

# GENDER EQUALITY IN THE MALAYSIAN WORKPLACE 2019

PRELIMINARY REPORT ON GENDER IN  
MALAYSIA'S WORKPLACES

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## OVERVIEW

CPA Australia's preliminary report on *Gender Equality in the Malaysian Workplace 2019* seeks to describe views on gender issues in Malaysian workplaces and propose solutions that may assist in addressing such issues.

The preliminary report reflects the views of members and non-members through a survey and a focus group on the following issues:

- Women in senior roles
- The perceived and actual impact of having a family on careers
- The gender pay gap between men and women doing essentially the same role for the same employer.

This preliminary report is part of our contribution to detecting and addressing barriers to gender equality in Malaysia and elsewhere. A final report will be issued after further consultations.

In total, 468 people responded to the online survey, which was conducted from 28 January to 1 March. Of the 468 respondents, 434 were members of CPA Australia and 34 respondents were non-members.

The key survey demographics are:

- 55 per cent of respondents are women
- 41 per cent of respondents have children
- Respondents are most likely to be aged between 30 and 39
- Respondents are most likely to work for an employer with more than 1000 employees
- Most respondents work for employers headquartered in Malaysia
- Most respondents work as managers or in supervisory roles

The focus group was made up of 12 members of CPA Australia.

## ABOUT CPA AUSTRALIA

CPA Australia is one of the world's largest accounting bodies with more than 164,000 members working in 150 countries and regions around the world, and with more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 10,000 in Malaysia.

# EXECUTIVE SUMMARY

The underrepresentation of women, gender pay gap and negative impacts of having children on women's careers – whether perceived or experienced – are all issues that CPA Australia is keen to understand more fully. These are obviously not just issues for Malaysia, but for all countries, including Australia.

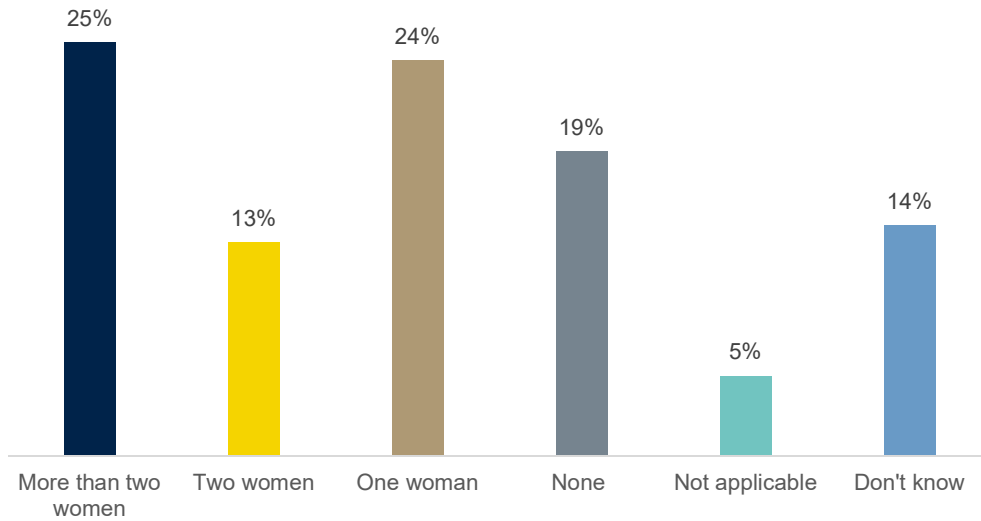
The high-level findings from our survey show that:

- The underrepresentation of women in senior leadership roles needs to be addressed by business, with the support of government and non-government organisations.
- There is a need to improve the company-level data on the pay received by women and men doing essentially the same job for the same company. This data will assist employers to identify whether a pay gap exists and, if so, act to close that gap, with the support of government and non-government organisations. It is important that such action include mechanisms to prevent any slipping back to a pay gap.
- There is a need to improve understanding of gender diversity and related issues as there are too many people who don't see these as a priority.
- There is a need to address perceptions that having children will have a negative impact on careers. Fortunately, these perceptions are not necessarily matched by the experiences of those who have children and are juggling both career and family.

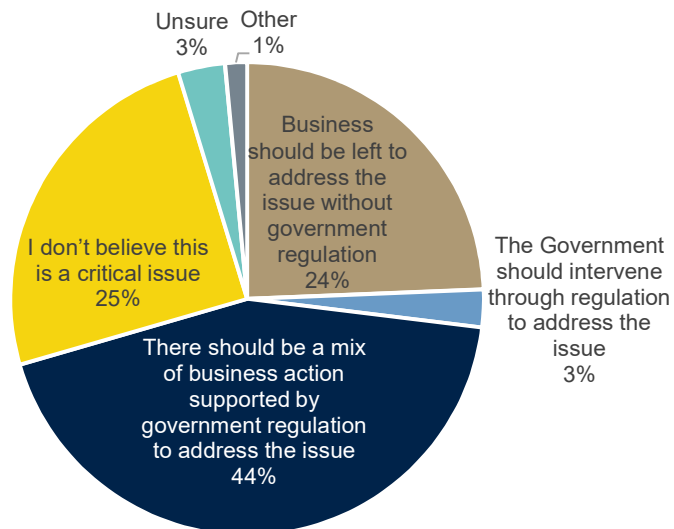
# MAJOR FINDINGS

## WOMEN IN SENIOR ROLES IN BUSINESS

How many women are on your employer's board?



### Views on increasing the number of women in senior leadership positions - overall



### Key findings from the survey and focus group

- Over 40 per cent of respondents said that their employer's board have either no women or only one woman on it.
- Respondents are most likely to suggest that business and government should work together to increase the number of women in senior leadership positions.
- Women are far more likely than men to suggest that there should be a joint approach by business and government to improving the number of women in senior roles.
- Men were more likely than women to suggest that increasing the number of women in senior roles is not a critical issue and that business should be left to resolve the issue without government intervention.
- Respondents in senior roles were more likely to suggest that it should be left to business to address the issue.
- Women and respondents aged under 40 were the most likely to suggest that business and government should work together to address the issue.
- There is little support for government to unilaterally regulate to resolve the issue.
- Focus group participants stated that quotas for the number of women on boards can focus businesses on gender diversity.
- Focus group participants favoured allowing business to act to improve gender diversity in senior positions without government intervention. They believe the role of government is to increase the training available to women seeking senior roles.

### Other observations

- In comparison to many other east Asian nations, Malaysia performs quite well on the number of women in senior leadership positions, however, as with nearly every other nation, there is scope to do better.
- According to the World Economic Forums' Global Gender Gap Report 2018<sup>i</sup>, Malaysia performs particularly well on education attainment, with women experiencing parity with men. Malaysia ranks equal first of 149 economies on this, however, the ratio of women to men in leadership positions of legislators, senior officials and managers is only 26 women to every 100 men, ranking Malaysia 112th out of 149 economies.
- According to the World Bank, 26.3 per cent of Malaysian firms had a female top manager in 2015. Unfortunately, the World Bank's Gender Statistics for Malaysia does not include the percentage of women in senior and middle management roles.
- CPA Australia agrees with the Malaysian Code on Corporate Governance that efforts to address the underrepresentation of women in companies should not be solely focused on board positions but should also focus on increasing the number of women in senior management. These types of actions help to focus the mind of decision makers on improving gender diversity more generally across the business.
- More women in board roles may encourage other women to pursue roles in senior management.
- A Grant Thornton survey from 2018<sup>ii</sup> showed that gender equality policies were widespread in Malaysian companies, however, companies should regularly review the effectiveness of such policies and adjust where deficiencies are discovered.
- Without management of a company making commitments and taking responsibility for improving the percentage of women in senior leadership roles, it is difficult to improve gender equality in the workforce.

### Suggestions for consideration

- Companies voluntarily report on the number of women in senior leadership roles.<sup>iii</sup>
- Companies announce voluntary quotas on the number of women in senior leadership positions.
- The Government highlight companies that meet a non-mandated quota for women in senior leadership roles.
- Government, researchers and non-government organisations provide companies information on the factors most likely to encourage women to seek senior roles and the factors that may discourage women from seeking senior roles.
- Government and non-government organisations highlight the actions taken by companies to increase the number of women in senior roles. This could include case studies showcasing actions taken by companies that have increased the number of women in senior roles.
- Government funding to increase the number of leadership and directorship training courses specifically for women and expansion of mentoring programs for new and aspiring women directors and senior managers.
- Government continue to proactively recruit women into senior roles within the civil services and government-linked companies.
- Government collect and publish aggregated data on the number of women in senior leadership positions for the private and government sectors.
- Government monitor and report on the progress large companies are making towards the 30 per cent female board representation target set out in the Malaysian Code on Corporate Governance issued by the Securities Commission.



## IMPACT OF HAVING A FAMILY ON A CAREER - EXPERIENCES AND PERCEPTIONS

### Negative impact of having children on career prospects – experience compared with perception

	Those who have children	Those who do not have children
Promotion opportunities	19.4%	30.8%
Salary	16.8%	17.9%
Quality of work	16.2%	29.7%
Undertaking further training	38.7%	40.3%
Ability to travel for work	56.5%	68.8%
Colleagues' perception of my commitment to work	19.9%	35.7%

**Negative impact of having children on career prospects of those who have children – by gender**

	WOMEN	MEN
Promotion opportunities	29.7%	9.7%
Salary	17.8%	14.6%
Quality of work	17.8%	13.6%
Undertaking further training	41.6%	35.0%
Ability to travel for work	61.4%	48.5%
Colleagues' perception of my commitment to work	27.0%	16.0%

### Negative impact of having children on career prospects of those who do not have children – by gender

	WOMEN	MEN
Promotion opportunities	41.1%	15.6%
Salary	21.5%	11.5%
Quality of work	27.8%	32.3%
Undertaking further training	41.8%	37.5%
Ability to travel for work	67.7%	70.8%
Colleagues' perception of my commitment to work	44.9%	20.8%

#### Key findings from the survey and focus group

- Respondents were most likely to nominate that having a family has or is perceived to have a negative impact on the ability of an employee to travel for work and undertake further education and training.
- Women who had children were more likely than men to state that having children had a negative impact on their promotion opportunities. Women who do not have children were significantly more likely to believe that having children will have a negative impact on their promotion opportunities.
- Respondents were least likely to nominate salary as being negatively impacted by having children.
- Interestingly, respondents that did not have children were more likely to nominate that having children will have a negative impact on their career than those that have children.
- It is also interesting that those respondents who do not have children feel that having a child is more likely to have a negative impact on how their colleagues perceive them. This is especially so for women who do not have children.
- Focus group participants highlighted that carer responsibilities can impact the ability of women to work the hours expected of some employers in some workplaces and to entertain clients outside of work hours. Some participants have found that this has not necessarily had a negative impact on their career as, for example, they conduct breakfast meetings with clients.

- Focus group participants also stated that some women leave the workforce before having children as they believe that it is untenable for them to juggle a career and children.
- Focus group participants stated that flexible work options, such as the ability to work from home, is not widely available in many workplaces and if it is available, is not widely adopted by employees.
- Focus group participants also stated that access to childcare is important to attracting women back into the workplace where families do not have in-home care. The quality and location of such childcare is an important consideration. Even when people have in-home care, the participants pointed out that there will be occasions where emergency childcare is needed.

#### Other observations

- The benefit of acting to create flexible work environments is that it may help improve staff retention, which can help reduce the gender pay gap and increase the number of women in senior roles. In creating such a work environment, it is important that work burdens are not unfairly shifted onto those without children.
- Increasing the number of women with children in senior roles should reduce perceptions that having children may have negative implications for careers, including promotion opportunities.

#### Suggestions for consideration

- Employers and government agencies could highlight success stories of women who have gone through career breaks to have a family, have successfully returned to work and have progressed to senior positions at the same or quicker speed than their male peers.
- Businesses could ask senior women and men to mentor younger people around how best they can balance career and family without impacting their career aspirations.
- Government and industry associations could assist employers to create a workplace environment that seeks to minimise negative career impacts on those who have a family through training and information.
- Education providers and employers need to better consider how to make education and training more accessible to those with families.
- Government and researchers provide data to companies on the factors most likely to create a work environment that does not have any real or perceived disadvantage for employees with families.

## GENDER PAY GAP

Unequal pay between women and men persists as an issue impacting gender equality. Data shows that it is an issue in Malaysia and virtually everywhere else worldwide. According to the Khazanah Research Institute<sup>iv</sup> and the Department of Statistics Malaysia<sup>v</sup>, Malaysian women earned on average 6.2 per cent less than men in 2017, down from an 8.3 per cent gap in 2013.

Data from other sources points to an even larger pay gap. The World Economic Forum's Global Gender Gap Report 2018<sup>vi</sup> shows that there is a gap in the wage equality for similar work, with Malaysia recording a score of 0.77 (parity is 1.00). While this may appear to be a large gap, this score ranks Malaysia at 17<sup>th</sup> out of 149 countries for wage equality.

As stated above, the gender pay gap is a global issue. On average, women in the OECD earn 13.8 per cent less than men<sup>vii</sup>. The gap is lowest in Romania (1.5 per cent) and highest in Korea (34.6 per cent). The OECD defines the pay gap as the difference between the median earnings of women relative to men.

These results do not state that there is a gender pay gap in every workplace in Malaysia, however such data does not yet exist in Malaysia. Our focus group participants did not necessarily see the gender pay gap as an issue with their employer.

For example, a survey from Grant Thornton<sup>viii</sup> shows that many employers in Malaysia have policies that they will adopt equal pay for men and women performing the same roles. Having said that, with macro-level data showing that there is a gender pay gap in Malaysia, it may be advisable for these employers to measure and disclose their performance against their equal pay policy.

Differences in remuneration between individuals can be attributed to a range of factors, including levels of education, experience, occupation, etc. Identifying actual wage gaps therefore requires a comparison between individuals doing essentially the same role for the same employer.

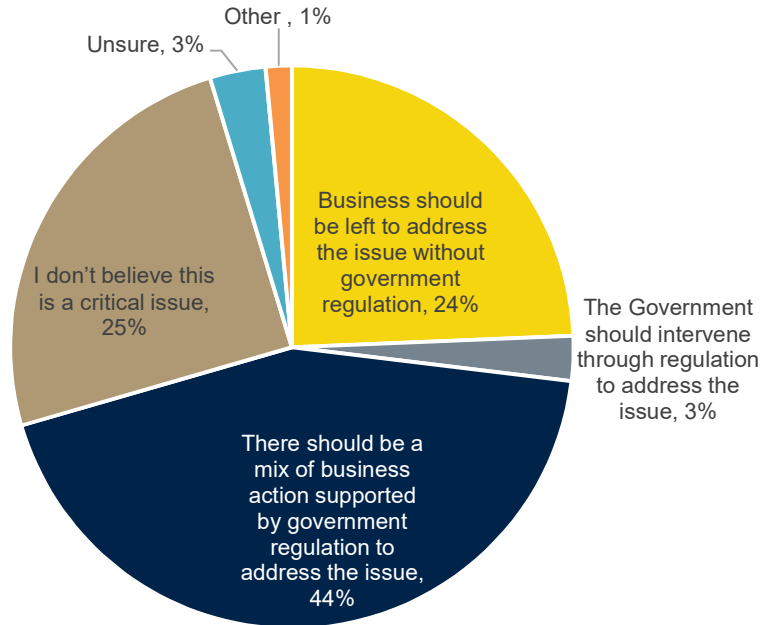
According to the Khazanah Research Institute's *The Malaysian Workforce: A Changing Landscape Part 2* when comparing mean monthly salaries by age and gender in 2017, it found that women on average earn 0.8 per cent more than men in the 25 to 29 age group and 0.2 per cent more than men in the 30 to 39 age group. From age 40 to 54, however, men's median wage is 6.5 per cent more than women and 16.4 per cent higher for those aged 55 to 65.

When looking at the gender pay gap in Malaysia by level of education, women in Malaysia who hold a degree are paid on average 23.3 per cent of RM1500 a month less than men with a degree. This could be because women may be more likely to hold degrees in areas where pay is traditional lower.

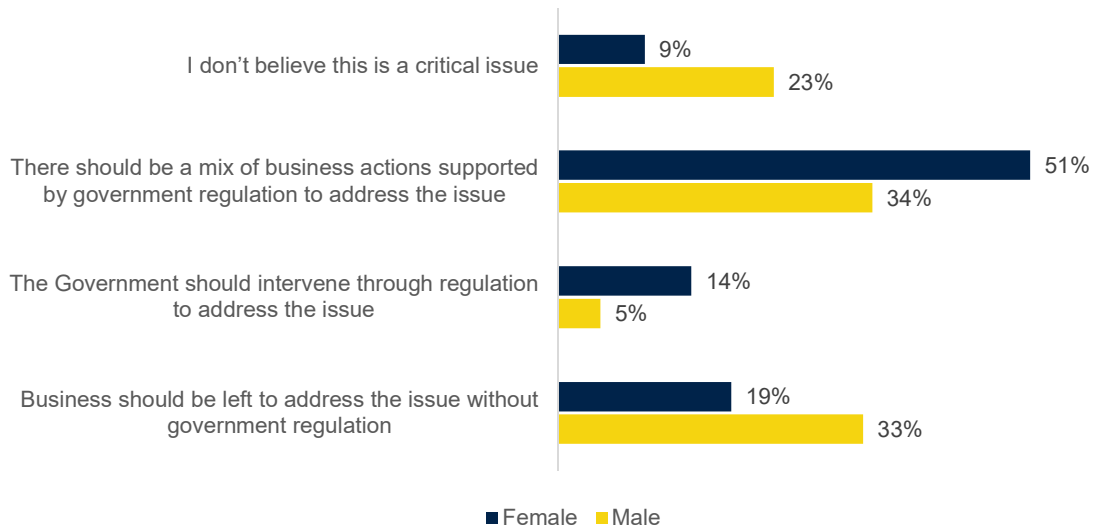
When looking at the gender pay gap by occupation, we find some large gaps. For example, male professionals are paid 20.6 per cent more than female professionals, while male managers are paid 19.8 per cent more than female managers. The relatively low wage gap in Malaysia is therefore attributed to a high proportion of women engaged in occupations with lower wage gaps, such as clerical support workers, technicians and associate professionals.

This highlights the limitation of the aggregated data available on the gender pay gap in Malaysia. More detailed information at a company and job level is necessary to gaining a better understanding of where the gap may be, thus informing potential actions by employers and policy makers.

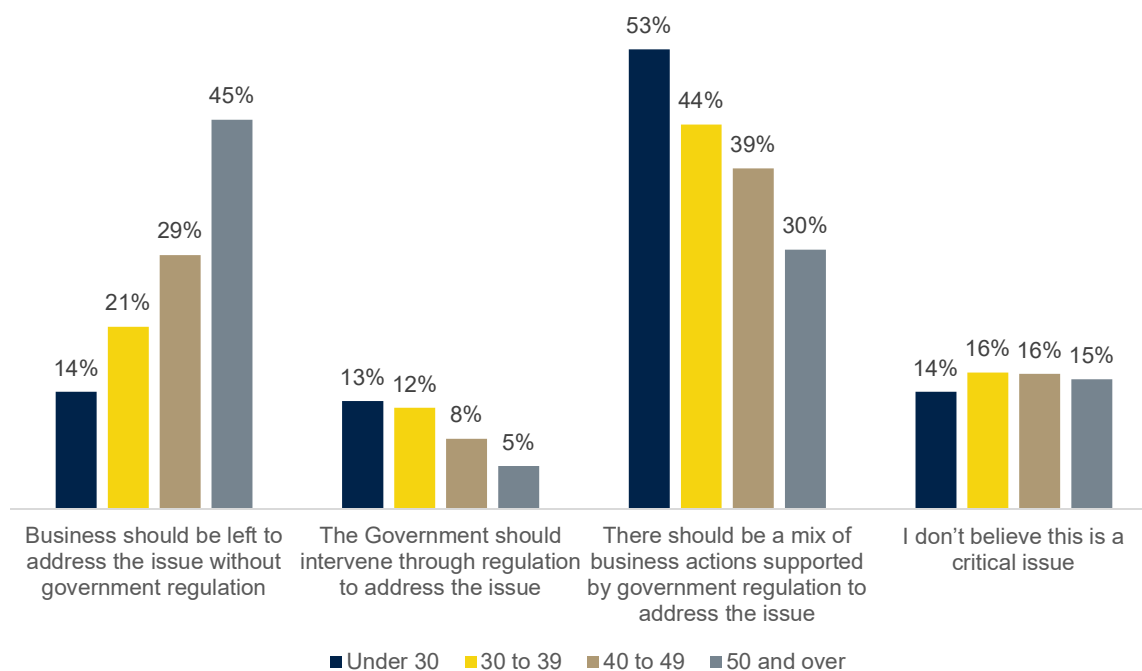
### VIEWS ON ADDRESSING THE GENDER PAY GAP - OVERALL



### VIEWS ON ADDRESSING THE GENDER PAY GAP – BY GENDER



## VIEWS ON ADDRESSING THE GENDER PAY GAP – BY AGE



### Key findings from the survey and focus group

- Respondents were most likely to suggest that business and government should work together to address the pay gap between men and women doing essentially the same role for the same employer.
- Around 15 per cent of respondents stated that they do not believe the gender pay gap is a critical issue, with one respondent stating, “*The gender pay gap is a myth*”.
- Men were more likely to suggest that the gender pay gap is not a critical issue and that business should be left to resolve the gap without government intervention.
- Women and respondents aged under 40 were the most likely to suggest that business and government should work together to address the issue.
- There is little support for government to unilaterally regulate to resolve the issue.
- Focus group participants did not necessarily think that there was a gender pay gap in Malaysia, and that differences in wages and salary is most likely attributed to experience, not any gender discrimination – deliberate or otherwise.
- Focus group participants believed that more data is needed at a company level to determine if a pay gap exists, and if so where and why.
- Focus group participants noted that Malaysian employers are increasingly offering career breaks and other flexible work arrangements and that further work could be done on the impact of such work arrangements on pay.

### Other observations

- Greater company-level data in Malaysia on the gender pay gap is essential to determine if and where problems exist.
- Some have commented that improving transparency at the company-level is “*important because women often don’t know that they are paid less than their male counterparts — and this lack of information enables the wage gap.*”<sup>ix</sup>

### Suggestions for consideration

- Companies voluntarily provide greater data on gender pay gap through standardised pay gap reporting.
- Companies make voluntary commitments to equal pay and measure and report their progress to equal pay.
- Community confidence in such reporting would be higher if it is subject to independent assurance or certification. Examples include equal-salary certification by the Equal Salary Foundation, a Swiss-based foundation that puts businesses through a process to verify and communicate that they pay their female and male employees equally for the same job or for job of the same value. Philip Morris Malaysia became the first company in Malaysia to be certified by the Foundation in March 2019.<sup>x</sup>
- Government assist businesses build their capability to better analyse and report on the pay gap.
- The Government research whether the gender pay gap reporting requirements for companies in countries such as Australia, the UK, Iceland, France and Germany could and should be adapted for Malaysia.



## FACTORS THAT ATTRACT PEOPLE TO A JOB

### TOP THREE FACTORS THAT WOULD ATTRACT YOU TO A JOB – BY GENDER

	OVERALL	WOMEN	MEN
Salary	28.0%	23.9%	32.2%
Career progression opportunities	22.2%	18.1%	28.6%
The people you will work with and for	16.0%	16.6%	14.6%

## TOP THREE FACTORS THAT WOULD ATTRACT YOU TO A JOB – BY AGE

<b>Under 30</b>	
Career progression opportunities	<b>31.3%</b>
Salary	<b>26.0%</b>
Support for professional and personal development	<b>11.5%</b>
<b>30 to 39</b>	
Salary	<b>32.2%</b>
Career progression opportunities	<b>21.1%</b>
The people you will work with and for	<b>15.8%</b>
<b>40 to 49</b>	
Salary	<b>28.1%</b>
The people you will work with and for	<b>20.0%</b>
Career progression opportunities	<b>18.1%</b>
<b>50 and over</b>	
The people you will work with and for/Career progression opportunities	<b>22.5%</b>
Salary/ Flexible work hours	<b>15.0%</b>

### Key findings from the survey and focus group

- Salary is the top factor attracting both men and women to jobs.
- More men than women would be attracted to a job because of salary and career prospects.
- Salary is the top factor that attracts respondents aged 30 to 49 to a job.
- While salary is also an important factor for other age groups, career progression opportunities are more important to those aged under 30 and those aged over 50.
- The people within the organisation are an important factor for attracting staff.
- The factors that are less important in attracting people to an employer include:
  - flexible work hours (10.0 per cent)
  - the job description (8.1 per cent)
  - support for professional and personal development (7.1 per cent)
  - ability to work from home (5.8 per cent)
  - the job gives back to the community in some way (1.7 per cent).
- Focus group participants stated that employers are increasingly offering flexible employment arrangements, including career breaks, to attract and retain staff.
- Focus group participants noted that they are seeing an increase in the number of family members of an employee contacting employers to complain about working conditions.
- Focus group participants noted that the work hour expectations of younger employees are different from previous generations.

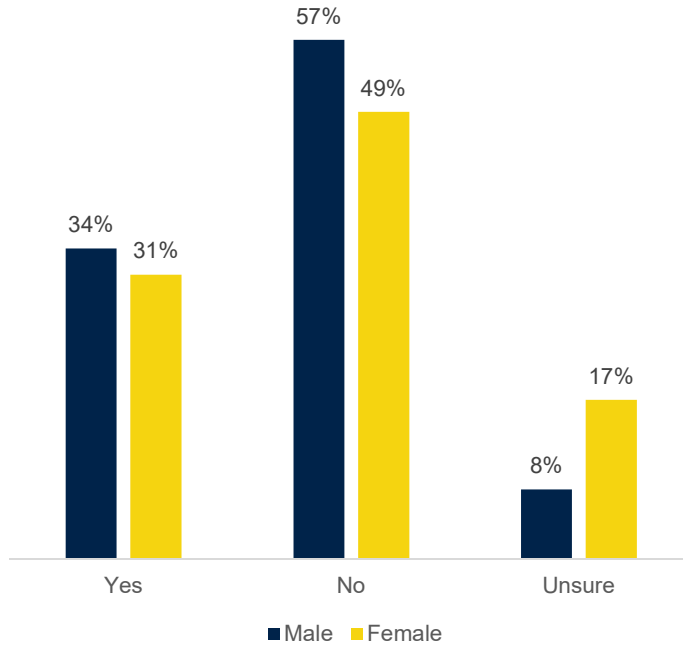
### Suggestions for consideration

- Businesses seeking to attract and retain the right talent need to have a mix of strategies. Salary alone, while important, is not the sole factor attracting a person to an employee. Further, the factors that attract someone to an employer change depending on age.
- While career progression opportunities are important for younger employees, it is also important for employees aged 50 and over. Employers should therefore provide all employees with opportunities for development and progress regardless of age.

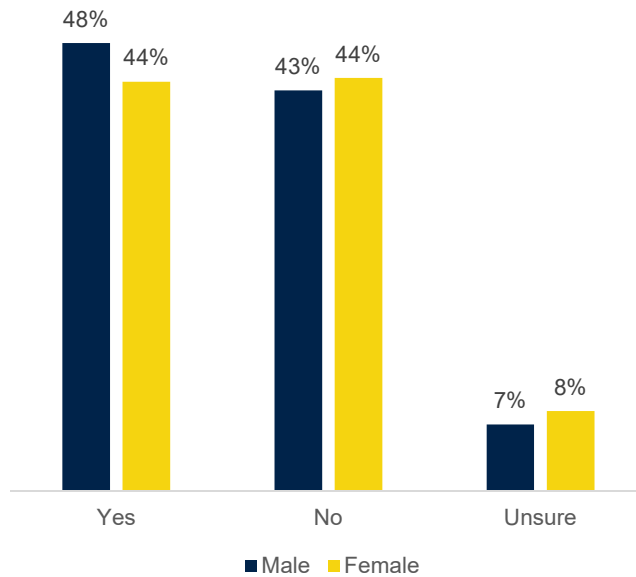
## SEEKING A NEW JOB OR PROMOTION

### ACTIVELY SEEKING A NEW JOB OR PROMOTION - BY GENDER

SEEKING NEW JOB - BY GENDER

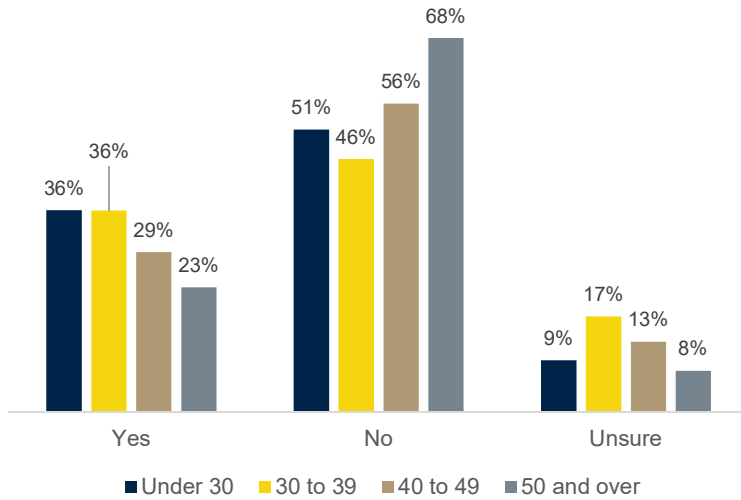


SEEKING PROMOTION - BY GENDER

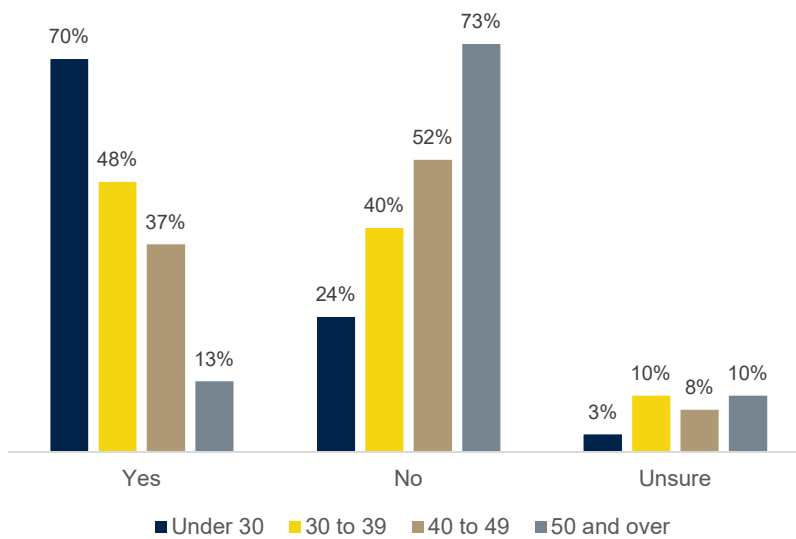


## ACTIVELY SEEKING A NEW JOB OR PROMOTION - BY AGE

### SEEKING A NEW JOB - BY AGE

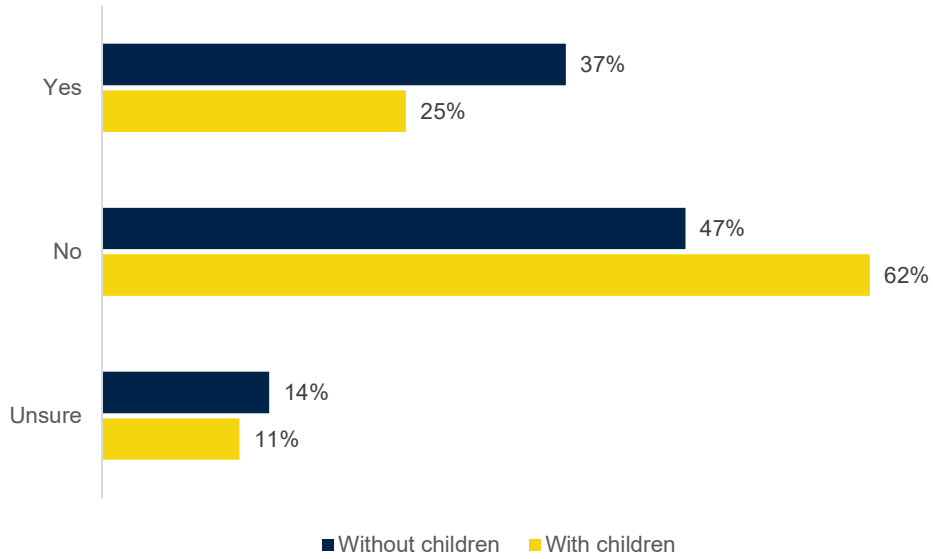


### SEEKING A PROMOTION - BY AGE

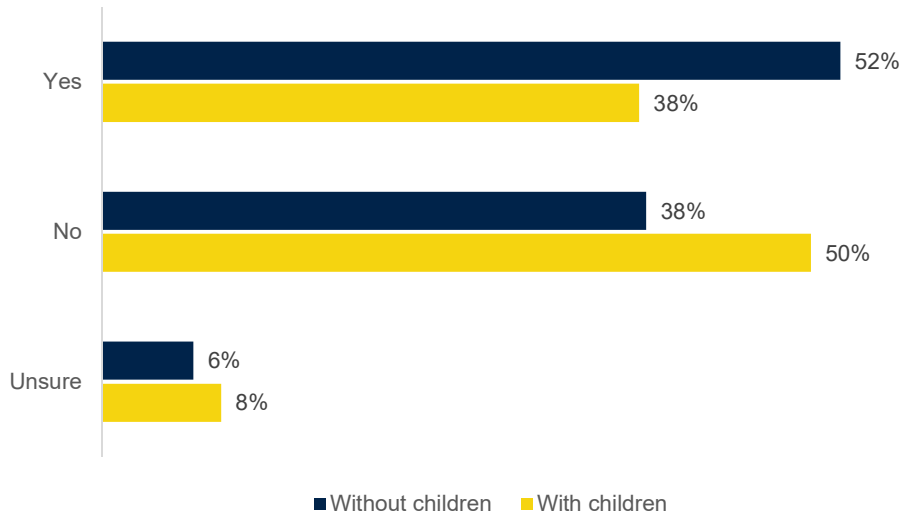


## ACTIVELY SEEKING A NEW JOB OR PROMOTION - BY FAMILY STATUS

### SEEKING A NEW JOB - FAMILY STATUS



### SEEKING A PROMOTION - FAMILY STATUS



### Key findings from the survey and focus group

- The results on actively seeking a new job or promotion do not vary significantly by gender.
- Respondents aged 40 and over are significantly more likely to not be seeking a new job than actively seeking a new job.
- Those aged under 40 are much more likely to state they are actively seeking a promotion, while those aged over 50 are significantly more likely to state they are not seeking a promotion.
- Those respondents with children are significantly more likely to state they are not seeking a new job than actively seeking a job.
- Those without children are more likely to be actively seeking a promotion than those with children.

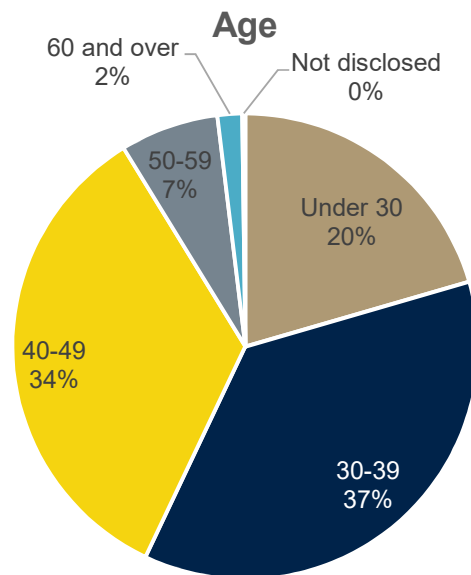
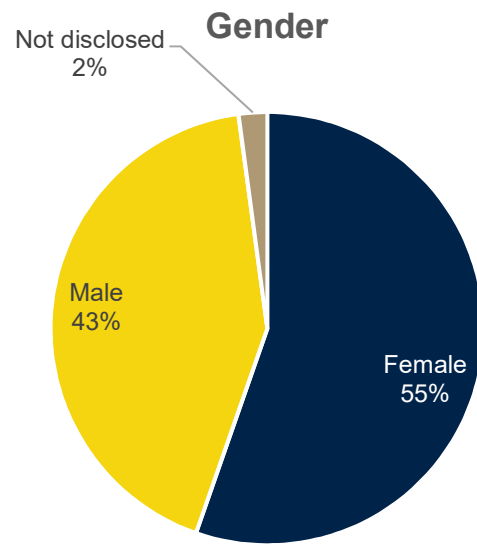
### Other observations

- While older respondents and those with family are less likely to be actively seeking a new job or promotion, that does not mean that they will not leave an employer. However, it can be inferred from the data that these employees may stay with their employer longer than employees in other age brackets.
- Age and family status of job applicants should never feature in the decision making of employers looking to hire staff. Employers should seek diversity in their workforce that reflects the diversity of their community and their customer base.

### Suggestions for consideration for business and government

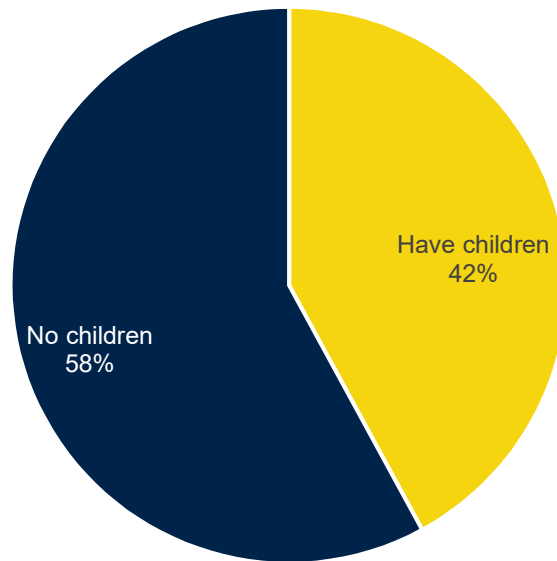
- With respondents with children being less likely to be seeking a new job, creating a family-friendly work environment that attracts employees with children may be one way to improve staff retention.

## SURVEY DEMOGRAPHICS

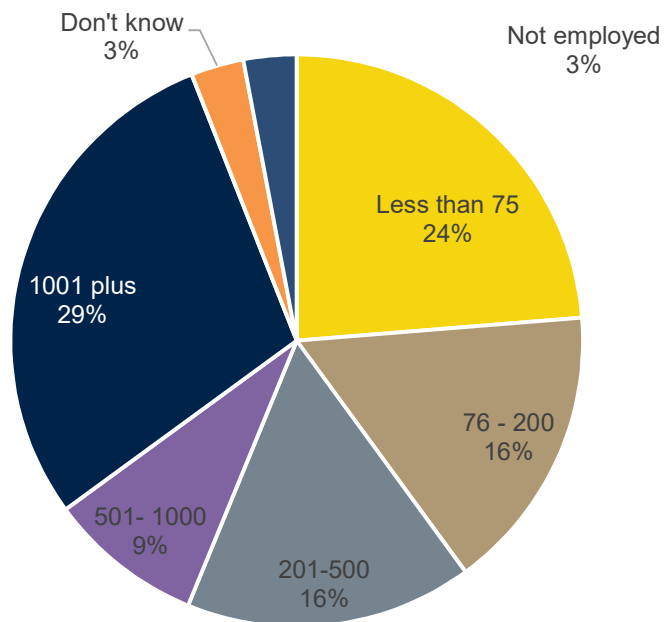




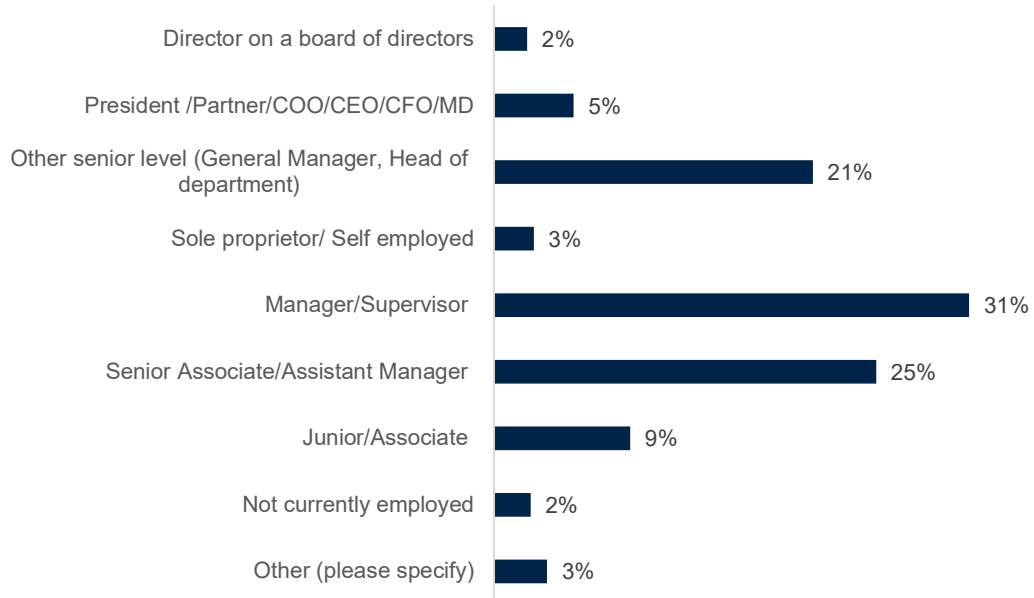
### Family status



### Number of employees



### Current role



## REFERENCES

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- <sup>i</sup> See page 173 at [http://www3.weforum.org/docs/WEF\\_GGGR\\_2018.pdf](http://www3.weforum.org/docs/WEF_GGGR_2018.pdf)
- <sup>ii</sup> See <https://www.nst.com.my/business/2018/03/342714/malaysia-records-higher-womens-participation-senior-leadership-grant>
- <sup>iii</sup> Paragraph 4.5 of the Malaysian Code on Corporate Governance states that a board should disclose in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30 per cent women directors. See <https://www.sc.com.my/api/documentms/download.ashx?id=70a5568b-1937-4d2b-8cbf-3aefed112c0a>
- <sup>iv</sup> See [http://www.krinstitute.org/assets/contentMS/img/template/editor/20181129\\_Part%202\\_KRI\\_SOH\\_2018.pdf](http://www.krinstitute.org/assets/contentMS/img/template/editor/20181129_Part%202_KRI_SOH_2018.pdf)
- <sup>v</sup> See [https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=444&bul\\_id=SGMzVDh0cVUwK0t6SGN6UzhwN1dmdz09&menu\\_id=L0pheU43NWJwRWVVSZklWdzQ4TihUUT09](https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=444&bul_id=SGMzVDh0cVUwK0t6SGN6UzhwN1dmdz09&menu_id=L0pheU43NWJwRWVVSZklWdzQ4TihUUT09)
- <sup>vi</sup> *ibid*
- <sup>vii</sup> OECD (2019), Gender wage gap (indicator). doi: 10.1787/7cee77aa-en (Accessed on 22 May 2019)- see <https://data.oecd.org/earnwage/gender-wage-gap.htm>
- <sup>viii</sup> See <https://www.nst.com.my/business/2018/03/342714/malaysia-records-higher-womens-participation-senior-leadership-grant>
- <sup>ix</sup> See comments from the Women's Aid Organisation - <https://www.malaymail.com/news/malaysia/2018/11/04/wao-make-companies-declare-how-much-male-female-staff-earn-to-close-pay-gap/1689931>
- <sup>x</sup> See <https://malaysia.news.yahoo.com/philip-morris-first-malaysian-company-132118121.html>