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PUSAT STUDI WANITA UNIVERSITAS GADJAH MADA dengan PENERBIT TIARA WACANA

## The Challenge of Indonesian Female Managers in Business Sector toward Global Business Competition

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### ■ Introduction: Indonesian Female Involvement in Several Regions in Indonesia and Their Business Activities Yesterday and Today

#### • Yesterday

Generally Indonesia is a country which has patriarchy culture, which means a culture that places women as subordinate of men. Above all, before Indonesia proclaimed its independent (during the colonialism period), participations of women in the communities were very limited. During that time gender variable became an important variable in community progress. Nevertheless, the role of businesswomen in Indonesia had found in many areas or regions in Indonesia.

In Java, secluded tradition (*tradisi pingit*) for women grows in the community. On the other hand, Java communities also allow women to involve in economic activities. Most of the activities are selling things at the traditional markets or working at rice fields. In Sumatra, many Minangkabau women involved in economic activities such trading and farming while many Batak women involved in production activities such sewing and embroidering. Women in Bali and Nusa Tenggara preferred to do farming and crafting. The way of life history of Indonesian women has shown an important note about positive performance of women far beyond their domestic responsibilities (as a housewife). Female in public sector can reach the same achievement as male. Female has proved that they have capabilities to have a role in public sector including in the economic activities (Tilaar & Widiarto, 2000).

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- *Today*

At this time women in the world become important in business. According to Chu (2007), that development has pushed women to have an important role in business organization; such become a manager or even become a chief executive officer (CEO). Indonesian women get more and more opportunities to have a role in wider sector. Gender problem is not becoming an important issue anymore in female leadership and professional. One thing that becomes more important is abilities such how to lead and the ways how finish the works. A survey done by SWA magazine in 2005 and 2006 to employees showed that they did not have objections if women get important role in business, including if they were lead by women managers.

Table 1  
Female Managers Character in Indonesia

No.	Character	% Agree
1.	Ability to manage relationship with customer or client	75
2.	Ability to create an efficiency	80
3.	Intuition ability	85
4.	Involve physic, mentality and emotion	75
5.	Communication ability	75
6.	Ability to catch up an opportunity	60
7.	Ability to deliver an intention or purpose nicely	80
8.	Willingness to listen	85
9.	Fussy	95
10.	Good appearance	95
11.	Detail	100
12.	Put feeling above all	60
13.	Sympathy	100
14.	Multitasks ability	90

Source: SWA 08/XXI/ April 14-27, 2005

Table 2  
The Differences between Female and Male Managers in Indonesia  
(based on the highest answer)

No	Comparasion	Percentage
1.	Female is more detail to small things	26,67
2.	Female is more sensitive	23,08
3.	Female can do multitasks	15,38
4.	Female can fight for subordinates	15,38
5.	Female and male are the same, the most important is skill	7,69
6.	Female is a better guider	7,69
7.	Female is smarter in job	13,33
8.	Female is more friendly and sensitive	13,33
9.	Female is more wiser	13,33
10.	Female is more understanding and open mind	13,33

Source: SWA 08/XXII/ April 20<sup>th</sup> – May 3<sup>rd</sup>, 2006

This study uses subordinates from several companies in Indonesia. Those subordinates were asked to evaluate female managers who become their supervisors. The result of that study showed that according to subordinates, female manager has different characteristic compared to male manager. Female managers have more favors compared to male managers in such more detail, good appearance, intuition ability, multi roles ability, communication ability, willingness to listen, ability to catch up a business opportunity, sympathy. Other important strength is that female manager can create efficiency at work. The weaknesses of female managers are fussy and put feeling above all. Compared to male managers, female managers have better interpersonal abilities but in conceptual abilities female managers prefer to use intuition and feeling.

Study on Table 2 shows that currently communities in Indonesia are becoming open in accepting the existence of female in business activity, even more becoming leader in business organization. Female managers are valued to have different management style compared to male managers. Result of study specifically shows that female managers are more detail (26.67%) and more sensitive (23.08%). Female managers have multitasks ability and give more attention for subordinates (15.38%). Female managers are also valued smarter, friendly, wiser and open mind (13.33%). Generally, the results of this research above are in accordance with study on female managers in the world that showed that women are more rational and emphatic than man do (Helgesen, 1990).

#### ■ Female Leadership and Culture in Indonesian's Business Organization in Globalization Era

Twenty-first centuries is common said as the beginning business and economic globalization. Globalization moves quickly and pervasively. That is very possible caused by the fast growing of information technology and the advancement of transportation. Globalization pervasively hit all countries in the world including Indonesia. The consequence, companies in Indonesia have to develop global perspective in managing the business. According to Drucker (1993) this era is said as management revolution. In management revolution, there is an overwhelm changing in management principals.

#### ■ Leadership and Female Managers

In global and revolution era, management is signed by changing that is very fast and difficult to predict. Organization which faces turbulent business environment needs different management approach. Organization needs flexible organization structure as tool to realize the change. Beside that, employee empowerment is becoming an important issue in managing human resources. Employee empowerment in an organization means that everyone is a leader. Because of that,



leaders who spread at all organization lines are needed in an organization so that an organization does not depend on one or two figures of a leader anymore. Modern organization should create that all people within organization are leaders.

In situation above, effective leadership is leadership that involves and empowers employees in organization. Because of that, participative leadership and transformational leadership are becoming important concept in that kind of situation. Both leadership concepts are valued as the most effective ones because they give wide chances to empower human resources asset.

Participative leadership focused on power sharing and giving authority to employees. Participative leadership involves of manager's efforts to push and ease other people's participation in decision making (Yulk, 1998). Other things that are related to participative leadership are consultation, collective decision making, power sharing, decentralization and democratic management.

On the other hand, transformational leadership focused on process of commitment development into organization objectives and give trusts to subordinates in order to reach those objectives (Yulk, 1998). Managers are strived to do some changes within organization which involving all organization members. The purpose is to change the old ways and develop a new better ways.

Related to leadership, some researchers stated their opinions that ability that owned by female managers will be more effective while lead a modern organization compared to male managers. According to these researchers, female has more attention on consensus building and smart in developing interpersonal relationship (Yulk, 2005). Based on meta-analysis, female managers use more participative leadership styles (Eagly & Johnson, 1990). Female leaders in a variety of contexts were found to be highly transformational (Druskat, 1994). However, related to work affectivity, gender factor was not too important. It means that on whole, there is no performance difference between female managers and male managers (Eagly *et al.*, 1995).

Suprianingsih and Tjahjono (2007) had done research where the subject are Moslem female managers who are success in manage their organization using modern ways. Organization that they manage is proven can be exist in current global competition. Results of the research showed that female managers hold several principals in leading the organization. **First**, those female managers manage the organization using strong basic philosophy. It means they do the businesses using values that they really believe. **Second**, those Moslem female managers have mission, vision, long-term and short-term goals. They do the business plans in detail. **Third**, those female managers have good interpersonal communication abilities with their employees. Relationship with employees was developed based on family atmosphere. They can trust one to another, between supervisor and subordinates or among colleagues from the same level. **Fourth**, they have good abilities in developing communication with customers or clients. Business relationship that they created with their customers was also based on



family atmosphere. Consumers were part of family which is integrated with the company so that those managers sincerely always care about consumers' needs. Fifth, those female managers have social attention to employees as consequence of part of the family. They want to listen problems faced by their employees and they also like to assist their employees' problems. Sixth, those female managers care about social responsibilities to their communities. They actively do social activities such tithe (*zakat*) routinely for those who need, social activities for the needs and people who were hit by the earthquake disaster several time ago, many of them became guardian parents.

### ■ Organizational Culture and Female Managers

Globalization moves quickly and pervasively and influenced business competition. It caused company's or organization's strategy to cope that situation. Managers are forced to could change organization culture and organization structure so can be in accordance with strategic management. Organization culture is an important challenge for manager. Organizational culture is defined as a pattern of shared basic assumptions that the organizational learned as it solved its problems of external and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1997).

According to Schein (1997), leaders had the biggest potency in implanting and strengthening culture aspects with five prominent mechanisms. First is attention. Leaders communicate their attention with many different ways such giving praise. Second, reaction to crisis. Managers can show specific reaction related to crisis faced by the organization. Third, modeling role. Leaders can communicate their values and hopes through their own actions. Fourth, rewards allocation. Managers can communicate their values and hopes through reinforcement process by giving rewards. Fifth, selection and layoff criteria. Managers can strengthen the organization culture by selecting people who have values which are in accordance with organization and promoting them to strategies positions. On the other side, manager can refuse applicants who are not in same perspective with the organization through formal and informal procedures.

Top female managers roles have commonly found in Indonesia when developing organizational culture. For example, Mooryati Soedibyoy (Komisaris Utama PT. Mustika Ratu), Chaterina Wijaya (Director of Gadjah Tunggal), A. Rahmawati (Director of Maspion), Betti Setiastuti Alisjahbana (Leader of IBM Indonesia), Martha Tilaar (Owner of Sari Ayu Group), Eva Riyanti Hutapea (Former Director of Indofood Sukses Makmur). Other important positions that had lead by female managers are Chief of Director of Blue Bird Group, Sales & Marketing Director of Bouraq Airlines, Financial Director of Danamon Bank, Director of PT. Tiga Raksa, Director of Alfamart, Director of Hewlett-Packard Indonesia, Chief of Director of Lippo Karawaci, Director of PT. Menara Peninsula,



etc. They are several examples of Indonesian women who are success in doing their strategies roles in manage their businesses. Those examples were strengthening John Naisit and Patricia Aburdence's prediction in their book "Megatrends 2000" that women will appear as strategies leaders (Yusuf, 2000).

### ■ The Future Challenge of Indonesian Female Managers in Global Business

Globalization has impact on three things, customer, competition and change (Hammel & Champy, 1993). During that global era, customers held the business drives. Competition became harder and change became unpredictable. In that condition companies which can compete are the integrated companies. Those kind of companies have integrated with suppliers and customers (Kanter & Drestler in Mendenhall & Oddou, 2000).

To develop an integrated company, a strong leadership which always offers empowerment to the employees is needed. Related turbulent changes in global era, there is a need for managers to adopt transformational and participative leadership approaches that incorporate participation and the ability to nurture and develop subordinates. Based on the findings of the research literature, women would seem to be prime candidates to manage in global environments.

One of the key global issues facing companies today is how to transform the organization internally to become globally competitive. Therefore, one of the major challenges of managing the global work-force is to identify and utilize all top performers who will be effective in a global environment (Elron & Klark in Mendenhall & Oddou, 2000). The larger the pool of candidates for any job, the more likely that the best people will be selected. To increase the number of candidates for expatriate positions, which are critical to both the formulation and the implementation of a company strategy, companies need to consider men and women equally (Elron & Klark in Mendenhall & Oddou, 2000).

Besides that, the other challenges of managing company in global environments are diversity and cross cultural issues. They can be a source of innovation, which is a key component of global competitiveness. Moreover, diversity at the upper levels of overseas subsidiaries has been shown to directly enhance subsidiary performance (Elron in Mendenhall & Oddou, 2000).

Success in managing a company in global business competition depends on personality, knowledge, skills and behaviors of the manager. Women may have a certain advantage in socialization. Women managers lead with more relational and empathetic styles than do men (Helgesen, 990). Pattern situation unique to women's socialization make them comfortable with encouraging participation and facilitating inclusion, sharing power and information, and enhancing others' self-worth (Rosener in Mendenhall & Oddou, 2000).

According to Elron and Kark opinion (in Mendenhall & Oddou, 2000), there are two important dimensions related women's advantage. The first is other-



oriented dimension and the other perceptual dimension. Other-oriented personality dimension consists of activities and attributes that enhance the managers' ability to interact effectively with customers such relationship, skills, being willing to communicate with customers, and having respect and empathy for others. And perceptual dimension involves the consciousness of social cues and behaviors, attentiveness to them, and the ability to interpret them.

### ■ Several Advantages of Women as Managers?

Research which had done by Suprianingsih and Tjahjono (2007) showed that Indonesian female managers generally have ethical values in doing business. Indonesian female managers develop detail strategies and they also have excellence communication skill with their subordinates or supervisors within organization. Those managers can communicate effectively and manage good relationship with the customers. Beside that, Indonesian female managers also very care about social responsibilities in the community inside or outside the organization. Those "properties" became the advantages of Indonesian female managers.

Following is a short citation of an interview done by the researcher with one of the well-known success businesswoman in Yogyakarta - Indonesia. Researcher is labeled with P1 while the businesswoman is P2.

- P1 : How do you do the business so that it can rapidly develop?
- P2 : For me, the long-term goal is the happiness in the world and the next (*kebahagiaan dunia akhirat*). Business is part of devotion to Allah. The short-term goal is to develop the business gradually, from a small shop, medium shop, minimarket, and then I planned to build a mall. I had developed that phase in detail so that I can measure the achievement of my business performance. Related to this, values that I highly hold are honesty, trustworthy and caring.
- P1 : How do you interact with your employees and your customers?
- P2 : For me employees and customers are my big family. We have developed trust and good communication one to another.
- P1 : How do you handle several other business units that you own, especially related to decision making?
- P2: I always consult with people who I trust to control my business units. I also give opportunity to them to make decision. I often consult with my husband.
- P1 : What did you do so that your business can run for 31 years with extraordinary results?
- P2 : We always care our environment, such as our employees, customers, suppliers and the society.



Researcher separately interviewed several employees of that female director. Some opinions of the employees were that female leader has several superiorities beside limitations that she owned. Those superiorities are: (1) detail (2) has ethical values (3) communicative (4) has good interpersonal relationship ability, and (5) sensitive to social community problems. The researcher also saw that women generally like the job that they are doing. If they decided to choose their career, that was because they liked that job.

## ■ Indonesian Female Manager's Barriers and Challenges

Although there are some potential advantages of utilizing women in global business, the number of women in these positions remains low. In Indonesian organizations, men tend to perceive women as "second class" – and women tend to perceive themselves as the "other" even as "outsiders." Not being a part of the dominant majority in an organizational setting and experiencing the status of "other" most likely requires women to develop high levels of adaptation, as well as higher levels of sensitivity and understanding of social cues.

Besides that, people still perceive that Female manager is as woman who did not give enough attention to her family, children and husband. This community assumed that those women should not pursue high career. From biological side, women below 40 years old are still busy with maternity such pregnant, give birth and take care of child. That condition can be an obstacle for their career. Other problem for Indonesian women is marital status. They tend to feel uncomfortable if until specific age have not been married.

Beside personal obstacles, female managers also face challenges that becoming complex in global business. In global business changes are happened quickly. There are many changes that are not predicted before. Other issues are cross cultural, diversity and international assignments. Cross cultural and diversity issues related to values and culture differences among countries. International assignments issues related to jobs that require communicating with people from many different countries.

In situation that always change, it is important for Indonesian female managers to have "self learning" ability or learning how to learn. Knowledge and skills that they get has always to be updated because of that fast change demand. Experiences from the field or real world also can become new knowledge and skill for those managers. That knowledge is characterized as tacit, which means it embedded to the female manager's daily jobs. Because of that, cognitively female manager should be able to analyze the ways how to manage their daily business and to do improvement using the better ways.

Other ability from a shape of female manager is sensitivity to culture differences including language ability. That ability is not only empathy and diplomacy but also comprehension improvement on belief values and people's at-



made that came from different background. These abilities are very useful in facing cross cultural, diversity and international assignments phenomena.

Related to international assignments, Indonesian female managers should be active preparing their careers. Be persistent in educating their companies about possibilities and advantages of sending women abroad, also about their own personal values as an expatriate. They have to understand about economic, politic and law situations in the host country. They can discuss with their colleagues about situations that they will face. They also have to start preparing every family member to be ready because the mother or the wife will work abroad.

From the Indonesian company's side, the management should give same opportunity to female or male manager. The most important for the company's affectivity is the manager's contributions without gender discrimination. The company should assist the female manager with motivations and supports to face the new situations, including in facing international assignments. It is important for company to think about career development programs which are not bias gender. Related to international assignments, company should actively encourage female managers to consider the advantages of a global assignment and ask them to include this possibility in their career plans. Publicize the success of women expatriates and have them as role models and grant women managers on *international assignment the full status that comes with their job to signal the company's commitment to them.*

Related to cross cultural issues, company can use several fundamental cross-cultural training methodologies (Black & Mendenhall in Mendenhall & Oddou, 2000) such as followed:

#### **Information or Fact-Oriented Training.**

Women managers are presented with various facts about the country in which they are about to live via lectures, videotapes and reading materials.

#### **Attribution Training.**

The attribution approach focuses on explanation of behavior from the point of view of the native. The goal is to learn the cognitive standards by which the host-nationals process behavior input so that the women managers can understand why the host-nationals behave as they do and adapt his or her own behavior to match the standards of behavior in the host country.

#### **Cultural Awareness Training.**

The aim is to study the values, attitudes and behaviors that are common in one's own culture so that the women managers better understands how culture impacts his or her own behavior. Once this is understood, it is assumed that she can better understand how culture affects human behavior in other countries.

#### **Cognitive-Behavior Modification.**

The focus here is to assist women managers in linking what they find to be rewarding and punishing in their own subcultures (work, family,



religion, etc) and then to examine the reward and punishment structure in the host culture. Through an examination of the differences and similarities, strategies are developed to assist the women managers to obtain rewards and avoid punishments in the host culture.

#### **Experiential Learning.**

The goal of this approach is to involve the women managers as active participants, to introduce the nature of life in another culture by actively experiencing, that culture via field trips, complex role-plays, and cultural simulations.

#### **Interaction Training,**

Here women managers interact with natives or returned expatriates in order to become more comfortable with host-nationals and to learn from the first hand experience of the returned expatriates. The methods utilized can range from in-depth role plays to casual, informal discussions.

Those training methodologies can be used to all managers without gender discrimination because they need cross cultural comprehension about the host country.

### **■ Conclusion**

The bottom line, Indonesian female managers have the same abilities with the male managers so that the most important thing is ability in managing global business. Company has to give the same opportunity to female managers and prepare their career development equally. Company should give special treatment related to maternity for female managers, for example during pregnancy, giving birth, taking care of the children and family. Indonesian culture generally still put woman as person who is responsible about household and taking care of the children.

In global competition and wide societies, female managers' potencies such interpersonal skill can be developed. Comprehension about diversity within an organization need to be introduced during orientation and other company socialization forums in order to create synergy through those varieties. Indonesian female managers can play roles with superiorities that they owned. Sensitivity, openness and family atmosphere are their important capitals. Indonesian female managers can have a better role with their superiorities during their interactions with others.

Generally Indonesian female managers have superiority in thinking detail. That is related to composing company strategic planning. They can contribute by more detail in composing company's plans. Other characteristics of female managers in Indonesia are more careful and have good intuition. Female managers usually are more careful when thinking business priority, have good feeling and can create efficiency in organization. Besides that, Indonesian female managers have more ethical behavior and care about social responsibilities



Related to international assignments, Indonesia female managers have good interpersonal and diplomacy abilities. So, it is important for the company to give opportunity through an objective selection without gender discrimination. Company should prepare them with trainings in facing cross cultural issues.

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