

DOI: 10.5281/zenodo.8297057

# BRIDGING THE GENDER EQUALITY GAP – DEVELOPING PRACTICAL FRAMEWORK. EVIDENCE: MULTINATIONALS IN INDONESIA

#### **RESTU WIDIATI**

Doctoral Program, School of Strategic and Global Studies of Universitas Indonesia, Indonesia. Email: rwidiati@gmail.com

#### **BUDI W. SOETJIPTO**

Department of Management, Faculty of Economics and Business, University of Indonesia, Indonesia. Email: bsoetjipto@gmail.com

#### **MIA SISCAWATI**

Gender Studies Program, School of Strategic and Global Studies of Universitas Indonesia, Indonesia. Email: miasisca@gmail.com

#### Abstract

Although there are many studies on gender equality, there are limited empirical evidence focusing on the workplace practical implementation. Bringing the context of Indonesia, this article aims to gain insights on how multinational companies (MNCs) applied gender equality policies and practices in the workplaces. The purpose of the study is to investigate the common patterns and to develop a practical framework in implementing gender equality at the workplace. The role of MNCs as global companies bring more advanced level of education, more developed technology, and expectedly also more advanced policies related to gender equality. The study first explored the key drivers of gender equality practices refer to the three pillars of the institutional theory, which are normative, regulatory, and cognitive. In addition, refer to the stakeholder theory, the study discovered patterns of gender equality practices in those multinational companies which intended for two categories of stakeholders which are internal stakeholder (employees) and external stakeholder (public). Based on the findings, this study developed a practical framework consists of three elements, i.e., Internal practices affecting employees at the workplace, External practices through Corporate Social Responsibility (CSR) programs, and the last element is other supporting factors that are also having influence towards the implementation of gender equality. This study concludes that such framework can be used as practical guidance for organizations to implement gender equality at their workplace.

**Keywords:** Gender equality; MNCs / Multinational companies; Workplace; Institutional theory; Stakeholder theory

#### 1. INTRODUCTION

Being member of the United Nations (UN), Indonesia supports the global agenda of the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 (Figure 1). This study focuses on the agenda for the realization of Goal no. 5 of the Sustainable Development Goals (SDGs) i.e., Gender Equality. According to the 2021 Global Gender Gap report, Indonesia's rank has dropped by 16 points in 2021 from rank 85<sup>th</sup> the year before, to rank 101<sup>st</sup>. This is mainly due to two reasons. First reason is from an economic point of view, due to the widening gap of 4% in women's participation in the economic sector (dropped to





64.7% from 68.5%). There are three main areas of concern here, namely the decrease of women in senior roles or important positions (from 54.9% to 29.8%), women participation in labour market is significantly low at 55.9% compared to men at 84.5%, and the high number of women working in the informal sector (81.8%) compared to men (79.4%).



Figure 1: Poster of Sustainable Development Goals

Source: United Nations.

Second reason of the drop in the gender gap rank is due to the political empowerment. It is stated that the gender gap has widened by 0.8% from the previous year to 16.4%; this is mainly due to the reduction in the number of women in ministerial positions (30.7% percent in 2020 to 20.6% in 2021).

Table 1 below show the key indicators for Indonesia on Global Gender Gap report from the year 2006, 2020 and 2021.

Table 1: Global Gender Gap Index

	2006	2020	2021
GLOBAL GENDER GAP INDEX	65.4%	70%	68.8%
GLOBAL RANK	68	85	101
Economic participation and opportunity	59.8%	68.5%	64.7%
Educational attainment	94.9%	97.0%	97.0%
Health and survival	96.9%	97.4%	97.1%
Political empowerment	10.1%	17.2%	16.4%

Source: WEF - Global Gender Gap Report





DOI: 10.5281/zenodo.8297057

Based on this context, it is a priority for Indonesian government to continue carrying out various programs to improve the gender equality in Indonesia, and the participation of the private sector is clearly needed. Contributions of Multinational companies (MNCs) are especially expected considering their role as global companies with mostly more advanced level of education, more developed technology, and expectedly also more advanced policies related to Gender Equality.

Another consideration is that Indonesia as a developing country provides women with extended supporting system that allows more women to develop their career and work (Kurniawaty, 2020). Therefore, along with more women having higher education, it is expected that there is increasing number of women entering the employment market. Hence it is very important for companies to provide practices in the workplaces that will attract and engage women employees.

This article will begin with an overview to introduce the context, by reviewing literature on past studies regarding gender equality in Indonesia and the context of multinational companies (MNCs) in Indonesia. Further, we will explore the literature review and research gap concerning MNCs and Gender equality practices at the workplace. Afterward, the article will share the theoretical foundation with institutional theory and stakeholder theory. Followed by the methodology used in this study and the empirical evidence of the relevant analysis which bring to the development of gender equality practices framework. Lastly, the "Discussion" and "Conclusion" sections that summarise the key findings from the study, contextualises the findings, identifies limitations of the study, and provides a conclusion including directions for future work in this area.

## 2. THE CONTEXT

The issue of inequality at work is a reality that has existed since women entered the labour market and it still exists today (Cavero-Rubio et al., 2019). This issue has drawn the attention of various organizations and research institutions. Although there is gradual progress in providing better equality including women rights, unfortunately experience show the journey towards the true gender equality is still a long way (Cavero-Rubio et al., 2019). There should be equal right and opportunities for both men and women at the workplace (Olidi et al., 2013). Despite stronger presence of women in the labour market, the position of women is still in a clear disadvantage compared to men. This inequality of women becomes even more obvious when we look at the access to power (Olidi et al., 2013). Gender inequality can cause several errors in decision making which will be harmful to gender equality and organizations (Chang & Milkman, 2020). Wu & Cheng, (2016) conducted study that shows gender equality at the workplace can effectively improve productivity of manufacturing company. Grosser & Moon, (2008) investigated the extent to which company reporting included information on gender equality in the workplace. The result show that those reports lack of information about gender equality at the workplace due to insufficient demand by public and local authorities.





DOI: 10.5281/zenodo.8297057

# 2.1 Gender Equality in Indonesia

This study adopts the definition of gender equality as equality in the fulfilment of rights and obligations for men and women refer to Gender Analysis Pathway (GAP, 2007). Accordingly, there are 4 factors that can lead to disparities between women and men, namely: access, benefits, participation, and power. Research on gender equality conducted in Indonesia remains very limited and mostly not about its application in the workplace. During the last 5 years, studies related to gender equality in Indonesia were mostly related to the following issues: government regulations and law (Husein et al., 2021; Nuraeni & Lilin Suryono, 2021; Siscawati et al., 2020) religion (Nawir, 2016; Aziz et al., 2020), education (Sudarso et al., 2019; Nurhaeni & Kurniawan, 2018; Effendi & Ratnasari, 2018) and politics (Apriani, 2019; Marwah, 2019). Two studies related to workplace were found regarding gender equality in the mining industry, that is, one research demonstrated female employees can work and perform well both as employees and housewives (Mahmudah, 2019), and the other research focused on the discrimination practices reflected in the recruitment process in a mining company (Ningrum et al., 2020). A more comprehensive study is found investigating gender dynamics at WASH workforce in Indonesia (Soeters et al. 2021). Based on the above, this study aims to fill the gap of previous studies, by studying through empirical evidence and developing a practical framework on the implementation of gender equality at the workplace gathered from the practices in five multinational companies operating in Indonesia.

# 2.2 Multinational companies in Indonesia

Globalization has created a fundamental change in the spatial and temporal contours of social existence in human experience with almost non-existence boundaries of space and time. There are four basic aspects of globalization defined by the International Monetary Fund (IMF), namely: migration and human mobility, movement of funds and capital, trade and transactions, and transfer of knowledge. Among the two biggest impacts of globalization are, firstly the strengthening of the role of international organizations, such as the United Nations (UN), with its various agendas, e.g., the 17 Sustainable Development Goals (SDGs). Secondly, the impact of globalization is in the growing number of global companies, namely the Multi-National Companies (MNCs) operating in different countries. This section will explore these two impacts of globalization in Indonesia i.e., the agenda of UN with its SDG Goals focusing on Goal no.5, and the growth of Multinational companies (MNCs). Indonesia is an open country, rich of natural resources, with more than 270 million of population. These facts adding with the economic and political stability, have attracted many global companies to invest and to operate in the country. According to data from BKPM, 50% of total investments realized in 2020 came from foreign investments (see Table 2).





**Table 2: Domestics Investment & Foreign Investment Realization 2016-2020** 

Source: Indonesia Ministry of Investment/ BKPM

In 2021 alone, it is targeted that there would be around 160 multinational companies (MNCs) relocated from other countries investing in Indonesia, with value of more than 80 million US\$ and employing more than 300 thousand people (see Table 3).

		S		
		Investment Value		
Category	Description	Number of Companies	(plan in million USD)	Number of Employees
	Confirmed companies to			
1	relocate/diversify to Indonesia	23	8.127,90	70.950
	Companies intend to			
II	relocate/diversify to Indonesia	25	35.551,50	103.680
	Potential companies from various			
Ш	sources (Media, Embassies, etc)	114	40.500,00	156.430
	TOTAL	162	84 179 40	331 060

Table 3: Table of Foreign Investment Plan 2021

Source: Indonesia Ministry of Investment/BKPM 2021

Considering that the number of MNCs operating in Indonesia continue to increase, the country expects the total workers employed by Multinational companies will also increase. Therefore, it is very important to ensure that not only they bring investment, but as well provide transfer knowledge and good working condition for Indonesian workers, including for female workers, through gender equality practices. Besides, it is expected that MNCs coming especially from more advanced countries may have practices of gender equality within the organizations that can be used as reference to develop a practical guideline especially for other local corporations in Indonesia.





DOI: 10.5281/zenodo.8297057

## 3. LITERATURE REVIEW AND LITERATURE GAP

# 3.1 Previous Studies Relate to MNCs and Gender Equality at the Workplace

We can expect the global expansion of gender equality practices to be driven by MNCs, as they are considered the vehicles for transferring practices across countries (Geppert et al., 2006; Song, 2021). Past studies concerning Multinational companies' practices on gender equality at the workplace are varied. Among these limited studies, many were focusing on the effect of cultural and social context that promote gender equality (Berrey, 2014; Tienari et al., 2010; Alhejji et al., 2018), women employment right (Poster, 2001; Formánková & Křížková, 2015), ethnicity intersectional (Ortlieb et al., 2019; Turnbull et al., 2022), globalization and countries comparison (Bader et al., 2022; Dawn Metcalfe & Rees, 2010; Campos-García et al., 2019; Kemper et al., 2019).

# 3.2 Literature Gap

There are three objectives that this study aims to contribute to the literature. First is to contribute to the topic of gender equality at the workplace as it is still under-researched within the context of multinational companies (Cooke et al., 2019). Second, this study aims to contribute to the context of Indonesia, as mentioned above most research on gender equality in Indonesia are not the practice at the workplace. Third, drawing from institutional theory and stakeholder theory this study investigates the drivers and stakeholders affected by gender equality practices which provide us with a pattern that enable us to develop a practical framework based on empirical evidence provided within different multinational companies in Indonesia.

## 3.3 Research Problems and Research Questions

The research problem that this study wants to address is the need to increase the implementation of gender equality at the workplaces in Indonesia, as part of improving the achievement of SDG no.5. There are two research questions within this study. First question is what kind of practices implemented by MNCs operating in Indonesia for gender equality. The second question is built upon the first question, as we discover those practices, are there any common patterns that we can use to develop a framework as practical reference for other organizations in implementing gender equality at the workplace.

## 4. THEORETICAL FOUNDATION

## 4.1 Institutional Theory

In accordance with institutional theory, institutions and organizations conform to established norms, values, and practices prevalent in their environment to gain legitimacy and acceptance (Scott, 1995). Past studies used institutional theory to understand the operations of multinational companies (Geppert et al., 2006; Jackson and Deeg, 2008; Van Zanten & Van Tulder, 2018; Oseghale et al., 2023). Moreover, studies have used institutional theory to explore practices regarding corporate social responsibilities of organizations including MNCs' (Campbell, 2007; Brammer et al., 2012; Li et al., 2018). Lastly the institutional theory also





DOI: 10.5281/zenodo.8297057

used in understanding MNC's practices in sustainable development goals (Van Zanten & Van Tulder, 2018; Escobar & Vredenburg, 2011). This study refers to institutional theory, focusing on the institutional environment in which MNCs applying gender equality at the workplace driven by the following three pillars (Scott, 1995).

Normative Pillar: This pillar deals with the norms, values, and beliefs that guide organizational behavior. It includes cultural expectations, ethical standards, and social norms prevalent in the society or industry within which the organization operates. In the context of MNCs and gender equality practices, this pillar includes the broader societal norms and attitudes towards gender roles and women's participation in the workforce. This normative pillar is influenced by country where they come from intertwine with the influence of the host country. It encompasses the cultural context that shapes attitudes towards gender equality and influences organizational behavior.

Regulatory Pillar: The regulatory pillar pertains to formal laws, rules, and regulations imposed by governments or other authoritative bodies. Compliance with these rules is often mandatory and can have a significant impact on organizational practices. MNCs must comply with various labour laws, equal opportunity regulations, and anti-discrimination policies, both in their home country and in the host country. These regulations create specific requirements and obligations for MNCs to ensure gender equality in their employment practices and policies.

Cognitive Pillar: The cognitive pillar involves the shared cognitive and symbolic frameworks, such as logics and mental models that shape how organizations perceive and interpret their environment. The cognitive pillar encompasses the shared mental models, logics, and beliefs that influence how MNCs perceive and interpret gender equality issues. It includes the cognitive frameworks through which organizations view gender diversity, representation of women in leadership roles, and other gender-related aspects. These cognitive structures shape decision-making processes within MNCs regarding gender equality policies and practices.

# 4.2 Stakeholder Theory

In accordance with stakeholder theory (Freeman, 1984), organizations should consider the interests of all stakeholders, which include shareholders, employees, customers, suppliers, communities, and other individuals or groups who are directly or indirectly at stake by the actions and results of the organization. Under the framework of stakeholder theory, this study will focus on internal stakeholder and external stakeholder relevant to gender equality practices.

Internal stakeholder: Employees are recognized as essential internal stakeholders of the company (Bae et al., 2011; Kent & Zunker, 2017; El Akremi et al., 2018). "Employees are considered as a powerful stakeholder because their labour is necessary for the operation and economic success of the firm" (Kent & Zunker, 2017). Study finds that firms that treat their employees fair maintain low debt ratios (Bae et al., 2011). Gender equality practices at the workplace are driven by the acknowledgment that employees are valuable contributors to the company's success, and their well-being and satisfaction are critical for the organization's performance. Past studies have shown that gender equality practices created gender inclusion





DOI: 10.5281/zenodo.8297057

climate which affect the well-being, performance, and career development of employees (Kossek et al., 2017; Odhiambo et al., 2018; Krishnan, 2020; Zhuwao et al., 2019)

External stakeholder: Stakeholder theory also emphasizes that organizations have an obligation to consider the broader societal impact of their actions. Therefore, companies initiated corporate social responsibility (CSR) programs to address social, environmental, and ethical concerns beyond their core business operations (Russo & Perrini, 2010; Sen & Cowley, 2013; Oruc, 2015). Gender equality practices and reporting are often included in CSR programs (Grosser, 2009; Larrieta-Rubín De Celis et al., 2015).

Referring to stakeholder theory, gender equality practices at the workplace are affecting both internal stakeholder towards their employees, and external stakeholder towards public and external communities in the form of corporate social responsibility programs.

#### 5. METHODOLOGY

This study was conducted in 2022 using qualitative analysis with multiple forms of data, such as interviews, observations, and documents (Creswell, 2018). Guided by practicality and applied pragmatic approach, this study focuses on research questions and objectives (Saunders & Lewis, 2012). Inductive research approach is selected considering that the study will first gather data that will be used as the base to develop a general pattern, theory, or framework as conclusion (Saunders & Lewis, 2012).

To provide broad insights, data were gathered from 5 companies of 5 different sectors of industries. Two companies from more masculine or male-dominated industry i.e., Chemical and Tire manufacturing, one company from a more feminine industry i.e., Cosmetics, and two companies are considered as more gender-neutral industry i.e., banking and consumer-goods. These companies originated from different regions, i.e., three companies from Europe, and each one company from Asia and North America. The key informants of the study are the senior leaders in Human Resources of those companies.

# 6. EMPIRICAL EVIDENCE

Following series of interviews and data gathering process, we can identify various activities and programs conducted by each MNCs in this study. All those companies have implemented gender equality practices covering the elements of gender-balance, work-life balance, and various supporting policies. The recap can be seen in the Table 4, below. Further, we explored and analysed these activities in accordance with Institutional theory and Stakeholder theory.





DOI: 10.5281/zenodo.8297057

**Table 4: Gender Equality Practices conducted by MNCs** 

	Company A	Company B	Company C	Company D	Company E
COMPANY PROFILE					
Industry	Tire	Chemical	Banking	Cosmetics	Consumer goods
Nature of the industry ( gender dominance of the workforce)	Masculine	Masculine	Neutral	Feminine	Neutral
Home region	USA	Europe	Asia	Europe	Europe
Size of company refer to total employees (Medium:500-1000, Large: > 1000)	Large	Medium	Large	Medium	Large
GENDER EQUALITY PRACTICES	1				,
Gender Balance	1				
The % of women employees in total workforce	<50%	<50%	>50%	>50%	<50%
The % of women members in Top Executive /BOD	<40%	<40%	<40%	>40%	>40%
Work Balance					
The company offers employees paid maternity leave	Yes, 12 weeks	Yes, 14 weeks	Yes, 12 weeks	Yes, 16 weeks	Yes, 16 weeks
The company offers paternity leave	No	Yes, 2 days	Yes, 7 days	Yes, 42 days	Yes, 21 days
The company offers flexible working hours.	No	Yes	Yes	Yes	Yes
The company offers flexible work locations.	Yes	Yes	Yes	Yes	Yes
Gender Equality Policies					
The company applies non-discrimination and equal opportunity in selection process and recruitment strategy	Yes	Yes	Yes	Yes	Yes
The company has a training policy that covers all employees- including both men and women	Yes	Yes		Yes	Yes
The company provides career track and it has promoted both men and women	Yes	Yes	Yes	Yes	Yes
The company has an anti-sexual harassment, anti-gender violence policy or equivalent	Yes	Yes	Yes	Yes	Yes
The company has an employee health and safety policy	Yes	Yes	Yes	Yes	Yes
Gender pay-gap analysis	No	No	No	Yes	Yes
Other Supporting GE					
There is regular audit on GE and Diveristy implementation	Yes	Yes	No	Yes	Yes
There is Code of Ethics	Yes	Yes	Yes	Yes	Yes
Regular employee survey is in place	Yes	Yes	Yes	Yes	Yes
There are workshops/training and events on women empowerment	Yes	Yes	Yes	Yes	Yes
CSR PRACTICES FOR WOMEN	1				
The company provides training / workshop for public to help women gain better workability /entrepreneurship	Yes	No	No	Yes	Yes
Partnering with government and non-profit organizations working on various programs for improvement of SDG no	L.	L.	L.	l.	L I
b .	No	No	No	Yes	Yes

Source. Researcher, 2022.

# 6.1 Three Pillars Driving Gender Equality Practices

Refer to the three pillars in the institutional theory explained above, the study captured various gender equality practices by MNCs that are driven by each of these pillars.

Normative Pillar: this includes the implementation of gender equalities refer to norms, values, and beliefs both from the home countries and in Indonesia as the host country. Practices such as family-friendly policies with flexible working hours, remote-working or work-from-home, parental leaves, and childcare support. These practices recognize the importance of work-life balance and support women's career advancement.

Regulatory Pillar: These MNCs conduct certain practices driven by regulations back in their home countries and in Indonesia, as host country. Practices such as regular reporting which consists of gender-related data that include workforce composition by gender, pay equity reports, and diversity metrics, the representation of women in leadership positions or specific job roles, in alignment with regulatory obligations and direction from their headquarters.

Cognitive Pillar: These are practices done by MNCs which may not directly affecting gender equality, but the aim is to share the values relevant to gender equality, such as diversity training and awareness programs to employees and leaders about gender biases and how to foster an inclusive and equitable work environment. In addition, companies also build an inclusive organizational culture that values diversity and actively encourages the participation and contributions of employees of all genders.

# 6.2 Stakeholders Addressed By Gender Equality Practices

The study investigated further detail of gender equality practices using the stakeholder theory. We divided those practices into two categories based on the affected stakeholders. First category is gender equality practices that are affecting internal employees at the workplace. Second category is gender equality practices intended for external population usually





DOI: 10.5281/zenodo.8297057

considered as part of Corporate Social Responsibility programs (CSR). In addition to these two stakeholder categories, the study also found other practices which are not necessarily fall into either of these two categories but indirectly also support the implementation gender equality practices. Details of each of those three categories of practices are described as below.

# 6.2.1 Internal Stakeholders - Gender Equality Practices at the Workplace

Gender Equality practices affecting employees as internal stakeholders at the workplace can be grouped into 3 key elements which are Gender balance, Work-life balance and Promoting equality. The first element is Gender-balance, which includes the efforts towards closing the gap of proportion number between male and female of overall employees and the gender-balance within top management positions of the company. In terms of gender balance, all companies in the study are aware and consciously reporting the proportion of women employees in the organization. More than half of the companies in this study have less than 50% of their total population as women employees. However, among Top Executives level, more than half of companies have 40% or more women members in their Board Directors.

The second element of gender equality practices is Work-life balance which consists of various practices in facilitating the condition that will help employees, especially women to balance or integrate their role at home and at work. In other words, practices that are allowing women to better balance their work at home to manage their family, while doing their job. Those practices include maternity leaves, paternity leaves, and flexible working arrangements. We found that more than half of companies in the study have implemented beyond the local regulation concerning maternity leaves and two companies also applied beyond the local regulation on paternity leaves. Flexible working arrangements are consistently applied in all the companies with the exception for employees in specific role such as manufacturing. Post the Covid-19 pandemic, most companies still apply flexible working-hours and the option of work-from-home or anywhere. The flexibility of working hours is arranged by certain scheduling, or simply by maintaining the total working hours per day that employee must achieved. All companies in the study offer flexible work locations. This flexible work location is arranged mostly as hybrid approach with certain schedules, altering work from home and work from office.

The third element of gender equality practices is Promoting-gender equality which includes various policies and practices issued by the company to promote and demonstrate equality and inclusivity. Most of these are considered as HR Policies. All companies apply non-discrimination and equal opportunity in its selection process and recruitment strategy and provide equal access to training for all employees, including both men and women. Consistently, all companies provide equal opportunity for men and women to be promoted and to grow their career within the organization. In addition, one company has put system in place to review gender pay gap i.e., to see the differences of average salaries between male and female employees.





DOI: 10.5281/zenodo.8297057

# 6.2.2 External stakeholders - gender equality practices as part of csr program

All MNCs in the study also contribute Gender Equality practices through CSR (Corporate Social Responsibility) programs with workshops, special events, and awards. Some companies provide training for public, related to skills that will help women gain better workability or develop their entrepreneurial. For example, there are workshops for unfortunate women in specific area to make use of the manufacturing wastes which can be developed as a source of income for them. There are also workshops to train single mothers and breadwinner women on how to be a hairdresser. The other contribution is in the form of providing educational support, such as scholarship or research funding for female researchers. Another example is done by a company that regularly organizes special awards event to recognize women in scientific field.

# **6.2.3 Other Factors Supporting Gender Equality**

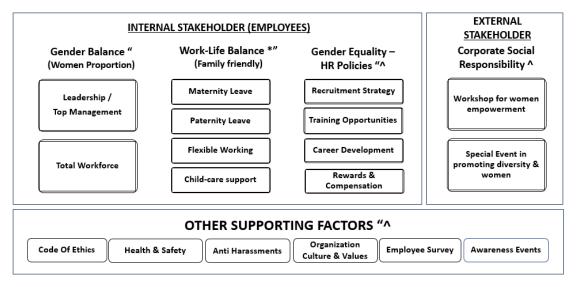
The last category is regarding practices that are not necessarily fall into either of the internal and external stakeholders but are found to be supporting the implementation of gender equality practices. Among the most obvious practice in this category is the existence of Code of Ethics in all these companies, provides guidance to employees on what to do or not to do from ethical points of view. The Code of Ethics include corporate values which align with the values of Gender Equality such as respect, diversity & inclusion, transparency, integrity, etc. In addition, there is anti-sexual harassment, or anti-gender violence policy or similar policy and Employee health and safety policies are also in place. Moreover, most companies conduct regular audit or assessment in place to ensure the consistent implementation practices refer to Gender Equality and Diversity & Inclusion. These companies also regularly organize company internal events that supporting the awareness towards gender equality, or diversity and inclusion. For example, Women's Day, Diversity Week, Mother's Day, etc. To support further the awareness of employees there are workshops and training on related matters, such as Diversity, Anti-Sexual Harassments, etc. Lastly, all companies conduct regular employee survey which concern company policy practices in general and provide employees opportunity to share their feedback concerning various practices and policies including to share any concerns as well as input to make the company a better place to work.

# 7. THE GENDER EQUALITY PRACTICES FRAMEWORK

Based on the above analysis, refer to the stakeholder theory we can then develop a framework of gender equality practices at the workplace which basically consists of three factors (See Figure 2. below). First is the internal factor, which includes practices at the workplace that affect employees as internal stakeholder. Second factor is concerning external stakeholder through relevant corporate social responsibility practices towards public or population outside the company. The last factor includes other supporting factors of practices and policies supporting the implementation of gender equality. Furthermore, this framework shows that there are relevant pillars that drive each factor of these practices refer to the institutional theory.



DOI: 10.5281/zenodo.8297057



Note. Pillar drivers: \*Normative "Regulatory ^Cognitive

Figure 2: Framework on Gender Equality Practices

Source: Researcher, 2022

## 8. DISCUSSION AND LIMITATIONS

This study aims to gain insights on how multinational companies (MNCs) applied policies and practices with regards to gender equality in the workplaces in Indonesia through normative pillar, regulatory pillar, and cognitive pillar. The purpose of the study is to investigate the common patterns and to develop a practical framework in implementing gender equality at the workplace. This study has gathered various practices and policies of some multinational companies in Indonesia contributing to the country's agenda to achieve the goal no 5 of SDG. The result shows that gender equality practices in Indonesia consists of internal factors with gender balance, work life balance dan gender equality-HR Policies, external factors with Corporate Social Responsibility programs, and other supporting factors. These three factors are intertwined and support each other creating an effective gender equality practice at the workplace of those multinational companies. This study only refers to limited sample of the practices done by five MNCs operating in Indonesia from five industries. Further studies should explore more companies and from more diverse industries. In addition, this study applies qualitative method, hence future studies having quantitative analysis will build other perspectives and help gain understanding of the relations of gender equality practices with other important factors at the workplace, such as work performance or employee-engagement. It will be useful also to further explore perception or level of appreciation by employees in those companies that have applied gender equality practices.





DOI: 10.5281/zenodo.8297057

## 9. CONCLUSION

The problem of gender equality is an important problem to be addressed immediately in Indonesia, not only as a part of playing a role in achieving the 5th SDG Goals, but more than that it is critical for the survival and growth of this nation. Therefore, government needs the contribution of the industry and private sectors. In this case, the government can take advantage and encourage more MNC companies to participate and bring the practices from their home countries in creating inclusive working environment that support gender equality. As a global company originating from a more advance country with more advance awareness and understanding on the subject, according to the institutional theory, it is appropriate for MNCs to participate in this agenda. For this reason, the Government needs to ensure that knowledge transferred by MNCs takes place, by putting in place various regulations, legal instruments, guideline, as well as facilitating various collaboration and cooperation programs in the field of gender equality through relevant education, training, and other women empowerment programs. Drawing from the institutional theory and stakeholder theory, this study develops a practical framework which can become a source of reference for other organizations to implement gender equality at the workplace.

#### References

- 1) Alhejji, H., Ng, E. S., Garavan, T., & Carbery, R. (2018). The Impact of Formal and Informal Distance on Gender Equality Approaches: The Case of a British MNC in Saudi Arabia: MNC Gender Equality in Saudi Arabia. Thunderbird International Business Review, 60(2), 147–159. https://doi.org/10.1002/tie.21828
- 2) Apriani, F. (2019). Faktor Familial Ties Bagi Perempuan Pemimpin Dalam Tata Pemerintahan Daerah. Jurnal Ilmu Administrasi Publik.
- 3) Bader, A. K., Froese, F. J., Cooke, F. L., & Schuster, T. (2022). Gender diversity management in foreign subsidiaries: A comparative study in Germany and Japan. Journal of International Management, 28(3), 100921. https://doi.org/10.1016/j.intman.2021.100921
- 4) Bae, K.-H., Kang, J.-K., & Wang, J. (2011). Employee treatment and firm leverage: A test of the stakeholder theory of capital structure. Journal of Financial Economics, 100(1), 130–153. https://doi.org/10.1016/j.jfineco.2010.10.019
- 5) Bappenas. (2007). Gender Analysis Pathway -Alat Analisis Gender untuk Perencanaan Pembangunan. Bappenas.
- 6) Berrey, E. (2014). Breaking Glass Ceilings, Ignoring Dirty Floors: The Culture and Class Bias of Diversity Management. American Behavioral Scientist, 58(2), 347–370. https://doi.org/10.1177/0002764213503333
- 7) Brammer, S., Jackson, G., & Matten, D. (2012). Corporate Social Responsibility and institutional theory: New perspectives on private governance. Socio-Economic Review, 10(1), 3–28. https://doi.org/10.1093/ser/mwr030
- 8) Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. Academy of Management Review, 32(3), 946–967. https://doi.org/10.5465/amr.2007.25275684
- Ocampos-García, I., Olivas-Luján, M., & Zúñiga-Vicente, J. Á. (2019). Managing Gender Diversity in Companies Operating in Different National Contexts: The Case of Spanish MNCs in Latin American Countries. In A. Georgiadou, M. A. Gonzalez-Perez, & M. R. Olivas-Luján (Eds.), Advanced Series in Management (Vol. 22, pp. 197–219). Emerald Publishing Limited. https://doi.org/10.1108/S1877-





DOI: 10.5281/zenodo.8297057

#### 636120190000022011

- Cavero-Rubio, J. A., Collazo-Mazón, A., & Amorós-Martínez, A. (2019). Public recognition of gender equality in the workplace and its influence on firms' performance. Women's Studies International Forum, 76, 102273. https://doi.org/10.1016/j.wsif.2019.102273
- 11) Chang, E. H., & Milkman, K. L. (2020). Improving decisions that affect gender equality in the workplace. Organizational Dynamics, 49(1), 100709. https://doi.org/10.1016/j.orgdyn.2019.03.002
- 12) Cooke, F. L., Wood, G., Wang, M., & Veen, A. (2019). How far has international HRM travelled? A systematic review of literature on multinational corporations (2000–2014). Human Resource Management Review, 29(1), 59–75. https://doi.org/10.1016/j.hrmr.2018.05.001
- 13) Creswell, J. W. (2018). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches (Fifth). SAGE Publications, Inc.
- 14) Dawn Metcalfe, B., & Rees, C. J. (2010). Gender, globalization and organization: Exploring power, relations and intersections: GUEST EDITORIAL. Equality, Diversity and Inclusion: An International Journal, 29(1), 5–22. https://doi.org/10.1108/02610151011019183
- 15) Effendi, P., & Ratnasari, D. (2018). Kesetaraan Gender Dalam Perspektif Undang-undang Nomor 13 Tahun 2003 Tentang Ketenagakerjaan. Jurnal Pro Hukum: Jurnal Penelitian Bidang Hukum Universitas Gresik. https://doi.org/10.55129/jph.v7i2.701
- 16) El Akremi, A., Gond, J.-P., Swaen, V., De Roeck, K., & Igalens, J. (2018). How Do Employees Perceive Corporate Responsibility? Development and Validation of a Multidimensional Corporate Stakeholder Responsibility Scale. Journal of Management, 44(2), 619–657. https://doi.org/10.1177/0149206315569311
- 17) Escobar, L. F., & Vredenburg, H. (2011). Multinational Oil Companies and the Adoption of Sustainable Development: A Resource-Based and Institutional Theory Interpretation of Adoption Heterogeneity. Journal of Business Ethics, 98(1), 39–65. https://doi.org/10.1007/s10551-010-0534-x
- 18) Formánková, L., & Křížková, A. (2015). Flexibility trap the effects of flexible working on the position of female professionals and managers within a corporate environment. Gender in Management: An International Journal, 30(3), 225–238. https://doi.org/10.1108/GM-03-2014-0027
- 19) Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.
- 20) Geppert, M., Matten, D., & Walgenbach, P. (2006). Transnational institution building and the multinational corporation: An emerging field of research. Human Relations, 59(11), 1451–1465. https://doi.org/10.1177/0018726706072888
- 21) Grosser, K. (2009). Corporate social responsibility and gender equality: Women as stakeholders and the European Union sustainability strategy. Business Ethics: A European Review, 18(3), 290–307. https://doi.org/10.1111/j.1467-8608.2009.01564.x
- 22) Grosser, K., & Moon, J. (2008). Developments in company reporting on workplace gender equality? Accounting Forum, 32(3), 179–198. https://doi.org/10.1016/j.accfor.2008.01.004
- 23) Hebl, M., & King, E. B. (2019). Gender equality in the workplace: An introduction. Archives of Scientific Psychology, 7(1), 1–3. https://doi.org/10.1037/arc0000071
- 24) Husein, S., Herdiansyah, H., & Putri, L. S. (2021). Allocation to gender empowerment towards gender equality of Sustainable Development Goals. IOP Conference Series: Earth and Environmental Science, 716(1), 012096. https://doi.org/10.1088/1755-1315/716/1/012096
- 25) Jackson, G., & Deeg, R. (2008). Comparing capitalisms: Understanding institutional diversity and its implications for international business. Journal of International Business Studies, 39(4), 540–561. https://doi.org/10.1057/palgrave.jibs.8400375





DOI: 10.5281/zenodo.8297057

- 26) Kemper, L. E., Bader, A. K., & Froese, F. J. (2019). Promoting gender equality in a challenging environment: The case of Scandinavian subsidiaries in Japan. Personnel Review, 48(1), 56–75. https://doi.org/10.1108/PR-02-2017-0035
- 27) Kent, P., & Zunker, T. (2017). A stakeholder analysis of employee disclosures in annual reports. Accounting & Finance, 57(2), 533–563. https://doi.org/10.1111/acfi.12153
- 28) Krishnan, D. S. G. (2020). Gender Diversity in the workplace and its effects on Employees' Performance. Journal of the Social Sciences, 11.
- 29) Kossek, E. E., Su, R., & Wu, L. (2017). "Opting Out" or "Pushed Out"? Integrating Perspectives on Women's Career Equality for Gender Inclusion and Interventions. Journal of Management, 43(1), 228–254. https://doi.org/10.1177/0149206316671582
- 30) Kurniawaty, I., v. (2020). Japan Aging Issues, Long Term Care Insurance (LTCI) and The Migration of Indonesian Nurse to Enter Japan Labor Market. *Journal of Strategic and Global Studies*. https://doi.org/10.7454/jsgs.v2i2.1020
- 31) Larrieta-Rubín De Celis, I., Velasco-Balmaseda, E., Fernández De Bobadilla, S., Alonso-Almeida, M. D. M., & Intxaurburu-Clemente, G. (2015). Does having women managers lead to increased gender equality practices in corporate social responsibility? Business Ethics: A European Review, 24(1), 91–110. https://doi.org/10.1111/beer.12081
- 32) Li, J., Zhang, Y., Hu, Y., Tao, X., Jiang, W., & Qi, L. (2018). Developed market or developing market? A perspective of institutional theory on multinational enterprises' diversification and sustainable development with environmental protection. Business Strategy and the Environment, 27(7), 858–871. https://doi.org/10.1002/bse.2037
- 33) Marwah, S. (2019). Women of the South Coast of Java in Politics and Rural Development.
- 34) Nawir, M. (2016). Rekonstruksi Pemahaman Hadis Analisis Hadis di dalam Fatwa MUI tentang Kesetaraan Jender. Journal of Qur'an and Hadis Studies, 5(2), 27.
- 35) Ningrum, P. K., Pansombut, T., & Ueranantasun, A. (2020). Text mining of online job advertisements to identify direct discrimination during job hunting process: A case study in Indonesia. PLOS ONE, 15(6), e0233746. https://doi.org/10.1371/journal.pone.0233746
- 36) Nuraeni, Y., & Lilin Suryono, I. (2021). Analisis Kesetaraan Gender dalam Bidang Ketenagakerjaan di Indonesia. Nakhoda: Jurnal Ilmu Pemerintahan, 20(1). https://doi.org/10.35967/njip.v20i1.134
- 37) Nurhaeni, I. D. A., & Kurniawan, Y. (2018). Gender-Mainstreaming in Technical and Vocational Education and Training. IOP Conference Series: Materials Science and Engineering, 306, 012057. https://doi.org/10.1088/1757-899X/306/1/012057
- 38) Odhiambo, M. W., Gachoka, H. G., & Rambo, C. M. (2018). Relationship between Gender Diversity and Employee Performance of Public Universities in Western Kenya. International Journal of Academic Research in Business and Social Sciences, 8(11), Pages 249-272. https://doi.org/10.6007/IJARBSS/v8-i11/4898
- 39) Olidi, C. S., Parejo, S. P., & Padilla, M. A. S. (2013). ¿Entre Obstáculos Anda el Camino? Trayectoria y Mujer Directiva The Path is Drawn Between Obstacles? The professional Career of a Female Manager. Revista Psicologia: Organizações e Trabalho, 13(1).
- 40) Ortlieb, R., Rahimić, Z., Hirt, C., Bešić, A., & Bieber, F. (2019). Diversity and equality in Bosnia and Herzegovina: Limits to legislation, public debate and workplace practices. Equality, Diversity and Inclusion: An International Journal, 38(7), 763–778. https://doi.org/10.1108/EDI-10-2017-0231
- 41) Oruc, I. (2015). Women as a stakeholder: A qualitative study in Turkey. Social Responsibility Journal, 11(4),





DOI: 10.5281/zenodo.8297057

- 734-748. https://doi.org/10.1108/SRJ-04-2014-0056
- 42) Oseghale, R. O., Pepple, D., Ifere, S. E., & Amaugo, A. N. (2023). Organization culture types and the replication of transferred human resource management practices in multinational subsidiaries in Nigeria. Employee Relations: The International Journal, 45(3), 565–584. https://doi.org/10.1108/ER-04-2021-0134
- 43) Poster, W. R. (2001). Dangerous Places and Nimble Fingers: Discourses of Gender Discrimination and Rights in Global Corporations. International Journal of Politics, Culture, and Society, 15(1), 77–105. https://doi.org/10.1023/A:1011119917229
- 44) Russo, A., & Perrini, F. (2010). Investigating Stakeholder Theory and Social Capital: CSR in Large Firms and SMEs. Journal of Business Ethics, 91(2), 207–221. https://doi.org/10.1007/s10551-009-0079-z
- 45) Saunders, M. N. K., & Lewis, P. (2012). Doing research in business and management: An essential guide to planning your project. Financial Times Prentice Hall is an imprint of Pearson.
- 46) Scott, W. R. (1995). Institutions and organizations. SAGE.
- 47) Sen, S., & Cowley, J. (2013). The Relevance of Stakeholder Theory and Social Capital Theory in the Context of CSR in SMEs: An Australian Perspective. Journal of Business Ethics, 118(2), 413–427. https://doi.org/10.1007/s10551-012-1598-6
- 48) Siscawati, M., Adelina, S., Eveline, R., & Anggriani, S. (2020). Gender Equality and Women Empowerment in The National Development of Indonesia. Journal of Strategic and Global Studies, 2. https://doi.org/10.7454/jsgs.v2i2.1021
- 49) Song, J.-W. (2021). How MNE subsidiaries transfer HRM practices in distant environments: A tale of two IKEA subsidiaries. Journal of International Management, 27(2), 100850. https://doi.org/10.1016/j.intman.2021.100850
- 50) Soeters, S., Siscawati, M., Ratnasari, Anggriani, S., Nailah, & Willetts, J. (2021). Gender equality in the government water, sanitation, and hygiene workforce in Indonesia: An analysis through the Gender at Work framework. Development Studies Research, 8(1), 280–293. https://doi.org/10.1080/21665095.2021.1978300
- 51) Sudarso, Keban, Philipus Edy, & Mas'udah, Siti. (2019). Gender, Religion and Patriarchy—The Educational Discrimination of Coastal Madurese.pdf. Journal of International Women's Studies.
- 52) Tienari, J., Vaara, E., & Meriläinen, S. (2010). Becoming an international man: Top manager masculinities in the making of a multinational corporation. Equality, Diversity and Inclusion: An International Journal, 29(1), 38–52. https://doi.org/10.1108/02610151011019200
- 53) Turnbull, B., Graham, M., & Taket, A. (2022). Diversified Organizational Inequality Regimes and Ideal Workers in a "Growth-Driven," "Diverse," "Flexible" Australian Company: A Multilevel Grounded Theory. Social Sciences, 11(8), 325. https://doi.org/10.3390/socsci11080325
- 54) Van Zanten, J. A., & Van Tulder, R. (2018). Multinational enterprises and the Sustainable Development Goals: An institutional approach to corporate engagement. Journal of International Business Policy, 1(3–4), 208–233. https://doi.org/10.1057/s42214-018-0008-x
- 55) World Economic Forum. (2021). Global Gender Gap Report 2021. World Economic Forum.
- 56) Wu, R., & Cheng, X. (2016). Gender equality in the workplace: The effect of gender equality on productivity growth among the Chilean manufacturers. The Journal of Developing Areas, 50(1), 257–274. https://doi.org/10.1353/jda.2016.0001
- 57) Zhuwao, S., Ngirande, H., Ndlovu, W., & Setati, S. T. (2019). Gender diversity, ethnic diversity, and employee performance in a South African higher education institution. SA Journal of Human Resource Management, 17. https://doi.org/10.4102/sajhrm.v17i0.1061

