

Employers' perspectives on hiring immigrants

Experiences from
the Nordic countries



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Authors and contributors

Authors:

Anna Berlina, Research Consultant, anna.berlina@nordregio.org

Rebecca Cavicchia, Research Fellow, rebecca.cavicchia@nordregio.org.

Contributors:

Nora Sánchez Gassen, Senior Research Fellow, nora.sanchezgassen@nordregio.org.

Åsa Ström Hildestrand, Senior Project Manager, asa.hildestrand@nordregio.org.



Foreword

The Nordic countries have a common vision of becoming the most sustainable and integrated region in the world by 2030. A key priority is to ensure that refugees and immigrants become active members of society. Having a stable job, supporting yourself and contributing to the new society is vital both for the individual and for the society.

There are, however, major challenges across the Nordic Region in labour market participation. The employment gap between the native-born and migrant population is particularly large for women, low-educated, and non-EU citizens. Paradoxically, the Nordic countries are simultaneously facing severe labour shortages across various sectors.

This study explores the experiences of Nordic employers on hiring low-skilled immigrants. The aim is to identify key opportunities and challenges that employers encounter when hiring immigrants, and to discuss ways to overcome the barriers.

The existing knowledge so far tends to focus on the migrants' individual-level obstacles, such as limited language skills, low education, and lack of work experience in the host country. The aim of this study is to highlight and broaden the understanding of the employer's role and responsibility in the successful integration of immigrants in the labour markets.

Employers in this study consider that the long-term advantages of hiring immigrants outweigh the initial challenges. Diversity management and a committed leadership, as well as collaboration between key actors, have proven crucial to success. There is also a readiness among employers to reduce language requirements, at least at the initial stages of employment.

This study shows that many employers are committed to change. The employers' motivations extend beyond simply filling gaps in the workforce. By hiring immigrants, they also want to make a positive impact on the local community.

We hope that this report will inspire Nordic employers, staffing companies, and public-sector and civil society organisations to create solutions for a more inclusive labour market – one that can utilise the full potential of the workforce and meet the labour shortages in the Nordic societies.

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For more information about Nordic co-operation on integration and inclusion, please visit www.integrationnorden.org.

Eva Franzén

Director, Nordic
Welfare Centre

Rolf Elmér

Director, Nordregio



Executive summary

This study explores employers' perspectives on and experiences of hiring low-skilled immigrants in the Nordic labour market. The main aim of the study is to identify the key motivations and benefits, as well as the challenges that employers encounter when hiring immigrants – and ways to overcome these. The focus is on lower-educated immigrants from outside the EU, as they face distinct challenges when attempting to enter the labour market.

Employers play a central role in supporting immigrant integration in society, but there is relatively little existing knowledge of their perspectives and experiences. Thus, the analysis presented in this report is based on a review of the literature highlighting employers' perspectives, and on semi-structured interviews with both public- and private-sector employers who have committed to hiring low-skilled immigrants in the Nordic countries.

The literature review emphasises a range of incentives for employers to hire immigrants, encompassing both economic considerations and wider societal implications. The benefits of hiring immigrants include primarily the access to a larger pool of labour, but also enhanced public image and increased consumer support. Furthermore, the literature review highlights the benefits to employers of a diverse workforce, including greater flexibility, improved productivity, higher levels of motivation and enhanced customer service.

At the same time, there are various challenges associated with hiring immigrants, in the form of structural, organisational and individual barriers. Structural barriers can relate to the structure of local labour markets, the legal and regulatory framework, and the evaluation of educational records and skills validation. Organisational barriers refer to difficulties that arise at a workplace when trying to employ and integrate immigrants. These can include anticipated higher initial costs, potential management hurdles, e.g. due to language barriers or cultural differences, negative attitudes among staff members and leadership, bias and discrimination. Individual barriers concern the personal characteristics of immigrants that influence their employability, at least as perceived by employers, such as poor language and professional skills.

The empirical material includes interviews with eight employers across the Nordic countries, offering insights into their motivations, challenges and enabling factors in relation to hiring immigrants. One prominent motivation that consistently arises, in both the literature review and the interviews, is the pressing need to address labour shortages. This is particularly evident in rural areas, and in specific sectors such as healthcare, hospitality and the fishing industry.

For many employers, however, the motivation extends beyond simply filling gaps in the workforce – hiring immigrants is perceived as a way to make a positive impact on the local community. By bringing them on board, employers are enabling immigrants to become active contributors to the local economy and tax base. In interviews with Nordic employers, the most frequently cited challenges relate to communication and limited language proficiency.

Diversity management has emerged as pivotal for the successful integration of immigrants into the workforce. A key insight from this study is the importance of committed leadership that embraces diversity and fosters intercultural understanding among staff. Reducing language requirements emerged as an effective short-term solution to address language barriers, especially during the recruitment process and the initial stages of employment. Moreover, engaging interpreters or mediators, as well as translating instructions into various languages, proved to be beneficial.

Collaboration has emerged as a cornerstone of success in immigrant integration. Public-sector actors, such as local authorities and Public Employment Services, play a vital role by offering support in skills-matching, language courses, wage subsidies, and administrative assistance. Their contribution has been particularly visible in smaller localities and among smaller companies. Engagement with staffing agencies and third-sector actors has made an important contribution to the public sector's efforts in matching employers and immigrant employees and in providing relevant courses and training.

Wage subsidies have demonstrated a positive effect on immigrant employment, particularly in Sweden. However, this study also reveals that there is room to improve employers' awareness of these subsidies. Moreover, only a few of the interviewed employers considered wage subsidies as a hiring incentive.

In this study, employers generally consider that the long-term advantages of hiring immigrants outweigh the initial challenges. They often note that the integration process is smoother than they anticipated. To improve integration of non-EU citizens in the labour market, it is crucial that public authorities promote the benefits of diversity to employers and increase awareness of the available public support, including wage subsidies. This can be realised through promoting knowledge exchanges, showcasing successful practices and offering specialised training in diversity management.



1. Introduction

Aim and scope

This study aims to explore the perspectives and experiences of Nordic employers regarding the recruitment of immigrants (See "definition in" Text box 1). The focus is on jobs in elementary occupations for immigrants with lower educational backgrounds from outside the EU, given the distinct challenges they encounter in Nordic labour markets (Calmfors & Sánchez Gassen, 2019).

Background and challenges in the Nordic labour market

The Nordic countries are facing labour shortages across various sectors and many geographical areas (Norlén et al., 2022). These challenges are further exacerbated by an ageing population, population decline and structural shifts in the economy (Räisänen & Tallamaria, 2019). At the same time, there has been a substantial increase in migration to the Nordic Region – particularly since the 2015 refugee crisis and the more recent crisis sparked by the Russian invasion of Ukraine in 2022. At present, there are approximately 3.5 million immigrants residing in the Nordic countries (Norden, 2022). The integration of refugees and migrants into the Nordic labour market offers multiple opportunities to address these labour shortages (ILO, 2023).

Research shows that it is difficult for refugees and migrants to find jobs, especially for lower-skilled, non-EU-born and refugee women (Calmfors & Sánchez Gassen, 2019). The employment gaps (see Figure 1) between native-born individuals and those from outside the EU have been relatively large across all of the Nordic countries (especially Sweden), and these gaps widened further during the COVID-19 pandemic (Sánchez Gassen et al., 2021). A prevailing challenge in all of the Nordic countries today is labour market mismatch – in other words, the skills and prior labour market experiences of immigrants often do not align with those sought by Nordic employers (Barth & Zalkat, 2022). This discrepancy impacts both individuals and society at large. In Finland, for instance, estimates suggest that this mismatch results in an annual financial burden of approximately EUR 6–11 billion (Remmi, n.d.). Furthermore, there is a risk that the skills of foreign-born individuals are not

being utilised in a way that is optimal for a well-functioning labour market. For example, some immigrants work in roles far below their actual skill level, which represents a missed opportunity for both the individual and society (Arbetsförmedlingen, 2017).

TEXT BOX 1.

DEFINITIONS USED IN THIS STUDY

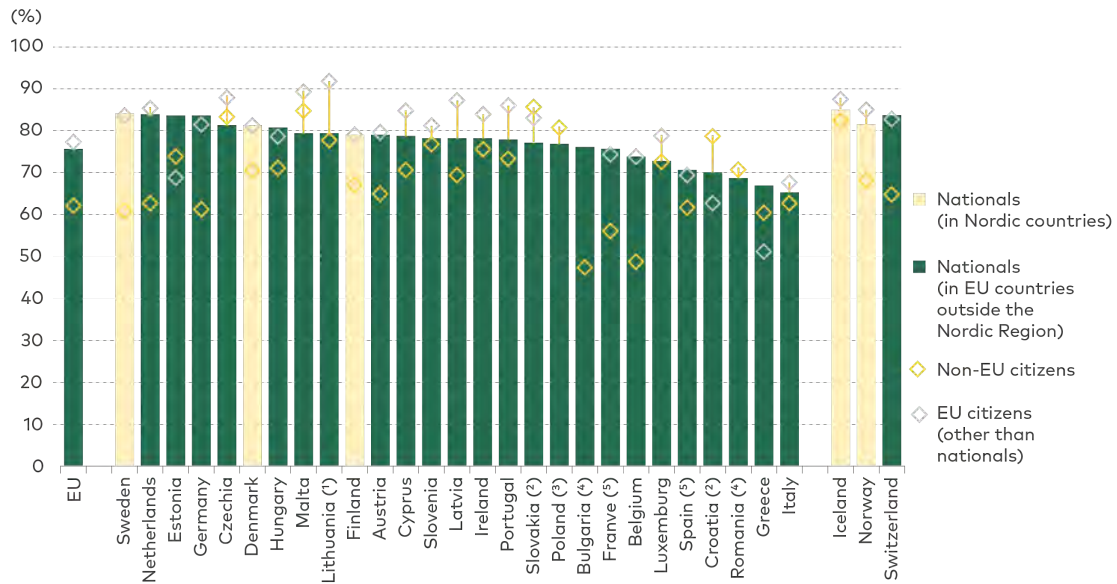
Immigrants

We define immigrants as individuals who have a foreign-born background and who are moving long-term or permanently to the Nordic countries. The focus of this study is on lower-educated immigrants from outside the EU, as they face distinct challenges when attempting to access the labour market. For the purposes of this study, this definition also encompasses refugees, asylum seekers, and their accompanying family members.

Elementary occupations

The focus of this study is on employers that offer elementary occupations involving more simple and routine tasks, and which have low requirements in terms of skills or educational attainment levels. Examples of elementary occupations include cleaners and helpers, agricultural, forestry and fishery workers, food-preparation assistants, and sales and service workers (ILO, 2023).

Figure 1. Employment rate, persons aged 20-64 years, by citizenship, 2022



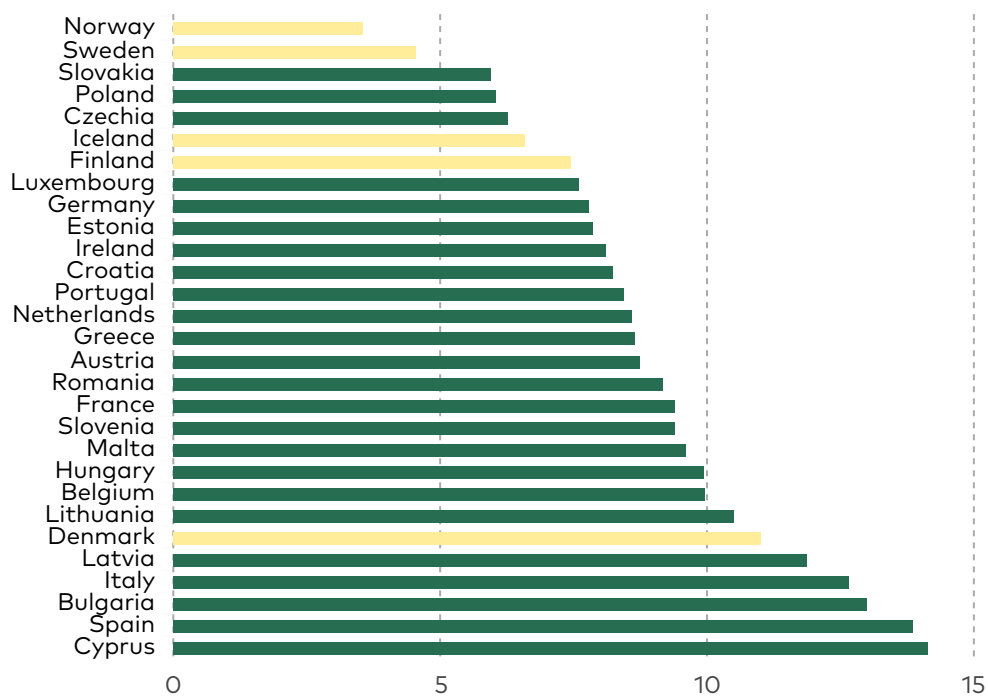
(*) EU citizens: low reliability.
 (?) EU citizens and non-EU citizens: low reliability.
 (*) EU citizens: not available.
 (*) EU citizens: not available. Non-EU citizens: low reliability.
 (*) Definition differs.
 Source: Eurostat (online data code: Ifsa_ergan)



Source: [Eurostat](https://ec.europa.eu/eurostat)

One reason for a labour market mismatch is the limited availability of low-skilled jobs in the Nordic economies, which poses significant hurdles for immigrants with lower educational attainment when trying to enter the labour market (Calmfors & Sánchez Gassen, 2019). Eurostat data shows that Sweden and Norway have the lowest share of employees working in elementary occupations (around 4%). In Finland and Iceland, this figure is around 6–7%, while in Denmark it is approx. 10% (Sánchez Gassen et al., 2022) (see Figure 2).

Figure 2. Share of employees in elementary occupations (in %)



Source: [Eurostat](#)

The successful integration of immigrants in the labour markets is essential for the Nordic societies' economic and social prosperity (Ek & Skedinger, 2019; Helgesson et al., 2020; Räsänen & Tallamaria, 2019; Stevens et al., 2008). A report from the Finnish Ministry of Finance (2021) reveals that the projected growth of the Finnish economy between 2019–2030 is approximately 50% lower compared to Norway and Sweden. According to the report, this is due to several factors, such as low productivity growth, low employment rates and also relatively lower immigration rates.

Furthermore, successful integration is crucial for supporting the Nordic welfare model, which relies on high employment levels and on generous wage subsidies. Studies have shown that wage subsidies are effective in combating long-term unemployment among immigrants and other groups (Calmfors & Sánchez Gassen, 2019). Additionally, the 2019 White Paper by the Expert Group for the Norwegian Ministry of Labour and Social Inclusion emphasized the success of wage subsidies in helping immigrants' transition into employment (Ministry of Labour and Inclusion, 2021). These subsidies are especially vital in enhancing employers' willingness to employ immigrants with low language or other skills (Calmfors & Sánchez Gassen, 2019).

In recent years, there has been a growing emphasis on employers' social responsibility in the immigrant integration process (Jensen, Sara, 2018; Lämsä et al., 2019). Both private and public employers play a pivotal role in facilitating integration by providing job opportunities, training and mentorship programmes for immigrants. Furthermore, especially in rural contexts, employers are considered to have a crucial role not only in influencing immigrants' employability through their commitment to diversity, but also in shaping local residents' perceptions of immigrant workers (Lämsä et al., 2019).

Lundborg and Skedinger (2016) emphasise that current understandings of integration in labour markets largely focus on factors at individual level and from the immigrants' perspective. These include factors that affect the employability of immigrants and their integration in the labour market, such as lack of language skills and professional networks, low education, lack or little experience of work in the host country (Nshom et al., 2022; Shumilova et al., 2012). Other studies examine income differences between non-EU immigrants and natives (Sarvimäki, 2011), the provision of integration services (OECD, 2018), or how different welfare policies affect employment (Calmfors & Sánchez Gassen, 2019).

At the same time, there is a limited understanding of the specific roles that employers play in these integration processes in the Nordic countries – i.e. whether they are open to hiring immigrants or reluctant to do so, and the barriers or potential benefits they encounter. To contribute to filling this knowledge gap, this report provides an empirical study of employers' perceptions and experiences from hiring immigrants in the five Nordic countries.

The Nordic Council of Ministers has a vision of becoming the most sustainable and integrated region in the world by 2030. This study is in line with its action plan's objective of strengthening individuals' ties to the labour market in the Nordic Region, especially among vulnerable groups, including migrants and refugees (Nordic Council of Ministers, 2022).

Against the presented background, this study addresses the following research questions:

1. What are the benefits for employers of hiring low-educated immigrants?
2. What challenges and barriers do employers face when hiring immigrants?
3. How can these challenges be overcome?

Structure of the report

The report is structured as follows. Section 2 summarises the methodology and the research design. Section 3 is based on a literature review. It first highlights the benefits of hiring immigrants from employers' perspectives, then explores the barriers that employers face in hiring immigrants, taking into account challenges that operate at the structural, organisational, and individual levels. Section 4 presents an overview of national wage subsidies and support for employers in the five Nordic countries. Section 5 explores examples from specific employers that have been particularly committed to hiring immigrants across the Nordic countries. Section 6 synthesises the main findings from the interviews in relation to the literature review, with a focus on motivation, benefits and challenges encountered by employers, as well as possible approaches for overcoming these challenges. The section further provides insights from interviews conducted with intermediary organisations (such as staffing companies). Finally, section 7 presents key Nordic learnings.



2. Methodology

Research design

The first analytical phase of this study is a literature review examining the role of employers in facilitating the labour market integration of immigrants. During this phase, desk research was also conducted to explore the various types of wage subsidies available for employers in each Nordic country and the possibilities they offer for a better integration of immigrant workers. The second phase, which draws on semi-structured interviews with public and private employers from the five Nordic countries, sheds light on concrete experiences and presents insights from employers dedicated to hiring immigrants. This employer perspective is further enriched by interviews with intermediary organisations that play a pivotal role in matching employers with immigrant candidates in the Nordic countries.

Literature review

The literature review primarily centres on employers' experiences in hiring immigrants. Both peer-reviewed articles and grey literature (including surveys, questionnaires and reports) have been consulted using Google Scholar, Scopus and Google. The literature search utilised various keywords associated with the five Nordic countries, including their translations into the respective Nordic languages. Keywords included terms such as 'diversity management' and 'employers' role/practices/experiences in hiring refugees and migrants. To streamline the selection process, the authors predominantly focused on studies that were conducted or available in the Nordic countries. In order to enhance the depth of the review, a few international sources were consulted, including the OECD, as well as relevant non-Nordic literature on diversity management.

Empirical material

The empirical material was collected from eight Nordic employers that offer jobs in elementary occupations (Table 1). The cases were selected based on recommendations from employer organisations, including the Confederation of Danish Industry (DI), the Confederation of Norwegian Enterprises (NHO), the Confederation of Finnish Industries (EK) and the Icelandic Confederation of Business (SA). Additionally, the Public Employment Services of Sweden and Finland, as well as the Nordic Expert Group on Labour Market Integration of Refugees and Migrants were asked to suggest employers who are committed to hiring migrants for entry-level positions. In the selection of cases, the researchers sought diverse representation in terms of ownership, sectors, size and geographical location. Semi-structured qualitative interviews with employers were conducted via Teams, lasting between 30 minutes and one hour. The empirical material was collected between August and October 2023. A list of interview questions can be found in Appendix 1.

Additionally, interviews with intermediary organisations – including staffing agencies, associations for immigrant integration and NGOs across the Nordic countries – provided deeper insights into employers' experiences with hiring immigrants, including hurdles and potential solutions for integrating immigrants into the Nordic labour market. A list of interviewees can be found in Appendix 2.

Table 1. Employers interviewed in this study.

The classification of the companies' size is based on the number of employees. Small: 10–49 employees; medium-sized: 50–249; large: 250 or more (Eurostat classification of enterprise size).

Country	Company	Sector	Ownership type	Size	Location
Denmark	Scandic Pelagic	Fishing industry	Private	Medium-sized	Rural
Iceland	Kronan	Grocery store chain	Private	Large	Urban and rural
Finland	IKEA	Retail industry (home furnishing)	Private	Large	Urban
	Snellman	Food industry (meat and sausage producer)	Private	Large	Urban
Norway	Department Blåveis in Andebu care home	Healthcare	Public	Small	Rural
	A Nordic chain of hotels	Hospitality industry	Private	Medium-sized	Urban
Sweden	McDonald's Visby	Hospitality industry (fast-food restaurant)	Private	Medium-sized	Urban
	Region Gotland	Healthcare, elderly care, home care services, schools, preschools, recreational activities	Public	Large	Urban and rural

Methodological limitations

With regard to the literature review, it should first be acknowledged that, due to the relatively limited research on employers' experiences and perspectives in the Nordic countries (we found approximately 20 relevant peer-reviewed articles), the majority of sources used in this study are reports and grey literature. In addition, as noted by Ravn and Bredgaard (2021), surveys of employer attitudes often show overly positive attitudes towards the recruitment of job-seekers with a migrant background. These surveys can be influenced by social desirability bias, and may not accurately reflect the employer's genuine preferences and intentions. Among the examined peer-reviewed articles, interviews emerge as predominant research methods, while the number of field experiments and vignette is few. By observing the genuine actions of employers, e.g. via response rates for job interview invitations, field experiments aim to mitigate the social desirability bias that can influence surveys. Vignette experiments, on the other hand, attempt to counteract bias by assessing employers' intentions (Ravn & Bredgaard, 2021). Given the methodological constraints, the findings in this literature review come with certain limitations. Readers are encouraged to keep these constraints in mind when interpreting the results of the review.

With regard to the empirical material, it should be acknowledged that while interviews are informative and insightful, their limited number means that they provide only a snapshot of valuable perspectives, rather than a comprehensive overview of Nordic employers' perspectives on and experiences of hiring immigrants. Moreover, gaining insights into the study themes from interviews with HR managers and directors should be viewed with caution. The reason for this is that statements regarding, e.g. motivations are often informed by how the organisations wish to present themselves externally. Engaging with staff at varying organisational levels might provide a more comprehensive understanding of the situation, as well as the perceived challenges (Bjerck et al., 2018). However, due to time constraints, this approach was outside the scope of this study.

3. Literature review: Employers' perspectives on and experiences with hiring immigrants

As noted above, this literature review primarily focuses on employers' views, experiences and perspectives regarding the hiring of immigrants in the Nordic countries. In this section, we seek to address the following questions: What motivates employers (in both the private and public sectors) in the Nordic countries to hire immigrants, and what benefits have they observed? What challenges have employers identified when hiring immigrants?

3.1 Employers' motivations for and benefits of hiring immigrants

The literature review has identified numerous benefits for employers associated with hiring immigrants. Bjerck et al. (2018) differentiate between motivations for inclusion linked to social responsibility, and those stemming from a perceived benefit perspective. The former is driven by a commitment to inclusion, in which it is seen as ethically right and essential for the community. The latter emphasises the financial advantages of promoting inclusion. The authors found that in practice these two motivations frequently intertwine. For municipalities acting as employers, the low employment rate among immigrants can lead to economic consequences such as a diminished tax base and increased strain on municipal budgets. Consequently, integrating immigrants into the labour market becomes beneficial for the broader community's wellbeing. For private employers, their commitment to maintaining social responsibility in the local community is not only advantageous for enhancing their public image and reputation, but can also positively impact the organisation's profitability (Bjerck et al., 2018).

Access to a larger labour pool

Labour shortages are a significant concern in the Nordic labour markets (Lämsä et al., 2019; Sánchez Gassen et al., 2022). Hiring immigrants is seen as one solution to these shortages, and as a way of ensuring businesses' operability and vitality

(Bjerck et al., 2018). This is particularly evident in sectors facing a pronounced shortage of skills and talents, as in the agricultural sector (Barth & Zalkat, 2022). In industries such as fishing, in which native-born employees are often reluctant to work, or in sectors with high turnover, such as the grocery industry, or in sectors with an increased demand for seasonal workers, e.g. hotels, hiring immigrants was found to be particularly beneficial (Bjerck et al., 2018).

Improving public image and gaining consumer support

A commitment to inclusion might be driven by marketing considerations. Embracing inclusion can enhance an organisation's reputation and have a positive influence in terms of generating consumer support (Bjerck et al., 2018). A 2023 survey of Swedish consumers commissioned by the Tent Partnership for Refugees showed that companies that publicly support refugees, especially by hiring them, appeal to consumers. The survey showed that about 50% of consumers are more likely to buy from a company that hires refugees (Tent, 2023).

Added value of a diverse workforce

Workforce diversity may encompass a range of characteristics, such as gender, age, ethnic/cultural background, class and abilities, with exact definitions varying across organisations (Vanhanen et al., 2023). There is a large body of literature that presents evidence of diverse businesses being more profitable and innovative (Konrad et al., 2006; Mullins, 2008; Stevens et al., 2008). According to a survey conducted among 1,500 Norwegian enterprises, 70% believed that businesses might miss out on valuable expertise by not hiring immigrants (Andersen & Braanen Sterri, 2022). As highlighted by diversity management literature, a diverse workplace, with teams characterised by a variety of perspectives and experiences, can enhance creativity, knowledge, innovation and problem-solving capabilities (Finnish Institute of occupational health, 2016; Hofhuis et al., 2016).

Moreover, diversity can be used to enhance the ability to meet the needs of diverse customers in a more effective way, leading to better sales and increased profit (Andersen & Braanen Sterri, 2022; Bjerck et al., 2018).

In the Norwegian context, employers emphasise that many refugees have a robust work capacity and a strong work ethic. This is often attributed to their familiarity with more demanding job markets, as a result of which they are more inclined to be flexible and take on extra shifts (Fedreheim et al., 2022). This perspective was further emphasised in the study by Friberg & Midtbøen (2019), who found that Norwegian employers in the fishing and hotel industries preferred employing immigrants due to their work ethic and superior moral values. However, it should be acknowledged that despite these positive perceptions, immigrants were usually preferred for more basic or low-skilled positions.

In a survey of HR professionals for the Finnish Diversity Barometer (2016), some respondents indicated that service or care workers with an immigrant background tend to be more client-oriented, especially when interacting with a customer or patient (Finnish Institute of Occupational Health, 2016). The respondents also pointed out that an ethnically diverse workforce improves the service to customers from different cultural backgrounds and provides opportunities for customers to communicate in their native languages (Finnish Institute of Occupational Health, 2016). This is particularly pronounced in some sectors. For example, in the retail sector, hiring female refugees is described as a strategy that resonates with an increasingly female and multi-ethnic clientele (Tent, 2021). Furthermore, a diverse workplace affords a more flexible distribution of working duties, due to workers from different religious backgrounds being willing to work on Christian holidays and Sundays (Bjerck et al., 2018).

Diverse workplaces are associated with improved job satisfaction, a greater sense of inclusion, and more efficient knowledge-sharing among teams (Hofhuis et al., 2016). Text Box 2 provides a brief overview of the positive outcomes associated with diverse workplaces.

TEXT BOX 2.

BENEFITS OF A DIVERSE WORKFORCE (BASED ON LITERATURE REVIEW)

- **Bringing different perspectives to the workplace**
- **Improving the ability to innovate and develop**
- **Diversification of skills**
- **Improving customer service**
- **Broadening workers' worldviews and increasing tolerance**
- **Spreading the immigrants' work ethic through the entire working community**
- **Greater flexibility and productivity**

3.2 Challenges and barriers to hiring and integrating immigrants

This section presents an overview of the key challenges and barriers faced by employers when hiring immigrants and integrating them into a workplace. The discussion is organised around three levels of barriers that employers encounter when hiring immigrants: structural, organisational and individual (Fedreheim et al., 2022; Syed & Özbilgin, 2009).

Structural barriers

Structural barriers concern regulative and legislative obstacles that influence employers' behaviour. They might concern structural aspects of local labour markets, lack of jobs, skill mismatches, and the structure and characteristics of wage subsidies (which we explore in depth in chapter 4), as well as difficulties faced by immigrants when obtaining work permits, which present challenges to employers during the hiring process. While only a limited number of studies addressed these issues, the following aspects can be highlighted.

Legislative and regulatory framework

From the viewpoint of employers, legal and administrative obstacles related to access to the labour market may limit the immigrants' employability. Such challenges can make employers reluctant to recruit immigrants or invest in their skills development (Baglioni, 2020). Specific administrative requirements, e.g. for work permits, may put refugees and asylum seekers at a disadvantage (OECD/UNHCR, 2016).

In their study, Bjerck et al. (2018) found that framework conditions, as well as the language requirements in the public sector in Norway, might restrict both the provision of internships and the recruitment to permanent positions of vulnerable groups such as immigrants. The HR managers interviewed in the study note that candidates who perform well in the internship might be excluded from permanent or part-time positions due to language requirements, which for some jobs may be too strict. Public-sector employers also mention that the Inclusive Work (IA) agreement^[1] only advantages internal employees. Bjerck et al. (2019) claim that there is a discrepancy here, as the Norwegian State Employer Policy (The Norwegian Government, n.d.) points out that municipalities must be inclusive of all types of candidates, but at the same time the policy's guidelines embed direct obstacles to recruitment and employment at the structural level.

1. The agreement aims at preventing and reducing absence due to sickness, strengthening attendance and improving the working environment, as well as preventing dropping out of working life. The first IA agreement was concluded in autumn 2001. The current IA agreement applies for the period 1 January 2019 to 31 December 2024.

Collaboration with public authorities

Poor collaboration and coordination among public authorities can hinder employment for vulnerable groups (Højbjerg et al., 2023). In a study on the labour inclusion of refugees through internships in Norway, the employers interviewed highlighted three primary obstacles regarding co-operation with other actors in the integration process (Fedreheim et al., 2022). Firstly, they identified a lack of support from both authorities and employers' organisations for facilitating internships among immigrant workers, as stipulated in the national Introductory Programme^[2]. They pointed out the need for more structured, professional, and strategic collaborations with municipal welfare offices for the planning, training, and follow-up of internship programmes. Secondly, several employers view the provision of internships for refugees and subsequent employment as a societal duty, and criticise municipalities for their limited involvement in this mission. Thirdly, they emphasise that NAV and the refugee service do not work purposefully, and suggest that tailored training should be provided to businesses and individual workers who participate in teaching refugees the Norwegian language and culture.

In Sweden, the Public Employment Service has been criticised for its limited contact with the business sector (Gottfridsson, 2017). The January Agreement of 2019 sought to address this by making private entities more responsible for preparing and matching job-seekers with relevant training and job opportunities. However, many companies expressed concerns over the effectiveness of this system, and referred to inadequate or ineffective partnerships with both the Public Employment Service and local municipalities (Svenskt Näringsliv, 2022).

Evaluation of educational records and skills validation

Evaluating an individual's formal and informal competencies and skills can pose challenges for employers, and may potentially hinder the employment of certain candidates (Baglioni, 2020). In a study of the Swedish context by Risberg & Romani (2022), the employers interviewed point out that difficulties in assessing competencies and degrees complicate the process of determining how well potential hires meet the skills requirements for available positions. In a Norwegian study, Søholt (2016) found that both employers and the Norwegian Labour and Welfare Administration (NAV) are uncertain about how to map formal and experience-based skills within the local immigrant population. In addition, a Norwegian study found that unfamiliarity with assessing foreign competencies led

2. This is part of the Introductory Programme, the so-called 'fast-track' (*hurtigsporet*). The fast track is a tool in the Norwegian Integration Act, which is based on acquiring skills and resources that are transferrable to Norwegian working life. The fast track is intended to be a work-oriented course, to be integrated with Norwegian language training and other qualifying measures. It is a collaboration between NAV, the refugee service, adult education and relevant employers. The target group for the fast-track element consists of newly arrived refugees with an upper-secondary education or more, who are participating in the Introductory Programme and will continue to do so for up to six months, with the possibility of a six-month extension. In order to be relevant for fast track, it is important that the acquired expertise can be applied in practice on the Norwegian labour market.

employers to opt for what they perceived as familiar, and therefore safe. This tendency was found to put immigrant applicants at a disadvantage (Bjerck et al., 2018).

Organisational barriers

The organisational barriers in this report refer to challenges that arise at a workplace, i.e. within the companies or organisations themselves, when attempting to employ immigrants. These barriers can be deeply rooted in an organisation's structure, practices and culture. Some key organisational barriers include:

Financial concerns

There might be a perception among employers that training or integrating immigrants is more costly than hiring local personnel (Lundborg & Skedinger, 2016; Risberg & Romani, 2022; Tent, 2021). For example, this is evident in the agricultural sector in Sweden, where companies show reluctance to hire immigrants due to anticipated higher initial costs and the belief that local workers are a more secure investment (Barth & Zalkat, 2022; Højbjerg et al., 2023).

Management challenges

While there are advantages to a diverse workforce, as highlighted earlier in this report, employers can also encounter obstacles when integrating immigrants into their teams due to language barriers or cultural differences. These challenges can negatively influence hiring decisions and hinder the integration of immigrants into the workforce. If not addressed, these challenges can evolve into significant management issues, which clearly illustrates the importance of effective diversity management practices (Bjerck et al., 2018).

Diverse workplaces require that managers and leaders cultivate an organisational culture that embraces diversity, in order to ensure that everyone feels valued regardless of their unique cultural attributes and resources (Fedreheim et al., 2022). Without a supportive environment, in the form of mentoring programmes, language training or cultural orientation, organisations may hesitate to hire immigrants due to concerns about providing adequate support. The lack of such measures can turn workplace diversity from a strength into an obstacle (Guillaume et al., 2017; Hofhuis et al., 2016; Turi et al., 2022). Søholt (2016) found that maintaining more conscious and open management practices can be challenging for smaller companies that do not have dedicated training departments, especially when these companies rely on new employees being able to quickly adapt and learn on the job.

Workforce and managers' attitudes

Managerial attitudes significantly influence recruitment decisions and the integration of immigrants into the workforce (Abramovic & Traavik, 2017). Research indicates that managers are more inclined to support diversity practices if they align with their personal values and their experiences with specific ethnic groups (Risberg & Romani, 2022). The study by Bjerck et al. (2018) revealed that negative attitudes to hiring refugees among staff – and to some extent from customers, users and patients – can make employers hesitant.

Bias and discrimination

Conscious or unconscious biases against immigrants can influence hiring decisions. Such biases can stem from stereotypes, negative perceptions or unfounded fears about these groups (Risberg & Romani, 2022). While discrimination can manifest at the structural and individual levels, the focus in this report is on its expression at organisational level, and how it affects both the employers' hiring motivations and the employees' employability.

Discrimination can occur during the recruitment, selection and career advancement phases. One form of discrimination is *preference-based*, in which recruiters and employers favour one group of job applicants (e.g. native-born individuals with local qualifications) over others, such as foreign-born candidates (Arbetsförmedlingen, 2017; Ravn & Bredgaard, 2021).

Another form of discrimination arises from *perceptions and prejudices*. Culturally based generalisations can lead to certain personality traits being attributed to individuals. For instance, a person from one cultural background might be perceived as a high-performing employee, while another from a different culture might be deemed less competent (Arbetsförmedlingen, 2017). For example, there are concerns among some employers that immigrants may not uphold the same work ethic as native workers; and various surveys reveal that certain employers believe that employees with refugee status are less motivated in the workplace (Fedreheim et al., 2022). In Norway, employers were seen to treat applicants differently based on their country of origin. In the study conducted by Birkelund et al. (2020), employers sometimes drew conclusions about specific ethnic groups based on past negative encounters and the subsequent development of stereotypes. This perception-based discrimination extends to areas such as the immigrants' education, training and professional experience, with foreign qualifications often perceived as being inferior to those of local candidates (Risberg & Romani, 2022).

Another example of prejudice-based discrimination is the assumption of poor language proficiency based on a foreign-sounding name (Arbetsförmedlingen, 2017) a bias that puts jobseekers at a disadvantage. According to the Finnish Diversity Barometer (2016), 40% of interviewed HR professionals believed that a

foreign-sounding name could impede a job seeker's chances of getting an interview in Finland (Finnish Institute of Occupational Health, 2016). A survey of 1,046 entrepreneurs in Sweden conducted by Järvaveckan Research (2023) revealed that about 73% of all respondents indicated that poor Swedish skills negatively affected their hiring decision; 47% were negatively influenced by religious or cultural attributes; and 17% by Middle Eastern-sounding names during interviews (Järvaveckan Research, 2023).

The large-scale displacement from Ukraine brought to light several instances of discriminatory treatment based on race and nationality. While major companies and employers have expressed a willingness to provide jobs and training opportunities to Ukrainian refugees, this has sparked concerns about possible discriminatory practices against other immigrant groups (Berlina, 2022).

Individual barriers

Individual barriers concern personal characteristics that influence immigrants' employability as perceived by employers. These barriers can involve cultural aspects, values and the particular attributes that employers seek in potential employees. For immigrants, these challenges often concern language barriers and difficulties in understanding the company's norms and culture.

Poor language skills

Studies looking at the primary obstacles to hiring immigrants often highlight an absence of local language proficiency. Lundborg and Skedinger (2016) observe that not only is a language assessment crucial, but some employers perceive any deviation from 'Nordicness' as a shortcoming. Certain employer groups tend to assume that inadequate local language proficiency directly correlates with decreased productivity in migrant workers (Baglioni, 2020). In Finland, Bergbom et al. (2016) note that insufficient Finnish language skills hinder immigrant employees from moving to senior roles or undertaking more difficult managerial tasks. Similarly, a Norwegian study by Birkelund et al. (2020) identifies language barriers as the primary reason for negative hiring experiences with immigrants. The study highlights issues such as communication challenges during interviews and frequent misunderstandings between immigrant employees, clients, and their peers.

Bjerck et al. (2018) emphasise that language proficiency is crucial, particularly when interacting with customers, users and patients, as well as in relation to safety protocols and fostering a harmonious work environment. However, multilingualism also brings opportunities, especially given the growing diversity and multiculturalism of customers and user groups.

The 2022 survey among members of the Confederation of Danish Industry highlighted the important role of language skills in hiring Ukrainian refugees.

Although one in ten member companies stated that they were able to offer jobs regardless of language and professional competencies, the majority considered language or professional skills essential for employment (Local Government Denmark & Dansk Industri, 2023).

Insufficient professional skills

In addition to inadequate language proficiency, lack of professional skills is another hindrance to hiring lower-skilled immigrants, as observed in both Norwegian (Probasamfunnsanalyse, 2018) and Swedish contexts (Arbetsförmedlingen, 2017). This issue is more evident for refugee women, who typically have fewer years of formal education and professional experience than men (Tent, 2021). As in the case of language, employers associate poor professional skills with lower productivity.

Cultural differences

Employers may sometimes view immigrants' cultural norms and values as being potentially disruptive to organisational performance, leading to an expectation that these job seekers should adapt to local values and standards (Dahlstedt & Vesterberg, 2017; Risberg & Romani, 2022). In workplaces in which conformity with written and unwritten norms is prioritised over diversity, employers might have the perception that employees with an immigrant background might not fit in well with the organisation's culture.

As noted by Bjerck et al. (2018), some Norwegian employers viewed the perceived prioritisation of family responsibilities over work by refugee women as a barrier to their recruitment. As such, it is crucial to ensure that measures are in place to assist these women in navigating and balancing expected gender roles and caregiving duties.

Table 2. Overview of employers' perspectives on benefits and barriers to the integration of lower-skilled immigrants into the labour market.

The categorisation is based on both the literature review and the authors' elaboration.

<p>BENEFITS</p>	<ul style="list-style-type: none"> • <i>Access to a larger pool of labour</i> • <i>Positive branding and gaining consumer support</i> • <i>Added value of a diverse workforce, such as boosting creativity, knowledge, innovation and problem-solving, improvement of customer service, greater flexibility, enhanced productivity and higher levels of commitment</i>
<p>BARRIERS</p>	<p>STRUCTURAL LEVEL</p> <ul style="list-style-type: none"> • <i>Legislative and regulatory framework</i> • <i>Challenges related to collaboration with public authorities</i> • <i>Evaluation of educational records and skills validation</i> <p>ORGANISATION LEVEL</p> <ul style="list-style-type: none"> • <i>Financial concerns</i> • <i>Management challenges</i> • <i>Workforce and managers' attitudes</i> • <i>Bias and discrimination</i> <p>INDIVIDUAL LEVEL</p> <ul style="list-style-type: none"> • <i>Poor language skills</i> • <i>Insufficient professional skills</i> • <i>Cultural differences</i>



4. Structure and characteristics of wage subsidies: Incentives for employers to enhance the integration of immigrants

In this section, we describe measures that can support employers in integrating immigrants into the Nordic labour market, with a particular emphasis on wage subsidies. Additionally, this section provides examples of national programmes designed to ease labour market integration of immigrants in the Nordic countries, and highlights potential limitations associated with employment subsidies.

A wage subsidy is a financial incentive designed to encourage employers to hire certain categories of job seekers who are deemed to have reduced employability, such as low-skilled immigrants. This subsidy often covers a share of wages paid by the employer to the individual hired for a specified period, thereby reducing the employer's hiring costs while also compensating for a potential productivity gap or additional training needs (Gustafsson et al., 2014).

Wage subsidies have been shown to have a positive correlation with employment among immigrants (Alasalmi et al., 2019), especially in the shorter term (Hernes et al., 2022). Nevertheless, their adoption remains rather limited across the Nordic countries, except for Sweden (Calmfors & Sánchez Gassen, 2019), where approximately 30% of refugees benefit from subsidised employment during the first three years – a rate considerably higher than that observed in Denmark and Norway (Hernes et al., 2022). This could also be a result of different labour market legislation, e.g. employment contracts being more flexible in Denmark than in Sweden.

In a recent study, the Swedish Employment Service found evidence that providing wage support to employers has positive effects on transitions to unsubsidised work, especially at a lower level of subsidy (i.e. requiring co-financing by the employer). Subsidised employment also has a positive effect on education relevant to the labour market, such as knowledge of Swedish, and 'feeling at home in Swedish society', especially among foreign-born women (Arbetsförmedlingen, 2023).

According to the annual report 2022, one of the Swedish Employment Service's focus areas is to increase the number of long-term unemployed people who are hired with employment subsidies, which could increase the likelihood of these individuals subsequently getting a 'real' job (i.e. regular employment). A total of 149,600 individuals had some form of subsidised employment in 2022, which is roughly the same level as previous years (2021: 150,500; 2020: 151,500). Of these individuals, 75,500 were long-term unemployed and/or foreign-born. Two other goals have been set. The first is to increase the share of women (37% in 2022), employed with New Start jobs – a form of state support to employers when hiring a person who is long-term unemployed or a newly arrived immigrant in Sweden. The second is to simplify the application process for employers via a new online service launched in 2022. As a result, the agency recorded an increase in applications by employers from 15,400 in 2020 to 21,300 during 2022 (Arbetsförmedlingen, 2022).

Earlier studies such as those by Calmfors & Sánchez Gassen (2019), indicate that some employers are sceptical about wage subsidies. And a survey by Andersson Joonas (2019) revealed that in Sweden, approximately one-fifth of employers who had not utilized subsidized employment were unaware that such schemes existed. These findings highlight the importance of easier access to information about the benefits of wage subsidies and improving support to employers on how to apply for them and find eligible candidates.

DENMARK

In Denmark, the national employment service, Styrelsen for Arbejdsmarked og Rekruttering (STAR) is responsible for the active employment measures for unemployed (The Danish Agency for Labour Market and Recruitment, 2023), except for refugees within the 5-year "selvforsørgelses- og hjemrejseprogram" (self-sufficiency and repatriation programme) (The Danish Ministry of Immigration and Integration, n.d.). However, municipal job centres are responsible for the implementation of all measures. Job centres are available in every municipality and provide matching services for employers seeking new talents, and for unemployed people of all categories to find work. When it comes to subsidised employment, two types of measures are offered:

Practical work training (internship) at public and private enterprises

This training program can be used to retrain or upskill jobseekers and thereby upgrade their qualifications. The jobseekers continue to receive unemployment insurance benefit or social assistance/benefit throughout their internships. This measure is the most widely used in Denmark (KL, interview 2023).

Jobs subject to wage subsidy at public or private employers

In both the private and public sectors, wage subsidies are provided to employers when they hire a person who has been unemployed for at least six months. Public and private companies are eligible for a wage subsidy to hire an unemployed person for a period of four to twelve months, depending on the person's category of unemployment. For jobseekers over 50, other rules apply – they can be hired with a wage subsidy from day one of unemployment.

TEXT BOX 3.

BASIC INTEGRATION TRAINING (DENMARK) – A SPECIAL SUBSIDY PROGRAMME FOR EMPLOYERS HIRING REFUGEES AND THEIR FAMILY MEMBERS

Basic integration training (IGU) allows companies to employ refugees or family reunification beneficiaries as part of a two-year programme that combines paid internship in a company with vocational upskilling and Danish language training. IGU allows companies to employ a refugee for two years at a salary that takes into account the fact that the person's professional and language skills do not yet meet Danish labour market requirements (Dansk Industri, 2022).

In the period July 2016–May 2023, a total of approx. 3,000 IGU agreements were registered. This means that just over 8% of the estimated target group entered into an agreement on an IGU programme. The evaluation report by the Ministry of Immigration and Integration (2021) shows that around four out of 10 programmes were completed, both in the public and private sector. The completion rate was slightly higher for women than for men, with six out of 10 IGU agreements signed with women. A year after completing the programme, approximately 25% of participants were again receiving unemployment benefit (basically a self-sufficiency and return benefit or transition benefit).

The number of registered new IGU programmes has dropped significantly since 2017 due to Covid19 and the declining number of asylum seekers in Denmark. During the first nine months of 2023, an average of 18 new IGU programmes per month were registered. In response to this, from 1 January 2024, the target group eligible for IGU will be expanded to include refugees and all categories of family connections aged 18-50 years who have lived in Denmark up to 20 years (KL, interview 2023).

FINLAND

Various types of support and assistance are available in Finland for both the jobseeker and the employer, in connection with the recruitment of persons with partial work ability or who are experiencing obstacles to entering the labour market (Finnish Institute for Health and Welfare, 2022).

Pay subsidy

The national pay subsidy reform, launched in July 2023, provides financial assistance to employers that hire unemployed individuals, equalling to 50% of payroll costs. For those hiring individuals with reduced work capacity, the subsidy increases to 70%. Associations, foundations, and registered religious communities are eligible for a full 100% subsidy. Although not aimed specifically at immigrant workers, the subsidy targets individuals with skills gaps, permanent disabilities, or those aged over 60 facing long-term unemployment. The subsidy is provided to employers to compensate for the possibly lower productivity and the extra guidance time needed for these employees.

In terms of overall costs to the national economy, pay subsidies for private-sector organisations are considered effective tools for improving employment, along with apprenticeship training (Alasalmi et al., 2019).

Work try-out programmes

Work try-outs are a practical way for employers to evaluate if a person is a good fit for a specific job. This programme offers assistance to individuals returning to work after a prolonged absence or considering a career change. Work try-outs, often coordinated by institutions like TE Offices (national public employment and economic services), are not formal employment arrangements. Instead of a salary, individuals in these programs receive an expense allowance and unemployment benefits. While the maximum duration for a work try-out is 12 months, contracts typically range from 1 to 3 months.

ICELAND

Recruitment Grant for Employers

The primary wage subsidy in Iceland is known as the Recruitment Grant for Employers. This grant enables employers to claim between 50% to 100% of the basic unemployment benefits and an 11.5% pension fund contribution for new hires for up to six months. The maximum subsidy amount is ISK 369,397 (ca EUR 2,451). To qualify, employers must not have made any layoffs from the intended position

within the previous six months. The subsidy amount is progressive, with longer periods of unemployment (six months or more) resulting in higher benefits for the employer (The Icelandic Directorate of Labour, n.d.).

Job training grant

A similar system exists for refugees who have not yet entered the labour market. Those receiving financial assistance from municipalities are often eligible for job training grants with a duration of up to six months. Public Employment Service (PES) counselors facilitate the introduction of these grants to both refugees and potential employers. The grant amount may vary by municipality, generally hovering around ISK 230,000 (ca EUR 1,526).

NORWAY

In Norway, various financial grants and support schemes are available for employers:

Inclusion grant

The purpose of this grant is to simplify the hiring process for individuals involved in NAV initiatives (e.g. individuals with disabilities) or those with specific adaptation and support requirements. The grant is designed to reimburse employers for various costs, including assistive technology, training programs and personal equipment. NAV's contribution covers these expenses up to a maximum of NOK 143,900 (ca EUR 12,045) per person (NAV, 2023a).

Temporary wage subsidies

NAV^[3] offers temporary wage subsidies to cover part of an employee's salary for a defined period, allowing employers to hire candidates^[4] for standard full-time or part-time positions with regular pay. While employers benefit from the subsidy to mitigate wage costs, the primary goal of this initiative is to enhance employment opportunities and encourage job stability for a wider range of workers (NAV, 2023b).

The subsidy period generally extends up to one year, with the length being determined through ongoing discussions between NAV and the employer. Individuals with reduced work capacity can be subsidised for up to two years.

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3. NAV is the Norwegian Labour and Welfare Administration, a government agency responsible for a wide range of welfare and employment services in Norway. It provides services related to unemployment benefits, social welfare, pensions, child benefits, and more.
 4. Temporary wage supplement may be applicable for: 1) people with difficulties in entering the job market 2) people at risk of losing their job after being on full or partial sick leave for 12 months.

Initially, the subsidy covers 40% of the employee's salary for the first six months, which then drops to 30%. For those with reduced work capacity, the coverage starts at 60% for up to one year, which is subsequently reduced to 50%. Employers can apply for reimbursement at the end of the subsidy period. Both NAV and the employer share responsibility for supervising the employee's work during the subsidy period, with the employer providing daily oversight to ensure adherence to the agreement.

Summer job grants

Summer job grants serve as a support tool for employers to provide temporary jobs to young people who are far from the labour market. These grants allow young individuals to acquire essential work experience, enhancing their future employment prospects. The grants apply to hiring young people aged 16 to 29 who are registered with NAV, which has evaluated their need for additional help to find work (NAV, 2023c).

Employers receive a subsidy from NAV covering 50% of these young participants' salaries for up to four weeks. For individuals with reduced work capacity, the coverage increases to 75%. Furthermore, employers may also receive a grant for a mentor, if there is a need for assistance or guidance in connection with implementing the programme.

Survey on design and structure of wage subsidies

In a 2018 survey among the member organisations of the Confederation of Norwegian Enterprise (NHO), the design and structure of wage subsidies were criticised by companies (Proba samfunnsanalyse, 2018). Companies view the three-month commitment, which needs to be renewed every three months, as a disadvantage. Both survey data and interviews conducted by Proba Samfunnsanalyse reveal the companies' preference for wage subsidies that are more predictable and flexible, as well as tailored to individual circumstances. Companies point out that training candidates under wage subsidies often takes longer than training regular employees, underpinning the importance of tailored support (Proba samfunnsanalyse, 2018).

SWEDEN

In Sweden, Arbetsförmedlingen (the Swedish Public Employment Service) is responsible for providing subsidised employment as a means of accelerating labour market entry for jobseekers with a weaker position on the labour market, including immigrants. From January 2024, employers will be able to apply for two kinds of wage support when offering positions to foreign-born jobseekers:

New Start job (Nystartsjobb)

This is a deduction on the employment tax (arbetsgivaravgift) available to employers when hiring a person who is long-term unemployed or a newly arrived immigrant. Depending on the age of the unemployed person, the employer can receive the tax deduction over a period of six months to four years (when hiring someone over 55 years of age).

Introduction job (Introduktionsjobb)

This supplement consists of both financial compensation for the hiring employer, plus paid language training or other vocational training/upskilling for the employee during workdays, to enhance the employee's competencies and CV. The employer also gets compensated for providing a mentor to a new employee. This extended support applies when employing a person who has been away from working life for a long time and has very limited work experience, is young, or has recently arrived in Sweden (Arbetsförmedlingen, n.d.).

TEXT BOX 4.

ETABLERINGSLYFTET (THE ESTABLISHMENT BOOST), SWEDEN

Etableringslyftet (www.etableringslyftet.se) is a project aimed at boosting the skills of new arrivals and other foreign-born people who are far from the labour market and matching them with local employers. Through customised language support and mentorship, and by utilizing wage subsidies, it provides employers with opportunities to find individuals with the right attitude, who can develop their competencies on the job. The project is set up as a co-operation between three municipalities in the northern Stockholm region and the Swedish Public Employment Service. It is and is co-financed by the European Social Fund.

Discussion

As explored in this chapter, the Nordic countries offer various wage subsidy programs aimed at encouraging employers to hire immigrants, who may have limited language skills or limited work experience within the Nordic region. Several countries work to increase the use of subsidised employment, as evaluations have shown that these measures help jobseekers gain valuable on-the-job experience. Such experience significantly improves the prospects of jobseekers to secure long-term employment or transition to other jobs once the subsidies end. Specifically,

Denmark has initiated a targeted program for employers to hire refugees and their family members, while other Nordic countries have established broader wage subsidy schemes primarily targeting long-term unemployed a group which often includes immigrants. In Sweden, this incentive is extended to employers who are willing to hire newly arrived immigrants and young people.

In the Nordic countries, there are notable differences not only in terms of institutional frameworks but also in their respective investments in active labour market measures and the allocation of these funds (Forslund, Forthcoming). Denmark and Sweden, for example, stand out as the largest spenders, with Denmark leading the way in this regard. Denmark allocates a significant portion of its resources to training, public employment services, and programs for individuals with disabilities. In contrast, Sweden places considerable emphasis on subsidised jobs but allocates minimal funding to training programs, especially when compared to Norway and Finland. Both Norway and Finland prioritize training programs over subsidised jobs, with Finland being particularly notable for its substantial investment in training. It should be underlined that while the mentioned programs are not targeted exclusively for immigrants, they typically encompass immigrants as part of population groups with the most difficulties in accessing the labour market.

Despite the demonstrated effectiveness of wage subsidy programs in various countries (Forslund, Forthcoming; Arbetsförmedlingen, 2023), it is crucial to address common issues such as employer awareness about the programs and the bureaucratic complexity associated with them. This underscores the need for improved design and information about wage subsidies to employers, to enhance the overall efficacy of this instrument as a tool to facilitate labour market integration.

5. Nordic examples of employers hiring immigrants

This section of the study explores concrete examples of public and private employers across the five Nordic countries. A concise overview of the eight selected employers will highlight their motivations and benefits, challenges and barriers, as well as their integration approach and enablers for hiring immigrants.

Scandic Pelagic, Denmark

Scandic Pelagic is a fishing industry specialising in species such as herring and mackerel. The company operates in a remote area with a population of approx. 7,500 people and employs around 200–250 individuals, of which 20–50 are foreign workers. Since 2022, the majority of foreign workers have come from Ukraine, among other Eastern European countries. Employees have permanent positions, but may face short layoff periods due to the unpredictable nature of raw material supply. During such periods, they are compensated with unemployment benefits.

SCANDIC PELAGIC, DENMARK

Typology: Private sector

Economic sector: Fishing industry

Location: Skagen, Frederikshavn Municipality, Denmark (rural)

Size of the company: 200–250 employees, of which approx. 15–20% are non-Danes

Motivations and benefits of hiring immigrants

- *Labour shortages and competence gaps* have driven the company to hire immigrants. The company offers a range of positions, from entry-level jobs, which require no specific skills, to more specialised roles, for which internal hiring is preferred.
- *Positive business case.* Scandic Pelagic sees employing foreign workers as a positive business case, despite the necessity of offering language courses and additional training.

Challenges and barriers to hiring and integrating immigrants

- *Language proficiency.* Effective communication in Danish is crucial for foreign workers in the long term, and this remains a significant obstacle in terms of both work and cultural integration, as well as understanding the Danish system.

Integration approach and enablers

- *Inclusive approach to hiring.* The company provides equitable and respectful treatment for all employees, irrespective of background.
- *Language training.* The company offers language courses during working hours, as a proficient level of Danish is essential for maintaining employment, and ensuring workplace and food safety, but also for pursuing further education and advancement from unskilled to skilled positions within the company.
- *Lowering language expectations.* In the case of Ukrainian refugees, Scandic Pelagic tested hiring in groups of three, of whom at least one individual is proficient in English. It also provided mentorship and interpreter services to support daily tasks and Danish language acquisition.
- *Continuous learning and training opportunities* are promoted within the company. This approach not only benefits workers in their professional and social development, thereby fostering their successful integration into Danish society, but also encourages loyalty to the company.
- *Enhancing understanding of the Danish system and cultural mediation.* The company collaborates with local authorities in their efforts to enhance the newcomers' understanding of the Danish system and culture, including fair working conditions, collective agreements, etc. The company fosters two-way cultural mediation to facilitate mutual understanding between newcomers and employees. The HR manager believes that "It is crucial that we, as a Danish company, comprehend the perspective of those who join us, just as it is essential for them to understand the foundational values we stand on."

- *Collaboration with other private and third-sector actors.* The collaboration with 12 major companies in Skagen has led to the establishment of a network and a local fund designed to support Ukrainian newcomers, address initial challenges and foster employment opportunities. Moreover, Scandic Pelagic collaborates with the local Red Cross on digital language courses, and with other civil society actors in the organisation of cultural and sports events for the community.
- *Community integration.* Scandic Pelagic considers it important to strengthen the bonds between newcomers and the local community, and views this as essential for enhancing the wellbeing and successful integration of immigrants. Civil society actors and volunteers play a key role in facilitating this work, which includes the aforementioned cultural and sports events. When refugees arrive from Ukraine, volunteers also provide essentials like clothing, bicycles, and educational resources. Such endeavours foster a sense of belonging and encourage immigrant employees to make a long-term commitment to staying in Skagen, which ultimately is seen as beneficial for the company and the community at large.

IKEA, Finland

IKEA is a globally renowned Swedish home-furnishing retailer with over 400 stores worldwide, five of which are located in Finland. In total, IKEA Finland employs 1,980 individuals. Of these, 12.6% are from immigrant backgrounds, representing 78 different nationalities, and 1.43% are refugees.

IKEA, FINLAND

Typology: Private sector

Economic sector: Home furnishing

Location: Five locations in Finland (urban)

Size of the company: 1,980 employees, 12.6% from an immigrant background

Motivations and benefits of hiring immigrants

- *Social responsibility.* IKEA Finland's commitment to employing immigrants and refugees is driven by an aspiration to reflect societal demographics, alongside an ambition to surpass the national representation of these groups in both the general population and the workforce (in Finland, 7.6% of the population are from an immigrant background, including 0.75% refugees). There is a strong motivation to integrate migrants in the labour market, in order to integrate them in Finnish society more broadly.

Challenges and barriers to hiring and integrating immigrants

- *Cultural differences* can lead to conflicts and misunderstandings. Maintaining open communication and fostering transparent relationships between managers and employees is crucial for overcoming these challenges.
- *Underrepresentation of immigrant managers.* The interviewee reported a notable absence of managers from non-European backgrounds. This disparity, combined with the presence of highly qualified migrant employees in entry-level positions, hinders integration across various levels.

Integration approach and enablers

- *Upholding core company values.* When IKEA was founded in Sweden 80 years ago, it was grounded on a set of core values, including 'Togetherness'. This inclusive approach is not limited to just refugees and immigrants. IKEA advocates for diversity across various dimensions, including age, gender and disability, in order to create workplaces that genuinely mirror society (and IKEA's customers).
- *Equal treatment.* In a significant move towards complete inclusivity, IKEA adopts the same approach to all employees, whether locals or immigrants, and avoids specific measures targeted only at migrants and refugees.
- *Lowering language requirements.* Finnish language expectations were lowered in 2021, and basic knowledge of English is accepted for entry-level positions. This is linked to the company's objective of maximising inclusivity.
- *Dialogue between managers and employees.* At IKEA Finland, open communication is viewed as crucial for overcoming misunderstandings and avoiding conflicts. It is imperative that managers are trained to foster an inclusive attitude towards diversity.

- *Collaboration with third-sector actors.* IKEA Finland works in close collaboration with the Finnish Refugee Council and with Startup Refugees. Whenever there is a vacancy, IKEA reaches out to these organisations.
- *Refugee hiring targets.* In 2021, IKEA Finland entered into an agreement with the Finnish Refugee Council. The initial objective was to hire 70 refugees over a three-year period and offer them language lessons and labour market entry courses (such as CV writing and interview preparation) via the Refugee Council. After a while however, it became clear that setting a specific hiring target was not optimal. That is why after the 3-year contract IKEA chose to revise the agreement to "an intention to collaborate", which allowed the hiring numbers to be adjusted according to the company's recruitment needs.

Snellman, Finland

Snellman Meat Processing is located in Pietarsaari and is part of the Snellman Group. Out of the 1,200 people employed at Snellman Meat Processing (hereafter referred to as Snellman), over 25 different nationalities are represented, accounting for approximately 17% of the entire staff.

SNELLMAN, FINLAND

Typology: Private sector

Economic sector: Food sector (meat processing)

Location: Pietarsaari, Finland (urban)

Size of the company: 1,200 employees at Snellman Meat Processing, 17% foreign-born

Motivations and benefits of hiring immigrants

- *Addressing labour shortages* has been the key motivation for employing a foreign workforce in recent years, especially on the production line. Initially, hiring migrants was not a strategic decision. However, since 2008, the practice has evolved naturally, as many international students took part-time work at Snellman during their studies. A significant number of them continued their employment after graduation.

Challenges and barriers to hiring and integrating immigrants

- *Communication.* Communication challenges amongst employees can arise, especially if one group comes to dominate a particular department. This can lead to employees conversing in their native language, which can cause discomfort for others. The company addresses this by ensuring a balanced representation of nationalities in each department.
- *Differing hygiene standards.* Variances can emerge in the perception of hygiene and safety standards between employees' home countries and Finnish standards. The company feels responsible for ensuring that everyone understands and adheres to the required standards.

Integration approach and enablers

- *Inclusive approach to hiring.* Snellman's hiring approach emphasises the value of every individual, irrespective of their background, reflecting the company's belief in the power of diversity. The company's founders established this vision in the 1950s, and the current management strives to uphold it. Offering a sense of security to employees is essential and highly appreciated by those who join the company.
- *Celebrating diversity.* Every six weeks, the workplace turns the spotlight on a different country, celebrating its unique cultural aspects, pictures, clothes, and phrases, as well as offering dishes from that country in the work canteen. This initiative bridges cultural gaps and fosters better understanding of different cultures. The company is also planning integration evenings at which public authorities will provide insights about living and working in Finland.
- *Pre-recorded introduction in various languages.* New workers on the production line receive instruction in both Swedish and English. Pre-recorded introductions on hygiene and work safety standards are available in Finnish, Swedish, English, Ukrainian, Russian and Czech.
- *Language training and collaboration with other actors.* While English suffices and proficiency in the local language is not required, the management still encourages foreign workers to learn Finnish or Swedish to help them better integrate into society. Snellman has collaborated with the Worker's Institute in Finland to offer language courses for Ukrainian employees. Since 2023, courses in Swedish and Finnish have been extended to all employees, and have been met with overwhelming interest.

Kronan grocery store, Iceland

Kronan is a grocery chain comprising 26 stores, primarily located in Reykjavik and the south coast. The company has a strong commitment to hiring immigrants and refugees – 40% of Kronan's 1,100 employees have an immigrant background, representing 42 nationalities, including five refugees from Ukraine and Russia. Notably, some of the stores outside urban areas have a higher percentage of immigrant employees.

KRONAN GROCERY STORE, ICELAND

Typology: Private sector

Economic sector: Grocery store chain

Location: Iceland (both urban and rural)

Size of the company: 1,100 employees (approximately 40% are non-Icelandic)

Motivations and benefits of hiring immigrants

- *Commitment to societal integration.* The entry-level positions at the grocery store do not require advanced skills or extensive language proficiency. This enables Kronan to offer valuable employment opportunities for immigrants, which is in alignment with the company's goal of complementing the government's integration efforts. This commitment extends beyond mere labour market access; it encompasses a holistic integration into Icelandic society, e.g. by providing employees and their families with the necessary information about living in Iceland (regarding schools, taxes, healthcare, etc.).
- *Embracing workplace diversity.* Kronan recognises the advantages of a culturally diverse workplace and fostering a culture of respect.

Challenges and barriers to hiring and integrating immigrants

- *Challenges with work permits.* Despite the demand for new employees due to low unemployment rates in Iceland, obtaining a work permit is challenging for individuals from outside the Schengen area. Employers are responsible for applying for work permits, which is sometimes seen as burdensome. Work permits are typically granted under specific criteria, e.g. that the migrant has special skills that are in demand on the Icelandic labour market, or they have moved to Iceland for family reunification or to study.
- *Language barriers.* Although entry-level positions at Kronan do not require

fluency in Icelandic, in practice non-Icelandic speakers might find themselves at a disadvantage, especially given the fast-paced work environment. Language proficiency is more of a priority for managerial positions, which require a high level of Icelandic.

Integration approach and enablers

- *Introduction courses.* Kronan offers a 'welcome to work' course and training sessions for all new employees. These initiatives are especially beneficial for immigrants, as they provide essential knowledge about living and working in Iceland.
- *Training for managers.* The HR manager at Kronan emphasises the importance of managerial ability. All employees in managerial positions undergo mandatory training to equip them with the skills needed to manage conflicts, navigate cultural differences, address miscommunication and provide support to employees in need.
- *Language courses* are also offered to facilitate better communication, without relying on public support schemes.

Blåveis Department in Andebu care home, Norway

The Blåveis department is a dementia ward in Andebu care home, which is located in a village of about 2,000 people in the municipality of Sandefjord. In 2022, the department was granted the Diversity Award (*Mangfoldprisen*) in the 'small business' category, for outstanding use of immigrants' skills in working life.

BLÅVEIS DEPARTMENT IN ANDEBU CARE HOME, NORWAY

Typology: Public

Economic sector: Care home

Location: Sandefjord municipality, Norway (rural)

Size of the company: 16 people (13 non-Norwegians), 7 different nationalities

Motivations and benefits of hiring immigrants

- *Addressing labour shortages* in the small community of Andebu in general, and the healthcare sector in particular.
- *Greater flexibility, creativity and diversity* are among the ways in which immigrants make a positive contribution to workplace.
- *Social responsibility*, by helping immigrants integrate into the job market and Norwegian society as a whole.

Challenges and barriers to hiring and integrating immigrants

- *Cultural clashes*. Managers often face challenges related to mediating conflicts and teaching Norwegian working culture, as well as allocating sufficient time for mentorship.

Integration approach and enablers

- *Language expectations*. Insufficient language proficiency is not viewed as a barrier to working in the Blåveis department, as long as new recruits are committed to learning the language on the job.
- *Dedication to inclusion*. Both managers and employees undergo training to fully embrace diversity and demonstrate understanding towards non-fluent speakers. To create a safe and inclusive work environment for immigrant employees, the employers aim to promptly address any instances of discrimination and harassment.
- *Equal treatment of all staff*. Ensuring equitable wages and benefits for all staff remains a cornerstone of the department's approach.
- *Integration at managerial level*. The manager at Blåveis emphasised that leaders with migrant backgrounds are crucial for successful integration.
- *Internships/trial period*. The department frequently employs individuals on short-term contracts while assessing their suitability for long-term roles. The evaluation primarily centres on their motivation to work within the challenging and demanding healthcare sector. Should circumstances not permit an immediate transition to a permanent employment contract, the department strives to offer as many shifts as feasible to ensure the employee's job security. When favourable conditions arise, the option of a permanent employment contract is offered.
- *Co-operation with other actors*. The Blåveis department works with the Municipal Welfare Service Office (NAV) to offer specialised language courses and skills-development programmes for healthcare workers.

A Nordic hotel chain, Norway

The analysed hotel chain is one of the largest Nordic hotel operators. With a network of about 280 hotels and 58,000 hotel rooms (both in operation and under development) in six countries. This case focuses on the two chain's hotels located in the municipality of Molde. The two hotels have approximately 160 employees, about half of whom have an immigrant background.

A NORDIC HOTEL CHAIN, NORWAY

Typology: Private

Economic sector: Hospitality industry

Location: Molde, Norway (urban but in remote region)

Size of the company: About 160 employees in two hotels, about 50% with an immigrant background

Motivations and benefits of hiring immigrants

- *Labour shortages.* The manager of the hotels in Molde identified the need for labour as the main reason for hiring immigrants. It is difficult to find Norwegian employees for specific roles such as cleaning, dishwashing, etc., so immigrant workers are considered a fundamental resource to fill that gap.
- *Social responsibility.* Welcoming immigrants and refugees into the Norwegian labour market was cited as a key motivation. Including all individuals is considered a crucial part of the company's core mission.
- *Value of diversity.* A diverse work environment was identified as positive for the company's growth and for increasing productivity. Workers with an immigrant background are perceived as both flexible and loyal.

Challenges and barriers to hiring and integrating immigrants

- *Lack of diversity management.* While the manager in the hotels in Molde received training in conflict management, there is no specific training in addressing diversity and cultural clashes. Enhancing this aspect is considered a focus area for future efforts.
- *Cultural clashes.* Differences in language, and in cultural and gender norms, can lead to misunderstandings and conflict between colleagues, and at times even with customers.

Integration approach and enablers

- *Public support and collaboration.* The company greatly benefits from the co-operation with NAV municipal office, which offers job and language training for potential employees. The training usually lasts six weeks, but can be extended if necessary. During this period, employees are compensated by the government and are introduced to the workplace. The manager of the hotels in Molde considers this measure crucial for getting immigrant workers on board, as it would be too costly for the company to provide such training themselves. It is worth highlighting that while undergoing this training does not guarantee employment with the company, due to a limited number of available positions, it allows candidates to improve their CVs and enhance future work possibilities.
- *Specialised skill recruitment through staffing agencies.* For roles that require specific skills, such as chefs, the company also co-operates with staffing agencies to find suitable candidates.
- *Openness to diversity.* According to the managers of the hotels in Molde, being open to diversity is the key to successful integration.

McDonald's Visby, Sweden

McDonald's Visby is an ethnically diverse workplace, with 13 immigrants among the 45 staff members for whom McDonald's is their main employer. Initially, the company primarily employed refugees from Syria, Afghanistan and Eritrea, but more recently it has hired two women from Ukraine.

MCDONALD'S VISBY, SWEDEN

Typology: Private sector

Economic sector: Hospitality industry (fast-food restaurant)

Location: Visby, Gotland, Sweden (urban but in remote region)

Size of the company: 45 employees, of which 13 are immigrants

Motivations and benefits of hiring immigrants

- *Labour shortages.* After opening a new restaurant in 2015, labour shortages have been the main motivation for hiring immigrants.
- *Work ethic.* According to the owner, immigrants have low turnover rates, take few leaves of absence, and generally do a very good job. Moreover, they are available during peak business periods, such as summertime.
- *Improved working environment.* Having co-workers from different cultures and with a range of experiences enriches the work environment and fosters qualities such as patience and empathy.

Challenges and barriers to hiring and integrating immigrants

- *Overcoming communication barriers* due to limited Swedish proficiency, which requires greater patience, especially during the internship phase.
- *Attracting immigrant women* to the workforce.

Integration approach and enablers

- *Redefining the view on internships,* making it clear that a three-month internship is a pathway to employment, thereby increasing the participants' motivation. After the internship, in most cases the six-month probation period leads to permanent employment.
- *Language training.* Proficiency in Swedish is a prerequisite for permanent employment. Internships are coordinated with Swedish language courses (SFI), which support on-the-job language acquisition.
- *Collaboration with PES and other public actors.* A case worker from the PES in Visby facilitated the first phase of immigrant recruitment in 2016–2017, and this individual's contribution was underscored. In subsequent years, McDonald's Visby drew inspiration from the project 'Everyone is Needed on Gotland' (*Alla behövs på Gotland*), which was carried out in partnership with Tillväxt Gotland and Region Gotland. McDonald's served as a testing ground for developing the project's approaches. The project helped to match employers with job seekers.
- *Flexibility of the system,* including the ability to extend internship periods for individuals who need more time to be ready for employment, has been crucial. In addition, local authorities that provide SFI courses have co-operated by aligning their class timetables with individual work schedules at McDonald's Visby.
- *Financial incentives,* such as training subsidies for new arrivals and employment support (wage subsidies) from the PES, have been valuable for the company.

- *Supportive and engaged management.* Having a committed manager who understands the importance and value of integrating new arrivals into the workforce and the broader community has been crucial to the company's success with hiring immigrants.
- *The small size of the community* has also been an asset. This has helped to foster close relationships and ties between people on Gotland and enabled strong collaboration across organisations and sectors.

Region Gotland, Sweden

As a public employer, Region Gotland offers a range of employment opportunities spanning different sectors. It covers the entire island of Gotland, which has a population composed of approximately 16% foreign-born individuals and welcomes approximately 100 new arrivals annually.

REGION GOTLAND, SWEDEN

Typology: Public sector

Economic sector: Healthcare, elderly care, home care services, schools, preschools, recreational activities

Location: Island of Gotland, Sweden (urban and rural)

Size of the organisation: 6,700 employees

Motivations and benefits of hiring immigrants

- *Labour shortages.* Gotland faces a declining demographic situation with an ageing population and challenges in competence supply, which are especially pronounced during the tourist season.
- *Diversity and social responsibility.* Hiring immigrants helps to foster a positive work culture and enhances the organisation's socially responsible image.

Challenges and barriers to hiring and integrating immigrants

- *Communication barriers* may initially be perceived as obstacles to recruitment. However, the employment subsidies and social responsibility considerations often outweigh these concerns.

- *Matching the right competencies with the right workplaces, validating foreign qualifications and addressing digital proficiency gaps* are among the general challenges faced by public-sector employers on Gotland.
- *Lack of driving licences among many immigrants.* The island's limited public transport further complicates the immigrants' commute to work.

Integration approach and enablers

- *Hiring philosophy.* Region Gotland has an inclusive employment philosophy dedicated to ensuring that no one is left behind. It emphasises the value of individual motivation and genuine interest over prior knowledge and qualifications for employment. This approach is streamlined across all departments. In this regard, Region Gotland identifies the need for a cultural shift, in which individuals far from the labour market are seen as valuable resources.
- *Language support and cultural mediation.* To assist immigrants who are far from the labour market, Region Gotland has initiated intensive programmes in language and cultural understanding.
- *Temporary jobs in elderly care.* One of the initiatives introduced in Region Gotland includes offering temporary summer jobs in elderly care upon completion of the workplace internship and Swedish medical training. This has resulted in several individuals securing both temporary and permanent positions.
- *Alternative division of tasks.* Region Gotland has also explored further dividing tasks into simpler ones, to make it possible to hire employees with lower levels of language skill or other competencies. This has led to several success stories, particularly in elderly care roles involving simpler tasks such as laundry and dishwashing.
- *Close-knit relationships between organisational units and other public actors.* The Recruitment and Staffing Unit and the Department of Employment and Establishment at Region Gotland support a range of labour market initiatives. These two departments help to match individuals with positions in both the public and private sectors and develop initiatives for immigrants who require additional recruitment support. The collaboration with the local PES Office and the social services is foundational to these activities. In addition, Gotland's small scale and geographic proximity constitute another enabler.



6. Key insights and learnings from Nordic employers

This chapter presents insights and lessons learned from the experiences of Nordic employers, alongside the findings from the literature review. It offers valuable perspectives on the benefits and challenges and factors that enable the integration of immigrants into the workplace and society. This chapter also offers perspectives from intermediary organisations regarding employers' experiences of hiring immigrants (see Text Box 7).

Primary motivations and benefits of hiring immigrants

Among the Nordic employers in this study, the most frequently cited motivation for hiring immigrants was as a means of addressing **labour shortages**. Challenging demographic situations resulting in a shortage of domestic labour – especially in rural areas – coupled with elementary occupations being seen as less attractive by the local population have been the main reasons for the employers to hire immigrants. One of the Nordic employers interviewed noted that employing immigrants is perceived as not only beneficial, but the only viable solution to labour shortages.

The ambition to make a **social impact and operate sustainably** emerged as another crucial motivation, particularly among larger companies such as Kronan in Iceland and the multinational IKEA in Finland. IKEA emphasised their important role in supplementing governmental integration initiatives with the aim of creating a workplace that better reflects the diversity of society (and their customer base) through the employment of immigrants.

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It takes time to integrate in a new culture. Our vision is that by offering jobs, people can get help to integrate in society. They [immigrants] get training on taxes, jobs, salaries, and rights. I think it is very important to help people integrating while not losing their identity. (interview with an employer)

Finally, several Nordic employers emphasised the **positive impact of a diverse workforce** on the company's economic performance and working culture. In particular, they mentioned greater flexibility due to the immigrants' diverse cultural backgrounds, which made them more adaptable to different shifts and holidays. Other benefits mentioned were characteristics such as strong work ethic and loyalty, which positively influence the entire workforce. McDonald's Visby reported that the inclusion of co-workers from diverse cultures enriched the work environment and helped to foster qualities such as patience and empathy. These findings align with the benefits identified in the literature review.

Overall, the employers interviewed in this study stressed that the long-term advantages of hiring immigrants outweigh the initial hurdles. Several employers pointed out that the experience of hiring immigrants and integrating them into the workplace had been smoother than anticipated. They advised other companies considering hiring immigrants to 'not to be afraid' and 'just give it a try'.

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Just open the door and take the time to do it [integration into the workplace] for the first time. It's a great benefit for them, for the company but also for the big picture. I can tell that it makes all the colleagues feel proud of the workplace. (interview with an employer)

Main challenges for hiring immigrants and how they can be overcome

With the exception of Iceland and Norway, employers from the other countries did not point out any **structural-level challenges**, such as legal or administrative hurdles, as barriers to the employment of immigrants. The HR manager in Kronan highlighted the challenge of requiring work permits for non-EU citizens, which could potentially put refugees and asylum seekers at a disadvantage when entering the labor market.

Consistent with the literature review discussion on **organisational-level barriers**, several employers noted instances of **communication challenges** after hiring immigrants. These include potential misunderstandings and conflicts stemming from limited language skills and **clashing cultural norms**. One concrete illustration of this is different understanding of hygiene and safety standards across different cultures. **To address these barriers**, all employers interviewed stressed the importance of measures that foster cultural awareness and sensitivity among not only leadership, but the entire workforce. Coupled with language training, these are central components of diversity management. The importance of two-way cultural mediation training to increase mutual understanding between immigrant and local employees was emphasised. This also includes offering support to staff when conflicts arise. In certain cases, like the Andebu care home in Norway and the Kronan stores in Iceland, there has been a focused effort to train managers in cultural sensitivity, and in recognising and managing conflicts among the diverse workforce. One of the employers noted that their limited capacity and time to educate and mentor employees on these matters is a significant obstacle to effective integration.

While none of the Nordic employers interviewed in this study indicated that they had in place a formalised diversity management policy (see Text Box 5), a proactive approach and a **positive attitude towards diversity**, especially at the leadership and managerial levels, were highlighted as important success factors in integrating immigrants into the workplace. This commitment manifests in distinct **hiring strategies** and guiding principles. For instance, Region Gotland emphasizes individual motivation and genuine interest over prior knowledge and qualifications. Scandic Pelagic strives to ensure the respectful treatment of all employees, irrespective of their background. Similarly, IKEA Finland actively promotes diversity in recruitment, taking into consideration factors other than race and ethnicity, such as age, gender and disability. In addition, the presence of managers with immigrant backgrounds was identified as a pivotal strategy for fostering understanding and support among the workforce.

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I think it really is about having a fundamental attitude of treating people decently, no matter what. You don't have to be in HR to do that. It's contagious, in a positive way. (interview with an employer)

TEXT BOX 5.

DIVERSITY MANAGEMENT

Both the interviews with employers and the literature review identified diversity management as a crucial component for the successful integration of immigrants into the workforce. This refers to initiatives and programmes designed to foster the inclusion of employees from diverse ethnic and cultural backgrounds within both formal and informal organisational structures (Council of Europe, 2021). Developing a diversity-centred organisation requires committed leadership and an organisational culture that acknowledges and celebrates the employees' differences and uniqueness (Fägerlind and Ekelöf, 2001). Diversity management can encompass a wide range of strategies and approaches, such as training in conflict resolution, mentoring, fostering cultural exchanges and communication (e.g. regarding performance expectations and work norms).

Furthermore, there is a pronounced focus on initiatives that promote comprehension of workplace rules, values and norms, as well as providing insights into the Nordic labour market and culture, and core Nordic values such as gender equality. Most employers provide information on these aspects of life, often in partnership with local authorities. For example, Scandic Pelagic, in rural Denmark, highlights the importance of initiatives that facilitate stronger connections between newcomers and the local community, in order to enhance immigrant integration. This strategy is based on the understanding that strengthening such ties increases the likelihood of immigrants deciding to remain in the local community.

Finally, employers interviewed in this study cited **limited language proficiency** in local languages and English as a key impediment to hiring immigrants. Even in positions that require a low level of education and less specialised skills, the ability

to understand essential instructions, safety protocols and hygiene standards remains essential. Nevertheless, several employers have adjusted their language expectations where feasible, and have adopted creative approaches aimed at minimising this challenge. See Text Box 6 for more about different approaches to language training and overcoming language-related barriers.

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A lack of language skills cannot be an obstacle to enter the working life, as that is exactly what is needed to learn the language faster. (interview with an employer)

TEXT BOX 6.

OVERCOMING LANGUAGE-RELATED BARRIERS

For some of the interviewed employers, lowering language expectations proved effective during recruitment. Instead, other strategies were employed, such as engaging interpreters or mediators, translating instructions into various languages, and hiring groups with a shared linguistic background – ensuring that at least one speaks the local language or English. These measures encouraged internal peer support, and enabled employees to help address potential misunderstandings.

Encouraging language acquisition

Although adjusting language requirements can be a short-term solution during recruitment and the early stages of employment, the Nordic employers stressed the importance of mastering the local language in the long term. For many, this remains a top priority – and some considered it a prerequisite for sustained employment and further professional growth. It was emphasised that language learning should be made accessible, e.g. by aligning the timing of language courses with work schedules, to ensure that work and education do not clash, but can be combined, even during work hours. Additionally, offering industry-specific language courses, particularly for sectors like healthcare and social care, can help employees grasp necessary terminologies that are specific to their roles.

Enablers for hiring and integrating immigrants

Collaboration with public authorities

In the interviews with Nordic employers, collaboration with public-sector actors was highlighted as an enabling factor in hiring immigrants and integrating them into the workforce. Employers recognised the significant assistance they received from local authorities and PES. For example, the Blåveis department at Andebu care home valued its collaboration with municipal welfare offices, particularly for their provision of language courses. For McDonald's Visby, the collaboration with PES proved important for obtaining training support, employment subsidies, administrative assistance and help in matching candidates. Moreover, coordinating with municipal authorities was vital for aligning language course timetables with individual employees' work schedules. The manager of the the Nordic hotel chain in Molde emphasised that without the assistance of NAV municipal welfare offices, which provide language training and financial support during the workplace introduction process, it would not have been financially feasible to hire immigrants. Specific individuals within these organisations made significant contributions, which were highlighted as key success factors, underscoring the vital importance of interpersonal relationships and connections.

Collaboration with third-sector actors

Several Nordic employers emphasised the value of collaborating with third-sector actors in various instances. For example, IKEA Finland partnered with the NGOs Startup Refugees and the Finnish Refugee Council to match job vacancies with refugee candidates. The Finnish Refugee Council also provides language courses. For Scandic Pelagic in Denmark, the partnership with local Red Cross and other civil-society actors had positive outcomes on immigrants' wellbeing and integration into the local community. The interview with Snellman in Finland and the the Nordic hotel chain identified the role of staffing agencies as facilitators during the hiring process. However, the extent of other Nordic employers' collaborations with such agencies remains unknown.

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We collaborate with [other] companies, the civil society, local authorities and essentially the state as well, represented by the integration department. Every time we do something, we talk to each other within the network. (interview with an employer)

TEXT BOX 7.

KEY INSIGHTS FROM INTERMEDIARY ORGANISATIONS

The insights below are based on interviews with intermediary organisations that operate in Denmark, Finland and Sweden. These include staffing agencies, NGOs and associations that serve as facilitators between jobseekers and employers. By focusing on immigrants and refugees, they help streamline the recruitment process, improve skills matching, and offer additional training or support when necessary. These organisations were asked about their observations and perspectives on the challenges that employers encounter when hiring immigrants, as well as the support that employers need during this process.

Partnership with the public sector. One interviewee noted that many companies have expressed interest in hiring refugees but found it difficult to locate them. According to the interviewee, there is a lack of trust in the public system to match employers with suitable refugees. Among the other potential hurdles to hiring immigrants were the slow responses from municipalities or employment services with regard to specific hiring requirements.

A positive shift in employers' attitudes. According to intermediary organisations, there has been a noticeable shift in employers' attitudes towards hiring immigrants following the influx of refugees from Ukraine. Moreover, in the case of refugees from Ukraine, employers have been generally more open to hiring individuals irrespective of language proficiency. This shift in attitude is also evident in the employers' efforts towards diversity and inclusion, mirroring the growing global emphasis on social sustainability agendas, such as the UN's Sustainable Development Goals.

Overqualified candidates. Based on staffing agencies' observations, while many available jobs have low entry requirements, immigrant candidates applying for these positions are often overqualified. The language barrier is a significant challenge that makes it hard for immigrants to secure jobs that match their skills and experience.

Reassessing language criteria. Several intermediary organisations pointed out that some employers, perhaps unintentionally, might set language proficiency requirements that are higher than those demanded by the actual job. It may therefore be beneficial to reassess these language

criteria. Lower language requirements have been particularly helpful for refugees from Ukraine.

Language barriers from the employers' side. Some employers' hesitation to hire individuals with limited proficiency in official languages stems not from concerns over the applicants' language skills, but from the employers' own difficulties with English.

Rural versus urban employers. The intermediary organisations have observed no significant geographical differences in employers' hiring practices regarding immigrants. However, employers in small towns tend to emphasize the importance of immigrants settling into the community and contributing to the local economy and tax base.

Staffing agencies take on the 'risk'. In Nordic countries like Sweden, strong employment protection laws, which make dismissing employees challenging, may deter employers from hiring immigrants. In such cases, staffing agencies can assume the 'risk' of hiring immigrants and then outsource them as consultants to employers. This provides employers with the flexibility to terminate the contract easily, thus offering a flexible and efficient solution.

Challenging negative narratives and enhancing knowledge-sharing. Highlighting success stories of employers who have thrived by hiring immigrants can inspire other employers to take similar steps. Knowledge-sharing among companies from the same sector or industry may be particularly impactful.

Developing guidelines. Several intermediary organisations observed a need for more structured guidelines and resources to support employers in navigating legislative requirements and providing accurate information on hiring in different languages.



7. Nordic learnings and conclusions

This report provides insights into employers' experiences with the integration of immigrants into the Nordic labour market. Despite the various challenges highlighted, there is a prevailing consensus among the employers interviewed in this study that the long-term advantages of employing immigrants outweigh the initial challenges, particularly given the labour shortages in numerous sectors. Furthermore, the employers note that the integration process often tends to be smoother than initially anticipated.

As such, fostering employers' awareness about the advantages of workforce diversity is crucial. Promoting understanding of the benefits that come from collaborating with intermediary organisations and utilizing national wage subsidies is equally important. As noted by one of the employers interviewed in this study:

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The opportunity lies in changing the culture – seeing people who are far from the labour market as a resource. The more we see opportunities instead of obstacles, the better it is.

Key learnings for public-sector and intermediary organisations

Promote cross-sectoral collaboration

To ensure a robust integration process, close collaboration between the public sector (Public Employment Services and municipalities), civil society and the private sector is imperative. Immigrants' voices and needs should be at the centre, along with the needs of local employers. This collaboration could help bridge the gap between public services, NGOs and companies.

Challenge negative narratives

Public actors, NGOs and staffing agencies could play an important role in highlighting businesses' success stories regarding the benefits of hiring immigrants (emphasising, e.g. greater flexibility and work dedication). This can motivate other employers, especially those who are sceptical, to follow.

Provide comprehensive guidance

Information on the benefits of hiring immigrants, and on existing support initiatives and wage subsidies, should be enhanced and made more accessible by public-sector and intermediary organisations. While some sectors are inherently more inclined to hire immigrants due to labour shortages, outreach efforts should be made towards various industries to encourage inclusive hiring practices. Here, staffing companies could play an important role.

Key learnings for employers

'Just try it'

Often, the experience is smoother than anticipated. As several employers stated, the best approach is often just to dive in and try.

Nurture a culture of diversity

Dedicated leadership that fosters cultural diversity and patience, especially with those still learning the local language, is invaluable. Allocating resources to mentorship and investing time in nurturing cultural understanding and addressing diversity issues are critical. This is important for overcoming potential scepticism or prejudices among employees, and for helping migrant workers understand the local culture, work ethic, safety requirements, etc.

Strengthen community engagement

Stronger ties with the local community can enhance employee wellbeing and establish a sense of belonging, thereby increasing the likelihood that immigrants will stay.

Foster professional growth

It is very important to encourage immigrants to continually develop their skills and seek more advanced roles. Some companies, such as Scandic Pelagic and McDonald's, have showcased how growth opportunities can significantly benefit both the employee and the organisation. Managers with immigrant background can serve as important role models for other employees.

Address language barriers

Language barriers are among the biggest challenges for employers. Having patience for the process of language learning, offering language training on the job (with public-sector support) and engaging interpreters or mediators (e.g. colleagues with the same mother tongue) are possible ways to overcome these challenges. See Text Box 6 for more examples.

Collaborate with intermediary organisations

Engage with foundations, staffing companies and other intermediary entities that specialise in integrating immigrants into the workforce. These organisations offer advisory services on effective hiring and can also handle administrative responsibilities, easing the integration process for both employers and employees.

Appendix 1. Interview guide

About the employer

Describe your position and role in the organisation

How many immigrants do you employ as a share of the total number of employees?

Motivations and enablers

1. What are the motivations for hiring immigrants in your organisation? And what are the main benefits (social responsibility/labour shortage/public image and support from customers/economic advantage/diversity/other)?

Supporting immigrants in a workplace

2. How does your organisation (strategically/generally) work with the inclusion of immigrants in a workplace? What is your approach? Do you undertake any specific measures such as language and training internships, mentorship or tutor schemes?
3. How is the hiring of immigrants perceived by local colleagues and customers? Do you have specific training/support for colleagues on diversity management (how to work in a diverse workplace)?

Public support

4. Does/did your company make use of public support programmes and measures to facilitate hiring of refugees and migrants (e.g. wage subsidies)? What is your experience with these measures?

Enablers

5. Do you have any specific good or negative experiences in the integration/inclusion work? What are the main factors that you consider important for the successful integration/hiring process (from your experience)?

Challenges and obstacles

6. What are the main challenges that your company encounters with hiring immigrants and refugees?

Co-operation with other actors

7. Do you co-operate with other actors in the hiring and integration of immigrants? What has worked well and less well?

Way forward and recommendations

8. What are the main lessons learnt?
 - a. What has been the key to success in your company?
 - b. What could you recommend to other companies when hiring refugees and migrants?

Appendix 2. List of interviewees

Employers

Jane Sandberg, Head of Unit, Recruitment and Staffing Unit, Region Gotland, 1 September 2023

Eva Flemming, Head of Unit for Labour and Establishment, Education and Labour Administration, Region Gotland, 14 September 2023

Ann-Mari Eklund, HR chef, Snellman, 2 October 2023

Magnus Larsson, CEO, Mc Donald's Visby, 30 August 2023

Susanne Nielsen, HR Manager, Scandic Pelagic, 11 September 2023

Rasa Bartasiunene, Manager, Blåveis Department, 23 August 2023

Erla María Sigurðardóttir, HR Manager, Kronan, 23 August 2023

Nordic hotel chain in Molde, 11 October 2023

Catharina Van Den Houwe, Equality Diversity and Inclusion Leader, IKEA Finland, 3 October 2023

Intermediary organisations in the labour market

Emma Klöcker-Gatzwiller, Project manager, Lige Adgang association, Denmark, 24 August 2023

Leo Sjökvist, Commercial Excellence Manager, Just Arrived, staffing agency, Sweden, 27 September 2023

Veronica Hertzberg, Team Leader, Luckan Integration association, Finland, 29 September 2023

Aicha Manai, CEO, Startup Refugees, NGO, Finland, 19 June 2023

Karin Heri, Country Director Sweden, Tent Partnership for Refugees, foundation, Sweden, 3 October 2023

Jenny Flennemo, Business Development Manager, Manpower Matching, staffing agency, Sweden, 10 October 2023

Emma Barslund Fosse, Chief consultant, Confederation of Danish Industry (DI), 16 June 2023

Nordic Expert Group on Labour Market Integration of Refugees and Migrants

Sara Glahder Lindberg, KL - Local Government Denmark, 8 November 2023

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Authors: Anna Berlina, Rebecca Cavicchia

Contributors: Nora Sánchez Gassen, Åsa Ström Hildestrand

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