Thanh Huynh

Effective Recruitment of Labour Force from Vietnam for Companies in Kauhajoki

Cultural Differences between Finland and Vietnam in International Recruitment and Integration Process of Vietnamese Employees into Finnish Society

Thesis

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Author: Thanh Huynh

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Thesis abstract

The purpose of this study was to suggest an effective recruitment service to recruit right work force from Vietnam for companies in Finland in general and the Kauhajoki region in specific. Another aim was to find out the cultural conflicts between Vietnam and Finland that affected the recruiting process, working and integration of Vietnamese workers in Kauhajoki. In addition, an overview about global labour trends, and Finnish and Vietnamese labour markets was given.

Both quantitative and qualitative research methods were applied in the survey targeted at Vietnamese workers in Kauhajoki and their employers. The survey focused on the satisfaction level of both employers and employees, and examined the possible problems which employers had with the recruitment process and with Vietnamese workers. On the other hand, problems which Vietnamese workers had in a new working environment and Finnish society were examined. The interviews were conducted with 6 Finnish employers in Kauhajoki. Questionnaires were sent to 18 Vietnamese workers in the first phase and 15 workers during the second phase. The Cultural Dimensions theory of Hofstede was used to analyse cultural conflict phenomena between Finland and Vietnam. The results of the study showed that cultural differences had a profound effect on the mutual understanding and satisfaction of Finnish employers and Vietnamese workers. It was found that the majority of employers were not satisfied with the quality of recruitment. The principal conclusion was that quality-focused recruitment service and cultural training were the main factors in building up effective recruitment service for employers.

Keywords: international recruitment, Finland, Vietnam, Kauhajoki, employment-based immigration, Cultural Dimensions

Terms and Abbreviations

Employment-based immigration or Work-based immigration (työperusteisen maahanmuuto or työperusteista maahanmuuttoa): workers immigrate to another country for working purposes.

INKA: International Center of Kauhajoki region

PDI: Power Distance Index (Hofstede, 1994, 2001)

UAI: Uncertainty Avoidance Index (Hofstede, 1994, 2001)

IDV: Individualism (Hofstede, 1994, 2001)

MAS: Masculinity (Hofstede, 1994, 2001)

LTO: Long-Term Orientation (Hofstede, 1994, 2001)

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1. Introduction

Globalization has changed the scale of the world in recent centuries. Together with globalization there has been shifting of economical and social issues in the world. The manufacturing sector has shifted to the service sector, in the economic share and human resources (Tschetter, 1987), and the restrictions on borders between different areas and nations have been reduced or united to attract more business, services and corporation (Wilson & Donnan, 1998). The shifting of human resources among nations in recent decades is a result of filling the gaps of global market and economy. People move from their origin country to another country for seeking job opportunities or persuading better living standard. Due to different demographic situations in the world, population in different countries is at different stages of development. For example, while in the Northern and some Western European developed countries, the "graying" portion of the population has increased quickly recently due to the baby booms after wars creates serious labour shortage, the main population of developing countries such as Vietnam, China, India etc. still remain young until the next couple of decades. The changes in labour force demographics are also the main reason why developed countries have opened their borders to receive more external labour forces. The migration of people across borders is a controversial topic, as on one hand, it meets the needs of receiving countries, and the needs of immigrants. On the other hand, it also leads to ethnic and cultural tension and conflicts in some destination countries, where they are not considered positively as a new labour force to contribute to economic growth (Vance & Paik, 2006).

Together with migration trends, the international recruitment and labour export services have been developed in the last few years, to meet the needs of customers who want skilled employees and the workers who want to pursuit better job opportunity. Being diversified based on the demands of the customers, the services can be different. For example, companies which focus to recruit skilled workers and experts across the borders approach customers and candidates on the internet using sites such as Monster, Yahoo Jobs, Career Builders, Workopolis, SimplyHired etc.,

and many Executive Search and Selection service companies to hunt for talented people. There are also mass-recruitment labour export services for unskilled and semi-skilled for groups of some hundreds of people in developing countries. In addition, there are also employment-based immigration recruitment projects to recruit people for life-time residence in destination countries which target at different types of employment that are in high demand in receiving countries, such as accounting, nursing, IT etc. (Chang, 2003). In this broad context I will discuss a customized recruitment service to meet the needs of Kauhajoki companies from Vietnam labour market, which in the long run also fills the gaps of aging local labour force in the municipality.

2. Background: Recruitment Situation from Vietnam to Finland

Human resources are crucial for enterprises and society nowadays. The Finnish labour market is facing with the problem of shortage of labour due to the rapid aging of the population. The fact that Finland's working age population will decrease by 420,000 people between 2007 and 2030 means that the labour force in specific industries is in high demand. In the next 20 years, Finland needs at least 100.000 immigrants to fill the labour shortage (Vanhanen, 2008). On the contrary to Finnish labour market, Vietnam's workforce is estimated at around 43,870,000 (CIA Fact Book, 2010). Every year, 1.3-1.5 million new workers enter the market (VCCI, 2008). The paradox of labour markets between Vietnam and Finland creates the potential transfer of labour services from Vietnam to Finland

The Vietnamese are one of the largest groups of Southeast Asian people in Finland. The Vietnamese first came to Finland as refugees in 1979. The first group of 100 Vietnamese refugees resettled in Finland had grown to 2,300 members by 1994 (Valtonen, 1999), and in 2008 there are approximately 5000 people whose mother tongue is Vietnamese. In the Ostrobothnia area, Vietnamese have settled in Närpiö on 1988 and Pietarsaari in 1989 (Medvind final report, 2007). Despite the fact that

Vietnamese immigrants form a fairly large group in Finland which have been located in Finland more than 20 years, labour work force recruitments from Vietnam have been in public only in the last few years. For example Riitan Herkku Oy (Yle, 2008) recruited 100 seasonal Vietnamese to pick wild berries in Lapland. Vietnamese workers in Närpiö (Medvind final report, 2007) and the employment-based immigration recruitment project in cooperation between South Ostrobothnia, Kauhajoki Town, involved companies in Kauhajoki and Hanoi Industrial Vocational School (2007-until now). Vietnamese workers have been recruited to Finland to work in sectors that the areas do not have enough or right local applicants such as farming, metal, wood and furniture industries.

2.1 Analysing problems

Finland is a potential market that creates a huge "demand pull" factor for "surplus labour market" in Vietnam¹ although the recruitment between two countries has not been popular so far. The development of labour recruitment activity between Finland and Vietnam is explained by different themes, for example the unpredictable weather condition in summer 2008 affected the result of the recruitment of Vietnamese workers of Riitan Herkku Oy (Pham Khiem, 2009), or the economic recession affected the commitment to Vietnamese workers in the employment-based immigration project in South Ostrobothnia, Kauhajoki (Voiko Sitoutumista Siirtää?, 2009). The thesis focuses on two main problems, in the ineffective recruitment between Vietnam and Finland:

Cultural problems: lacking of understanding cultural differences in business culture, working and lifestyles between Finland and Vietnam lead to dissatisfaction of Finnish employers and Vietnamese workers. The cultural differences also affect the quality of international recruitment.

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¹ Proved in section 3.1 Vietnamese Labour Market

Recruitment problems: Lacking of labour market information and recruitment causes poor quality in recruitment services.

2.2 Related research

Sharing the same theme of analyzing on the recruitment process between Vietnam and Finland of South Ostrobothnia and Kauhajoki Town and companies, the final report "Can Commitment be Removed? Labor Migration and Its Process between South Ostrobothnia and Vietnam", which was conducted in 2009 by Ramboll Consultant company as research for the Finnish Ministry of Employment and Economy, discusses commitments of the project towards the labourers. By interviewing the related participants in the recruitment such as Vietnamese workers, employers, the former mayor of the Municipality of Kauhajoki, South Ostrobothnia Cooperation Office, the Vietnamese Ambassador in Finland, and international coordinator, the results of the survey were analyzed critically on the failure points of the recruitment project such as the wrong candidate recruitment., It also includes comparison with other successful recruitment projects in European countries.

2.3 Targets of the research and related information about the author

The target of the research is the recruitment process cooperated by South Ostrobothnia, Kauhajoki Town, involving companies in Kauhajoki and Hanoi Industrial Vocational School during 2007-2009, in which Vietnamese workers and their employers in Kauhajoki are the subjects of the research.

The research focuses on building good recruitment and preparation for mutual cultural understanding. Improvement in quality of recruitment process is targeted by finding unsuccessful points, which result from ineffective recruiting service and failing

to prepare and recognize cultural differences between Finland and Vietnam. Dissatisfaction of Finnish employers and Vietnamese workers are analysed based on the cultural differences between Finland and Vietnam.

The author used to work as a part-time employee as an Assistant to the Immigration Coordinator from September 2008 to May 2009 at the International Center of Kauhajoki Region (INKA), Welcome Home! Suupohjan project (Tervetuloa Kotiin! Suupohjaan). During this time, the main responsibilities of the author were translating and interpreting, cooperating with the Immigration Coordinator to help Vietnamese workers in Kauhajoki and other foreigners, planning and organizing activities related to the integration of immigrants in Kauhajoki and arranging cultural events. The empirical research was conducted during the employment period with INKA. The analysis of the results of the survey are based on the real working experiences of Vietnamese workers and their

2.4 Aims, benefits and limitations of the research

The dissertation aims to build up a recruitment suggestion between Vietnam and Finland in general and in Kauhajoki specifically, by collecting the comments of employers in Kauhajoki about Vietnamese workers in their company and the recruitment from Vietnam, and the satisfaction of Vietnamese workers who have been working in Finland. The focus regard to working and thinking styles on the basis. The Vietnamese and Finnish labour markets are also studied to form an overview about the labour market situation.

By conducting the survey and analyzing the recruitment process, the dissertation targets to benefit the employers who were involved in the recruitment process and currently have Vietnamese workers, as they can find the satisfaction level and possible problems of their employees to understand their workers. Companies which have planned to recruit employees from Vietnam in the future may find the research

as a guideline for their international recruitment, about the recruitment method and cultural differences between Finland and Vietnam. Most importantly, the dissertation would like to search for mutual understanding between Finnish employers and Vietnamese employees, about cultural differences and lifestyle, so that Vietnamese workers can build up a confident working and living environment in Finland, and the companies and the municipality can reach the target of achieving the workforce in the long run.

The dissertation has limitations in its implementation, as the survey is analysed and based on the result of a project which focuses mainly on a non-profit and governmental corporation, while the recruitment recommendations focus about international recruitment service, which build up quality service based on financial benefit, so that it is not easy to apply the result of the survey at the governmental project level. More than that, the survey has been conducted during the serious economic recession in Finland (2009-2010), and recruitment is not main concern for Finnish employers due to the economic situation. The economic recession also affects seriously the satisfaction of Vietnamese employees, as many of them have been experiencing the lay-off period and negative aspects of unemployment

3. Human resources shifting and challenges in the global labour market

It is necessary to compare and contrast the recruitment situation between Finland and Vietnam to the trends of human resources shifting background globally. The migration across borders embraces employment workforce and immigrants who try to search for a new country due to problems in their home countries. The import of labour has brought back positive effects such as release the pressure of labour shortage, slow down the aging of the population, and contribute to the economic prosperity. However, it has caused social tensions and ethnic problems in the destination countries. The shifting of the international labours has been pushed by two major

reasons: the globalization and technology advancements (Vance & Paik, 2006). Globalization accompanies economic and social activities. The expansion has opened the borders for more trading and investment activities. At the same time, it has increased income, created more jobs, pushed the sale and pulls consuming markets. On the contrary, globalization causes imbalance for the economic situation, especially for third world and developing countries. The companies flow to the developing countries to use the low labour cost, take advantage of badly developed human rights and protection of natural resources, which create a serious gap between developed and under-developed countries (Cate, 2009). Besides globalization, technology advancements have also affected the changes of global labour markets (Acemoglu, 1997). Information technology has shortened the geographical distances that bring back the advantages for multinational companies for the labour cost reduction. Employees in developed countries such as Japan, Germany, and the United States raise the problems that their employment is going down because many companies use out-sourcing services from China, India and other developing countries (Kirkegaard, 2007). Both globalization and technology advancements have created both positive and negative impacts on global labour markets. The good sides are technology transfer, know-how, training and management, while the negative sides are imbalance of labour cost, consuming cost and jobs opportunities in their own countries and developing countries.

The progresses of migration, flexibility on borders and advantages in transportation have supported the international workforce demographics. The quickly aging population has increased the migration between developing and developed countries. Some countries have been successfully dealt with migration issues such as the US, Canada, Germany, Italy and the UK (Martin & Widgren, 2002). The United States has got the advantages in attracting the talent pool. The highly developed technology advancements in the US have been created by highly educated and talented immigrants and foreign students. Most of employees and successful managers in Silicon Valley originate from Asian countries (Saxenian, 1999).

However, it also needs to mention that immigration can create social tension and ethnic awareness. The so-called "3D jobs: dangerous, dirty and difficult" (Vance, Paik, 2006), which are usually avoided by native people, have been faced by the majority of immigrants. Immigrant labour are paid lower wages than native people, on the basis of many negotiated issues, such as language, knowledge etc. Immigrants also help to pay the income tax for the government. However, many people feel that immigration is not a positive solution for demographic situations. One of the usual prejudices concerning immigrants in Finland is the sharing of social welfare. While most of immigrants, who arrived in Finland as refugees or humanitarian people, left their countries with problems, usually seek for safer life. However, this thinking strongly damages the image of foreigners who come to Finland to seek for job opportunities, such as foreign students and free-movers. Another problem is the moving of terrorism that has strongly affected the immigrant image (Epstein, 2002). There have been scandals that immigrants from different cultural backgrounds, religions committed crimes in Finland. Last but not least, native citizens are concerned that the employment of foreigners will create problems with human rights inside the country. For example, in the case of the Finnish company Riitan Herkku Oy Vietnamese and foreigners from different countries were employed, the workers arrived in Finland from far away with full economic risk, lived in temporary, low-standard living places for a few months to harvest wild berries. The question is raised why the company did not increase investment in machinery and wages to attract the native local workforce instead of foreign labour force from faraway countries. It needs to be mentioned that the North of Finland leads a high unemployment rate.

Opportunities have been opened for foreigners in Finland not only in "3D works". Engineering, nursing, physical assistant, computer sciences, sales, entrepreneur positions have welcomed foreigners, however, with the high requirements by Finnish standards. The high demands and prominent job opportunities of Finnish companies in developing countries such as Vietnam open promising chances for cooperation and services. However, due to the differences in culture and lifestyle between two

countries, understanding about labour markets of two countries is necessary to manage successful recruitment and international human resources.

3.1 Vietnamese labour market

Vietnam is in the developing period only 35 years after a long period of war with a large and young population. According to the latest statistics, in 2009, the Vietnamese population reached 85.7 million, the 13th largest population in the world, and the density is 260 people/km². The average rate of population increase is 1.2% year. The demographic trends in Vietnam show the number of young people who will enter the workforce and the growth of labour force in a near future. Vietnam's workforce is estimated at 43,870,000, stands 12nd in world about labour force (CIA Fact Book, 2010). The labour force is growing by an average of 3.5 - 4% a year – faster than the average population growth of 1.4%. Every year, 1.3-1.5 million new workers enter the market. A large number of young labour causes challenges for training and employment, especially when the shifting from agriculture to industrial still happens slowly.

Vietnam is well-known for a disciplined, hard-working, and fast-learning population. Affected by the Confuciusm and being a Collectivist country (Hofstede, 1994, 2001), Vietnamese are long-term oriented, saving, willing to learn and obeying the authority. The low labour cost and high rate in adult literacy are one of the attractive points to investors and make Vietnam becomes one of the attractive destinations for investors. The World Value Survey (World Values Survey 2001: Vietnam, 2007) highlights the hardworking attitude of Vietnamese workers. According to the survey, the majority of respondents confirm that working is a necessary part of their life, only about 7% gives feedback that they have high need of searching for leisure and entertainment, which is comparatively slow compared to hard-working cultures such as Japan (40%) or the United States (43%). In an international scale, Vietnamese immigrants have proved

hard-working effort success. Silicon Valley California, the most important global centre of research and development in IT – global in sales, in purchases, in information linkages, and in labour forces, has 20% of employees of Silicon Valley originate from Vietnam. Most of them reached the US after 1970 (Saxenian, 1999).

According to a survey on labour and employment 7/2002, the differences in economic development between the urban and rural regions form the differences for the skilled and professional workers and the percentage of skilled and professional workers is determined by professional levels. Vietnam is an agricultural country. Agricultural labour accounts for 60% of the total workforce, while 88% rural labour force remain un-skilled. A small part of rural labours apply technology to their agriculture process, or learn academically, the rest still follow the cultural ways to work on the farm for many centuries. How to upgrade skills and technology for the rural labour force is a huge challenge for the society.

3.1.1 Vietnam migration

Vietnamese emigration started from the 1970s, due to the aftermath of the Vietnam War, the politic and economy after the war time was the main reasons for huge migration. According to statistics collected by the United Nations High Commissioner for Refugees (UNHCR), since the fall of the Saigon regime in the South of Vietnam in April 1975, about 1.4 million people have fled the country. 94 percent of those who left Vietnam have eventually resettled in Western countries (UNHCR, 1995). The large Vietnamese emigration of Vietnamese in the 1970s has formed the Vietnamese immigration bases in European countries.

The Vietnamese Government has set the policy for labour export activities since the 1980s, when the government started to send labour to East European countries. The destinations for the first flow of labour export were former the Soviet Union and other East European countries, aimed at partly financing Vietnam's mounting debts to these

countries (Dang An, 2007). There were approximately 244,000 migrants to the Soviet union, Germany, the Czech Republic, and Bulgaria (MOLISA), although, the number reduced gradually due to the political issues in those countries. During the 1990s, Vietnam labour export aimed to new potential markets such as Libya, Arab countries and new developed Asian countries such as South Korea, Japan, Taiwan, Malaysia and Singapore. In the past few years, new prominent markets have been explored in the Middle East countries and the oil-rich Gulf countries that increase significantly Vietnamese labour export activities. The migrant labours work mainly in unskilled and semiskilled works such as garment workers, nursing, shipping, builders, services etc. In last century, the Government has sent labour to 40 destination countries in the world, with the total number of employees is approximately 70-80 thousands per the last five years (Figure 1). The number of Vietnamese workers export overseas at present is approximately haft a million. (MOLISA, 2007).

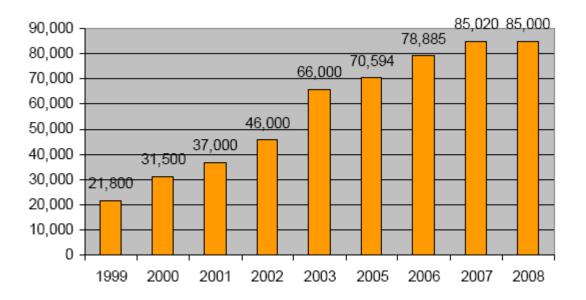


Figure 1: Number of Vietnamese overseas workers according to labour contracts

Source: Ministry of Labour Invalids and Social affairs (MOLISA).

Vietnam has characteristics of a "surplus labour" country (Lewis (1954), Fei & Ranis (1964)), which means "labour performed in excess of the labour necessary to produce the means of livelihood of the worker as necessary labour" (Karl Marx, according to Richards, 2004), the factor of a large population combines with long history of war make the outcome of pressure for migration. The "pull" factor here is small income and the "push" factor (Faini, Zimmermann, 1996) is the high excess of labour supply. The Vietnamese government has joined the labour export market to ease the high rate of unemployment in the domestic market and bring back the benefit for the national revenue (Dang An, 2007).

3.1.2 Labour export business in Vietnam

The Government has managed labour export activities by licensing them. The Department for Overseas Labour Management was established under the Ministry of Labour, War Invalid and Social Affairs (MOLISA), has the rights to give licenses for enterprises which are qualified enough to recruit workers and supervise their activities. There are 156 enterprises registered to MOLISA (Nguyen Thao, 2009). Their activities include managing labour contract services in different overseas markets, recruiting, training and sending workers to destination countries. Currently, Malaysia is the biggest market of Vietnamese labour export. It is predicted that the labour export activities will be active for the future, related to the quick aging population in developed countries and the predicted labour shortage in near future in certain markets, while Vietnamese labour force still remains young for the next decade. However, the concern issue for Vietnam export activities is how to focus on the high skills market, as currently the percentage of semi-skilled and skilled domestic labour has increased to about 55% in 2005, the ratio of highly skilled workers and professional specialists remains low (Dao V, 2007). The high-market such as the United States, Australia etc. are difficult to reach due to the high requirements in skills

and language. The recruitment method of those markets is recruiting directly by their own agencies, not via channels of MOLISA (Lan Ngoc, 2008)

3.1.3 Pros and cons of labour export activities in Vietnam

The labour export activities have been proved for the huge benefit support for Vietnamese economic, especially in the rural areas. The remittances that export labourers bring back do not only help their family out of poverty, but also strengthen the economics of rural areas. However, the export labour service is not a fair-play play-ground for the labourers due to low management in recruitment service. Main problems in labour export services that affect the recruitment quality in Vietnam can be summarised as three reasons: Unfair paying, lacking of preparation and information for export labourers, and lack of the protection of labour in destination countries.

Unfair paying: According to Decree No. 81/2003/ND-CP of July 17, 2003 of Decree of the Government on detailed stipulation and guidance for the implementation of the Labor Code of Vietnamese labour to work overseas, Vietnamese labour export happens mainly via 3 channels: through Vietnamese enterprises licensed to provide labor services according to contracts signed with foreign partners; through Vietnamese enterprises which have contracts or make investment overseas and through labor contracts signed by individual workers directly with employers overseas.

Before signing the contract to the recruitment agency in Vietnam, the workers have to pass vocational skills and language skills. They are obliged to have a medical check also. During the pre-departure, the labourers are requested to take part in training. All documented labourers are assumed to have been trained and educated by the recruitment agencies assigned by MOLISA. According to the survey on export workers, the respondents expressed that during the training of three months, they

have to pay around US\$100 in training fees without a guarantee to get work abroad. The training, medical checks and examination are conducted before signing contracts (Angsuthanasombat, 2007).

The regulations about labour export activities show that workers who apply through recruiting companies delegated by MOLISA have to pay a maximum of 1 month basic salary per year as a recruitment service fee, which includes an administration fee and managing workers overseas. However, the research of migrants in Thai Binh provinces, done by Health Bridge Organization (Canada) and Centre for Women Studies since mid of 2007, research on impacts of labour export on life of families in Thai Binh province in terms of income and welfare, revealed the facts that 91.2% of the workers have to borrow money to pay for labour export fee, with 77,8% can pay back the debt after 1 year, about 20% of labours pay back the debt after 2 years (Ngoc Bao, 2008). The collected numbers show that to be recruited, the labours have to pay the number so much higher than on regulations.

According to Dang An (2007), the labour export activities is licensed by the government, however, there are many individuals or groups who work as labour brokers in Vietnam. In rural poor areas, the brokers visit households and spread information on work opportunities abroad under the name of labour export companies. These agents persuade the laborers that the job is for them. Many households end up with giving them money with the hope that their family members get a chance to work abroad. The money to pay to the brokers may come to US\$5,000-6,000 per person, to go to Japan, some workers had to borrow money and pay not less than US\$ 10,000/person to brokers for which the poor victims have to mortgage their land and properties and borrow money from the bank or private lenders (Dang An, 2007), and they have to wait at least a year to catch some hope if they are "recruited". During this waiting time, the loan interest mounts, and the to-be-recruited workers usually do not dare to ask for the way back, as they have to face with the huge number of debt.

During the pre-departure stage, some workers already have been in serious debt, as they must borrow from private money lenders in order to pay overcharging fee and other associated costs (Dang An, 2007). The placement agents do not take responsibility in giving them information or inform them the real situation in destination countries, which make workers become victims for heartless brokers taking advantage of their situation. MOLISA decides that there are labour export agencies and illegal agents who violate government regulations on the labour export recruitment process, as the agents recruit workers when they do not have yet labour contracts.

Lacking of preparation and information for export labours: There are high percentage of Vietnamese workers apply to work in foreign countries in low-skilled works such as constructor, sailor, farmer, baby-sister, maid, garment worker etc. The workers usually share the same common problems such as difficulty in language, different climate condition, for example when it is very cold in Europe and East Asian countries such as Japan, Republic of Korea, Taiwan, China, it is hot in Malaysia, Indonesia in the South. The Vietnamese labour may not have enough information and consultancy about the destination countries, so they may have physical reaction, in company with lacking of international experiences, their working journey turn worse for lacking of preparation.

Lack of information about working condition, living standard, tax rate etc is one of common problem. There are many cases that Vietnamese employees disagree on their after tax wages in Taiwan as they were not given information about tax in Taiwan (Mai Nguyen, 2009). Employees are also deducted many fees without reasons from both Vietnam and foreign sides without any clear reason as their lacking of information part being take advantage. Hundreds of Vietnamese were employed to Sweden and Finland to "harvest" berries. After paying a high commission fees to be a candidate in the trip, the ambiguous meaning of harvesting berries in the farm and picking berries in the forest broke their dream last two summers, and there was a bad "harvest" due to the uncomfortable time for berries, they went home in debt (Son

Truong, 2009). In some serious case, labour migrants, who go to the Middle East, to Malaysia or South Korea, are not aware of the laws and cultures in these countries, as a result, they can become vulnerable to arrest and deportation (Dang An, 2007)

Third problem: Not being protected in destination countries: There is limitation of involvement of labour export companies in destination countries, where reported that there still many cases Vietnamese labours have been ill-treatment. According to Asia Pacific Migration Research Network (APMRN) research on the sample of 741 immigrants of being treated by any form of ill-treatment at work in Republic of Korea, 2003, the most common bad treatment to immigrant workers is verbal abuse, after that are seizure of passport and breach of employment contract. These have been reported as loneliness, anxiety, discrimination, exploitation, and physical abuse, among others (APMRN, 2004). The Malaysian Trade Union Council (MTUC) has reported that 600 case files opened involving 1,200 international migrants, the top violation of labour rights during the period 2000- 2005 was nonpayment of wages, followed by unfair dismissal (MTUC, 2005). The Vietnamese workers, with limitation of foreign language and worry about being losing their workplace, are usually suffered from many forms of ill-treatment.

Vietnam has been proved for the richness of young labour force, which opens opportunities for labour export service. However, labour export service quality is affected by lack of management in recruitment and retaining human resources after services. In order to recruit effectively labour from Vietnam markets, increasing management and supervising recruiting activities is necessary to get the right employees.

3.2 Finnish Labour Market

On contrast with the Vietnamese demographic situation, the Finnish population is facing the threat of shortage of labour due to old population. According to Statistics Finland, the Finnish population has reached 5 326 314 on 2009, which is

comparatively small on the total area of the nation. Recently, the immigration to Finland has increased and played a particularly important role to balance the population, especially when the excess of birth is reduced in present years. The population of Finland is the combination of Finnish and immigrants come from different origins. Based on the native language speakers, the Russian speaking group takes the majority in immigrants, then Estonian. In comparison to 1998, the number of people has almost doubled in many native language speaking groups during the period of 10 years which proved about the continuous improvement of immigration to Finland in recent years.

According to "Population Projection 2009–2060" of Statistics Finland, population growth is set to continue in Finland in the future. The prediction is based on observations on past development in fertility, mortality and migration for the whole country up to 2060. Population of Finland will exceed the number of 6 million in 2042. The annual number of deaths will exceed births in 2034, but net immigration is forecast to sustain population growth even after this.

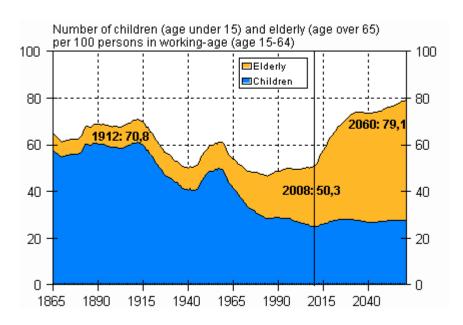


Figure 2: Demographic dependency ratio

Source: Statistics Finland - Published: 30 September 2009

The chart shows the quickly increasing of demographic dependency ratio from 2016 from 60% to 70% in 2026 and reaches 79.1% on 2060. According to the projection, the proportion of persons aged over 65 in the population is estimated to rise from the present 17 per cent to 27 per cent by 2040 and to 29 per cent by 2060. The proportion of people of working age in the population will diminish from the present 66 per cent to 58 per cent by 2040 and to 56 per cent by 2060. The number of pensioners, i.e. persons aged 65 and over, will almost double from the present 905,000 to 1.79 million by 2060. The proportion of persons aged over 85 in the population is forecast to rise from the two per cent where is stood at the last turn of the year to seven per cent, and their number from the present 108,000 to 463,000.

It is estimated that only health care and welfare sector to eliminate half of the workforce over the next ten during the year (Ministry of Employment and Economic Development Ministry's publications 32/2009). Further, it is foreseen that the workforce shortage will be mostly take place in the public sector, which is holding the highest share of the Finnish workforce at current. (Forsander, 2002)

3.2.1 Immigration in Finland

The term immigration/ immigrant(s) (maahanmuutto or maahanmuuttajia in Finnish) in Finland is used to define refugees, humanitarian immigrants and foreigners marry to Finnish. This term creates confusions in law and common thinks. In the immigration law, the immigrants are allowed to take part in integration projects, which have free language courses for three years and been granted social benefits. However, other foreigners who arrive in Finland for studying or working purposes do not belong to the group of immigrants, which means that they do not receive any social welfare support for language studies and other activities. In common sense, the term immigrant usually creates negative prejudice in native Finnish thinking, due to the prejudice that immigrants move to Finland to seek for social benefits and allowances (Grönholm, Moisio & Pajari, 2009).

When the shortage of labour is put in the context, the importance to fill the labour gap is highlighted in demographic projects. The foreigners are supposed to be an important source to slow down the rapid aging, due to the fact that foreigner portion provides younger people in working period. According to percentage age structure of Statistic Finland on 2008, the portion of foreigner in working age (20-59) takes the largest part on foreigner age structure (Figure 3).

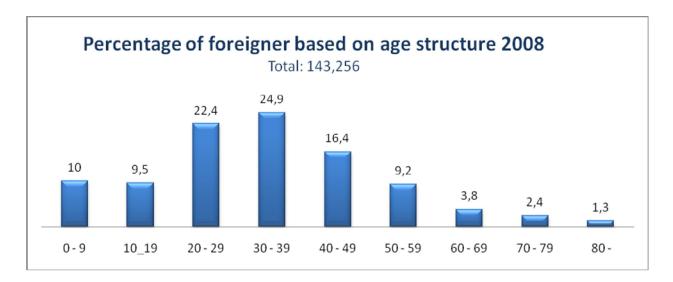


Figure 3: Percentage of foreigner based on age structure 2008

Source: Population and Cause of Death Statistics. Statistics Finland (30.12.2008)

However, it is also claimed that foreigners take a comparatively small part the work share on the labour market. Many private and public sector organisations have searched for employees and experts from foreign countries in order to replace the labour shortage However, a large number of refugees and immigrants living in Finland are unemployed, which is especially high in Eastern and Northern parts of Finland (Pitkänen & Atjonen 2002). The fact shows that there is unbalance between the demand and supply of foreign work force in Finland. In the age structure of immigrants, the portion of people in the working age takes 60% in total (Figure: Percentage of foreigner based on age structure 2008). The participation of foreigners in the Finnish labour market is, however; significantly lower than among the Finnish citizens. The average employment of the whole population in Finland was slightly

over 70 percent in 2007, however, foreigner employment rate was only 52% (Ruotsalainen, 2009). Although the employment rate of foreigners has improved gradually, it is still average. More than that, the employment rates are different in different group of immigrants.

According to employment statistics of foreign workers of Statistics Finland 2006, the most common occupations were cleaners, vendors and drivers of vehicles. Information technology was the seventh most common work of foreigners (Figure 4).

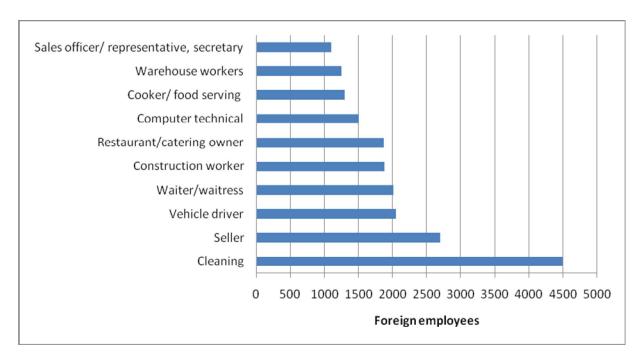


Figure 4: The most common occupational groups of foreign 2006

Source: Statistics Finland 2006

According to occupational groups' statistics which employed more than 10% foreigners, the highest recruitment related to language skills such as translators, interpreters, lecturers or freight forwarders, dancing or art, then restaurant and food industry. Many of immigrants get their first job in Finland as cleaners in hotels or in restaurants. The cleaning services offer reasonably requirements so that it is easy for immigrants' participation. Recruitment in these services is normally determined by the person's informal qualifications such as his/her physical condition, attitude, cultural

and social skills. Finnish language skills are also taken in account of reliability by employers (Paananen, 1999).

Andersson (1992) in his study of refugees on the Swedish labour market also points out one type of voluntary unemployment among educated refugees who are unwilling to do manual labour. The graduated immigrants tend to take least job offers to them for the reason of unsuitable professional training or experiences.

One of the important reasons that cause problem for immigrants or foreigners to look for a job in Finland is the employers or management attitude about foreigner. Andersson (1992) in his study also states that unemployment is also a result of rational decisions in companies. According to a survey on recruitment of foreign employees in Helsinki, Espoo, Vantaa, Kauniainen, Tampere, Turku and Lappeenranta (Heikkilä, 2002), 32 employers responded on the common prejudices on foreign employees which effect to foreigner recruitments (Figure 5).

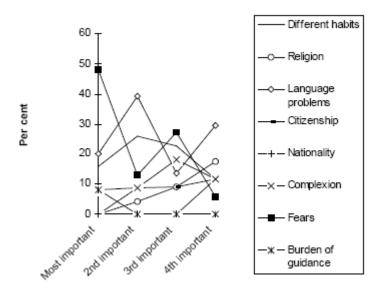


Figure 5: Causes of prejudice among employers

Source: Heikkilä, 2002

According to the responses, fears, languages problems, different habits stand the first group to create prejudices to foreigners, while burden of guidance, religion, nationality, citizenship and complexion are minor factors.

The balance of Finnish economy is also affected mainly by Finnish attitudes toward foreigners. In the research about Attitudes towards foreign labour 1987-2003 by Magdalena Jaakkola, a research of Ministry of Labour, the result shows that Finnish attitude towards foreigners turn to be favorably positive after economic recession (1993), when Finland needs more labour force for flourishing the economic and lacking of labour problem can be predicted (Figure 6).

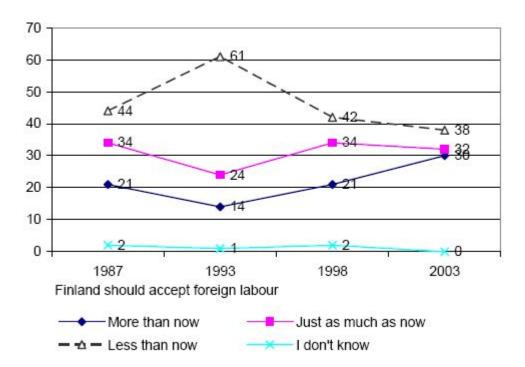


Figure 6: Attitudes towards foreign labour 1987-2003

Source: Jaakkola, 2005

The survey also reveals that the immigrant's occupation has special effect on Finnish attitudes. In 2003, 50% of Finns in the survey express that Finland should recruit more "skilled" foreigners than it does now, for example, experts and scientists, students and language teachers. Over one third want to increase the number of

foreign entrepreneurs to come to Finland, the foreign job seekers are not in favorable group. The respondents also support for the group foreign professionals as doctor, teacher, child care worker, social worker, employment agency official and police and also "typical immigrant occupations" found in many countries, meaning as cleaners and taxi drivers. It is also easy for Finns to accept immigrants to work as co-workers than as supervisors.

3.2.2 Paradoxes in Finnish labour market

Nearly 170 Finnish companies operate in China, employeing approximately 22,000 people, according to the Finpro statistics (Sillanpää, 2004), while the unemployment rate in Finland is comparatively high in Europe, created the paradox named "China" Syndrome". Government policy program promotes immigration, the Chief Executive Officer of the Confederation of Finnish Industries has stated that Finland needs thousands of new foreign workers a year (Jokivuori, 2007), the difficulties of foreigner to seek jobs in Finland are still high. The Finnish attitude survey shows that Finnish refer immigrants should be "skilled" (Jaakkola M., 2005), The experienced and graduated immigrants normally face the tragedy of difficulty to find the suitable job, or have to do "entrance jobs", which are cleaning, driving or catering. "The recruitment of immigrant graduates is particularly problematic; immigrant experts are frustrated by the fact that the jobs offered to them are far from always their education" (Heikkilä, 2002). The paradox proves that the foreign human capital has not been completely used in Finland. Especially during the extreme time of economic recession such as during 1993 and at current, 2009, the friendly attitude of Finnish toward immigrants goes down. The statistic number has proved the positive feeling of Finnish will go up after the recession time, when Finland need a lot labour (Jaakkola M., 2005), this shows the weakness of sustainability in retaining foreign human capital.

While the Finns search for international human resources outside the country, there is an available source has been neglected internally, which is a large number of international students educated by the Finnish education system in universities and universities of applied sciences. Students normally return to their country after graduation, as they have problems of searching for career opportunities in Finland. The United States information technology is said to be fueled by excellent foreign students that flow to the US annually. Despite the fact that many foreign students have found a placement in Finnish IT companies, the effort of companies to employ foreign students is low, with the biggest obstacle with regard to language. However, foreign students do not belong to the integration program, so they cannot receive free Finnish courses and other training.

3.2.3 Immigrants - Human Capital

With the aging population of most of developed countries throughout Europe and North America may find they have to improve their services to attract immigrant workers. Experienced countries with immigrants such as Canada, Australia now try to attract more skilled immigrants to their countries by different policies. According to the United Nation Development Programme (UNDP, 2009) and its 2009 Human Development Report (Human Development Report 2009, 2009) that ranked 182 countries in terms of the quality of life of their citizens, or the UN Human Development Index (HDI), Finland stands rank 12th in the list, which shows that Finland is a prominent destination for living. However, the sustainability of Finnish tolerance to immigrants fluctuates with economic situation and the human capital of foreigners has not been fairly used, which is proved by the most common jobs of foreigners. Besides trying to be immigration friendly destination (Yle, 2008), the foreigners human resources should be set in good strategy during recruitment, training, and retain the immigrants. The process should be both sides for immigrants and Finnish, so that Finnish tolerance is increased, or at least the immigrants should be considered as assets, not liabilities.

3.3 The employment-based immigration recruitment project in Kauhajoki

The Kauhajoki area has a population of 14400 people in 1 299,3 km², with the percentage of 15-64 years old population is 65.2% and the proportion of retired population is 25.4%, which is comparatively higher than the national percentage (22,7%) (Kauhajoki Report, 2009). Kauhajoki has approximately 900 companies, provides high demand in labor force, especially in metal, wood and farming industries, which are the main industries of the area. The high retirement rate has alarmed for the municipality about labour shortage in the coming years. Some companies in the area were in shortage of labour, due to the number of people who will going to have pension and especially in metal, wood and furniture industries, it is not easy to find workers in the area. Kauhajoki Town officers have actively sought for the labour source around. The option of using foreign labour force has been applied before in the area. There have been Polish, Russian or Estonian immigrants being employed. However, the short geographical distance creates the high mobility for those groups of migrant workers, in long-term business, this is not a good return on investment to focus on short-time employees. In the end, Kauhajoki has sought for solution in South-Ostrobothnia area, and the prospect of recruit migrant workforce from Vietnam has come to the context.

The project has been carried on by means of visits and discussion between Finland and Vietnam. On November 2007, the first trip to Vietnam happened, accompanied with interested companies. After interviewing, 17 candidates have been chosen from Vietnam, from two metal companies and four wood and furniture companies.

On the Vietnamese side, Hanoi Industrial Vocational School organized a recruitment event to select candidates. After being selected, the candidates had a three months' training in the English language, safety issues and Finnish culture. In addition, they received additional professional training.

The successful candidates departed to Finland in October 2008. The Welcome Home, Suupohjan! Project, was set up in summer 2008. The project was located in the International Center of Kauhajoki Region (INKA) with an international coordinator and trainees, who supported the foreigners in the Kauhajoki in general and newcoming Vietnamese workers with information, culture, housing, language training and other practical issues. After one and a half months' to two months' training about skills and the Finnish language, the Vietnamese workers started to work and settled down in Kauhajoki.

However, problems occurred when one employer claimed that the Vietnamese employees they have were completely different from their recruitment requirements. Two employees also claimed that they were not recruited in their professional area. Conflicts rose; two workers had to leave the company due to the big mistake in the recruitment process.

From the employees' side, the commitments that the project had delivered to them have seemed to be so longer they can expect. As 14 over 17 immigrant workers have been married in Vietnam, many them have children, they expect to be reunited with their family in Finland after 6 months to 1 year. However, according to the Finnish immigration Law, the new basic salary is one of the biggest challenges that create obstacle for Vietnamese workers' families to move to Finland. The Finnish Immigration Law states that foreign workers should acquire certain level of income to apply for their family member's visa:

	€ month	€ year
1. adult	900	10800
2. adult family member	630	7560
Children in family	450	5400

Table 1: Income requirement to apply for family resident permits

Source: Adapted and translated from Voiko Sitoutumista Siirtää?, 2009, Työ- ja elinkeinoministeriö

The immigration system requires the parent who has children should acquire at least 2430 euro after tax per month to have his family in Finland. The number is very high to achieve a new worker in Finnish company.

Even worse, the economic recession has turned worse from spring 2009, which has caused laid-off situation for many Vietnamese workers. Although they joined employment-based immigration, they were granted resident permits of the temporary type B, which has many limitations for Vietnamese workers in continuous resident permit application and social benefits. At present, some workers, who have not experienced laid-off situation, have stabilized their life in Finland, the rest are in an unstable situation as it is not easy to solve residence permit problems during lay-off period.

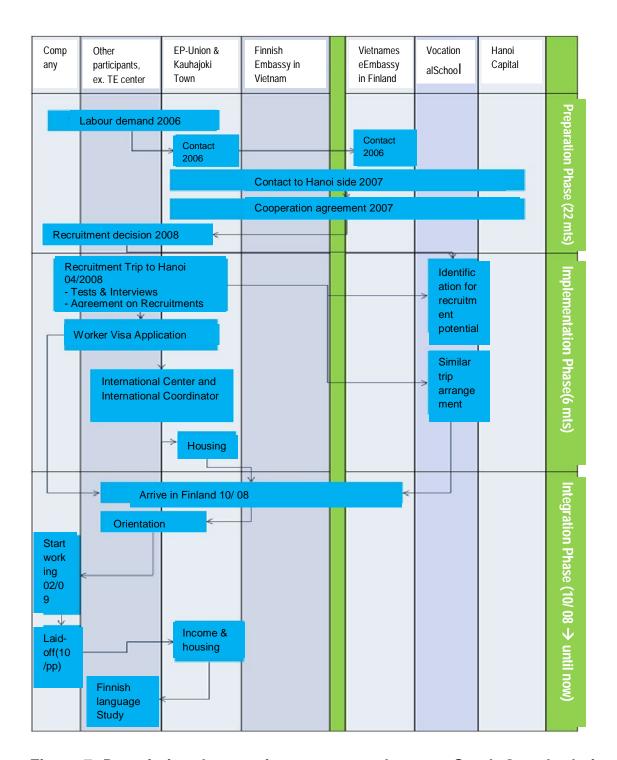


Figure 7: Description the recruitment process between South Ostrobothnia and Vietnam

Source: Adapted and translated from "Voiko Sitoutumista Siirtää?, 2009, Työ- ja elinkeinoministeriö"

4 Theoretical foundation for international cultural Human resources management: Cultural Dimensions of Geert Hofstede

The immigrant scenario in Finland portrays ethnic tension between foreigners and native Finns. This is one typical example of a rapidly increasing trend of people moving across the borders to follow the changes of global market. Understanding different cultures and increasing the culture tolerance are important for successful international workforce management and sustainable international human resource development for long term. "Culture is more a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." (Hofstede, [05.05.2010]). Culture has been central for researching to avoid the "nuisance" and "disaster" due to the differences in human behaviors at work and different ways of thinking and doing business.

Hofstede (1994) states that attitudes and behaviors of human are affected by culture, and human affects the society. An immigrant tends to think and act as the cultural and society systems that program his or her mind. When discussing about culture, there are numbers of approaches about this topic. "Culture is defined as the socially transmitted behavior patterns norms, beliefs and values of a given communities" (Salacuse, 1998). Hall defines culture as "a pattern of behavior transmitted to members of a group from previous generations of the same group." (Hall, 1976). Sharing the similar definition, Avruch defined "culture is a derivative of individual experience, something learned or created by individuals themselves or passed on to them socially by contemporaries or ancestors" (Avruch, 1998). Hofstede regards culture as the set of collective beliefs and values that distinguish people of one nationality from those of other (Hofstede & Bond, 1984). He has created a cultural model that helps to identify levels of issues being involved in this complex problem by using "international variables, or dimensions" (Hofstede, 1994) of culture. Hofstede made a survey for IBM with the participants of 100,000 individuals from fifty countries in the world and three regions (Hofstede, 1994). He measured the cultural dimensions by unique international variables. In "Software of the mind, 1994", Hofstede discusses

culture as mental programming. He proves that human's behavior is only partially predetermined by her or his metal program, which is affected by the family and social environment in which they have developed. The "mental software" here is the culture. "Culture is learned, not inherited". Culture lies between the individual's personality and human nature, which forms the levels of mental programming (Figure 8).

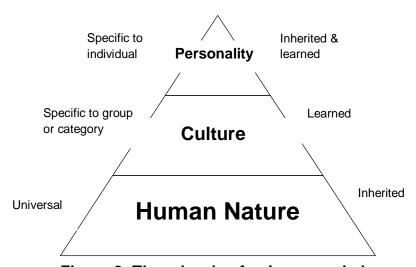


Figure 8: Three levels of uniqueness in human metal programming

Source: Adapted from Hofstede, Cultures and Organizations: Software of the Mind (Hofstede, 1994)

According to Hofstede, cultural differences manifest themselves mainly by four concepts. He illustrated the cultural differences in layers of depth by an onion diagram, where values are the deepest layer of culture (Figure 9).

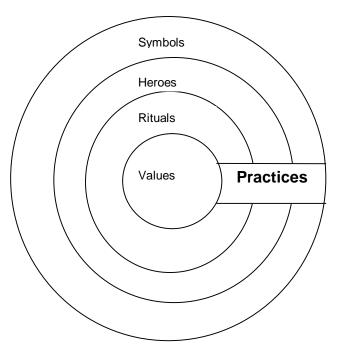


Figure 9: The "onion diagram": manifestations of culture at different levels of depth

Source: Adapted from Hofstede, Cultures and Organizations: Software of the Mind (1994)

The values are considered as the core of culture, which are not obtained by practices the same as symbols, heroes, and rituals. Values are absorbed during the childhood unconsciously. The value system affects the way that an individual thinks and behaves.

Hofstede has also developed four important cultural dimensions. The validity and reliability of these four cultural variables have been tested and found to be very strong in subsequent studies (Hoppe, 1990). The Long- versus Short-Term Orientation, or can be called Confucian Work Dynamism (Hofstede, 2001), was added as the fifth dimension latterly. The Hofstede's Cultural Dimension are summarized in the following table:

Cultural Dimensions	Interpretations	Managerial Implications
Uncertainty Avoidance	Rigidity vs. Flexibility	Formal vs. Informal Procedures
Power Distance	Equality vs. Inequality	Centralized vs. Decentralized Decision Making
Individualism vs. Collectivism	Self vs. Group	Individual vs. Group Rewards
Masculinity vs. Femininity	Material Success vs. Concern for Others	Competition vs. Cooperation
Confucian Dynamism	Virtue vs. Truth	Long-term vs. Short-term Orientation

Table 2: Hofstede's Cultural Dimensions and Their Managerial Implication

Source: Adapted from Hofstede, Cultures and Organizations: Software of the Mind, 1997

The cultural dimensions of Hofstede play an importance role in the analysis of cultural differences in thinking and behaving of immigrants in different cultural environment, and the cultural conflicts between the local employers and immigrant workers in organisation management.

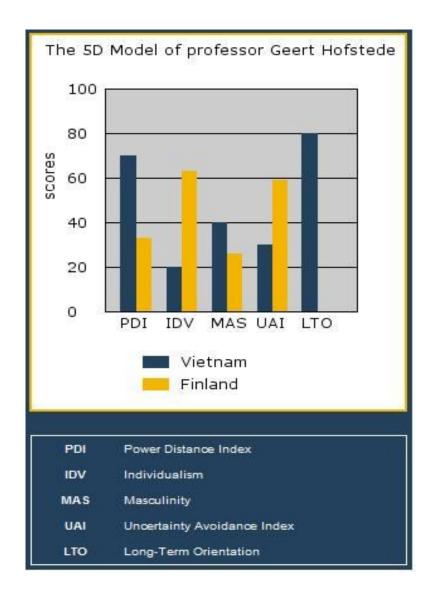


Figure 10: Comparison 5 cultural dimensions between Finland and Vietnam

Source: Hofstede, [05.05.2010])

In Figure 10 Vietnam and Finland are contrasted with regard to Hofstede's cultural dimensions. The first four show that Vietnam and Finland almost are 50% different from each other in each dimension. There is no data showing Finland's long-term orientation index in the fifth dimension, however, other researcher commented that Finland, together with that USA, France and Germany are comparatively low in LTO (Hofmann, [05.05.2010]) Large cultural distances between Finland and Vietnam show

big differences in the way of thinking, behavior and the system of values of people from two countries, and how Vietnamese have to adapt to live and work in Finland.

4.1 Power Distance

Power Distance Index (PDI) concerns the inequality in the society. "Power distance is a measure of the interpersonal power or influence between boss and subordinate as received by the less powerful of the two, subordinate." (Hofstede, 2001). Power Distance (PD) is defined by Mulder (1977) as "the degree of inequality in power between a less powerful individual and a more powerful other, in which individual and other belong to the same (loosely or tightly knit) social system"². The inequality in society can occur in different areas such as physical and mental characteristics, social status and prestige, wealth, power, laws, rights and rules. There are differences about power distance in different countries in the world. In some countries, the politicians enjoy the status and power without wealth, on the contrary, politicians can have power, wealth and status in some places. In high PDI countries, there tends to be inequality among the members in the society, and lack of free communication across different levels of the hierarchy, and centralized control that can stifle creativity (Vance, Paik, 2006)

In business arena and organizations, the Power Distance is shown by the "unequal distribution of power" between bosses and subordinates (Hofstede, 2001). In a high PD company environment, employees are supposed to respect and follow the orders of boss, while in a low PD environment, the employees are encouraged to discuss problems and solutions at different levels.

The PDI of Vietnam is approximately 70, is almost double compared to Finland's index (Figure 10). The high PDI in Vietnam shows large distances in society and in the working environment. Being affected by Confucianism for a thousand years,

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² See in Hofstede, 2001

Vietnamese culture values the order in society that juniors should obey and respect seniors, which maintains a well-ordered society. The senior vs. junior relationships include the boss vs. employees, government vs. citizen, the older vs. the youth, parents vs. children, husband vs. wife, teachers vs. students. Actions which go in contrary directions are remarkably wrong. On the contrary, Finland, like the other Nordic countries, has a comparatively low PDI: 33. The working environment in Finland has features of low PDI; employees work independently, discuss and manage problems with managers and the distance between boss and subordinates is rather small. When a Vietnamese worker, without being training about Finnish working styles, works in a Finnish company, cultural conflict situations may occur such as lacking of communication between worker and supervisor, due to the traditional fact that it is a respectful way for seniors to let them talk and give orders, and, can be regarded as lacking of willingness to teamwork by Finnish manager. More than that, being affected by a high PDI, Vietnamese workers may "expect to be told" instead of consulted (Hofstede, 2001), not confident to manage their tasks, while the Finnish boss expects employees to work independently. Even worse, a high PDI can be seen in the situation of lacking of reporting if the worker made a mistake during the production stage. In fact he or she was afraid to report the mistake to supervisor, and managed to fix the mistake by himself/herself, which may lead to unpredictable consequences. The high PDI workers in a low PDI environment may cause difficulties for managers due to lacking of reporting, poor creativity and low team work among workers. On the other hand, the image of an ideal boss is reduced in the way that high PDI workers think an ideal boss should be "a benevolent decision maker", formal and take care of workers as a "good father" (Hofstede, 2001).

4.2 Individualism vs. Collectivism

"Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede, 1994, 2001). In individual society, people can make decision and confidently do what they feel correct. In collective society, people belong to groups, the decisions are group decision, and people tend to be reluctant to make their own decisions or do what they want. Hofstede (1994) mentions that there is a negatively correlation between collectivism and high Power Distance. Culturally people who depend on a group will also be dependent on powerful others.

High Individualistic (IDV) people want to make decisions, be responsible and manage things themselves. They tend to be calculative, want to have freedom and challenges at work and make only specific friendships. On the contrary, the low IDV people want to have group decisions, care about interesting tasks, a successful and famous company rather than real earnings, have a large network of friendships (Hofstede, 2001). In their perception about each other, collectivistic people think high IDV people are calculative and selfish, while IDV people think collectivistic people cannot get out of their community.

Finland and Vietnam are very different concerning the IDV Index: while Finland scores 62, Vietnam stands at 20. At work situation, low IDV Vietnamese workers tend to be gathering in groups and very shy to make decisions or conclusions by themselves. Employees perform the best in a group, not at the individual level. They can create close networks like a family link in a working environment. While Finnish managers expect workers to perform tasks individually and make decisions independently, the group and relationship focus of low IDV workers may cause cultural conflicts. In management, manage low IDV workers need to care about the

family and group, while manage a high IDV need to focus on that individual only. In an integration process, low IDV Vietnamese are easy to feel lost and lonely in Finnish society as it is not easy to have contacts and friendship networks.

4.3 Masculinity vs. Femininity

The Masculinity (MAS) related to gender roles. Hofstede (2001) states that "masculinity stands for a society in which social gender roles are clearly distinct: Men are purposed to be assertive, tough, and focus on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: Both men and women are supposed to be modest, tender, and concerned with the quality of life". Individuals in a high MAS environment value women and men differently, privately of employees may be invaded by employer, higher job stress, advancement and earnings are important, so is great need of recognition. In low MAS society, men's and women's roles are fairly balanced.

Vietnam gets 40 and Finland rates 26 in MAS. The two countries are not so high in MAS in comparison to other countries although, Vietnam scores higher. The differences between Finnish and Vietnamese employees are Finnish "work in order to live", while Vietnamese "live in order to work" (Hofstede, 2001). At work, a high MAS individual tends to be mutually competitive, focused on performance, while a low MAS worker chooses fewer hours at work, more sick leaves, and is not so ambitious. Women hold more positions at the managerial level in low MAS. During selection and interviewing process, the MAS also affects by the way high MAS candidates tend to "over-qualify" themselves, while it will be "under-qualification" in low MAS applicants. When Vietnamese work in a Finnish environment, they may feel lack of motivation due to no competition. Some individuals may feel uncomfortable to have a female boss. They may feel Finnish fellow workers and superiors are lazy because they are

not competitive and stressed at work. Lacking of motivation may affect Vietnamese in the integration process as well. They may feel no goal or target to achieve and not enough activities or tasks to do in their living environment.

4.4 Uncertainty Avoidance

Hofstede (1994, 2001) defines Uncertainty Avoidance (UA) as "the extent to which the members of a culture feel threatened by uncertain or unknown situations". The feeling is expressed through nervous stress or in need of predictability in the form of written or unwritten rules. In an ambiguous situation, people from different countries express or act in different ways depending on which level UA country they come from. In term of stress, anxiety and expression of emotions, people from a low Uncertainty Avoidance Index (UAI) country have a lower level of pressure, and freely express their emotion, while in high UAI, people suffer more from stress and try to keep their emotions unreadable. In low UAI countries, the need of sharing of happiness is higher in the community; people are more ambitious and less loyal. More than that, they accept changes easier, trust people easily, and accept the idea that the boss can be a foreigner. Rule breaking ideas are also more popular in those countries. On the contrary, high UAI countries people tend to have low ambition, resist changes, be loyal to the company, not accept rule-breaking, be suspicious of foreigners, especially expat managers and live in harmony with nature.

Finland is comparatively in the middle of the high UAI index group, scores 59 UAI, which is rather close to Germany (65) and Switzerland (58), and far away from the other Nordic countries such as Denmark (23) and Sweden (29). Vietnam grades about 31 UAI, which is quite close to Hongkong and Sweden. Vietnam is lower than Finland in UAI. When Vietnamese workers work for a Finnish company, UA conflicts may happen due to differences in viewpoint to solve the situation. The low UAI workers tend to be "skeptic to technical aspects" (Hofstede, 2001) and trust "common sense", which will be seen as slowness in high technical training or working condition.

Precision and punctuality may be broken, so those characters should be trained and managed. The ambiguity in structures and procedure is easy to be accepted to a low UAI person, which may cause conflicts during the training and working period. Different from low UAI Vietnamese, Finnish supervisors expect the workers to be precise and punctual at work as a natural attitude. In the working environment, Vietnamese tend to have relationship orientation, while Finns are task-oriented. The differences may create a wrong perception for high UAI superiors and workers if low UAI employees tend to apply skills at work and be more relationship-oriented rather that task-oriented. It may result in a situation where the manager is reluctant to assign tasks for low UAI workers due to the trust of correctness. On the other hand, Vietnamese workers may feel the Finnish working environment is rigid and boring, technically extreme and lacking of human contact.

In the integration process to Finnish society, Vietnamese may suffer from the trust system in Finland that minimizes their social contacts. The achievement motivation in Finnish society is not high due to the fear of failure and prefers security motivation, while Vietnamese tempt to take risks, they are ambitious and hope for success. These features may make Vietnamese feel Finland as a boring place, due to low motivation.

4.5 Confucian Dynamism or Long- vs. Short-Term Orientation (LTO)

This feature is typically for East vs. West thinking. The fifth dimension was added later compared to the other four. The fifth dimension strongly reflects Confucianism, which is shown very high in East Asian countries, especially being affected by Confucius such as China, Vietnam, Japan, Taiwan, North and South Korea. The Confucian Dynamism values virtues rather than truths. The virtues such as tolerance, harmony with others, intimate friendship, trustworthiness, conservatism, solidarity and lack of competition. In a high LTO country, relationships are ordered by status, thriftiness is supposed to be a good character and children definitely should learn

that, leisure time is not important, important milestones in life are not at present but in the future, adaptation of traditional styles to new circumstances, perseverance. The LTO pushes people to invest, save money, work hard and be ready to take risks in this life to invest for the next generation, while in short term orientation, people work and enjoy for the present. LTO data is not shown Finland's index, however, Vietnam scores 80 LTO, which is comparatively high. This shows the attitude of hard working of Vietnamese to save money for their children or for the future.

5 Empirical research

The research aims to measure the satisfaction of Vietnamese workers about living and working in Finland and their employers in Kauhajoki about Vietnamese workers and recruitment quality in the employment-labour immigration recruitment project. The research has been developed in three phases, applying both quantitative and qualitative researching methods:

Phase 1: Sending questionnaires to 18 employees in January 2009. (Appendix 3: Questionnaire for Vietnamese workers in Kauhajoki 01.2009)

Phase 2: interviewing in person with 6 employers of Vietnamese in Kauhajoki (Appendix 1: Employers interview list and Appendix 2: Questions for employers)

Phase 3: Sending questionnaires to 15 Vietnamese workers in January 2010. Comparing the satisfaction of Vietnamese after living in Finland for one year (Appendix 4: Questionnaire for Vietnamese 01.2010)

The interviews and questionnaires were conducted with the support of INKA.

The purposes of the survey are via interviewing employers about their satisfaction and expectation towards Vietnamese workers to know about problems caused by cultural conflicts, and cultural comparison and contrast between Finland and Vietnam using the Cultural Dimensions theory background. The interviews also include

questions about what their opinion about the recruitment package they had taken part in, in order to collect their experiences and opinions to analyze the quality of recruitment service, so that the suggestions and recommendations for effective recruitment methods between Finland and Vietnam can be achieved. The questionnaires to Vietnamese employees aim to concentrate on the satisfaction of the Vietnamese, their positive and negative thinking about living and working in Finland and what problems they have had for a new life in Finland, at the same time, their problems are analysed in the framework of Cultural Dimensions of Hofstede. By analyzing and combining the research results of employees and employers, a suggestion is presented for suitable recruitment solutions for company in Kauhajoki.

5.1 Research on employees

The first questionnaire (Appendix 3: Questionnaire for Vietnamese workers in Kauhajoki 01.2009) was delivered in January 2009, two months after the Vietnamese workers had arrived in Finland. The questionnaire was delivered to 18 Vietnamese workers in Kauhajoki, and responses were received from 17 respondents. This questionnaire focuses on two main parts: satisfaction of living in Finland: what difficulties they have and what they expect further for their new life in Finland, the second part is about housing, which is internal research for INKA.

The second questionnaire was conducted in January 2010 by INKA, with three main parts: Life and activities in Kauhajoki, language course and future plans. The questionnaire was sent to 15 Vietnamese workers and the results were collected from 8 respondents, mainly from laid off workers.

In the survey, asked how satisfied they were with the decision to come working and living in Kauhajoki, Finland, 70% responded that they were happy, of which 10% thought it was ok, the rest said they were unhappy with the decision to come to Finland (Figure 11).

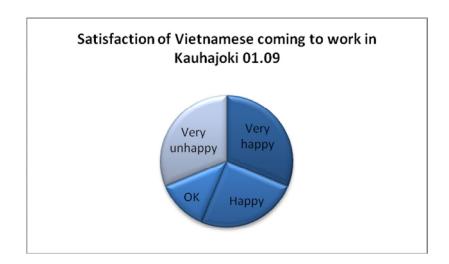


Figure 11: Satisfaction level of Vietnamese workers after 2 months living and working in Finland (01.2009)

The reasons why many of the workers have suffered when living in Finland relates to many issues, however, the main issue that most of them are concerned about their family in Vietnam and their new jobs (Figure 12). As mentioned in 3.3, 75% of the workers are married with children. Having characteristics of Collectivism and low IDV (Hofstede, 1994, 2001), Vietnamese workers are family and relationship focused. Concerning how their wives manage the family with children without them is in their mind. It also needs to mention that culturally the Vietnamese man is the breadwinner if they have a family. Vietnam is also high in LTO, that causes deeply concern about what will happen in the future. Concerning family issues, the Vietnamese workers hold in their mind the promise from the project about bringing their family to Finland.

Work and money are the second and third worries. Culturally high MAS and LTO push the characteristic of high motivation at work and willingness to invest in the future. However, the first two months in Kauhajoki were the preparation stage for actual work, real actual result was not yet achieved. Working conditions with large cultural differences in PDI, UAI and IDV cause worriness in daily work such as timing, quality-focus, task-orrientation, safety, and machinery applications and control. More than that, language has been the biggest obstacle for multual understanding

during the training and working period, as a majority of the Vietnamese workers can communicate in basic English only. Besides working situation, finance was the third biggest worry, due to the imbalance of the currency beween Vietnam Dong and Euro that could not cover their expenses for the first few months.

The low IDV and low UAI show the effect on Vietnamese workers of their worries about household, activities and friendship, and neighbours. As Finland belongs to the group of high UAI (Hofstede, 1994, 2001), trust system has been applied for foreigners. It has not been easy to get Finnish friends in a short time, even though INKA actively created local friend circles for them. Vietnamese, on the other hand, are relationship-focused and have high demand for social network, the Vietnamese workers experienced cultural shock in Finnish society. More than that, in the beginning they were arranged to live in five different houses in Aronkylä village, where their work places were just near by. The roommates issues arose when they started to adapt to the new living lifestyle in Finland, and conflicts in relationships happened, such as senior vs. junior, and differences in characteristics. Weather and food, which are totally different from Vietnam, were minor concerns to Vietnamese.

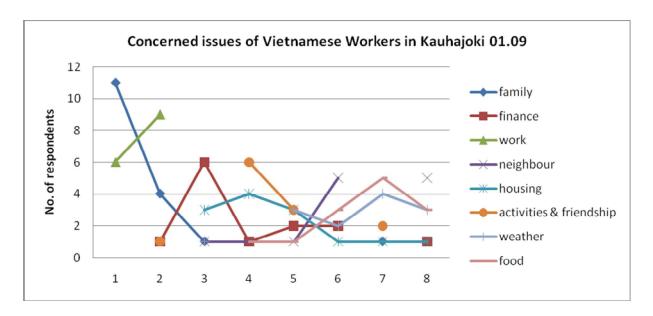


Figure 12: Concerned issues of Vietnamese Immigrants in Kauhajoki with 1 is the biggest concern and 8 is the least (01.2009)

Concerning the question related to what problems Vietnamese workers faced with, 40% of their problems had been stated as language, as most of the workers can communicate in basic English, and Finnish which they had a chance to learn for two months, the language has been the biggest barrier in their new life and work. Weather and transportation were also main factors creating problems for migrant workers. While the temperature in the North of Vietnam is 25-30C, it was minus several degrees during the winter time in Finland. Related to the winter time, Vietnamese found it was not easy to go out in the cold weather. While the motorcycle was the main transportation in Vietnam, in the early stage, Vietnamese had to start by bicycles or walking to work place, which was challenging for some of them in the winter time. Some of them faced with problems with family or work place, with the reason mentioned above. Some people have problems about family, finance, food and homesickness. Depending on the expectation and the ability of adapting to the new environment, each individual had different problems. Challenges such as the weather, and transportation in a new environment were big issues to the Vietnamese workers due to the low IDV culture (Figure 13).

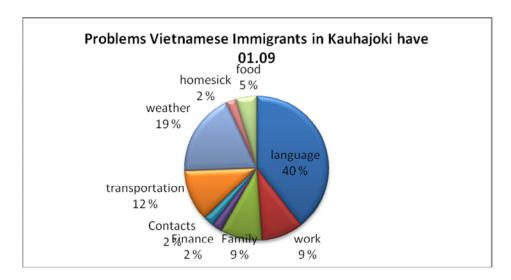


Figure 13: Problems which Vietnamese workers in Kauhajoki in January 2009

After one year living and working in Finland, a high percentage of the Vietnamese responded in the second survey that they had improved mostly in the Finnish lifestyle, culture and language, which proved the active roles of integration process. They evaluated the progress in the Finnish language learning and improvement in independence, however, a small percentage responded that they are not satisfied with their improvement (Figure 24).

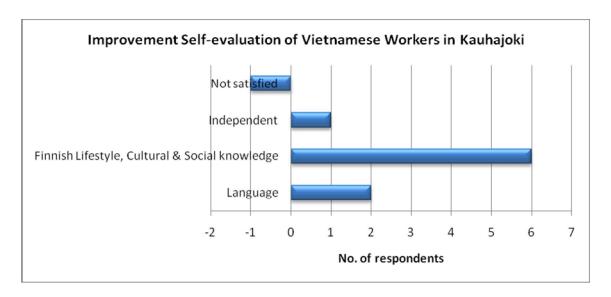


Figure 14: Improvement Self-evaluation of Vietnamese workers in Kauhajoki 01.2010

About the positive and negative impacts that they had experienced after one year living in Finland, Vietnamese responded that the most impressive thing about Finland was well-ordered society, citizens obeyed the rules. The other positive features were remarks of a clean country, friendly people, high individualism and strong social welfare. About the negative impacts, the worst feeling was about work. It needs to be mentioned that 85% of the respondents in second survey were lay-off workers, who marked negative responses about work situation. The LTO had profoundly affected the responses about satisfaction about work situation. Language was also in their objection list. Having joined the Finnish courses, most of them said that they were not yet confident with Finnish. Many responded that they found it boring to live in Finland,

without explanation. The reason may come from the winter depression at the time the questionnaire was delivered (January.2010) and evidently cultural differences in lifestyle ways of thinking and working between Vietnam and Finland. Being a Collectivist country, people traditionally live in a big community and family in Vietnam, and closely relate to each other, while in Finland, people live in nuclear families and are independent of each other. Vietnamese were not satisfied with their social relationships and networks as they used to have, so they felt lonely. Other problems were related to common topics such as activities and contact, cultural differences, weather and transportation (Figure 15).

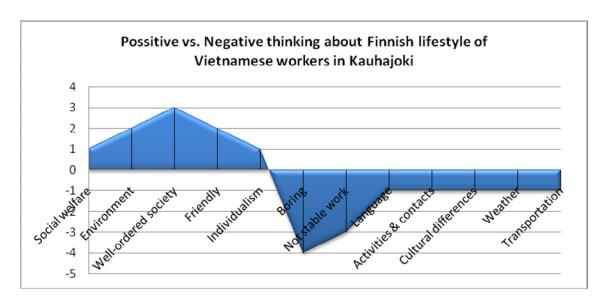


Figure 15: Positive and negative perceptions of Vietnamese in Kauhajoki toward Finland 01.2010

Freud's Iceberg Model for Unconscious, Pre-conscious and conscious mentions that only 10 - 15% of human conscious level is observed, while the majority parts are suppressed underneath in the unconscious level (Freud, 1940). In certain conditions, the negative impacts protrude and cause damage. It can be seen as the iceberg thinking, when the positive thinking confront the Vietnamese to live in Finland, the negative thinking may damage their willingness to stay and work in Finland. Because of that, it is necessary for cultural understanding and training.

5.2 Interviews with employers

The process included sending an invitation to employers in April 2009, scheduled for a direct meeting and interviews in person in May. There were six employers from six companies. Four of them represented wood and furniture industry, one metal and one electronic company, and all of them had Vietnamese workers in Kauhajoki (Appendix 1: Employers interview list). The interview focused on two main points: comments and satisfaction levels of employers toward Vietnamese employees and their viewpoint about the recruitment method (Appendix 2: Questions for employers).

The satisfaction level of employers is different depending on which standard the company expects the employees should have, and depending on the performance of workers (Figure 16). Most of employers gave positive comments about Vietnamese workers such as hard-working, friendly, willing to learn, good attitude, enthusiastic, concentrating and working with speed. However, there were many points in which Vietnamese workers have not met requirements. The average satisfaction level of employers was about 3 with 5 as the highest. There was one special case in which the employer received the employees unintentionally without joining the recruitment, so they were not happy with skills or knowledge of the workers. In comparing Vietnamese employees' skills, knowledge and other characteristics to other foreign workers who came from Russia, Estonia or Poland, some employers expressed that it was not easy to compare, as language had been the biggest barrier for evaluation. Each country had different values and standards on work performances.

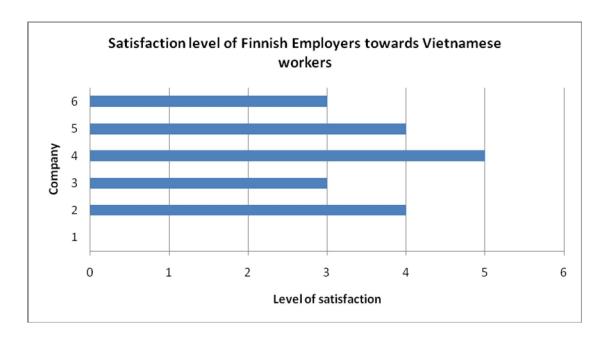


Figure 16: Satisfaction levels of employers toward Vietnamese employees, level 6 are the highest

The biggest problem was languages, both Finnish and English (Figure 17). While language was the important channel to give instructions and technology transfer, not any Vietnamese worker in the group met the requirements. Interpreters helped the Vietnamese during training and practicing for the first two months. However, the lack of language skills was the biggest objection. The Finnish employers could speak English well, but supervisors and workmates prefered Vietnamese workers to communicate in Finnish. The cultural feature of high PDI could affect the communication channel between Vietnamese workers and supervisor, in the way that the workers respected the seniors so much that they chose to listen than talk. One employer commented that in the beginning, they were very excited with the newcomer about language and culture. After a few months, the excitement faded out quickly due to the difficulty in language. Iit was not easy to build up a good team, especially in a small company, without common language. In bigger companies with many other international people, lacking language skills might result in alienation inside the company. Due to the low IDV of Vietnamese, Vietnamese workers tended

to nestle in a group for the undestandable reason that they could not communicate well with others, which was not easy for team building.

The other flaw that migrant Vietnamese workers usually had in most of the case was working technique and skills. According to one employer, the Finnish working environment focuses on practical tasks and multi-tasks, theory-focus without real practicing was not effective. More than that, the Finnish working environment applies high machinery systems that require concentration and certain level of technical knowledge. Despite the fact that technical training and applications in Vietnam are not as modern as in Finland, Vietnamese have low UAI, which means "skeptical to technology" (Hofstede, 1994), and tempted to be rule-breakers, which might cause a risk of occupational accidents without training and supervising. Besides, speed was also a cultural conflict of UAI in the working environment. While the Finnish standard focuses on quality, there were some reported cases that some workers were very speedy at work, which caused products that do not meet the expected standards, or occupational injuries. It might come from the previous experiences that Vietnamese workers had in Vietnam or other countries such as Malaysia, that working standards focus on quantity not quality. Some employers expected their workers should manage the tasks confidently and independently. This point reflected cultural conflicted of IDV between Finnish and Vietnamese working style. The Vietnamese workers obeyed the boss and waited for the instructions and assignments of the management level as a way to show recpect to the senior.

Eastern-Western culture conflict was shown in communication styles as well. While Finnish communication valued the straight-to-the-point, Vietnamese culture considered that it was rude that way. That feature might affect the quality of the production, as trainers or supervisors assumed that when Vietnamese workers said "yes" which meaned yes, however, it meaned on the contrary or not 100% yes. This issue did not need to relate to honesty, but to cultural differencies. The consequences were confusion and difficulties for management. For example, the supervisor asked if workers understood the instructions, the worker might say yes, they might not really

do. When working, the workers might do the wrong things, and tried to fix the problems themselves, which sometimes caused unpredicted consequences. These characteristics are effected by low UAI and high PDI, that workers tempt to accept unclear situation and ambiguity, while respecting and obeying the senior cause lacking of reporting.

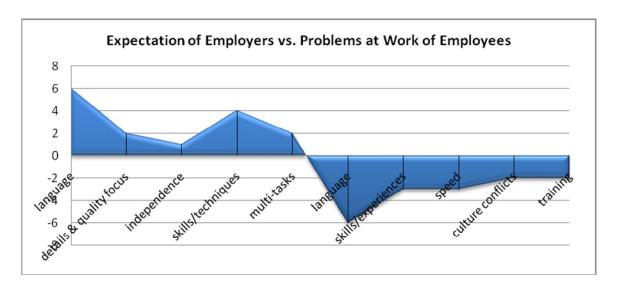


Figure 17: Expectation of Employers versus Common Problems at Work of Vietnamese Employees

About recruitment, the companies which got the right workers were satisfied with the recruitment results (Figure 18). However, there were different comments on recruitment methods. The common problem was that candidates did not meet recruitment requirements, mostly in language skills. Companies required good language ability at least in English, however, the recruited workers could communicate in basic English, even though they had joined the training course in Vietnam. One employer commented that the skill level of the Vietnamese workers in his company was lower than required. One company representative reported that they got the wrong employees, as they required for welders, then they received electricians at the end. During the selection process in Vietnam, some interviewers responsed that there were so much candidates so that it took so much time for

interviewing. They commented that it would be easier and quicker if the place which organised the recruitment event should do first basic selection. The bureaucracy was also mentioned, which related to the amount of paper work and "hand-shaking" during the recruitment trip and recruitment process. Timing was also an important factor that affected the recruitment situation. As mentioned, the recruitment trip was arranged in November 2007, and the recruitment decisions were made when the economic situation was stable. All recruited workers departed to Finland in October 2008, which was almost one year from recruiting. Some employers commented that was so long to wait for the new workers, and no one could predict changes in economy.

The expectations and opinions of employers express the cultural differences in business culture. As the Vietnamese culture is low in IDV, which requires long time to buit relationship and trust in business, Finland is comperatively high in IDV. The MAS in Vietnam is higher than in Finland, which means that during recruitment or interview process, high MAS Vietnamese candidates tend to exaggerate" their abilities, skills and experiences (Hofstede, 1994). To get the right candidates, the recruiter should understand the information given by the candidate, or "bargain".



Figure 18: Comments of Employers on the Recruitment in Vietnam

Asked about the willingness to recruit further in Vietnam and which methods should be used, 50% prefer there should be a professional recruitment company, for quality of recruitment. 33% companies would prefer the combination of project and municipality that they had taken part in, with the reason that they were happy with the workers and the project would build the trust that the workers were not taken money in Vietnam. The rest 17% responded that recruiting from Vietnam is not a good idea, as it was so far and complicated, in compared to recruit in near by countries such as Poland and Estonia (Figure 19).



Figure 19: Employers' References of the method of recruitment

5.3 Evaluation of the research

The empirical research has confirmed the following points:

About Vietnamese workers in Kauhajoki: The workers have enjoyed living in Finland because Finland is a well-ordered country. However, main reasons of their unhappiness come from cultural differences. Their dissatisfaction with living and working in Finland can be explained by cultural differences.

About Kauhajoki employers: Generally employers are satisfied with Vietnamese workers' characteristics, however, dissatisfied with the skills of the workers, especially about the language skills. Conflicts come from cultural differences about thinking and working styles. More than haft of the employers prefer to have a professional recruitment company.

6 Suggestions and Recommendations for Implementation

According to the research's results, to obtain successful recruitment from Vietnam to Finland, these are suggestions for employment-based immigration project and recommendations for recruitment service options:

6.1 Suggestions for the Employment-based Immigration project

6.1.1 Recruitment service

Hofstede points out that Vietnam is a low UAI country, while Finland is in the opposite, which means that Finnish employers require their recruiting requirements should be exactly met. To enhance the recruitment quality, the recruitment information should be marketed widely in public such as newspapers, radio, internet etc. so that candidates' data pool is enlarged, in order to increase the opportunity to get the best candidates. According to Hofstede, Vietnam is Collectivist country, whose business style focuses on relationships. To obtain the fairest result, the recruitment process should be transparent, so that the candidates are not recruited because of close relationship to the recruitment officers or brokers. Besides, as mentioned in the "Vietnam Labour Market" section, it happens that candidates could be taken advantage of secretly by brokers. To prevent the broker problems, encouraging workers to apply and manage the process by themselves is necessary.

Workers can get the support if needed from a recruitment agency. An example is the South Korean EPS recruitment portal (EPS, [05.05.2010]). Besides the language and skills, other factors should be put in consideration, such as emotional level, adaptation ability, international experiences, family and relationship, attitude and aptitude, willingness to changes and challenges. As commented by a Finnish employer, the waiting time from the time of recruitment to the time Vietnamese employees come to Finland is so long and the cooperation for the official procedure should be shortened. A three-month training period in English and skills in Vietnam should be considered, as that will lengthen the waiting time and not relevant to the purposes of Finnish employers. Besides, the workers can get necessary training in Finland. However, basic Finnish, information about Finland and Finnish culture should be provided when the workers have to wait for their visa.

Limitation: In the Employment-based Immigration recruitment case, Hanoi Industrial Vocational School was the organization which organized the recruiting event and training course. Functioning as a vocational school, the international recruitment was not competitive. The budget that the recruiting organization collected from the training course fee from the workers, approximately \$100 for 3 months, was not enough to maintain high-quality support in Finnish language training and professional recruitment testing. To improve the quality of recruitment service employers should invest in the recruitment service to get better recruitment quality.

6.1.2 Employers and managerial levels in Kauhajoki

There are big cultural gaps and values between Finland and Vietnam. Because of that, it is necessary to know about culture and the differences in the working style between Vietnam and Finland to minimize the cultural conflicts and maximize the East and West cultural tolerance. In case there is a big group of Vietnamese workers, informing Finnish workers inside the company about Vietnamese culture is important,

so that team working is easy to be developed. The recruitment requirements should be stated clearly, and if necessary, in good translation into Vietnamese.

6.1.3 Vietnamese workers who are recruited to work in Finland

As mentioned, there are so much different between Finland and Vietnam culture, with regard to working, living and thinking style that require careful preparation before departure. Because the UAI level of Vietnamese is low accompanied by a high level of LTO, it can happen that Vietnamese workers make the decision to work in Finland because they take the risk to go to save money for the future, then they may get the culture shocks in Finland because of cultural differences, which cause deep disappointments. More than that, the IDV of Vietnamese is comparatively low, recruiting, examining and testing Vietnamese workers should be put in the whole picture of their family and communities. As family plays an important role to Vietnamese, commitments about their family should be taken seriously.

6.1.4 Cooperation organizations

South Ostrobothnia Cooperation office should closely cooperate with the Finnish immigration department to get clearer commitment for Vietnamese workers and their family to immigrate to Finland. One of the biggest challenges involved in the process of the Vietnamese workers' families to move to Finland is visa, as stated in 3.3. It should be clear whether the immigrant should as an employment-based immigrant obtain the visa type A or temporary B type visa. Due to the strict immigration regulations in Finland, it is necessary for the South Ostrobothnia Cooperation office to inform the worker beforehand so that they do not expect so much the reunion with family after a few months as delivered commitment.

Bureaucracy during the recruitment trip in Vietnam was mentioned by Finnish employers. There should be a lot of activities to build up the relationship, especially at the Governmental level, due to the relationship focus culture in Vietnam (Hofstede, 1994, 2001). The recruitment trip was designed as governmental cooperation, with South Ostrobothnia Cooperation office and Kauhajoki Town and the government in Vietnam, which meant high bureaucracy. On the other hand, the Finnish companies target to recruit effectively for their business. Targets of the recruitment trip should be clear for participants.

INKA office (Welcomed Home! Suupohjan Project): Due to culture differences between Finland and Vietnam, it is highly important that INKA is actively involved in the recruitment project at the initial stage, when the candidates are chosen, to deliver information about Finland and Vietnam and help for preparation. The fact was INKA started to interact with Vietnamese workers when they already were in Finland an that was too late.

6.2 Recommendations about Professional International Recruitment Services for Companies

50% of the representatives of the Finnish companies in Kauhajoki preferred a professional recruitment company to recruit employees from Vietnam for them, in order to get higher recruitment service. The suggestions for professional recruiting services are:

6.2.1 Recruitment services in Vietnam

Currently, to recruit high-skills employees, comparatively high quality Executive Search and Selection service companies have been established in the market in Ho Chi Minh City, Vietnam. These head-hunting companies are foreign-owned or private

companies with foreign managers, appeared in Ho Chi Minh city from the year 2000 such as Vietnam Works³, HR Vietnam⁴, Smart HR⁵, First Alliances ⁶, HR2B⁷. Those companies compete with a quality recruitment service by providing right candidates. They recruit online and have domestic employees' database. Their target customers are foreign companies that want to recruit experts or professional workers and employees who target to high-niche job market. The service fee depends on what kind of service the employers want, for example, if they buy an employee database only, the fee will be not high, if they want the company to find the right candidates, interview and prepare for the departure, the fee will be different, however, the fee usually is charged from the employers. The successful stories have been mentioned such as Nokia call-center in Malaysia has recruited hundreds of Vietnamese every year via Smart HR, Star Cruise Group, the luxurious ship traveling company around Asia recruits many Vietnamese staff via First Alliances. Being supervised by foreign managers, the quality of service process is fair and transparency. This way of recruiting is becoming popular among business companies as it creates a fair-play recruiting playground for both employees and employers without being controlled much by the government.

6.2.2 Recruitment Portal

The idea has been adopted from Employment Permit System ⁸(EPS) of South Korea, which functions to reduce the broker problem, and empower the workers to apply and

³http://www.vietnamworks.com/

⁴ <u>http://www.hrvietnam.com/</u>

⁵ <u>http://www.smarthrvietnam.com/trs.html</u>

⁶ http://www.firstalliances.net/student/?page=ourservicesvn

⁷ http://www.hr2b.com/Home/tabid/36/Default.aspx

⁸ http://www.eps.go.kr/wem/en/index.jsp , the recruitment application to South Korea is via a recruitment portal. Since 2005, South Korea used the new recruitment system, Employment Permit System (EPS). Organizations in Korea are able to hire

prepare the procedure by themselves. The cost of recruitment is comparatively low. In the long term, the employee data-pool will increase, which will give Finnish employers an opportunity to get better employees. However, the recruitment portal requires international marketing in the Vietnamese market about Finland and companies. There is also administration system management of the webpage and data-pool. For the interviewing, depending on the requirements, there should be interviewing in person or by consultants or representatives in Vietnam.

6.2.3 International recruitment consultancy or agency

An international consultant or agency from Finland comes to Vietnam to recruit people. There are Finnish consultancies which operate in Vietnam, such as FinPro⁹, which work in different business directions, however, recruitment can be a consideration.

There are international professional recruitment companies that operate online or have agencies in Vietnam such as Monsters Vietnam¹⁰, KPMG. These companies commit for the good quality of candidates, the recruitment fees can be different depending on different service packages.

6.2.4 International Recruitment Company from Finland

A service company in Finland that provides the recruitment services from the Vietnamese labour market for Finnish companies. The company operates in both Finnish and Vietnamese market, and search for placements from Finnish companies.

foreign workers legally if they are unable to recruit suitable Korean workers after at least one month search. The purpose of EPS is to improve the migrant workers' laboring and human rights. The employers are able to review the list of foreign job seekers after raising the recruiting requests. The employers can also track for the process for workers they have signed contracts with.

⁹ www.finpro.fi

¹⁰ http://www.monster.com.vn/

The marketing strategy of the company focuses on the municipality needs of labour and the main business in the area. On the Vietnamese side, the company operates on the internet and increases marketing to create the data-pool and in that way, reduces the operating human resource in the Vietnamese market. The company is easy to contact. Other advantages include marketing to Finnish company, understanding of Finnish regulations and laws, understanding of cultural differences and potential cultural conflicts between Finland and Vietnam. The resources require consultants who understand both Finnish and Vietnamese labour laws and markets, know how to negotiate in different styles of business cultures, and be good in recruitment techniques. The company gains benefit from placements Vietnamese workers for Finnish companies which have recruiting demand. One of conclusions of the case study is that commitments should be adequate. In order to operate successfully the promises of recruiting service company, the promises should be realistic and beyond the risks. The recruiting company will support the candidates during the visa application process, and provide information about Finland while other training is employers' responsibility. The mission of the company is to recruit the right employees for Finnish companies and the vision of the company is to create opportunities for international working experiences between Finland and Vietnam.

7 Conclusions

International recruitment is one of global themes of the shifting of human resources. Cultural differences cause "nuisances". Hofstede confirms that different minds can share common problems globally, although they may come to different solutions. Therefore, it is necessary to understand the differences to bring up worldwide solutions for the same problems (Hofstede, 1994). Vietnamese labour market has a rich supply of young labour force. The "push" and "pull" factors (Faini, Zimmermann, 1996) of "surplus labour" (Lewis (1954), Fei & Ranis (1964)) have mushroomed the

labour export service, but the quality of the service is limited because of the low-skills labour focus and the fact the applicants are taken advantage of by brokers. On the contrary, the Finnish labour market turns grey quickly and many sectors are in risk of labour shortage. While the quickly aging situation gives the alarm, the foreign human resources are not maintained in sustainability.

The examination of the labour markets of Finland and Vietnam supports the awareness of effective recruitment methods between these two countries: quality focus in the Vietnamese market and foreign human resources maintenance internally on the Finnish side.

Besides labour markets research, the dissertation studies the cultural conflicts between Vietnam and Finland, which have caused the dissatisfaction of the Vietnamese workers, Finnish employers in Kauhajoki, and the failure points of the recruitment. By analysing cultural differences between Finland and Vietnam, using "Cultural Dimensions" of Hofstede, the cultural conflicts in the ways of thinking, living and working have been compared and contrasted. The empirical research has revealed the both satisfaction and dissatisfactions of both local managers and foreign workers, and these points are analysed by "Cultural Dimensions". Suggestions for solutions about cultural conflicts are mentioned in the dissertation. If the related organisations are aware of solving these conflicts, the recruitment quality will be improved.

Recruitment service solutions are recommenced as a solution for effective recruitment from Vietnam to Finland. Due to the big gap of culture, lifestyle, values, and ways of thinking between Finland and Vietnam, it is necessary to invest in professional recruitment services, especially for special job search requirements. There are many recruitment service companies experienced in international recruitments in Vietnam and Finland. A recruitment service business idea is conducted as a recommendation in the dissertation as well. Companies which plan to

recruit workforce from Vietnam can compare the service quality of the international recruitment organisations suggested.

The research focuses on the satisfactions of Finnish employers and Vietnamese workers to build up effective recruitment, The satisfaction levels are affected by other factors such as economic recession that cause lay-off situations for workers and immigration regulations that restrict the Vietnamese workers to apply for residence permits for them and their family. Further research suggestions should focus on the stability of work situations in the large picture of Finnish economy for Vietnamese workers in specific, or foreigners in Finland in general. The topic about recruitment Service Company between Finland and Vietnam can be researched profoundly to broaden the current research topic.

Finally, "an understanding of other cultures is essential if we are to develop a more stable world and at the same time create national wealth" (Brian Burrows, Futures Information Associates, according to Hofstede, 1994). As cultural understanding creates sustainable foundation for international management, it is necessary to build up common communication in problems which are caused by cultural conflicts, in international recruitment for instance.

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Appendices:

Appendix 1: Employers interview list

Appendix 2: Questions for employers

Appendix 3: Questionnaire for Vietnamese workers in Kauhajoki 01.2009

Appendix 4: Questionnaire for Vietnamese 01.2010