

WOMEN IN MANAGEMENT AT THE PORT SECTOR OF MARITIME INDUSTRY IN MALAYSIA - IS THERE A GENDER IMBALANCE?

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ABSTRACT

The objective of this paper is to present an insight on the women at management level in the port sector of the maritime industry of Malaysia. While women in Malaysia form 54.7 percent out of 15 million total labour forces in 2017, the overall percentage of women in the top management level is only 15.4 percent in third quarter 2018 of top 100 Public Listed companies. These women at the top management level are mainly in the accounting and legal professions. Their involvement in the logistics and transport service sector are relatively small. The industry carries over 90 percent of the world goods need to access the entire talent pool, regardless of gender. Malaysia by virtue of its extended jurisdiction of the Economic Exclusive Zone has a maritime area which is larger than its land mass. It is the 17th largest trading nation in the world. Hence this paper discusses on whether there is gender imbalance in the sector and the challenges faced by women in the management of the port sector of the maritime industry in Malaysia. Based on the returned structured questionnaires, 57 percent male and 43 percent female of the major port operators illustrate that women represent 14.5 percent in the management level. In terms of perception, both male and female management treat female staff equally (75 percent) and agree that gender diversity should exist (75 percent). However, interestingly, management still have preference for men for port management (49 percent). We suggest reasons for the need to rise and argue that port organizations can capture the symbols of progressive social change and modernity by appointment of women in key positions at the ports. Based on measures in financial performance, Catalyst (2011) study, with 3 or more women in the decision-making level, companies significantly outperformed in return on sales (ROS), return on invested capital (ROIC) and return on equity (ROE).

The future in the logistics profession is crucial for a country's economic growth; and that professionals in the supply chain and logistics serve as the links connecting businesses, people and countries across the globe. Henceforth, the Eleventh Malaysia Plan (2016-2020) places strong emphasis on anchoring growth on people to further aggressively develop Malaysia towards a high-income nation.

Keywords: Gender Diversity, Women in Maritime, Ports Management, Strategic Management, Leadership, Logistics.

INTRODUCTION

Ninety (90) percent of international trade operates through the ports, International Maritime Organization (IMO) (2018). Malaysia is strategically located in the region, in the middle of international sea trade routes, serving one third of the world's population, namely People's Republic of China, India and Indonesia. With such an advantage, Malaysia has the potential to further grow the sea and airfreight sector. Malaysia's position is strengthened by the realization of the ASEAN Economic Community (AEC) which will provide stimulus for the logistics and transport industry to develop further. Port Klang, is one of the largest seaports in Malaysia and is strategically located in the Straits of Malacca. Today, Straits of Malacca is the world's second busiest commercial shipping lane, surpassed only by the Dover Strait. Due to rapid growth rates of international trade and high maritime transport demand, each member economy in the Asia Pacific Economic Cooperation (APEC) region including Malaysia is improving its port efficiency, providing the rationalized port management and administration, and tightening relationship both in government tiers and transport operator's levels (APEC Transportation Working Group, 2000).

With such a tremendous potential growth, one of the catalysts is greater involvement, deployment and contribution of women in all economic sectors, particularly the maritime and ports industry (Economic Planning Unit Malaysia, 2015a). Malaysia has also demonstrated its commitment towards capacity building with emphasis on gender diversity in the maritime sector through the signing of a Memorandum of Understanding on Integrated Technical Cooperation Programme (ITCP) with IMO. This cooperation enables Malaysia to contribute her maritime expertise or sponsor specific capacity building programmes under the purview of the IMO. This study explores the low representation of women in the port sector. The workplace challenges faced by women on gender bias seem to be still strong (56 percent). One of the major reasons is the lack of diversity agenda in the organization and also in many of the ports, there seemed to be no organization policy in inclusion and diversity, lacking in mentoring programme, both male and female to take through the advantages of gender diversity in the organization. The richness of data collected from the port operators from this study on diversity should shed lights to the management. With the Malaysian Government declaring 2025 as the Women Empowerment year, where the target of 30 percent participation of women at decision making level, it should prompt the companies and authorities of the transport industry to place gender diversity as one of the strategic agenda to support the industry hence the Government in achieving its high income nation status.

LITERATURE REVIEW

Ports as A Platform for Logistics and Transport

The development of the logistics and trade facilitation masterplan by Economic Planning Unit of Malaysia states that the "*logistics industry is a crucial determinant of national competitiveness and economic multiplier*" (Economic Planning Unit Malaysia, 2015b). One of the seven determinants that will create nation's competitiveness is efficient logistics which enable competition over larger geography, allowing key export industries to compete for international markets, and domestic industries to be more competitive. The logistics industry is

strongly connected with most key industries in the economy. An increase in logistics total factor (labour and capital) productivity of 1percent is estimated to increase GDP by \$2 billion (Australian Logistics Council, 2014).

Human Capital Development in Logistics Industry

The future in logistics profession is crucial and essential for a country's economic growth; and that professionals in the supply chain and logistics serve as the links connecting businesses, people and countries across the globe. One of the national strategic transformation plans calls for greater involvement, deployment and contribution of women in all economic sectors, particularly the maritime and ports industry (Economic Planning Unit, 2015a). However, the survey reported only 15% of women were business leaders (entrepreneurs) in logistics and transport service sector (SME Corp Malaysia, 2016). Henceforth, the Eleventh Malaysia Plan (2016-2020) places strong emphasis on anchoring growth on people to further aggressively develop nation towards a high-income nation, and specifically to have higher involvement, deployment and contribution of women in all economic sectors, particularly the maritime and ports industry (Economic Planning Unit Malaysia, 2015a).

In Malaysia, information on gender composition at the management level in the port sector is difficult to establish, however, based on Talent Corporation diversity in the workplace survey 2017, the gender composition in top 100 public listed companies in Malaysia only touched 26.7 percent. The efforts to increase the representation of women in the management are laudable; such initiatives will be meaningful without deeper changes in the way that women are perceived in positions of leadership in the port, a male dominated industry.

METHODOLOGY

This study attempts to establish the status of the gender imbalance in the port sector by conducting a demographic profiling survey vide structured questionnaires among the eight (8) major ports in Malaysia (Ministry of Transport, Malaysia). The demographic profile includes the gender, age, education level, length of service, marital status, household income and ethnicity. Based on the returned structured questionnaires of 212, the data collected was analyzed using the Statistical Package for the Social Sciences (SPSS) version 23 to provide descriptive analysis such as means, standard deviations, and frequencies. It was established that among the 8 ports surveyed only 6 port operators engaged women in the management level, giving an average of 14.5 percent compared to the national average of 26.7 percent. A face to face interview was also conducted among the women who are in the management positions, to assess on the challenges faced by them in navigating to the top management level and the perceptions of women in management position at the ports.

RESULTS AND DISCUSSION

Challenges of Woman Labor Participation in Maritime

Shipping has historically been a male-dominated industry and the tradition runs long and deep. The IMO, an agency of the United Nations is now making strategic concerted efforts to

help the industry move away from that tradition and to help women achieve a fair representation in the maritime industry through its globalization programme on the Integration of Women in the Maritime Sector. However, there are challenges ahead for woman participation in the maritime logistics (Kitada et al., 2015).

Change in Cultural and Social Attitudes

Based on the study done in 2016, women's participation in the maritime industry of the port operations in Malaysia represent only 9.1 percent of the total 12,838 workforce (Asia-Pacific Economic Cooperation, 2015). This meagre representation reflects that the maritime industry is a male dominated industry. Although there was an improvement of 6 percent from the same survey done in 2010, it was evident that meaningful improvements in female labour force participation will not come from financial incentives alone but needs a deeper shift in cultural and social attitudes towards women's roles. While current efforts in boosting the presence of women in the workforce are in the right direction, greater attention to the role of gender norms is necessary. Based on the study, in terms of perception, both male and female management treat female staff equally and agree that gender diversity should exist. However, interestingly, male management still have preference for male peers for port management. Although norms take time to change, policies that are well-designed and implemented can help. Achieving the target of increasing female labour force participation to 59 percent by 2020, Budget (2020) will require a great shift towards norms of shared responsibilities for caring for the home, children or elderly.

Managerial Gaps

Only 26.3 percent of all Malaysian managers are women equivalent to just 3.1% of the total number of women employed in the country (TalentCorp, 2017). In the port operations, women represent only 19 percent in the management level while women represent 38 percent in the overall workforce (APEC, 2015). This figure is low compared to more developed countries such as Australia (36 percent) but also less developed ones such as the Philippines (48 percent). While efforts to increase the representation of women in decision-making roles are laudable, such initiatives will not be meaningful without deeper changes in the way that women are perceived in positions of leadership – not only in business, but in politics and other spheres of society as well. Hence, strategic efforts to close managerial gaps and create role models should go hand in hand with a shift in norms and attitudes towards women's leadership. Ensuring that the education system does not reinforce gender stereotypes will help to create a supportive environment that nurtures and supports strong Malaysian women leaders from young. The women in the maritime sector of Malaysia had in June 2017 established a non-profit organization called Women in Maritime Association (MyWIMA) with the objective of strengthening the networking among women in the sector to align with the objective of IMO in maintaining promoting and demonstrating the linkage between ITCP and the Sustainable Development Goals (SDGS) of the United Nations.

Policies - Close Managerial Gaps and Create Role Models

Malaysia may consider using targets to increase women's representation in management in the private sector. A survey of 101 companies worldwide concluded that companies that had three women for every 10 members in a management committee performed better

organizationally and financially (Matter, 2012). Studies had examined how affirmative action affected corporate performance (Strachan et al., 2004; Patterson & Walcutt, 2013).

In November 2013, marked a milestone achievement through the signing of a Memorandum of Understanding on ITCP between Malaysia with IMO. This is Malaysia's efforts and commitment towards capacity building in the maritime sector, specifically to encourage more women participation in maritime industry. The Malaysian Maritime Division is responsible in coordinating the execution of ITCP programmes with collaboration through strategic partnerships both with public and private sector. The launching of the Mentoring programme on Leadership in May 2017 by the National Taskforce of Ministry of Transport Malaysia under the APEC Women in Transportation pilot project Leadership pillar demonstrate Malaysia initiatives in closing the managerial gaps and create the role models. These efforts call for Industry strategic agenda in promoting women in management.

Child Care Support

A key challenge for women to actively participate in the labour market is the difficulty of reconciling family obligations and labour market activities (The World Bank, 2012a & b). To help ease the burden on working women and to encourage more women to enter the labour force, the Government began to work with the private sector to scale up the provision of pre-primary education and childcare facilities. The provision of launching grants and enhanced tax incentives to private operators contributed to a proliferation of private pre-schools, leading to an increase in enrolment rates of 4-5-year-olds in pre-primary schools by 17% from 2010 - 2014. While the impact of these initiatives on women's labour force participation cannot be stated conclusively, they have likely enabled more Malaysian women to enter or re-enter the labour force.

Incentives

The provision of incentives for employers to retain women at work and recruit female returnees to the labour force help alleviate turnover. As part of the flexible work life initiative managed by Talent Corporation and MWFCDD, Malaysia has offered double tax deductions to firms that reemploy women and train them after career breaks since mid-2013 (The World Bank, 2015). Similar incentives are being offered to companies that implement flexible work arrangements to help women reconcile family obligations and work. In March 2015, Career Comeback' grants are offered to encourage companies to recruit female employees who have exited the labour force and retain these women returnees in their organizations. Apart from these financial incentives, the flexWorkLife.my portal provides guidance to employers on how to implement flexible work arrangements and facilitate diversity and inclusion in the workplace.

Global Women Leadership in Maritime – IMO and Narrowing the Gaps

One of the primary objectives of IMO is to encourage IMO Member States to open the doors of their maritime institutes to enable women to train alongside men and so to acquire the high level of competence that the maritime industry demands (IMO, 2018). In fact, IMO celebrated its 25th year on their in 2018 on the Integration of Women in the Maritime Sector (IWMS). IMO continues to support the participation of women in both shore based and sea going

posts, in line with the goals outlined under the United Nations- Millennium Development Goal (MDG) 3 (n.d.) “*Promote gender equality and empower women*”, under the slogan: “*Training-Visibility – Recognition*” for all its member countries; inclusive of Malaysia.

It is interesting to note the Government and the IMO need to establish the cause(s) for the gender gaps in the logistics and transport industry, particularly the maritime industry in Malaysia. Research should be carried out to find out the issues and concerns surrounding the gender diversity and inclusion in the logistics and transportation industry, to consider the idea of gender diversity modelling for the ports sector of the maritime industry and examining the productivity and the health index of the sector. It is worthy to note and identify the gaps in developing talent pipeline and to provide the opportunities for women to be in the management level to support the operational and financial health of the enterprise.

CONCLUSION AND FINDINGS

The availability of literature relevant for gender diversity in maritime industry, particularly on ports management are limited; and more so on issues and challenges relating to the local sector in Malaysia. This research would also bring new development to the logistics and transport industry as the management would need to have a change in the perception and the mind-set of individuals and organization, basically improving on the ecosystem of the sector involving the authorities. Ports and relevant agencies may consider the needs to have strategies and policy changes within the organization and the maritime sector. This study limitation is that it did not include the financial status of the participating ports. Based on measures in financial performance, Catalyst (2011) study, with 3 or more women in the decision-making level, companies significantly outperformed in return on sales (ROS), return on invested capital (ROIC) and return on equity (ROE).

Ensuring a strong pipeline of women leaders including junior female professionals, a good role model and growth potentials such as Ellen Taafee Professor of Leadership and Director of Women’s Leadership programme at Kellogg school of Management.

Thus, this paper serves as a preliminary insight on the present state of gender diversity and initiatives by the Government and the IMO in promoting gender diversity and women leaders in managing ports in maritime sector. It is hoped that further research on this area could shed some light and in-depth knowledge towards understanding gender diversity, the challenges faced by women in the sector and leadership in maritime industry with reference to the established programs by IMO and practices in European Union (EU).

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