



**Doctoral School of Regional and Business Administration Sciences**

**Pál Bite**

## **Integration of labour migrants into SMEs**

**Doctoral dissertation**

**Supervisor: Prof Dr Márta Konczos Szombathelyi**

**Győr, 2021**



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## **Declaration of Authenticity and Author's Rights**

No portion of the work referred to in this dissertation has been submitted in support of an application for another degree or qualification to this or to any other university or other institution of learning.

The dissertation contains no material previously written and/or published by another person, except where an appropriate acknowledgment and reference is made in the bibliographical references.

## **Abstract**

Abstract of the dissertation submitted by Pál Bite in partial fulfilment of the *Doctor of Philosophy* degree

Title: Integration of labour migrants into SMEs

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A labour migrant per definition is every worker who is working outside the country he or she was born in. Nowadays globalization seems to be indispensable which has become the motor of economic integration. This leads to a degree of tightening of cultural and political relationships never seen before. Globalization involves almost all countries in the world with their cultures and religions.

The dissertation focuses on globalization from the employer's point of view. I will argue that the integration of employees from different cultural origin in our globalized world is a must which carries significant challenges. Demographic stability is a crucial pillar for labour markets since demographic instability results in labour shortage. In other words, without a proper labour market composition – including the quantity and quality of the worker population – and a relatively low dependency ratio, macroeconomic growth rates are not sustainable. The dissertation adds to viable integration-oriented plans as the anticipated newcomers to the European continent are likely to originate from outside the Judeo-Christian civilization and culture of the European countries. I will heavily draw on my own experience: I have successfully integrated labour migrants into my own firm. I plan to present how the concepts I have been applying in my firm can be formulated in a conceptual framework in order to help further implementation.

The main problem I faced during the research was that the existing data about labour migration in Central- and Eastern-Europe (CEE) were scarce as compared to other regions, such as Western-Europe, USA or China. Central- and Eastern-Europe is under-researched in general, especially in my topic of labour migration and with respect of qualitative investigations.

The research described in this dissertation was conducted in Hungary. I selected a method to fulfil the following criteria: (a) fit the scope of the research and (b) achieve the greatest possible contribution to the current knowledge in this field. I defined as suitable method a meta-data analysis and in-depth literature review to justify the research scope. The hypotheses have been proven with semi-structured interviews according to the grounded theory building method.

The dissertation includes five published articles of which one is a Q1 and another one is a Q2 classified journal article. In addition, there are three full scientific conference papers. Yet another paper has been included in the dissertation which, although, was accepted by a journal but was sent back for revision. Thus, this is a text of work in progress.

I conclude my dissertation by claiming that the success of integration is not only subject to work performance and turnover: job satisfaction and emotional wellbeing too contribute to the success of labour integration to a major extent. “Understanding what is going on in a company” is not imaginable under the present prevailing circumstances. One has to observe personal impressions and collect first-hand knowledge. My research ends with the definition of inclusion as the main task in the integration of labour migrant employees. I define inclusiveness as a subtler and more complete level of integration. If a person feels included into a community, it means that the corporate culture is inclusive and open enough – also in multicultural contexts – to integrate individuals into its organization.

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# 1. Introduction

I come from the industry, being the owner and the leader of a multinational SME-size family business engaged in the engineering consultancy sector. As a manager, I have successfully integrated labour migrants into my own firm. In my dissertation I set out to present how the concepts I applied in my firm can be formulated in a conceptual framework in order to help further implementation. In the introduction I present the road of the research journey. This road starts by obtaining the essential theoretical background, followed by the research gaps identified, the description of the applied method and the list of publications in which the research questions were answered.

## 1.1. Basic knowledge: Globalization, labour migration and SMEs

*Globalization* is the root of the phenomenon under scrutiny. Nowadays globalization seems to be an unavoidable and unstoppable process which has become the motor of economic integration. This leads to cultural and political relationships more complex than any time before. Globalization significantly increases mobility; therefore, it widens the horizon of businesses, increases the potential for available employees and for more diverse resources for employers. The starting point for my research originated from the idea that in a globalized world the integration of employees from different cultural origins is a compulsion. Based on my own experience as an employer I knew that it carries significant challenges.

Globalization enables mobility. *Mobility* in the labour market shows a positive correlation with competitiveness both for employees and employers (Kollár et al, 2017). That is in line with the fact that the main reason behind the globalization-induced mobility is employment related. Furthermore, globalization widens the horizon for businesses: one can focus exclusively on activities which can be pursued in the most effective way within the company, while the rest may be outsourced. Translated into the domain of *entrepreneurship* for an employer, foreign employees could be more effective in the fulfilment of certain tasks. For the employees this means (a) a greater selection of opportunities to earn more and/or (b) an opportunity to apply for jobs abroad that are not available at home.

I am well aware that recent shocking developments run against globalization – which are amongst others the Brexit, the protectionist measures of the Trump administration, the trade war between China and USA or the recent COVID 19 pandemic. I am, however, convinced that globalization has not tumbled. Only the playing field has been transformed.

A *labour migrant* is an employee who is working outside of the country he or she was born in. This research focuses solely on *voluntary migration* based on economic considerations of the subjects. The research does not consider migration caused by political, humanitarian or any other non-voluntary aspects. Employing foreign workforce has several challenges to consider; my dissertation discloses novelties with reference to proper integration.

*Demographic stability* is a crucial pillar for labour markets. Europe is stricken by a decline respectively: the native population is aging, and the median age is rising (Eurostat, 2020). The result is labour shortage and without a proper labour market composition – quantity and quality of worker population – and relatively low dependency ratio, macroeconomic growth rates are not sustainable. The aggregate workforce is expected to turn into a decline after 2025; this problem is partially mitigated through higher labour market participation among elderly people generated by increasing the retirement age limit (Hess, 2016). However, parallel to the shortage in quantity, employers' demand for higher levels of qualifications is going to rise as well due to automation and robotization. Elderly generations hardly meet this criterion. Central and Eastern Europe (CEE) suffers as qualified labour force moves to the West driven by higher income prospective and supported by the free movement within the Schengen Area, frequently referred to as brain drain (Hazans, 2013). The gap in labour force in the sending countries will be filled by labour migrant workers coming from the developing-industrializing world, basically Asia and Africa (Bite et al, 2020).

It is an undisputed fact that *small- and medium-sized enterprises (SMEs)* are essential pillars for domestic economies in Europe, especially in CEE. Therefore, my dissertation focuses on SMEs which play an essential role in stimulating economic growth and employment rates (Ocloo et al, 2014). However, in terms of financial liquidity, access to international markets or access to knowledge they are far behind multinational companies (Anand, 2015). One of the benefits of globalization on businesses is the opening of foreign markets together with free movement and integration of highly skilled labour force. Unfortunately, SMEs are extremely vulnerable to these processes because they are endangered by getting squeezed from the market by the incoming multinationals and hostile acquisitions (Wafa et al, 2005). Wade (2003) claims that globalization is greatly dependent on the practices of large multinational companies.

Globalization for SMEs comes together with the development of strategic level networks. The composition of these structures is more spread geographically and more variable through diversity. Diversity in business in this regard means integration of employees from different origins, cultures, religions, etc. How to integrate them? This is the research topic of this dissertation and it is more relevant, urgent, important and essential than ever before for SMEs

in CEE, Hungary included. The dissertation is a contribution to proper integration-oriented plans as the anticipated newcomers are likely to originate from outside the Judeo-Christian civilization and culture of the European countries.

## **1.2. Problems identified during the literature review, data collection and gap analysis**

Reviewing the existing literature is the starting point of every academic work; it is essential to get familiar with the current state-of-affairs and to acquire state-of-the-art knowledge regarding both the theoretical and the practical issues of any given discipline (Webster & Watson, 2002). In this part of the introduction I will highlight the difficulties revealed in the literature review and the meta-data collection process I faced and adopted during my research.

Reviewing the literature is a learning process on its own; however, it has a further vital function of separating issues into two groups (vom Brocke et al, 2009). First, already answered questions– what we know so far – to avoid redundancy and superfluous work (Rowe, 2014). Second, discovering and asking unanswered questions, flashing lights to gaps.

During the literature review the first task is the *definition of the scope* (vom Brocke et al, 2009). My research scope is labour migration. The second task is the *definition of the mind-set* which, in a cross-cultural discipline, in sociology and other human studies, fits into a paradigm or takes a philosophical stance (Romani et al, 2018). Both the paradigm and the scope designate a framework for the data collection procedure and analysis. In my dissertation the paradigm is the *inclusion*, integration of labour migrants.

The main problem I faced during my research was that the existing data about labour migration in CEE are rare compared to other regions such as Western-Europe, USA or China. Parvulescu (2019) is straight to the point with the issue of data gap regarding this region: “Does Eastern Europe exist?” In her paper, she writes about the insufficient scientific knowledge about Eastern Europe. She further concludes that Western institutions focus mainly on the capitalist transition resulting in masses of workers migrating westward. A further difficulty is the absence of longitudinal focused researches. State formations changed rapidly after the collapse of the Soviet Union. A simple example will show why this is a problem: there cannot be long-term historical data about Slovakia, as Slovakia in its current form has existed only since 1993, despite the fact that “Slovak” people had existed before.

Derived further from the history of this region: human studies were greatly neglected – prohibited even to be practiced – during the socialist era (Szokolszky, 2016). The number of qualitative researches has started to increase only around the millennium (Rennie et al, 2000). Qualitative researches are subjective, therefore, self-reflectivity of the actor – declaration of the

paradigm – is a guiding framework when it comes to the interpretation of the purposes, questions and findings as well (Morrow, 2005; Gale, 1993). Clarification of the paradigmatic approach is missing from many papers so far, as pointed out by Ponterotto (2005).

The following list summarizes the problems identified during the literature review of my research:

- Lack of data regarding CEE;
- Eastern Europe (EE) is underrepresented in the scientific literature in comparison with the rest of the continent (except for Southern Europe);
- Eastern Europe is inclined to be handled as one homogeneous unit;
  - The economic, social and ethical diversity is not recognized to a satisfactory extent;
  - Quantitative data are available regarding Eastern Europe, but they tend to concentrate on hard macroeconomic characteristics (employment, GDP, etc.);
  - Qualitative researchers have hugely neglected Eastern Europe;
- In the domain of cross-cultural management, the positivist paradigm is dominating the contemporary research agenda.

A detailed *gap analysis* of the topic and the currently available publications are presented in the journal paper in Chapter 3.

The *Conceptual Framework* of the research is presented in Annex 1, Figure 16.

Based on the literature review I formulated the following main research question:

**RQ<sub>0</sub>: Is inclusiveness the main task in the integration of labour migrants into SMEs?**

The research questions, the methods and the findings are grouped into five pillars and sub-questions and examined in detail in the dissertation.

The **first pillar** is based on an organizational survey and contains **sub-questions (RQ<sub>1</sub>)** in the research field of **integration: Why do employees decide to leave the company? What steps and procedures have to be taken towards a successful integration? How to measure the success of integration?** The research of the first pillar can be found in the first paper (Chapter 2): “A possible tool to integrate employees of different origins into a Small Family Business”.

The **second pillar** is based on a broader social level and contains **sub-question (RQ<sub>2</sub>)** in the research field of **migration: What are the main notions and results of European migration along with potential future trends?** The research of the second pillar can be found in the second paper (Chapter 3): “The concept of labour migration from the perspective of Central and Eastern Europe”.

The **third pillar** is based on a personal level study and contains **sub-questions (RQ<sub>3</sub>)** in the field of the **employer: How SFFs are perceived by the public? What exclusive characteristics feature them in order to differentiate them from their competitors in the eyes' of the potential workers?** The research of the third pillar is found in the third paper (Chapter 4): “Employer branding concept for small- and medium-sized family firms” (SFF).

The **fourth pillar** is based on a personal level study and contains **sub-question (RQ<sub>4</sub>)** in the field of **expectations: What expectations and desires are posed by our benchmarked employee toward his chosen workplace and employer?** The research of the fourth pillar can be found in the third paper (Chapter 4), too: “Employer branding concept for small- and medium-sized family firms” (SFF).

The **fifth** and the most complex pillar in terms of publications are based on three inter-personal level studies. The fifth pillar provides the final link, and consists of **sub-questions (RQ<sub>5</sub>)** in the field of **relationship: How to achieve cognitive trust in an SME size family business between family member and labour migrant employee? Do inclusive workplaces correlate with lower employee turnover intentions, greater job satisfaction and higher performance? Can “action-based” integration-oriented models be developed? How can we test these theories in practice? How can people balance between the feeling of uniqueness – distinctiveness from their community – and that of belongingness – being recognized by the community as a member?** The complexity of the fifth pillar is given by the fact that it is built up by three different publications. Paper 4 (Chapter 5) “The concept of trust when integrating labour migrants into small family businesses”. Paper 5 (Chapter 6) “The attributes and elements of the integration of labour migrants in practice”. Paper 6 (Chapter 7) “Diversity in business with the integration of labour migrants”

The papers themselves may contain other questions as well, however, the scope of my dissertation is to address the main research question RQ<sub>0</sub> by presenting and highlighting the connections among the answers to RQ<sub>1</sub> to RQ<sub>5</sub>. *The research questions are answered within the articles in chapter 2 – 7.* The entire research was composed with a particular structure to analyse the aspects of labour integration along the five pillars in order to give relevant answers to the main research question RQ<sub>0</sub>. Suitable methods were selected to fit the research questions of each pillar. All investigations were framed by the concept of inclusiveness from a certain viewpoint. Inclusiveness means that all people have the same possibilities and resources at their disposal to contribute and that the individuals feel being equally respected and being accepted members by their groupmates.

### 1.3. The road to the suitable methods

The research described in this dissertation was conducted in Hungary. I selected a method to fulfil the following criteria: (a) to fit to the scope of the research and (b) to achieve the greatest possible contribution to the current knowledge.

Steinfeld and Fulk (1990) distinguished four possible approaches. The first is to paste existing theories into new contexts and conclude accordingly. It is deductive and the most creative approach according to Steinfeld and Fulk: reasoning through analogy. The second possible approach is to use existing theories for explaining new contexts by deductive thinking. This is the case when individual behaviour patterns or cultural characteristics are referred to in order to analyse organizational behaviour and corporate culture. The third possible approach is – when data are not sufficiently available – induction. As Bhattacharjee (2012) describes, the inductive process is done through assembling parts, codes and subcategories drawn from existing and relevant theoretical hypotheses.

The fourth approach is called grounded theory building (Strauss & Corbin, 1990). “*Grounded theory is a systematic methodology in the social sciences involving the construction of theories through methodical gathering and analysis of data.*” According to the grounded theory the research begins with a question, and the collection of qualitative data. Based on the evaluation, the collected data are grouped into concepts, and then into categories. Concluding the categories will figure as the basis for the new theory.

In social researches, where humans are the subjects, there are no false or true claims. Properly observing and understanding humans is difficult and theories are never 100 per cent valid, the “it depends” effect is always considerable. Furthermore, in human sciences one has to accept that humans and circumstances change constantly and could re-act differently in various situations. Circumstances have crucial impact on the items under scrutiny; therefore, testing theories requires the establishment of nearly the same conditions they were built upon. This difficulty in building theories in human sciences suggests that theories must be handled with reservations and regularly reinvestigated.

During my research I concluded: in order to scientifically analyse labour migrant integration in CEE countries, a *mixed methodological approach* is adequate. I defined as suitable methods the meta-data analysis and the in-depth literature review to justify the research scope. The hypotheses have been proven with semi-structured interviews according to the grounded theory building method.



#### 1.4. Research methods applied in the publications

The main scope of my research was to gain insight into and over the parameters of migrant labour force integration and cross-cultural management and create a thesis on the integration of labour migrants into SMEs. In order to reach this goal, I applied different research methods.

The different methods I referred to in the earlier chapter provided the basis of different papers I published during the research. Those papers are presented in chapters 2 to 7. I assumed that I can harvest the advantages deriving from the application of multiple methodologies as well as mitigating the potential problems and issues ensuing by multi-collinearity. Parallel to the introduction of the journey, I briefly summarise the nature of the multiple research methods.

The research journey set me off from a global perspective. First, I had to define the research questions on the social and organizational level and build and prove the hypotheses with a very personal and subtle investigation, involving even the individuals' subconscious. We are talking about multiple methods, when we draw data from more than one source and apply more types of analysis (Creswell & Clark, 2007). In sociology, a narrow scope of angles is misleading because they can offer only one side of reality and related disciplines are often blamed for the lack of diversity in this manner (Greene, 2015; Tellis et al, 1999; Hudson & Ozanne, 1988). When applying different methods, it raises the question of validity and comparability. However, since labour migration and the need for managing cross-cultural differences even in small workplaces are rather complex social issues, it justifies the multiple approach. On the other hand, due to our limited time frame, I could not examine the four distinguished layers of analysis by each method, so this should remain a task for future studies.

In the following subsections, I summarize the research agenda as published. I highlight the applied methods and the most important findings.

##### 1.4.1. Pillar 1: Integration – Organizational discovery

The first set of research questions (RQ<sub>1</sub>) are in the field of integration: **Why do employees decide to leave the company? What steps and procedures have to be taken towards a successful integration? How to measure the success of integration?**

The idea of the problem of integration of labour migrants came from my own multinational company. In paper 1 (Chapter 2) “A possible tool to integrate employees of different origins into a Small Family Business: Case-based conceptual paper” (Bite & Konczos-Szombathelyi, 2020b) we conducted an observational study on the organizational level, using quantitative tools. Integration is the inclusion of individual actors (Esser, 2001: 46), in which individuals and groups form interdependencies. (Lindo, 2005: 7). We were to find out to what extent

migrant actors or groups can join an existing social system and its core institutions (Heckmann, 2004: 4). With other words, how they feel integrated into the company and its community. They were asked about their perspectives, feelings, anticipations about their future opportunities here, why they do or do not feel integrated, and how the employer could improve this. In order to receive a detailed and comprehensive picture, without losing details as few as possible, in-depth interviewing was applied with open-ended questions. According to the methodologist literature, the less structured an inquiry, the bigger role the subjects plays in the process. Structured or quantitative methods are much more restrained and offer limited space for unexpected and highly unique inputs, therefore, the answers are predestined. Additionally, the interviews were conducted face-to-face, thus elements of the non-verbal communication were considered too. Driven by the fact that feelings about inclusiveness and integration are hardly objective issues, non-verbal traits and further unconscious channels could serve with useful information. Applying observation might be of a similar use, but direct conversation is a more straightforward and respectful way to collect information about and from our employees. To sum up, we opted for an inductive approach since there was not enough or sufficiently reliable knowledge about the topic. Method 1, therefore, was qualitative interviewing.

An index – the yearly voluntarily employee turnover (YVET) – was developed in order to measure the successfulness of the employee integration efforts. The study was conducted in the company's headquarters located in Hungary. However, the relevance of the research is based on the international operation and on the diversity of employees, deriving from remote regions of the world (Qatar, China, etc.). My organization serves with insights into the nature, possible instruments, methods and the outcomes of successful labour migrant integration. The analysis concluded hard figures and deducted that the proposed differentiated career development plan, implemented by our company, successfully facilitated the integration of both native and labour migrant employees. This was the starting point of the research, the findings were justified with qualitative interviews, which confirmed the conclusion that the career development is a successful tool of integration. This publication laid down the basics and the research continued with the necessary social level study to find out whether the phenomena discovered in my own firm could be relevant to other firms as well.

#### 1.4.2. Pillar 2: Migration – Social level study

The second research question (RQ<sub>2</sub>) is in the field of migration: **What are the main notions and results of European migration along with potential future trends?**

As I mentioned above, our publication in chapter 2 was the starting point to find out whether this problem (i.e. the integration of labour migrants) is a general one, which affects a wider range of the society. Therefore, the study was to be continued on a broader social level; under migration we understand that persons change their countries of usual residence (UN DESA, 1998). We focus only on international migrants who are voluntarily leaving their counties for economic considerations. They are currently seeking employment in their present (new?) country of residence. (ILO, 2015).

Paper 2 (Chapter 3) “The concept of labour migration from the perspective of Central and Eastern Europe” (Bite, Konczos-Szombathelyi & Vasa, 2020) included method 2, the method of meta-level data analysis. We browsed through databases of certain international organizations. These charts provide an accurate and reliable source of data because they are featured by consistent methodologies and enable comparisons among countries and time periods. The other huge advantage is that particular organizations cover nearly the entire globe, not only Europe. We made an attempt to conceptualize the tendencies of migration both in absolute and in relative numbers and the popularity of particular destinations and origins of immigration and emigration. This was a new approach since such a wide-scaled quantitative overview is barely delivered in journal articles.

After getting familiar with migratory patterns involving Hungary, we searched for journal articles to unravel the basic notions behind them. The use of existing databases enables the researcher to identify historical patterns as well. In our case we could identify some points of time when a relatively severe change occurred in the migratory patterns of Hungary and of the CEE countries too. Based on that, we made a more targeted research among the related articles and books. We reviewed the historical background to a necessary extent and adapted keywords. We derived from the collected statistical data that Hungary is one of the most excessively affected countries by labour migration within the CEE. We concluded that former migratory patterns and their explanations cannot explain the current trend to a sufficient extent (e. g. Dustman et al, 2003). Labour migration in its current form is a general phenomenon that effects or will soon affect almost every business in the region. Thus, employers shall consider the integration of labour migrants. This consideration led us to RQ<sub>3</sub>, RQ<sub>4</sub> and further to RQ<sub>5</sub>.

#### 1.4.3. Pillar 3: Employer – Personal level study

The third set of research questions (RQ<sub>3</sub>) is in the field of the employer: **How SFFs are perceived by the public? What exclusive characteristics feature them in order to differentiate them from their competitors in the eyes’ of the potential workers?**

In Paper 3 (Chapter 4) “Employer branding concept for small- and medium-sized family firms” (Bite & Konczos-Szombathelyi, 2020a) we carried out a personal-level inquiry. A secondary conclusion from the previous research on social level was that in contemporary labour market conditions employees are in a more favourable position than the employers. We explained this fact with the aging population and the large number of emigrated workforces. The number of potential employees in the economically active and qualified segments is shrinking.

Therefore, the employers should be prepared to meet the changing expectation towards the employers employing labour migrants. The employer is a complex social institution with owns norms, cultures and bureaucracies (Weber, 1919/1946). This provides for the link between the research questions and the scope of this research. In other words, we aimed to find out what makes a good employer, what expectations, value propositions seem appealing to specific types of employees, what makes them apply to the sample firm and how can this be translated to the integration of labour migrant employees. Method 3 and method 4 applied was critical literature review and qualitative secondary data evaluation. The reason behind is that foreign articles delivered a more detailed picture about the inner dynamics of employers, different practices and affected personal relations, nature of transactions, risk-taking inclination, strategy, market orientation, etc. and all their outcomes in financial terms as well.

The critical literature review within the third pillar revealed what aspects differentiate SME-size family firms (SFF) from other employers or workplaces. The conclusions drawn – usually from American SFFs – did not differ significantly from our experiences or papers using Hungarian samples. However, we believe that the impact volumes of the SFF characteristics vary across regions, therefore, we relied mostly on the qualitative discoveries of the reviewed papers, instead of their statistical side. We further compared the results and confirmed the empirical findings from RQ<sub>1</sub>.

#### 1.4.4. Pillar 4: Expectation – Personal level study

The fourth research question (RQ<sub>4</sub>) is in the field of expectations: **What expectations and desires are posed by our benchmarked employee toward his chosen workplace and employer?**

The fourth pillar as written in Paper 3 (Chapter 4) “Employer branding concept for small- and medium-sized family firms” (Bite & Konczos-Szombathelyi 2020a) represents the other side of the coin which is the employee’s viewpoint, and their expectations. James G. March (1978) highlights that expectations, incentives and desires drive the decisions. Daniel Kahneman's thoughts (Kahneman 2013) inspired us in several ways and in our search for mind-set patterns.

Thus, we reflected on concepts such as intuitive knowledge and planning fallacy. According to Ariely (2008), expectations shape stereotypes. He argues that “We don't even know what we want to do with our lives- until we find a relative or a friend who is doing just what we think we should be doing.” (Ariely, 2008, p.3)

Similarly, as the scope of employers was narrowed down to SFFs, we needed to specify this vast immersion as well. We further utilized my experience as a CEO, therefore, we decided to create a model employee. Primarily, we considered age-, education-, gender-, marital status in the composition of the workers to create a model employee that represents the firm's potential target. After determining specification, we did a critical literature review to identify what aspects of a workplace would be important for the model employee. In this case, we could also rely on my personal experiences. In this way, we reviewed foreign articles more critically, given the different social and psychological attitudes.

In line with the business study methodology, image and motivation are heavily dependent on interpretations. Thus, this became the philosophical basis of this paper and, as the model was compiled, it turned out to be an inductive approach (Saunders et al, 2007). The results were arranged in the Business Model Canvas (Osterwalder, 2004).

The result was an employer branding concept: motivational factors, expectations of the model employee and public associations and anticipated value propositions about the model firm. The model was derived from an SFF in the technology sector and the model employee was a young adult person (we called him Jaden).

We draw the conclusion that the individual's own perception of their integration and inclusion drives the integration itself whereby, in addition, the cultural differences are crucial elements.

#### 1.4.5. Pillar 5: Relationship – Interpersonal level study

The fifth pillar provides the final link between the research questions (RQ<sub>1</sub>-RQ<sub>2</sub>-RQ<sub>3</sub>-RQ<sub>4</sub>-RQ<sub>5</sub>) and consists itself of research question (RQ<sub>5</sub>) in the field of relationship: **How to achieve cognitive trust in an SME size family business between family member and labour migrant employee? Do inclusive workplaces correlate with lower employee turnover intentions, greater job satisfaction and higher performance? Can “action-based” integration-oriented models be developed? How can we test these theories in practice? How can people balance between the feeling of uniqueness – distinctiveness from their community – and that of belongingness, being recognized by the community as a member?** The complexity of the fifth pillar is given by the fact that it is built up by three different publications, integrating several relevant aspects of the research. Paper 4 (Chapter 5) is “The

concept of trust when integrating labour migrants into small family businesses” (Bite, Konczos-Szombathelyi & Baracscai, 2020) Paper 5 (Chapter 6) is “The attributes and elements of the integration of labour migrants in practice” (Bite, Konczos-Szombathelyi & Gálos (2020a). Paper 6 (Chapter 7) is “Diversity in business with the integration of labour migrants” (Bite, Konczos-Szombathelyi & Gálos, 2020b)

Within pillar 5 I studied the relationships among colleagues and their opinions about these connections as well. Relationship is how people construe their partners and social interactions by altering cognitive, affective and behavioural responses in relevant social contexts (Pietromonaco & Collins, 2017:7). Relationships are based on reciprocal knowledge, reputation, repeated interaction and trust (Bohnet et al, 2010). In this way, I differentiated between reality and the desired states. Driven by the research gaps, a novel empirical investigation was required and because of the soft nature of the subject, a qualitative method seemed appropriate. Interviewing is the easiest way to gather not only facts but personal impressions in emotional contexts as well.

At a personal level, regarding motivational factors, we basically talk about economic drives that are easy to grasp and articulate. But neither integration or job satisfaction (Acquavita et al, 2009), or culture (Wasserman et al, 2008), nor feeling of inclusion or exclusion (Mor Barak, 2015) are parameters for economic drive. The research in this pillar is set up of three more publications (chapters 5, 6, and 7). Cox (1991), Thomas and Ely (1996) and Shore with her colleagues (Shore et al., 2011) set forth that individuals’ feelings of inclusion are in correlation with their successfulness or failure of integration. The articles, Paper 4 (Chapter 5) “The concept of trust when integrating labour migrants into small family businesses” (Bite, Konczos-Szombathelyi & Baracscai, 2020) and Paper 5 (Chapter 6) “The attributes and elements of the integration of labour migrants in practice” (Bite, Konczos-Szombathelyi & Gálos, 2020a) present the concepts of trust and inclusiveness as crucial concepts being transformed and translated into the cross-cultural management field. As indicated in the introduction, we agreed with authors who have realized (Janssens & Zanoni, 2007) or promoted (Shore et al, 2011) qualitative methodologies in this respect. The literature is prolific, yet qualitative and subjective researches are underrepresented in the field of diversity and the associated cross-cultural management field (Primecz et al, 2009). Method 5 is interviews based on the grounded theory. Grounded theorists’ analyses empirically compile data considering the substantive literature. By this, studies with similar parameters – in terms of location, company, labour force - could be understood. These tell the researcher what to look for but, in line with an inductive approach, do not tell what have virtually been heard or seen. We presented this research in Paper 6

(Chapter 7) as a conference paper “Diversity in business with the integration of labour migrants” (Bite, Konczos-Szombathelyi & Gálos, 2020b) which includes a questionnaire developed by ourselves.

Each question indirectly refers to the cited integration theory. The results are contextualized in the interviewees’ cultural mind-sets. The used theories provide practical insights into the attributes and elements of integration through the eyes of employees, who are from diverse cultural backgrounds. Each interview served with unique findings. Our final and general conclusion is that the more the workers are successfully integrated, the more they are satisfied, committed and hard-working.

Inclusiveness per definition is a softer, fairly emotion-based integration where no full agreement only an open-minded attitude is needed. This gives the connection between RQ<sub>1</sub>-RQ<sub>3</sub>-RQ<sub>4</sub>-RQ<sub>5</sub>. This open-minded attitude is what JADEN is looking for and it is also one of the attitudes of SMEs. Whereas RQ<sub>2</sub> reflects on the whole phenomenon of labour migration and justifies the actuality of the research.

## 1.5. Statement of Conjoint Work

Chapters 2 through 7 were conjoint work with Professor Márta Konczos Szombathelyi (MK), Professor Zoltán Baracska (ZB), Professor László Vasa (LV) and undergraduate student Krisztina Gálos (KG) as described in Table 1-1. I contributed 95 per cent of the work for Chapter 2, 80 per cent of the work for Chapter 3, 80 per cent of Chapter 4, 80 per cent of the work for Chapter 5, 75 per cent of the work for Chapter 6, and 75 per cent of the work for Chapter 7.

List of included papers:

1. Bite, P., & Konczos-Szombathelyi, M. **A possible tool to integrate employees of different origins into a Small Family Business**: Case-based conceptual paper  
Working paper (Bite & Konczos-Szombathelyi, 2020b)
2. Bite, P., Konczos-Szombathelyi, M., & Vasa, L. (2020). **The concept of labour migration from the perspective of Central and Eastern Europe**. *Economics and Sociology*, 13(1), 197-216. doi: 10.14254/2071-789X.2020/13-1/13 (Bite, Konczos-Szombathelyi & Vasa, 2020)
3. Bite, P., & Konczos-Szombathelyi, M. (2020a). **Employer branding concept for small- and medium-sized family firms**. *Journal of International Studies*, 13(3), 143-160. doi:10.14254/2071-8330.2020/13-3/10 (Bite & Konczos-Szombathelyi, 2020a)
4. Bite P., Konczos-Szombathelyi M., & Baracska Z. (2020). **The concept of trust when integrating labour migrants into small family businesses**. 51<sup>st</sup> International Scientific Conference on Economic and Social Development: Book of Proceedings Rabat, Morocco, pp. 357-364. (Bite, Konczos-Szombathelyi & Baracska, 2020)
5. Bite P., Konczos-Szombathelyi M., & Gálos K. (2020a). **The attributes and elements of the integration of labour migrants in practice**. 52<sup>nd</sup> International Scientific Conference on Economic and Social Development Porto, Portugal: Book of Proceedings pp. 441-449. (Bite, Konczos-Szombathelyi & Gálos 2020a)
6. Bite P., Konczos-Szombathelyi M., & Gálos K. (2020b). **Diversity in business with the integration of labour migrants**. 58<sup>th</sup> International Scientific Conference on Economic and Social Development Budapest, Hungary: Book of Proceedings pp. 222-237. (Bite, Konczos-Szombathelyi & Gálos 2020b)



Paper	The PhD Author	Co-authors
1	developing the conceptual framework	Commented on the draft paper (MK)
	literature review	Supported the publication and the review process(MK)
	Drafted the paper and led the submission and revision process for journal publication	
2	developing the conceptual framework	Commented on the draft paper (MK)
	literature review	Supported the publication and the review process(MK)
	Drafted the paper and led the submission and revision process for journal publication	spelling check (LV)
3	developing the conceptual framework	Commented on the draft paper (MK)
	literature review	Supported the publication and the review process(MK)
	Drafted the paper and led the submission and revision process for journal publication	
4	developing the conceptual framework	Commented on the draft paper (MK, ZB)
	literature review	Supported the publication (MK,ZB)
	Drafted the paper and led the submission and revision process for conference publication	
5	developing the conceptual framework	Commented on the draft paper (MK)
	literature review	Supported the publication and the review process(MK)
	Drafted the paper and led the submission and revision process for conference publication	literature review (KG)
6	developing the conceptual framework	Commented on the draft paper (Mk)
	literature review	Supported the publication and the review process(Mk)
	Drafted the paper and led the submission and revision process for conference publication	literature review, typed the interviews, and supported the evaluation (KG)

**1. Table: Statement of Conjoint work**

## **2. A possible tool to integrate employees of different origins into a Small Family Business: Case-based conceptual paper**

Bite, P. & M. Konczos-Szombathelyi. „A possible tool to integrate employees of different origins into a Small Family Business: Case-based conceptual paper”. (Working paper)

**Reference as:** (Bite & Konczos-Szombathelyi, 2020b)

### **Abstract**

The *aim* of this paper is to promote integration of employees of different origins into small family businesses to benefit from the globalization of workforces. The *relevance* of this topic is two-folded. First, Central and Eastern Europe suffers from severe labour shortage, and second, foreign workers potentially bring new knowledge and perspectives into any organizations and economy. It is an accepted fact that on national level the labour migration has positive effect, but integration strategies are still nascent. To *address the gap* in the literature this paper presents a concept and a model of career development based on cases of a small family firms. We used the yearly voluntary employee turnover index to measure the impact of the proposed career development model's result after its implementation. *Methodologically*, this is a conceptual paper confirmed and measured by longitudinal cases of the case firm. The case company special features are also discussed in detail (family firm, SME, internationally present) as vital elements of our proposition.

**Key words:** small family business, career development plan, integration, employees of different origins

### **2.1. Introduction**

The general phenomenon we are studying a way of promoting the integration of employees of different origins into a small- and medium-sized family business to benefit from globalizing labour market and international corporate expansion. This topic's importance comes from the fact that small family businesses are essential drivers for our economy (Noszkay, 2017), however in most cases they face difficulties to benefit from employing people of different origins deriving from the accelerated labour migration. Familiness, that is identity, can contribute to the high and low performance upon certain dimensions (Heidrich, Németh & Chandler, 2016). Based on these findings, we decided to take a small family-owned and – directed company as a case company to analyse and to build our scientific contributions on.

The problem we deal in this research is that although it is a widely accepted fact that on national level, labour migration – arrival and employment of people of different origins – is a positive

phenomenon, however, the challenges and the possible benefits of global labour migration on small family businesses have not been investigated in detail, and there is a gap in our current understanding about integration (Szerb, 2010). We see the innovation brought into the family business through non-family employees as a significant factor of improving the firm's performance (Jarjabka, 2001); therefore, we focus our study on an integration concept (from problem to solution and follow-up) through a long-term case.

We dealt with the following issues on these pages.

- Why employees decided to leave the company? Why did they not feel integrated into it?
- What steps to be taken towards a successful integration?
- Is the Situational Leadership Model effective when integrating employees into a company?
- What is the connection between leadership and career development?
- How to measure the success of integration?

This paper is structured as follows. In the second chapter, we briefly reviewed the literature on migratory trends from leadership approach, challenges produced by them and the scientific background of our elaborated concept, namely, the Situational Leadership Model. We had to note here, that in this respect, this paper is retrospective: the reason why the Situational Leadership Model has to be discussed in advance is our solution proposition to the identified problem. We could not elaborate that solution without learning of its background and nature, however the problem was revealed by the case, empirically.

In chapter three, the data collection and process methodology is described, as well as a measuring tool for the practical outcome of our results, but prior, the case company is introduced, with its relevant features highlighted. In chapter four, the identified problem and the proposed solution is presented. In the final section, conclusions, practical and theoretical implications are summarized and future research directions are set.

## **2.2. Theoretical background**

The focal point of this work is labour force migration from economic perspective that is the employment and integration of employees of different origins by and into a certain organization. We identified labour migration as a significant economic challenge due to the fact that nowadays even a firm which is only present on a local market is facing this phenomenon (Jarjabka, 2001). Especially Central Europe suffers from a significant migration of workforces (Bite, Konczos-Szombathelyi & Vasa, 2020). Migration is a feature of social and economic life

across many countries, but the profile of the involved population varies considerably, mainly due to the variety of sources of migration. In the European Union, citizens enjoy extensive rights of free movement; other sources include family and humanitarian migration. Whatever its source, migration has important impacts on our societies, and these can be controversial. The economic impact of migration is no exception (OECD migration Policy, 2014).

We argue furthermore, that (potential) employees of different origins have to be integrated. Based on OECD findings, they accounted for 70% of the increase in the workforce in Europe over the past ten years. Migrants fill important niches both in fast-growing and declining sectors of the economy. The report highlights a fact: comparing with the native-born, young employees, who travel to other countries and take a work there are better educated than those nearing retirement. Employees of different origins contribute significantly to labour-market flexibility (Jauer, et al, 2014), notably in Europe and have the most positive impact on the public purse. Positive aspects such as migration boosts the working-age population, they arrive with skills and contribute to human capital development of receiving countries or contributing to technological progress all underline the aim of this study in presenting the concept to integrate employees of different origins into small family businesses. The question remains: how to maximize the benefits of their presence, both for host countries and for themselves. The need to answer this question is underlined by fact that the rapid population ageing increases demand for newcomer employees to make up shortfalls in the workforce (Friberg & Eldring, 2013).

What might be the notions behind unsuccessful integration measures? According to our empirical examination, we found that lack of career prospects is to blame here. At this point we have to refer to our field work, however not discussed yet. Retrospectivity of this argumentation is required, because this way, the content of the individual sections fit with their titles. We build a career development model, presented in the *Results* section, based on the Situational Leadership Model by Hersey and Blanchard (1969).

The fundamental underpinning of the Situational Leadership Model is that there is no single "best" style of leadership. Effective leadership is task-relevant, and the most successful leaders are those who adapt their leadership style to the performance readiness (ability and willingness) of the individual or group they are attempting to lead or influence. Effective leadership varies, not only with the person or group that is being influenced, but it also depends on the task, job or function that needs to be accomplished (Gáti & Bauer, 2017).

The model's fundamental concepts are in interaction with each other: leadership style and individual performance readiness or maturity. The right leadership manner depends on the lead individual's professional maturity, although it is not necessary meant to professional expertise,

but rather the time spends within the company in question (Hersey & Blanchard, 1977). With other words, the person's learning willingness, capability and development potential define the proper style of leadership for him or her. In this respect, Yeakey & George (2002) named four cycles an individual goes through by time during working for one company, fulfilling one certain position (Table 1.) However, the length of the cycles is not always unambiguous.

**Table 1**  
**Situational Leadership cycles**

<b>Number of cycle</b>	<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>
<b>Suitable leadership style</b>	Telling	Selling	Participating	Delegating
<b>The lead individual's characteristics</b>	Unskilful but eager to learn and enthusiastic	More skilled but lost motivation	Quite experienced but unconfident in taking serious responsibilities	Experienced, competent and desire to have responsible roles
<b>Career phase</b>	Getting the feeling for the family business	Paving the role of the career	Defining a clear vision within the firm	Becoming a leader

*Source: Own editing based on Situational Leadership Model Hersey & Blanchard, 1969; Yeakey & George, 2002)*

## 2. Table: Situational Leadership cycles

We build our proposed career development model on the Situational Leadership one, as presented in the result section, which is a developed version for the sample company and alike.

### 2.3. Data collection and research method

The literature defines turnover as the case when employees leave the firm and must be replaced (Reh, 2017). A certain amount of turnover is unavoidable, but too much puts the firm's existence in danger. Some employees will always leave, move away, go back to school, or retire (Bálint, 2004). Their replacement is essential to drive the innovation as it brings new people into the organization with new ideas and a fresh perspective. The source further defines two general types of employee turnover: voluntary and not voluntary. Voluntary turnover is when the employee chooses to leave for whatever reason. Not voluntary turnover is caused by layoffs and similar actions where the decision for an employee to leave is made by the firm and not by the employee. Our focus of the analysis is on the voluntary employee turnover.

In this section, we introduced the case company and its life-cycles. Afterwards, we described our data collection method, that was within the company and the information collected must be understood within the company's context, this requirement comes from the nature of case-based

approaches (Ram, 1999). Based on the gathered and processed data, we developed a model to address the issue of voluntary turnover in the case company; this solution is presented in the *Results* section of this paper. The model was therefore implemented in the case company. To measure its success, we turned to a quantitative method: the yearly voluntarily employee turnover index that is also described in this section.

### 2.3.1. The case company

The case focuses on a firm's experiences, which is a family owned SME in the engineering consultancy sector. The firm was founded in 1992 and remained a two-man firm until 2002. The next generation took over the firm in 2002 and turned it into a globally known multinational firm. The successful generational change in leadership that resulted in this significant growth of the firm (Noszkay, 2017) is not included in this paper, however could be topic of a future research as well as the formation of foreign networks is case of small firms (Incze, 2013). Built on the family knowledge, the firm currently deals with governments all over the world: Hungary, EU (Brussels), Romania, Serbia, Shenzhen (China), Dubai, Federal UAE, and the Qatar Royal Family. The language and the habits are different, but the goals are the same: support their achievements in reducing pollution and increasing the well-being of residents, hence maintaining the economic growth.

The company's lifetime is split up to four chapters, with "life-changing" milestones between each. The initial cycle (1992-2007) was before our period of data collection, so we did not detail it further, then it already is in the previous paragraph.

The second cycle began by entering to a foreign market. In 2007, the investigated firm had only native employees. As Romania became part of the European Union the decision was made to open a subsidiary to serve the Romanian market. Upon the opening, the number of employees immediately increased by 20% as new employees from Romania joined the firm. Being afraid from the changes all employees had to speak beside Romanian also the native language of the firm. The official communication in the firm remained the native language of the family driven by the fact, that the whole firm still speaks the common native language of the family no dedicated development trainings were designed to meet the requirements of being a multicultural bi-national firm (Borgulya, Konczos-Szombathelyi & Szondi, 2015). As a novice, the assigned manager received training in the culture and habits of the new country.

The third cycle is featured by accelerated expansion process, beyond the home continent as well. From 2013 the firm continuously opened new subsidiaries as follows: 1. Dubai, UAE, 2. Shenzhen, China, 3. Doha Qatar. In this case, not only employees from different countries but

from significantly different religions, habits, political background and time-zones joined. Hard skills are the technical expertise and knowledge needed for a job. Soft skills are interpersonal qualities, also known as human skills, and personal attributes that one possesses (Miszlivetz & Márkus, 2013; Robles, 2012). As employer, one considers soft skills as very important attribute in job applicants, especially when it comes to (cross-cultural) cooperation and partnership (Pulinka, Á, 2020). In this stage the conclusions from the errors occurred during the proceeding one were implemented in correlation to the career development concepts. The challenges emerged in this cycle gave the focal point for this study.

The firm introduced an innovative integration program. Main innovations of the career planning and development concept introduced were a) the integration program was mandatory for the new employees as well as for the existing ones; b) skills like ethics or knowledge about different cultures religions have been included and trained as a hard skill. Like earlier, the new employees where mainly located in different countries and/or continents. Communication between the employees was mostly limited to written communications. Personal interaction between employees from different origin so far existed only between division leaders and the management. As a reason of migration as described, the firm started to employ people of different origins also in the home country, but significant hardships were produced by doing so. The main challenge is to overcome the differences mainly originating from the different culture of the labour migrants (Bakacsi, 2006). It can be stated, that in small company traditional conflicts between countries do play a significant role, which the management must be aware of. The company addressed them by the followings:

- Providing an increased number of internships to students of different origins;
- Increasing the career development budget for employees of different origins;
- Providing training to increase the possibility of employees of different origins to be leaders in their respective field and being accepted by the native employees;
- Change in the official communication from the native language to English, giving support to all those who have difficulties;
- Introducing global trends and local values into the project-based approach.

### 2.3.2. The data collection procedure

As mentioned above, we applied a case-based approach to develop a model that is to be evaluated by a quantitative tool. The qualitative part was carried out by in-depth interviews. Gáti & Bauer, (2017) suggest regarding small organizations, that qualitative method is the detailed description of situations, events, people, interactions, and observed behaviours, the use

of direct quotations from people about their experiences, attitudes, beliefs, and thoughts. Qualitative assessment is focused on understanding how people make meaning of and experience their environment or world (Patton, 2002). Qualitative assessment is narrow in scope and only applicable to specific situations and experiences. This type of approach is not recommended for generalization to broad situations. Different from quantitative research, qualitative research employs the researcher as the primary means of data collection (e.g. interviews, focus groups, observations, filtered through prior knowledge). In opposite to quantitative assessment, the qualitative approach is inductive, leading to the development or creation of a theory rather than the testing of a preconceived theory or hypothesis.

The qualitative analysis consisted of in-depth interviews with all employees of different origins leaving the firm. We employed semi-structured questionnaires and asked for reasons of leaving decisions. The goal of the personal interviews was to define the exact reasons behind the decisions to leave the firm, because non-verbal communication might provide further information about the feelings and thoughts of the subjects (Strauss & Corbin, 1997). On the other hand, a semi-structured questionnaire enables to reveal insofar unknown reasons and aspects behind turnover by the inherent possibility to wonder away from pre-formulated perceptions from the interviewer's part.

The interviews were going about one question solely: why leave the company? We surmised that making such a severe decision is supported by more contributing factors. To facilitate the explanation of the person, we provided two more questions to raise thoughts: what did you miss? what was wrong? what should we (company management) have done otherwise to retain you here? The interviewers were the authors of this article; the data was collected between 2007 and 2015. These were exit interviews, only with employees of different origins and interns and only with those who have left voluntarily or chose not to remain with the firms after the internship contract expired. This means 50 interviews altogether. This investigation, of course, burdened with limitations, discussed in the related section of the paper.

#### 2.3.4. Data analysis and development of a solution

The results have been evaluated in correlation to the duration of the assignment, meaning that the opinion of those, who worked longer for the company, weighted more. We intended to identify, which was the reason that is accountable for the highest extent to turnover. After we accomplished that, the managerial board of the case firm elaborated a solution to retain employees by integrating and incorporating them more deeply into the company. The proposed model solution is discussed in detail in the *Result* section.



### 2.3.5. Testing the model by YVET

Based on the interviews, we came aware of the most frequent reason behind voluntary turnover. Based on the responses, a model solution was elaborated and implemented into the case company. This period lasts from 2007 to 2015. The following two years were to test the result of this novelty in the company's history. We presumed that the most realistic way to check is to opt for a quantitative tool: the yearly voluntarily employee turnover (YVET) is the index defined to measure the success in integration aimed efforts.

As described in the *theoretical background* section, the method presents the calculation of the number of employees who have voluntarily left the firm and it is expressed as a percentage of the total number of employees. We calculate the index by dividing the number of employees who voluntarily left by the total number of employees. The most important argument for YVET is that it has no correlation with the total number of employees therefore the results can be applied for other organizations. A limit is that it does not inform about the notion behind leaving or staying, so this second method is of subordinate importance after the qualitative investigation.

Consequently, we do not refer to our applied methodology as a mixed one. It is two-folded, but they do not overlap in time, to ensure validity, and more importantly, the qualitative examination was before, while the quantitative was after the implementation of the proposed integration model.

## 2.4. Results

### 2.4.1. The interviews' impact

In our case the result of the qualitative assessment highlighted the reasons for the voluntary employee turnover. The main reason for employees leaving the firm was the "lack of long-term future", the second reason was "simply looking for new challenges" and the missing willingness to take responsibility. Employees explained in the in-depth interview that the missing willingness to take responsibility resulted in significant motivation loss they simply started to look for challenges elsewhere; "after a certain point, I could not see my future here, thus I admit, that my motivation to work hard and responsibly have dropped". We concluded from the interviews, too, that their result defines the focus of career development within a firm, but the interviews did not provide information to measure the career developments plans. We found one interviewee's sentences quite educational and as a proper summary of the conclusion of the utter survey of ours:

“I want to be good! Better in fact. After a while, I have not been in flow, have not felt like going somewhere, improving myself, provided with new opportunities. I became more and more interested in other related areas of my current expertise, and realized that it is because I do not see my way up – or to anywhere – in my current position. I think that commitment and willingness to learn more and serve better, so to say, should be exploited and honoured by an employer, if not, then this job is not meant for me.”

Another person reported of customized concerns, specifically to the sample firm:

“It is a small firm. The “ceiling” here is quite close, however maybe it is the price of the less bureaucratic and rigid way of how things are going on, for example, in a large multinational.

The interviews realized the stigma attached to small companies, accordingly, there are limited room for professional ascending and the corporate ladder, or “ceiling” as referred to it, is open only to family members basically. We firmly believed, that a career path proposition can address to such anxieties, therefore to convince the employees that the sample company can fulfil their ambitions both in terms of circle of authority (e. g. be in charge of a department) and technical expertise improvement. To that end, we elaborated and presented a quite detailed career a development plan.

#### 2.4.2. The career development plan

We applied and improved the Situational Leadership Model developed by Paul Hersey and Ken Blanchard (Hersey & Blanchard, 1969).

The Situational Leadership Model was improved to suite the sample business’s needs. Instead of the four stages of Hersey and Blanchard, in our concept, we identified 5 milestones in the career of a non-family employee where a career development plan shall focus on (Table 2.)

**Table 2**  
**Career development plan**

<b>Number of cycle</b>	<b>0.</b>	<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>
<b>Suitable leadership style</b>	Attracting	Telling	Selling	Participating	Delegating
<b>The lead individual’s characteristics</b>	Having the necessary technical expertise, but	Unskilful but eager to learn and enthusiastic	More skilled but lost motivation	Quite experienced but unconfident in taking serious responsibilities	Experienced, competent and desire to have responsible roles

	unknown as a person				
<b>Career phase</b>	Internship; determining impact on both parties	Getting the feeling for the family business	Paving the role of the career	Defining a clear vision within the firm	Becoming a leader

*Source: Own editing based on Situational Leadership Model Hersey & Blanchard, 1969; Yeakey & George, 2002)*

### **3. Table: Career development plan**

The reason for introducing the phase 0 is based on the concept that a well-defined career plan starts well before joining to the firm. The need for innovation for a family business is essential to improve the firm's performance (Laforet, 2012; Zilahy & Széchy, 2020). The motor of innovation is beside the continuous development of the product or service, the acquisition of new employees' fresh knowledge. We focus our research on career development plans for non-family employees recruited on the first case. In our concept we identify internships for students as one of the most effective tools to gather innovative workforce. Internships can be very valuable to understand fit before extending a formal employment offer (Schuman, Sage-Hayward & Ransburg, 2008). Based on observations from the literature open ended internship opportunities can provide great value to all parties, especially for students without real life working experience, thus suffering from weak bargaining position on the labour market, exceptionally, if they have even linguistic/communicational/cultural proximities to bridge over abroad. Finally, internships also widen the scope of knowledge that should enhance a student's academic, career, and personal development. The determination of the positive marketing effect (e.g. reaching the millennials) of providing internships for students in a small family business is a gap worth further research.

The major challenge for the size of the studied firm with drafting and conducting the internship program is having enough professional personal for supervision. In other words, not to lose effectiveness, while having internships students. Students must be integrated fast in the operations of the firm. In our concept this is solved by employing an "internship officer" who is responsible for the supervision of the students during their stay at the firm. The benefits of the program include: the creation of the opportunity to recruit future employees; almost no risks while the performance of a potential employee can be evaluated; internships saves money since an intern receives less pay and fewer benefits than a full-time employee; and flexibility in having a cost-effective work force without long-term engagements (White, 2011). Given proper supervision in a way that internship students are urged to do what they really are capable at (not less: like being an assistant or more: asking for highly skilled work) it frees up professional

staff to pursue more creative projects. A returning key factor is bringing new and innovative ideas to an employer in a form of energetic and skilled employees who bring latest industry knowledge fresh from lectures and other campus resources (Leovaridis, Ciochina & Tanasa, 2019).

After the internship, the *first phase* of employment in our concept is the initial stage up to the first year. In this stage, the employee looks for connection points and gets the feeling for the firm. For the employer, this stage also decides on the future of the employee. The cited literature calls this phase the directing phase, where it is assumed that the employee has low competence but high commitment. It further assumes employees lack the specific skills required for the job in hand and are unable and unwilling to take responsibility for this job or task. The career development plan in phase 1 focuses on the above mentioned skills. However, as addition to it in our concept we further focused on the extra skills originating from the family tradition (Heidrich, Németh & Chandler, 2016; Wieszt, 2020). Career development in this phase is conducted in groups with few individual interactions.

We defined the *second phase* between the first and the fourth years of employment. This period within a family business is essential for the employee to have the road paved for his or her career. Those are the years, where a non-family employee must receive the first inputs into the career plan. The literature describes this phase from the employee point of view as low competence and low commitment phase. Combined this with the fact, that for most employees in this stage the firm was the first job, having even spent an internship already with, could point to the main drawback of our 5-phases development model. In our concept the career planning and development has to focus on the commitment. The literature recommends for this phase coaching as a distinct training method (Heidrich, 2007). Coaching means a form of development in which a person called a coach supports a learner or client in achieving a specific personal or professional goal by providing training and guidance (Passmore, 2015). The leader is still providing the direction he or she is now using two-way communication and providing the socio-emotional support that will allow the individual or group being influenced to buy into the process. The focus is on the individual needs and the assigned coach is determined a) to support employees in defining their needs and b) in the progress to address those (Kárpáti-Daróczi, Vágány & Fenyvesi, 2016).

Within the *third phase*: from fourth to the tenth years of employment, the focus of the employees is on defining a long-term future. This future must be ensured both in financial way (Almási, 2014, salary increase) and in the technical way (development of skills). The management must be aware of the fact, that almost all senior employees' voluntary left from

the firm has a significant adverse effect. They are difficult or expensive to substitute and their leaves signal to the remaining employees in the earlier phase showing the lack of career opportunities within the firm. Employees in this phase are high in competence and low/variable in commitment. The supportive development model is used in our concept. The focus of the introduced supporting career development model was on a shared decision-making where the leader is providing fewer task behaviours while maintaining high relationship behaviour (Kopfer-Rácz, Hofmesiter-Tóth & Sas, 2013). The main goal of the fully individual development process shall be in defining long-term targets while ensuring a clear future within the firm. In our case, the international expansion is a good development opportunity for leadership-oriented people. The top level of a small size family business, where already generations are working is in most cases impossible to reach for non-family employees. However, international expansion or expanding into new fields of services is a good alternative career plan for those who feel that their individual top within the firm – the headquarter, which is directly lead by the family – has been reached.

In *phase four*: after ten years of employment, employees usually want to become leaders in their fields. The literature defines employees in this category as experienced at the task and comfortable with their own ability to do it well. They are able and willing to do the task, and to take responsibility for it. They are now connected with the firm for the last ten years, having inherited some of the family tradition and have developed high competence and high commitment. In our case, most interviewees were willing to stay only if they are given a proper guidance to become experts (technical) or leaders (division leaders or included into management). Career development is carried out strictly individually upon the suggestions of Szabó-Bálint (2018), with the focus on delegating. In our concept, the individual is assigned two leaders: one expert in leadership training and one of the family members. The leaders are still involved in decisions; however, the process and responsibility has been passed to the individual (Heidrich, Németh & Chandler, 2016). The leaders stay involved monitoring progress, the reason for the double lead program is based on the family business principle (Tóth & Surman, 2020; Ram, Theodorakopoulos & Jones 2008). Value creation in family business can be realized through a fit between goals, resources, and governance structures, all of which are typically influenced by the family (Almási, 2014; Kammerlander et al, 2015).

The family member is in charge to pass over or educate the individual in the value creation part of the “family tradition issues”, while the leadership expert is responsible for the rest of the more objective education progress (Ram, 2001).

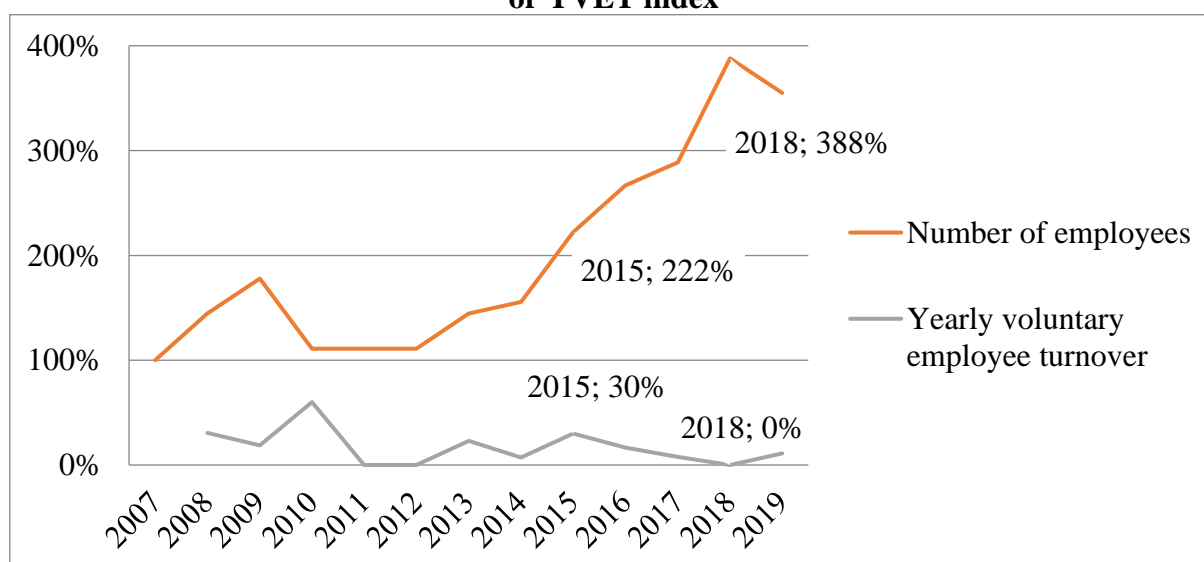
### 2.4.3. Concept verification

In this section, we present the practical impact of the proposed career development plan by the yearly voluntary employee turnover index (YVET). As mentioned in the *methodology* section, the follow-up work was carried out during the between 2015 and 2019. Although, to be able the grasp the improvement we intended to accomplish, we compared the results with the proceeding odds.

We highlight that the number of interviewed individuals are not necessary in correlation with the turnover featured the follow-up evaluation period of 2015-2019 in absolute terms, therefore in order to make a meaningful comparison we expressed the data in percentage. We argue for the validity and reliability of our methodology as we intended to measure the impact of the career development plan, but the number of employees joining and leaving the company in absolute terms (!) are not relevant from our viewpoint. Their difference and changing upon the implementation of our career plan concept which are ultimately relevant.

The impact of the implementation of the career development plan is graphically represented in Figure 1.

**Figure 1**  
**Total number of employees at the company and the yearly voluntary employee turnover or YVET index**



*Source: Own editing, based on the sample company's data*

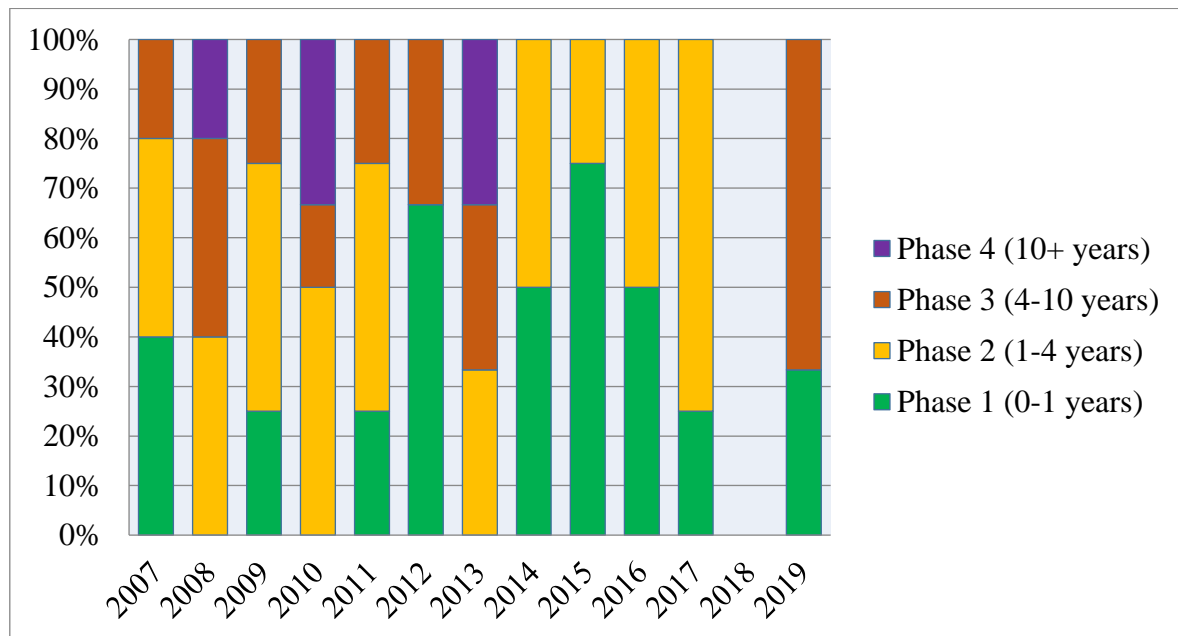
**4. Figure: Total number of employees at the company and the yearly voluntary employee turnover or YVET index**

As it seems, since the year of the introduction of the career development plan, the yearly voluntary turnover has been declining, despite the fact the total number of employees are rising persistently. Year by year, the company's total amount of labour force is growing.

From the Figure 1 we concluded, that neglecting the career development of non-family members will result in a high yearly voluntary employee turnover, supported by Koncz, in 2007, which shortly (in our case within 4 years) results in the loss of competitiveness. Applying a transparent career development plan for non-family employees will lead in the long term to the opposite, however the management must be patient until those development plans pay off. Long-term committed employees remain at the firm, keeping them is essential for corporate growth. Based on that, we additionally measured employees' inclination to stay in terms of the career model' phases (Figure 2.) The figure tells in which phase of the career plan the employee leave.

**Figure 2**

**Yearly voluntary employee turnover relating to the duration of employment relationship**



*Source: Own editing, based on the sample company's data*

**5. Figure: Yearly voluntary employee turnover relating to the duration of employment relationship**

Nobody left in 2018, moreover, since 2015, no senior employee has left the firm. It has critical importance because leaving seniors pose the most adverse effect on the commitment and moral of those who remained. It shined out clearly, that ever since the implementation of the career plan, the formerly fluctuating tendency of the workers' length of stay within the firm, has been declining steadily, except for the last analysed year. The authors of this paper are yet to analyse the happenings in 2019.

All in all, we concluded first of all, that we identified successfully and correctly that the most frequent reason behind voluntarily leaving employees is the lack of career perspectives within

the sample organization. Although this might be true of other certainly similar companies (SME's, family firms, internationally operating). Secondly, the career development model we proposed on these pages is an effective tool to integrate employees more deeply into the tissue of the company, because they tended to stay in general and stay longer. But the ability to offer such a career path on the behalf of the firm might be would not be possible without its international presence. This possibility requires further investigation as well, supported by the fact that, one of our interviewee's told that she seeks "international career accompanied plenty of new people at new places around the world, even if I have to spend half my life at airports."

## **2.5. Conclusion and implications**

This study extends on the knowledge and concludes on the effectiveness of career development as it facilitates the integration of employees of different origins into a small- and medium-sized family business. The research conducted describes a concept of career planning and development based on an extensive qualitative investigation, carried out by semi-structured interviews. A quantitative method was applied to measure the success of the proposed career planning and development plan within the sample firm.

Stemming from the 50 interviews we conducted, we realized the reason for the voluntary leave that is the absence of clear career perspectives. However, it does not contribute to the measurability of their effect. We argued that the YVET index is an effective and objective method to the measure the success of the career planning and development plans. This index has no correlation with the total number of employees and it does not reflect on the reason to leave, therefore this quantitative evaluation procedure can be applied for other organizations as well. But of course, there might be further applicable models to measure integration-related efforts. Applying others parallel though, is beyond the scope of this article.

As a summary, we can report of the success of our proposed career development plan, because since its implementation, the voluntary employee turnover has been declining in the sample company. It potentially increases the performance of the firm and supports it in facing the challenges of globalization. However, when it comes to generalizing this paper's results, we recommend circumspection, because there are some specific limitations in terms of the sample and methodology, detailed in the last section of this study.

As far as the geographic location is concerned, the study is based on a case from a Central European firm. This on one hand shows the limitation of it on the other hand extends to the few business literatures focusing on companies from the former "eastern bloc".



## **2.6. Limitations and future research directions**

Finally, we discuss the current limitations of the present research and suggest future developments. To our comprehension, limitations diverge from two aspects of the study: the company's features and the methodology applied that potentially ignored yet contributing elements.

### **2.6.1. The case company**

Our paper has been prepared as a case, based on a small size family business in Central Europe. We have followed the firm's development for the last 28 years. The research includes the findings of 8 (qualitative data collection) plus 4 (quantitative evaluation of the implementation of the model) years. Being a family firm and a small-, medium-sized enterprise (SME) creates a unique context within any organization from several respects: knowledge sharing (Woodfield & Husted, 2017; Cunningham, Seaman & McGuire, 2016) and accumulation (Chirico, 2008), mentoring (Distelberg & Schwarz, 2015), transmission of leadership role (Hatak & Roessl, 2015), innovation (Pittino et al, 2013), influence of the family members (Kellermanns et al, 2008), chance for acceptance (Bauer, Horváth & Mitev, 2007), trust (Bencsik & Juhász, 2018; Ram, 1999), formal regulations (Csákné, 2012), personal relationship building (Csillag et al 2020) and so on. These aspects were not handled individually neither separated from the whole investigation process, thus, assessing them more precisely calls for future researches, as well as enriching further the existing literature of career development plan (Baksa & Báder, 2020). The need for the transparent career development plan is often overlooked by family business despite the fact, that entrepreneurial behaviour is an important factor in a firm's profitability and sustainable growth (Szerb & Lukovszki, 2013; Mucsi, Malota & Török, 2020). It is possible to recognize innovation in family business as a nascent stage that undergoing significant development (De Massis, Frattini & Lichtenthaler, 2013).

The conclusions are based on the achieved results of one single firm, and the research is geographically limited to Central Europe. Progress in the integration of employees of different origins is still an ongoing process, where the success of the applied techniques and the effect of introduced new techniques can be only evaluated in a future research. We will continue and widen the focus of the research, with similar family businesses.

### **2.6.2. Limitations of the methodology**

Interviews, as well as other qualitative processes are quite subjective (Strauss & Corbin, 1997). When the questionnaire is semi-structured, hence by personal mind-set and knowledge,

experience of the researcher, the results are heavily influenced by the interpretation of the interviewers. We intended to mitigate this effect by conducting the interviews together (two interviewers), but yet it could not ensure with a perfect solution.

The gathered data was limited in scope. We did not ask for the opinion of the remaining, native and non-voluntarily leaving (lay off) employees. Having a long time period of data collection facilitates the grasping of trajectories, however, at the expense of actuality. We argue for not including the mentioned groups, because their overall opinion of the case company is supposedly positive through they do not leave.

In comparison with the qualitative data collection's period (8 years), the quantitative one accounts only for four years. It can be a discrepancy, but we believed – and as turned out were right about – that implementation if the career development plan presents immediate gains. Although it is true that further follow-ups are reasonable to conduct by the YVET or additional methodologies as well.

Last, but not least, we acknowledged that the primal and dominant problem is solved by the proposed career development plan. It is important to note that we had not ignored the rest. But if we would handle every issue simultaneously, measuring the result of one specific step was not feasible in reality. Addressing the additional problematic features is the next assignment for the company's strategy-maker.

### **3. The concept of labour migration from the perspective of Central and Eastern Europe**

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Bite, P., Konczos-Szombathelyi, M., & Vasa, L. (2020). "The concept of labour migration from the perspective of Central and Eastern Europe". *Economics and Sociology*, 13 (1): 197-216. doi: 10.14254/2071-789X.2020/13-1/13

**Reference as:** (Bite, Konczos-Szombathelyi & Vasa, 2020)

#### **Abstract**

The present paper overviews academic literature and statistics related to labour migration in part where it concerns Central and Eastern Europe (CEE), with special attention paid to Hungary. It aims to discover the main notions and results of European migration along with potential future trends. The paper, inter alia, focuses on the changing characteristics of host countries' labour markets and demographic profiles. It has found that CEE's involvement in intercontinental migration is expected to continue, and is driven by demographic and economic catalysts. Therefore, to address all related issues and map trends, not only an economic perspective is required. The conclusion is that preparation for integration of the newly arrived labour force is a permanent ongoing task for all employers and policymakers, as well as for the entire society.

#### **3.1. Introduction**

For identifying migrant workers, many definitions have already been invented, for example, the International Labour Organization determines the phenomenon as "all international migrants who are currently employed or (...) seeking employment in their present country of residence" (ILO, 2015). We opt to use this terminology because neither ethnicity, nor citizenship is covered under such a perspective. In this context, countries are regularly divided into sending and host countries (Engbersen & Snel, 2013). However, they might change their status depending on their own and their neighbours' economic and social conditions. Apart from poorer income prospects such as minimal wages (Rausser et al., 2018), ethnic incentives and cultural proximity are also expected to trigger migration. This assumption used to be highly prevalent after the political transition in Central and Eastern Europe (Favell & Hansen, 2002; Jileva, 2002) and after the end of the World War II (Schiffauer & Schiffauer, 2017). The current study suggests that this statement is still valid. To understand the present tendencies and notions

around labour migration, some historical events that established long-lasting social and economic processes accountable for labour migration have to be taken under consideration.

The diminished border control on European continent boosted migration in an underestimated volume (e. g., Alvarez-Plata et al, 2003; Dustman et al., 2003). While only a few hundreds of thousands were envisioned, a half million solely Polish citizens moved to the UK only in 2007 (Schiffauer & Schiffauer). In comparison with other Eastern European countries, there are numerous studies discussing both Polish emigration and immigration.

The explanation of migration with cultural, psychological, social (Bodó, 2016) attributes is a typically Western European and American approach (Boeri, 2010; Simionescu et al., 2016; Oláh et al., 2017). Driven by the scarcity of multiple perspectives, the current study overviewed academic literature and statistics, and presented the findings on CEE specifically (Constant & Zimmerman, 2013), with special attention being paid to Hungary.

The reason putting Hungary into the spotlight lays in the fact that this country has been experiencing a greater volume of labour influx than its regional counterparts (Simionescu et al., 2016).

Labour migration is a durable phenomenon which is becoming a long-term challenge for both employers and policymakers (Cseh-Papp et al., 2018; Simionescu, 2016). And this is the starting point in this study.

### **3.2. Literature review**

In 2019, 82.3 million migrants lived in Europe. That accounted for 11 percent of the continent's population (UN DESA, 2019). In CEE, the figures ranged from 6 to 20 percent. The Balkan suffers the most from emigration and decrease in the population (Jakup, 2016). Another source states that, Central Europe and Scandinavia have a positive "migratory balance". Melegh and Sárosi (2015) wrote that Hungary's emigrated population was lower in comparison with other countries in the region. According to Jakup (2016), it is the lowest in particular. Since the Schengen Agreement has granted free movement for labour force, Eastern and Southern Europe constantly exudes people to the Western and Northern regions of the continent. Economically prosperous countries have more favourable rates of migration stock, while, in the meantime, moderately developed post-Soviet states are associated with the lowest figures.

The most popular destinations are France, Germany and the United Kingdom (Ebell & Warren, 2016). However, their labour market has not saturated. That is because citizenship is never granted easily, not even for the second or third generations of immigrants. Due to this

discriminatory pressure, people return to their homes eventually (Seifert, 1997). Foreigners, who applied for citizenship, are usually motivated by family reasons (Cseh-Papp et al, 2018). Schiffauer and Schiffauer (2017) also stated that despite the EU's supranational legal framework, member states' national administration pursues the prevention of "abusing social benefits" by migrants. Measures to deport immigrant workers proliferated along the rising unemployment level as a consequence of financial crisis (Pettigrew et al, 2007) and during the oil crisis in the 1970's (Schiffauer & Schiffauer, 2017). Switzerland is an excellent example for how indiscriminate nature of immigration policy can attract labour migrants. Such policymaking is motivated by the dependency on foreign expertise in certain high-end economic branches, for instance, in health care (Dia, 2018). For people with politically unstable background, accepting policies are more relevant than economic premises. Mikó (2017) and Dominique (2006) proved that upon analysing Poland's and former Yugoslavian migration purposes in the past century. Labour migrants tend to be highly qualified (Lazányi-Čepel-Bilan, 2017) and work in highly skilled and rewarded occupations. As a result, the domestic economy is dependent on their contribution. Resembling to the UK regarding the Brexit (Simionescu et al, 2019).

According to a more abstract definition, migration is the "response to changes in living conditions caused by population growth, development of production and trade, formation of countries, states, nations, climatic conditions, as well as violent causes, such as wars" (Grenčíková et al, 2018). In line with that, not mere financial interest produces migration. Researchers also make difference between temporary and permanent labour migration (Baršova & Barša, 2005). The initial notions triggering them are similar; however, the manner they change as time passes by can mainly be explained by non-economic features as inspired above. As the circumstances change, the population migrates. If labour market conditions change, labour force migrates accordingly (Cseh-Papp et al, 2018). It is the more variable external side. As a novice, we complement this approach with the relevance of social networks, cultural background, psychological drivers, ethnicity and social capital following the implications of Institute for Research into Superdiversity (2015). Herein ethnicity is interpreted as "an aspect of relationship, not a cultural property of a group" (Kapitány, 2013). The listed items are long-lasting inner influencers.

In CEE, migratory patterns are basically explained by ethnic affiliation (Molodikova, 2008a; Csedő, 2010). Upon the fall of autocratic systems, people gained courage from the sudden freedom and pursued better living conditions elsewhere (Simionescu et al, 2016). Yet, despite economic and social conditions offered by the host countries, they usually return to their

homes eventually (Sandu, 2010). If economic motives weighted more, they should not have done so. We addressed this peculiarity with a more concentrated research. Hence, even fresher, multi-perspective studies question the interrelation of GDP and net migration (Cajka et al, 2014).

Interdisciplinary studies are scarce in front of Central and Eastern Europe (Simionescu, 2016), so we focused on that area, occasionally highlighting Hungarian features. According to our experience, Hungary is under-researched compared to Poland, which is regarded as its “fellow country”. We aimed to add to this scarce knowledge. Hungary is experiencing heavy influx of foreign labour force; some other researches hold the same for the entire CEE (Simionescu et al, 2016).

Why had not large-scale economic migration been realised? Researchers, who envisaged it, failed to devote attention to other influential aspects, and had focused on the economic disparities among European countries, between Eastern and Western, Southern and Northern European states. However, once it got noted that this break line has weak explanatory ability, researchers’ interest swayed toward linguistic, ethnic, cultural and psychological characteristics (Schiffauer & Schiaffauer, 2017; Bodó, 2016) as well as toward the demographic features of the country and particularly its emigrant population (Streimikiene et al, 2016). The chance for successful identification (emotional integration) of foreigners correlates to their level of interest toward the host country’s customs and traditions (Cseh-Papp et al, 2018). It was already indicated above that ethnical background and cultural proximity do count, as countries attempt to lure back their fellows (Hungary-Romania). On the other hand, Simionescu (2016) found that between 1991 and 2014, Romanian people permanently left their home because of low earnings. It also bears some contradiction, since emigrating people are rarely coming from the poorest regions of Romania (Goschin et al, 2013). Interestingly, economic downturn in terms of unemployment rate, reduces net migration, the opposite happens if GDP rate is taken as an independent variable (Simionescu et al, 2016).

### **3.3. Methodological approach**

In this conceptual paper, we used secondary data sources to set up our model. Journal articles were examined primarily, while secondly quantitative datasets and legal taxonomies were extracted from international organisations and research institutes: EU, European Commission, Eurostat, OECD, UN, Department of Economic and social Affairs, International Labour Organization, International Organization for Migration, UNCTAD and the World Bank. The unprocessed data facilitated deductions and testing of existing theories and a tested

hypothesis is at halfway “between validation and usefulness” (Weick, 1989). The present paper introduces assumptions deriving from the literature.

The time interval of the analysed data was large, but we found it justified by the topic. Ethnical roots and cultural features are long-lasting items and formulated by historical happenings (House et al, 2004). That is true for the demographic, societal and economic outcomes as well.

For evading the inclusion of obsolete findings, we did not retrieve journal articles before 2004. This date is the time of the EU accession for Central and Eastern Europe that opened up new perspectives and created new circumstances. The transition was called “Europeanisation” by Gheorghe and Common in 2011.

Beside the mentioned period, taking Europe as the area of study was the other inclusion criteria or filter. We did not refuse any legitimate research method, because relying on variable methods can serve with a broader angle of view (Gilson & Goldberg, 2015) and the final output will be more valuable. Contrary to the traditional, rigid methods of low number of analysed papers (Hodkinson & Ford, 2014), we reviewed relatively many. In order to provide a comprehensive overview, we could not engage exclusively in any specific scientific field or methodology, what also justifies and leads to our large list of references.

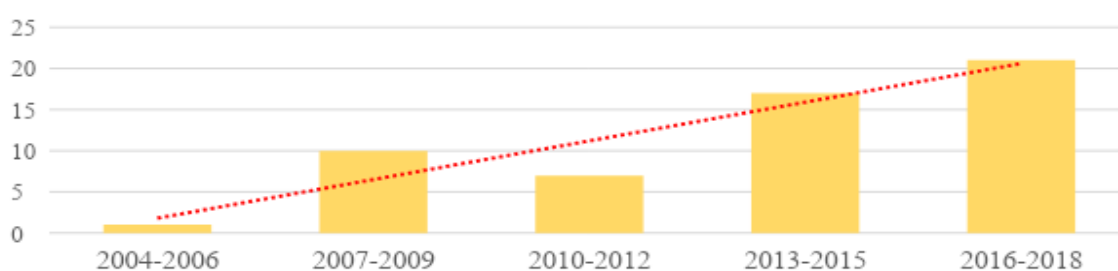
For gathering qualitative material, we conducted keyword research in ResearchGate and ScienceDirect databases, in six rounds. Based on the hypothesis, during each round, we used “labour migrations”, “Central-Eastern Europe” and “integration”. At this stage, we read papers thoroughly, which ones had overlaps among the three phrases. Afterwards, we ended up with the empirical basis of the study. For gathering data, five additional paths were defined after the first round, while sticking to the three constant terms. These were the followings:

- Cultural roots and ethnicity;
- Circular/temporary migration or mobility;
- Economic consequences of labour migration:
  - Perspective of the sending countries,
  - Perspective of the receiving countries;
- Demographic patterns of Central and Eastern Europe, present and future.

Historically, Hungary as well as CEE has been suffering from massive emigration for a century from now. Nevertheless, statistical records (OECD, Eurostat, Hungarian Central Statistical Office, etc.) report heavy influx of mainly Asian labourers and students since the

financial crisis. The phenomenon is altering the current demographic situation. Therefore, the relation between the total and the economically active population was the next point we addressed. There are numerous scenarios and predictions applying a wide range of methodologies in this respect. However, introducing them all would be beyond the scope and volume of this study, hence, this was the point where our research ended. The reader will see though, that we found researches, whose results were contradicting each other. We did not aim to decide over their validity, only to flash light to an unclarified phenomenon or theory.

An interesting remark is the growing number of reflective researches. It seems that the issue of labour migration is becoming increasingly popular in several scientific disciplines. We portrayed that in *Graph 1*, and organized the division on the abscissa with intervals. We did not include methodology-related sources, only the ones touching our paper's topic. Solely journal articles were included, 59 pieces altogether.



*Graph 1* Publishing Date and Number of Reviewed Articles

Source: *Own compilation*

#### 6. Figure: Publishing Date and Number of Reviewed Articles

We found that in CEE and especially in Hungary, labour migration is under-researched. We conclude that European migration-related research materials have been growing faster in the present decade. Economic and social matters are involved too, suggesting that a comprehensive, interdisciplinary approach is more appropriate, using more methodologies to grasp the concept of Central and Eastern European migratory patterns. Based on the wide range of secondary sources, a concept of immigration from the East was developed. The model summarises the drivers and outcomes of labour migration, complemented with the closely related factors' link to each other.



### **3.4. Conducting research and results**

#### **3.4.1. Pillars of migration**

A country's history also roots in cultural characteristics and these characteristics influence, if not determine the future of a nation (House et al, 2004). Throughout history, nations encounter more or less the same external happenings, and yield a response to them. This reaction will shape the environment, so it plants the seed of the “next” external happening. This particular response is defined by cultural traits. In this respect, we recall the demeanour of welcome of labour migrants as an instance.

Corruption and nepotism also derive from history (Sadaf et al, 2018). After evaluating their impact, Woolfson (2010) claimed that the lack of trust lies in the governing bodies, and the consequent aversive feelings about the future of the country generate emigration. These findings were supported by Simionescu (2016) and Kroeger (2015) as well. Inauspicious social environment evolved in every post-communist country since the 70's, but it remained tacit until the actual transition to market economy and democratisation had not started (Rausser et al; 2018; Papadopoulos, 2011).

Religion and linguistic features are important pillars of culture and play a significant role when choosing the destination country (Adsera & Pytliková, 2015; De Vita et al, 2014). Researchers found that labour migration are more intensive among states with more similar spoken languages (Chiswick & Miller, 2014). It is empirically supported by Gödri (2017), Cseh-Papp et al (2018) that without a basic knowledge of the host country's language (and a brief insight of its history and current institutional system), the integration cannot happen. Cultural assimilation, “cultural integration” is also inevitable to build trust among the counterparts.

Sending countries with higher weight on tertiary sector, releases more labour migrants, because this sector is attributed with highly educated human capital and with the excessive need for information transfer (Iveroht, 2012). Putting it otherwise: if the state's tertiary sector is prominent, it is likely to be explained by a relatively well-educated population in general. On the other hand, the service sector holds a comparative advantage for native workers against foreigners, because of the emphasis on communication (Foged & Peri, 2016).

Regarding the cultural matters and Hofstede's “masculinity” (Hofstede, 1997, 2018), we can talk about the “glass ceiling” phenomenon. The gender roles are more severely distinguished in the eastern world; one can think of Eastern Europe, the Middle East (Arabic states) or the Far East, especially of the extremely conservative Japan. Gender differentiation

is behind the wage gap between females and males that is narrower in Belgium, than in Hungary for instance (Boll & Lagemann, 2018). So, evidently, females can expect better salaries. However, according to a forecast, the gaps are closing Europe-wide (Shmulyar & Spehar, 2014).

The analysis of the importance of culture was emphasised by Belot and Ederveen in 2015, who evaluated the statistical correlation between culture, language, religion and migration through regression and the calculation of the corresponding elasticities. Results were the followings:

- 1 percent of linguistic distance lowers migration flow with 0.76 percent,
- 1 percent of religious distance lowers migration flow with 0.29 percent,
- 1 percent of cultural distance lowers migration flow with 0.34 percent.

0.76 percent means that language is almost deterministic for labour migration. The evidence was supported by Cseh-Papp, Bilan and Dajnoki' (2018). They found that the absolute majority of migrants chose foreign employment because of "family reasons" (38 percent) or "personal reasons" (20 percent), while "economic reasons" were marked the most rarely. We surmise no linguistic difference within families.

One should not neglect to consider institutional obstacles and labour immigration policies. Legal restrictions are quite the opposite of culture-related characteristics, as they can vary on a "daily basis", while culture and ethnicity does not. Belot and Ederveen (2015) evaluated the restrictiveness of immigration laws and their achieved effect. In the World Competitiveness Yearbook's data, immigration regulation ranked from 0 to 10. In the theoretical model, number 10 refers to a barrier-free entry and 0 refers to the intention of total prevention of immigration. Denmark (7.73) and Luxembourg (7.55) are the most welcoming countries, while Switzerland (4.32) and Austria (5.34) are the less opened. As the legislation of the EU is obligatory for each member state, one might think that openness should not vary with the Union. However, the EU Directives come to force only if protectionist measures (Simionescu et al, 2019) are made explicitly and in this case, they are bound to fail. That is exemplified by David Cameron's unsuccessful efforts to "renegotiate the economic integration and freedom" to the UK (Schiffauer & Schiffauer, 2017). However, it is suggested by Simionescu, Bilan and Gedek (2019) that novel foreign policy should not restrain the immigration of workforce into the country regardless of its quality; both are advantageous on their own. UK has shortage in low-skilled labour force, and high-skill labour force brings

innovation potential. Concerning third-country workers, member states are sovereign to shape their own legal practice.

As far as psychological profiles are concerned, labour migrants are generally young people, who do not have fixed perspectives about their future, neither in relation of work, nor settlement (Glorious et al, 2013; Vdovtsova, 2008). They usually seek adventure, new experiences and their parents fund their trips, so they are not pressured by financial burdens.

The above covered viewpoints - culture, language, religion, ethnicity, psychology and jurisdiction - imply that migratory patterns cannot be explained solely by economic factors, even if we talk about “labour” migration.

### 3.4.2. Time factor of migration

During our research, we frequently encountered a geographically widespread pattern, which is temporary-circulatory labour migration or mobility (Illés & Kincses, 2009; Wallace, 2002). A more recent study acknowledged that a “New European Migration” evolved since the millennium, Strockmeijer, de Beer and Dagevos, (2019) based their study on a sample of labour migrant workers in the Netherlands, whereby they returned home after their commitment finished and later resumed to the destination state by time. The new practice can be marked as temporary and return migration (Engbersen & Snel, 2013). Opened borders within the continent, cheap means of transport, from car-sharing to low-cost airlines, have eliminated the need to acquire a long-term residence in the target country (Weltevrede et al 2009).

Based on the length of stay and purpose of migration, a typology was invented by Eade, Drinkwater and Garapich in 2007. They took a sample of Polish labour migrants in the UK and divided them into four clusters: storks, hamsters, stayers and searchers (*Table 1*).

Table 1 Categorisation of Polish Labour Migrants in the United Kingdom

Name of category	<b>Storks</b>	<b>Hamsters</b>	<b>Searchers</b>	<b>Stayers</b>
Share of the sample	20%	16%	42%	22%
Duration of stay, frequency of visits	2-6 month of stay	variable in length, but uninterrupted stay <sup>1</sup>	unknown	permanent settlement

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<sup>1</sup> We can suppose that they stay for more years because, their purpose/strategy demand longer duration.

Occupation	low-skilled		all kinds <sup>2</sup>	all kinds, improving by time
Purpose of immigration	pay tuition fees at home	capital-raising for investing at home	ambition, acquiring social and financial capital too	pursuing high social status and mobility
	financial incentives; maximize earnings in the shortest possible time		intrinsic motivation; acquire language skill, learn sustaining oneself, experience living in a global city	

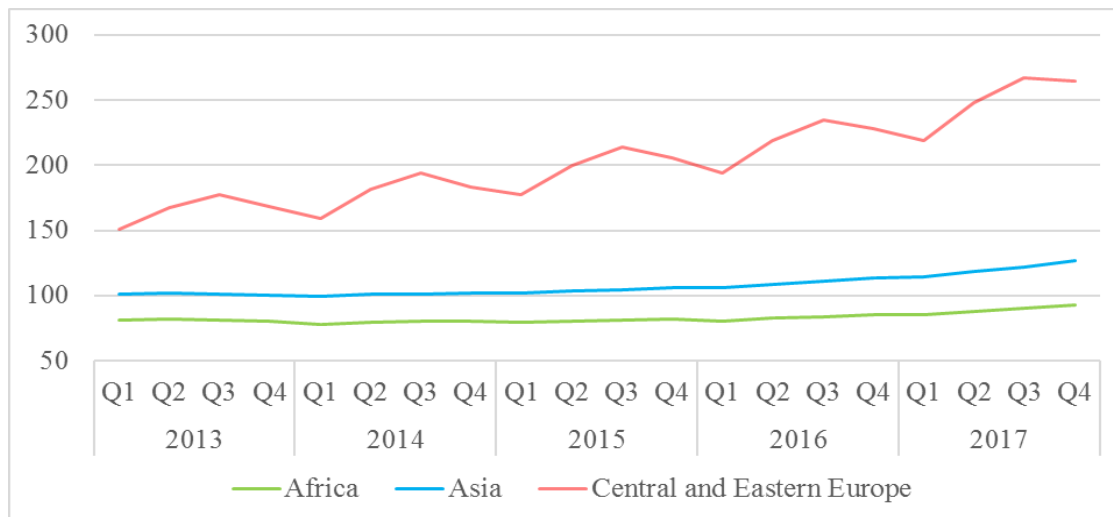
Source: Eade et al (2007). *Class and Ethnicity: Polish Migrant Workers*. Swindon: Economic and Social Research Council, London, completed with the present authors' personal input, indicated by the indices

#### 7. Table: Categorisation of Polish Labour Migrants in the United Kingdom

This classification confirms that the majority of labour migrants stay only for a limited period of time and then leave, once they achieved their specific or undefined goals. A cumulative number of 78 percent is associated with the temporary migration. From searchers' perspectives, there is a higher chance for leaving the target country sooner or later, because they seek adventure and this intention sprouts them elsewhere. It means 64 percent of the sample is motivated by non-economic factors, so this study is another evidence for the subsidiarity of monetary rewards. Consequently, this fact undermines the neo-classical theory. Pronk (2015) prolongs that the longer time someone lives abroad, the less likely he will leave. In every fifth year, the likelihood of returning home drops by 5 percent, the inverse relationship between longer stay and lower chance to leave is supported by another recent study (Simionescu et al, 2019).

In relation to the frequency of low-paid occupation-takings on behalf of migrant workers, we can think of agriculture, construction industry or other seasonal works in domestic services like hospitality that demands excessive labour force only in a particular time of the year. Excluding agriculture only construction and hospitality account for employing 44 percent of labour migrants (Eade et al, 2007). *Graph 2.* confirms that especially CEE labour migrants tend to work solely periodically in the target state.

<sup>2</sup> They are highly qualified, therefore, able to switch between workplaces with relative ease.



Graph 2 Number of Employees from Abroad in the Netherlands in Quarterly Breakdown (Thousand People)

Source: *based on Statistic Netherlands (2019), own compilation*

#### 8. Figure: Number of Employees from Abroad in the Netherlands in Quarterly Breakdown

Graph 2 shows that the “popular” period is the summer. That is in line with the peak periods of the mentioned branches. It also reflects the significance of institutional barriers, transportation cost and distance. These obstacles hinder non-European labour force’s commuting to a far greater extent.

85 percent of Polish labour migrants returned home after their provisional commitment in Western-Europe had come to an end. 60 percent of CEE citizens returned home after less than six months (Statistic Netherlands, 2018).

From Christian’s interdisciplinary dissertation (2014), we deduced that there is no reason for assuming difference in the cases of other Eastern European countries. Simionescu, Bilan and Gedek’s (2019) paper about the UK and CEE, offers an empirical evidence for this statement. For instance, Cseh-Papp, Bilan and Dajnoki (2018) stated the same about Hungary. Potential employees are provided with fixed-term contracts. It is the usual protocol if expatriates and multi- or transnational companies are concerned (e.g. TATA, IBM etc.) Moreover, we can broaden the whole explanation beyond the EU, namely to Ukraine (Vollmer; 2016) or to Russia (Molodikova, 2008b). Geographically and culturally they are still marked as “Eastern Europe”.

CEE statistical offices have unreliable records, because they have been neglecting the investigation of temporary, cyclical migratory practice (Vollmer, 2016; Simionescu, 2016; Sokolowicz & Lishchynsky, 2018). For the detection of this research gap, the financial crisis

and the military conflicts with Russia are to be “commended”. After them, the Ukrainian labour migrants in Poland and in the whole EU soared drastically. In association with the Russian military intervention, we confirmed that labour migration is not purely economic.

From the cited studies, one can comprehend that the exercise of temporary-circular migration called and calls for examination, which is exemplified by the blank spots in some official records this field is endowed with less attention than justifiable. The problem, aside from the non-monetary and hardly measurable incentives behind labour migration, lays in the structural conditions and technological tools facilitating mobility and improving in an ever-increasing pace. Therefore, gaining accurate and actual figures is extremely challenging, but the existence of the growing tendency of cyclical migration is unquestionable. Regardless of how long they might stay, they have to be enabled to release their contribution through a comprehensive integration process (Simionescu, 2016).

### 3.4.3. Economic Impact of Labour Migration on the Receiving Countries

Several studies suggested that if an individual is mobile internationally, (s)he is also outstandingly flexible, when internal migration is concerned (Cadena & Kovak, 2016). This ability is associated with young, unmarried and educated people. Their significant contribution, in adjustment to regional labour market shocks, was recently tested by Basso, D’Amuri and Peri (2019). They simulated a 1.9 percent drop in employment in an euro area state (according to the authors, it is irrelevant in which one). It ringed further until the employment rate has fallen by 13 percent. Results showed that the extent in absorbing the shock was seven times bigger on the part of a purely migrant mass, than it was of natives. That suggests that a higher share of migrant workers in the population provides a substantial flexibility in alignment to the movements of labour market. The same has already been indicated 10 years ago (Longhi et al, 2008).

From the relative education of labour migrants, another direct consequence originates their innovative contribution to the host country (D’Amuri & Peri, 2014; Alesina et al, 2016). The positive correlation between high diversity of birthplace and entrepreneurial performance was discovered in the UK first. Labour migrants learned in a more or less different education system, so they are equipped with new perspectives and skills (Rodríguez-Pose & Hardy, 2015; Diedrich, 2017). These novelties complement the native intellectual capital. Open-mindedness, distinctive abilities, wider social linkages and a more advanced problem-solving skill of citizens, who prior had to establish themselves in a foreign environment far from their comforting homes, strengthen efficiency of the synergy. Glaveanu and Taillard (2018) provided

a statistical evidence of these, moreover, they found that cohesion between diversity, number and productivity of enterprises is even stronger in cases of knowledge-intensive firms. They found a 0.68 close correlation. Boubtane, Dumont and Raul (2015) reported that 1 percentage point increase in migrant's share of labour force is associated with 0.4-0.5 percent rise in productivity. This is rooted, at least partially, in occupational stratification as mentioned above (Kerr & Mandorff, 2015).

Entrepreneurial propensity and innovations trigger a self-strengthening progress. Increased productivity leads to higher yields and more profit. That creates a fruitful investment climate. As a particular area develops, it is going to attract more labour force by abundant job opportunities (Glaveanu & Taillard, 2018). In Hungary, 60 percent of foreigners concentrated around the capital (Cseh-Papp et al, 2018). The same was observed in Poland, and enhanced the implications of certain regions' "pulling power". According to OECD findings, the greatest influx of labour migrants moved to regional capitals in Poland: to Warsaw, Krakow and Poznan (OECD, 2016).

Labour migrants arrive usually after finishing their compulsory schools, so the pressure on the host state's publicly financed institutions is lessened. They return home before retirement (Dustman & Frattini, 2014). The overwhelming majority of labour migrants are in working age (Genelyte, 2018; Goldin et al, 2018).

The International Organization for Migration (IOM) revealed that the collected money of labour migrants is distributed as it follows: 20 percent on consumption, 40 percent on investment and another 40 percent is withdrawn from the domestic economy as remittances. The enriching area from that certain 40 percent of investment depends on the variety of personal motives (settlement in the host country, financial support for children, setting up business either in the receiving/sending state, etc.). Individual spending habits are unpredictable; still, increased spending raises revenue for both the public and the private sector, which is ultimately beneficial for each counterpart (Wadsworth et al, 2016).

UK-related researches proved that unemployment rate is decreasing as the result of persistent immigration into the island (Simionescu et al, 2019). It is composed of more elements. The two most remarkable are: the greater female participation in the labour market (Peri, 2012; Goldin et al, 2018; Chreim et al, 2018), and the labour force with comparatively more modest pretensions. Supply motivates labour-intensive investments (Bördös et al, 2016). Gödri (2017) reported improved labour market indicators in Hungary too: high employment and better wages. Its drawback, however, is that it eliminates the urge for both technological

and human capital improvements, such as trainings and post-graduate studies (Pessoa & Van Reenen, 2014).

The positive culminations are in overweight regarding labour force immigration. Although not all locations and layers of society benefit from it (equally). The most visible and effectual pitfalls of immigration are rather social in nature, not economical. As labour migrant compressing regions prosper, citizens residing, working there, become more and more well off, while other parts of the country, rural areas, lag behind. It stirs a vicious circle (Kieliszewski et al, 2012). Inflated financial and social inequalities give birth to unrest and that manifests in resentment towards labour migrants and xenophobia in general, like in Russia (Molodikova, 2008b). Labour migrants substitute low-skilled workers and complement high-skilled ones, which fuels the aversions against both policymakers and business elites. Degradation of social services and the environment is also assigned to migration by public opinion, however, like explained above, they act as net contributors to the governmental budget (Simionescu et al, 2019), so the crucial point is how those extra resources are distributed by the competent governmental organisations (Simionescu, 2016).

Conclusively, labour migration benefits the receiving countries (Cseh-Papp et al, 2018), despite the bad faith about them (Fleischer, 2017). This controversy has to be addressed by further studies to support perspicacity and to resolve conflicting empirical results. Some interviewees did not experience discrimination at their workplaces or they were simply reluctant to speak up, as the authors noted (Cseh-Papp et al, 2018). In other paper, interviewees reported about discriminatory behaviour from the natives (Fleischer, 2017).

#### 3.4.5. Economic Impact on the Sending Countries

Central Europe is in the position of a sending and a receiving region simultaneously. In accordance with the principles of neo-liberal market economy, labour force migrates where it is in shortage and thus the rewards are higher, so uneven geographical distribution is bound to vanish (Simionescu et al, 2019). But even if it works like that in practice, until the balance gets in place, there are mainly negative side effects to face with.

The most frequently cited phenomenon featuring sending countries is “brain drain”. The highly qualified and young generations are primarily involved in emigration. It is also regarded as “brain waste”, because vocational occupations are taken in the host country by graduated people (Hazans, 2013). Leaking of knowledge leads to the absence of implementation at home. Western countries expropriate their competitive advantages by receiving first-hand innovations. On the contrary, Strielkowski and Sanderson (2013) observed the opposite: Ukrainian migrants



usually take jobs in the same sector in CEE countries as they would have taken at home. However, upon the recovery of emigrants, the absorbed new abilities and ideas boost knowledge transfer in the origin countries, investing, spreading new technologies and launch new high-end products (Gibson & McKenzie, 2010). Emigrants' immaterial capital or "social remittances" are invaluable useful intangible resources: relationships, linguistic competence, and problem-solving sense and so on (Strielkowski et al, 2018). Rausser and his co-authors (2018) highlight another remarkable feature of these non-monetary remittances: they circulate upon visiting the emigrated relative and communicating with them. Yet, informal remittances are poorly studied.

It has been discussed earlier that remittance serves as an engine for economic growth and better environment (Rausser et al, 2018). Gibson and McKenzie (2010) found that the typical yearly value of remittance is approximately 5000\$. (It refers to the money transferred from a Western European to an Eastern European country.) Earnings received in a foreign country but spent somewhere else raises purchasing power parity (Grenčíková et al, 2018) and thus leads to higher living standards (Rausser et al, 2018). However, the drawback attached to it is dependency. Emigrated citizens and their families account for a substantial part in the turnover of the housing industry and renovating real estates for example, it is true also for additional durables (Rausser et al, 2018). Hence, if their emigrated relatives would not found them, the mentioned branches suffer.

Böröcz (2014) analysed the relative share of remittances in a country's GDP. He found a rapid growth: the overall sum in 1999 (~8 percent) doubled in five years worldwide. Since 2004, the rate was stagnating around 15 percent until 2010, and then it started to increase again (Unctad, 2015). Strielkowski, Bilan and Tsevukh (2018) and Rausser et al (2018) reported that worldwide sum was 580 billion USD in 2014, 3.5 percent higher than last year (World Bank, 2015). They also found that the cash inflow of remittances were a more stable fund during the Great Recession, than the FDI in developing states in terms of GDP and consumption. Obviously, higher the total value of remittances is, the more dependent and vulnerable the domestic economy is. CEE countries are generally the beneficiaries of remittances. Yet, Böröcz (2014) illustrated that CEE's remittance-dependency are lower than it is in non-EU member countries in South-Eastern Europe. That was explained by their relatively underdeveloped economy (Rausser et al, 2018). In addition, remittances inflate domestic currency, pushes up prices, eventually, fuels emigration (Cohen, 2005). The authors argue that governments should work out a way to channel remittances to investments rather than consumption.

We concluded that a certain fiscal contribution is achieved through emigration, but other potential sources of the governmental budget is out of reach through the lack of taxable working hours (Schiffauer & Schiffauer, 2017). The financial coverage for welfare systems, such as pension schemes and health care in the first line, are underfunded and unsustainable (Hazans & Philips, 2010; World Bank, 2015). The crisis of these areas is a self-accumulating process. Bad social conditions and the insufficiency of the social system force young talents to seek livelihood somewhere else. Moreover, through labour migrants “got used to” better salaries abroad, their willingness to work falls dramatically upon returning home; apart from that, some of them had collected enough money to relieve their family from the burden of working for a considerably meagre amount of compensation in their homes (Sokolowicz & Lishchynskyy, 2018).

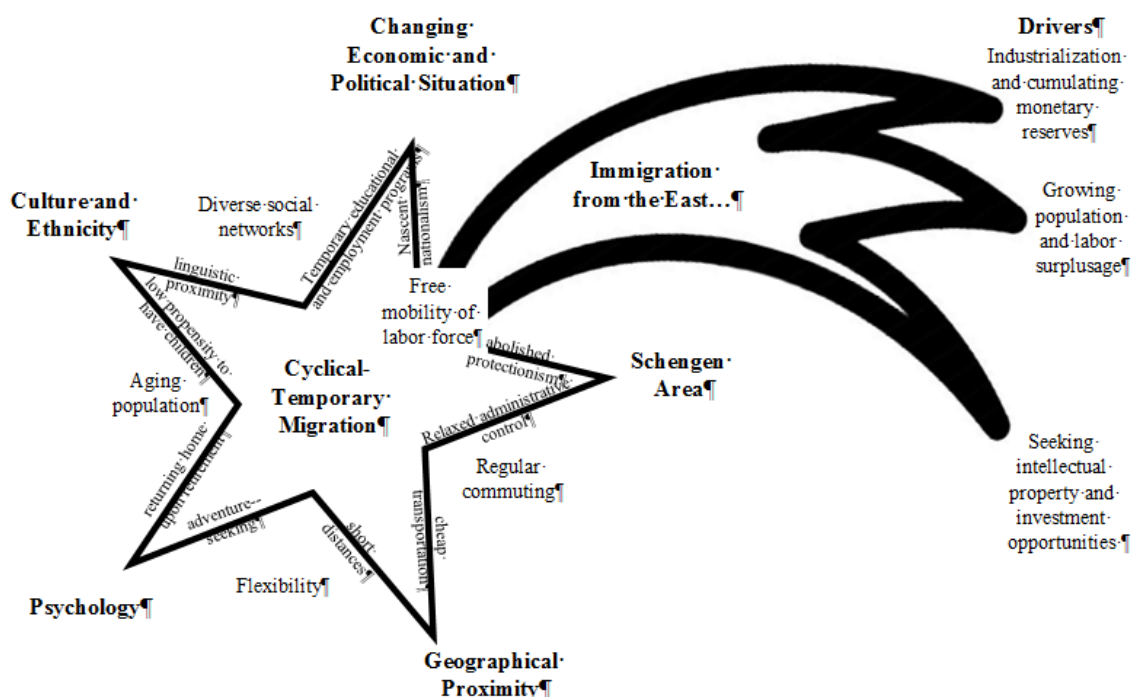
Losing job motivation results in the shortage and sectoral disproportions of domestic labour market (Eurofound, 2013; Hazans, 2013). According to Grenčíková, Skackauskienė and Španková (2018), the most affected industries by labour deficit in CEE are: science and research, automotive, engineering, construction, electrical, IT, trade and services and health care. Further consequence is the degradation of depopulating areas, especially when the competent organisations spend less on the maintenance of infrastructure, resulting from the lack of municipal revenues, respectively. Rural areas are essentially disadvantaged in this manner.

Quantitative analysis showed a tight connection between emigration and high mortality and declining birth rates (Sipaviciene & Stankuniene, 2013). It accelerates the aging of the population, because labour migrants are usually in the age of family foundation, and they postpone it in exchange for attractive carrier perspectives abroad. One might perceive that the aging of the population is offset in Western Europe, but these expectations were also mistaken, due to the extended life expectancy.

### **3.5. Model of Immigration from the East**

Based on our study, we can construct the model of immigration from the East (*Graph 3*).

Graph 3 Model of Immigration from the East



Source: Own editing

9. Figure: Model of Immigration from the East

*Drivers* of immigration can be identified as follows. The industrialisation is gaining momentum in the Middle and Far East, particularly in China; the middle layer of the society is enabled to gather some wealth. It is due to new investments that require labour force. Providing them, in return, stable remuneration. However, enormous population and labour surplusage are still acute problems. Thus, wages in Europe or US are still attractive. Those citizens, who were saving enough capital, became able to cover the (initial) expenditure of taking a job on another continent. The government also promotes and spends on acquiring “western skills” and the establishment of connections, which meant to facilitate investments abroad.

*Culture and Ethnicity:* Would-be emigrants target countries which bear cultural and ethnic similarity with them. Smaller linguistic distances and cultural conformity (from common history) greatly unburden labour migration. Apart from emotional aspects, common history often results in an analogous legal system (continental or Anglo-Saxon) that is easier to comprehend and adapt to.

*Changing Economic and Political Situation:* Labour migration is basically driven by financial premises. Analysis overwhelmingly underpins that labour migration is beneficial especially for the host country. In certain situations, when abundant workforce is only

temporarily needed (research projects, joint ventures, agriculture, hospitality), such gaps are filled by highly mobile workers. The economy is cyclical. Despite the advantages, during recession, when people struggle for work opportunities, hostility and xenophobia against labour migrants persevere, that at least tacitly force them to leave the foreign country.

*Schengen Area:* After the ratification of the Schengen Treaty, labour force of the post-Soviet states has started to wander to Northern and Western Europe. Within the EU, protectionist measures are prohibited and the free movement of labour force is granted. It includes the reduction of administrative costs and time. No work permit and visa are necessary for example. Upon the ill memories of WWII, nationalism is discouraged, so people from other cultures and countries are “officially” welcomed.

*Geographical proximity:* Europe is relatively small. Distances and travel times are small as well. New means of public transport (car-sharing, low-cost airlines) have made (regular) travels and commuting financially affordable and simpler through common market within the EU.

*Psychology:* Psychological incentives are varying through one’s lifetime. In general, people in their younger age are flexible, seeking adventure and easily establish relationships and a diverse social network. But as they fund a family and want to retire, they move back home. As a consequence of lengthened career building, propensity to bring up (more) offspring decreases and being postponed.

### **3.6. Discussion**

Since the collapse of the Soviet Regime, CEE countries have experienced massive emigration waves. But recently, upon the liberalization of border control, immigration is also on a rising track. Statistics unanimously indicate the growing number of Asian people in the continent. Due to the urging population boom and the increased financial reserves, people from other continents have started to seek live hood elsewhere. Two fundamental issues determine the future of the continent: aging population and labour shortage. Of course, these elements are not independent. The phenomenon is durable and worthwhile to be endowed with more attention from research communities, what are representing more disciples. CEE countries have to prepare for the integration of the newly arrived and anticipated labour force and therefore, providing ground for their contributions. Presenting such concepts is one of the main responsibilities of employers and policy-makers in the twenty-first century.

The next step, that might be a parallel task to integration, is to measure its efficiency. We recommend two basic ways to do so, with regard to the scope and limitations of the present paper. One is reflecting to the international scale. We agreed with Schiffauer and Schiffauer's (2017) conclusion, according to which the volume of migration within the European Union is a reliable indicator for the success or failure of integration efforts. We note, however, that third-world nationals should be approached differently. We stem that from their largely different ethnic, cultural features and political background. The other measuring method we suggest, on the micro level, is the analysis of corporate value within organisations that employ foreign labourers. Logically, the more efficient the integration projects were, the more contribution, value-added the employees could serve with.

Finally, we discovered an issue that is more societal in its nature. Public opinion toward migrants is not positive and explicitly negative during economic downturns. On the contrary, we claim that economic benefits of labour immigration overweight disadvantages. As the Brexit poses the first precedent since WWII when the economic and social ties in Europe loose, and integration tumbles, its short- and long-term consequences provide prolific topics for researchers applying various insights.

### **3.7. Conclusion**

As one overviews the statistical datasets and national records, it becomes obvious that international migration is a serious, pertinacious process. We concluded that, even if labour migration was fuelled by income disparities in the world, economic conditions did not hold a main role when defining the concept behind the phenomena. Following this trait, we evaluated the influence of social networks, cultural background and ethnicity, linguistic and institutional barriers, and found that their impacts were just as important as economic matters. We noted that - except for institutional barriers - each listed item was a durable thing, as oppose, pursuing financial interests could be attributed only to certain periods of an individual's life.

This conclusion turned us to our second main area of analysis, to temporary-cyclical migration or mobility. Cyclical, circular labour migration was supported by several factors. Variable psychological motivations, forgery of social networks, ethnical and historical background, and last, but not least, institutional barriers and central policymaking. We also emphasised that technologically travelling is cheaper and faster than ever. As a consequence, labour force migrates intercontinentally easier, more comfortable and more frequent.

We also scrutinised economic reasons and outcomes, respectively. Quantitative empirics and statistical analysis were collected to measure economic consequences. Several detailed aspects

were merged, from macroeconomics to regional differences, from beneficiaries of the whole process to the net losers, from changes in the labour market to resulting demographic characteristics. The preparation for integration of labour migrants is a permanent task for all employers and policymakers, as well as for the entire society.

## 4. Employer branding concept for small- and medium-sized family firms

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### Abstract

The area of this paper is employer branding of small-and medium-sized family firms. Its function is to attract the necessary quantity and quality of labour force to build competitive advantage in the market, differentiate from peers and thus facilitate company's prosperity. Labour shortage and aging society strike Central and Eastern Europe, therefore, employers face a disadvantageous bargaining position. Family firms, that are mainly small companies, are in a unique situation. Although employer branding is a useful and hot topic nowadays in some regions of the world, it is yet greatly under researched empirically for some kinds of associations. To close this gap, this paper aims to present an employer branding concept. We extracted the output from a two-folded literature review on the existing knowledge about the public image of small family firms and the psychological needs and employee expectations about such workplaces and employers. We narrow down the area by handling a specific pattern of employees and conducting the whole research in Hungary. The solution we are proposing to fill the gap is an employer branding concept created by customization of the Business Model Canvas.

### 4.1. Introduction

Family firms (FFs) often face serious hardships when recruiting non-family labour force, especially if the region of their location suffers from labour shortage (Reuters, 2016). It is particularly true for highly qualified workers (Arijs, Botero, Michiels & Molly, 2018; Binz, Hair & Wanzenried, 2014). FFs are not inherently more enticing or adverse in comparison with non-family firms, but simply represent singular virtues (Dawson & Mussolino, 2014). It is suggested by Botero (2014) that employees perceive FFs just as small- and medium-sized enterprises (SMEs). Apart from empirical findings, statistical databases in Eastern Europe do not distinguish between family and non-family ownership, to our best knowledge, only qualitative researches do.

According to the Hungarian Central Statistical Office, more than 80% of the registered companies within the country's borders are SMEs, more precisely, small or micro companies. They are the engines of the domestic economy and more crucially, they drive domestic entrepreneurial potential (Spinelli & Adams, 2010), in contrast with multinationals, whose majority shares are usually owned by foreigners. Therefore, multinationals' public image is incomparable with small family firms (SFFs).

Sageder, Mitter and Feldbauer-Durstmüller (2016) reported that employer branding related researches are very scarce. The present study aim is to contribute to this knowledge base by applying a qualitative research technique and an employer branding concept grounded by a two-folded literature review and the Business Model Canvas of Osterwalder (2004).

Deriving from SFF's size, numerous positive and negative associations are girding about their ownership structure and operational nature. Although the effect and the significance of these marks depend highly on the context, for example, whether a customer or a job seeker is approaching the target company and the global economic situation also counts (Block, Fisch, Lau, Obschonka & Presse, 2016). As highlighted by Sageder, Duller and Mitter (2015), learning which perception matters to whom is still in its infancy. Besides, Gallucci, Santrulli and Calabró (2015) and Memili, Eddleston, Kellermanns, Zellwger and Barnett (2010) made it clear that being endowed with positive associations on the public's behalf has a favourable impact on financial results. Positive reputation shapes occupational choices of individual workers (Van Vianen, 2000). Although, detecting which element of reputation and to literally what extend is yet unclarified (Block et al., 2016). Moreover, measures that SFF leaders can and do practically take to improve their companies' image is not an old and matured research area (Erdem, 2010).

The other layer of the present work is represented by the targeted jobseekers. Urde and Greyser (2016) examined why someone would opt for working for a SFF, instead of a large, non-family owned organization. A recent study grouped psychological needs that one seeks to fulfil and how a SFF can satisfy or fail to satisfy those (Elsbach & Pieper, 2019).

In order to conceptualize SFFs as a brand, with other words, their public image, reputation and attached associations, Astrachan, Botero, Astrachan & Prügl (2018) elaborated an integrative framework. Their suggestions help to understand the sender as well as the recipient side of branding, although they did not differentiate consistently among stakeholders in this respect.

We concluded that the research area is fragmented and only partially addressed. We shed light to the research gaps we wanted to close. Cited authors, especially Elsbach and Pieper (2019), Astrachan et al. (2018) and Block et al. (2016) have drawn attention to three main



research areas: first, the public image of SFFs, second, employees' motives and third, how SFFs can take advantage of their reputation while branding themselves as employers. As a novelty, this paper aims to contribute to all three topics, not in a generalized manner, but in a specific way. First, we addressed to public associations of SFFs from the viewpoint of potential employees. Second, we scrutinized summarized benchmark employee's motives and expectations about the workplace stemming from the opinions of Hungarian FFs employees. Third, we developed a theory of how company leaders can influence their public image. And finally, we presented an employer branding concept. The point of this concept is to reveal what attributes employers should emphasize, through what channels, in order to make themselves attractive as an occupational choice for a specific kind of employees.

The content of the paper can be summarized like this. First, we describe the methodology creation procedure and the context around our benchmarked employee (Methodology). Afterwards, based on literature review we identified their motivations, psychological needs and on the other hand, gathered what associations are attached to SFFs (Theoretical background). This is followed by the theory of "altering" associations (Theory development). Finally, we proposed an employer branding concept in a form of a tailored Business Model Canvas (Osterwalder, 2004). We offer this study for consideration for small family firms (Discussion and Conclusion). We are aware that our work entails several limitations. We described them and proposed future research agendas to complement and continue (Limitations and suggestions for future research agendas)

## **4.2. Methodology**

### **4.2.1. Research approach and selection criteria of the sample**

The applied research method is purely qualitative in nature and inductive (Daly, Hannon & Brady, 2019). To accomplish our goal, to identify employee needs, what shall be considered during employer branding activities, we took a Hungarian family owned SME firm as an example. We were not entitled to name it, so we refer to it as "TechVenture" from now on. It has an international presence in the engineering consultancy industry.

While selecting the benchmark firm, we stuck to a couple of criteria. First, the subject needed to be managed and owned too by a 100% by members of the same family. Apart from that, the company must operate in a highly competitive labour market environment (Keller, 2008). The necessary expertise is in shortage in Hungary (Reuters, 2016), even in the capital, where TechVenture is located. The demographic features we considered were referred as the

most significant ones by Adam-Müller Andres, Block and Fisch (2015). The importance of the length of stay in the same company and whether the employee is in an executive position or not, – particularly, their impact on the changing motivational factors, – was highlighted by Bellas, Koustellos, Koutiva and Sdrollas (2014) and Leung & Clegg (2001). How labour market situation varies among blue-collar and white-collar occupations are obvious, as a recent study of Block et al. (2016) confirmed.

The selected “TechVenture” company meets the above requirements.

Creating the benchmark employee, we asked for demographic data of the members of a working team (company department). From the raw data, we created one representative employee by averaging, where it made sense. Starting out of a precise example, instead of conducting a wide-scale survey, was inspired by the problematic nature of generalization as mentioned in the preceding.

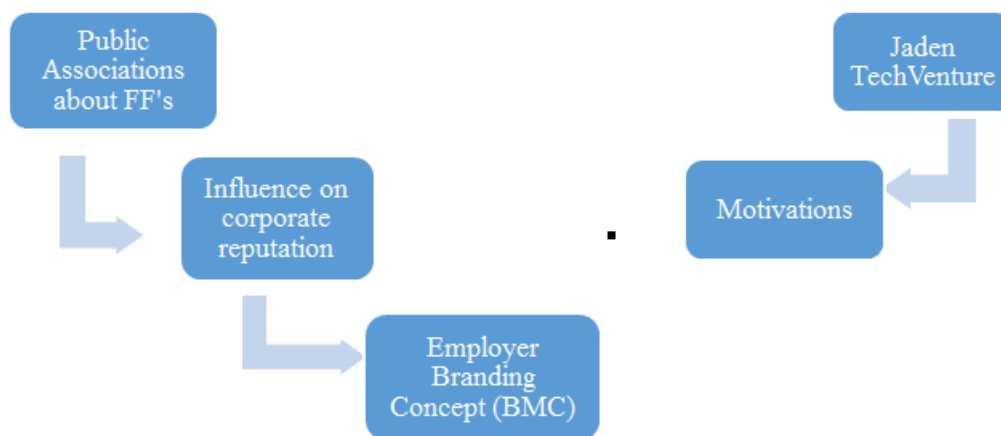
The team consisted of sixteen people: 12 males and 4 female. We averaged the demographic data driven by the requirement to have an appropriately homogenous sample. To sum up the demographic profile of the representative employee, who we call Jaden from now on, is a 29 years old male, graduated at bachelor level in a university. He had 3 consecutive years of working experience in the exact vocation he is qualified in; he lives in a metropolitan city. He has never been in an executive position, practices as a white-collar worker, executing intellectual activities.

Based on a literature review about the topic of employee motivation (Glisovic, Jerotijevic & Jerotijevic, 2019; Gottschalk, Guenther & Kellermanns, 2019), we drawn up what psychological needs Jaden seeks to satisfy, so would pose toward any kind of workplace (Vroom, 1964). These expected socio-emotional outcomes (Zellweger, Eddlestone & Kellermanns, 2010) can reflect to the employer, workplace, and the actual work assigned to him, or even to colleagues or treatment by principals or working environment and atmosphere.

The other main lineage of the literature review was collecting the associations about SFF’s in general. We did so through the perception of employees specifically and systematically ignored other stakeholders’. And finally, we merged these two sides of the coin (Hepp, 2017) to resolve the question: how a SFF should brand itself, what association of it are meant to be emphasized during recruitment oriented PR activities to make the potential employee believe that a certain workplace is the most suitable for him. Putting it otherwise: what image to paint of it and by what instruments and measures? Hepp (2017) clarified that theories are also the guide and the result of empirical researches. In the present paper the guides are the psychological desires and SFF associations, and the result is an employer branding concept.

The template offered by the Business Model Canvas (BMC) helps to perceive the business operation as a whole. A model functions as a set of guidelines, standard or unprocessed example that is to be imitated (Osterwalder, 2004). Each guideline hypothesizes assumptions that have to be addressed during the process. The put it otherwise, the reason for the usage of the model is to signal which ones are the right questions to ask. As for the BMC, these questions are about: 1. key partners; 2. stakeholder segment; 3. key activities; 4. channels; 5. key resources; 6. cost structure; 7. value proposition; 8. stakeholder relationships; 9. revenue streams. These elements are organized on a single picture to foster better understanding (Deepa & Baral, 2017). The “nine questions” are answered with the consideration of the SFF’s public associations and occupational motivations of the benchmarked employee.

To facilitate the understanding of our methodology and research structure we offer the Figure 1 to examine.



**Figure 1 Research concept**

*Source: Own edition*

#### 10. Figure: Research concept

### 4.3. Theoretical Background

#### 4.3.1. Public associations about small family firms

This section sums up reputation researches and family firm researches. Both areas has started to become popular in the middle of the 90’s (reputation researches: Fombrun, 1996; family firm researches: Gómez-Mejía, Cruz, Berrone & De Castro, 2011). Unfortunately, we cannot date the intersection of the two subjects.

Good reputation lures in more job applications (Fombrun & Shanley, 1990), so it is a vital interest to build it up and deal with it with great care. A remarkable methodological issue is that

the relationship among identity, reputation and image is not handled uniformly (Abratt & Kleyn, 2012). For us reputation is what truly matters, because it is how outsiders, potential employees perceive the firm or any entity (Dyer & Whetten, 2006), while identity and image are concerning the insiders impressions (Zellweger et al, 2010) and intentions (Astrachan et al, 2018). The most significant difference between non-family and family companies is that in the latter case, the family's name is strongly associated with the organization (Deephouse & Jaskiewicz, 2013). Therefore, the reputation of the organization and the governing family are hardly separable in the abstract realm (Zellweger et al, 2010). As Anderson and Reeb (2003) claimed, having a family, quasi a trademark, behind the company name, is more likely to bring benefits than drawbacks, if and when the family's name is spotless (Deephouse & Jaskiewicz, 2013)!

Name of a natural person gives the impression of strong social relationships. Hauswald and Hack (2013) proposed that the higher commitment to stakeholders are also observable in terms of strong social ties, because it hypothesizes ethical behaviour or striving to establish and maintain long lasting connections and values, such as trust (Krappe, Goutas & von Schlippe, 2011).

There are one huge negative connotation of being a SFF, more accurately, being an SME. Small companies are believed to have limited access to resources, both as money and technological or management know-how are concerned, so poor product quality is associated with them (Kashmiri & Mahajan, 2014). Controversially, service provider SFF's are famous for their customer satisfaction-orientation, regarding especially their helpfulness and willingness to tailor the output exactly to the individual wishes (Orth & Green, 2009).

Sageder et al. (2016) compiled a substantial list of both positive and negative associations about SFF's. We complemented their table from lately published literatures' findings (Table 1). In order not to lose the focus of our study, we filtered out two groups of characteristics: which ones are also attached to non-family companies to the equal extent according to the general opinion and what are neutral or incremental for (would-be) employees.

Table 1 Associations about family firms

Association	Source
Trustworthiness	Beck & Kenning, 2015
Social responsibility	Byrom & Lehmann, 2009
Loyalty	Hauswald, Hack, Kellermanns & Patzelt, 2015
Persistence, stability	Micelotta & Raynard, 2011
Authenticity (personally, organizationally)	Presas, Guia & Munoz, 2014
Personality	Astrachan et al, 2018
Professionalism (due to commitment and tradition)	Astrachan & Astrachan, 2015
Looser formal regulations	Covin, 1994
Credibility	Urde & Greyser, 2016
Employee-friendliness, provision	Sageder et al, 2015
Limited career opportunities	Covin, 1994
Nepotism	Feliu & Botero, 2016
Lack of professionalism (due to lack of certain resources or nepotism)	Kahlert, Botero & Prögl, 2017

*Source:* Own editing, based on the cited literature

#### 11. Table: Associations about family firms

Potential employees bear these features in their mind when approaching the company or simply when making decision about where to work, in a SFF or in a non-FF corporation. The associations can be accumulated into three bouquets of characteristics and each of these stacks encompasses positive and negative perceptions as well. First, they are persistent. It is good to sit on a stable chair in a workplace, although focusing on stability contradicts a basic economist-capitalist creed: nothing ventures, nothing gains (Krappe et al, 2011). Secondly, authenticity. That is an undoubted competitive advantage of a market brand, although it can hardly be perpetuated in the public's eyes without excluding each non-family member from the management. Whether it is true for the shareholders as well, is not confirmed to the best of our knowledge. Conclusively, outsiders can hope for limited career opportunities (Covin, 1994) and have less say into strategic matters. And thirdly, less formalization, which is maybe the least controversial feature of the three main branches. The absence of formal rules is the common exterminator between FF's and SME's though (Botero, 2014). Sageder et al. (2016) concluded that the older an SFF is and the more people it employs, more standardized the working conditions are. But, advantageously, the more consolidated and wide-spread the reputation is in the meantime.

#### 4.3.2. Workplace motivations and expectations of benchmark employees'

The focal point for our motivation exploration is a fictional employee, Jaden, who is 29 years old. Reader & Gurtner (2014) and Twenge (2010) acknowledged, that young professionals' expectations toward their employers differ from those what middle-aged people have. Independently from their assumptions, changing patterns of the labour market also make their own impact. Young employees, in comparison with older counterparts, are more career development- and recognition-oriented (Kowske, Rasch & Wiley, 2010). Furthermore, they highly value flexibility and put more emphasize onto the social side of the work, both in terms of work-life balance and good relationship with colleagues (Bellou, 2009). However, Lub, Nije Bijvank, Matthijs Bal, Blomme & Schalk (2012) noted, that in certain occupations, such as in health care or education, preferences seem to differ.

Reader and Gurtner (2014) conducted a study, whose sample was similar to Jaden's demographic profile on average about educational level, age and gender. During their work the following motivational factors crystalized out: opportunities to acquire new skills; opportunity to make personal impact; ethical and responsible behaviour of the company as a legal as well as social entity and of the managerial board in general; demand for regular and systematic feedbacks and see the appreciation of hard-work on the supervisors' behalf and having fun while working. Flexibility weighted moderately, just like space, time and possibilities to gather international experience. Remarkable though, that sometimes there was high difference in scores between the two genders. For women flexibility counted much more, while for males, digital networking did. Ng, Schweitzer and Lyons (2010) also reported influential effect of gender; this area also calls for more scrutiny in the future.

Hamilton (2000) found that young professionals are extremely interested in freedom. He also claimed that this fact is in correlation of entrepreneurial propensity of young intellectuals. It is not necessarily in contradiction with the demand for feedbacks, mentoring and superior reinforcement, quite the contrary: external "counsellors" assist them to improve their skills or to foster knowledge-sharing. Furthermore, delegated authority resolves the threat of boredom, because there is constant room provided for the free flow of new ideas; for realizing and implementing them. That is in line with Sonewane's (2008) discussion. He marked "full appreciation of work"; "interesting tasks", and "sense of responsibility" as the cores of motivation. Freedom results in free competition respectively (Feranita, Kotlar & De Massis, 2017), that grants equality among colleagues, which belonged also to the remarkably relevant job features.

The research materials presented so far all conflicted Taylorism. We had the impression, stemming from the deduction of Sagan, Tomkiewicz, Adeyemi-Bello and Frankel (2008), Bu and Mckeen (2001) that financial aspects indeed matter in relatively underdeveloped parts within a country. Hosain & Hossain (2019), Cassar and Meier (2018), Cabrera-Suárez, Déniz-Déniz and Matrin-Santana (2014), Shujaat, Cheema and Manzoor (2014) evidenced, that it is not necessarily true. They respectively compared the meaning of the work itself and the firm-climate with financial aspects, particularly, the volume and stability of income and concluded that money has no primal importance, however Hosain and Hossain found job security has higher significance, but still it scored below job environment and atmosphere, which are again social, non-monetary pillars. The same conclusions are equitable especially for the social enterprises which are often family owned: social atmosphere and job conditions can be more important reasons for activity and employment than profits and remuneration (Bilan, Mishchuk & Pylypchuk 2017). This field also requires more attention and careful generalization. Moreover, after Sagan, Tomkiewicz, Adeyemi-Bello and Frankel (2008), Bu and Mckeen (2001) had expanded their study, they found that citizens of a developing country put more emphasize onto external motivational factors (salary or wage typically). But people in America or in Europe are more interested in intrinsic ones, just like the previously listed “intangible” items.

Based on the second part of the literature review and additional (older) concepts, we presented the following table (Table 2) to summarize the potential motivational incentives and expectations Jaden is likely to set toward his employer/workplace. We summarized the findings and had ignored the elements, what did not suit his demographic profile or occupational characteristics. Preferences are listed in a random order, because of the lack of consensus about which is relatively more affectual than others. Relative weight and interrelations are beyond our area. Closely related aspects are organized together, disclosed by double lines between the brackets.

Table 2 Motivations and expectations of the benchmark employee toward the employer and workplace

<b>Motivation/expectation</b>	<b>Source</b>
Career development opportunity	Kowske et al, 2010
Sense of appreciation of hard-work	Sonawane, 2008
Regular feedback from superiors about the performance	Reader & Gurtner, 2014
Financial compensation	Sagan et al, 2008
Obtaining new knowledge and skills	Cassar & Meier, 2018

Strong social ties	Zellweger et al, 2012
Good relationship with colleagues	Benz & Frey, 2008
Room for idea-sharing	Hosain & Hossain, 2019
Autonomy and freedom	Hamilton, 2000
Participation in decision making	Reader & Gurtner, 2009
Work-life balance	Bellou, 2009
Flexibility	Walk, Handy & Schinnenburg, 2013
Good working environment	Bellas et al, 2014
Application of digital networks granted	Ng et al, 2010
Ethically responsible behaviour of the firm's management	Koiranen, 2002
Equal treatment	Shujaat et al, 2014

*Source:* Own editing, based on the cited literature

## **12. Table: Motivations and expectations of the benchmark employee toward the employer and workplace**

Through it is a longer list, volume of this paper could manage to address, we highlighted some bullet points with thick letters. We did so after ascertaining that they reoccur frequently in the literature and that they are excessively relevant accordingly to Jaden's characteristics. Those groups will be what we concentrate on in the next section.

### **4.3.3. Theory development**

In the preceding section, we identified, on one hand, what potential employees have in mind about family firms and, on the other, what motivational factors and expectations young professionals pose toward their workplace and employer. We took on the question here of how to convince target employees that the given employer (SFF) is capable as well as willing to satisfy their demands. Before assessing it, it is required to acknowledge what, how and to which direction certain activities or happenings formulate an SFF's image (Astrachan et al, 2018).

Santiago, Pandey and Manalac (2019) and Tong (2007) suggested the family's involvement into the business operation has a positive impact on reputation. It functions as a differentiator from peers (Urde & Greyser, 2016) and thus it is a valuable intangible asset (Wang-Yu-Chiang, 2016). Anticipated family ownership and management (usually indicated by family name) gives the impression of responsible and conservative strategy on the track of business (Kammerlander & Ganter, 2015). Expansion-oriented SFF's focus the most on reputation, although Chen et al (2010) observed that the targeted stakeholders, meaning: to whom the firm overwhelmingly fights to appeal to, varies throughout the life-cycle stages of the company. Here, we scrutinized only employees.

A SFF has always been comparatively "eager" to develop strong social ties with the community and stakeholders, basically through the governing family's friends and relatives



(Zellweger, Kellermanns, Eddleston & Memili, 2012; Webb, Ketchen & Ireland, 2010). It is pointed out that the stronger the social embeddedness is, the more positive the firm image is respectively (Marques, Presas & Simon, 2014; Miller, Le Breton, Miller & Scholnick, 2008). It is stemming from the family's excessive involvement in these connections are established mainly by interactions from private life. Consequently, the perspective of the firm is bounded by the family's attitude and its members' behaviour (Memili et al, 2010).

Exemplified by Kashmiri and Mahajan (2014), a proven track record of trustworthiness is an invaluable intangible treasure. It suggests conscious, responsible behaviour as well (Othman, Darus & Arshad, 2011), that is directly monitored by job seekers. The same authors have also noted that among trustworthiness' indicators are legal adequacies or its failure. But no doubt, that adherence to moral "requirements" upholds by a society always counts to the same extent historically (Guidice, Mero & Greene, 2013).

Economic merits weight less for them respectively (De la Cruz & Cabrera-Suárez, 2005).

Company size indirectly formulates reputation too (Roberts & Dowling, 2002). Large ones engage with environmental protection and product quality insurance to a greater extend (Block & Wagner, 2014). Zellweger and his co-authors (2012) confirmed that size; activities beyond the firm's frameworks, such as green initiatives for example, strengthen public awareness of the company and thus fuel competitive advantage. These positively regarded activities intertwine with the family's surname.

Conclusively, trust is embedded into the family members and not into the company itself. Reflecting to Deephouse and Jaskiewicz's (2013) study, we added that family member's private-life matters pose their impact on professional, business relationships.

Conclusively, our disposition is that social sensitivity, reputation and competitive advantages are bounded together in a linear relationship. These things foster better accession to various kind of resources (Yang, 2010), we clarified although, that we regarded everything on these pages only employees. Items, concerning other areas of business were ignored entirely.

Our scope is not meant to go beyond Hungary, knowing that cultural differences might need to be taken into the account. It is a very crucial implication for export-oriented firms that should be analysed.

We accorded the findings of the preceding two sections: the literature review of employee motivation and SFF associations; and the theories about the formulation of corporate reputation. Our theory is that employers can and should formulate their public image circumspectly. Our work did not concern whether the expectations are satisfied or not. Our question is: Can an employer – in this case an SFF – convince potential employees that he/she is able to meet those

demands? According to the developed theory the employer is indeed capable of that. In the next section we present a concept and explain how to accomplish it.

#### **4.4. Results**

In this section, we present the final result of our research, which is an employer branding concept.

Employer branding is a “targeted, long-term strategy to manage the awareness and perception of employees and potential employees, (...) with regards to a particular firm” (Sullivan, 2014). Potential employees’ assign a value proposition to SFF’s (Backhouse & Tikoo, 2004). That theoretical value proposition stems from the public associations about SFF’s (Gnan & Lambrechts, 2018), to put it otherwise, it is not the abstraction of the firm itself. On the other hand, the individual companies’ branding activities serve to shadow the picture and overwrite it (Astrachan et al, 2018).

Companies have to manage a two-folded task effectively: defining the message and transmitting it (Wickham, O’Donohue & Hanson, 2008). Deepa and Baral (2017) studied employer branding strategies through the Business Model Canvas (BMC), invented by Osterwalder (2004). They also agreed that employer branding is two-folded, composed of attention driver attributes and communication channels. The BMC model operates 9 key pillars, complemented with various sub-questions. We went through them one by one and also answered them relying on employer branding. So the model is already adjusted to our research. The “raw”, theoretical structure is not presented comprehensively and detailed. As for the final product of our work, we organized the result into a Business Model Canvas tailored to our findings. Below it, we described it in detail, explained the function of the main groups their related cells.

After working with a fixed model, we provided with guidelines, confines to approach employer branding. Therefore, it would have been superfluous in this paper to theocratize employer branding any further. Similarly, assessing the Business Model Canvas’ pertinence was not within our scope of research.

Table 3 Employer branding concept applying the Business Model Canvas

Key partner	Key activities	Value proposition: the triangle	Employee Relationship	Employee segment
	engage in social and environmentally friendly activities		psychological contract: manifestation of value proposition	
employee	demonstrate loyalty between employer and employee	direct care for the employee even beyond work	must be harmonized with the initial proposition to preserve trust and good faith	Jaden
	turn messages fitting to the preferential communication channels	friendly, informal corporate culture		
	Key resources		good, strong relationship with colleagues	
web designers			social media platforms	
computer literacy		flexible working hours	company website	
interviewers		trust-based freedom	world-of-mouth advertisement	
good interpersonal skills of the competent HR workers		absence of hard control mechanisms (trust)	referrals of friends and relatives	
		feedbacks and appreciation for efforts		
Cost structure			Revenue streams	
expenditure on resources and communication channels			employee loyalty	
			high-quality work, productivity and profit	
			lower recruitment and training cost	
			good employer image, well-established employer brand	

Source: Own editing

### 13. Table: Employer branding concept applying the Business Model Canvas

*Key partners.* It reflects to the stakeholders and what organizations need from them, which are here only targeted employees and their expertise, commitment to the job.

*Employee segments.* The organizations' segmentation of employees, grounded by the analogues needs and attitudes of them. In this paper we are working with one model person so we did not dig into this issue. The point is that different segments of the labour force shall be approached differently. We talked about it detailed in the theory development section.

*Key activities.* The foundation here is how to convert proposed values into communicable messages, while considering a way they will fit to the communication channels. Put it otherwise, what signs should be seen by target employees. As noted before, SFF's build strong ties with the community. To reinforce the relationship, companies should engage in socially positively referred activities. Those can embody in various forms. Among the hottest topics of today is environmental protection. Presenting environmental-friendly ways of waste disposal, organizing events to draw attention to climate change are signaling toward the public that the firm relates thoughtfully to the issue, and consequently, to the wellbeing of local inhabitants. It further contributes to favourable reputation and image. Henceforth, the demographic segment Jaden belongs to is quite sensitive to this specific topic.

Another key area, although less visible, is employee turnover. If it is high, it means that the company "forces" its employees to leave – openly or latently. If it is low, then the firm have earned loyalty and long-term retention and that is beneficial for both counterparts.

The activities and signs should also be adjusted to the chosen communication channel. Widely-experienced thing from daily life that environmental activities are usually "advertised" in social media platforms, although employee turnover is (compulsorily) declared in annual financial statements, but should be highlighted in company websites, if the figures are sound in this manner. Social media usage as a tool of market reputation increase has different effectiveness for different generations of potential customers and employees, however it always influences the brand value positively (Mičík, & Mičudová, 2018).

*Channels.* Intersections of the communicable messages and of the target audience's attention. Through SFF's, deriving from their size, have limited resources that can be allocated on communication channels. Young professionals were asked to judge the usefulness of communication channels (Deepa & Baral, 2017). Company websites, pre-placement talks, relative- and friend referrals (word-of-mouth advertising) and social networks ranked the highest. Word-of-mouth and referrals are what no firm can influence directly. They are the culmination of recent intentional or non-intentional (e. g. scandals) marketing activities. On the other hand, an attractive and up-to-date company website and presence in a wide-range of social sites raise awareness in the public and the content itself shapes the company image. Consequently, it impacts the word-of-mouth channel too (Deepa & Baral, 2017). Through these focal points, direct influence may be exercised. These are favourable implications for SFF's because these "mediums" are not among the most expensive ones.

*Key resources.* The set of human, physical, intellectual and financial resources, those can be applied for the execution of the branding strategy. Financial resources are dominant in this

manner, particularly, considering the brand perception by potential investors (Derun & Mysaka, 2018). To remain by the preferential channels, managing social media platforms, editing company websites require a certain level of computer literacy of marketing people. The appearance and logic overview of the website are very important to be appealing and easy to navigate in. Conducting pre-placement talks is purely a HR responsibility. Excellent interpersonal skills are the determining resources there. And finally, word-of-mouth advertisement is the one the firm has no control of. That is the reason behind its reliability in the perception of job seekers. Translating resources into financial figures concerns accounting and the actual market conditions, so it is beyond our scope.

*Cost structure.* The cost of attracting and retaining employees, beside salaries and non-monetary benefits. The expenditure of employer branding, particularly, the cost of channels and resources. Even the estimation of the cost of resources and communication channels would require a comprehensive market analysis (White, 2018), which reaches over the limits of the present study. As an example: the frequently cited word-of-mouth advertising is impacted severely by societal and even political happenings and thematic.

*Value proposition.* What compensations the employer can and does offer for the work and what needs of the employees it satisfies. At this point we could have repeated the “associations about FF’s” section. To sum up, SFF’s offer membership in a friendly and informal corporate culture, a well-established family name to work under, but direct caretaking for the employees, even beyond the workplace, is also remarkable. These are in line with Jaden’s desire for strong social ties and good relationship with colleagues. In certain service sectors that are operating with high intellectual value-addition, SFF’s are willing to permit flexible working hours. Absence of hard control mechanisms and thus freedom for the employees hence informal relationships, and it allows them to organize their workload at their discretion. Granting this autonomy is inherently important for Jaden, as clarified above and it signalizes as the appreciation of high-quality work exerted by him.

*Employee relationships.* The kind of relationship the firms aim to establish with the individual – or segments of – or all of its employees. It is highly dependent on a wide range of features of the association: the size, the organizational culture, the leadership style, the national culture of the management, the financial situation and so on. The summary of obligations of both groups of interest – employer and employee – is compassed into the psychological contract (Rousseau, 1995). It is unique in all associations (sometimes even in departments), moreover, it varies among the seemingly similar companies as well. The psychological contract should be understood as the realization of the value proposition (Santos et al, 2019), thus we waived to

mult over again. In accordance with that, the value proposition is presented for the potential employees; in contrast, the psychological contract evolves during the employment, partially, laid down in the work contract or job description. It is beyond our research area. The psychological contract is not an explicit item, on the contrary, the value proposition is. The employer is ought to harmonize them. With other terms, they cannot afford to violate the value proposition by the psychological contract, because that is interpreted as a deceptive employer branding and results in disappointment and resentment on the employee's behalf.

*Revenue streams.* The outcomes of the appropriately planned and implemented employer branding concept can manifest in several benefits. Employee loyalty, high quality of work, strong commitment, long-term employee retention, low turnover rate, low recruitment costs, low training expenditures, so after all, higher profitability (Kashyap & Rangnekar, 2016). But neither our study, neither the Business Model Canvas refer to none of the listed items. The measuring methods are beyond the scope of this paper. And, just like in case of the cost structure, the exact cash flow is in the power range of accountancy and highly dependent on local economic conditions and labour market characteristics.

We accomplished the target of the study and presented an employer branding concept, tailor made to the unique characteristics of small family firms. The template, of the BMC considered two knowledge-bases: features of small family owned companies and job expectations and motivations of Jaden. The corporate features represent the weaknesses or strength's that SFF's inherently bear. Jaden's expectations mean the set of requirements that has to meet with the corporation's during the implementation of the branding concept. Shortly: the firm features are the tools to achieve the goal, to meet his demands.

#### **4.5. Discussion and conclusion**

Despite the increasing attention targeting family businesses, approaching them as a unique segment of employer has not been done by too many research agendas. To close some research gaps, data were gathered from the respective literature to address the following questions: *First*, how SFF's are perceived by the public, what characteristics feature them exclusively, differentiate them from their competitors in the eyes' of the potential workers. *Secondly*, what expectations and desires are posed by our benchmarked employee toward his chosen workplace and employer. We grounded it on his demographic and psychological profile. After the two-folded literature review, we developed the next theory: SFF employers can and should formulate their public image to attract the necessary quantity and quality of workforce. They

might accomplish it by consciously and circumspectly managing their certain activities or external happenings, those affect potential employees' occupational choices.

As a result, we presented an employer branding concept for consideration for family owned, small-sized companies. Particularly for those, what are recruiting highly qualified labour force, but have limited working experience. To structure our implications, we chose a holistic framework, the Business Model Canvas. It compasses the strategic-level activities and methods regarding the practical implementation of the concept.

Within the framework of the Canvas, we identified variables, dependent on specific organizational (internal) or market (external) characteristics. These unknown factors raise numerous further questions. Those are meant to be examined individually in each case. While making progress in completing the concept by fixated variables the path opens up for the actual execution of the employer branding strategy.

#### **4.6. Implications of the results**

Our goal was to present an employer branding concept for small family-owned firms. The result is a holistic model of an employer branding concept for SMEs. Our findings made four fundamental implications.

First: the firms' value proposition should focus on two major tracks: socially responsible behaviour toward to the indirect surrounding community, as well as its stakeholders.

Second, the family ownership itself should be emphasized, because it represents tradition, trustworthiness and uniqueness.

Third: the elements of the value propositions are: working under a reputable name, granted trust-based freedom and minimal amount of hard control mechanisms.

Fourth: the communication channels to be used are basically soft streams or online platforms.

Brands are excellent tools to build competitive advantage. It differentiates any organization from its peers, which is crucial in a confined labour market and saturated with job opportunities. The "family nature" (Astrachan et al, 2018) is the core of this matter. The responsibility of SFF leaders is to identify those affectual features that can attract the attention. Afterwards, there are the task is to manage them effectively and communicate clearly. In order to cope with these challenges a comprehensive concept is required. That challenge is what we offered a solution for.

#### **4.7. Limitations and suggestions for future research agendas**

Limitations occur at several level of the analysis. By taking one particular employee as the basis – even if he is only an imaginary one – we eliminated the problem of generalization. As a drawback though, we had to sacrifice general applicableness. Psychological characteristics and demands vary by time (economic cycles or seasons for example), age, culture, religion, by the given country's/industry's labour market conditions, etc. The influence of such items tends to be determining one by one in regard of workplace choices. What we conclude is that a substantial amount of combinations of demographic features can be used to create a benchmark employee. Each combination can ground an entirely new study.

On the other hand, we can name a couple of corporate attributes, what are not compatible with our findings. Non-family enterprises and large corporations, with more than 50 employees, can hardly benefit from the results. However, the methodology might be remarkable for them as well. We recommend for them to apply our methodology and draw up a concept that lays on their own public image and their own target employees.

There is another issue to clarify: how brand components interact with each other and with the family. That can be a very problematic gap; it should be analysed by more methods to evade biased conclusions: experiments, observations, case studies, in-depth interviews with both company leaders and their stakeholders, and so on. Deephouse and Carter (2005) put the example: death of the funding father, might underpin legitimacy for employees, and the remaining stakeholders. So, once the role of the individual components revealed, their impact on the financial performance can be addressed as an ultimate purpose of employer branding researches.

There has emerged a dividing debate over the product-quality of SFF's. Some researchers claim that SFF's are associated with high-end outputs, hence by accumulated expertise as generations pass by. On the contrary, others blame them for deficiencies deriving from the limited access to financial resources. Which side is correct, or in what circumstances need more investigation in the future.

As for the influence of gender on employee expectations, exactly the same can be said after reading Ng et al (2010) article. To the best of our knowledge, its actual effect is not yet proved statistically, it is still in a theoretical stage. During our literature review, we did not find regarding evidences, although Jaden was male, so this gap did not concerned our work at all, but we took the chance to report the gap.



Our results are conducted in the Business Management Canvas. This option inherently entails all the limitations what the model bears, but addressing the validity of the construct did not belong to our scope of study. And finally, upon the acceptance of the concept's specific suggestions, some of brackets require further scrutiny before implementation. For example, a comprehensive market analysis of the communication channels' market and the media sector (Deepa & Baral, 2017). The execution of the strategy should be also monitored and documented by qualified researchers. Each firm's each "implementation-project" can provide a case study. The Canvas can also be customized for other stakeholders, ranging from suppliers, to investors. Thus a firm is not only an employer, but an investment opportunity, purchaser or many else simultaneously.

A common handicap of each practical study is actuality. They are meant to be valid for a specific period of time, but grand tipping points of social and economic progression usually made them obsolete and call for new ideas, theories (Block et al, 2016) or whole research agendas. If too much time passes by between the start of the examination and the publication, utilization of the results, the findings' value suffers (Hauck, Suess-Reyes, Beck, Prügl & Frank, 2016).

Small family business branding is a young and prolific research area. Positive implications of the field are unquestionable, conceptualizing SFF's as a brand develops useful streams in family business knowledge base.

## **5. The concept of trust when integrating labour migrants into small family businesses**

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### **Abstract**

The operation in small family businesses is based on trust. Existence of trust in transactions lowers cost of such transactions, as it allows financial agreements to be less dependent on formal regulations and facilitates investment and innovations. Trust supports the capability of creating the extra added value originating from the family tradition and the reduction of administrative costs. Between native people trust can be relatively easily achieved, as they have the same language, background and origin. However, when it comes to the integration of employees from different cultures this is not the case.

Relevance of this topic comes from the fact that small family businesses are essential drive for our economy, however in most cases they face difficulties to benefit from labour migration.

It is an accepted fact that on national level labour migration is positive. However, the challenges and the possible benefits of global labour migration on small family businesses have not been investigated in detail.

The authors of this paper present an educational concept that includes the different attitudes of a non-native or labour migrant employee. Trust is one thing difficult to learn and to understand. We conclude as the focal point of this the research the education on understanding the cultures and the habits. The proposition is that within a small (family) business labour migrants can only be employed when trust between the owners the native employees and the labour migrant employee exists. To achieve this trust education of all employees in understanding the different cultures is needed. We present the different education methodologies of our concept.

## **5.1. Introduction**

Family business is defined as being owned and managed by family members (Sharma, Chrisman and Chua, 1997). Firms are usually led by family members across generations (Miller, Steier and Miller, 2003). Family businesses are one of the most widespread organisations globally, almost all firm's started in this business form. (Lee, 2006). The majority of family firms are in the range of small and medium size enterprises. Gagné Sharma and DeMasis (2014) concluded that SME size family businesses are both conceptually and qualitatively different from the others mainly due to the influence of the family members. Every family in business has a story to tell, a legend to live up to a tragedy to lament (Hamilton, Cruz and Jack, 2017). Such elements not only shape the narratives that are shaped by members of a family but have an influence on the career opportunities of the employees. The integration of labour migrant employees in small family businesses is often a burden difficult to get over. The problem we deal in this research is the concept of trust. Although it is a widely accepted fact that on national level labour migration is a positive phenomenon, however, the challenges and the possible benefits of global labour migration on small family businesses have not been investigated in detail. There is a gap in scholar literature in our current understanding about this new trend.

## **5.2. Theoretical background**

Family in business broadly relates to members of a family that engage in the foundation, management and continuity of one or several family businesses. Entrepreneurial behavior can be influenced by inherent characteristics of the management, such as age and tenure, as well as by the degree of family influence in the firm, as indicated by the number of generations involved in the business (Kellermanns et al, 2008). The attitude towards innovation is often an overlooked characteristic. Previous articles (Pittino et al, 2013) have highlighted, that the innovation literature virtually ignores the role of the family dimension in innovative strategies and outcomes (Craig, Moores, 2006). The family business literature also devotes rather limited attention to the analysis of innovation processes. As highlighted by Kraus, Harms, Fink (2011). It is possible to recognize innovation in family business as a nascent stage that undergoing significant development (De Massis, Frattini and Lichtenthaler, 2013). We will present, that innovation is a key factor, where labour migrants can do their contribution to.

On the other hand one of the most researched fields within family businesses is the field of trust. There are a large number of studies focusing on the impact of trust on performance and highlight, that trust is a main competitive advantage of family businesses (Corbetta and Salvato,

2004). The capability of creating the extra added value originating from the family tradition. In the existing literature, this is defined as follows: Existence of trust in transactions lowers cost of such transactions, as it allows financial agreements to be less dependent on formal regulations and facilitates investment and innovations (Petrakis, Costis 2015). We conclude this fact as essential for SME size family businesses to increase the firm's performance. The reason behind this finding is rooted in the human behaviour and the client-supplier relation. Clients aim to select a supplier, where the cost-benefit ratio is sufficient, and the risk of failure is minimized (EC 2010). Risk of failure can be minimized using strict terms of references or based on personal relationship between client and supplier. The literature (Kachaner, Stalk and Bloch 2012) highlights, that during good economic times, family-run businesses don't earn as much money as companies with a more dispersed ownership structure but when the economy slumps, family business far outshine their peers. The simple conclusion to be found in the literature is that family businesses focus on resilience more than performance. We identify the chances for an SME size family business to compete is the personal relationship building; and personal relationships to clients strongly depends on the quality of employees. Trust in the family business literature has been discussed so far, it has been used to explain the firm's performance.

In our paper the main focus is on trust between family and non-family or in some cases even labour migrant non-native employees. The need for this research is underlined by the fact that in recent year's family businesses has gone through an institunalization process, where not only business operation and management was involved, but organizational culture as well. Based on a study (Evren 2017), we found, that change in the organizational culture is a crucial issue and due to the lack of trust family members are afraid of losing decisional power. This resistance of the family members is burden in the overall process, and a burden in the evolution of the firm itself. Contents of trust determine the family member's perception of the employee's trustworthiness in family businesses. Azizi et al (2017) states, that family firm's owners and managers must take steps to strengthen the perception of the non-family employees to have positive attitudes, there is a need for family members to get familiar with the requirements of trustworthiness and they need to focus on what to demand, how to achieve a positive trustworthiness perception in order to pave the road for the desired long term development for the firm. Sharma and Carney (2012) concluded that family businesses have large growth potential as they have the habit of developing intangible assets such as social capital trust and tacit knowledge.

Trust in general occurs when none of the parties expects the other to harm or abuse (Rousseau et al 1998). Trust has an affective and a cognitive basis. Cognitive trust can be

achieved through integrity, credibility, responsibility, reliability and competence (Ribere and Sitar 2010). Cognitive trust between family members and non-family employees in a family can be achieved when development programs of the firm are focusing on the cognitive attitudes. However, when it comes to non-native or labour migrant employees' culture is the main factor towards integrity. In this paper we, present why understanding the culture is important to achieve cognitive trust.

### **5.3. Actuality of the research**

The goal of this research is to examine how cognitive trust between family members and labour migrant employees can be achieved. The reason we focus this research on labour migrants is given by the fact that migrants accounted for 70% of the increase in the workforce in Europe over the past ten years. Migrants fill important niches both in fast-growing and declining sectors of the economy. There are several positive aspects in connection with labour migration such as a) it boosts the working-age population, b) migrants arrive with skills and contribute to human capital development of receiving countries or c) migrants also contribute to technological progress and drive innovation. The question remains: how to maximize the benefits of migration for SME size family businesses. The need for this research is underlined by the fact that the rapid population ageing increases demand for migrants to make up shortfalls in the workforce. The literature defines the direction of migration as coming from the Central / Eastern region of Europe flowing towards the Northern and Western part (Friberg, Eldring, 2013). Another source states, that in Europe the scope of labour mobility greatly increased within the EU/EFTA zones following the EU enlargements of 2004 and 2007. This added to labour markets' adjustment capacity. Recent estimates suggest that as much as a quarter of the asymmetric labour market shock – that is occurring at different times and with different intensities across countries – may have been absorbed by migration within a short period of time (Jauer et al, 2014). Central Europe suffers from a significant asymmetric labour shock: the English-speaking generation is leaving, and there is a significant migration from Eastern Europe, the Middle East and Asia. To conclude there are few major challenges for Central European family businesses: a) the local employee market is drying up as highly skilled, English speaking employees increasingly look for jobs elsewhere. b) this asymmetry of migration must be balanced with labour migrant workforces. Furthermore, beside overcoming labour shortage on the local labour market we see significant advantages why a family business shall consider the integration of labour migrant employees: a) innovations through exchange of culture b) support

in understanding the needs of new or undeveloped markets c) local knowledge increases the credibility of the firm and the trust in foreign markets d) cost-effective work force

#### **5.4. Proposition**

The objective of the research is to justify the hypothesis if understanding of the culture leads to achieve cognitive trust in an SME size family business between family member and labour migrant employee and to define the necessary educational concept.

The study focuses on Vibrocomp's case and general educational concept. Vibrocomp is a family owned SME in the engineering consultancy sector. The firm was founded in 1992 and remained a two-man firm until 2002. The next generation took over the firm in 2002 and turned it into a globally known multinational firm. The successful generational change in leadership that resulted in this significant growth of the firm is not included in this paper, however, could be topic of a future research. Built on the family knowledge, the firm currently deals with governments all over the world: Hungary, EU (Brussels), Romania, Serbia, Shenzhen (China), Dubai, Federal UAE, and the Qatar Royal Family. The language and the habits are different, but the goals are the same: support their achievements in reducing pollution and increasing the well-being of residents, hence maintaining the economic growth.

In the following we present how to overcome the differences mainly originating from the different culture of the labour migrants. It can be stated, that on an SME size traditional conflicts between countries do play a significant role, which the management must be aware of. In our case study we identified three reasons for the integration of labour migrants: a) if a firm is entering foreign market, even if close to the home country b) the start of larger expansion process: the firm expanded to 3 new countries in 2 new regions outside the home continent. c) and the employment of labour migrants in the home country due to labour shortage

When a firm is small and only present on the national market in most cases it is or at least it used to be enough to have native employees. Every firm must grow, expand in order to grant long term success and to be an attractive employer. In the investigated case, when Romania became part of the European Union the decision was made to open a subsidiary to serve the Romanian market. With the opening the number of employees immediately increased by +20% as new employees from Romania joined the firm. Family members being afraid from the changes, required all employees to speak beside Romanian also the native language of the firm. The official communication in the firm remained the native language of the family. Driven by the fact, that the whole firm still speaks the common native language of the family no dedicated

development trainings were designed to meet the requirements of being a multicultural bi-national firm. Only the manager received training in the culture and habits of the new country. The basic educational concept was enough for one country but had to be further developed when the firm started its larger expansion process. In our case the firm continuously opened new subsidiaries as follows: 1. Dubai, UAE, 2. Shenzhen, China, 3. Doha Qatar. During this expansion not only, employees from different countries but from significantly different religions, habits, political background and time-zones joined. Hard skills are the technical expertise and knowledge needed for a job. Soft skills are interpersonal qualities, also known as people skills, and personal attributes that one possesses (Robles, 2012). As employer, one considers soft skills as very important attribute in job applicants. The firm introduced an innovative integration program. Main innovations of the educational concept were a) the integration program was mandatory for the new employees as well as for the existing ones; b) skills like ethics or knowledge about different cultures religions have been included and trained as a hard skill. As long employees from different cultures are located in different countries and/or continents communication between the employees is mostly limited to written communications. Personal interaction between employees from different cultural origin is limited to division leaders and the management. In their case mentoring was applied to have even better understanding of the different culture originated decision processes.

Nowadays as described earlier it is not necessary anymore to be present on the international market to face the challenges of integrating employees from different cultures. As a reason of migration all firms at some stage have to start to employ non-native employees. Focal points of the educational concept are a) differentiated career development for native and labour migrants b) include the culture in the development of all employees c) provide consulting and mentoring to increase the possibility of labour migrants to be leaders in their respective field and being accepted by the native employees d) change the official communication from the native language to English, giving support to all those who have difficulties e) introduce global trends and local values into the project-based approach

The above-mentioned educational concept will result in cognitive trust between family members and employees. Based on this cognitive trust we propose a successful integration of labour migrants even on an SME size family business level. Furthermore, the archived cognitive trust will result in employees willing to stay longer at the firm which reduces the time and the cost spent on acquisitions.

## 5.5. Proposed research method

In this paper we presented the problem and a case study based concept to solve the problem. In this chapter we will present the proposed research method to a) to prove the hypothesis b) to generalize the concept.

In most academic research the *main question* is to consider whether sampling is needed. In some cases, it is possible to conduct the research on every group member. In our case it is impossible to have an analysis of every SME size family business. We plan to generalize the concept based on a sample research. In our case the entire population will be reduced to samples with the following attributes: a) Hungarian Firms b) Firms with employees less than 100.

*The second research question* is to conduct a) semi structured interviews with the owners/managers of the sampled companies or b) prepare a questionnaire-based survey. The main advantages of semi-structured interviews are: they are carried out with an open framework to allow focused, bi-directional conversational. Semi structured interviews are a good tool to give and receive information. Questions are not formulated ahead; the semi-structured interview starts with general questions. Questions on the focal points are created during the semi-structured interview, in a way to allow flexibility for both parties. The main disadvantage comes from this flexibility, as it might lessen reliability and honesty, while answers are difficult to analyse and compare. A secondary disadvantage is the high time and cost of the survey and tendency to have a geographical limitation.

Opposite to semi structured interviews web-based surveys are cost effective. Those surveys are practical and an easy way to gather data. The survey can be put on a website or sent directly to the target sample group. Results are already in an electronic format, which allows easy analysis without digitizing data first and are quickly collected and evaluated with online tools provided by the survey host. Web-based surveys have no geographical limitations; online one can distribute the questions to anyone, anywhere in the world. However, the necessity of this opportunity must be reconsidered when defining the target sample group. It is an important aspect to consider cultural differences when conducting cross-national research. Web-based surveys can be designed to allow respondents to maintain their anonymity. With this type of questionnaire results can be expected based on the most honest answers, where sometimes sensitive data is included. Respondents will often answer more truthfully, based on the literature research has shown that having a researcher present can lead to less honest and more socially desirable answers. Respondents, willing to answer can take their time to. A point of discussion is the length of the questionnaire some literature state, that asking as many questions as possible



is an advantage, however the authors believe to keep individual questionnaires short, straight to the point, where respondents are willing to focus on the answers.

Among the disadvantages of web-based surveys is the lack of conscientious responses, there is no tool to be sure respondents have thought the question through before responding. The only way to overcome this disadvantage is to make the questions simple and the survey short. Furthermore, there is the disadvantage of differences in the interpretation of the questions. Compared to personal interviews the researcher here has no possibility to explain the questionnaire and ensure full understanding. Respondents might not understand the meaning of some questions; hence results can be very subjective. Furthermore, if the researcher is not present it is hard to capture emotional responses or feelings of the targeted individuals. As with most research, bias is an issue. Proclivities lead to inaccuracies in the result data, caused by the imbalance of respondents who see the topic in an overly positive or negative light. Pre-screening with a few indirect questions will remove those results from the database.

Based on the above we will continue the research with a web-based questionnaire. The questionnaire will consist of a quantitative (firm's performance, career development training budget allocations) and a qualitative (educational concepts, cultural habits, willingness of cross-cultural employment) part. Quantitative methods use numbers for interpreting data (Maki, 2004). Large numbers of cases can be analysed using the quantitative approach, and this type of design is deductive in nature, often stemming from a preconceived hypothesis (Patton, 2002). Results can be generalized, and situations make this type of assessment expandable. Although assessment can be carried out with the rigor of traditional research, including a hypothesis and results that are statistically significant, this is not a necessary component of programmatic outcomes-based assessment. It is not essential to have a certain sample size unless the scope of your assessment is on the institutional level. On the other hand, according to Denzin and Lincoln (2011), qualitative research is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. Upcraft and Schuh (1996) states, that qualitative method is the detailed description of situations, events, people, interactions, and observed behaviours, the use of direct quotations from people about their experiences, attitudes, beliefs, and thoughts. Qualitative assessment is focused on understanding how people make meaning of and experience their environment or world (Patton, 2002). Qualitative assessment is narrow in scope and only applicable to specific situations and experiences. This type of approach is not recommended for generalization to broad situations. Different from quantitative research, qualitative research employs the researcher as the primary means of data collection. In opposite to quantitative assessment, the qualitative approach is inductive, leading to the development or

creation of a theory rather than the testing of a preconceived theory or hypothesis. To verify our concept, we defined a method to measure and to evaluate the success of career planning and development in SME size family business. We plan to apply the mixed approach in order to verify our proposition.

### **5.6. Limitations, future research**

The research conducted so far is based on the findings of a case study from a Hungarian family owned SME. However due to the setup: 2 main shareholders from the same family, the size: currently about 50 employees in 4 different countries and the sector: engineering consultancy the authors believe that the findings can be generalized for similar companies. In the future questionnaire-based research as described above will be conducted in order to generalize the concept.

### **5.7. Conclusion**

The focus of this research is on labour migrants given by the fact that migrants accounted for 70% of the increase in the workforce in Europe over the past ten years. Due to the current lack of workforce SME size family businesses are facing the challenges of employing labour migrants from different countries and cultures. Family businesses are based on trust; trust is one thing difficult to learn and to understand. Within a small (family) business labour migrants can only be employed when trust between the owners the native employees and the labour migrant employee exists. Cognitive trust can be achieved through integrity, credibility, responsibility, reliability and competence. Cognitive trust between family members and non-family employees in a family can be achieved when development programs of the firm are focusing on the cognitive attitudes. We conclude as the focal point of this the research the education on understanding the cultures and the habits.

The authors have presented based on a case study, how to achieve cognitive trust in an SME size family business between family member and labour migrant employee.

The presented differentiated educational concept in understanding the culture resulted in cognitive trust between family members and employees. Based on it a successful integration of labour migrants even on an SME size family business level is possible. Furthermore, the archived cognitive trust will result in employees willing to stay longer at the firm which reduces the time and the cost spent on acquisitions. In the future questionnaire-based research as described above will be conducted to generalize the concept.

## **6. The attributes and elements of the integration of labour migrants in practice**

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### **Abstract**

Several empirical findings as well as theoretical constructs support the fact that “diversity makes business sense”. Researches about the potential contribution of culturally diverse employees suggest that companies cannot and should not swim against the tide, when it comes to labour migration and foreigner employees. The integration of labour migrants, or with other words, making them satisfied, committed and retaining them is a difficult task and less researched area. This paper aims to fill a research gap and provides the attribute of integration of labour migrants. The authors present the main integration-oriented models in the field of cross-cultural leadership. Our goal was to test these theories in the practice by qualitative, in-depth interviews. The method we used was an own-developed questionnaire in order to reveal the interviewees’ feelings about their own perception of integration or “inclusion”. Each question “indirectly asks” on a cited integration theory. Based on the analysis of the responses, we drew up conclusions and present the seemingly independent theories’ connection with each other. The used theories provide practical insights into the attributes and elements of integration through the eyes of employees, who have diverse cultural, physical or other kind of unique characteristics. Our intention was to reveal the interrelations and overlaps among the involved theoretical constructs in the belief that it is more beneficial if we apply the knowledge of the field comprehensively.

Preliminary results of the interviews showed that, more “included” workers, that is to say successfully integrated ones, are more satisfied, committed and hard-working.

## **6.1. Introduction**

The question whether labour migration is a beneficial phenomenon on the global and national scale is not a debate anymore. On the other hand, it is also clear that it bears challenges concerning their integration within organizational or smaller frameworks, such as working groups and relationships between individuals. The difficulties root in the diverse backgrounds of labour migrant employees. Although as researchers investigated diversity and its consequences in detail, they found out and supported many times the fact that diversity indeed has enormous potential to improve organizational performance through greater efficiency, enhanced work processes and further merits as well (Gonzalez et al, 2009). Several concepts have been developed along the investigation of ways and issues of integrating diverse individuals (Thomas et al, 1996), yet there are several gaps in our knowledge in this field.

As highlighted by literature reviewers (Shore et al, 2011), theoretical background of integration is extremely affluent long since, however, practical insights fall short. To address this problem, we gathered some well-established theoretical concepts in this paper and put them in practice. Offering an exclusive overview of diversity and integration literature would be impossible and it is not the aim of this article. We filled gaps in the general academic knowledge by empirical examinations and discoveries. Although, as later explained, we also contributed to the theoretical base.

## **6.2. Theoretical background**

Earlier, researchers approached diversity as a problem to cope with. Cope with bias, discrimination, exclusiveness and other negative phenomenon. Although as globalization evolved and labour migration has intensified, diversity was realized rather as an opportunity to exploit. Since the early 90's (Cox, 1991; Thomas et al, 1996), scholars have been discovering and analysing means for integration. The theoretical development of the field is quite abundant to cover it by one paper comprehensively; the particular framework we applied for the present study is inclusive workplace and inclusiveness (Mor Barak, 2000; Shore et al, 2011).

The concept of inclusion was initially named and set forth by Mor Barak in the millennial. He had encountered employees with diverse characteristics (gender, colour of skin, culture, racial minorities etc.) who felt “excluded” from organizational culture or expected to assimilate to it (Berry et al, 1988; Mor Barak, 2015). As he puts, diversity may take many forms, categorizing them will not help to manage it, but investigating its manifestations and consequences will do. The outcomes can occur at numerous levels, in this study we reflected to the individuals' perception of their own inclusiveness into their working community. To gain a detailed picture

of their emotions, we grounded our questionnaire by several, more or less, distinct models those were focusing on the importance and experience of diverse people within working groups. Consequently, our concept based on two fundamental pillars: diversity and inclusion.

Diversity used to be grasped culturally. However, as sociology evolved, this perspective turned out to be extremely short sighting. Diversity is a summarizing term for differences in individual characteristics that might be racial, ethnic, physical, socioeconomic, gender identity, personality, genetic, etc. attributes. The list is endless, the key is that these features are “irrespective of job-related skills and qualifications” (Mor Barak, 2014). Nishi (2013) noted at this point that the relevant attributes might not be observable or unambiguous (e. g. educational level and intelligence). Inclusion in the community “...refers to the individual’s sense of being part of the organizational system (Mor Barak, 2014).”

To synthesize and clarify the concepts, Shore et al (2011) warned that belongingness and uniqueness have equal significance. She cited the façade of conformity (Hewlin, 2009), that occur when someone suppresses his/her personal opinion or value and adjust to the organizational or supervisory expectations. Apart from these theories, we addressed further ones while conceptualizing and “grounding” our research.

The need for such research is underlined by numerous empirical and theoretical findings. First of all, each human being has social needs to be satisfied (e. g. Maslow, 1943; Herzberg, 1968). Brewer (1999) stated such psychological needs are insured within workplaces with inclusive climate, although Nishii (2013) highlighted that empirical tests are still scarce. Psychologists also pondered the results of inclusion (Firth-Cozens & Hardy 1992) and found hard evidence that inclusion indeed preserves mental health for example, by reducing stress and procrastinating burnout (Shaufeli et al, 1996). Researchers, who apply economic viewpoint, has also argued for proper organizational climate because diversity is a pervasive feature that must be considered while strategy making and should be regarded as an opportunity for both individuals and an organization as a whole to learn and evolve (Chrobot-Mason et al, 2002).

The benefits of inclusiveness were more precisely analysed and supported later. For instance, Acquivita et al (2009) associated inclusion with job satisfaction. Cho and Mor Barak (2008) found evidence that perception of inclusion is a predictor of job performance and commitment. Den Hartog et al (2007) reported also strong correlation between performance and inclusiveness, emphasizing how fair and equal treatment of employees facilitates trust and reciprocity among the members of the group. On the other hand, insufficiently inclusive climate results in excessive costs for the company, in terms of higher absenteeism, turnover (Harvey, 2012) and more frequent conflicts (Herring, 2009).

As we can see, inclusion is a definitely important and actual topic to investigate, not even to mention accelerating population movements around the globe. Some specific research gap has been highlighted. The existing literature should be enriched by various methodological approaches (Jacqueline et al, 2007; Shore et al, 2011). They called for interviews first of all. Secondly, theories regarding diversity and inclusion are overlapping, so addressing them jointly might produce better understanding of the issue (Buttner et al, 2012).

### **6.3. Actuality of the research**

The goal of the paper is to introduce some more thoroughly researched theoretical constructs related to labour migrant diversity and integration literature and test them in practice. This effort is quite actual, according to statistics; migration has become more diverse in terms of origin (Migration data portal). An increase has been indicated in the overall migration flows to Europe as a whole and it remained the main destination area with its inflow of 3,1 million migrants in 2018A third relevant and rather timeless aspect is concerning organizational and group performance in general. Researchers reported (Cho et al, 2008) that perception of inclusion through successful integration leads to commitment, enhanced work performance and lower turnover intentions (Nishii et al, 2009).

### **6.4. Proposition**

The objective of this research is to improve and reveal the interrelations, overlaps among the existing theories regarding inclusive workplaces in practice. “Inclusive workplace is an action-oriented model for integration (Mor Barak, 2015)”: We planned to complement this model of Mor Barak by involving further theories related to integration and its circumstances. It is important to note that we do not question any of the theories but accept as, referring to the applied methodology, “ground” of our empirical investigation and resultant induction procedure (Haig, 1995). In the next paragraphs the used theories are briefly introduced.

A community can be collectivistic or individualistic at distinct contexts and situations (Correll et al, 2005; Pickett et al, 2001). Optimal distinctiveness theory (Brewer, 1991) “seeks” the balance between feelings of uniqueness and belongingness. During the interview, whether “I” or “we” occur more frequently, we can conclude that the community is more collectivistic (prefers validation) or more individualistic (prefers uniqueness). The words interviewees use informs us what they regard as problems, neutral statuses or preferential outcomes (Mor Barak, 2015). Thus, we can find out more about the nature of these elements, where insufficiencies are or if there is a satisfactory balance between the two desires, and how employees interpret it.

Is inclusion a common goal or not? (Ramarajan, 2009). Sometimes to foster one's own inclusiveness, the person may withdraw his/her distinct opinion in order to adjust or assimilate to the organizational values or to the common sense (façade of conformity: Hewlin, 2009).

How do employees feel about direct supervision? It is especially a crucial point for newcomers whether they feel themselves less trusted or somehow positively for their bosses' personal attention and advisory (leadership-membership exchange, Nishii et al, 2009).

According to the similarity paradigms, people have higher propensity to agree and support individuals who they feel themselves more similar in terms of race, skin of colour, education etc. (similarity-attraction paradigm: Riordan, 2000). In this sense demographic similarities predict, horrible dictum determine inclusiveness (Nishii, 2012). The most illustrative example is when citizens from nations, those are "historically enemies", are less supportive toward each other (France-Germany e. g.) However, younger generations are less likely to act this way.

Conflict resolution is perceived as something that fosters inclusion and acceptance (Nishii, 2012). Although many empirical evidences suggest the opposite, namely that norms for openness makes relationships vicious (Jehn, 1995). Mutual trust is jeopardized by discussing problems above a certain extent (Brewer, 1999), while ignorance can attenuate destructive intensity in relationships (Fiol, 2009; Nishii, 2012). What disputes, both in term of topic and depth, should be discussed?

There are controversial arguments whether common knowledge or distinct competences foster or hinder inclusiveness and integration (Ely et al, 2001). Commonalities mean more shared grounds for conversations or activities, so there is more room for connections to develop. Although differences can peak interests from counterparts, that can result in the same outcome. It is important to note however, that soft items, such levels of extroversion and openness are excluded from the described learning-effectiveness perspective of Ely and Thomas (2001). As an amendment, some researchers suggested that invitation into participation, team processes (those are related to individual abilities) mediate exclusion effect (Mohammed & Angell, 2004). Usually there are some "ranking" among colleagues in workplaces, based on knowledge, seniority or other features (status characteristics theory, Berger, et al, 1972; Ridgeway et al, 2006; self-categorization, Shore, 2011). The ranking can stem from constructive differences, as some colleagues might perceive each other as role models and in that case, employees are provided with extra motivation to work harder and achieve esteem from co-workers. But stereotyping can lead to categorization too. So the basis of such "order" determines whether inclusion is not hindered or it is. Larkey (1996) put that unlike ranking, categorization always leads to conflict.

These theoretical constructs served as grounding for our empirical analysis. Employees from various backgrounds, with various circumstances have tremendously various perspective of the world. That consist culture, religion, political orientation, habits, ritual, competences, relationships, attitude toward personal relationships or perception of time and achievements. The unique personalities endow unique soft skills and those are unique resources for the community they work in and for.

It is inevitable to face the challenge deriving from fluctuating and migrating labour force of present times. To live up to it, first step might be to map the current conditions and attitudes of workplace integration. It is our purpose and to contribute to the comprehension of integration and inclusive workplaces (Shore et al, 2011).

## **6.5. Methodology**

Our proposed and currently running research is based on qualitative, semi-structured in-depth interviewing with opened questions and we applied the grounded theory methodology.

Grounded theory is quite the opposite of traditional, hypothesis-driven methodologies. When formulating hypothesizes, researchers choose a theoretical framework and collect data, that will either support or not the original belief. In contrast, grounded theory employs deductive reasoning. It is triggered by an opened question (“what is going on” or “what is the problem?” etc.) or collection of qualitative data. That is why grounded theory methodology is more suitable for qualitative investigations because those offer some flexibility that is required in human sciences (Strauss et al, 1997).

As a start, data are broken down into “its elements”, which are compared. During the process, new theories will emerge along the elements’ conceptualization. Grounded theory is a systematic generation of theoretical frameworks based on existing theories and knowledge; those were already empirically tested. With other worlds, hypothesizes are the output of data collection or learning process and not the data is collected appointed by the hypothesis in advance. A fundamental drawback of the later order is that having a hypothesis seriously confines the range, scale of data collection and comprehension by “tube-kind” thinking. The nascent theory we had in mind is built up or “grounded” by several authors’ works. Grounded theorists also have assumptions they can lean on, but those are regarded as “how or why do they work” instead as “they are true or false”, where “they” refers to those selected assumptions. There are two main reasons why we have chosen this approach. According to its inventors, grounded theory offers autonomy in generating concepts in explaining human behaviour (Glaser et al, 1967). It is useful when theorizing is proceeded by a literature review, interviews



and observations like in this paper (Ralph et al, 2014), when sometimes distinct ideas are found. Another important thing is that, as mentioned, we intended to fill a research gap in diversity literature by providing practical insights and researchers noted that turning to qualitative investigation such as interviewing would be quite timely but useful.

As far as the interviewing is concerned, we applied a qualitative investigation, that is more interpretative and subjective, so personal attendance is desirable (Denzin et al, 2011). This scientific method focuses on personal meaning-makings of the environment. Personal experiences, artifacts, life stories, believes, thoughts, feelings, expressions and imagination are in focus (Deniz et al 2005; Wertz et al, 2011). As this information are highly subjective matters, proper and scientific interpretation of them demands background knowledge from the researcher (Given, 2008). Another argument for indispensable personal presence is that direct observation, description of the interviewee's unconscious, physical reactions is also a valid source of primary data and because the interviewer controls the way of the conversation to avoid misunderstanding or wondering to irrelevant matters during the event, that is a waste of time and resource.

An interview is always exhausting for both participants. In order to preserve thoughtful, honest responding and patience from the subject, we developed a relatively short, 10-questions-long survey. We set up a relatively short questionnaire to allow more time and room for the interviewees' unforeseeable input.

There are also disadvantages of qualitative research methods in general. As responses are unique, findings can hardly be generalized or compared. Controversial research findings suggest that the interviewer presence might lead to dishonesty provoked by unanimity, but that was not proven in all cases. Personal interviews also bear geographic limitations too. But having those specifics set correlates with a more precise sampling and clear inclusion criteria.

The following inclusion requirements do interview subjects have to meet. People had to either work or study within a multicultural community. Multiculturalism entails the necessary amount and quality of unique personal characteristics; those are under the scope of our study (historical background, experiences of gender roles, perception of time, level of indulgence and further positivist dimensions of differences (Hofstede, 2001; Hall et al, 1990; Romani et al, 2018). They had to work closely and interrelatedly to each other, in terms of common projects, team assignments etc.

## **6.6. Limitations, future research**

The limitations of our research are methodological in nature. Glaser (1978) noted that in the cases of grounded theory, a data collection is confined by an emerging and not existing, “well-based” theory and that means the absence of conceptual depth (Benoliel, 1996).

Qualitative studies usually produce ungeneralizable findings (Hussein et al, 2014). Knowledge is born through confirmation (repetition) and not by testing theories (that is what we did), even if they result in new ones (Polit et al, 2010). Our recommendation for future studies is to find confirming or refuting evidences to our own results.

The interviews are not finalized yet; therefore the final conclusions can only be drawn at a later stage of the research.

## **6.7. Conclusion**

The aim of this research was to offer empirical findings about “action-based” integration-oriented models and testing these theories in practice (Mor Barak, 2015). Massive labour migration is a challenge to cope with but simultaneously, an opportunity to seize. In this paper we presented some practical insights and understanding of the nature of integration driven by the fact that implementing the unique perspectives of newcomer employees with diverse cultural backgrounds and characteristics bears competitive advantage for companies and industries (Gonzalez et al, 2009).

Previous studies suggested that inclusive workplaces correlate with lower employee turnover intentions, greater job satisfaction and higher performance (Cho et al, 2008; Nishii et al, 2009). However, such studies are absent if we reflect to Central and Eastern Europe. To address this gap we executed our investigation in this region. A self-developed questionnaire was applied consisting ten open-ended questions. During the semi-structured interviews, the subjects were asked to tell their experiences and feelings about their own perceived inclusiveness in their working communities. Our intention was to reveal the interrelations and overlaps among the involved theoretical constructs in the belief that it is more beneficial if we apply the knowledge of the field comprehensively.

Preliminary results of the interviews showed that, more “included” workers, that is to say successfully integrated ones, are more satisfied, committed and hard-working.

## 7. Diversity in business with the integration of labour migrants

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### Abstract

Several empirical findings as well as theoretical constructs support the fact that “diversity makes business sense”. Researches about the potential contribution of culturally diverse employees suggest that companies cannot and should not swim against the tide, when it comes to labour migration and foreigner employees. The integration or inclusion of labour migrants, or with other words, making them trustful, satisfied, and committed and retaining them is a difficult task and constantly actual research area. This paper aims to contribute to this knowledge and provides practical implications about the integration of labour migrants. The authors present some integration-oriented models in the field of cross-cultural management. Our goal was to test these theories in the practice by qualitative, in-depth interviews. The method we used was an own-developed questionnaire in order to reveal the interviewees’ own perception of integration or “inclusion”, through their unique cultural lens. Each question indirectly asks on a cited integration theory. Based on the analysis of the responses, we drew up conclusions and present the theories’ connection with each other if occur. The results are contextualized in the interviewees’ cultural mind-sets. The used theories provide practical insights into the attributes and elements of integration through the eyes of employees, who are from diverse cultural background.

**Keywords:** *Labour migrant, integration, diversity in business, in-depth interview*

### 7.1. Introduction

The question whether labour migration is a beneficial phenomenon on the global and national scale is not doubted anymore. Another known fact is, that it bears challenges concerning their integration within an organization. The difficulties originate from the diverse backgrounds of

labour migrant employees. Although as researchers investigated diversity and its consequences in detail, they found and supported many times the fact that diversity indeed has enormous potential to improve organizational performance through greater efficiency, enhanced work processes and further merits as well (Gonzalez et al, 2009). Several concepts have been developed along the investigation of ways and issues of integrating diverse individuals (Thomas et al, 1996), yet there are several gaps in our knowledge in this field.

As highlighted by literature reviewers (Shore et al, 2011), theoretical background of integration is extremely affluent long since, however, practical insights fall short. To address this problem, we gathered some well-established theoretical concepts in this paper and investigated them in practice. Offering an exclusive overview of diversity and integration literature would be impossible and it is not the aim of this paper. This paper fills gaps in the general academic knowledge by empirical examinations and discoveries. Although, as later explained, this paper also contributes to the theoretical base.

## **7.2. Theoretical background**

Earlier, researchers approached diversity as a problem to cope with. Cope with bias, discrimination, exclusiveness and other negative phenomenon. Although as globalization evolved and labour migration has intensified, diversity was realized rather as an opportunity to exploit. Since the early 90's (Cox, 1991; Thomas et al, 1996), scholars have been discovering and analysing means for integration. The theoretical development of the field is quite abundant to cover it by one paper comprehensively; the framework we applied for the present study is inclusive workplace and inclusiveness (Mor Barak, 2000; Shore et al, 2011).

The concept of inclusion was initially developed by Mor Barak in the millennial. He had encountered employees with diverse characteristics (gender, skin colour, culture, racial minorities etc.) who felt “excluded” from organizational culture or expected to assimilate to it (Berry et al, 1988; Mor Barak, 2015). As he puts, diversity may take many forms, categorizing them will not help to manage it, but investigating its manifestations and consequences will do. The outcomes can occur at numerous levels, in this study we reflected to the individuals’ perception of their own inclusiveness into their working community. To gain a detailed picture of their emotions, we grounded our questionnaire by several, more or less, distinct models those were focusing on the experience and feelings of diverse people within working groups. Consequently, our concept is based on two fundamental pillars: diversity and inclusion.

Diversity used to be grasped culturally. However, as sociology evolved, this perspective turned out to be extremely short sighting. Diversity is a summarizing term for differences in individual

characteristics that might be racial, ethnic, physical, socioeconomic, gender identity, personality, genetic, etc. attributes. The list is endless, the key is that these features are “irrespective of job-related skills and qualifications” (Mor Barak, 2014). Nishi (2013) noted at this point that the relevant attributes might not be observable or unambiguous (e. g. educational level and intelligence). Inclusion in the community “...refers to the individual’s sense of being part of the organizational system (Mor Barak, 2014).”

To synthesize and clarify the concepts, Shore et al (2011) warned that belongingness and uniqueness have equal significance. She cited the façade of conformity (Hewlin, 2009), that occur when someone suppresses his/her personal opinion or value and adjust to the organizational or supervisory expectations. Apart from these theories, we addressed further ones while conceptualizing and “grounding” our research.

The need for such research is underlined by numerous empirical and theoretical findings. First of all, each human being has social needs to be satisfied (e. g. Maslow, 1943; Herzberg, 1968). Brewer (1999) stated such psychological needs are insured within workplaces with inclusive climate, although Nishii (2013) highlighted that empirical tests are still scarce. Psychologists also pondered the results of inclusion (Firth-Cozens & Hardy 1992) and found hard evidence that inclusion indeed preserves mental health for example, by reducing stress and procrastinate burnout (Shaufeli, et al, 1996). Researchers, who entertained economic viewpoints, has also argued for proper organizational climate because diversity is a pervasive feature that must be considered while strategy making and should be regarded as an opportunity for both individuals and an organization as a whole to learn and evolve (Chrobot-Mason et al, 2002).

The benefits of inclusiveness were more precisely analysed and supported later. For instance, Acquivita et al (2009) associated inclusion with job satisfaction. Cho and Mor Barak (2008) found evidence that perception of inclusion is a predictor of job performance and commitment. Den Hartog et al (2007) reported also strong correlation between performance and inclusiveness, emphasizing how fair and equal treatment of employees facilitates trust and reciprocity among the members of the group. On the other hand, insufficiently inclusive climate results in excessive costs for the company, in terms of higher absenteeism, turnover (Harvey, 2012) and more frequent conflicts (Herring, 2009).

As we can see, inclusion is a definitely important and actual topic to investigate, not even to mention the accelerating population movements around the globe. Some specific research gap has been highlighted. The existing literature should be enriched by various methodological approaches (Jacqueline et al, 2007; Shore et al, 2011). They called for interviews first of all.

Secondly, theories regarding diversity and inclusion are overlapping, so addressing them jointly might produce a more holistic understanding of the issue (Buttner et al, 2012).

### **7.3. Actuality of the research**

The goal of the paper is to introduce some more thoroughly researched theoretical constructs related to labour migrant diversity and integration literature and test them in practice. This effort is quite actual because, according to statistics, migration has become more diverse in terms of origin (Migration Data Portal). An increase has been indicated in the overall migratory balance of Europe is positive and it remained the main destination area with its inflow of 3.1 million migrants in 2018. This figure has been growing for the past 5 years (OECD). On the other hand, Europe's economically active population is forecasted to decline persistently, as expressed by the old dependency ratio (Eurostat). Labour migration improves a country's age structure, boosts significantly labour mobility and offers new, innovative skills and abilities from the perspective of the native working population at all times. Europe's aging population, labour shortage and the ongoing globalization make these contributions even more valuable. There were more events since the millennium (EU enlargements, great financial crisis) those have given new swings to labour migration. The most seriously affected ones are, both by emigration and immigration, Central and Eastern Europe. The region is stricken with significant asymmetric labour shocks: the highly-skilled, English-speaking generation is leaving, and there is a massive migration to Eastern Europe from the Middle East and Asia (Bite et al, 2020).

Actuality is enhanced by the industrializing emerging countries, basically, in Asia. The insofar nascent Asian markets conceal a range of new business opportunities, apart from the accumulation of redistributable wealth of citizens. Conquering them requires to adapt to the needs and expectations of people, who has completely different cultural and individual characteristics as Europeans have. For revelation, various insights offered by migrant labourers have to be utilized.

A third relevant and rather timeless aspect is concerning organizational and group performance in general. Researchers reported (Cho et al, 2008) that perception of inclusion through successful integration leads to commitment, enhanced work performance and lower turnover intentions (Nishii et al, 2009). We yet conclude it more actual now than before because examinations of diversity greatly ignored Central and Eastern Europe as a geographic area driven by the fact that it did not use to be such a popular destination as they are nowadays.

#### 7.4. Proposition

The objective of this research is to offer practical implications in association with the existing theories regarding inclusive workplaces and cultural diversity. “Inclusive workplace is an action-oriented model for integration (Mor Barak, 2015)”: We planned to complement this model of Mor Barak by involving further theories related to integration and its circumstances. It is important to note that we do not question any of the theories but accept as, referring to the applied methodology, “ground” of our empirical investigation and resultant induction procedure (Haig, 1995). In the next paragraphs the used theories are briefly introduced.

A community can be collectivistic or individualistic at distinct contexts and situations (Correll et al, 2005; Pickett et al, 2001). Optimal distinctiveness theory (Brewer, 1991) concerns the balance between feelings of uniqueness and belongingness. During the interview, whether “I” or “we” occur more frequently, we can conclude that the community is more collectivistic (prefers validation) or more individualistic (prefers uniqueness). The words interviewees use informs us what they regard as problems, neutral statuses or preferential outcomes (Mor Barak, 2015). Thus, we can find out more about the nature of these elements, where are insufficiencies or there if there is a satisfactory balance between the two desires, how employees interpret it. Is inclusion a common goal or not? (Ramarajan, 2009). Sometimes to foster one’s own inclusiveness, the person may withdraw his/her distinct opinion in order to adjust or assimilate to the organizational values or to the common sense (façade of conformity: Hewlin, 2009).

How do employees feel about direct supervision? It is especially a crucial point for newcomers whether they feel themselves less trusted or somehow positively, e. g. mentored through their bosses’ personal attention and advisory (leadership-membership exchange, Nishii et al, 2009). According to the similarity paradigms, people have higher propensity to agree and support individuals who they feel themselves more similar in terms of race, skin colour, education etc. (similarity-attraction paradigm: Riordan, 2000). In this sense demographic similarities predict, horrible dictum determine inclusiveness (Nishii, 2012). The most illustrative example is when citizens from nations, those are historically enemies are less supportive toward each other (France-Germany e. g.) However, younger generations are less likely to act upon such things, then older ones. Another ground for similarity paradigms are gender identities (identity characteristics, Nishii, 2012).

As far as *genders* are concerned, especially a couple of decades ago, many researchers developed theories about unequal treatment (Wagner, et al 1986.) or tokenism (Chatman et al, 2004). The focus has been usually on how men should approach women. Should they be polite,

courteous at all fronts? Should they act differently around them? It also depends on the interpretation of women, because such behaviour might suggest that women are held less capable or as someone, who requires special treatment and that is a sort of bias in the sense.

There are controversial arguments whether common knowledge or distinct competences foster or hinder inclusiveness and integration (Ely et al, 2001). Commonalities mean more shared grounds for conversations or activities, so there is more room for connections to develop. Although differences can peak interests from counterparts, that can result in the same outcome. It is important to note however, that soft items, such levels of extroversion and openness are excluded from the described learning-effectiveness perspective of Ely and Thomas (2001). As an amendment, some researchers suggested that invitation into participation and team processes – those are related to individual abilities – mediate exclusion effect (Mohammed & Angell, 2004).

Usually, there are some “ranking” among colleagues in workplaces, based on knowledge, seniority or other features (status characteristics theory and evident status hierarchies, Berger, et al, 1972; Ridgeway et al, 2006; self-categorization, Shore, 2011). The ranking can stem from constructive differences, as some colleagues might perceive each other as role models and in that case, employees are provided with extra motivation to work harder and achieve esteem from co-workers. But stereotyping can lead to categorization too. So the basis of such “order” determines whether inclusion is not hindered or it is. Larkey (1996) put that unlike ranking, categorization always leads to conflict.

Conflict resolution is perceived as something that fosters inclusion and acceptance (Nishii, 2012). Although many empirical evidences suggest the opposite, namely that norms for openness makes relationships vicious (Jehn, 1995). Mutual trust is jeopardized by discussing problems above a certain extent (Brewer, 1999), while ignorance can attenuate destructive intensity in relationships (Fiol, 2009; Nishii, 2012). To what extent it disputes, both in term of topic and depth, should be discussed? Try to resolve them or just move on casually?

These theoretical constructs served as grounding for our empirical analysis. Employees from various backgrounds, with various circumstances have tremendously various perspective of the world. That consist culture, religion, political orientation, habits, ritual, competences, relationships, attitude toward personal relationships or perception of time and achievements. The unique personalities endow unique soft skills and those are unique resources for the community they work in and for.

It is inevitable to face the challenge deriving from fluctuating and migrating labour force of present times. To live up to it, first step is to map the current conditions and attitudes of



workplace integration. It is our purpose and to contribute to the comprehension of integration and inclusive workplaces (Shore et al, 2011).

## **7.5. Methodology**

Our proposed research method is qualitative, semi-structured in-depth interviewing with open-ended questions and on the other hand, we applied grounded theory methodology.

Grounded theory is quite the opposite of traditional, hypothesis-driven methodologies. When formulating hypotheses, researchers choose a theoretical framework and collect data that will either confirm or reject the original belief. In contrast, grounded theory employs deductive reasoning. It is triggered by an opened question (“what is going on” or “what is the problem?” etc.) or collection of qualitative data. That is why grounded theory methodology is more suitable for qualitative investigations because those offer some flexibility that is required in human sciences (Strauss et al, 1997).

As a start, data are broken down into “its elements”, which are compared. During the process, new theories will emerge along the elements’ conceptualization. So briefly, grounded theory is a systematic generation of theoretical frameworks based on existing theories and knowledge, those were already empirically tested. With other words, hypotheses are the output of data collection or learning process and not the data is collected appointed by the hypothesis in advance. A fundamental drawback of the later order is that having a hypothesis seriously confines the range, scale of data collection and comprehension by “tube-kind” thinking. The nascent theory we had in mind is built up or “grounded” by several authors’ works. Grounded theorists also have assumptions they can lean on, but those are regarded as “how or why do they work” instead as “they are true or false”, where “they” refers to those selected assumptions. There are two main reasons why we have chosen this approach. According to its developers, grounded theory offers autonomy in generating concepts in explaining human behaviour (Glaser et al, 1967). It is useful when theorizing is proceeded by a literature review, interviews and observations like in this paper (Ralph et al, 2014), when distinct ideas are found. Another important thing is that, as mentioned, we intended to fill a research gap in diversity literature by providing practical insights and researchers noted that turning to qualitative investigation such as interviewing would be quite timely and useful.

As far as the interviewing is concerned, we applied a qualitative investigation, that is more interpretative and subjective, so personal attendance is desirable (Denzin et al, 2011). This scientific method focuses on personal meaning-makings of the environment. Personal experiences, artifacts, life stories, beliefs, thoughts, feelings, expressions, imagination are in

focus (Deniz et al 2005; Wertz et al, 2011). After this information are highly subjective matters, proper and scientific interpretation of them demands background knowledge from the researcher (Given, 2008). Another argument for indispensable personal presence is that direct observation, description of the interviewee's unconscious, physical reactions is also a valid source of primary data and because the interviewer controls the way of the conversation to avoid misunderstanding or wondering to irrelevant matters during the event, that is a waste of time and resource. Here comes the next crucial point that is the length of the questionnaire and interviews.

An interview is always exhausting for both participants. In order to preserve thoughtful, honest responding and patience from the subject, we developed a relatively short, 10-questions-long survey. Although we were eager to engage in distinct matters from the core of the questions in the belief that semi-structured interviews trigger more reflection in the participants on the circumstances of a particular situation. Additional meaning-makings might serve with new traits for future studies. Briefly, we set up a relatively short questionnaire to allow more time and room for the interviewees' unforeseeable input.

There are also disadvantages of qualitative research methods in general. As responses are unique, findings can hardly be generalized or compared. Controversial research findings suggest that the interviewer presence might lead to dishonesty provoked by unanimity, but that was not proven in all cases. Personal interviews also bear geographic limitations too. But having those specifics set correlates with a more precise sampling and clear inclusion criteria.

The following inclusion requirements do interview subjects have to meet. People had to either work or study within a multicultural community. Multiculturalism entails the necessary amount and quality of unique personal characteristics; those are under the scope of our study - historical background, experiences of gender roles, perception of time, level of indulgence and further positivist dimensions of differences (Hofstede, 2001; Hall et al, 1990; Romani et al, 2018). They had to work closely to and interdependently on each other, in terms of common projects, team assignments etc.

Gender		Age		Place of birth		Religion		Ethnicity	
Male	19	10-19 years	0	Africa	2	Christian	15	Caucasian	14
Female	11	20-29 years	10	Asia	9	Muslim	6	Asian	9
		30-39 years	15	Australia	0	Jewish	2	Latino/Hispanic	3
		40-49 years	4	Europe	14	Buddhist	3	African-American	2
		50-59 years	1	North-America	2	Confucionist	3	Native American	2
		60+ years	0	South-America	3	Taoists	1		

Educational level		Total years of working experience	
Elementary	1	0-5 years	8
Vocational	3	6-10 years	8
High-school degree	11	10+ years	14
College and/or University degree	15		

Position at the company		Having ownership in a company	
Operational level	21	Yes	3
Middle level	6	No	27
Upper level	3		

Table 1-3 Characteristics of the interviewed persons

#### 14. Table: Characteristics of the interviewed persons

We interviewed 30 employees altogether, the length of the conversations ranged from 50 to 150 minutes approximately. The interviews were carried out personally, however due to the Covid 19 pandemic through an online video conference platform (e. g. via skype). Table 1-3 present the characteristics of the interviewed persons.

## 7.6. Results

In this section we explained what were the common hints – codes – in the interviewee's opinions (Table 4.). In the sense of grounded theory, the repeated occurrence of codes during the conversations and their constant categorizing and comparisons make way for concluding practical implications (Charmaz, 2006).

Table 4 Summary of the questions and main conclusions

Question	Conclusion
What is more important for you as a person: “validation and similarity to others” or “need for uniqueness and individuation”?	Optimality of distinctiveness changes as time passes.
How do you perceive your colleagues? As friends or as co-workers primarily?	The gap between colleagues and friends are obvious in the West, but is not supposed to exist in the East.
Embracing organizational values/practices does come together with suppressing individual values in your case? Is it bothering or easy to come over with?	Facades are most likely there, where they are latent.
Is direct supervision makes you feel less trusted/competent or it makes you feel that the boss devotes you or to the whole community special/personal attention?	The key for successful leader-member exchange is transparent communication and equality.
Do you like the “fugleman” in your working unit?	Social value relies on trustworthiness, expertise and extroversion.
Do you consider your colleague’ nationality/gender when you approach him or her in any way? What is their impact?	Young people give less credit to stereotypes as well as cultural uniqueness’s than older ones.
If you would have to rank the members of the group based on their knowledge/popularity/honour, where were you in that order?	Categorizations and rankings among employees are mostly determined by non-work related factors, such as politics, religion or personalities.
If highly esteemed members’ opinion contradicts yours, do you yet share it or withhold and remain silent?	Opinion withdrawal is perceived as absurd and harmful for Western and Middle-Eastern societies, but natural and appropriate in the Far-East.
Do you think that men should help women in all fronts?	Certain gender-based differentiations are anticipated and welcomed at some locations, while the same can have negative legal repercussion at others.
If there is a conflict with a colleague do you talk about it with the involved people or you just ignore it and continue to work?	Ignorance of conflicts can benefit the workflow, but does not benefit the employees and the atmosphere on the long run.

15. Table: Summary of the questions and main conclusions

According to the optimal distinctiveness theory (Brewer, 1991), people have to have a balance between feeling of uniqueness – distinctiveness from their community – and belongingness – being recognized by the community as a member. The building blocks of belongingness are

loyalty and trustworthiness among others (Brewer, 2007), while individuation are fuelled by contributing in a unique, irreplaceable way into the whole (Snyder & Fromkin, 1980). It was also suggested that various contexts may make one of the two items temporarily salient (Correll & Park, 2005). Correll's and Park's point found validation during our interviews: all subjects agreed on the determining factor of time. Trust was mentioned as crucial pillar cooperation is built on and it also ensures that inner cohesion bridges over the distinctive characteristics and roles of the employees.

Most of the interviewees' reported that showing their personal skills is a must, presenting something that is indispensable for efficiency and no one else can substitute. Although Arabic subjects highlighted that such high level of individualism is acceptable only if the unique skills are of extreme importance from the perspective of the task, otherwise an Arabic community would exclude the person. Anglo-Saxon subjects represented an utterly different opinion. Western employees in general uniqueness-oriented as oppose to the Asian ones, thus proportionately larger degree of distinctiveness makes them feel included and satisfied. The differentiation of nationalities is not the core scope of this paper, however could be an interesting topic to add on to this research.

We noted also that subject in leader positions argued rather for uniqueness. They believed that a leader faces other requirements of inclusion than a subordinate: the team does not include the boss unless it does not prove its exceptional expertise - in some sense - as an evidence for authority.

Beside unlocking optimal distinctiveness, trust divides collegiality and friendship according to the majority of the subjects. In certain more collectivistic cultures, improving business partnerships into friendships is anticipated. The emphasize lies on interpersonal relationships, not on group cohesion, although the proper quantity and quality of interpersonal connections is a must for inclusiveness (Reich & Hershcovis, 2011). The point of multiple identities theory is that everyone has different quality of relationships toward different people (Ramarajan, 2009), however the situation also matters.

Like before, time bears significance: subjects reported that the more time they spend together, professional relationships ascend to friendships automatically. The depth of interpersonal relationships is in positive correlation with the feeling of inclusiveness and wellbeing at the workplace, because it fulfils fundamental psychological needs (see Maslow e. g.) affirmed by our examination too. Apart from time, the following aspects were cited as constituents toward friendship: common circle or interest, engagement in discussions of personal issues, time spent together off the work.

Cultural background and location are of severe impact as well. Basically, Western interviewees stated that they mark an unequivocal line between friendship and collegiality, while for Eastern people, the two overlap and when the two perspectives collide, usually the location decides which party adapts the practice of the other.

Leaders represented here a quite distinctive stance: they consensually believed that tight personal connection poses a huge threat to headship, which is not counterbalanced by its benefits at their positions. They rather keep things professional at all times. For them, the respect enables inclusion, instead of personal connections.

In an environment, when minority groups' integration is insufficient, the affected one tries to fulfil their need for belongingness through the apparent embrace of organizational culture including supervisory expectations. However, it is counterproductive, because they achieve that by suppressing their own identities and values. This phenomenon is called the façade of conformity (Hewlin, 2009).

Most respondents told that they never hold back their ideas, creativity and engage in conflicts with their supervisory, if necessary. Interestingly, Western interviewees who have worked in an Eastern environment reported that façade of conformity is quite common there, however, it does not restrain Eastern colleagues feeling of inclusion, because obedience and total assimilation to the working community is a must. Maybe that is the reason why Eastern subject did not approve at all. They do feel included when their personalities merge into the organizational culture. With other words, they willingly internalize corporate virtues, furthermore, they spend their whole lifetime working for the same company (lifetime-employment, Shshin-Koyo).

Oppositions between external expectations and personal commitments are tense for Western employees (continental Europe and Anglo-Saxon regions) and as stated, they never submit. We concluded that most of them has never experienced facades.

A third stance was presented by basically Middle-Eastern ones. We noted that the subject manner of speaking was quite confident in term of this adversity. This is the location where façade of conformity appeared and virtually hindered inclusion according to the perception of our interviewees from there, as predicted by Hewlin (2009).

The leader-membership exchange (LMX) theory is used to analyse how leadership styles affects subordinates, in respect of their feeling of inclusion (Nishii and Mayer, 2009; Douglas et al, 2003). Examine each aspect of the various leaderships styles are beyond the framework of this study, therefore we choose to scrutinize only one feature: direct supervision (Shore et al, 2011).

Nishii and Mayer (2009) claimed that differentiation between the members hinders inclusion, however high level of LMX supports it. It was confirmed that directly supervised employees perform better and feel advancement in their integration (Wasserman, 2008), but such favouritism damages group inclusiveness in general (Shore et al, 2011), which was claimed by many of our subjects as well.

We encountered analogous opinions here. Each subject emphasized the importance of transparency and proper communication about the reason of special attention on someone, because, as we heard, colleagues usually surmise negative notions behind, such as nepotism. Contrarily though, person who is actually treated exceptionally, felt good about it, as being coached or mentored.

To sum up, the affected individual feels included and that its process of integration is facilitated and supervised personally by the boss. On the other hand, the inclusive climate of the community decreases through the negative assumptions attached to the special treatment, for instance as the other perceive themselves less valuable (Douglas et al, 2003).

Some individuals bear exceptionally high social value and favoured status in a group (Nishii, 2012). Manifestations of these are higher sharing of voice and level of inclusion as well (Brewer, 1991). These dominant and very extroverted individuals are likely prevail interactions, while the others are expected to assimilate and this phenomenon hinders inclusion (Wagner et al 1986). Through high share of voice signalizes high social value, we grasped this abstraction as “fugleman” (Jasso, 2001); one of our subjects on the other hand, called such persons “influencers”.

The fugleman person enjoys trust and admiration from their colleagues in case of indulgent cultures (e. g. Brazilian, Mexican), but if trustworthiness is doubted, respect turns into condemn instantly. For Middle-Eastern and also collectivistic cultures, the approach to and affect posed by the fugleman is dependent on knowledge and not on personality traits, such as humbleness and temperance. If the fugleman meets the set up requirements, he or she becomes capable of compromising the boss’s authority, which was supported by each participant, through the greater value assigned to him or her respectively.

The supervisor’s reaction also affects the impact of the influencer. A straightforward objection would only strengthen the commitment toward the individual, however whether it enhances inclusiveness or not, we could not clarify. A sort of symbiotic partnership is suggested to be the wisest according to some of our interviewees: the boss may use the person as an intermediary, therefore utilizing its trust and influence over the community.

The final consequence of people with higher social value is if they have certain attributes - varying by cultures – they increase the feeling of inclusiveness, but if not, negative, even hateful atmosphere is likely to evolve and ripple further.

The inclination for greater belongingness or distinctiveness is affected by demographic and other similarities. According to the similarity attraction paradigm, people have positive attitudes toward individuals with for instance, same origin, gender, race, etc. (Byrne, 1971). We intended to find out to what extent and for who are such characteristics – or others – considered when approaching colleagues for the first time.

We concluded two things after the analysis of the sixth question. First, younger employees build much less on presumptions attached to personal characteristics. Younger interviewees stated that considering the other's being, ultimately undermines honesty, because one may not express self freely, as concerned about the reception of its words. On the other hand, older respondents are more circumspect, they confirmed the paradigm. Senior employees argued that bearing in mind the other's ethnicity and being aware of its cultural taboos is rather beneficial than harmful when it comes to business dealings. They mentioned that religion, history and contemporary political discourse should be considered during negotiations, consequentially, they rather turn to their compatriots for instance, because they know their taboos for example.

Secondly, we found that Asian cultures' representatives rather turn to their "similar" fellows in terms of age (Japanese), ethnicity (Palestinian) and intentionally avoid interactions with those outside of this circle. A Japanese participant mentioned that sometimes they are forbidden even to talk to seniors in the workplace.

Inclusiveness is higher among similar people, especially in the Eastern part of the globe, but it is less significant for younger colleagues.

As a consequence of personal characteristics – demographic, seniority, knowledge, experience – employees rank or categorize each other in the workplace (Homan et al, 2008; Turner et al, 2006). It was suggested that proper rankings can increase inclusiveness, however categorization never can (Larkey, 1996). We encountered that different cultures build on different characteristics when developing categories or rankings.

Each participant reported of certain ranks in their working communities; however we encountered categorization only once. This case was deeply rooted in politics and cultural stereotyping. Muslim subjects felt extremely unfair the bias toward them, particularly, that Muslims are violent, disrespectful to women, and unwilling to adapt to the Christian culture. They divided their colleagues as the following: hostile-suspicious toward him; neutral ones and "fairies". One subject explained the last group as some people are more kind because they are



aware of the humiliating and oversimplifying believes about them. In this respect, our fieldwork affirmed Larkey's (1996) results: categorization has negative notions.

As far as rankings are concerned, several bases were mentioned by different people: trustworthiness, reliability, helpfulness, seniority, experience, knowledge, etc. Typically, hard items were fetched by employees from the Anglo-Saxon world and continental Europe, while soft attributes were by Latinos and Asian interviewees. No one told that rankings would harm integrational processes and inclusion, however the opposite was not undoubtedly supported either.

An anticipated outcome of rankings and categorizations is opinion or creativity withdrawal (Shore et al, 2011; Turner et al, 2006). This is an instinctual act, as "less esteemed" individuals afraid of confronting highly regarded ones, even on a rational and professional ground. They may fear that the other takes counterarguments personally. This perception is established in the sociological concept of "face", which is incorporated in Hofstede dimension of power distance (Cambridge Dictionary, 2018; Hofstede, 1994).

Our participants confirmed the fact of opinion withholding, especially the Asian ones. These participants measure their words and the circumstances more cautiously: who are they dealing with, how important is the issue at all, where and when confronting if necessary, what will be the reception like. If they found the pros for arguing insufficient, they remain silent indeed. Their speech suggested though, that they do not find this compulsion right, they feel bad about the danger deriving from the egoism of the influential "antagonist" in the end.

On the other hand, Western employees confirmed too but find the whole phenomenon absurd and extremely harmful. Interviewees in leader positions held it inappropriate as well, arguing that a boss should not stick to fixations, because that undermines corporate efficiency. They all suggested that showing powerfulness and saying "I am the boss" definitely damage inclusion, as subordinates feel disrespected by being turned down with irrational arguments.

Several theoretical constructs and empirical findings suggested that gender based differentiation exists and affects business environment to a relatively greater extent in comparison with other visible personal characteristics (Herring, 2009; Ely, 1995); for example, status differences (Berger et al, 1972), similarity attraction paradigm in association with gender (Shapcott et al, 2006), climate for inclusion (Nishii, 2012).

Considering the cultural background of our respondents, we concluded that female emancipation is less advanced as going to the East, however whose opinions showed high variability were of Middle-Eastern subjects. Except for this location, Hofstede's gender-related statements proven to be correct yet in 2020. Accordingly, gender differentiation is less visible

and daily in Europe and America, but if it occurs, its legal and social consequences are severe, while in the Far-East, differentiations are considered traditionally natural and not outrageous at all. In line with that, gender differentiation fosters inclusion in the East and hinders in the West in general.

As for the Middle-East, the picture is more complex. Some interviewees thought that women are less reliable because they are more emotion-driven and it should never affect the work. A third approach was gender neutral. Consequentially, the respective tendencies require further, specific investigation in association with the Middle-Eastern cultures.

Approaches to and consideration of interpersonal conflicts varies by locations and cultures (see e. g. Hofstede, 1994). Majority of studies proclaim the long-lasting benefits of conflict discussions and resolution attempts as they serve the understanding of the other side's perspectives and therefore deepens cultural knowledge, which in return enables integration of employees with diverse backgrounds (Fiol et al, 2009; Ely et al, 2001). However, other conflict concerning strategies found empirical evidences too. Jehn (1995) stated that dwelling on disagreements makes relationships vicious, while ignorance is a viable path toward smooth cooperation in the workplace.

We found that, apart from certain exceptions, more power distant cultures claim the merits of conflict ignorance. We heard analogous responses from Middle-Eastern and African subjects, who experienced that the engagement into resolution makes them feel excluded as it casts a "frozen" atmosphere around them. Contrarily, in Europe, America and in some Latin-American countries, oppositions and instant but not forced settlements of disputes are welcomed. In correlation with that unsettled debates erode interpersonal trust and therefore lead to exclusion from the community, supported by Brewer (1991).

Apart from the Far-East, resolution attempts are anticipated, but with various measure of circumspection. Employees from Eastern-Europe and Middle-East are less frontal, similarly to their attitudes toward opinion-sharing, described above. We had the impression that indiscretion is what actually makes them feel excluded, while their status suffers from the decreased trust resulting from buried quarrels; however no participants confirmed this belief unambiguously.

## **7.7. Limitations, future research**

The limitations of our research are methodological in nature. Glaser (1978) noted that in the cases of grounded theory, a data collection is confined by an emerging and not existing, well-based theory and that means the absence of conceptual depth (Benoliel, 1996).

Qualitative studies usually produce ungeneralizable findings (Hussein et al, 2014). Knowledge is born through confirmation (repetition) and not by testing theories (that is what we did), even if they result in new ones (Polit et al, 2010). Our recommendation for future studies is to find confirming or refuting evidences to our own results.

On the other hand, we encountered controversial elements in our gathered database, those need clarifications, for that end, we recommend a precise analysis both of the theoretical background and the related empirical findings, including our results as well. A precise and quantitative investigation would significantly reduce the ambiguity of the empirical evidence and can serve as a trial.

Below, we summarized in bullet points, which questions we suggest for future studying. Reflecting to the grounded theory, this debate occurred frequently enough to develop codes from, but the respective opinions of the subjects were at conflict as a result of conceptualization stage of the method.

1. Do leaders have to present more uniqueness than belongingness than subordinates in respect of the optimal distinctiveness theory?
2. What contextual factors contribute to the transmission between collegiality and friendship; for example, time spent within the company or trust?
3. Can façade of conformity evolve under Eastern kind of corporate cultures?
4. Does high level of leader-membership exchange with only one employee erodes group cohesion?
5. How shall supervisors handle subordinates with high social value to increase inclusiveness?
6. To what extent does one's age affect its consideration of demographic characteristics?
7. Do rankings foster or hinder integration procedure of new employees?
8. How would unrestrained negotiations affect inclusion in case of Eastern cultures?
9. What is the relationship between genders based differentiation and inclusion in the Middle-Eastern culture?
10. Is immediate conflict resolution attempts lead to exclusion in Middle-Eastern cultures?

## 7.8. Conclusion

The aim of this research was to offer empirical findings about integration oriented models by testing these theories in practice (Mor Barak, 2015). Massive labour migration is a challenge to cope with but simultaneously, an opportunity to seize. We intended to produce some practical insights and understanding of the nature of integration driven by the fact that implementing the unique perspectives of newcomer employees with diverse cultural backgrounds and characteristics bears competitive advantage for companies and industries (Gonzalez et al, 2009).

Previous studies suggested that inclusive workplaces correlate with lower turnover intentions, greater job satisfaction and higher performance (Cho et al, 2008; Nishii et al, 2009). However, such inquiries are absent if we reflect to Central and Eastern Europe. To address this gap we conducted our investigation in this region with employees working and living there.

A self-developed questionnaire was applied consisting ten open-ended questions. During the semi-structured interviews, the subjects were asked to tell their experiences and feelings about their own perceived inclusiveness in their working communities. We applied a holistic way in the belief that it is more beneficial if we apply the knowledge of the field comprehensively.

Each interview served with unique findings; our final and general consequence is that, more “included” workers, that is to say successfully integrated ones, are more **satisfied, committed and hard-working**.

## 8. Concluding remarks

During my years of research, I have studied **labour migration and cross-cultural management**. Labour migration is a complex phenomenon, with many aspects. In my dissertation - as one of the main novelties - I have proven **that the notions related to labour migration are persistent and the integration of labour migrants is a challenge which every business in the CEE countries, especially in Hungary, sooner or later will face**. Furthermore, in a conceptual paper (Bite, Konczos-Szombathelyi & Vasa, 2020), published in the *Economics & Sociology* journal in 2020, I summarized the current stage regarding labour market mobility from the perspective of CEE. Based on the most actual meta-data available I did confirm the fact that **people come and go, economically speaking, adjust to changes and pursue personal motivations very flexibly**. In my paper (Bite & Konczos-Szombathelyi, 2020a) in the *Journal of International Studies* in 2020, I presented an employer branding concept for SFFs addressing this phenomenon. Adding to this, the aging populations in Europe and the emerging crisis of the welfare systems give further ground for the need for labour immigration from third countries into Europe and Hungary too. These claims provided for the relevance and actuality of my research.

For human studies, qualitative tools are more suitable, they provide more room for individual sense-makings. Furthermore, if we lack theories regarding a specific field, first we must invent them which can be achieved by theory development and qualitative induction. During my research I discovered that existing knowledge about the integration of labour migrants in CEE is rather scarce. I collected existing knowledge supplemented with up-to-date statistical data regarding general migration, integration and cross-cultural management and presented it on the 52<sup>nd</sup> International Scientific Conference on Economic and Social Development in Porto. Labour migration has to be under constant and close scrutiny today and in the near future. The method was first published in a conference paper (Bite, Konczos-Szombathelyi & Gálos, 2020b) in 2020 (51<sup>st</sup> International Scientific Conference on Economic and Social Development in Budapest). It was time to address the issue of integration with qualitative methods. As economics and business administration belong to the social sciences, grasping everything by numbers is not always the most viable path. There are not enough concepts depicting the situation in CEE, therefore, relevant concepts must be developed in the future which, in turn, calls for inductive approaches.

One of them is the grounded theory which I consider suitable to fulfil the requirements of effective application. Grounded theory is an interpretivist or postmodern methodology. Why is

it called “grounded” theory? As the name of the paradigm suggests, this method is heavily dependent on the individual sense-making of the subjects. The ground is the prior knowledge of the researcher, which is usually more than a literature review. This knowledge background is usually built up by a long track record in the designated discipline. In my case it was my own experience as an entrepreneur. Grounded theory works as the researcher gathers data through observations or interviews by using his or her prior knowledge to analyse and understand what has been seen and heard. In my research I was dealing with **the personal feelings, experiences, perceptions and attitudes of the affected people (involved in labour migration and participating in the research) and the way they contribute to the comprehension of integration for the outsiders.**

Exploring the personal factors during the integration process, I applied in my research – as best practice in this sense – the method of in-depth interviewing. During in-depth interviews the researcher has room for unconscious, non-verbal communication beyond mere speaking. The 10 questions as published in my conference paper in 2020 (58<sup>th</sup> International Scientific Conference on Economic and Social Development in Budapest) were the same for all interviewees. During the interviews, I was looking for similarities and patterns in the answers of the subjects. I considered similarities or repetition of “codes” as non-accidental which warranted the confirmation of the “results”. During the interviews I knew what to look for, how to ask and how to read between the lines. Being aware of the contextual factors, which proved to be highly relevant, facilitates the formation of a valid theory from the set of data at hand. In grounded theory the empirical data are always superior to the abstract, theoretical basis.

The Conceptual framework of the research is presented in Annex 1, Figure 16. Based on the literature review I formulated the following main research question:

**RQ0: Is inclusiveness the main task in the integration of labour migrants into SMEs?**

Further sub-questions, the methods and the findings are grouped into five pillars and are examined in detail in the dissertation.

The **first pillar** is based on an organizational survey and contains research **sub-questions (RQ<sub>1</sub>)** in the research field of **integration. Why do employees decide to leave the company? What steps and procedures have to be taken towards a successful integration? How to measure the success of integration?** The research of the first pillar is found in the first paper (Chapter 2): “A possible tool to integrate employees of different origins into a Small Family Business.”

**The findings on the basis of the research sub-questions (RQ<sub>1</sub>)** of pillar 1 were about the steps for a successful integration. The sample for the interviews were the employees of my SME

firm, thus the results should be understood accordingly. The findings were three-fold. First, through the interviews, it became clear that the employees do not see their future satisfactory within the company. The majority of the subjects blamed the “limited career possibilities”, the “low level of responsibilities” and the “restricted learning opportunities” available, so they could not expect enough advancements. Secondly, having addressed this discovery, a career development plan was drawn up based on the Situational Leadership Model, which was eventually implemented to the firm. The four stages of the original model were complemented with an initial internship stage. And finally, measured by the yearly voluntarily turnover index, the implementation of the career plan led to a significant rise in the company’s labour force. We were able to attract more employees with the help of the offered internship period and the number of resignations dropped too: more people remained in their jobs for a much longer time. The most remarkable implication came from the fact the firm has several affiliates present at more countries. Employees might not see enough opportunities in the Hungarian office as this is ultimately run by the owner family. With the career plan, however, they got convinced that the affiliates’ leadership positions are available for them together with the responsibilities, learning opportunities and rewards. Conclusively, a transparent career development plan was able to integrate employees successfully.

The **second pillar** is based on a broader social level and contains research **sub-question (RQ<sub>2</sub>)** in the research field of **migration: What are the main notions and results of European migration along with potential future trends?** The research of the second pillar is found in the second paper (Chapter 3): “The concept of labour migration from the perspective of Central and Eastern Europe.”

**Answering the research sub-question (RQ<sub>2</sub>)** of pillar 2 I was investigating migration, in a shooting star figure. I presented what factors in Europe and outside Europe fuel migration nowadays. There are two tendencies considered in connection with migration: cyclical-temporary migration, basically within Europe and immigration to Europe, primarily, from Asia and secondly from Africa. The cyclical migration inside Europe, involving CEE, can be explained by several causes. A recent one is the accession to the Schengen Area which grants free mobility for workers and entrepreneurs as well. Changing political climates and economic situations are variable items to which the population can flexibly react. Several journal articles have reported that explaining labour migration exclusively by economic reasons is a flawed venture. Politics, homophobic and discriminative attitudes or welcoming and integration facilitating policies have tremendous influence on migratory patterns. Cultural characteristics and ethnic ties also play a role, especially in the case of the split countries (Yugoslavia,

Czechoslovakia, Hungary after the Trianon Treaty). Linguistic proximities too motivate migration to a great extent. Due to technological advancement (e. g. low-cost airlines, car sharing) geographical distances in the continent are getting easier to bridge. Finally, psychological reasons, such as the adventure seeking of young people, also play a significant role.

On the other side, immigration into Europe from third countries is gradually rising of which I reported in three essential pillars. The Far-East gained a huge momentum in industrialization in the past decade during which the citizens accumulated enough capital reserves to pay the costs of moving to and settle down in another continent. Enormous population and labour surplus have always characterized China, India and the Small Tigers. Their emigration is supported by their governments and this matches the aging and shrinking active population of Europe. China is additionally vigilantly pursuing intellectual properties from the developed countries and investing possibilities in territories rich in natural reserves or having high income levels. All the listed elements and more are persistent and durable notions, which will keep up migration. Employers, therefore, shall consider the integration of labour migrants. This consideration leads us to discuss RQ<sub>3</sub>, RQ<sub>4</sub> and further RQ<sub>5</sub>.

The **third pillar** is based on a personal level study and contains research **sub-question (RQ<sub>3</sub>)** in the field of the **employer: How SFFs are perceived by the public? What exclusive characteristics feature them in order to differentiate them from their competitors in the eyes' of the potential workers?** The research of the third pillar is found in the third paper (Chapter 4): “Employer branding concept for small- and medium-sized family firms” (SFF).

In order to **answer the research sub-question (RQ<sub>3</sub>)** in the third pillar the differentiating characteristics of SFFs were gathered. The results were arranged in the Business Model Canvas customized accordingly. Below, there are some of the most important features worth highlighting, based on the Canvas's structure:

- key activities: environmental protecting activities, building loyalty between employer and employee;
- value-propositions: well-established family name and reputation, family-kind, informal atmosphere, flexible working hours, trust-based freedom and delegation, absent bureaucracy, direct and frequent feedbacks;
- employee relationships: trust and good faith, key role of interpersonal transactions, connections beyond work and
- preferred communication channels: social media, word-of-mouth, referential from peers.



The **fourth pillar** is based on a personal level study and contains research **sub-question (RQ4)** in the field of **expectations: What expectations and desires are posed by our benchmarked employee toward his chosen workplace and employer?** The research of the fourth pillar is found in the third paper (Chapter 4), too: “Employer branding concept for small- and medium-sized family firms” (SFF).

**Answering the research sub-question (RQ4)** of the fourth pillar a model employee’s workplace expectations and prioritized communication channels used when seeking jobs, were collected and connected to RQ3.

The model employee’s, JADEN’s motivational factors relate to the findings from RQ1: career opportunities and greater responsibilities pose a great pulling factor. Strong social ties, appreciation for hard-work, regular feedbacks, autonomy, flexibility and good work-life balance – based on the possibility of negotiations due to eased bureaucratic control – among others, are furthermore appealing aspects.

The elaborated employer branding concept is applicable for SMEs in general: it is especially suitable when it is operated in the service sector or in other industries with high value-addition rate. I firmly believe that the methodology of adopting a fictitious employee’s viewpoint can serve with more useful and pragmatic results. Therefore, I may assert that this methodology provides yet another remarkable implication of my research.

The fifth and the most complex pillar in terms of publications are based on three inter-personal level studies. The **fifth pillar** provides the final link, and consists of research **sub-questions (RQ5)** in the field of **relationship: How to achieve cognitive trust in an SME size family business between family member and labour migrant employee? Do inclusive workplaces correlate with lower employee turnover intentions, greater job satisfaction and higher performance? Can “action-based” integration-oriented models be developed? How can we test these theories in practice? How can people balance between the feeling of uniqueness – distinctiveness from their community – and that of belongingness, being recognized by the community as a member?** The complexity of the fifth pillar is given by the fact that it is built up by three different publications. Paper 4 (Chapter 5) “The educational concept of trust when integrating labour migrants into small family businesses”. Paper 5 (Chapter 6) “The attributes and elements of the integration of labour migrants in practice - the main integration-oriented models in the field of cross-cultural leadership”. Paper 6 (Chapter 7) “Diversity in business with the integration of labour migrants – testing the integration-oriented models in the field of cross-cultural management.”

In order to answer the research **sub-questions (RQ<sub>5</sub>)** of the fifth pillar of my research, I investigated the nature of interpersonal relationships and attitudes in a qualitative and an empirical way. Due to the research gaps in our knowledge about the dynamics of SMEs and integrational progress in CEE, I applied grounded theory building and interviewing. After the investigation of not primarily economic, but socially and culturally sensitive issues, I recognized that culturally diverse groups' inclusiveness still needs improvement. Because of this softer subject (e.g. emotions), this study refers to inclusiveness rather than to integration. I arrived at this conclusion based on the remarkable amount of negative or hesitant feelings and opinions regarding the differences in the ways of thinking among different people. It is vital to note that it is not so much the agreement which secures the basis for inclusiveness or trust, it is rather the open-minded attitude and flexibility among the participants. The literature confirmed that cultural diversity affects inclusiveness. I concluded that the success of integration is not just about work performance and turnover, but job satisfaction and emotional wellbeing as well. "Understanding what is going on" is not imaginable under the present circumstances without examining personal impressions and collecting first-hand knowledge. **My research ended with the novelty of the definition of inclusion being the main task in the integration of labour migrant employees.**

Based on my research, inclusiveness is a subtler and more complete level of integration. If a person feels included into a community, it means that the corporate culture is inclusive or open enough – also in a multicultural sense – to integrate individuals into its organization. While there can be several instruments to measure the effectiveness of integration, inclusiveness focuses on the feelings of participants. Hence, regarding the feeling of inclusiveness most researchers analyse the correlation it may show with job satisfaction and turnover intentions. Numerical outcomes are rarely offered in this context of inclusion. I believe it also proves the fact why inclusiveness should concentrate on personal feelings: qualitative investigations are compatible methods to it.

Inclusiveness per definition is a softer more emotion-based integration where not only agreement but an open-minded attitude is needed. This gives the connection between RQ<sub>1</sub>-RQ<sub>3</sub>-RQ<sub>4</sub>-RQ<sub>5</sub>. This open-minded attitude is what JADEN is looking for and one of the attitudes of SMEs. Whereas RQ<sub>2</sub> reflects on the whole phenomenon of labour migration and justifies the actuality of the research.

Future research could add on to this work by extending the interviews in a more specific cultural background. The questionnaire and the detailed description of the research were published and are open for the followers to repeat. My present research was limited in time and due to the

COVID pandemic there were not enough subjects from the same cultural backgrounds to draw conclusion on the differences between cultures. My research considers every labour migrant as foreigner, however when increasing the number of subjects, further conclusions and generalizations could be made taking into consideration their origins and cultural backgrounds. I close my dissertation by putting forward an open question: **Is there a difference in the attitude towards inclusion among different labour migrants based on their country of birth, culture or religion?**

9. Annex I. - Conceptual Framework



16. Figure: Conceptual Framework

## 10. References by chapter

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