



Women at Work

Malaysia's Untapped Potential:  
Women in Decision Making



Manpower®

# Women in Decision-Making

The Malaysian government has provided for favorable work environment, i.e. no religious or cultural barriers, for instance, and to date, women in Malaysia have managed to break through the eminent glass ceiling. We have women heading the Central Bank and the Securities Commission, both governing bodies of financial institutions and others at the helm of multinational organizations. We have seen women coming out of adversities and forming companies like *E-Homemakers* that help other women especially single mothers earn a living. No doubt, women are increasingly getting to the forefront of the economy, but there is still more room for improvement in participation of women in key decision-making areas in both public and private sectors.

Each year the public and private sectors struggle to find qualified C-suite talent even to the extent of searching beyond our shores to bring them to the country. It is either that or having to settle with less than the best talent which needless to say is also not the greatest option. However, by studying closely there is still a large reserve of productivity that is untapped in this country. The talent we are referring to here are the women. In this regard, initiatives must be taken to tap into this talent pool as it is critical not only for the women alone but it will benefit families, companies and ultimately the economy and the nation.

## Gender Gap – Global Trends

The World Economic Forum's Global Gender Gap Index every year assesses countries on how well their resources and opportunities are divided among their male and female populations, regardless of overall levels of resources and opportunities. The 2009 index reported that the Nordic countries continue to lead the rest of the world with Iceland claiming the top spot, Finland second, Norway third and Sweden fourth completing the dominance of the top four since 2006. In Asia, The Philippines remain the leading country in the region, ranking at the ninth place overall, even though it is losing its ground for the first time in four years.

Out of the 115 countries covered in the report since 2006, more than 60 percent have posted gains in overall index scores during these 4 years, indicating that generally, equality between men and women are succeeding. However, there are countries that still lag behind in its progress (Global Gender Gap Report 2009, World Economic Forum).

In the Nordic countries the participation of women in the workforce is highest including representation of women at

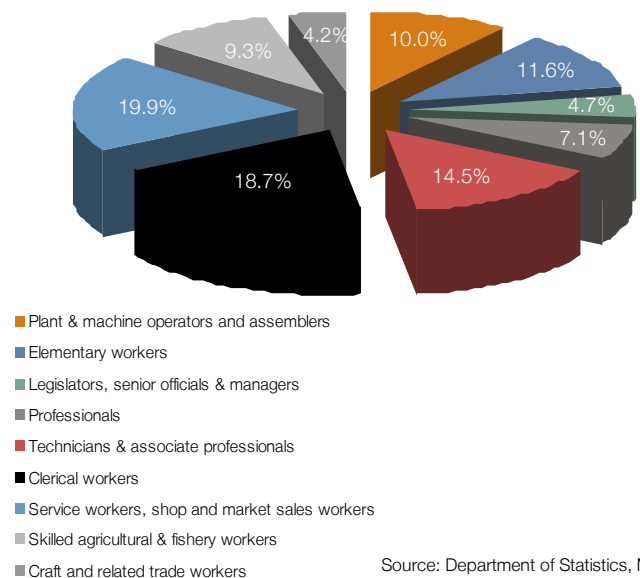
decision-making levels and they are noted to be the best countries for women. This makes them role models for the rest of the world to follow.

## Addressing the Malaysian Gender Gap

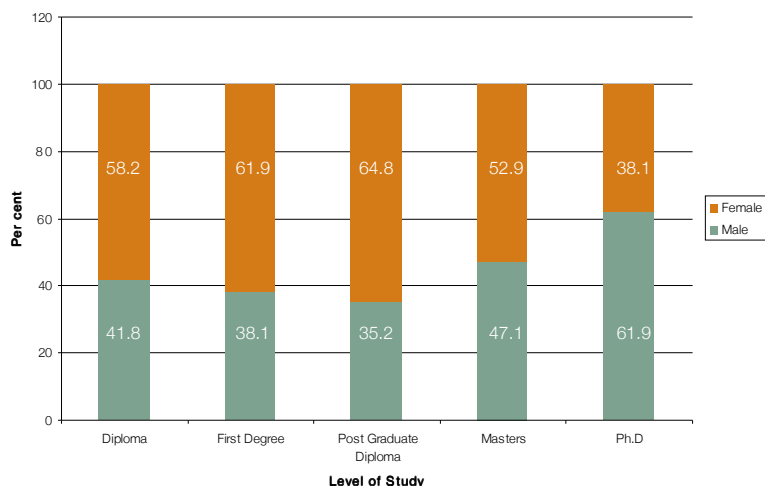
According to the Global Gender Gap 2009 report, Malaysia slipped in ranking from 96 in 2008 to 101 in 2009. The female to male ratio in labour force participation is 0.57, and women hold less than 30 percent of positions such as legislators, senior officials, and managers. These figures though indicating that there is a certain amount of gender inequality may not seem so alarming till one studies the participation of female versus male in the enrolment of higher level of education. The 2007/2008 study by the Ministry of Higher Education revealed that more than 50 percent of higher learning enrolment were females. It would then be a natural assumption that this should co-relate with women's participation in the workforce, and since females have exceeded males in graduate and post graduate studies, this should make them qualifiers especially for mid to senior positions. However, in reality it has not been the case. Whilst the number of educated females have increased it has not led to significant increases in women's participation in the workforce and at decision-making positions.

We also need to note that Malaysia's male to female ratio in the age group 15 to 64 years is 1.01:1, nearly equal (2009, CIA World Factbook). In this regard, the country is not facing a demographic inequality.

Distribution of Female Employment by Occupation, 2007



Student Enrolment in Public Higher Learning Institutions by Level of Study and Sex, 2007/2008



Source: Ministry of Higher Education, Malaysia

"In 2004, the Government of Malaysia announced its policy to have at least 30 percent participation of women at decision-making positions in the public sector. In the Ninth Malaysia Plan (2006-2010) (9MP), the Government reiterated this commitment. This project is conducted in partnership with the Ministry of Women, Family and Community Development (MWFCD) to analyze the current representation of women at decision making levels in both the public and private sectors and develop a plan of action to improve women's participation in line with the 9MP goal," UNDP Malaysia.

(Source: [www.undp.org.my/30-per-cent-participation-of-women-at-decision-making-levels/](http://www.undp.org.my/30-per-cent-participation-of-women-at-decision-making-levels/))

During the 2009 Women's Summit in Malaysia, it was highlighted that the percentage of women who are board of directors in the corporate sector is facing a continuous decline from 9.9 percent in 2004 to 6.1 percent in 2008, and that only 14 percent of women are holding top positions in government-linked companies in 2008 (refer Table 1). However, corporate sectors have seen gradual increase of women in top management i.e. from general managers to presidents or CEOs since 2001 which rose continuously from 12 percent to 26.2 percent in 2008 (refer Table 2).

## By Choice

The question now arises – if it so critical and women too recognize it – then why aren't more women participating in the workforce particularly at decision-making levels? Generally, the reason for the lack of participation by women is due to the constant struggle to balance family life and work life. A woman does not want compromises when it comes to her family or

Table 1 Women at Decision-Making Level in the Public Sector, 2007 & 2008

Position	2007				2008			
	Total	Male	Female	%Female	Total	Male	Female	%Female
Secretary General	27	23	4	14.8	26	25	1	3.8
Director General (Federal)	68	60	8	11.8	70	59	11	15.7
Chief Executive (Federal Statutory Bodies)	64	55	9	14.1	75	63	12	16
<b>Total</b>	<b>159</b>	<b>138</b>	<b>21</b>	<b>13.2</b>	<b>171</b>	<b>147</b>	<b>24</b>	<b>14</b>

Source: Cabinet Division, Prime Minister's Department

Table 2 Women at Decision-Making Level in the Corporate Sector, 2001-2008

Position	2001	2002	2003	2004	2005	2006	2007	2008
	% Female							
Members of Board of Directors	10.1	10.5	10.1	9.9	10.2	5.9	5.3	6.1
President, Vice President, Managing Director, Chief Executive Officer, Chief Operation Officer, Senior General Manager, General Manager	12	12.1	12.3	13.5	13.9	14.3	24	26.2

Source: Survey by MWFCD on 50 companies listed under Bursa Malaysia

Table 3

Number and Percentage Distribution of Persons Outside Labour Force by Reasons for not Seeking Work, Stratum and Sex, 2007

Reasons for not seeking work	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total ('000)	6,330.10	1,794.40	4,535.70	4,164.80	1,221.90	2,942.90	2,165.30	572.50	1,592.80
(%)	100	100	100	100	100	100	100	100	100
Schooling	37.8	65	27.1	38.1	64.5	27.2	37.2	66	26.9
Housework	49	2.4	67.4	48.2	2	67.4	50.5	3.2	67.5
Going for further studies	1.5	2.5	1.1	1.4	2.3	1	1.6	2.7	1.2
Disabled	1.7	4.1	0.8	1.4	3.5	0.6	2.3	5.4	1.2
Not interested	0.6	1.6	0.3	0.6	1.3	0.3	0.8	2.3	0.2
Retired	5.3	15.4	1.3	6.7	18.6	1.8	2.6	8.4	0.5
Others	4.1	9.1	2	3.5	7.8	1.8	5	12	2.5

Source: Department of Statistics, Malaysia

children's well-being and therefore, she typically makes a choice when she finds that being in employment causes much burden and becomes impractical. Also, women opt out of high-level, high-income jobs when it is no longer possible to balance work and personal life, as these types of jobs are the ones that come with higher commitment and more often than not, greater stress as a result of longer working hours and even travel. Hence, the reason some women choose not to 'climb the corporate ladder'.

The last Population and Family Survey conducted by the National Population and Family Development Board in 2007 revealed that a huge 67.4 percent of women respondents involved in the survey stated that they decided to resign due to family responsibilities

*Yvonne Chia*

*Group Managing Director/Chief Executive Officer,  
Hong Leong Bank Bhd*

*I hope that by being appointed the first woman chief executive of a commercial bank in 1996, I have played a small part in blazing the trail for women in corporate Malaysia. Today, in Hong Leong Bank, I have over 3,600 women colleagues (60 percent of the bank's workforce) with 50 percent in top leadership positions. For example, we have two female chief operating officers, a chief credit officer and heads of risk, human resource, strategic marketing, cards and audit.*

(Source: Article by Elaine Ang from The Star Online, 2 August 2008)

(refer Table 3). On top of that, in general there is still the social and cultural expectation that a woman's place is at home.

This is a wasted opportunity as it shows quite clearly that there is underutilization of the talent that we have. The nation and its economy are paying dearly for this lost opportunity.

## Women Talent

### Multi-Tasking

Women are known to be capable at multi-tasking which allow them to take on more challenging roles as they are able to wear many hats and also be very hands-on in their work. Coupled with the level of education that they receive, they will be great contributors to companies and economies especially in senior management.

### Emotional Intelligence Quotient (EQ)

What had been a previous measure of effective leaders, Intelligence Quotient (IQ) has been replaced by EQ as the most important distinguishing factor as suggested in Daniel Goleman's book "Working with Emotional Intelligence (1998)". Studies and researches have found that women possess higher EQ than men and this may give us another outlook on management at the workplace.

"Our results suggest that women are more aware of their feelings and those of others, relate better interpersonally, and are

significantly more socially responsible than men. On the other hand, men seem to have stronger self-regard and cope better with immediate problems of a stressful nature than women. These findings may have important implications in the workplace. In the past, men may have dominated the upper corporate echelon partly due to their high level of stress tolerance. But now as people skills are becoming more important than ever before, women's higher scores in interpersonal areas will help be responsible for their reaching higher levels in the corporate world," according to Dr Steven Stein, President of Multi-Health Systems, Inc. on their publication on its research on EQ (source: 'EQ and Gender' research, Kandidata International, Sweden, 1997).

Having great social skills, women too are very often strong catalyst to change management and thus becoming valuable assets (source: "Helping Women Get Ahead" by Christopher Tkaczyk, Fortune, 28 September 2009). In this instance, women tend to be more tactful in approach and gain others' buy-in by developing trusts.

In general, women are taught to handle emotional lives in their upbringing and to be prepared for motherhood, together with the expectations that come with it. Therefore, these build in them the sense of accountability, responsibility and integrity. Given the opportunity, women can prove themselves to be natural, able leaders.

This paper shares what companies can do to retain and mobilize these valuable talent, and how to create a workplace that supports the collaboration between personal and professional lives without compromising the employer or the employee. We also address the facilitation of the progress of women in the workplace and allowing them to achieve their full potential.



- According to McKinsey's research presented at the Women's Forum for Economy & Society in Deauville, France, there is a clear correlation between companies that have better-than-average financial performance within their sectors in European companies with the proportion of women on their boards. This better financial result is measured in terms of return on equity, operating results and share price growth.
- Companies with a third or more women on senior team have a higher return on equity. These companies have higher "organizational excellence" which include accountability, innovation and positive work environment.
- Catalyst's US boardroom research showed Fortune 500 companies with highest number of female directors are more profitable and efficient.
- The Catalyst's survey showed companies with three or more women on their respective boards of directors, on average gave an 83 percent higher return on equity, a 73 percent higher return on sales and 112 percent higher return on invested capital.

(Source: Shireen Muhiudeen, Managing Director Corston-Smith Asset Management at 2009 Women's Summit, Malaysia. )

## Recognizing and Developing Talent

Firstly, companies must be able to identify high potential employees when they see them. Women themselves must of course be ready and strive to reach their career aspirations, be it a lateral or vertical move. Naturally, the company's selection process has to be based on qualification, merit, experience and capabilities of the employee.

Once a talent pool has been identified, companies could go through talent development and coaching and mentoring programs that will prepare these employees for bigger or different roles. Certain levels of expectations need to be conveyed and any form of psychological barriers by the identified talent need to be addressed. What is required here is preparation as it is the key to success. Women must learn to adapt to the idea that the perceived male dominated decision-making or board room positions are not within their capabilities or reach.

"Women who have leadership potential must push themselves, move out of their comfort zones and accept that they have no reason to be shy about their talents and accomplishments," says

Shireen Muhiudeen, Managing Director of Corston-Smith Asset Management at the 2009 Women's Summit, Malaysia.

Hence, there is a need for a change of mindset that board room positions require technical or quantifiable qualification, whilst in reality these high level decision-making positions more often require the application of common sense rather than purely technical approach or thinking.

## Environment, Flexibility, Benefits and Policies

### Environment

As the development program is in place, companies should incorporate cultures that encourage work-life balance which will be beneficial to all, as family responsibilities are not limited only to women. In this regard, companies could consider putting in place infrastructures like childcare facilities or day care where it would greatly assist working parents. The Malaysian government is already initiating to provide grants for government offices and community-based organizations that provide childcare facilities or centres.

### Flexibility

Inflexible work structures like 8-hour days Monday through Friday are biggest barriers as women cannot be office-bound that way. Therefore, many companies around the world have adopted women-friendly policies such as job-sharing, flexi-work and telecommuting (source: World Of Work -The Underworked Solution: Women & Talent Crunch, Manpower 2009). The flexible work concept can be in the form of full-time/part-time where women will be at work for certain hours in a day, which then allow room for their personal lives. With new technologies like cloud computing, telecommuting will gain popularity as this enables women to work from home with access to work e-infrastructure.

### Benefits

Other considerations include longer leave of absence or extended unpaid leave for maternity or whatever reason, that allow for employees to be away and still have their jobs waiting for them upon returning. In Nordic countries, paid maternity leave is up to 52 weeks and on top of that there is also paternal leave of 2 months (source: World Economic Forum 2005, "Women's Empowerment: Measuring the Global Gender Gap").

Companies could revisit medical benefits that are more comprehensive to cover, for example, pre-natal and post-natal check ups and medication, and automatically giving medical

coverage to the newborn. This will at the same time also ease the burden of those who are part-timers (source: "Helping Women Get Ahead" by Christopher Tkaczyk, Fortune, 28 September 2009). These benefits will not only help to attract women talent but to retain them as well.

### Feel Good Factors

The little things which carry a lot of weight in making the employees feel like the company cares for their family welfare are to incorporate 'feel good' factors like family day outings or conduct days where children are brought to work to let them see what their parents do.

Having family members appearing on organizational promotional materials and publications will also create that 'togetherness' and help promote a healthy and engaging culture.

A step further would be for companies to provide children's education benefits such as school grants and special leave for the parents during school holidays.

There should also be more open forums for women to share their views and companies need to encourage this approach. By doing this, companies could also observe and pick up talent for their development programs.

### Government Policies

There needs to be more publication and awareness on the government's 30 percent policy of having women on the board of directors. The government could aid the implementation of this policy by granting some form of tax relief for companies that have at least 30 percent of women on their board of directorship. These tax relief materialize from the allowances and benefits that companies provide for a women-friendly environment.



*Irene Dorner  
Deputy Chairman and Chief Executive Officer,  
HSBC Bank Malaysia Bhd*

*Rules in companies – for example, age-old industries such as banking and manufacturing – are made by men for men. Successful women learn to play by these rules thus supporting them. The rules become status quo, therefore making them more difficult for other women to follow. For me, it is spiritually exhausting to always play by someone else's rules.*

*It is an underlying assumption that women in such organisations tend to face an unconscious gender bias from such male-based rules. I am not suggesting that this is pervasive discrimination but rather a system that was invented for one sector of the population.*

*(Source: Article by Elaine Ang from The Star Online, 2 August 2008)*

## The Way Forward

As companies face challenges in seeking qualified senior talent, we must not lose focus on the current talent pool which we already have – the women. They are valuable assets for the survival of companies and the economy as we have already established in this paper.

The world of work is changing and slowly but surely these recommended work practices are already being put in place. In the near future, we will see that the most sought after talent will not be the ones who constantly 'work around the clock' but it will be those who are able to strike a balance between personal and professional lives – those who learn to balance health, family, career or wealth while continuously looking towards self-development.

These women talent will know how and when to get their priorities in place, while delivering consistently high quality results, which in the end will be a win-win situation for the company and the employee.

To be recognized as a progressive country in this ever-advancing world, gender disparity must be narrowed to a point of equilibrium. Women should rightfully take their place in the workforce and advance towards positions of leadership regardless of the field.



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