

Article

How Multinational Corporations Can Support Refugee Workforce Integration: Empathize Globally, Strategize Locally

Betina Szkudlarek¹ , Priya Roy¹, Eun Su Lee²

¹ The University of Sydney, Australia, ² The University of Newcastle, Australia

Keywords: global strategy, localization, multinational corporations, refugees, refugee workforce integration, refugee employment

<https://doi.org/10.46697/001c.32998>

AIB Insights

Vol. 22, Issue 3, 2022

In the global war for talent, refugees are often overlooked. Yet, research indicates that employers who expanded their recruitment strategies to include refugee jobseekers were not only satisfied with their new hires, but also excited about the potential impact refugee recruitment could have on their diversity, equity, and inclusion (DEI) strategies. We use the case of IKEA to show how localization and global strategy interact to create sustainable refugee workforce integration solutions for multinational corporations. Our insights have practical implications for other industry leaders who aim to create their own refugee inclusion programs.

INTRODUCTION

Worldwide, the number of refugees is in the millions and growing. To this end, refugee workforce integration remains one of the pressing grand challenges, and businesses around the world are grappling with how to integrate refugees into their workforce (Lee, Szkudlarek, Nguyen, & Nardon, 2020). This includes multinational corporations (MNCs) that often see refugee recruitment as more than a way to address labor shortages but as an important diversity, equity, and inclusion (DEI) mission (Vaara, Tienari, & Koveshnikov, 2021). Yet, the complexity of MNC's structures and the intricate nature of the barriers faced by refugees in their quest for meaningful employment can often make supporting the integration of refugees into the workforce can seem like a daunting task. This article outlines the challenges of translating global refugee recruitment strategies into locally actionable DEI initiatives. Using the case of IKEA and its Australian subsidiary, we showcase how highly localized implementation is critical to the successful execution of an MNC's global mission. Beyond recruitment, we outline numerous other initiatives where MNCs can make a tangible impact in advancing refugee workforce integration.

THE COMPLEXITY OF THE PROBLEM

Fundamentally, refugees are forced from their homes and are given entry into a new country for humanitarian rather than economic purposes. This can result in a mismatch between refugees' talents and the receiving country's skills gaps. There are complex barriers to refugee workforce integration, which Lee and colleagues (2020) call the "canvas ceiling." This concept describes the multidimensional and multilevel nature of these barriers, which can include restrictive immigration regulations, difficulties associated with accreditation and qualification recognition, biased re-

cruitment processes, and/or often-polarized socio-political landscapes. Barriers can also include refugees' level of preparedness for the new country, language proficiency, quality of social networks, and psychological considerations. As a result of the canvas ceiling, refugees often lose occupational status and face poor employment outcomes in the receiving countries.

At the same time, MNCs' efforts around DEI can be complicated since their operations are spread across various institutional and socio-cultural contexts. MNCs are exposed to diversified economic, political, customer, and competitive pressures in their international expansions, complicating their approaches to DEI in each of these foreign markets (Farndale, Biron, Briscoe, & Raghuram, 2015). In fact, what works in one context might be counterproductive to achieving DEI objectives in another.

In this paper, we reflect upon the complexity of DEI implementation for MNCs in the context of refugee workforce integration with the aim of developing actionable directions for practice. Understanding the complexity of both refugee workforce integration as a phenomenon and of MNCs' efforts as a DEI practice-based approach, we propose an "empathize globally, strategize locally" approach based on insights from practice. We suggest that, while a *global* commitment to the cause can be an imperative first step in the implementation of refugee-focused DEI strategies, *localized* execution is key to sustainable outcomes. Our insights are drawn from our long-standing immersion in the refugee employment space and collaboration with practitioners who share their insights (see Lee & Szkudlarek, 2021; Osland, 2022).

CHALLENGES TO A GLOBALLY-STANDARDIZED APPROACH

Research suggests that refugee workforce integration is a sensitive issue that is understood and conceptualized at dif-

fering levels across diverse contexts (Szkudlarek, Nardon, Osland, Adler, & Lee, 2021). For example, macroeconomic factors, such as infrastructure development and labor-market conditions, influence refugees' general living standards and their employability in a foreign country. Often, polarized socio-political attitudes can contribute to recruiters' biases and discriminatory practices. Immigration and integration policies may also hinder refugees' mobility to seek employment.

Therefore, for MNCs operating across various institutional contexts, a globally-standardized approach to addressing refugee workforce integration is difficult. As MNCs attempt to find sustainable employment opportunities for refugees, the complexity of the institutional environment in which their subsidiaries operate cannot be ignored. Each country (and even contexts *within* each country) has a unique set of economic and socio-cultural conditions and an institutional milieu that MNCs need to consider when recruiting refugees and integrating them into the workforce.

THE NEED FOR LOCALIZED, CUSTOMIZED RESPONSES

Leading practitioners argue that both institutional and corporate contexts are critical to developing sustainable refugee DEI programs. Designing the right balance of inclusion and integration strategies requires significant understanding of the business challenges in local contexts. MNCs need to seek guidance and expertise to help them navigate the often highly complex local systems of incentives and regulations that differ across jurisdictions. For example, in Australia, various states offer differing incentives or procurement targets, regardless of federally-designed policies.

Carmen Garcia is the CEO of an award-winning social enterprise, Community Corporate, that promotes refugee employment in Australia. She has successfully delivered refugee DEI programs with MNCs such as Accenture and Marley Spoon as well as with large domestic organizations such as Woolworths Group, Australia's largest retailer. A key driver for many employers is to build a workforce that reflects their local consumer base and the multicultural community in which they operate. Therefore, diversity needs to form part of a localized response to deliver sustainable outcomes for both the employer and the employee. When it comes to customized solutions, Community Corporate's approach to refugee workforce integration goes deeper than country-level issues. According to Garcia,

The importance of customized localization is key. In our experience, employers who have delivered the most secure and sustainable employment programs for refugees are those who have blended a need to genuinely look to the refugee talent pool as a source of solving workforce challenges whilst also possessing the desire to lead inclusion and recognize the inherent barriers that prohibit refugees being competitive in usual recruitment practices. One without the other, regardless of global mandates, will not work well, and this is why the local context is so pivotal.

At a global level, MNCs need to facilitate agility in the local delivery of a workforce integration strategy through the concept of "freedom in a framework" that enables local champions to emerge. One of those champions is the Australian subsidiary of IKEA. As part of a global organizational initiative, IKEA Australia has introduced a Skills for Employment program that aims to support 180 refugees and asylum seekers over three years. Harriet Pope, Project Leader for the IKEA Australia program, says:

For IKEA, this investment aims to help change the narrative around refugees through leading by example, sharing positive stories, and inspiring others to take action. Our objective for the program is to provide a bridge between the situation that our refugee participants find themselves in, and where they have the potential to be. It is already proving to be mutually enriching in many ways for refugees and our business.

While part of a broader initiative with a shared funding model, the IKEA Australia program is designed to suit the needs of its Australian operations. It is centered around 8-week paid work placements, delivered in partnership with Community Corporate, that provide participants with an introduction to the Australian workplace, an introduction to IKEA's ways of working, on-the-job skills training, an opportunity to build English language confidence, and a work reference.

Globally, IKEA has committed to supporting at least 2500 refugees by 2023 through job training and local language skills initiatives across 30 countries with their Skills for Employment program. To meet these goals, IKEA has developed three-year integration action plans in 29 countries with local partners and government organizations. They run local training initiatives suited to their business needs, while providing work experience, training, and local language skills to refugees. Trainees are welcome to apply for a job with IKEA – or elsewhere – at the end. Mercedes Gutierrez, Head of Social Impact, IKEA Retail (Ingka Group), believes that:

Having employment is essential for successful integration in a host country. We know from experience that refugees are highly motivated to work and that they have skills, viewpoints and experience that can benefit businesses and communities. Our goal is to help lead the way in showing that refugee integration is both good business and good for society. Ultimately, we want to create a movement that will change the narrative around refugees and help create a supportive policy environment with our actions in 30 countries.

Localization and customization are key to successful refugee workforce integration. With this in mind, MNCs' subsidiaries do not need to wait for the formulation of a grand corporate strategy. As Carmen Garcia argues, "You can change the world supporting one person at the time."

WITH LOCAL ACTION, GLOBAL STRATEGY STILL MATTERS

While specific recruitment strategies need localized execution, this should not prevent MNCs from thinking about

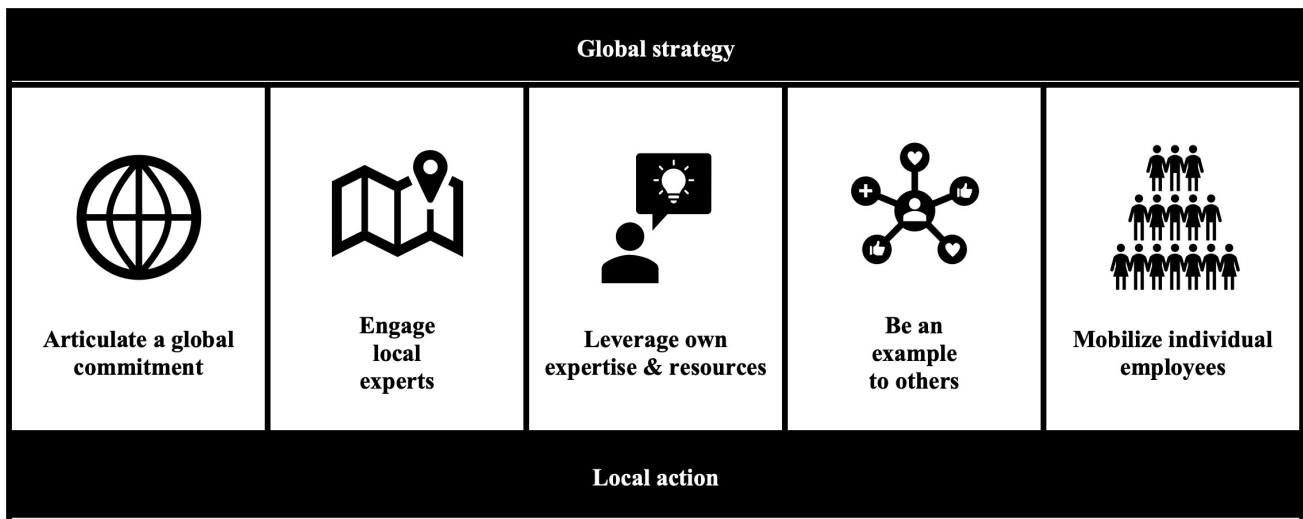


Figure 1. From Global Strategy to Action

global responses (Ghauri, 2022). Multiple MNCs have pledged active commitment to refugee inclusion inspired by the call for action by Hamdi Ulukaya, the Chairman and CEO of Chobani and founder of The Tent Partnership for Refugees (now supported by over 180 organizations across the world). Beyond the recruitment of resettled refugees, there are numerous other ways MNCs can make a tangible impact (see [Figure 1](#)).

The first step could be articulating a global commitment to the cause. Like IKEA, MNCs can formulate a comprehensive DEI vision and strategy, cascading down towards specific subsidiary-level objectives, contextualized to local institutional environments. This could include employment but also entail mindful diversification of supply chains and/or responsible investing, both of which promote employment opportunities for refugees. For example, beyond hiring refugees, IKEA collaborates with social entrepreneur artisans from underprivileged groups, such as refugees, creating hand-made products and selling those globally or in selected markets. While supporting employment opportunities for refugees, the MNC expands their product lines with unique merchandise and raises public awareness around socially important matters. To this end, like IKEA, MNCs can use local experts to build and maintain their refugee initiatives. By working with community groups and organizations with refugee-specific knowledge, MNCs can set themselves up for success by leveraging the partner's know-how and focusing on continuous and effective staff DEI training.

Beyond thinking of refugees as employees or suppliers, MNCs can leverage their own expertise to take direct measures to target humanitarian emergencies at their root. For example, IKEA used its capabilities to develop a solar-powered tent that can outlast other temporary shelters, changing the living situations for thousands of refugees (Wainwright, 2017). There is, of course, also the option of developing programs through MNCs' charitable arms. For example, IKEA Foundation worked with the UNHCR to develop an innovative livelihoods program that fosters self-reliance among refugees (IKEA Foundation, 2022).

MNCs that already stand up for the cause could become champions amongst industry peers. Previous research indicates that employers may not consider refugee recruitment because they have never thought of it or do not know where and how to start (Szkudlarek, 2019). Peer impact is key to overcoming these barriers. Strategic global objectives could include raising awareness of the issue among the wider business community. Media outreach showcasing successful initiatives can have a transformative power for the, often polarized, discourse around refugees and their integration. Examples of such initiatives could include small actions such as social media posts on professional networking platforms, such as LinkedIn. But they could also include more targeted efforts, such as publications in industry-specific periodicals. For example, IKEA Australia documented their journey through refugee recruitment, including lessons learned and best practices, and publicized it through mass media and industry-specific outlets (e.g., Eder, 2021; Hogan, 2021). With the article's title: "Everyone is talented": Why IKEA wants more businesses to hire refugees," their commitment to championing the cause could not be more apparent (Hui-Miller, 2021).

Global strategy could include mobilizing commitment from individual employees. For example, The Tent Partnership's recent initiative includes one-on-one mentoring of LGBTQ refugees. Employees of large MNCs, such as AT&T and Coca-Cola, are actively involved in the initiative. Driven by its existing programs, in 2022, IKEA Australia committed to running a volunteer mentoring program (in partnership with Community Corporate and an employment agency Randstad Australia). Specialists from a range of areas in the IKEA business, such as marketing or finance, will act as mentors to refugee jobseekers, following a customized six-week program developed by Randstad that aims to prepare skilled refugees to enter the Australian job market. Key topics include resume writing, creating a personal brand, and networking skills. These innovative mentoring programs can help employers address their DEI objectives, engage employees in meaningful ways, and provide support to

many refugees who otherwise may have limited to no access to professional networks and career coaching.

Championing the cause within one's organization is how global strategies can be built. Research shows that corporate engagement in refugee workforce integration is often ignited by an influential person within an organization (Szkudlarek, 2019). One person can make a difference in formulating a global strategy to support refugees and many other disadvantaged groups. Successful DEI initiatives can emerge organically from individual employees or be orchestrated by the leadership team at global and local levels. In both cases, knowledgeable local partners who understand the unique challenges and opportunities of refugee workforce integration can support MNCs in designing and executing sustainable DEI projects.

ACKNOWLEDGEMENTS

The authors would like to thank IKEA and Community Corporate for generously sharing their insights and for being change champions in the domain of refugee workforce integration.

ABOUT THE AUTHORS

Betina Szkudlarek (betina.szkudlarek@sydney.edu.au) is an Associate Professor at the University of Sydney Business School. Her work has been published in top-tier interna-

tional journals and featured in national and international media. Betina has worked with numerous corporations on developing intercultural competence and fostering global leadership excellence. She is also a Consultant with the United Nations Alliance of Civilizations (UNAOC).

Priya A. Roy (priya.roy@sydney.edu.au) is currently completing her PhD in International Business at the University of Sydney Business School. Her research is focused on refugees in a business context. She is a co-author on the Sage Handbook chapter making the case for refugee research in contemporary cross-cultural management.

Eun Su Lee (jeannie.lee@newcastle.edu.au) is a Lecturer at the Newcastle Business School, the University of Newcastle. Eun Su has completed her PhD degree at the University of Sydney Business School. Her research interests are in the fields of international human resource management and global mobility, focusing on migrants' integration journeys in foreign countries and the role of government bodies, support organizations and businesses in facilitating such integrative efforts.

Submitted: October 14, 2021 EDT, Accepted: February 20, 2022 EDT



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license's legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

REFERENCES

- Eder, B. 2021. Building career futures for refugees. *Sydney Morning Herald*. <https://www.smh.com.au/business/workplace/building-career-futures-for-refugees-20211103-p595o4.html>.
- Farndale, E., Biron, M., Briscoe, D. R., & Raghuram, S. 2015. A global perspective on diversity and inclusion in work organisations. *International Journal of Human Resource Management*, 26(6): 677–687.
- Ghauri, P. N. 2022. The Role of Multinational Enterprises in Achieving Sustainable Development Goals. *AIB Insights*. <https://doi.org/10.46697/001c.31077>.
- Hogan, R. 2021. 'I felt so supported': How Ikea is evolving its refugee program. *Inside Retail*. <https://insideretail.com.au/business/hr/how-refugees-can-help-combat-retails-labour-shortage-202111>.
- Hui-Miller, J. 2021. 'Everyone is talented': Why Ikea wants more businesses to hire refugees. *Inside Retail*. <https://insideretail.com.au/business/hr/everyone-is-talented-why-ikea-wants-more-businesses-to-hire-refugees-202106>.
- IKEA Foundation. 2022. *Transforming livelihoods in Dollo Ado*. <https://ikeafoundation.org/reimagining-refugee-camps/>.
- Lee, E. S., & Szkudlarek, B. 2021. Refugee employment support: The HRM–CSR nexus and stakeholder co-dependency. *Human Resource Management Journal*, 31(4): 936–955.
- Lee, E. S., Szkudlarek, B., Nguyen, D. C., & Nardon, L. 2020. Unveiling the canvas ceiling: A multidisciplinary literature review of refugee employment and workforce integration. *International Journal of Management Reviews*, 22(2): 193–216.
- Osland, J. S. 2022. Research, Dissemination, and Activism – The Grand Challenge of Refugees' Integration: An Interview with Betina Szkudlarek. In J.S. Osland, B. S. Reiche, B. Szkudlarek, & M. E. Mendenhall (Eds.), *Advances in Global Leadership (Vol. 14)*: 215–220. Emerald Publishing Limited.
- Szkudlarek, B. 2019. *Engaging business in refugee employment: The employer's perspective*. Sydney: The University of Sydney Business School.
- Szkudlarek, B., Nardon, L., Osland, J. S., Adler, N. J., & Lee, E. S. 2021. When context matters: What happens to international theory when researchers study refugees. *Academy of Management Perspectives*, 35(3): 461–484.
- Vaara, E., Tienari, J., & Kovesnikov, A. 2021. From cultural differences to identity politics: A critical discursive approach to national identity in multinational corporations. *Journal of Management Studies*, 58(8): 2052–2081.
- Wainwright, O. 2017. Why Ikea's flatpack refugee shelter won design of the year. *The Guardian*. <http://www.theguardian.com/artanddesign/2017/jan/27/why-ikea-flatpack-refugee-shelter-won-design-of-the-year>.