

IDENTIFYING THE PACE OF INDONESIAN WOMEN IN REACHING TOP MANAGEMENT POSITION IN THE BANKING AND INSURANCE SECTORS

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ABSTRACT -*Women's participation in the economy has significantly increased over the years. In most countries around the world, the upward trend of women's employment continues up to this point. Unfortunately, the increased share of women in the workforce is not followed with an increase in job status, job opportunities, and job qualities. Women are underrepresented in formal sectors as the percentage of share in top management position is still far below the men's percentage. The above trends also happen in Indonesia. Because of those facts, this research aimed to describe the employment position of Indonesian women in the banking and insurance sectors, and to identify both the common factors and the most frequently stated factors describing the pace of Indonesian women in reaching top management position, in the banking and insurance sectors. This research utilized a qualitative method of analysis. Focus Group Discussion (FGD) had been used to collect the data. The participants of the four FGD sessions were women employed in the banking and insurance sectors with middle and lower managerial positions. Both internal and external factors were explored in this research. Internal factors included the human capital theory and individual determinants. External factors comprised the Indonesian government efforts, work force state of affairs, and social and cultural attributes. Combined efforts of Indonesian women, Government of Indonesia (GOI), and companies in Indonesia are important in accelerating Indonesian women's pace in reaching top management position.*

Keywords: *pace of women, banking and insurance, human capital, individual determinants, government efforts, workforce state of affairs, social and culture attributes.*

I. INTRODUCTION AND SIGNIFICANT CONTRIBUTION OF THE STUDY

The boom of women's participation in the labor force has become the most striking trend in the labor market nowadays (ILO, 2005). According to the International Labor Office (ILO), "Never before have so many women been economically active: the women labor force (the sum of unemployed plus employed women) was 1.2 billion in 2003, up from 1 billion in 1993." (ILO, 2005). A report joint publication of the ILO and Asian Development Bank also showed that the annual average women employment growth rate for 2000-2007 worldwide was higher than the men. Women's employment growth rate was 1.99 percent while the men's rate accounted for 1.71 percent. There is no doubt that women have captured an ever increasing share in the labor force. Unfortunately, this increase share is not followed with an increase in job status, job opportunities, and job qualities.

Women's employment is characterized with informal jobs that offer flexible work hours, self-employed, casual work, or part time work, and domestic service. While formal economy enables women to have safer work environment as the labor is protected under the law and given some benefits, the formal economy has not become the major earning sources for females. Women are majorly concentrated either in poorly paid or unskilled job "ghettos" (World Economic Forum, 2005). Women are most often found in "feminized" profession, such as health and social workers, educators, and private households with employed person (International Labour Organization and Asian Development Bank, 2011). Moreover, GovernanceMetrics International (2009) stated that women were under-represented in management and top

leadership roles and few women sat on corporate boards. While the share of women in managerial work or on boards gradually increases, but the pace is too slow and the progress has been generally uneven (International Labour Office).

The slow pace of women to move toward the top of management structure is grounded on complex barriers and challenges. Women's attitude toward themselves could influence their progress to the top (Pillay, 2005). Researchers found that women have less clarity of career directions, lower career ambitions, expectation and less confidence compared to men (Institute of Leadership & Management, 2011; Hyde and Kling, 2001). With lower education level and lesser working experiences (Tharenou, Latimer, & Conroy, 1994), women will have difficulties to compete with men.

From the external factors, the lack of governmental efforts or intervention could negatively contribute to the slow move up the career ladder for women. It is because lack of governmental support will lead to an unsupportive environment for women's economic participation (PricewaterhouseCoopers, 2007). Unsupported workforce state of affairs, including a lack of social network and social cohesion, chauvinism in leadership style, and discrimination in terms of occupational segregation, to name a few, also make women have tough career development. In reality, social and culture may also play a role. Both social and culture influence the expectation about attributes and behaviors appropriate to women and men (Schalkwyk, 2000). They create both the stereotypes that result in inability to accommodate women's true ability and skills.

Indonesia is a country in Southeast Asia with a population of 237,641,326 in 2010 (Badan Pusat Statistik, 2010). Indonesia's labor force participation rate was 67.83% in 2010 (Labor Force Situation in Indonesia, February, 2010). The labor force is divided into two big economies, namely: formal economy and informal economy. According to Maarten van Klaveren et.al. (2010), Indonesia's formal labor was 29% in 2000. It increased by 1.4%, and made it up to 30.4% in 2008. It led to the fact that Indonesia's economy was still dominated by informal economy. In 2008, the informal economy, including self-employed, family workers, and casual wage workers, accounted for 69.6%.

Moreover, the rate of the supply and demand of the labor force in Indonesia is also altered because of industrialization, globalization, and technological change. Indonesia ranked 44th out of 139 economies in terms of country competitiveness (Forum, 2011). It has experienced

a rapid economic and social transformation that led to a change in the labor force structure. Indonesian females' participation has also increased in the last two decades. According to The National Labor Force Survey (2008), Indonesian women's labor participation was 33,480,000 in 2006, and by the year 2008, women's participation was 38,653,000. This number continued to increase up to 45,154,196 in 2010 (BPS Statistics Indonesia, 2010). In East Java, women's participation also increased from 37.8% in 2004 to 39% in 2007 (Kementrian Pemberdayaan Perempuan dan Perlindungan Anak, 2010).

However, the increased participation of Indonesian women is not followed with either better job status or wider job opportunities. In one of the documents of Indonesia's Ministry of Women Empowerment and Children Protection (2010), it is stated that many of Indonesian women work informally for family businesses in which they are unpaid. The number of unpaid workers increased from about 16 million to 18 million between 2000 and 2003 (The Asia Foundation, ADB, CIDA, NDI, The World Bank, 2006). Moreover, more than half of women participation is concentrated in low-paid jobs. For instance, young women are predominant in the low-paying textile, garment, and footwear industries (The Asia Foundation, ADB, CIDA, NDI, The World Bank, 2006). In the formal economy in which women have safer working environment, women's participation is limited to certain type of businesses. Indonesian women's participation is not widely spread throughout the main industries in Indonesia. According to the report prepared by Indonesia's statistics bureau (2010), male workers still have higher percentage in most main industries, except in the wholesale trade, retail trade, restaurant, and hotel industries. The gender gap exists in any of these main industries; agriculture, forestry, hunting and fishery, mining and quarrying, manufacturing industry, financing, insurance, real estate and business service, to name a few. From the booklet of Trends of the Selected Socio- Economic Indicators of Indonesia, Indonesian women gradually increased their share in at least five out of nine main listed industries (2010). The improvement in the quality of women's job is reflected on the number of women in management position (International Labour Office). Indonesia reported to have only 4.1% women on boards. Indonesia is left behind Malaysia (4.2%), Singapore (5.7%), Thailand (8.7%), and the Philippines (23%) (GovernanceMetrics International, 2009). Likewise, the number of female directors in the banking sector is only 64 out of 382 directors. In

public enterprises, the percentage of female directors is only 11.81 percent (Rahayu, 2011).

Those explained statistical numbers indicated that Indonesian women in top level management positions are still limited. Their pace to move toward the boardroom has been slow and uneven. In fact, many previous researches have shown the positive impact of having more women on boards. In a Lord Davies' report (2011), there are at least four key advantages of having more women on boards. First, the gender diversity on boards improves the company performance because the companies have better decision-making that comes from a wide range of experiences. Second, more women on top level management is proven to be able to increase the company's corporate governance. Third, women's presence enables the company to access the widest talent pool. The last reason is that women could make a company more responsive to the market.

The importance of women's participation on top management position is increasingly recognized around the world. Countries, such as France, Norway, Italy, Spain, and Australia, have taken big efforts in increasing the gender diversity on boards. Indonesia, as a developing country, should not only be concerned about the increase of women's labor rate in terms of quantity, but should also do the right efforts to increase the quality in terms of accelerating the women's pace toward the top management position.

This research was conducted to identify factors describing the pace of Indonesian women, especially women who works in the banking and insurance sectors, in reaching top management position.

This research is an important contribution to the body of knowledge already available in this subject. It could widen the knowledge related to the factors that enhance women's participation on boards in Indonesia, especially for Indonesian women who work in the banking and insurance sectors. Also, this research is made to find the factors that affect women bankers and women insurance workers' pace in their career ladder growth by considering theories that could explain Indonesia's work force situation.

For The Country of Indonesia, this research is aimed to give benefits to Indonesia as a country to increase its competitiveness by significantly increasing the opportunities for best talented women to participate in top management position. Also, this research will give an insight for the government of Indonesia about the needs of Indonesian women in labor force to help the government in formulating relevant policies and programs that will accelerate the way for Indonesian women, especially women who work

in the banking and insurance sectors, to take position on top level management. For Working Women in Indonesia, it is hoped that by this study, women who work in formal economy, especially those who work in the banking and insurance companies, could broaden their knowledge concerning their jobs, and motivate other Indonesian women to keep striving to the top.

For Companies in Indonesia, this research is conducted to give insights for companies to create a better work environment that supports gender diversity. For Undergraduate Students, this study may serve as a reference for other students to pursue further studies related to this paper's topic.

II. RESEARCH METHOD

This research used a qualitative research method. According to Hussey and hussey's (1997), qualitative research is used to examine and reflect certain perception in order to gain understanding of social and human activities. The use of qualitative method was the most appropriate one considering that the research problems and research objectives of this study were in line with the characteristics of the qualitative research design. As stated by Patton (2002), qualitative research has at least twelve major characteristics, such as naturalistic inquiry, personal experience and engagement, qualitative data, purposeful sampling, and holistic perspective. Those characteristics were believed to support the conduct of this study.

The population of this research was Indonesian women who were working in formal economy in the financial services. To be able to do this research, sample, a subset of the population, was needed. The sample for this research was women who were working in the banking and insurance sectors operating in Surabaya, East Java. The criteria in the choice of sample was Indonesian women employees who were working either in the banking or insurance companies operating in Surabaya. The sample had to have the position either in middle or low position, and have at least three years working experience for the middle position, and at least one and a half years for the low position.

To collect the data, this research made use of Focus Group Discussion (FGD). Researcher conducted four FGD sessions with total of 32 women-participants. Two groups were conducted for banking sector, and two other groups were conducted for insurance sector.

III. RESULTS

The employment position was analyzed from the first-entry position and the current position (Table 1). First-entry position is a position that a woman had in her early career either in the banking or insurance sectors. It is her first position when they worked in either sector.

Many women employed in banks and insurance companies in Surabaya started their career from the lowest position, the rank and file position. Specifically, women in the banking industry in Surabaya had a bigger chance to start their career from lower-middle position, or even from middle position. It is possible to jump the level, because for some banks in Surabaya, they have certain recruitment system that supports it. On the other hand, for insurance companies, women have to start their career from an agent position.

Table 1
First Entry Position and Current Position of Women-Participants in the FGD Sessions

Category	Bank	Insurance
	<i>number of participants</i>	
First Entry Position		
Rank and file (staff, agency)	12	15
Supervisor	3	1
Manager	1	0
Current Position		
Rank and file	5	3
Supervisor	3	6
Manager	8	7

Based on the result from the FGD sessions, both internal and external factors were identified in this research. From the internal factors, human capital theory (knowledge and skill) and individual determinants were being explored. From the external factors, Indonesia government efforts, work force state of affairs, and social and culture attributes were being discussed. The women-participants' personal point of views saw the government as a third party who has nothing to do with their career advancement. The women-participants who work in insurance sector experienced more government efforts compared to the women-participants who work in the banking

sector. This fact should be noted by the Indonesian government. But up to this point, many Indonesian women do not see the role of government in their career advancement, especially in the formal economy. Workforce state of affairs include social network and social cohesion, firm system, challenging environment, firm institutional, relational demographic, occupational segregation, women's leadership, professionalism, and money matter and benefit(s). From the social and culture attributes, gender stereotyping, dual role, gender self-schema, family power, status characteristics, biological consequences, and role model were discovered.

A factor can be considered as the most frequently stated when it is the most frequent comment during the conduct of the FGD, and the same time also the most influential factor in accelerating the pace of Indonesian women in reaching top management position in the banking and insurance sectors. There are 4 most frequently stated factors that came from both internal and external factors, namely: individual determinants, social network and social cohesion, dual role, and role model. Even though in this research the external factors did not play a key role, the external factors also have the tendency to influence the pace of Indonesian women in reaching top management position.

The pace of Indonesian women in reaching top management position, especially in the formal economy, should be accelerated, because as part of the emerging country in Asia, Indonesia has to increase its competitiveness. Quoted from the president and founder of Women's Forum for the Economy and Society, Aude Zieseniss de Thuin, "We cannot build a world which is livable if it walks only on one foot..", further efforts have to be done now. According to the results from the FGD sessions discussions, recommendations were made through an Integrated Pacer Accelerator (Figure 1).

This figure explains the implementation of the combined efforts of Indonesian women, the Government of Indonesia (GOI), and companies operating in Indonesia. Specifically, the implementation plan focuses on the following areas:

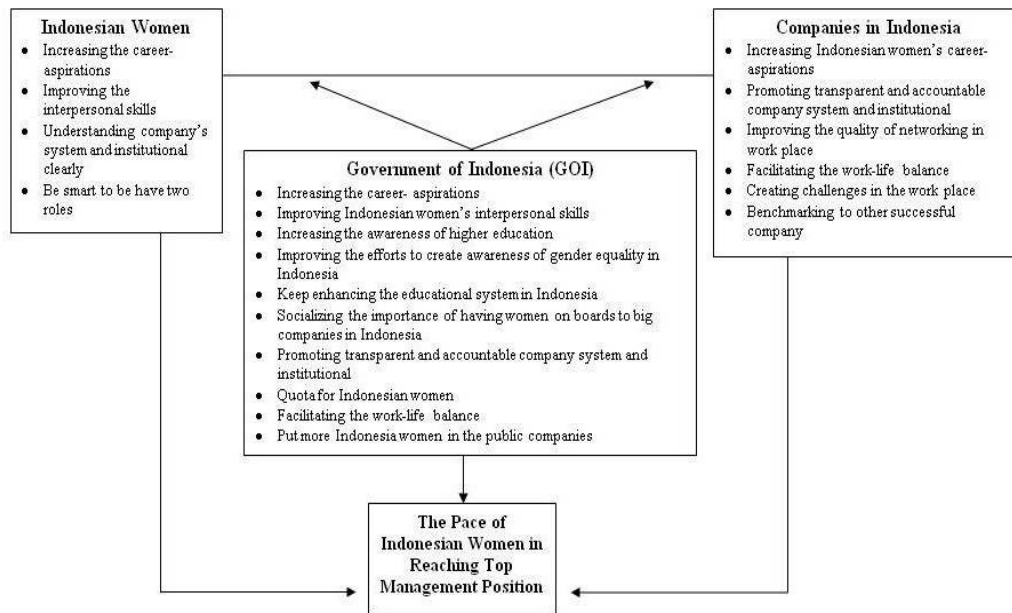


Figure1. Integrated Pacer Accelerator

IV. CONCLUSION

Focus Group Discussion (FGD) was employed to gather data for this research. From four FGD sessions, the banking sector in Surabaya had more diverse employment composition compared to the insurance sector in terms of the workers' origin. Younger women in Surabaya were found in many middle positions in the banking sectors. On the other hand, many elderly dominated the middle position in the insurance sectors. Moreover, most of the Indonesian women who work in the banking and insurance sectors in Surabaya completed their undergraduate degrees. Women employed in the banking and insurance sectors in Surabaya were observed to have high loyalty to their company. They have tendencies not to move to other companies in the same sector with quite long work tenure.

There are many factors that describe and influence the pace of Indonesian women's participation to reach the top level management in the banking and insurance sector in Surabaya. From the internal factor, both human capital and individual determinants were noticed. From the external factor, both work force state of affairs, and social cultural are examined. Social network and social cohesion, firm institutional, firm system, and role models were factors that represent the work force. Women who work in the banking and insurance sectors in Surabaya were found to have high self-esteem. With that high self-esteem, social and cultural are examined to have little influence toward women bankers and

insurance workers' career advancement. Women bankers and insurance women workers positively assessed themselves, accompanied with high career ambitions and high confidence. The gender stereotyping, gender self-schema, and dual role tend to be minor barriers for women bankers and insurance workers to pursue higher management position in formal economy. Moreover, money matter, benefit(s), and role model also affected the women's pace in reaching top management position.

From all of the factors which have been examined in this research, individual determinants, social network and social cohesion, dual role, and role models were found to be the most frequently stated factors that describe and influence the pace of Indonesian women in reaching top level in the banking and insurance sectors

Although women in both sectors did not assess positively the relation of the Government of Indonesia (GOI) with Indonesian women career advancement, the role of GOI is important in supporting Indonesian women through policies, programs, and education that are gender-sensitive. GOI is challenged to perform better in influencing the pace of Indonesian women in the banking and insurance sectors. Without the supportive actions from GOI, the participation of Indonesian women in both sectors cannot be accelerated faster.

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