



**MSc in Human Resource Management and Organizational
Psychology
Department of Business Administration**

Migration of foreign specialists into the high-
tech sector in Iceland and the role of Human
Resource Management

September 2021

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Abstract

The high-tech sector in Iceland is facing a shortage of people with the right skills and experience. Organizations need to attract and hire foreign specialists to fill their roles.

The study aimed to explore what the main reasons are for foreign specialists to migrate into the high-tech sector in Iceland. Furthermore, it explored what tools Human Resources Management (HRM) in high-tech is using to attract and retain foreign specialists but also what challenges HRM is facing with a cross-cultural workforce in the high-tech industry in Iceland.

To look at the main reasons for skilled workers migrating to Iceland, a quantitative questionnaire was used that systematically and objectively gathered information. Furthermore, statistical methods were used to analyze the answer that presents and interpret the data. A multiple case study was conducted to shed light on what tools HRM uses to attract and retain a foreign specialists and what challenges come with a cross-cultural workforce.

The main conclusion is that high-skilled workers seem to migrate into the high-tech industry in Iceland for economic reasons, such as better employment opportunities and higher salaries. However, lifestyle and climate reasons are also important reasons for staying in Iceland. HRM most used tool to attract foreign specialist is LinkedIn and offering competitive salaries.

Onboarding programs are often used in order to retain foreign specialists. Moreover, an emphasis is on workplace culture with a strong psychological safety and creativity.

One of the main challenges HRM is facing with cross-cultural workforce is language related with the focus usually on keeping the work language completely in English.

Keywords: Human Resource Management, foreign specialists, high-tech, attract, retain

Útdráttur

Hátækni iðnaðurinn á Íslandi glímir við skort af fólki með rétta hæfni og reynslu. Í ljósi þess þurfa fyrirtæki að laða að erlenda sérfræðinga til að manna störf. Rannsóknin miðaði að því að skoða mögulegar ástæður að baki búflutninga erlenda sérfræðinga til Íslands í hátæknistörf. Auk þess var skoðað hvaða verkfæri mannauðsstjórnar notar til þess laða að og halda í erlenda sérfræðinga ásamt því að skoða hvaða áskoranir kunna að fylgja þvermenningarlegum vinnustöðum í hátækni iðnaðnum. Eigindlegur spurningalisti var notaður til að safna upplýsingum um mögulegar ástæður fyrir búflutning erlenda sérfræðinga til Íslands. Spurningalistinn var greindur með lýsandi tölfræði og og tíðni töflur fyrir allar breytur voru skoðaðar.

Framkvæmd var ferilrannsókn til að kanna hvaða verkfæri mannauðsstjórnun í hátæknifyrirtækjum notar til að laða að og viðhalda erlendum sérfræðingum. Einnig var leitast svara við hverjar helstu áskoranir fylgja fjölmennningarlegum vinnustað. Niðurstöður benda til þess að erlendir sérfræðingar virðast flytja til Íslands af efnahagslegum ástæðum, t.d. vegna betri atvinnutækifæra og hærri launa. Lífstíll og veðurfar töldust til mikilvægra ástæðna til að búa á Íslandi.

Viðtöl við mannauðsstjóra sýndu að LinkedIn er eitt mest notaða verkfærið til að laða að erlenda sérfræðinga og einnig að bjóða samkeppnishæf laun í atvinnugreininni. Nýliðabjálfun (e. onboarding) eru gjarnan notuð til að byggja sterkan grunn í upphafi til að viðhalda í erlenda sérfræðinga til framtíðar. Þar að auki er lagt mikla áhreslu á sálfræðilegt traust (e. psychological safety) og sköpunargleði. Ein helsta áskorun við fjölmennningarlegt vinnuafli í hátæknifyrirtækjum á Íslandi er að halda vinnustaðnum eingöngu á ensku.

Efnisorð: Mannauðsstjórnun, erlendir sérfræðingar, hátækni, laða að, viðhalda

Acknowledgement

Firstly, I would like to thank my supervisor, Dr. Rakel Heiðmarsdóttir, for her excellent support and guidance. I also want to give my deepest gratitude to all the participants, that made this study possible. Last but not least, I want to thank my dear family for their endless patience, love and support.

Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document, I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

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1. Introduction

The high-technology sector can be described as a combination of industries within selected industries in the manufacturing industry (high-technology industry) and selected service industries (high-technology services) (OECD, 2019).

Companies in the high-tech industry usually use advanced technologies to produce on a considerable measure, while the development of their goods is linked with high research and design (R&D) costs and succeeding innovations (Mohelska et al., 2020). High-technology industries hold a combination of well-paid, skilled jobs, and strong supply chains. Moreover, they are able to provide many of the most critical innovations in the new economy (Mohelska et al., 2020).

It is necessary to create, employ and commercialize new technologies in the global society for competitive advantage, but workers with the right skills are needed for technology jobs to deliver the promised productivity gains (Korn Ferry Global Talent Crunch Study, 2018). The increase for high skilled workers has been linked with the development of increasingly integrated labor markets and the appearance of skill-biased technological change, which is often ascribed to the acceleration of technological developments in information and communication technology (ICT) and an advancing reorganization of workplaces (Bauer & Kunze, 2004). Furthermore, according to studies, various countries are encountering a shortage of skills that might harm the economic growth and development (ILO, 2018). Skills shortages happen when the skills required by companies are not available in the pool of recruits. In contrast, skills surpluses occur if the supply of specific skills is higher than their demand (OECD, 2018). In Iceland almost 8 out of 10 jobs facing skills shortage are in occupations requiring high skills (OECD, 2018). Moreover professional, scientific, and technical activities and the financial and insurance sector meet the highest occupational shortages in Iceland (OECD, 2018).

For over the last decade, Iceland has developed from a traditional industrial society into a high-tech and service community. Future growth of the economy is heading toward the knowledge industry, high-tech, and innovation. The high-tech sector provides numerous job opportunities, and unfortunately, many positions go unfilled. The lack of workers in high-tech has raised awareness for the past years. Íslandsstofa (e. Business Iceland), The

Federation of Icelandic Industries and The Ministry of Industries and Innovation, took a step to address the issue in 2020, with their campaign "Foreign specialists in Iceland" that aims to attract skilled workers to Iceland (Business Iceland, n.d.). Giving foreign experts discounts on taxes is another card that Iceland plays in the hope of attracting experts, but according to new income tax regulation No. 79/2016, only 75% of the income is taxed for the first three years from the start of employment. An employer located in Iceland that aims to hire a foreign worker from a country outside of the European Economic Area (EES) must apply for a work permit before the work begins. There are seven different work permits available (work permit for a job that requires expert knowledge, work permit due to labor shortage, work permits for athletes, work permits granted for special reasons, work permit based on family reunion, work permits for students, and work permit for specialized employees based on a service contract). In 2019, 240 individuals were granted work permits for a job that requires expert knowledge total of 27% of all work permits (Director of Labor, 2019).

Globalized world

We live in an increasingly globalized world and economic system, where borders no longer hinder getting the best talent to build innovative and competitive global workforces (SHRM Foundation, 2015). The job market can be global for workers with professional or technical skills since, many countries demand their talents, creating options of choice where they want to work and live (Khoo, 2013). Most developed countries and few developing countries require more skilled workers than supplied because of an aging population, slowing population growth, and technological change (Khoo, 2013). There has been an increasing trend of international migrations because of the shortage of skilled labor and a more integrated global economy (Al Ariss & Syed, 2011). According to the International Labour Organization (ILO), it is estimated that 164 million people were migrant workers in 2018.

With increasing mobility comes more competition among countries to attract skilled workers, and even though the companies might be tempting, good migration policies within countries are essential factor for successful migration (OECD, 2020).

But do highly skilled workers have to migrate to take on a position they like?

The current labor migration structure is predicated on a concept of residence and regulation of residence status (OECD, 2020). There is an increase in non-standard forms, e.g., remote and virtual work, which calls for adjusted policies for attracting workers. Definition of labor

migrants and work is becoming more fluid with more "digital nomads" doing their job in other countries without being fiscally present (OECD, 2020).

Skilled workers migration

Migrants with specific skills and education have risen significantly over the past years and are active in the high-tech sector that relies massively on innovation and knowledge (Mosbah et al., 2018). But what are the reasons for skilled workers to migrate to other countries? According to economic theories of labour migration, workers move from a country with low wages and a lack of employment opportunities to maximize their income (Massey et al., 1993). However, studies have shown that non-economic reasons seem to be a more decisive factor for people moving. Furthermore, Australian research results show that reasons for migrating vary by people, country, and other features such as marital status, gender, and level of skills (Khoo et al., 2010). Skilled immigrant workers in Australia claim that they like the lifestyle, climate, and political stability and around 60% state that they moved for a better future for the family. However, according to Khoo (2013) less than 40% said better employment opportunities are the reason for their migration. Skilled workers from more developed countries are more prone to move back home than people from less developed countries (Khoo et al., 2008). The main reasons why skilled migrants return home are, family reasons and homesickness. Also, improvement of political situations score high (Department of Immigration and Multicultural Affairs, 1997), thus economic reasons do not seem valid (Khoo, 2013).

Diverse workforce and HRM

Studies on diversity and inclusion suggest that companies interested in high competitiveness and sustainability should invest more in diversity management and inclusion, as diversity is essential in an organization setting (Onyango, 2015). Research suggests that lack of diversity affects the corporation's bottom line and that diverse teams improve innovation and, eventually, financial performance (Farnsworth & Holtzblatt, 2016). Therefore, it is considered beneficial for companies to retain diverse employees who are innovation-driven and committed to contributing to their areas. It has also been stated that human resource managers need to put workplace mechanisms to manage diverse talents effectively and adequately for the corporate interest (Onyango, 2015). Active diversity management strategies enhance organizational productivity since it aligns diverse skills with the organization's collective goal (Sahar, 2010).

Globalization has made diversity an urgent issue in various organizations (Syed & Tariq, 2017). Knowing the value of diversity and blending companies and various cultures, finding effective management systems are examples of challenges that may occur when leading global workers (SHRM Foundation, 2015). Moreover, migrating workers creates both opportunities and challenges for human resource management. It seems to be vital for the high-tech sector in Iceland to get migrant workers, but the effort and cost will sink if they do not thrive and choose to stay in Iceland.

HRM should keep in mind in the selection process, the importance cross-cultural awareness and interpersonal skills of the potential expatriate as that factor seems to be overlooked in many cases (Gupta, 2014). For example, Alam and Rasheduzzaman (2018) point out that cross-cultural differences are a crucial challenge in international HRM and suggest a further investigation of the strategies that might be useful for the diverse challenges encountered by HR departments that work internationally. It can also be helpful to estimate whether the applicant's personal and family circumstances are prone to integrate into the culture. For example, the incompetence of the spouse to adapt to the new environment is a significant, in fact, the most frequently cited reason for expatriate failure in United States and European organizations (Gupta, 2014).

In general workers build their identity more on their skills than the company they work for. To a great degree, this attitude influences workers to choose to leave dissatisfied jobs for new opportunities (Cornelissen et al., 2007). In addition, this growing awareness of the self rather than the company makes new employee socialization or onboarding a vital issue for HRM and the new employee (Hommey et al., 2020). Studies have supported that during onboarding, the new employees' activities at this step could influence work-related attitudes, performance, and the possibility of remaining in the organization (Saks et al., 2007). Furthermore, a good start can help new workers to adjust to the new working environment, enhance task performance, improve job satisfaction, and attain lasting effectiveness. In contrast, a bad start could hurt the new workers (anxiety, dissatisfaction, etc.) and organization development (low performance) (Holton, 2001).

Kuehlmann et al. (2016) conducted a study in Austria, Germany, Italy, and Spain where they explored HRM practices (e.g., training, mentoring, and career development), social support (e.g., co-worker and supervisor support), and skilled workers migrant's integration (e.g., effort invested in building and maintaining social relationships). The study

revealed that if the organization context is not supportive of cultural diversity and effective HRM practices and policies are in place, the workers find it hard to integrate. On the contrary if the migrant workers can count on their managers and co-workers when things get complicated. Moreover, the worker will develop integration strategies leading to job satisfaction and organizational commitment (Kuehlmann et al., 2016).

1.1 Thesis Purpose and Research Questions

There is a lack of research about international skilled workers in the high-tech sector in Iceland. Moreover, there is a gap in the field regarding human resource practices to attract and retain foreign specialists in high-tech organizations in Iceland. Companies need to identify and understand both common reasons and individual reasons for migrating among international workers to develop HRM strategies and policies. Therefore, the primary goal of this thesis is to investigate the main reasons for the migration of high-skilled workers or foreigners' specialists into the high-tech sector in Iceland and explore what tools are being applied by HRM in order to attract and retain foreign specialists. Additionally, Human Resources Managers will be asked about challenges with a cross-cultural workforce in the high-tech sector in Iceland.

This study aims to answer the following research questions:

RQ1: What are the main reasons for the migration of foreign specialists into the high-tech sector in Iceland?

RQ2: What tools is HRM using to attract foreign specialists into the high-tech sector in Iceland?

RQ3: What tools is HRM using to retain foreign specialists in the high-tech sector in Iceland?

RQ4: What challenges is HRM facing with a cross-cultural workforce in the high-tech sector in Iceland?

2. Literature Review

The literature review chapter will begin to discuss Human Resource Management (HRM) and a particular focus on employee attraction and retention, which are important elements regarding the research questions. Then another essential matter of this research will be explored, the migration of skilled workers and theories regarding migration, human capital theory, and intelligent career theory. Finally, it is relevant to have an overview of culture and cross-culture.

2.1 Human Resource Management (HRM)

Human resource management (HRM) can be defined as a system for handling human capital as valuable assets in business to attain organizational goals (Hsheminasab et al., 2015). Therefore, HRM is an essential activity in every organization that has employees on board. Furthermore, HRM is inevitable in the beginning and development of an organization (Boxall, Purcell & Wright, 2009). Although there are many variations in the styles, ideas, and organizational resources engaged, human resource management occurs in one way or another (Boxall, Purcell & Wright, 2009). For example, Al-Adwani (2014) indicates that HRM development meant creating the processes of attracting, training, recruiting, using, and developing workers' skills. Moreover, Chidi (2014) asserted that HR leaders encounter lower employee performance, absenteeism, and higher turnover rates without a good person-organization fit. The person-organization fit moderates the association within general-human capital, and turnover intention outlines an employee's viewpoint of adaptability with work and organization (Wei, 2015). Fostering a positive organizational culture and enhancing person-organization fit encourages employee engagement (Lin et al., 2017). Hence, the HR department has a vital role in business because the HR leader must acknowledge the person-organization fit (Memon et al., 2014).

2.1.1 HRM Roles and Practices

Organizations should focus on human resource management practices and how these practices overcome global world issues to gain a competitive edge (Rodjam et al., 2020). HR leaders' general roles include recruitment, selection, placement, training, investing, development, and performance appraisals (Abduli, 2013). One of the most significant challenges HR faces is identifying, recruiting, and retaining highly qualified workers (Al-Badawy et al., 2015) Other HR responsibilities involve rewards, benefits, payroll, evaluations, diversity management, grievance, and discipline (Makkar & Sanjeev, 2016). Moreover, international HR management practices entail planning management roles, attracting new leaders with cross-cultural experience and skills, presenting ongoing management development programs, and rewarding received global competencies (Al Ariss & Sidani, 2016).

2.1.2 Employee Attraction

As mentioned earlier this study investigates what tools HRM is using to attract foreign specialists, but what is employee attraction? Employee attraction can be described as a combination of several elements. Those elements vary as every individual is influenced by life events, personal growth, environmental, and general changes (Amundson, 2007). The aspects of employee attraction are affected by the type of person searching for a job and the organization's kind of work (Schlechter, Thompson & Bussin, 2015). Hence, by distinguishing the job-specific criteria and the type of person adequately suited to the business, the excellent blend of attraction, elements can be placed (Amundson, 2007). Attracting and retaining talent when confronted with a decreasing talent pool will be a significant challenge for firms in the future (Dan, 2018). Talent attraction has been studied based on the psychological contracts formed among employers and employees and how the employees get attracted to the organization (Kickul, 2001). According to Schneider (1987), organizations attract, select, and retain those that share their values. Schneider (1987) stated that people are part of an Attraction-Selection-Attrition (ASA) cycle and are therefore attracted to businesses that match their interests and personality. Organizations normally onboard people with a character that fits their culture, and those workers who do not fit leave the organization. Therefore, job attraction is not only influenced by factors like the reputation of organization, compensations and location but also

factors in personality of a job seeker. Plus, the fundamental elements of attraction are regularly evolving based on the person and environment.

Amundson (2007) recognized ten workplace attractors in which the weight of every attractor changed over time and with each person. The attractors held: Location, security, relationships, recognition, responsibility, work fit, contribution, flexibility, learning, and innovation.

In cases where organizations offer promises based on the outcome, e.g., competitive wages, training, work-life balance, and meaningful work, it can result in a shortage of delivery on the organization's promises (Kickul, 2001). Therefore, the attraction of employees influences not just talent management but also the psychological contracts settled from the start (Schlechter, Thompson & Bussin, 2015). Financial factors in compensation packages used to weigh a lot in employee decisions in joining an organization (Schlechter, Thompson & Bussin, 2015). However, non-financial rewards factors such as training and development and flexible work hours have become an essential element in attraction (Schlechter, Thompson & Bussin, 2015). One of the easiest ways of offering rewards is in compensation form, and given that reason, organizations are looking at new ideas to stand out from their industry rivals (WorldatWork, 2003). Concentrating on offering more comprehensive range of non-financial rewards is one strategy applied by companies to separate themselves from rivals and attract the best talent (Schlechter, Thompson & Bussin, 2015).

Organizations need the necessary talent and skills to grow (Rao & Priyadarshini, 2017). Thus, acquiring and accessing talent is one of the most important goals in every business (Barry, Spiegelhoff, Erickson & Lamoureux, 2014). According to Rao and Priyadarshini (2017), an organization has to attract the best talents through social media, view recruiting like marketing, and put effort into innovation and sourcing. Employee engagement in firms is another crucial strategy to attract and retain talented employees (Dan, 2018). Moreover, it includes the process firms take on to build an organizational culture that promotes employee participation and aims to drive employees to deliver high levels of performance (Dan, 2018). Steve Jobs, the Apple co-founder, once stated that his success had a lot to do with hiring the best talent ("How firms can attract top talent", 2016). Additionally, he admitted going to "exceptional lengths" to onboard the right talent. Ultimately, studies suggest that talented

employees are an essential factor in organizational success ("How firms can attract top talent", 2016).

2.1.3 Employee Retention

As one of the research questions aims to look at what tools HRM is using to retain foreign specialists it appropriate to get under standing of what employee retention is? Employee retention can be described as how the employer encourages the employees to stay in the organization for the long run or until the project is completed (Deo, 2014). Thus, the organization's long-term health and success depend on retaining essential employees (Das, 2013). Moreover, according to Das (2013), to a considerable degree, customer satisfaction, organizational performance, satisfied employees, effective succession planning, etc., rely on retaining the most skilled employees in any organization. However, retaining is one of the most difficult missions' organizations must face today (Das, 2013).

Renaud, Morin, Saulquin, & Abraham (2015) argue that there are two types of employee retention: functional and dysfunctional. Furthermore, functional retention is when a valuable employee stays in the organization (Renaud et al., 2015). On the other hand, dysfunctional retention occurs when employees lack the skills or expertise to remain employed in the organization (Renaud et al., 2015). Happy employees who are satisfied with their roles are more dedicated to their work and more likely to put effort into improving their organizational customer satisfaction (Denton, 2013).

Good employee retention practice begins with even better recruitment practices that prepare an employee's entry into the organization (Mohamed et al., 2014). Previous studies have identified some factors that affect retention; some common factors are the culture of an organization, quality of management, and developmental opportunities (Kyndt et al., 2009). Moreover, according to Moncarz, Zhao, and Kay (2008), a fun working environment and flexibility support employee retention.

Low employee retention can be managed by a variety of proactive retention strategies, practices, and workplace policies (George, 2015). For instance, strategies to retain workers, according to (Khattak, Ramzan, & Rehman, 2015) can involve (a) hiring the right people, (b) empowering the employees, (c) informing employees that they are a valuable asset to the firm, and (d) creating a comfortable work environment.

Da Silva and Shinyashiki (2014) state that HR management systems for employee retention include compensations as incentives for motivation and employee development. With efficient HRM practices, managers can encourage employees to remain with the firm and work productively (Aladwan et al., 2015). Furthermore, asserted promotion is a strategy in retaining employees since promotion-driven individuals need to develop, which might encourage them to look into opportunities outside of the organization if their needs are not fulfilled (Andrews, Kacmar, & Kacmar, 2014). Akyüz et al., 2015 asserted that managers obtain the dedication of their employees through employee appraisals by ensuring job security, a good working environment, available training and development, and a work-life balance. Besides, organizations that offer flexible working hours and rewards and recognition appear to have more employee retention than organizations that do not (Aned, Zainal, & Alya, 2013).

It is important for every personnel in the HR department and the organization to create strategies to determine HR challenges (Belwal and Kavidayal, 2014). Additionally, when retention turns into superiority, staffing programs will directly boost employee satisfaction and retain the most qualified employees (George, 2015).

2.2.1 Migration of skilled workers

What is migration? Migration is when people move between regions temporarily or permanently (Martinez-Lucio, 2013). It has been stated that most communities are growing more culturally and diverse every day, and people's migration is an essential contributor to cultural diversity (Liu, Volčič & Gallois, 2018). In their book on intercultural communication, Liu, Volčič & Gallois (2018) state that globalization and information technologies redefine workers' movement in modern societies and outline new parameters for explaining immigration. From a historical approach, immigration refers to the regulated cross-border flows of people. Moreover, highlighting the permanent transfer and settlement of usually unskilled, frequently contracted workers replaced by political turmoil and hence had few choices except resettlement in a different country. (Liu et al., 2018). They also maintain that today, increasing affluence and the rise of a new group of skilled and educated people have begun a new global movement of migrants seeking greater business opportunities, a better quality of life, and more political liberty (Liu et al., 2018). Additionally, those migrants, recognized as skilled migrants, make an indispensable element of the modern-day immigrant population (Liu et al., 2018).

There is a lack of agreement on defining the term "migrant" in the current HRM literature. Moreover, definitions separating terms like self-initiated expatriates (SIEs), qualified immigrants, and skilled migrants appear unclear (Andresen, Bergdolt, Margenfeld, & Dickmann, 2014). For instance, Al Ariss and Syed (2011) described skilled migrants as highly educated and experienced people. Cerdin et al. (2014) state that qualified migrants have a university degree who have moved permanently to other countries. Finally, Carr, Inkson, and Thorn (2005) suggest that migrants are people who move voluntarily to other countries. It is likely that human resource managers face many different challenges along with the movement of workers and migration (Martinez-Lucio, 2013). Additionally, with migration comes both opportunities and challenges for managers and policymakers. In multinational organizations, migrants define a comprehensive source of labor power, skills and diversity (Martinez-Lucio, 2013). There can be many reasons for people migrating. Studies frequently mention 'push' and 'pull' factors that generate migration. Push factors are problems at home that produce pressure to leave e.g., war, persecution, and famine. On the other hand, pull factors are incentives to move to a new place, e.g., better jobs, free farmland, etc. According to Martinez-Lucio (2013) migration of labor can alleviate poverty and

unemployment in depressed areas and provide a workforce and skills for countries that suffer from a labor shortage.

High-skilled labor and low-skilled labor migration

High-skilled migrants are usually defined as migrants that hold at least a university degree or similar training and skills (Martin, 2003). There has been an expansion in migration of high-skilled labor in developed and developing countries and has grown to be an influential factor in national economic policies (Regets, 2007). Developing countries fight to retain their highly skilled persons, while developed countries attempt to attract them over (Martinez, 2013). Motivations for migrating can differ between high-skilled and low-skilled workers. Even though push and pull factors play their part, high-skilled migrants are attracted to countries with more employment opportunities, higher wages, and the possibility of obtaining international experience, whereas the push factors of low-skilled migrants from their home country are more likely low wages or unemployment. The migration of skilled-workers or specialists from developing countries to developed countries is an event referred to as one form of brain drain. Brain drain has raised a concern in various countries, e.g., India, Africa and Eastern Europe (Cohen, 2008).

2.2.2 Human Capital Theory

The Human-capital theory prophecies that migration will move from regions of comparatively poor earnings opportunities to places where possibilities are more favorable (Ehrenberg & Smith, 2017). Results of migration flow imply that the *pull* of good options in the destination areas is greater than the *push* of poor prospects in the regions of origin (Ehrenberg & Smith, 2017). According to studies on migration flows, one consistent finding is that people are attracted to places where full-time workers' actual earnings are highest (Topel, 1986). Migration can be selective in a way, and not all people are equally likely to migrate. Mobility is specifically higher among young and well-educated people, as the human capital theory implies (Ehrenberg & Smith, 2017).

A study by Molloy, Smith & Wozniak (2011) revealed that 9% of Americans in their late 20s moved to another country or another state. The corresponding numbers for those in their late 30s and late 40s were 6% and 3% (Molloy, Smith & Wozniak, 2011). Two explanations have been discussed with the regard to why the younger are likely to move. Firstly, the younger the person, the longer the period over which benefits from an investment

can be obtained and the greater the present value of these benefits (Ehrenberg & Smith, 2017). Secondly, a high cost of migration is psychic: the loss of leaving friends, ties with the community, and the advantages of knowing the living environment. With age, the losses of leaving become more prominent as ties to the community are usually stronger (Ehrenberg & Smith, 2017). Education is another strong predictor of migration. According to Molloy, Smith & Wozniak (2011) people with a university degree are two times more likely to move than those without a degree. Interviewing for jobs is one cost of migrating. However, in many cases, the employer provides flight tickets and housing for those with knowledge and degrees in demand (Ehrenberg & Smith, 2017).

2.2.3 Intelligent Career Theory

The intelligent career theory was developed by Arthur, Claman & DeFillippi (1995). It presents three essential career competencies that match organizational goals and establish shared advantage for the individual and the organization (DeFillippi & Arthur, 1994). Furthermore, the theory proposes that people can react to opportunities in a competency-driven employment environment by enhancing competencies through three ways:

1) knowing why 2) knowing how 3) knowing whom. Poulsen and Arthur (2005) described the three ways as follows: The first way: knowing why, has been described as our values, motivation, and identity for "why we work. The second way: knowing how, our application of skills and knowledge "how we work. And the third: Knowing whom, our reputations, relationships and career supports (see Figure 1).

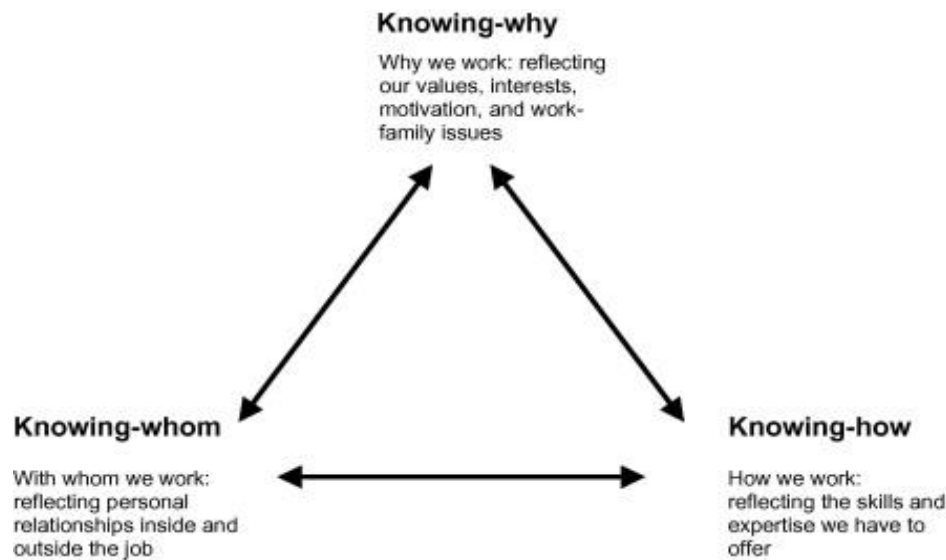


Figure 1. The intelligent career: The three ways of knowing.

2.2.4 Challenges for Migrants

What are the main challenges of migrant workers? Hajro, Zilinskaite, and Stahl (2017) conducted a study on how skilled international migrants handle challenges they meet in their working environment in a large organization in Austria. The results imply five problem-focused coping categories: building and leveraging social networks, seeking task support, skills development, social learning, and exploring new opportunities. The study also found eight emotion-focused coping categories: building positive social style, expectation adjustment, preservation, positive appraisal, compliance, escapism, seeking out social-emotional support, and utilizing available resources to increase emotional resilience. Additionally, coping strategies' effectiveness is very context-dependent, and under some circumstances, both forms of coping (problem-focused and emotion-focused forms) can act functional and dysfunctional (Hajro et al., 2017). Another crucial precursor of migrants' integration outcomes is demographic variables like ethnicity, race, and religion since they are linked with cultural identity (Hajro, Stahl, Clegg & Lazarova, 2019). Cultural identities begin in socioculturally distinct groups. They are frequently connected with particular physical and stylistic features, e.g., skin color and Muslim women using hijab or Jewish men wearing a kippah (Cox, 1993). Ely and Thomas (2001) argue that different cultural identities are connected to particular power positions in a larger society. Moreover, some cultural identity groups have greater power, influence, and status than others (Ely & Thomas, 2001). °

According to the literature, the more distance between the home country and the new country, the lower is the adjustment for migrants (Xu, Pan, & Beamish, 2004). More significant cultural differences may trigger negative intergroup attitudes and induce culture conflict leading to adjustment difficulties (Hajro, 2019). A study by Froese and Peltokorpi (2011) indicated a link between lower job satisfaction and cultural distance. Social views on foreigners (e.g., discrimination and prejudice) are another important factor that affects international skilled migrants' acculturation and coping (Hajro, 2019). For example, a study by Al Ariss, Koall, Özbilgin, and Suutari (2013) on migrants in France and Germany points out that migrants have to deal with discrimination. Findings in France suggest that migrants question variations, recognize them, and operate in them by resisting, blending, or choosing subversion. Further, resisting is a coping strategy that includes active noncompliance with social habits (Hajro, 2019). Blending happens when migrants prefer to present themselves as invisible through imitating normative practices (Hajro, 2019). Subversion commits reinterpretation and manipulation of the normative structures and habits (Özbilgin, 1998). In a German study, migrants felt they were placed in rigid, discriminatory structures of employment that were impossible to correct. Thus, some of them dealt with stressors by mentally and physically removing themselves from the circumstances by moving back to their home country from Germany (Al Ariss et al., 2013).

2.2.5 Laws and Regulations

Human resource management in Europe is under the influence of EU regulation, where the free movement of labor is an essential element (Martinez Lucio, 2013). The free movement of workers was first introduced in 1957 by the Treaty of Rome to encourage cross-border mobility (Martinez Lucio, 2013). Workers can find a job on their own or be sent through firms to other EU member countries as ‘‘posted workers’’ but posted workers are administered as dependents of the service providers they work for (Martinez Lucio, 2013). Different EU regulation channels organize the rights for individuals and post workers. (Martinez Lucio, 2013). The migration of individuals goes under the EU framework for labor mobility, (Martinez Lucio, 2013). According to The Director of Labor of Iceland (2021), a firm that plans to hire a foreign national who has citizenship outside of the European Economic Area, EFTA-state, or the Faroe Islands must apply for a work permit before the foreign national begins working. In cases where foreign nationals start working prior to

receiving the permit, they may risk the chance of the application being declined (Director of Labor, 2021). Moreover, the employer of the foreign citizen might also face up to two years imprisonment. The Director of Immigration handles all applications for foreign citizens and forwards the application to The Director of Labor if the requirements for declaring a work permit are sufficient (Director of Labor, 2021). A

foreign citizen outside of EEA/EFTA must apply for a residence permit if he intends to stay in Iceland for longer than three months (Director of Labor, 2021). Those who are citizens of EEA/EFTA do not have to apply for a residence permit but need to register their right to stay in Iceland with Registers Iceland (Director of Labor).

2.3 Culture

Culture is frequently described as an onion because it consists of multilayers (Hofstede, 1980). On the outside layer, culture is shown by visible artifacts, such as clothing, language, traditions, and rituals. Although values represent the core layer of culture, it might be easier to observe cultural artifacts than cultural values that are implicit and can only be estimated indirectly (Hofstede, 1980). Thus, even though cultural artifacts can be valuable indicators of culture, they are only exterior characters of cultures' core. Ignoring differences in cultural artifacts can create misunderstandings and inconveniences. However, cultural values form thoughts, attitudes, and behaviors. Therefore, the core values need to be understood to design effective HR practices (Taras, Rowney & Steel, 2013).

Because of cultural values' relevance and predictive power in workplace environments, value-based models of culture have dominated international business study (Taras, Rowney & Steel, 2013). Furthermore, according to Tara (2009), all existing methods for quantifying culture center on values. To internalize or manage workers, firms must understand how culture influences HRM and if culture follows a connecting or conflicting path (Bornay-Barrachina, 2019). Jackson (2002) presents a citation framework to describe how culture influences HRM. Precisely, he introduces the idea of "locus of human value," which implies the management's perceptions of the value of employees in the organization.

Hofstede & McCrae (2004), state that culture is defined by being collective and not individual, it appears through behaviors, and it is common for numerous people, but not for everyone. The country or region people are born in can determine how people respond to

some events, and culture defines these differences in behavior in part and helps to make straightforward a person's or a group's way of behaving (Bornay-Barrachina, 2019).

2.3.1 Hofstede's Theory

Geert Hofstede, a Dutch researcher known for exploring culture, especially in the workplace, conducted a study among more than 116,000 IBM employees from 72 countries from 1986 to 1972 (Conte & Landy, 2018). The employees were given a questionnaire, and from the data, Hofstede formed a theory that consists of five essential dimensions in a business context. The dimensions were developed to see how differences in cultural groups affect management (Conte & Landy, 2018). The five dimensions are: individualism versus collectivism, power distance, uncertainty avoidance, masculinity versus femininity, and long-term versus short-term orientation.

Individualism is when people look at themselves as individuals but not as part of a group, such as the family (Conte & Landy, 2018). On the other hand, collectivism is linked with group thinking and taking decisions from a group perspective, not what is most profitable for the individual (Velo, 2011). In a culture of collectivism in organizations, employees believe the superiors to be responsible for decision-making. A highly individualistic work culture promotes employees to make decisions in an individual way (Andrews & Mead, 2009).

Masculinity/femininity is the appearance of emotional characters among the genders, where the masculine role is viewed as “tough,” and the feminine part is seen as “tender.” (Conte & Landy, 2018). Furthermore, masculine cultures indicate achievement and technical performance, while feminine cultures indicate communication and interpersonal relationships (Conte & Landy, 2018).

Power Distance is how less powerful members in an organization accept and expect an unequal distribution of power (Pergelova & Angulo-Reiz, 2017). Thus, all members in a high-power distance culture have their position in the organizational hierarchy (Pergelova & Angulo-Reiz, 2017). Additionally, they look at differences in power, status, and wealth as rightful and a matter that should not be disputed.

Uncertainty Avoidance is the degree to which members of culture recognize opportunities and threats in their environment (Conte & Landy, 2018). As a result of this, high uncertainty avoidance in people leads to more anxiety when coping with unknown situations (Lund, Scheer & Kozlenkova, 2013). Hence, people seek to lessen the risk by any rational measure

that helps reveal the truth or defeat the threat (Lund et al., 2013). Moreover, they are centered on rules and regulations, while the opposite goes for people with low uncertainty avoidance (Lund et al., 2013).

Lastly, *Long-Term versus Short-Term Orientation* is when members of a culture expect immediate versus delayed gratification of their material, social, and emotional needs (Conte & Landy, 2018). Long-term orientation societies center on the future, suggesting that they support cultural trends towards delaying immediate gratification; since, they are money-saving societies" (Velo, 2012).

All these elements can be thought of as the "character" of a nationality (Conte & Landy, 2018). Hofstede has cultivated his theory for the past decades to approach special aspects of the work environment (Conte & Landy, 2018).

2.3.2 Workplace Culture

HR managers take part in building a base for organizational culture when finding the best-fitted applicant for the organization (Inabinett & Ballaro, 2014). According to George (2015) when HR managers employ a comprehensive environment, it may promote organizational goals like retention, increased knowledge, and productivity with diversity training. Moreover, HR managers must possess the knowledge and skills to help the organization build a high-performance culture that influences productivity, financial outcomes, and competitive advantage (Bellamy, 2014). Sliter et al., (2014) suggested that HR managers practicing a supportive work culture promote employee relations. HR practices play a decisive factor in deciding the nature of the psychological contract and leader-member exchange (Mohamed et al., (2014). Having a pleasant work environment with sufficient resources and flexibility is a critical element in employee retention (George, 2015). An organization's approach towards management practice is significantly contingent on its top management team's own culture (Rodriguez, 2005). A study by Hienz & Engelhart (2018) suggests that an organization's culture can be more prominent than the impact of the national culture. Furthermore, the primary solution to resolving conflicts, difficulties, and challenges because of cross-cultural variations is communication (Lukas Engelhart, 2018).

2.3.3 Cross Cultural Workforce

The rise of globalization of the economy means that organizations worldwide have to handle more diverse employees (Greblikaite & Daugeliene, 2010). Furthermore, the 21st century is an era where migration creates a more diverse workforce (Brunow & Nijkamp, 2018). Due to globalization, human resource managers and workers must welcome cultural intelligence that concentrates on adjusting to different lifestyles without inevitably focusing on former knowledge of local activities (Story et al., 2014). In addition, various organizations realized that diverse workforces can not only be beneficial but might be essential.

At this moment, it is necessary to clarify diversity further. Diversity usually deals with any differentiation among people, such as race, gender, age, religion, etc. (Joplin & Daus, 1997). However, the following sectors will focus mainly on cultural diversity.

Cultural differences between employees in organizations may increase competitive advantage or interfere with the achievement of company goals (Ruzagirisa, 2017). Additionally, in an international setting, human resource managers have not effectively addressed cultural disputes that are common in global organizations (Ruzagirisa, 2017). Moreover, Ruzagirisa (2017) indicates that the advance of multinational firms depends on how cultural differences are managed. Managers need to generate a workplace culture that encourages workers of different cultures to open up about their experiences and bring up new ideas (Ruzagirisa, 2017).

While investigating the impact of the cross-cultural workforce, there seem to be no vital benefits from a diverse workforce in low-skilled jobs. However, cultural diversity has significant benefits on revenues and productivity in high-skilled jobs (Brunow, Nijkamp, 2018). The main reason for this difference is the varied experiences and skills, problem-solving methods, and culturally specific knowledge of individuals from diverse cultural backgrounds, giving companies a competing advantage (Brunow, Nijkamp, 2018).

Usually, there are many causes for firms to have a diverse workforce. Having a diverse workforce adds to the firm's bottom line mainly directly because of increased performance, and it assists in shielding the company against groupthink and blindness for innovation precisely to the individuals' different cultural backgrounds (Brodock & Massam, 2016).

Adler and Leng (2014) argue that a failed attempt to manage a diverse workforce appears to result in a high turnover rate and low organizational performance due to a minimal

orientation of employees on cultural adaptation. Moreover, differentiation in workers' ethnic nationality background is recognized as significant cultural distinctions, building an organizational culture that comprises cultural dynamism (Adler and Leng, 2014). When employees work in a global setting, they have to transform their mindset to fight possible emotional stressors to adjust to the new work environment with different cultures (Andresen et al., 2017). For a successful cross-cultural adjustment, an employee needs to develop new social ties to obtain further information due to differences in values, beliefs, and rituals between the new country and the home country (Andresen et al., 2017).

Mueller (2014) states that cross-cultural differences are maintained by establishing training and development programs where employees are sensitized on working with people of diverse cultural circumstances. Mueller (2014) similarly adds that cross-cultural differences are regulated by establishing training and development programs where workers learn how to work with individuals of diverse cultural contexts.

While cross-cultural training supports employee cultural adjustment, human resource managers have to keep in mind to recruit individuals with a high degree of cultural intelligence to minimize cases of cultural shock among workers (Mueller, 2014). HRM needs to have sufficient skills and competencies to handle workers with different cultural backgrounds (Chan, 2013).

Story et al. (2014) argue that to be able to resolve challenges like cross-cultural differences, human resource managers must adopt a global mindset.

A person with a global mindset can live and work across cultures and negotiate cross-cultural diversity. Furthermore, people with a global mindset have an understanding and sensitivity of local cross-cultural diversity while sustaining the identity of their organization and a global outlook (Groutsis, Ng & Ozturk, 2014).

Furthermore, one of the critical elements of a global mindset is cultural intelligence, and individuals with it are qualified to use available information to adjust to a new environment without relying on previous experience (Story et al., 2014). Concerning adjustment to a new work environment, cultural intelligence benefits individuals from choosing the most suitable alternatives based on the available choices and preservation in global settings (Story et al., 2014). Andresen et al., (2018) argue that because employees' sensitivity to the external environment can be different, organizations need to have HRM that can support individual differences and implement them with the necessary skills to effectively perform tasks in

international contexts. Moreover, according to Andresen et al., (2018), issues regarding employee sensitivity, stress and cultural differences can be managed by creating a global mindset amongst employees.

Andresen et al. (2017) warn that interventions that attempt to tackle HRM challenges demand to examine differences in employee sensitivity as some can be more sensitive than others.

2.3.4 Challenges of cross-cultural workforce

Diversity in the workplace is a significant challenge for modern organizations. The primary concept rests in identifying and maximizing the skills and talents of the workforce and as a valuable asset to any organization. Today, firms urgently need to identify and adequately implement these hidden skills and talents to the diverse force (Conte & Landy, 2018). In addition, migration creates challenges for HRM managers that have to cope with rules and regulations regarding immigration, global recruitment, diversity management, and managing relationships between different nationalities in global work settings (Martinez Lucio, 2013).

The multicultural workforce can cause conflict. Further, personnel actions (e.g., recruitment, promotion, and dismissal) attribute to the state of a person's diversity, and there is a chance of misunderstanding or inappropriate behavior among people or groups (Conte & Landy, 2018). Moreover, Conte & Landy (2018) state that cross-culture in organizations can also cause anxiety, distrust, or individual prejudice.

Workers treated with respect in the workplace and are part of the team will remain in the organization (Conte & Landy, 2018). Besides, employee retention reduces recruitment costs and significantly influences the results (Conte & Landy, 2018). Conte & Landy (2018) asserted that a human resource where individuals are understood and communicate adequately could work collectively and productively in integrated teams, resulting in fewer conflicts and anxieties. Therefore, the management of the multicultural workforce is imperative (Conte & Landy, 2018).

Understanding cross-cultural values become more meaningful along with the globalization of the world economy in order to prevent conflicts and miscommunications among the cross-cultural workforce (Sukanya, 2015). Most problems between individuals in cross-cultural settings emerge out of fear, distrust, and exclusion (Conte & Landy, 2018).

Conte and Landy also argue that power distribution and the valuing of differences contribute to arising problems.

Putnam (1996) distinguished three likely types of conflict as which can occur between the members of the workforce of an organization “substantive,” “procedural,” and “affective” to describe types of conflicts. Substantive, procedural, and affective conflicts. These are explained in more detail in the following paragraph. Substantive conflicts are disputes concerning task problems involving nature and the importance of task goals and critical decisions (Afzalur Rahim, 2002). On the other hand, affective conflicts are considered emotional and are rooted in interpersonal conflicts distinguished by negative feelings like anger, frustration, and distrust (Davis & Harveston, 2001). A moderate level of substantive conflict and affective conflict can positively affect group performance (Jehn, 1995). However, both types of conflicts can abbreviate team loyalty, workgroup engagement, retain in the organization, and job satisfaction (Jehn et al., 1999). The third type of conflict, procedural conflict, often arises from substantive or affective conflict (Putnam, 1986). In some workgroups, procedural conflict is linked with an argument regarding how to work on a task (Nicotera, 1997).

Those three types of conflict (affective, substantive, procedural) relate to the relational context in which they occur.

In conclusion, conflict management interventions should develop cultural standards that support disagreement among group members regarding tasks and other related management issues without causing affective conflict (Afzalur Rahim, 2002).

3. Research Methodology

The objective of the study was to answer the research questions stated in the beginning:

RQ1: What are the main reasons for the migration of foreign specialists into the high-tech sector in Iceland?

RQ2: What tools is HRM using to attract foreign specialists into the high-tech sector in Iceland?

RQ3: What tools is HRM using to retain foreign specialist in the high-tech sector in Iceland?

RQ4: What challenges is HRM facing with a cross-cultural workforce in the high-tech sector in Iceland?

In order to look at the main reasons for skilled workers migrating to Iceland, a quantitative questionnaire was used to gather information. Moreover, descriptive statistics were used to analyze the data. Furthermore, all variables were driven into frequency tables for further examination. A qualitative method was used to shed light on what tools HRM uses to attract and retain foreign specialists and what challenges come with a cross-cultural workforce. The qualitative research method aims to approach answers and explore unknown topics, while quantitative research, on the other hand, is built on statistical comparisons between factors (McDaniels & Gates, 2007).

3.1 Survey for Foreign Specialists

An online survey was made for the foreign specialists. There are various advantages of using online surveys, for example: low cost and capacity to transfer survey responses right inside a database and excluding transcription error (Andrews, Nonnecke and Preece, 2013). Using a survey provides the possibility of reaching answers from many foreign specialists in a relatively short time. There are four main quantitative research designs: Descriptive, Correlational, Causal-Comparative/Quasi-Experimental, and Experimental Research design (Apuke, 2017). In this research was used the descriptive research design.

3.1.1 Survey Participants

Participants for the survey were found via assistance of human resource managers in nine companies in Iceland. The HR managers received an email from the researcher in April 2021 with a link to a survey with a request to forward the questionnaire to immigrant employees for participation. Four HR managers responded, stating they had forwarded the survey to the appropriate employees. Additional participants were found via social media sites related to foreigners in Iceland. The survey was completely anonymous and on a voluntary basis. The complete sample of the study consists of 41 participants. Furthermore, 27 male (66%) and 14 women (34%). Most participants were in the two middle groups (25-34 years; n = 17) and (35-44 years; n = 16). The third-largest age group (45-54 years; n = 5). In the age group (18-24 years; n = 3) see Table 2. For age and gender distribution. No participants were in age groups (under 18 years), (55-64 years), and (above 64 years).

Table 1. Overview of the Age and Gender in the Sample.

Age group	Gender		Total
	Male	Female	
18-24 years old	2	1	3
25-35 years old	13	4	17
35-44 years old	10	6	16
45-54 years old	3	2	5
Total	28	13	41

Background of the Foreign Specialists

The first questions in the survey for foreign specialists aimed to gather information on participants' backgrounds. Moreover, the background questions asked about the level of education, region of origin, marital status, number of children, years lived in Iceland, job satisfaction, and the last one asked about if the participant has applied for permanent residence or not.

Education

Participants were asked about their highest level of education. The results showed that most participants had Master degree or 50% , the second largest group had Bachelor degree or 19%, then 8% had Doctoral degree and finally only 2% of participants had some college education.

Region of Origin

When participants were asked about their region of origin, the results showed that the majority of the foreign specialists in this study came from Europe 49%. The second-largest group had America as their origin, with 17% participants (both North and South America). There were 12% of participants from Asia and also 12% participants from The United States. Then 5% of participants reported that their region of origin was Australia, and finally, 5% said coming from the Middle East (see Table 3).

Table 2. Distribution of Participants after region of origin

Region of Origin	N	%
North and South America	7	17%
Asia	5	12%
Australia	2	5%
Europe	20	49%
Middle East	2	5%
United States	5	12%
Total	41	100%

Marital Status and Number of Children

A total of 39% of participants reported being single and 39% with a partner. In question number five was asked about the number of children. According to the results, most foreign specialists in this study had no children or 80% of participants. 27% reported that they had between 1-2 children and 3% stated having 3-4 children.

Years lived in Iceland

Participants were asked about how long they had lived in Iceland. 39% reported living in Iceland for 1-2 years, and 39% of participants claimed they had lived in Iceland for 3-4 years. 20% of participants had lived for less than a year and only 3% for over five years.

Job Satisfaction

When asked about how satisfied or dissatisfied participants were with their jobs, 32% reported that they were satisfied and very 22% claimed they were satisfied. 10% stated that they were dissatisfied with their job and 5% very dissatisfied. Finally, 32% said they were neither satisfied nor dissatisfied with their job (see Table 4).

Table 3. Results for Job satisfaction.

Overall, are you satisfied or dissatisfied with your job?	N	%
Very satisfied	9	22%
Satisfied	13	32%
Neither satisfied nor dissatisfied	13	32%
Dissatisfied	4	10%
Very dissatisfied	2	5%
Total	41	100%

Permanent Residence

Question number ten in the survey asked if participants intended to apply for permanent residence in Iceland or had already applied. 56% of participants stated they had already applied, 20% of participants that they intend to apply. 20% reported that they had not decided if they would apply for permanent residence in Iceland or not, and 5% said they would not apply for permanent residence.

3.1.2 Questionnaire

A questionnaire was created based on a survey from Khoo (2008). The questionnaire was in a multi-choice form and consisted of a total of 23 questions. General background questions about participants' gender, age, education, and work were asked, and questions regarding job satisfaction, employment, family, if they intend to apply for residence, etc. (see full questionnaire in Appendix A). In questions where participants were supposed to express their views, the answer options were the following: 1. Not Important 2. Somewhat important, 3. Important and 4. Very important. The questionnaire was made in Word, and when it was ready, it was uploaded into a survey using questionpro.com, where all the survey data was kept track of.

3.1.3 Data Processing of Survey

The answers from the survey were downloaded from questionpro.com into Excel and transferred into Statistical Package for the Social Sciences (SPSS) for further processing.

In question number three in the survey, where participants were asked about country of origin, it was decided to simplify during the data analysis. Furthermore, answer options (North America) and (South America) were merged into "America". Options (Northern Europe), (Western Europe), (Central Europe), (Southern Europe), (Southeast Europe), (Southwest Europe) and (Eastern Europe) were merged into "Europe". The same was done with the options (North Africa), (West Africa), (Central Africa), (Southern Africa) and (East Africa) were merged into "Africa". Then options (Southern Asia), (Western Asia), (Central Asia), (Eastern Asia) and (Northern Asia) were merged into "Asia". And finally,

(Northeastern United States), (Midwestern United States), (Southwestern United States), (Southeastern United States) and (Western United States) were merged into "United States).

Descriptive statistic was used to analyze the data. Furthermore, all variables for each question were driven into frequency tables for further examination.

3.2 Interviews with Human Resource Managers

Interviewing is usually the primary source of the qualitative data required for understanding the subject in the study (Merriam & Tisdell, 2015). The most common form of interview is the person-to-person when one person obtains information from another (Merriam & Tisdell, 2015). The form of interviews can vary in structure, from unstructured where no questions are planned before to semi-structured or structured/formal (Merriam & Tisdell, 2015).

The interviews in this study were semi-structured, one-on-one with open-ended questions. Open-ended questions enable the interviewees to react in a way they want without limitations (Creswell, 2014). The interview questions were not constantly asked in the same command. Rather the order of the questions was adjusted for a good flow, depending on participants' answers every time. Individual interviews were completed with five HR managers from five different companies in the high-tech industry in Iceland. All five interviews with the managers were conducted in Icelandic and took place from July 2nd to 4th of August. The first question asked was "tell me about yourself" to open the conversation and set a calm starting tone in case they had felt nervous prior the interview (Creswell, 2014). The interview frame is provided in English in Appendix B and in Icelandic in Appendix C. The interviews were conducted in the organizations where the participants worked in quiet and closed rooms. In the beginning of each interview, participants were given information about the research topic and confidentiality was reassured. Finally, the researcher asked for permission to record the interview. The length of the interviews ranged from 23:26 minutes to 30:57 minutes. All the interviews were recorded on the researcher's computer and phone.

3.2.1 Case study

Qualitative research can be conducted through a case study. A case study research method can be a single case or multiple study research. In most situations, a multiple case

study is viewed as a more potent and effective method than a single case study (Yin, 2011). Case studies aim to collect various data sources, and interviews were conducted in this study to provide data. The cases in this study are four HR managers from various organizations in the high-tech industry. According to Eisenhardt (1989), when little is known about an event, the theory-building of a case study is especially suitable as it does not rely on prior literature and previous empirical evidence. Hence, in this study, a multiple case study was carried.

3.2.2 Participants and Sampling (Case Selection)

There are two basic models of sampling: probability and nonprobability sampling (Merriam & Tisdell, 2015). A simple random sampling is the most common form of probability sampling, and it allows the researcher to use the results of the study of the sample to group from it was drawn (Merriam & Tisdell, 2015). However, generalization in a statistical way is not the object of qualitative research, therefore probabilistic sampling is not needed or even tenable in qualitative research. Therefore, in qualitative research, non-probability sampling is the proper method to use in most cases. The most popular form is called purposive sampling (Chein, 1981) moreover, according to Chein (1981) purposeful sampling is used when an investigator wants to find, understand, and obtain insight and hence selects a sample that most can be detected.

In order to commence purposive sampling, detector must first decide what selection criteria are fundamental in choosing the people or situations to be investigated (Merriam & Tisdell, 2015). In the recruiting process of this study, a purposive sampling technique was applied. Moreover, nine organizations in the high-tech industry with a history of hiring foreign specialists were contacted, the purpose and main methods of the theses were explained in an introduction letter sent to HR managers in every organization via email. Additionally, the email also stated anonymity concerning all participants and organizations. The first letter was sent in end of April 2021 and a follow up emails were sent throughout July. Four out of nine HR managers, all of them women, participated in the study see participants in Table 1.

Table 4. Participants interviewed in the research, categorized in order of interviews, occupation, and gender.

Interviewee	Occupation	Gender
A	HR Manager	Female
B	HR Manager	Female
C	HR Manager	Female
D	HR Manager	Female

3.2.3 Data Analysis of Interviews

The much-preferred way to do data analysis in qualitative research is simultaneously, along with data collection (Merriam & Tisdell, 2015). Additionally, according to Merriam & Tisdell (2015) data can be repetitive, unfocused, and overwhelming in amount of material without simultaneously analysis. After four interviews, a saturation was reached, when no new information was found, and further interviews would not add more knowledge.

After transcription of the interviews had been done, the data was explored further by reading over it a couple of times in search of themes. Creswell (2012) explains themes as codes connected to the main concept of the data. The method strives to obtain knowledge from the data by breaking the text into parts and labeling the parts with codes. Codes were continuously under review, and the transcripts were carefully read thoroughly over and over. The transcripts from every interview were printed out and coded by hand with a pencil. When new themes began to develop, the themes were marked with color-coding. Creswell (2014) describes the process of coding as a reasoned process when the interview transcripts are merged into themes. In this study every transcript from the interviews was thoroughly analyzed until no new codes emerged. The process of data coding into themes can be seen in Figure 1.

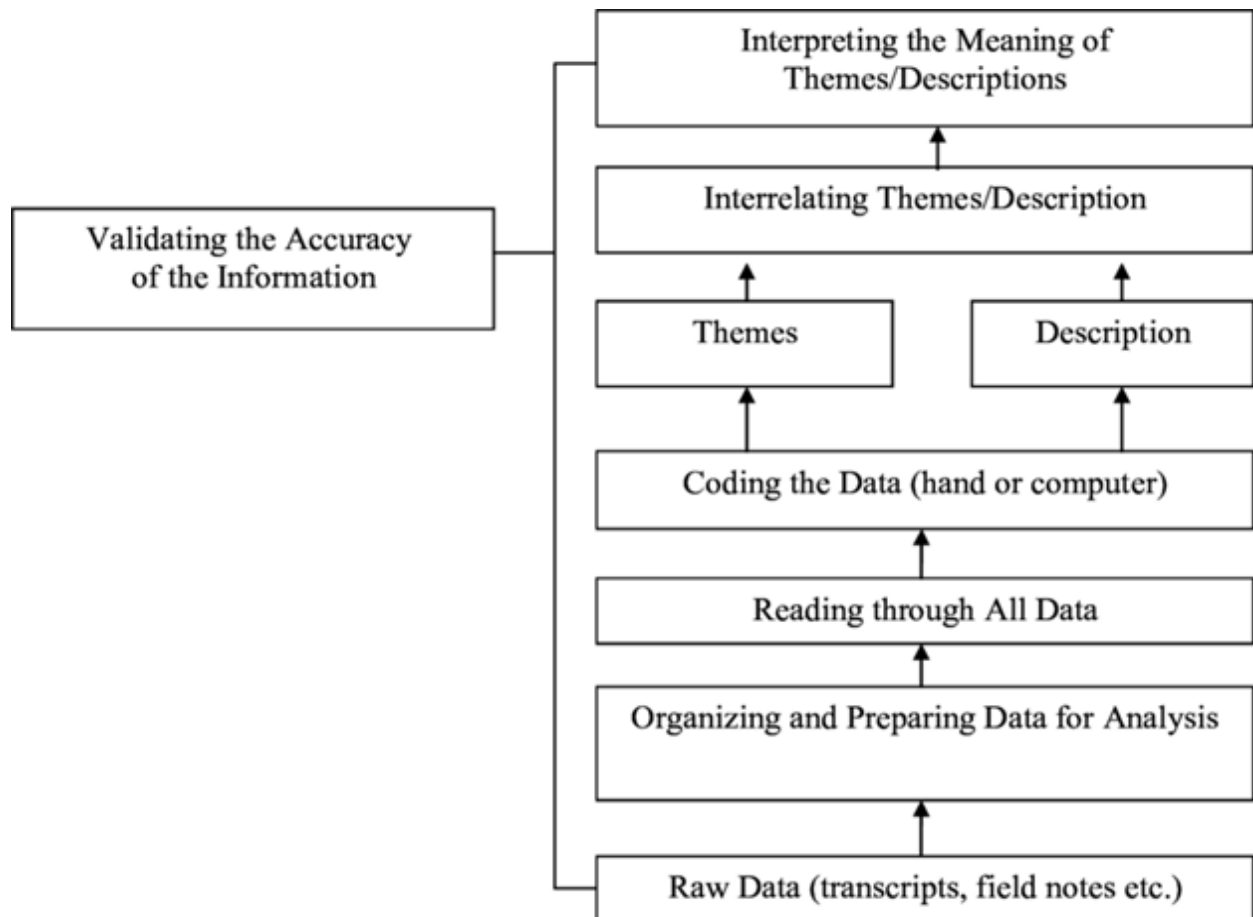


Figure 2. The process of data coding into themes (Creswell, 2014).

Four themes emerged from the data, which can be seen in Figure 3. Related codes were organized into a theme, but each theme will be explained further in the results chapter.

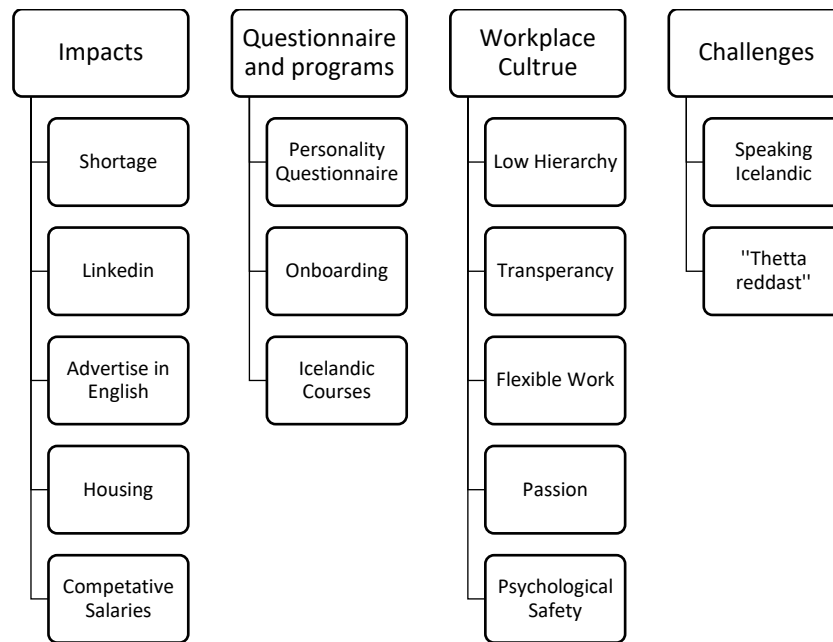


Figure 3. Four themes emerged from the codes.

4. Results

In this chapter, results from the survey and the interviews will be presented in context of the research questions. The first part of this chapter includes the results from the survey of foreign specialists and the second part represents the findings from the interviews with the human resource managers.

4.1.1 Results RQ1

RQ1: What are the main reasons for foreign specialists migrating to Iceland into the high-tech sector?

Like Icelandic lifestyle and climate

Participants were asked how they feel Icelandic lifestyle and climate affect their reasons to stay in Iceland. 50% stated the Icelandic lifestyle and climate to be very important for their stay in Iceland, 30% said it was important, 12% not important and only 10% somewhat important (see Table 5 below).

Table 5. Results for Like Icelandic lifestyle and climate.

Like Icelandic lifestyle and climate	N	%
Not important	5	12%
Somewhat important	4	10%
Important	12	29%
Very important	20	49%
Total	41	100%

Better Employment opportunity

One question in the survey asked participants to rate how vital better employment opportunities affect their reasons to stay in Iceland. 42% claimed better employment opportunities to play a very important part in their decision to stay in Iceland, 32% important, 22% somewhat important, and only 5% not important (see Table 6).

Table 6. Results for Better Employment opportunity.

Better Employment opportunity	N	%
Not important	2	5%
Somewhat important	9	22%
Important	13	32%
Very important	17	42%
Total	41	100%

Promotion/career development

When asked about the importance of promotion or career development, 44% claimed promotion or career development to be very important, 32% important, and 24% somewhat important. There were no participants (0%) that reported promotion or career development as not important

Having friends in Iceland

When looked into how important having friends in Iceland is for participants, 49% claim having friends in Iceland as important, 24% very important, 22% somewhat important and only 5% not important (see Table 7.)

Table 7. Results for Having friends in Iceland.

Having friends in Iceland	N	%
Not important	2	5%
Somewhat important	9	22%
Important	20	49%
Very important	10	24%
Total	41	100%

Higher salary

Participants were asked how important a higher salary in Iceland than elsewhere affects their reasons for staying in Iceland. 51% reported higher salary in Iceland to be very important, 32% important, 17% somewhat important. However, 0% participants reported a higher salary was not important (see table 8)

Table 8. Results for Higher salary in Iceland.

Higher salary in Iceland	N	%
Not important	0	0%
Somewhat important	7	17%
Important	13	32%
Very important	21	51%
Total	41	100%

Dislike social conditions in my home country

Participants were asked if their dislike of social conditions in their home country was an important factor for moving to Iceland. 24% reported disliking social conditions in their home country to be a very important reason for staying in Iceland, 29% important, 20% somewhat important, and 27% not important.

Dislike economic conditions in my home country

Participants were asked if disliking economic conditions in their home country was an important reason to stay in Iceland. 22% reported it to be very important, also 22% participants claimed it to be important, 20% somewhat important, and 37% not important.

Having relatives in Iceland

When asked if having relatives in Iceland is an important reason for their stay in Iceland, 49% of participants reported having relatives in Iceland as not important, 39% somewhat important, 7% important, and only 5% very important.

Lack of suitable employment in my home country

Participants were asked if lack of suitable employment in their home country has importance in their reasons for working in Iceland. 54% reported lack of suitable employment in their home country not to be important for them working in Iceland, 20% somewhat important, 17% important and 10% very important reasons.

4.2. Results from interviews

The participants of the interviews in the study were four women, all with experience in attracting and retaining foreign specialists in the high-tech industry in Iceland. The participants worked in the field of HR either as HR Managers or HR Directors. The research contributes to the literature gap of Human Resource Management, particularly in the high-tech sector. The goal of this study was to answer research questions, RQ1, RQ2, RQ3 and RQ4. Research question one was answered previously here above with a survey for the foreign specialist. The following findings aim to answer RQ2, RQ3 and RQ4.

The data findings showed themes and codes that will be noticeable in the following chapter as bolded text.

4.2.1 Results RQ2

RQ2: What practices is HRM using to attract foreign specialists into the high-tech sector in Iceland?

Impacts

The first theme, ***Impacts***, focuses on factors HRM is working with to attract foreign specialists. The theme emerged from five codes that will be visible in the following paragraph in bold letters. Participants were asked why they had to attract foreign specialists into the company, and all of them answered because of the **shortage** of specialists with the requirement in the industry.

...We are undergoing a huge shortage of people in Iceland with the right skills and experience to fulfill almost every position in our company (Participant D).

Furthermore, they mentioned that they have been dealing with a shortage of talents for the past years. Filling some roles can be quite complicated due to the shrinking talent pool and a rough competition on an international market for each candidate. Reasons for hiring foreign specialists are primarily based on the talent shortage, not in an attempt to increase cultural diversity in the organization. However, the HR managers are happy with the increased variety they bring to the table since the benefits of having cultural diversity are getting more aware.

...Our main reason for hiring foreign specialists has always been because we need proficient workers. It is only now, for the past years, that we have been looking more into the benefits of having diversity and are more aware. However, diversity has not been a particular goal, but we are happy with more diversity (Participant A).

When asking the HR managers about what methods they are using to attract foreign specialists into their organization, they all mentioned that **LinkedIn** is the most used platform to reach out to foreign specialists in the high-tech industry. Moreover, it is super convenient to target individuals with the background required for the job. Besides using LinkedIn, participants mention using other Icelandic job advertisement platforms such as Alfred where they would **advertise in English** to reach a wider group of candidates, not only the Icelandic spoken. Few participants mentioned that they had been working with international recruitment agencies to attract talents to Iceland.

When asked about the family circumstances of the foreign specialist that had been attracted to Iceland, most HR directors claimed that it appears to be more of individuals moving in without their families. However, there are of course cases where an employee moves with a spouse or children.

...Most of the foreign specialists in our organization come alone. Few move with their spouse, but it is not common that

they come with family, though it happens occasionally (Participant C).

Moving from a home country to another country can be extremely expensive and time-consuming. Organizations that offer assistants in the transfer process can often appear as a good option as it eases the moving a little for the foreign specialists. Therefore, it seemed interesting to explore if the organizations help with housing. It was mentioned that up to some point, the organizations assist prior to moving to find temporary **housing** for the first weeks of integrating. Housing can be tough to find in Iceland, and the rental market is well known to be complicated. Most landlords require a few-month deposit, which can be tricky to provide for individuals in another country and for those without some savings. Moreover, people with no previous connections in Iceland might not even know where to start their search for rental and need basic information. Participant A stated:

We have already provided housing for four weeks before the foreigners come to us and then we help them find another accommodation. We are not directly searching for them, although in some cases, we have. I have published on rental groups on Facebook that the organization expects workers from abroad who need housing, and we also provide bank deposits for our employees.

When the interviewer asked the participants what the organization was doing to attract foreign specialists, one common thing was mentioned by all of them: **Competitive salaries**. All four organizations strive to pay competitive salaries in their industry.

...We, of course, try to pay good salaries, and we think a lot about the wages. For example, we participate in every wage survey possible, and we seek to pay higher than others, compared with the salaries on the market (Participant D).

Summary

In order to answer research question two, one theme attracting was used to respond to what tools HRM are using to attract foreign specialists into their organization. It is evident in

the beginning that organizations in the high-tech industry must attract foreign specialists due to a shortage of workers with the proper knowledge and experience in Iceland. LinkedIn seems to be the most common way to reach out to foreign talent, but some organizations also use international recruitment websites. Advertising available jobs in English was mentioned as an essential factor to attract global talent. Helping in integrating for the first week by offering a place to stay appeared repeatedly. At last, all the organizations strive to pay competitive salaries.

4.2.2 Results RQ3

From the data, two themes appeared: **questionnaire and programs** and **workplace culture**. Thus, both themes will be used to answer research question three and clarify factors HRM uses to retain cross-cultural workforce in the high-tech sector in Iceland.

RQ3: What tools is HRM using to retain a foreign specialist in the high-tech sector in Iceland?

Questionnaire and programs

The theme **questionnaire and programs** developed from three codes that appeared when participants answered what factors play a part in keeping a cross-cultural workforce in the high-tech industry.

All the participants agreed that the hiring process set the tone for retaining employees, and the saying "Lengi býr að fyrstu gerð or like in English ‘The longest journey starts with a single step’" is highly relevant in terms of retaining workers.

Choosing candidates that apply to the organizational culture and match the dynamic in their team is vital for the long run. Moreover, especially when people come from abroad and time and money have been invested in attracting them, getting the right fit is more important than ever. Most of the participants stated that they are using some form of **personality questionnaire** to get deeper inside into specific personality characteristics and how the candidate is likely to adapt to the role. According to studies, having a high score on adaptability features can affect if the individual is expected to adapt to new situations like moving into a new culture. Thus, to some extent, a personality questionnaire can estimate if the foreign worker will retain the new job or not.

It is always essential to hire the right candidate, and we use many ways to assess as much information about a potential

employee. One thing we do, along with other assessments, is a personality questionnaire to give us some ideas on how the person is likely to adjust to the new role (Participant C).

Additionally, the organizations that have not yet started using personality questionnaires in the hiring process are excited to lead it in their approach and claimed it was only a matter of time not if they would do it.

...We are not using a personality questionnaire yet, but we are really excited about making it a part of the process (Participant B).

The participants mentioned good **onboarding** to be a vital factor in retaining a cross-cultural workforce. Onboarding is a term of the introduction process for new employees and integrates them into the organization. It is sometimes identified as organizational socialization and is a critical part of assisting employees in understanding their new role and job requirements. The time of onboarding varies between organizations and could be anywhere between a week up to six months according to the participants.

As a matter of fact, the onboarding process begins right away when a candidate accepts the job offer. We make sure to be in contact regularly because often a few months pass by until the person finally moves to Iceland...We try to inform them about everything really, the good and the bad. We talk about the culture within the organization, salary arrangement, tax system, and health service, etc. (Participant A).

When moving into a new country with a new culture, learning the language can be an important factor in integrating into society. The participants mentioned that they do pay for **Icelandic courses** for employees that want to learn Icelandic. It was also added that learning some Icelandic can help them integrate more easily into society and hopefully make them more likely to remain with the organization for the long run.

Workplace Culture

The theme **workplace culture** emerged from five codes that focus on factors in workplace culture that supports retention of cross-cultural workforce in the high-tech industry.

To retain a cross-cultural workforce in the high-tech sector, participants noted that the workforce culture plays one of the most significant parts.

The culture of our organization retains so many of our employees and we give our everything to make people happy.
(Participant D).

When participants were asked further about their workplace culture, **low hierarchy** was mentioned repeatedly. Everyone has something to add to the table, no matter their position in the organization. Moreover, there is strong **transparency** to give everyone the possibility to participate in different issues. To keep transparency at its best, organizations have at least one meeting every week where other subjects are discussed, and information is exchanged.

There is a low hierarchy and very open communication.

Participants reported that they offer **flexible work** as something that they strive to do and feel supports retaining employees as overall people appreciate flexibility. Some had been offering flexible work prior to covid while others took up the flexible work system during covid and have decided to keep up with it after noticing positive outcomes both on productivity and employees' attitudes towards flexible work.

We have noticed, especially after covid that our employees are perfectly capable of doing their work from home. We love to give them flexibility at work where they can choose where and when they do their job as long as it gets delivered. (Participant D).

When participants were asked further about the workplace culture, it was mentioned that one common thing that everyone shared in the organization was **passion**. Employees have

passion for what they are doing and truly enjoy their work and always want to do better. Additionally, they are excited to be working for the organization and are very intelligent.

The employees have a passion for what they are doing, and there are many incredibly intelligent people that are open and interested.

Participants mentioned regarding the workplace culture, that there is a strong **psychological safety** at work. People are encouraged to express their different views and have a personal freedom to be themselves without fear of being judged at work. As well, people can be creative and to be creative they must have trust to do so and know it is okay to make mistakes. The core in every workplace culture discussed in interviews reflected some sense of psychological safety.

We want to be creative and to do that, we have to be vulnerable and allowed to make mistakes. There is a powerful feeling of trust here.

In relation to cross-culture, the researcher found it interesting to find out if the organizations were doing some kind of gestures to celebrate different cultures, for example celebrate National Day of the countries of foreign employees or even have cultural theme days. The participants answered, and they do not do anything particular at the moment. However, some had already begun exploring options of doing so.

Not yet, but it is good that you mention it because we have been thinking about it.

Summary

The two themes **questionnaire and programs**, and **workplace culture** were used to answer research question two. How organizations choose employees especially when coming from a different culture can affect the retain. Wrong matches in the beginning will result in a short stay of the employee, personality questionnaires can be useful to some extent. Retaining employees begins in the onboarding process that is highly important and lessons in Icelandic are paid for those who wish. Strong workplace culture that offers flexibility and psychological safety is vital to retain cross-cultural workforce.

4.2.3 Results RQ4

RQ4: What challenges is HRM facing with a cross-cultural workforce in the high-tech sector in Iceland?

To answer research question three a one theme **Challenges** will be used. There were two codes that emerged from the theme. The theme challenges will look at the main challenges with cross-cultural workforce.

When asking participants about challenges with cross-cultural workforce, all of them mentioned **speaking Icelandic**. Furthermore, speaking Icelandic in common areas such as the cafeteria or break rooms appears to be a problem. The problem is that people from Iceland tend to forget themselves and sometimes speak Icelandic when there might be a person from another country that does not understand Icelandic and feels left alone. Even though the emphasis is always on English this problem does occur, and also on the communication platforms in organizations. However, most of the time there are people that are quick to remind others to communicate in English, not Icelandic.

Especially during lunch break, Icelanders tend to speak Icelandic among them. However, then someone that does not speak Icelandic or just a little, joins the table and they still speak Icelandic. (Participant B).

Another challenge of having a cross-cultural workforce, some participants mentioned, is the “**Thetta reddast**” mindset that can be translated into “It will all work out okay”. Icelanders are notorious for using this motto in any situation. This relaxed mindset of thinking that everything will work out okay can sometimes be a little hard for some people to understand. In some cases, foreigners might think that the typical “Thetta reddast” Icelander is not taking work or projects seriously enough and conflicts can occur. But thankfully that does not happen often.

The stereotype of Icelander "Thetta reddast" motto...some find it hard to deal with, but I think I only know about one case where the person gave up. (Participant A).

Participants were asked if they had faced a challenge based on discrimination and the answer was no. Challenges based on discrimination are not known to any participant in this study.

Summary

The one theme **challenge** was used to answer research question four. The data revealed that speaking Icelandic in a company of foreigners seems to be a common challenge with cross-cultural workforce. Another challenge that that light was shed on was the typical ‘‘Thetta reddast’’ mindset that can be viewed by some nations as negligence or carelessness

5. Discussion

The study aimed to look at the main reasons foreign specialists migrate into the high-tech sector in Iceland. Furthermore, it explored what tools HRM in high-tech is using to attract and retain foreign specialists but also what challenges HRM is facing with a cross-cultural workforce in the high-tech industry in Iceland.

In order to look at the main reasons for skilled workers migrating to Iceland, a quantitative questionnaire was used that systematically and objectively gathered information. Furthermore, statistical methods were used to analyze the answer that presents and interpret the data. A qualitative method was used to shed light on what tools HRM uses to attract and retain a cross-cultural workforce and what challenges come with a cross-cultural workforce.

The results and findings will be discussed in the following chapter and viewed from previous literature findings.

5.1 Discussion RQ1

RQ1: What are the main reasons for foreign specialists migrating to Iceland into the high-tech sector?

When looking at the background of the foreign specialists, it was apparent that most of them are males, or as mentioned earlier, 60% of the participants. The high-tech industry is male dominant and hopefully we will see less gender gap in the industry in the coming years. According to the results in this study, the profile of foreign specialists in the high-tech sector in Iceland would be a single male with no children at age 25-44 years old. Most of the participants had a master’s degree and had lived in Iceland for 1-4 years. This is consistent

with the human capital theory, in a way as younger people with university degrees are twice as likely than others to migrate into other countries (Molloy, Smith & Wozniak, 2011).

Most of the foreign specialists came from Europe to Iceland. According to the literature, the more distance between the home country and the new country, the lower is the adjustment for migrants (Xu, Pan, & Beamish, 2004). Additionally, a study by Froese and Peltokorpi (2011) indicated a link between lower job satisfaction and cultural distance. Therefore, it was interesting to notice that the majority in this study come from Europe and reported being satisfied or very satisfied in their job. Given that countries in Europe have less distance from Iceland than, e.g., Australia, this study's results match the study by Froese and Peltokorpi (2011).

Participants were asked to rate the Icelandic lifestyle and climate as a reason to stay in Iceland. It was surprising to see that the majority reported the climate and lifestyle to be a very important or important reason. These results matched the Khoo (2008) study, where skilled immigrant workers said they liked Australia's lifestyle and climate. However, it is interesting to see similar results from the Khoo (2008) study and this one because Iceland and Australia have different lifestyles and opposite climates.

According to economic theories of labor migration, workers move from a country with low wages and a lack of employment opportunities to maximize their income (Massey et al., 1993). This study looked at economic reasons for migrating, and the results add up to economic theories of migration. Moreover, most participants claimed better employment opportunities as a very important reason for moving to Iceland. A similar result was shown when asked about how important a higher salary is for moving to Iceland, more than half of participants said it was a very important reason for their stay in Iceland. Moving for higher salaries correlates with the human capital concept as people are attracted to places where full-time workers' actual earnings are highest (Topel, 1986).

Even though participants claim better employment opportunities and a higher salary to be an important reason for their migration, they do not think lack of suitable employment in their home country to be a reason for moving to Iceland. However, in a study by Khoo (2013), economic reasons do not seem as important, as less than 40% said better employment opportunities are the reason for their migration.

At last, having friends in Iceland is important for participants as 49% reported having friends being an important reason to stay in Iceland. Having friends in Iceland appears to be much more important than having family, which is interesting.

5.2 Discussion RQ2

RQ2: What tools is HRM using to attract foreign specialists into the high-tech sector in Iceland?

When looking at the findings regarding question about attracting, it was clear that organizations in the high-tech sector attract foreign workers due to a shortage, not to increase diversity even though they are getting more aware of the benefits of a diverse workforce. As mentioned in the beginning of this study from the previous literature, lack of diversity affects the corporation's bottom line and diverse teams improve innovation and, eventually, financial performance (Farnsworth & Holtzblatt, 2016). Therefore, it is beneficial for companies to retain diverse employees who are innovation-driven and committed to contributing to their areas. It was evident that LinkedIn is one of the most used tools to attract foreign talents in the high-tech industry.

Offering housing for the first weeks of integrating into the new country is a popular tactic in retaining foreign workers. The rental market can be challenging in Iceland, especially when you are in another country in your hunt for an apartment.

Attracting foreign specialists with competitive salaries on an industry average is common strategy organizations use in Iceland. However, when organizations offer promises based on the outcome, e.g., competitive wages, training, work-life balance, and meaningful work, it can result in a shortage of delivery on the organization's promises (Kickul, 2001). Moreover, according to the literature, financial factors in compensation packages used to weigh a lot in employee decisions in joining an organization (Schlechter, Thompson & Bussin, 2015). However, non-financial rewards such as training and development and flexible work hours have become an essential element in attraction (Schlechter, Thompson & Bussin, 2015).

Organizations need to keep in mind that offering competitive wages is one of the easiest ways. Given that reason, organizations need to look at new ideas to stand out from their industry rivals. Concentrating on offering a more comprehensive range of non-financial

rewards is one strategy applied by companies to separate themselves from competitors and attract the best talent (Schlechter, Thompson & Bussin, 2015). However, when it comes to retaining talent, HR management systems for employee retention include compensations as incentives for motivation and employee development (Da Silva & Shinyashiki2014).

5.3 Discussion RQ3

RQ3: What tools is HRM using to retain a foreign specialists in the high-tech sector in Iceland?

When looking at the findings for efforts of, retaining it was obvious that HR participants agreed that the retaining process begins right away in the recruitment. This is consistent with the literature that good employee retention practice starts with even better recruitment practices that prepare an employee's entry into the organization (Mohamed et al., 2014). Moreover, hiring the right people affects retention (Kyndt et al., 2009). There is a high emphasis on hiring the right people. Choosing the right candidate is essential and using some form of personality questionnaire in the hiring process is sometimes done. The literature suggests that HRM must keep in mind in the selection process if the potential expatriate has the cross-cultural awareness and interpersonal skills needed for the job as that factor seems to be overlooked in many cases (Gupta, 2014). It can also be helpful to estimate if the applicant's personal and family circumstances are prone to integrate into the culture. Good onboarding was a clear strategy in retaining employees among participants. The finding matches previous literature where emphasis is on onboarding programs to retain employees. Furthermore, studies have supported that the new employees' activities could influence work-related attitudes, performance, and the possibility of remaining in the organization (Saks et al., 2007). Furthermore, a good start can help new workers to adjust to the new working environment, enhance task performance, improve job satisfaction, and attain lasting effectiveness.

The theme **workplace culture** focused on factors in workplace culture that supports retention of cross-cultural workforce in the high-tech industry. The organizations in this study strive to offer a workplace culture that provides flexibility where people can control their work and low hierarchy, it doesn't matter in what position you are in the organization.

Everyone's thoughts and ideas are valuable. Workers treated with respect in the workplace and are part of the team will remain in the organization (Conte & Landy, 2018).

Psychological trust is the core in structure, and employees are allowed to be creative and make mistakes without punishment. Previous studies have identified some factors that affect retention; some common factors are the culture of an organization, quality of management, and developmental opportunities (Kyndt et al., 2009). Moreover, according to Moncarz, Zhao, and Kay (2008), a fun working environment and flexibility support employee retention. The study by (Kuehlmann et al., 2016) conducted in Austria, Germany, Italy and Spain revealed that if the organization context is not supportive of cultural diversity and effective HRM practices and policies are in place, the workers find it hard to integrate. On the other hand, the contrary will apply if the migrant workers can count on their managers and co-workers when things get complicated. Moreover, the worker will develop integration strategies leading to job satisfaction and organizational commitment (Kuehlmann et al., 2016).

5.4 Discussion RQ4

RQ4: What challenges is HRM facing with a cross-cultural workforce in the high-tech sector in Iceland?

The theme **challenges** represented the challenges HRM is facing with a cross-cultural workforce. All the participants had experienced the challenge of always speaking English in the workplace. The Icelandic employees tend to forget to speak English in the company of foreign workers, and the person who does not speak Icelandic might experience exclusion. The results of exclusion of foreign specialists in conversations can lead to great ideas being left out and the talent is not used to its full potential. Moreover, people might feel left out socially, which can have a negative personal experience.

The multicultural workforce can cause conflict, and there is a chance of misunderstanding or inappropriate behavior among people or groups (Conte & Landy, 2018). "Thetta reddast" mindset of Icelandic employees can be an example of multicultural conflict or misunderstanding. Other nations might view "Thetta reddast" Icelander as being careless or not taking work or projects seriously enough.

There is some evidence of discrimination being one challenge with a cross-cultural workforce in the literature. Furthermore, a study by Al Ariss, Koall, Özbilgin, and Suutari (2013) on migrants in France and Germany points out that migrants have to deal with discrimination cases. In the German study, migrants felt they were placed in rigid, discriminatory structures of employment that were impossible to correct. Thus, they dealt with stressors by mentally and physically removing themselves from the circumstances by moving back to their home country from Germany (Al Ariss et al., 2013). However, these results did not at all apply to the findings of this study. None of the participants had ever heard of cases built on discrimination.

6. Conclusion

The objective of this study was to look into the main reasons for the migration of foreigner's specialists into the high-tech sector in Iceland and explore what tools HRM used to attract and retain foreign specialists. Additionally, HRM were asked about challenges with a cross-cultural workforce in the high-tech sector in Iceland.

The high-tech sector in Iceland is facing a shortage of people with the right skills and experience. Organizations are in need to attract and hire foreign specialists to fill their roles. High-skilled workers seem to migrate into the high-tech industry in Iceland for economical reasons, such as better employment opportunities and higher salaries. However, lifestyle and climate reasons are also reported to be important reasons for staying in Iceland. The results also showed that having friends in Iceland is very important for them to remain in the country.

When it comes to attracting the skilled workers into the organizations in Iceland, LinkedIn proved to be the most used tool along with offering competitive salaries on an industry average. Advertising in English and providing assistance in integrating by providing a place to stay for the first weeks of arrival is also a common method of attracting foreign specialists.

Good retaining of the workers begins in the hiring process, some organizations use personality questionnaires as one tool along with others in hope of finding the right match. Onboarding is a significant factor in retaining employees, all the organizations support onboarding, but the length of the process do vary among firms and could be anywhere from a week up to six months. Workplace culture was mentioned by participants as the foundation of

retaining specialists. Moreover, emphasis is on workplace culture with a strong psychological safety, where people can feel free to be creative and are allowed to make mistakes without fear.

One of the main challenges HRM is facing with cross-cultural workforce is to keep the work language completely in English. The Icelandic employees sometimes tend to forget themselves in a company of foreigners and speak Icelandic resulting in exclusion of the foreign specialist. Another challenge with a cross-cultural workforce in the high-tech sector in Iceland, is the ‘‘Thetta reddast’’ general mindset of Icelandic employees since employees with other origin may view ‘‘Thetta reddast’’ as being careless or not taking work or projects seriously enough and conflicts may occur. But that does not happen often.

Propositions

Four propositions are provided for organizations to expand the profit of good HRM further.

P1: Assess cross-cultural awareness in the hiring process.

P2: Think beyond "competitive wages," e.g., emphasis on job development.

P3: Build strategies to attract more women into the high-tech sector.

P4: Honor multicultural workforce in actions, e.g., celebrate different nationality days or have cultural theme days.

Limitations and future research

The main limitation in this research was that the researcher was inexperienced in the field of qualitative research. Time was another limitation that affected the sample size in the survey for foreign specialists, but the sample size was relatively small. Moreover, the self-report survey method lacks deep analysis like an interview can help assess.

Regarding the interviews, they can give a deeper understanding on the subject, but it is impossible to generalize the findings for every organization in the high-tech sector.

I would suggest future research to explore the challenges discovered in this study. Furthermore, e.g., observation in a high-tech organization would be ideal for viewing the problem that occurs when Icelandic employees speak Icelandic in the company of foreign coworkers. It would also be ideal to get a larger sample of foreign specialists to participate in the future.

Appendix A.

Shows the questionnaire for foreign specialists

Dear Participant,

You are invited to participate in our survey on the migration of skilled workers in Iceland. The survey is a part of a master's thesis in Human resource management and organizational psychology at Reykjavik University. It should only take about 3-5 minutes to answer the questions.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, then you may skip answering those particular questions. You can also withdraw from the survey at any point.

Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, feel free to contact me.

Dominique Elísabet James

Phone: 846-1969

Email: dominique20@ru.is

It is very important for us to learn your opinions.

Thank you very much for your time and support.

1. Age

- Under 30
- 30-34
- 35-39
- 40+

2. Sex

- Female
- Male
- Other

3. Region of Origin

- Asia
- America
- Australia
- Europe
- Middle-East
- Other

4. Marital status

- Partnered
- Single

5. Number of children?

- 0
- 1-2
- 3-4
- 5+ 9

6. Years lived in Iceland?

- Less than year
- 1-2 year

- 3-4 year

- Over 5 year

7. Level of education

- Less than high school

- High school/GED

- Some college

- BA/BS degree

- Master's degree

- Doctoral degree

8. In which industry do you work?

- Biotech

- Medical equipment

- Computers

- Computer softwares

- Pharmaceutical products

- Measuring and control equipment

- Machinery

- Agriculture

- Electronic equipments

- Chemicals

- Other (...)

9. Overall, are you satisfied or dissatisfied with your job?

● Very satisfied ● Satisfied ● Neither satisfied nor dissatisfied ● Dissatisfied ● Very dissatisfied

10. Do you intend to apply, or have you already applied, for permanent residence in Iceland?

● Yes, have already applied ● Yes, intend to apply ● No ● Not decided

11. Like Icelandic lifestyle, climate, etc.

● Not important ● Somewhat important ● Important ● Very important

12. Please rate the importance of the following reasons for staying in Iceland.

● I did answer yes in previous question ● I did NOT answer yes in previous question

13. Like Icelandic lifestyle, climate, etc.

● Not important ● Somewhat important ● Important ● Very important

14. Good for my children

● Not important 11 ● Somewhat important ● Important ● Very important

15. Better employment opportunity

● Not important ● Somewhat important ● Important ● Very important

16. Promotion/career development

● Not important ● Somewhat important ● Important ● Very important

17. Have friends in Iceland

● Not important ● Somewhat important ● Important ● Very important

18. Higher salary

● Not important ● Somewhat important ● Important ● Very important

19. Dislike social conditions in my home country

● Not important ● Somewhat important ● Important ● Very important

20. Dislike economic conditions in my home country

● Not important ● Somewhat important ● Important ● Very important

21. Have relatives in Iceland

● Not important ● Somewhat important ● Important ● Very important

22. Lack of suitable employment in my home country

- Not important
- Somewhat important
- Important
- Very important

23. Escape war or political situation

- Not important
- Somewhat important
- Important
- Very important

Appendix B.

Shows the interview frame in English.

1. Can you tell me about yourself?
2. How many employees for the organization?
3. Do you know how many nationalities?
4. What are the main reasons you hire foreign specialists?...
 - a) Shortage?
 - b) Increase diversity?

Attract

Now the Icelandic government is doing their best to attract foreign specialists to Iceland e.g. with the campaign *foreign specialists in Iceland* and tax discounts for the first years.

1. What tools are you using to attract foreign specialists to the organization?... e.g, in the USA it is popular to sponsor the green card, offer compensation and housing.

Integration

It can be challenging to move into a new country with a new culture.

1. How do you welcome new employees from abroad?
2. What training do they get?
3. Do you help them find a house/apartment?
4. In cases where children are moving with the employee, do you assist in finding schools?

Culture

The kind of workplace culture in place can matter for the foreign specialist.

1. How would you describe the workplace culture here?
2. Do you celebrate the diverse culture of employees? ... e.g., theme days, multicultural calendar, national independence days? Etc.
3. Do you provide education on culture?

Retain

It costs time and money to hire a foreign specialist and therefore it is vital to retain them.

1. After you have managed to attract the specialist, what tools/methods do you use to retain the foreign talent?
2. Some say that retain starts with a good recruitment. Moreover, studies indicate that certain characters are more likely to adjust to a new environment. Do you use some forms of personality questionnaires when hiring foreign specialists?

Challenges

Challenges can arise when cross-cultural workforce works together.

1. Have there been cases of misunderstanding based on different workplace culture, norms, or nationality?
2. What are the challenges of cross-cultural workforce at work?
 - a) Has there been cases of discrimination?
 - b) How do you tackle the challenges?
3. At the end, is there anything you would like to add?

Appendix C.

Shows the interview frame in Icelandic.

1. Getur þú sagt mér aðeins frá sjálfum þér?
2. Hvað starfa margir hjá fyrirtækinu?
3. Veistu frá hversu mörgum löndum fólk starfar hjá ykkur?
4. Hverjar er helstu ástæður fyrir því að þið ráðið erlenda sérfræðinga?...
 - a) Skortur?
 - b) Auka fjölbreytni?

Laða að (e. Attract)

Nú er ríkið að reyna leggja sitt að mörkum til þess að laða erlenda sérfræðinga til Íslands, t.d. Með átakanu *foreign specialist in Iceland* og svo fá erlendir sérfræðingar afslátt af sköttum fyrstu þrjú árin.

1. Hvaða aðferðir notið þið til að laða að (attract) erlenda sérfræðinga?
...T.d.í USA er vinsælt að "sponsa" græna kortið, bjóða fríðindi og húsnæði.

Aðlögun (e. Integration)

Það getur verið mikil viðbrigði fyrir starfsfólk að flytja í nýtt land og aðlagast nýrri menningu.

1. Hvernig takið þið á móti erlendu starfsfólki?
2. Hvernig þjálfun fá þau?
3. Veitið þið aðstoð við að finna húsnæði
4. Þegar aðilar koma hingað til lands með börn, veitið þið aðstoð við að finna skóla?
5. Að læra tungumálið getur verið mikilvægur þáttur í aðlögun nýrrar menningar.
Bjóðið þið upp á tungumálakennslu?

Menning (e. Culture)

Hvernig fyrirtækjamenning ríkir getur spilað mikilvægan þátt fyrir erlenda starfsmenn.

1. Hvað einkennir vinnustaðar menninguna hérna?

2. Hreiðrið þið fjölbreytta menningu starfsfólks á einhvern ákveðin hátt?... t.d. Þemadagar?, fjölmennigarlegt dagatal sem t.d. inniheldur mismunandi hátíðardaga?
3. Veitið þið fræðslu um menningu?

Halda í (e. Retain)

Það getur verið kostnaðarsamt og tímafrekt að ráða inn erlenda sérfræðinga og því mikilvægt að þeir þrifiist í fyrirtækinu.

1. Þegar ykkur hefur tekist að laða að og ráða inn erlendan sérfræðinga, hvaða aðferðir notið þið til að viðhalda/halda í (retrain) sérfræðingunum í fyrirtækinu?
2. Það má segja að retain ferlið byrja strax í ráðningarferlinu, t.d. Benda rannsóknir til þess að ákveðnir persónueiginleikar í fari fólks gæti bent til um hvernig einstaklingar eiga eftir að aðlagast nýju umhverfi. Notið þið persónuleikapróf í ráðningum sérfræðinga?

Challenges

Það geta upp árekstrar þegar fólk frá ólíkum menningarheimum vinnur saman.

1. Hefur komið upp ágreiningur sem rekja má til mismunandi þjóð- eða fyrirtækjamenningar?
2. Hvaða áskoranir fylgja mismunandi menningarheimum á vinnustaðnum ?
 - a) hafa t.d. Komið upp vandamál byggð á fordómum?
 - b) Hvernig hafið þið tekist á þeim áskorunum?
3. Að lokum, er eitthvað annað sem þú vilt bæta við?

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