer support system possibilities. Companies are interested in cooperating if it offers a clear advantage. More difficult factors to overcome include a change in mindset that creates opportunities for future success. Digitalization and fierce competition are forcing companies to build closer relationships with higher education institutions and thus those with talents and skills. Development requires commitment and an understanding of the needs of both parties. Persistence can be created, for example, by involving companies in the development of training content (Virtanen & Tynjälä, 2019).

The analysed data provide an on-the-ground picture of the understanding and implementation of government policies. The research helps us comprehend the current situation regarding the language barriers, workforce shortage, and openness to cooperation in Finnish firms. It is an essential implication of the study to understand the firms' viewpoints, barriers, and thinking processes about recruiting foreign background workers compared to the official strategies of the Finnish Government. Two limitations of this paper are the selected regions for data collection (the Capital and Lahti regions) and that the data collection was completed during peak COVID time. The expansion of the data collection throughout Finland, especially after the pandemic is over, could be helpful for providing a better understanding of the national behaviours of firms and the development of respective solutions.

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