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# Discrimination in Finnish labor market

Perspective of Foreign Residents

Helsinki Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics

Thesis

Date 05.05.2017

Author(s) Title Number of Pages Date	Muhammad Shofiullah Discrimination in Finnish labor market: perspective of foreign residents 37 pages 05.05.2017
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Instructor(s)	Marko Korkeakoski, Senior Lecturer
<p>Finland is a small and developed country. Recently it has been praised around the world for its outstanding performances on many areas like education, good governance, freedom of press, and progressive social life. By contrast, over the years Finland has been accused of treating foreigners unfairly in the labor market as well. This study is conducted to examine the accusation. Previous scientific studies and primary data has been used for the study.</p> <p>One of the most challenging issues for Finland, as spotted in Finnish demographics is aging population. This will result labor shortage in the Finnish labor market in the future. Foreign labor force could be a good solution to the labor shortage. However, the Finnish labor market is not prepared to treat foreigners in fair manner. Despite the decrease of total number of discrimination in the Finnish labor market in recent years, discrimination against foreigners at the work place has increased. In the recruitment process, non-Finnish job seekers have regularly experienced unequal behavior on numerous occasions. The reasons for inequality in labor market against ethnic groups are many. Some of the reasons observed are language skills, prejudices and stereotypes. Solving the discrimination problem in the labor market requires involvement of all parties. Employers, employees, government and media all need to come together to create a discrimination free work place for everyone.</p>	
Keywords	Discrimination, Labor market, Finland, Foreigner

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## 1 Introduction

Finland is a relatively small country both geographically and demographically. In addition, it is also one of the most developed countries in the world. In year 2016 Finland has made a lot of headlines for its outstanding achievements throughout the year. Some of those achievements are social, political, economic, educational, and environmental. Overall these characteristics make Finland an ideal place for people to live. Thus, the country attracts foreigners in big numbers. In a world of open market economy Finland faces challenges to accommodate its growing number of foreign labor. Often the country is accused of not providing equal opportunities for everyone in the labor market (Larja et al. 2012). In this paper, I investigate this accusation. Does Finnish labor market treat its foreign labor force unequally?

To investigate this subject, I would be using both primary and secondary data. Both quantitative and qualitative data will be used. In addition, I will be using real-life discrimination examples that took place in working environment. Here are the outlines of how the subject will be carried out throughout this paper: firstly, some background information on Finnish demographics and the situations of current Finnish labor market will be given. After that I will be investigating discrimination in Finnish labor market. In addition to that I will be also looking the reasons for discriminations, if it does exist, and will be talking about possible solutions to the topic. Finally, a conclusion and recommendations on the subject will be presented.

The collection of primary data is done via interviews. Through interviews only qualitative data was gathered. There were four people chosen randomly for the interviews. Two of those interviewees were foreigners and other two of them were Finnish. The interviewees have answered a set of questions which are mainly about their experiences of Finnish labor market and how they are coping with it. This gathered information will give some light on the Finnish labor market.

Multiple works have already been done about discrimination in Finnish labor market based on gender, ethnicity, race and age (Ahmad 2002; Viitasalo 2011; Larja et al. 2012; Pärnänen 2012; Koivunen et al 2015). However, the fundamental differences between this report to others is that, this report is going to concentrate mainly on

ethnicity, and to be precise, people from developing countries that live in Finland. Moreover, less has been discussed about the reasons of the problems and solutions. This paper will focus on those issues more. At the end of this report readers are going to have an idea about do foreigners face discrimination in Finnish labor market, if they do what are the reasons behind it and how these situations can be changed for better.

## 2 Labor force in Finland

Before we start talking about the topic of discrimination in Finnish labor market, it is important for us to know the current and future labor force situations. Therefore, I would like to demonstrate Finnish demographic and the current labor market of Finland in this part of the paper.

### 2.1 Finnish Demographics

Demographics	
Population	5,498,211 (July 2016 est.)
Age structure	0-14 Years: 16.42% (male 461,432/female 441,244)
	15-24 Years: 11.6% (male 325,919/female 312,045)
	25-54 Years: 37.9% (male 1,063,494/female 1,020,194)
	55-64 Years: 13.42% (male 362,788/female 374,985)
	65 Years and over: 20.66% (male 492,143/female 643,967)(2016 est.)
Dependency ratios	total dependency ratio: 58.3%
	youth dependency ratio: 25.9%
	elderly dependency ratio: 32.4% (2015 est.)
Growth rate	0.38% (2016 est.)
Birth rate	10.7 births/1000 population (2016 est.)
Death rate	9.9 deaths/1000 population (2016 est.)
Net migration rate	3 migrant(s)/1000 population (2016 est.)

Figure 1. Finnish Demographics. Source: Index Mundi 2016.

The current population of Finland is 5,498,211 as of July 2016 est. which is shown in figure 1. By analyzing the table, it can be seen that the age structure has been divided in five categories which are 1) from 0 till 14 years consisting of 16.42% of total population of which 461,432 are male and 441,244 are female. 2) age group from 15 years till 24 years contains 11.6% of the total population where male is 325,919 and female are 312,045 numbered. 3) The third category, ages between 25 and 54 years has 37.9% of total population which is the highest among all categories. The male is numbered 1,063,494 and female are 1,020,194. The fourth category of age structure has 13.42% of total population where the age is set from 55 years till 64 years. In the age groups under 55 males are somewhat more dominant, but age groups over 55

show sudden decrease in male population. Above 65 are classified as final category which consists 20.66% of total population. In addition, the total dependency ratio of the population is 58.3%. The population growth rate was 0.38% as estimated in 2016. Population growth is a challenging issue in Finland as the growth rate is very low and the future does not seem to bear good news on that either (Index Mundi). Here is a small demonstration of population projection of Finland till year 2060.

Population projection						
	Unit	2020	2030	2040	2050	2060
Population	1000	5595	5769	5861	5914	5979
0-14	%	16,2	15,3	14,8	14,6	14,3
15-64	%	61,2	59,1	58,9	58,1	56,9
65-	%	22,6	25,6	26,3	27,3	28,8

Figure 2. Population projection. Source: Statistics Finland 2016.

From figure 2 it is evident that there is not much change in Finnish population in future as the total population does not increase much by 2060 as compared to present time. In addition, people aged from 0-14 years are continuously decreasing each decade. In 2020 the youngest age group is calculated 16.2 percent of total population and it will drop by almost 2 percent by year 2060 which will be 14.3 percent. Similar situations are noticeable for the adults group of ages between 15-64 years. In year 2020 the adult people are estimated to form 61.2 percent of total population which will be declining to 59.1 percent by year 2030. By year 2040 the number will drop even more and will reach to 58.9 percent and 58.1 percent will be seen by year 2050. Finally, the adult population will drop to 56.9 percent by year 2060. However, the older people who are aged 65 and over will face the opposite situations as compared to adult people and children. The older people will see a continuous increase in number by the year 2060. In year 2020 the elder population number will be 22.6 percent which will be increased by 26.3 percent in year 2040. And at the end of 2060 the number will reach 28.8 percent. Aging population is going to be a considerable challenge for Finland in future and will affect greatly to their social and economic life (Population projection, Statistics Finland).

## 2.2 The Current labor market in Finland

The situation of Finnish labor market is slightly improving as the unemployment rate has been decreasing slowly compared to last year. In September 2016, the current unemployment rate was numbered 7.7 percent which was 8.4 percent in September of the previous year. By this time of the year approximately 21000 more people are employed compared to the last year which is a positive sign for the economy (Statistics Finland 2016). The lowest unemployment rate has been recorded in year 2008 which was nearly 5 percent. On the contrary the highest rate of unemployment was nearly 12 percent which was calculated in year 2015. In addition, the trend of unemployment rate has been quite straight since year 2009 onwards. In September 2016, the number of total unemployed people were recorded (with marginal error) around 204,000 where 104, 000 were men and 100,000 were women reported by the Labor force survey of Statistics Finland. It also mentioned the number of young people who are aged between 15-24 years: 635000. Among them the number of employed persons were 252,000 and unemployed were 60000. Overall 1.4 million people were not active in the labor market which is higher than the year before (Statistics Finland: Labor force survey 2016). Even though the unemployment rate is decreasing in current times, the future does not look promising as it will be increasing in the long run. According to Trading Economics, the Finnish labor market will witness a steady growth in unemployment rate over the years. Here is the forecast of the unemployment rate of Finland till year 2020 presented below.

Forecast	Unemployment Rate
Current	7,70 %
Q4/16	9 %
Q1/17	9,90 %
Q2/17	9,20 %
Q3/17	7,50 %
2020	8,10 %

Figure 3. Unemployment Rate Forecast. Source: Trading Economics 2016.

It can be seen from the figure that the Finnish unemployment rate will rise in the first quarter of year 2017 that is calculated 9.9 percent which is over 2 percent increase compared to the present number. By the third quarter of 2017 the rate will again



decrease to 7.5 percent. By the year 2020 the unemployment rate will reach 8.1 percent according to the forecasts (Trading economics 2016).

In addition to the increased unemployment rate, Finland is expected to have labor shortage in future due to its aging population. The country will not be able to fill up the vacancies through its young labor force. Thus, foreign labor would be needed to fill the gap (This is Finland 2015).

### 2.3 Foreign population in Finland

Finland has started dealing with foreigners officially in September 1918, soon after its independence. At the time of world war I and II Finland even had more refugees than its neighboring country Sweden. Also, people came to Finland in big numbers from Soviet Union to avoid the catastrophic consequences of war. However, after the wars people started to move out from Finland in search of a better life. Interestingly, after 1970 the number of foreigners in Finland started to increase again. In addition, Finland has also joined the UNHCR (UN refugee agency) in 1970 which allowed asylum seekers to come to Finland (Maahanmuuttovirasto 2015).

Number of foreigners in Finland		
Years	Total number of foreigners of all ages	Working age foreigners
1990	26,255	20 029
1995	68,566	50 189
2000	91,073	68 115
2005	113,852	88 745
2010	167,954	135 445
2015	229,765	185 101

Figure 4: Number of foreigners in Finland. Source: Statistics Finland

Based on figure 4, in 1990 the total number of foreigners in Finland was 26 255. Among these numbers 20 029 people were working age foreigners. By year 2000 the number of immigrants reached 91 073. In addition, the number of working age foreigners also increased three times from year 1990 and numbered 68 115. A decade later both the total number of foreigners and working age foreigners' numbers were

almost doubled compared to year 2000 and were 167 954 and 135 445 accordingly. In 2015, the number of immigrants was documented 229 765. Among them working age foreigners were 185 101. It is noticeable that up until year 1990 the immigrants were very small in numbers. However, since 1990 in a duration of 25 years' time the foreign population has increased 9 times.

The notable number of changes in foreign population in Finland is caused by many factors. Some of those factors were the collapse of Soviet Union, asylum seekers coming from countries like Somalia, Iraq and Afghanistan, and Finland becoming the member of European Union (Maahanmuuttovirasto 2015). In addition, the immigration has also grown since Finland become a part of a single European market and a single currency. In recent years, Finland has made outstanding progress resulting in more and more people coming to the country. For instance, according to World Economic Forum, in 2016 Finland has ranked the safest country in the world (WEF 2016). Finland has also ranked as the best governed country in the world by Global Prosperity Index (Legatum Institute 2016). In addition, it is numbered as the most stable country (The Fund for Peace 2016). It has topped the chart in the world for freedom of press (World Press Freedom Index 2016). On top of that Finland has ranked number one in the fields of education, environment and standard of life in year 2016 (Indexes 2016).

Finland is one of the popular destinations for immigrants because of its positive characteristics. Thus, the country is struggling to accommodate its growing numbers of foreigners to the labor market. The labor market has not been expanded as much as the foreign population has expanded. Therefore, as the country would need immigrants for its labor shortage in future, it remains a challenge for Finland to accommodate and create equal opportunities for everyone in the labor market.

### 3 Discrimination in Finnish labor market

Discrimination in labor market is not a new phenomenon. It exists in all the labor markets around the world to some extent. In some places, it happens more than other places. Generally, there are two types of discrimination that occur in any labor market: (a) before getting a job, called discrimination in recruitment and (b) after getting a job which is discrimination at workplace or work related areas. The common reasons for discrimination for both types are quite the same. These are differences in gender, age, religion, ethnicity, nationality, color, cultures, habits and languages (Amnesty International). Here I would like to examine the discrimination in Finnish labor market.

Discrimination after getting a job or in other words discrimination at workplace or work related areas are witnessing a positive change in Finland claimed by statistics of Finland through its quality of work life survey 2013 report. In this report, Statistics Finland has compared the discrimination that has taken place in Finland during the years 1997, 2003, 2008 and 2013 (Quality of work life survey, Statistics Finland).

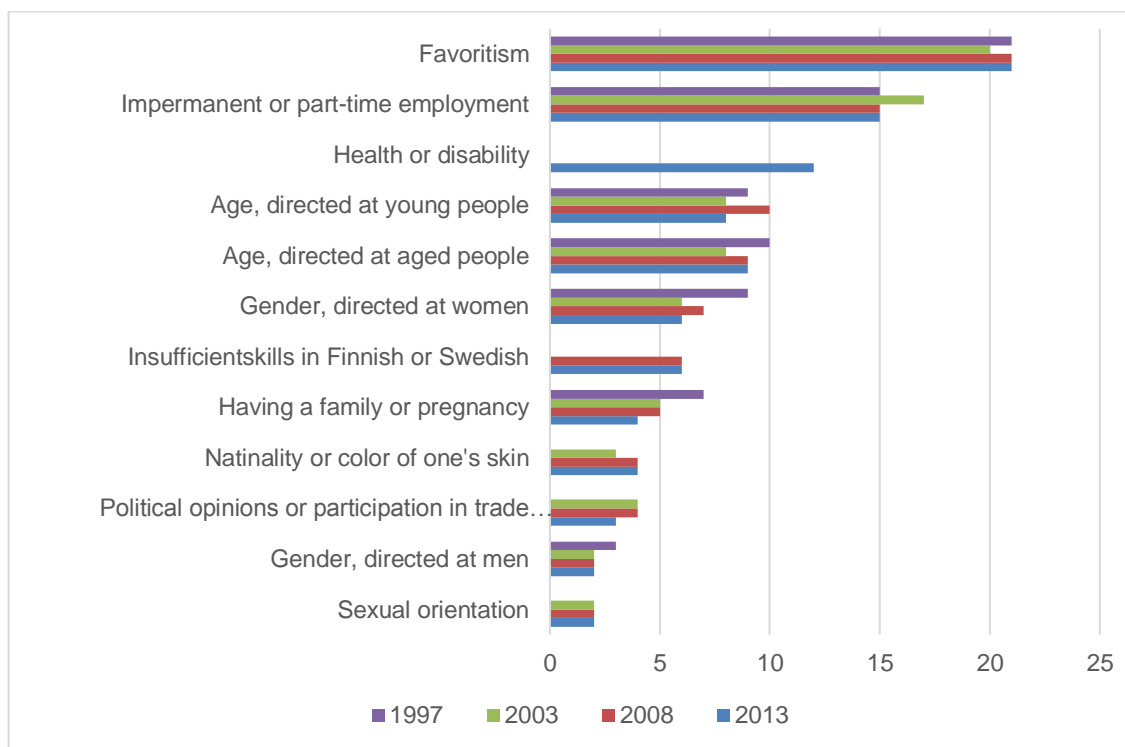


Figure 5: Share of employees that have observed unequal treatment or discrimination at their workplace (%) by grounds of discrimination

Source: Quality of work life surveys 1997, 2003, 2008 and 2013, Statistics Finland

If we analyze the figures above, based on the quality of work surveys report 2013 we can observe that discrimination at workplace in Finland has decreased in almost all the areas compared to year 2008, 2003 and 1997. The lowest discrimination has taken place on the ground of sexual orientation, gender (directed at men) and political opinions or participation in trade union activities. On the other hand, discrimination on the ground of health or disability, impermanence of employment relationship or part-time employment and favoritism are the highest. Even on the highest discrimination grounds areas have witnessed less discrimination compared to past years except for health or disability section (where the data is not available for earlier years). On the report, it is also seen that discrimination on the ground of having a family or pregnancy has seen a continuous decrease over the years while the opposite phenomena took place on the ground of nationality or color of one's skin. The discrimination has taken place the most on the ground of favoritism which has stayed nearly the same since year 1997.

According to the Quality of Life Surveys report 2013, women are subjected to face more discrimination compared to men in general. For more detailed overview, a table is presented below to show the percentage of men and women facing discrimination on workplaces in different areas.

From the table, we can observe that in year 2013 on the ground of favoritism 24 percent of women faced discrimination whereas the percentage of men was 17. In year 2008 women have faced even more discrimination in the same section which was 25 percent where men's discrimination percentage was the same at 17. In year 2013 and 2008 women and men have faced same number of discrimination 19 and 11 percent accordingly in the area of part-time employment. 21 percent of women and 11 percent of men have faced discrimination in year 2003 where as 16 percent of women and 13 percent of men have faced discrimination in year 1997 in the same areas. On the ground of health or disability the percentage of discrimination between women and men are 14 and 9 in year 2013. Previously, there has been no record of discrimination in this area. Age, directed at young people section women and men have faced same percentage of discrimination which are 8 percent in year 2013 and 10 percent in year 2008.

		1997	2003	2008	2013
Favoritism	Women	23	24	25	24
	Men	18	16	17	17
Impermanent or part-time employment	Women	16	21	19	19
	Men	13	11	11	11
Health or disability	Women	-	-	-	14
	Men	-	-	-	9
Age, directed at young people	Women	8	8	10	8
	Men	11	9	10	8
Age, directed at aged people	Women	11	10	11	10
	Men	10	6	8	7
Gender, directed at women	Women	12	9	9	8
	Men	6	3	4	3
Insufficient skills in Finnish or Swedish	Women	-	-	6	7
	Men	-	-	5	5
Having a family or pregnancy	Women	10	7	7	6
	Men	3	3	2	3
Nationality or color of one's skin	Women	-	4	5	3
	Men	-	3	3	4
Political opinions or participating in trade union activities	Women	-	3	4	3
	Men	-	4	4	4
Gender, directed at men	Women	3	2	1	2
	Men	3	2	3	2
Sexual orientation	Women	-	3	2	1
	Men	-	2	3	2

Figure 6: Share of employees that have observed unequal treatment or discrimination at their workplace (%), by gender and grounds for discrimination

Source: Quality of work life surveys 1997, 2003, 2008 and 2013, Statistics Finland

Interestingly, in year 1997 and 2003 men suffered more from discrimination than women in the section of young age. However, women in sections discrimination directed at aged people and gender inequality towards women, have faced more discrimination compared to men every year of the survey. Discrimination on the grounds of insufficient skills in Finnish or Swedish section has first been recorded in year 2008 where women have scored 6 percent and men have scored 5 percent. In 2013, women have faced 7 percent where men have faced 5 percent of discrimination in the same area. Moreover, women are in much more vulnerable position compared to men on the grounds of having a family or pregnancy. In the sections of nationality or color of one's skin and sexual orientation both women and men have faced mixed

discrimination where sometimes men have scored more than women and vice versa. In addition, political opinions or participation in trade union activities section, men have faced either equal or more discrimination compared to women over the years. Based on the information provided on the table it is clear and proven that women are subjected to face more discrimination compared to men in most cases. Moreover, it can be assumed that the most likely person to encounter inequality in Finnish labor market is for a foreigner non-Finnish speaking elder woman in a short term or part-time employment (Quality of work life surveys 1997, 2003, 2008 and 2013, Statistics Finland).

### 3.1 Experiencing unequal treatment

Personal stories of facing unequal treatments are many. According to Statistics Finland, it is reported in the Quality of Work Life Survey 2013 that in receiving employee benefits and in recruitment or appointment situations workers have faced the lowest unequal treatment. On contrast, in the attitude of co-workers and supervisors and in receiving information situations employees have faced the highest percentage of personal unequal treatment which is 15 percent or more. 10 to 15 percent of employees have faced discrimination in the sections of remuneration and in being appreciated. In possibilities of advancement, in accessing training and in distribution of work shifts sections workers have experienced 8 to 10 percent of unequal treatments personally. (Quality of work life survey 2013, Statistics Finland).

In personal experiences of unequal treatments women also have faced more discrimination compared to men. Here is a table presented below to demonstrate the fact.

		2003	2008	2013
In receiving information	Women	20	20	19
	Men	14	14	14
In the attitudes of co-workers and supervisors	Women	20	21	19
	Men	10	12	12
In being appreciated	Women	17	19	17
	Men	11	10	10
In remuneration	Women	15	14	12
	Men	11	11	9
In distribution of work shifts	Women	13	13	12
	Men	7	7	7
In accessing training	Women	10	11	10
	Men	6	6	5
In possibilities of advancement	Women	9	9	8
	Men	6	7	7
In recruitment, appointment situations	Women	8	7	6
	Men	6	5	3
In receiving employee benefits	Women	6	7	6
	Men	4	4	5

Figure 7: Has personally experienced unequal treatment or discrimination in the past five years at the workplace. Share (%) of employees by discrimination situation

Source: Quality of work life surveys 2003, 2008 and 2013, Statistics Finland

It is seen from the table that women have experienced more personal unequal treatment compared to men. For example, in year 2013 it is recorded that in the section of receiving information 19 percent of women have faced discrimination whereas the percentage of men were 14 in same section. Moreover, in same year in the section of the attitude of co-workers and supervisors, women have scored 19 whereas men have scored 12 percent. In the section of being appreciated women are far behind of men as men have reportedly received up to 9 percent more appreciation compared to women. Similar situations are also witnessed in areas of remuneration and accessing training where women face more unequal treatments compared to men. In addition, men are more favored compared to women in the section of distribution of work shifts.

Interestingly, in possibilities of advancement section the gap between men and women percentage of facing discrimination is very little where men have 7 and women have 8 percent in year 2013. Finally, in the sections of recruitment, appointment situations and in receiving employee benefits men enjoy more favors compared to women as it is mentioned in the table that percentage of women experiencing unequal treatments are on the average 2 percent higher than men. In all the situations that we discussed from the table are witnessing a common phenomenon of women being in the target or being experiencing higher in number when it comes to unequal treatments at the workplaces. (Quality of work life surveys 2003, 2008 and 2013, Statistics Finland)

Based on given information, Finland is progressing towards positive change when it comes to discrimination at the work place. Over the years, discrimination in work places is getting less and less. However, there are certain characters of labor market that has consistent with the discrimination. For example, even though both men and women face discrimination but it is the women who faces more unequal treatment than men in general. In addition, on the matter of discrimination against foreigners, the number of unequal treatments have increased over the years.



#### 4 Discrimination Against Foreigner

Finland is the most socially progressive country in the world according to Social Progress Imperative 2016. As a result, many people from the developing countries come to Finland, searching for a better life. However, entering in the Finnish labor market is a challenge for the foreigners as they have to go through recruitment process for any kind of job they want to get. Numerous studies have shown concerning amount of discrimination in recruitment process of Finnish labor market and three major areas of discrimination are gender, age and ethnicity (Ahmad 2002; Viitasalo 2011; Larja et al. 2012; Pärnänen 2012; Koivunen et al. 2015). When it comes to hiring foreigners, the discrimination has been noticed to be three times higher than gender discrimination in recruitment process (Larja et al. 2012, pp. 181-182). A study carried out by Jasinskaja-Lahti et al. found that ethnic discrimination is very common in Finnish labor market. The study consisted of seven nationalities who applied for the same job and every second applicant with foreign background faced discrimination. When it comes to the immigrants from developing countries like Somalia and Arab countries, they have suffered more discrimination than other nationalities (Jasinskaja-Lahti et al. 2002, pp. 86-88). In another study, it was found that discrimination is very common against foreigners in Finland. For instance, a Russian named person has to send two times more job applications compared to a Finnish person to be selected in the interview process for the same vacancy. As the researchers described the situations in their own words

“We found no statistically significant differences between different occupations, which means that there was roughly the same amount of discrimination in all studied occupations. The same was true also for differences between cities, between the public and the private sector as well as between temporary agency work and regular employers. These results suggest that discrimination is a common phenomenon and not restricted on any particular sector. This observation is in line with international research reviewed by Aalto and colleagues” (Larja et al. 2012, p. 179).

Similar phenomenon has been also identified in the neighboring country Sweden. In a study Carlsson and Rooth (2007) reported that a person who is not Swedish has to send 1.5 times more job applications compared to their Swedish counterpart in order to be called for an interview.

Every company wants to have the best or perfect worker for their organization. The idea of a perfect employee varies from company to company depending on the characteristics of the job and how the company defines the ideal worker. On the other hand, every employee wants to work in a good company in order to build their career by performing through their skills, knowledge and hard work. To select the right person for the job, companies go through recruitment and selection process. In the recruitment process employers often carry their own idea of perfect employee which tend to be dictated by social ideas and norms (Tienari et al. 2002). These ideas act as stereotypes during the recruitment process for the company and lead to a situation of unintentional discrimination, if not intentional. As a result, companies actually fail to acquire their ideal or suitable employee for the job (Koivunen et al. 2015, p.4). According to a recent study carried out by Koivunen et al. claims that the foreign candidates of the Finnish labor market are regularly subjected to the informal practices of discrimination during recruitment. The research pointed out the unequal practices of Finnish labor market which were divided into three categories. Those are recruitment on the basis of existing law, exchanging the responsibility of the recruitment to others and how diversity management plays a role in the process (Koivunen et al. 2015, p.10).

#### **4.1 Hidden Discrimination**

In the face of recruitment by law, it is reported that the companies are aware of the existing law and they certainly do not want to cross the limit of the law. Therefore, companies carry out planning and briefing in the recruitment process by involving everyone so that they can achieve not only equality in the process but also would be able to avoid any kind of contradictions with the law. In addition, companies hire recruitment agencies to do their job so that they do not have to go through the complicated process. The recruitment agencies make sure that their clients do not make any mistakes against the discrimination law during the whole process of recruitment. As one of the recruitment consultant said in the interview that their main task is to work as a middleman and ensure the total satisfaction of the client. If the client gives them any materials, they do not just publish it, they make sure there are no mistakes in the materials that could lead to the breach of discrimination law. The consultant also added that the recruiter has his or her own idea of the recruitment

process despite the law saying otherwise. There may be applying for the job people who are outside of the target group and their applications are accepted just for pretense. Those applications do not move forward in the selection process. Finally, the consultant ended by saying that he is not in a position to judge whether it is discrimination or not but his main job is to prevent his customer from making any mistake that could go against the law (Koivunen et al. 2015, p.10-11). It is clear that the recruitment agencies are solely committed to the equality law not because they have great passion for equality but because their clients can avoid law related problems. It is the law that forces the recruiters to avoid inequality not an endeavor for equality. As a result, discrimination may assume indirect or hidden form (Husu 2002).

#### **4.2 Discrimination Via Responsibility Management**

Another form of informal recruitment discrimination take place when the recruitment agencies try to transfer the responsibility either to the applicants or to the clients. When recruitment consultants were asked about do age and gender play a role in the recruitment process, in reply they said it does not play any role in the selection process. They also added that it is the client who makes the final call on the matter. The clients may have their own personal preferences on the candidates and that way passive discrimination might take place. Interestingly, when the consultants were asked about the role of ethnicity in the recruitment process, the answers were quite shocking. The recruiters claim that many companies do not want ethnic people to work in their company. Therefore, they do not present any candidates with ethnic background to those clients. They also think that the stereotypes and prejudices prevent some clients to hire foreigners. One of the consultant said in her own word,

“But we have job seekers who have a foreigner name and who speak perfect Finnish, so then perhaps there may be such prejudice, even when one can see that s/he has lived her/his whole life in Finland and went to school here, has been educated and worked in Finnish. So, there may be a little visible prejudice there (female recruitment consultant)” (Koivunen et al. 2015, p.13).

However, some of the recruitment consultants disagreed with the fact that ethnicity plays any role in their assessment process. Instead, they claim, it is the poor language

skill of the candidates with a foreign background that often put them into back seat among other candidates. This claim does not stand out as a strong argument, as many HR managers think otherwise. This is the response of an HR manager regarding the issue of language:

“We think it’s so nice, we should have even more [immigrants]. Language has never been an issue here. We have seen it as a chance to develop, that we can use English, for example. A good example is our [middle manager] who is Swedish and rarely speaks only few words of Finnish, and when we recruited him, we recruited people under him on the basis on their strong skills in English so that they would be able cope with their manager. So, we set it as a positive challenge” (Koivunen et al. 2015, p.13-14).

On the other hand, a customer service worker in a department store with an Iraqi ethnic background is not able to apply for a higher position at work because he does not speak so called perfect Finnish even though his Finnish is good enough to serve the customers and even give an interview on the topic of equality (Koivunen et al. 2015, p.14). Based on the evidence presented above it can be clearly said that discrimination against foreigners in the recruitment in Finland is a fact. There are people who want to cover the fact by pointing out the lack of language skills of the foreigners. However, we have noticed that hiring a top manager with Swedish background does not require any Finnish skills at all, whereas a customer service worker with an Iraqi background cannot even apply for a better position because he does not speak perfect Finnish. This shows the double standards of the recruitment practices in the Finnish labor market.

### **4.3 Discrimination by Diversity Management**

The role of the diversity management in the recruitment process in Finnish labor market is a rather new concept. The concept was first introduced in the United States and widely accepted there. Since then it has spread throughout the world. In a nutshell, diversity management is about hiring people from diverse background, e.g. different age, gender, ethnicity, language and so on by which a company will create an environment for everyone where they will feel regarded and respected. As a result, the organization will benefit from the employees through maximum level of work efficiency which will generate more profit for the company (Kandola and Fullerton 1998, p.7).

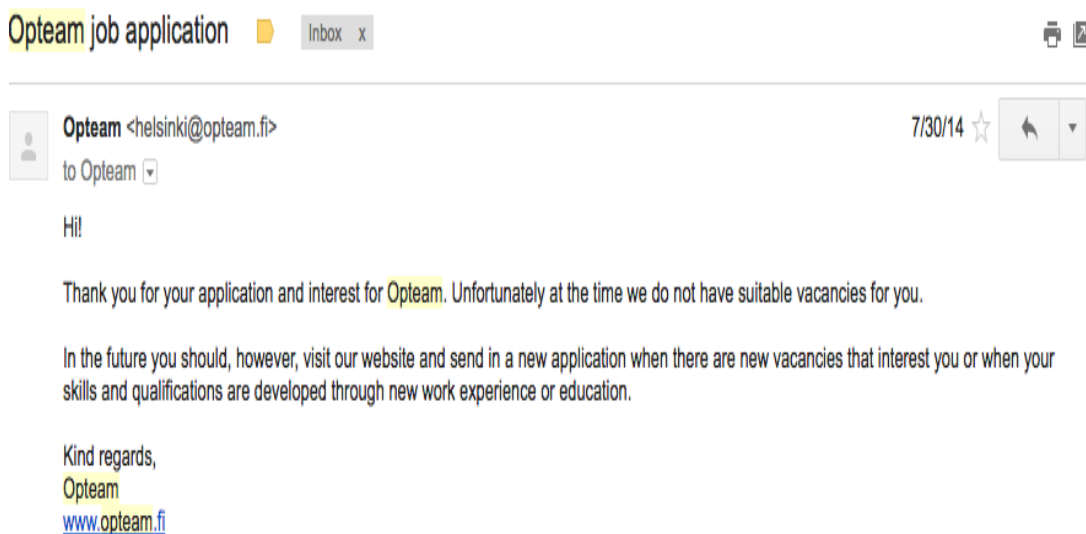
In Finland, many HR managers are not aware about the concept of diversity management. However, they can easily relate to the characteristics of the concept. In the views of many HR managers, diversity is a beneficial thing for both the company and employees, particularly for foreigners. For some companies, diversity became a selling strategy. One of the HR managers has said that diversity is beneficial for them as they can see things in different light. If everyone would be seeing things the same way, then it would be difficult for the company to operate. They have various customers with different interests, therefore it is important for them to have unique solutions to their problems and they can only deliver them through diverse work force. However, the concept of diversity in the Finnish recruitment system tends to be only an impression for advertisement. The recruitment agencies do hire foreigners not because they want to be diverse and effective but because the foreigners have less expectations from the company and are ready to settle for less compared to Finnish workers. Moreover, foreigners are more hard working than Finnish workers as they want to prove themselves and are easily adapting to the situations without complaining. Thus, companies get good workers with less payments which leads to more profitability for the organizations (Koivunen et al.2015, p.15-16). Here we can see how a sole purpose of profitability leads organizations to informal practices of discrimination.

Based on the discussion presented above one can easily say that the foreigners in Finland are subjected to discrimination in the recruitment process. Whichever systems are applied in the recruitment procedure, ethnic groups seem to suffer the most during the process. This discrimination is not formal as the existing law prevents such kind of practices. Therefore, it is mostly informal and hidden discrimination that takes place. Moreover, even recruitment among foreigners have double standards. As we mentioned before, a Swedish person can get a managerial position without knowing any Finnish and, on the other hand, an Iraqi person is not eligible to apply for a higher position in the company because he does not speak so called perfect Finnish (Koivunen et al. 2015). In next section, more examples of Finnish labor market practices are presented.

#### 4.4 Some examples of Finnish labor market practices

In this section, I would like to present two examples of recruiting practices of Finnish labor market. The examples are taken from the interviews that are conducted for this study paper. The interviewees agreed this information to be published on the condition of not mentioning their name. The first example is shared by a non-Finnish person. The second example is given by a Finnish person. Here are the examples presented below.

Example: 1



Document 1. Email reply from the company.

A foreign student from Helsinki, Finland, applied for job to a rental recruiting agency called Opteam. After applying through their official website, the applicant got this exact answer via email which is shown above in the document. It is said in the email that the candidate is not skilled enough to get a job or they do not have any vacancies for the candidate to fit in to their company. To this point everything seems normal as it can happen that the candidate did not offer what the company was looking for. And on that basis it is normal to get rejected. However, the twist of the story took place the same day when right after getting rejected the candidate managed to sign a contract with the same company. After being denied by the recruiting agency the candidate called to a Finnish person who he knew personally and the person worked in the same industry as a manager. The candidate explained the whole situation to the Finnish

acquaintance. The person listened the story and suggested him to go to that recruiting office and give her reference to them and ask them to make a contract with him. After being advised the applicant went to the agency office and told them about the reference. The office made a call to the manager to verify the information and after that they have made the contract with him immediately. Below there is part of the contract document presented for the better understanding of the story.

**17. Käyttäjärityksen palvelukseen siirtyminen työsuhteen aikana**

Työntekijä sitoutuu siihen, ettei mene työsuhteen kestäessä käyttäjärityksen palvelukseen. Työntekijä ei saa ottaa suoraan käyttäjäritykseltä vastaan minkäänlaista palkkaa käyttäjärityksen luona suoritetusta työstä.

**18. Oikeat ja täsmälliset henkilötiedot**

Työntekijä on antanut oikeat ja täsmälliset ammattipätevyyttänsä koskevat ja muut henkilötiedot, jotka vakuuttaa allekirjoituksellaan oikeiksi.

**19. Sopimuksen voimassaolo**

Tämä sopimus on voimassa ilman eri sopimusta työntekijän kanssa sovitun tai myöhemmin sovittavien määräaikaisten työsuhteiden osalta, ellei erikseen muuta sovita.

dot hyväksytty 30.7.2014 14:17

Document 2. Excerpt from work contract.

As can be seen from both document 1 and 2 above, the incident took place on the same date 30 July 2014. On the morning of 30 of July 2014 the candidate was rejected and on the same afternoon the applicant managed to get the job in the same company.

This story demonstrates the picture of Finnish labor market and their recruiting practices. It is clear from the story that either the recruiters are not sincere in looking at the profile of the candidate or they are biased and will hire anyone despite their qualifications if they have a strong reference to provide. In either way, the recruiting practices are not fully fair as so many candidates who apply for a job do not get a chance to have their profile reviewed because they are foreigners or they have no one to give any reference. In addition, it is also clear that there is a rather common practice of favoritism in Finnish labor market.

### Example: 2

In this example a Finnish person has been the victim of favoritism during the internal recruitment process of a big company. There was a vacancy of a managerial position in the company as a previous manager was transferring to another working place. The company had issued an internal recruitment advertisement for the position. A worker of the company applied for the position and was waiting for a reply. After a week of waiting without getting a response the applicant had raised the topic of recruitment process for the position to the monthly individual staff meeting. In the meeting the applicant was informed that unfortunately the position was already filled. When asking about the name of the chosen person, he learned that it was one of the colleagues who had joined the company only less than four months ago.

The applicant has been working for three years in the company and knows almost all the tasks that were required for the position. Whereas the selected person barely knows anything of those tasks and s/he<sup>1</sup> was trained for the position. It also turned out that the chosen person did not even apply for the position. Thus, the applicant was assured that the recruitment was totally biased as the chosen person had a very intimate relation with the manager who chose him/her<sup>2</sup>. Pointing out the fact to the upper management lead to the denial of happening such things during the whole selection process. Based on the scenario it can be easily said that the applicant is clearly a victim of favoritism. There was no process of recruitment despite publishing a job advertisement. The chosen person was selected based on personal choice of the selector without giving others a fair chance to compete for the position.

In both examples, we noticed a non-transparent process of recruitment. Both Finnish and non-Finnish persons were the victims. However, if we closely analyze we can see the non-Finnish person is more vulnerable in the recruitment process. It is difficult for a foreigner to get a job let aside the fact of being promoted to a higher position.

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<sup>1</sup> In Finnish language 'hän' is used for both he and she. Therefore, we used s/he as gender could not be specified.

<sup>2</sup> In Finnish language 'hänet' is used for both him and her. Therefore, we used him and her as gender could not be specified.



## 5 Reasons for Discrimination

By now it is clear that the ethnic groups face unequal treatments. Therefore, I would like to unfold the reasons for discrimination and how it can be minimized. I would like to present the whole issue by economic term *barriers to entry*. Generally, barriers to entry mean obstacles to enter. In economics, it means to have obstacles to enter in a market. In any market, there are competitors. Whenever a new company wants to enter to a market it faces some obstacles or challenges. Sometimes these barriers are set by the existing companies and sometimes it can be also put by the government of a country. For instance, a government can put some barriers on certain local industry so that the foreign companies cannot compete with the local businesses. An American economist named Joe Staten Bain (1912 – 1991) first introduced barriers to entry theory (1956). Since the theory has been introduced it has evolved by the passage of time (Investopedia.com). There has been a lot of definition and redefinition of the theory and much criticism on how to use or not to use the theory. Even after being criticized, the theory has been widely used in various industries till now to conduct businesses. Here, I will be using barriers to entry theory to analyze the Finnish labor market from the perspective of foreign job seekers, companies and government.

### 5.1 Barriers to entry for non-Finnish job seeker

Non-Finnish citizens looking for a job in Finnish labor market often encounter several barriers to entry. One of the main barriers for foreign job seeker to enter in Finnish labor market is language. Many of the applicants do not speak Finnish. Usually, Finnish companies do require their employees to speak fluent Finnish. Almost all the job advertisements of Finnish labor market have a requirement of speaking Finnish. When it comes to the matter of hiring foreigners the most common excuse presented is the deficiency of Finnish language. It is also claimed by many recruitment consultants that, if foreign applicant does not speak proper Finnish and English his or her chances of getting hired are nearly zero percent for most of the jobs (Koivunen et al.2015 p.13). Another barrier to entry for the ethnic job seekers is lack of Finnish cultural knowledge. Finnish has a different style of working and many organizations do not want to hire employee from ethnic background as they may have had unpleasant experiences with foreigners related to Finnish working culture (Koivunen et al.2015 p.13). In addition,

one of the barriers can be a CV which is overwritten. Some recruitment consultants pointed out that many foreigners write their CV by claiming that they are highly qualified in some particular area which might not be the case. On the other hand, Finnish applicants write their CV very simple and do not overwrite (Koivunen et al. 2015 p.13). Many of the job seekers might not have any experiences regarding the job which prevent them to enter the market. Furthermore, occupation-related education could be a requirement for getting a job which the candidates might not have, could become a barrier for them.

## **5.2 Barriers created by companies**

Many companies put barriers to entry in the labor market where it is difficult for non-Finnish applicant to get a job even if they may have better qualifications for the position. Every company wants to get the best qualified employees for their team. On the other hand, the recruiting process is very expensive and time consuming for the companies. To get the best employees with minimum time and cost, organizations often hire consultancy agency to do the job for them (Koivunen et al. 2015). Companies put certain conditions to the job descriptions which eliminates many candidates automatically. For example, companies mention Finnish language as requirement for the job which disqualifies many of the non-Finnish speakers for the application. Even some foreign candidates who speak good work Finnish are not advanced to the recruitment process because many companies do not want to hire any immigrants (Koivunen et al. 2015). In addition, many organizations carry social stereotypes and prejudices against the ethnic groups which prevent foreigners to enter in the Finnish labor market. Moreover, many recruiters nurture the thought of previous bad experiences with immigrant workers which pose obstacles to current foreign candidate who are looking for job (Koivunen et al. 2015). There are other ways companies can put barrier for foreign applicants. For instance, companies by asking for work experiences can exclude several candidates who are nearly graduates or recent graduates who do not necessarily have any job experiences yet. On top of that, some companies even require the applicants to be a Finnish citizen in which case non-Finnish applicants have no chance even applying for the job (Yle Uutiset 2016).

## 6 Preventing workplace discrimination in Finland

In the previous chapter the reasons for discrimination were discussed. In this chapter, some of the solutions to the barriers will be presented. The role of job seekers, employers and the government will be discussed in preventing those barriers from taking place. In addition, preventing workplace discrimination will also be discussed at the end of the chapter.

### 6.1 Solution to the barriers

It is necessary for foreign job seekers to be prepared to overcome all the barriers that possibly come to their way entering the Finnish labor market. We already mentioned the biggest barrier for an applicant is Finnish language (Koivunen et al. 2015). As almost all the job descriptions require Finnish language, therefore it is necessary to know the language well. Even if the language is not required for the job but to know the local language is always an advantage for the candidate. Moreover, it is also important to know the language for the occupational safety environment. Foreigners who do not study in Finnish Vocational school or universities, they can easily enroll themselves to Finnish courses offered by various government and non-government organizations with very little payments or free of charge (This is Finland 2015). On top of that, international students can easily learn Finnish language in their respective universities as almost all the universities provide Finnish language courses to its non-Finnish speakers. If not, then students have chance to take language courses offered by open university with minimal cost (University of Helsinki 2017). In addition, foreign job seekers need to get acquainted with the Finnish culture. Finland is recognized for its homogenous character in the world. Even-though, the situation is changing due to globalization but the speed is slow (This is Finland 2015). So, it is the benefit for foreigners if they learn about Finnish culture and try to integrate with the society. Beside to that, work experiences and studies related to work are given a great importance in Finland. Foreigners who have study certificates can already investigate beforehand if these can be validated by local authority for the use of employment search (This is Finland 2015).

Organizations will always look at their benefits – that is normal. But they also need to realize that putting barriers to the labor markets might be short term gain for them, but

in long run it might be a danger for the companies. For instance, if a company wants to hire the ideal worker by putting barriers to the recruitment process then, the company might even end up with not good workers (Koivunen et al. 2015). Besides, companies should not carry prejudices and stereotypes against ethnic groups. A multicultural work environment can achieve great things for a company: solutions to the problems would be more innovative and widely acceptable as there are many cultures and different viewpoints involved. Diverse work force will help a company to reach its maximum profitability and efficiency (Koivunen et al. 2015). On top of that, organizations need to exercise equality in the work places and recruitment processes in order to advance the society not because it is the law (Koivunen et al. 2015). In addition, there are jobs that do not require Finnish language to perform, organizations can easily avoid asking Finnish language as a requirement for those jobs. Same goes for the work experiences. There are jobs that do not need any previous experiences to perform. That can be also avoided in the job descriptions. Finally, companies should be more open minded about the requirement in order to give a fair chance to everyone and get the best result for their own and also social benefit.

## 6.2 Government's role

According to social progress index 2016 the living standards of Finland are one of the highest in the world. However, the country is still lagging behind in attracting international talents as the labor market is not so friendly towards the international community. Besides, the number of working age people is decreasing in Finland every year (Statistics Finland). Soon Finland will face a labor shortage in its economy and the young generation workers will not be able to fill the labor gap alone. In that situation, one of the solutions could be immigrant workers. Therefore, it is very important for the Finnish government to attract young international talents to their labor market to keep the economy growing. The government of Finland has already taken some good initiatives, for instance making work related immigration and social integration as part of government policy (This is Finland 2015). However, government should offer a lot more. To create a discrimination and barrier free labor market Finnish government can do many things. Some of them are create new jobs, encourage entrepreneurship, create more competition in the labor market, put measured regulations to ensure fair recruitment system, encourage organizations to be more internationally competitive, offering more language and cultural programs to integrate non-Finnish citizens more

rapidly and building such an economy where companies will feel more confident and comfortable to hire international talents.

The global economy has made it possible for businesses to operate across borders. Naturally, cross-border businesses require multicultural work environment. On one hand the globalization made it possible for businesses to run more easily than before, and on the other hand it is becoming more and more challenging to maintain a fair and equally treated workforce especially in an international working environment. In modern working atmosphere teamwork plays a very important role for the success of any company. Therefore, it is necessary to have a discrimination free workplace so that employees can feel equally treated and give their best performances. If organizations fail to provide a good environment for their employees, then it will harm them both in short term and long term. For instance, lots of turnovers, demotivated or absent minded workers and poor performances, could be some of the results of discriminated workplace. As a result, companies could pay lots of overhead costs and the brand of the companies could be affected negatively. Therefore, companies need to take necessary steps to prevent any kind of discrimination at workplace to achieve maximum results from the employees. Companies can try to prevent discrimination by following five steps presented in the article by Arnold (2017):

1. Step: Knowledge of all Anti-Discrimination Laws
2. Step: Introducing policies against discrimination.
3. Step: Arranging training programs.
4. Step: Proper Investigation of Complaints
5. Step: Preventing passive discrimination.

Let us analyze these five steps to achieve discrimination free work environment.

### **6.3 Knowledge of all anti-discrimination laws**

Companies need to know all anti-discrimination laws in the country. For Finnish companies, they need to have a deep knowledge of all the anti-discrimination laws that exist in the country. For instance, Finnish Non-Discrimination Act (1325/2014) section 8 prohibits any sorts of discrimination based on "age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics". Moreover, the law not only forbids all sorts of direct and indirect discrimination but also prohibits

harassment and any kinds of actions that lead to discrimination. In addition, the law gives definition of direct discrimination in section 10 to clarify what discrimination means. A person treated less good than other person is categorized as direct discrimination (Ministry of Justice 2014). When companies will know all the possible laws against discrimination then it would be easy for them to avoid situations that will create such kind of scenarios. However, organizations need to be aware that their sole focus is not only into the law. It is reported earlier in this paper that only strictly following the law in order to avoid any legal problems often leads companies to forget the real purpose of the law which is to create and practice an environment of equality in the work place. As a result, companies can cause indirect discrimination (Koivunen et al. 2015). Therefore, the purpose of the organizations should be the advancement of equality in the workplace by keeping in mind all the necessary laws around it. In addition, it is also important for companies to work closely with work unions and have knowledge of their policies to create companies' own policies of anti-discrimination.

#### **6.4 Introducing policies against discrimination**

The next step for the organizations is to have their own policies for the workers to prevent discrimination. Promoting and providing equality in the work place should be the central message of the policy. The Finnish non-discrimination act (1325/2014) talks about the responsibility of the employers to promote equality regarding the employees. It is mentioned in section 7 that companies with 30 or more workers must have an equality assessment program. In addition, the law also says that it is the responsibility of the employer to take all the necessary actions needed to promote equality by using resources most efficiently (Ministry of Justice 2014). The target group should not only be the existing workers but also the future candidates who want to apply to the companies.

Often most of the discrimination takes place in the recruitment process. Therefore, it is necessary to have a policy that will welcome and aim to achieve a diverse work force which will bring great values to the organizations. In addition, a work place with equal opportunity for everyone will encourage employees to perform their best. Besides, the policy should make it clear that any form of non-equal act against other will be taken very seriously. If proven guilty, the company will take appropriate actions against

wrong-doer. On top of that, involvement of the employees is needed to make sure that everyone participates in the making of the policy and understands its importance. Finally, language of the policy should be clear, simple and well explained that would be understandable to all the workers and it will be presented in a positive manner encouraging everyone to create an environment of equality (Acas 2015, p.13).

In cases of small organizations, they can make a simplified version of the policy that suits their needs and their resources. However, the goal of the policy should be the same as for large and medium sized companies which is to promote equality and accept diversity. In addition, it is also important to cover all the equality and anti-discrimination laws in the policy which will be a comprehensive guideline for everyone. Besides, if any event of unequal treatment takes place then organizations should deal the matter with utmost importance and carry out necessary action to solve the problem and prevent the happening of similar situations in future (Acas 2015, p.14).

## **6.5 Arranging training programs**

The third step of preventing discrimination at work place is to arrange training programs for the employees. These programs can be arranged quarterly, biannually or at least annually. During the training programs, the employees will be informed about the anti-discrimination laws and company policies and its practical uses. The trainers need to be experienced person in training these subjects and can even play simulation game with participants to create certain situations to make everyone understand how important are these policies for everyone to follow. It is also important that these training programs would be presented to the participants in such a way that they would be motivated and inspired by the programs to work together for a better working environment. As a result, the participants of the programs might share their amazing training experiences with other colleagues from other organizations which will also inspire them passively to work towards a discrimination free environment (Arnold 2017). Moreover, the training programs should be arranged for everyone and contain all aspects of discrimination and harassment in details with practical examples for understanding; discussing all the active and passive, direct and indirect, intentional and non-intentional discrimination situations; explaining how to detect incidents related to discrimination or harassment and how to report them to the authorities; teaching how

to prevent occurring such incidents if they begin to take place and finally to inspire and motivate everyone for aiming an equal and respectful work environment for everyone. In addition, employers need to arrange separate training programs for the managers as they need to handle all complaints of the workers related to discrimination. All the managers should be trained well in order to handle any kinds of harassment or discrimination related issues without being biased or prejudiced about any party. They should have a mind of attention to details so that they can see both sides of the same story and take proper actions for the situations (Acas 2015, p.15-17).

## **6.6 Proper investigation of complaints**

It is true that no company wants to associate themselves with unequal working environment where they will have to face complaints like discrimination or harassment. For that reason companies make policies and arrange training programs to prevent them. However, even after taking all the necessary steps organizations still might come across complaints of discrimination or harassment. Based on the works of Arnold (2017) and Acas (2015), it can be suggested that if such reports are made, the company could do the following:

The first thing need to be done is to act fast. If there are any complaints made it needs to be investigated immediately. Procrastination on investigating of such incidents can create more of these similar kinds of incidents in future. Therefore, acting promptly is important. Right after a report has been made, it is important to select an investigator for handling the issue. The officer could be anyone from the company who has both the knowledge and ability and vast experiences in handling these kinds of situations. Usually the HR department of the company takes care of such issues. If the company does not have HR department then they can choose someone from the company who can handle such situations. Moreover, if the complaints are made against the HR department or against the person who usually investigate such cases then company can hire someone from the outside of the company to investigate the matter.

The investigator needs to first meet with the person who has made the complaints. He or she needs to listen to the whole story from all the possible parties that are involved in the incident. After that, the officer should meet with all the people individually in



order to interview them and collect evidence or data. While taking interviews, the investigator must be aware that the interviews need to be conducted in such a way where everyone can be honest and open and nobody should feel targeted or insulted. After gathering the data from the interviews the officer need to analyze them and decide whether the discrimination took place or not. If the investigator feels that there is additional information needed for the investigation, then all parties should be prepared to give any assistance that would help the investigation.

In any investigation evidences are necessary to justify the situation. However, it is not easy to get information from the interviewees as they are concerned about the confidentiality of the information they are giving. Therefore, it is the duty of the investigation officer to make sure all the data that are gathered are treated with utmost confidentiality so everyone can be assured that only the best would come out from the situation. In addition, company also need to make sure that these kinds of cases are not known to public as it would harm the reputation of the company. In every way confidentiality plays a big role in the whole process.

It is also very important for the investigating officer to make sure that the victim should not act revengeful and do anything that would harm his/her career and colleagues. The investigator should make the complainer understand that if the other party is found guilty then the necessary action would be taken against them. Therefore, complainer should have total confident and trust on the investigation and be cooperative with the matter rather than revengeful.

The investigation officer should keep the documentation for the whole investigating process from beginning till end. In the conclusion section the officer should state whether the event of discrimination took place or not and suggest disciplinary action. A further explanation is also need if the investigating officer suggest no disciplinary actions. Based on the report of the investigating officer it is time to take necessary actions against the proven guilty party. Of course, actions should be taken according to the law and company polices and it should also be taken by measuring the level of the misconduct. The bigger the wrongdoing the more severe the actions would be. After taking proper disciplinary actions the company should take necessary steps to prevent such incident in the future, for example by arranging more counseling and training programs for the employees (Arnold 2017, Acas 2015).

## 6.7 Preventing passive discrimination

By this moment we all know that discrimination can take place both actively and passively. It is easier to detect active discrimination compared to passive ones. Passive discrimination often happens unintentionally. Therefore, organizations need to be aware of making any decisions or actions that could lead to passive discrimination (Koivunen et al. 2015). For example, a restaurant company policy is to reward employees who would get good customer feedback. Generally, the workers who work in front of the restaurant area are most likely to get the feedback as they are more in contact with the customers and most likely to be rewarded. On the other hand, the workers who are working inside the kitchen as chefs or assistants are not seen by customers and therefore not been given individualistic feedbacks which lead them not getting any rewards like others are able to get. As it is discussed earlier that because of the lack of language skills or stereotypes, foreigners tend to do the inside job in a restaurant like kitchen assistance or dishwashers. Therefore, they are not entitled to have customer feedback and rewards. Apparently, it looks like a nice policy to encourage worker to work good in order to provide great customer service. However, if we closely look at the situation we find it as a passive discrimination against workers who are not able to get any customer feedbacks because they are not interacting with the customers (example taken from an interviewee). This is a classic example of an unintentional discrimination. The employers might not even notice this incident as discrimination as their purpose is to encourage workers for good. On the other hand, the workers might feel discriminated. Therefore, it is very important for the organizations to take decisions that not only encourage and inspire the workers to work good but also think all aspects of any decisions and affects, and treat everyone equally to prevent all sorts of discriminatory situations.

At the end, responsibilities of preventing discrimination are not solely on companies. All parties involved in a company need to cooperate, encourage, promote and practice quality in everyday working life. Anti-discrimination laws and promoting equality guides are merely some sentences written on papers. It is the everyday practice of laws and guides in real life that make them valuable and help to create a better society where everyone is treated equally.

## 7 Conclusion

Based on current demographics, aging population is a challenge for Finland. It is a big problem which will lead this country to a labor shortage in near future as the country has a very slow growth rate. Previously, Finland managed its labor shortage by its own work forces, but it will not be the case this time as many research have pointed out. Thus, Finland would need people to run its economy smoothly without any problem. Immigration seems to be one of the few solutions for this problem as Finland cannot increase its growth rate overnight. On the other hand, due to globalization and the outstanding social and economic achievements, Finland is drawing attention of foreigners in big numbers.

In last 25 years, Finland has accommodated nine times more immigrants compared to the number in 1990. Fitting this considerable number of people in the labor market has been a challenging task for the country. Especially ethnic groups are more vulnerable in this situation. Based on the evidences presented before it can be said that the percentage of discrimination against foreigners has increased over the years despite that total number of unequal treatment in the work places has decreased. In addition, the most challenging part for ethnic background people is to make through the recruitment process. That leads Finland making headlines such as: "Overseas academics claim discrimination in university recruitment" and "Have you come up against unfair hiring practices in Finland?" (Yle Uutiset 2014a and 2014b). Besides, numerous scientific studies have shown that both the direct and indirect discrimination happen against the foreigners during the recruitment and selection phase. In the labor market immigrants from developing countries often suffer the most.

The most common reason presented by companies behind not hiring the foreigners is language skill. Besides that, working styles, lack of experiences and lack of cultural understanding are also in question when recruiting ethnic groups. On the contrary, studies have shown that presumed inadequate language skills of foreigners are often used as a poor excuse of not selecting the candidates, although many of the applicants speak very good Finnish. Sometimes, people who speak perfect Finnish and went to Finnish school, colleges and universities do not get a job because they are believed to not be able to speak the asserted native Finnish. In addition, researchers have found

that some of the main reasons of not getting hired as foreigners are: prejudices and stereotypes of the organizations, fearing foreigners, and being relatively new to the concept of diversity management.

However, the overall discrimination in Finnish labor market has decreased over the years. That proves Finland is serious about solving this problem and taking necessary actions all the time. In updated Non-discrimination Act 2014, the law not only prohibits any form of discrimination but also encourages to promote equality. The law also instructs companies who have 30 or more employees to have their own equality assessment program to establish and maintain discrimination free environment. Finland has a culture of abiding by the law. Therefore, these laws are helping the country to overcome its discrimination problem in the labor market. Although, abiding by the laws alone cannot solve this complicated issue. Social awareness and participation from all is needed to improve this situation.

Despite several previous reports, further scientific research and studies need to be done on this topic. Discrimination is a sensitive issue and it takes time to solve this problem. Therefore, continuous research and debate on this topic is very important. Besides, more studies need to be carried out about the monitoring system of the Finnish labor market. In addition, the role of Government is vital on this issue. Government should encourage companies to recruit more diverse work force as it is good for the Finnish economy. Finally, media plays very important role as well. Media can initiate more debates and awareness on the issue. Moreover, it can continuously inform people about the benefits and importance of discrimination free environment with a diverse work force.

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