



# Gender Ideology and Company Performance Measure

## A Case Study on Two Companies in Indonesia

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**Abstract.** This study aims to analyze the role of the company's leader in arranging the non-financial measures using gender ideology. This study uses a qualitative approach to understand better the role of top management of the company in the way they set up the performance measures, especially non-financial measures. This study applied the interview method and document analysis in collecting the data. There were nine respondents from two companies participated in this study. The respondents include top management, middle management, and company staff. The results show that gender ideology influences the style of a company's leader in the way they design and apply the non-financial measures to their company.

**Keywords:** Non-financial performance measures (NFPM) · leadership style · gender

## 1 Introduction

Company performance measures consist of financial and non-financial [1]. However, most companies practically focus on financial measures as it describes direct performance with the company's profitability. These companies agree that financial measures provide quantitative information that gives users more reliability and certainty in comparing company performance among industries [2]. Conversely, some research criticized that short-term financial measures provide historical data, which cannot provide information for companies to control their operational activities, design the long-term planning, and make effective decision making [3–5].

Most research underlined that the way companies pay more focus on financial measures relates to the leadership style performed by the top management of companies [6–10]. Leadership style in an organization shows a strong relationship with the society's perceptions regarding gender in terms of attitude and character of the leader [11]. There is still a lack of case studies showing the role of gender ideology in the leadership style of a company's performance measures [12]. Therefore, this study aims to explore how companies propose their performance measures by analyzing the role of gender perception in leadership style.

Perception of the masculine in the leadership style refers to the leader's character, which is less emotional, tends to give a command, delegate the tasks, and perform the

skill to handle and focus on the measurable target [8]. Meanwhile, the perception of the feminine leadership style tends to describe the leader who has good interpersonal skills and shows more compassion for their staff. Society's perception of the masculine gendered style performing better than others [10].

Some research mentioned a relationship between gender and the two types of leadership style, which is transformational and transactional. Transformational leadership style is most likely found in the female characters, which associates with feminine genders. It emphasizes moral and ethical values in the organization and tends to have a cooperative style that includes team structure based on social interaction. A transformational leader stimulates and inspires staff to achieve an organization's outcomes [13, 14]. While the transactional leadership style mainly refers to masculine leadership characteristics, which shows a competitive style that includes a hierarchical structure based on command and control. Transactional leaders tend to be directive and action-oriented and mostly use rewards and punishment for their staff to achieve the target.

## 2 Research Methods

This qualitative research used two companies, BLUE Corp and PINK Corp, in the printing industry, as a context in the case study approach. These two companies have high competition within the industry, forcing them to provide better performance to improve their competitive advantage. This study used various methods in the data collection. There were nine respondents from both companies being interviewed; few internal documents had been analyzed. Also, the non-participant's observation of the most relevant activities in both companies was undertaken to support the data analysis. This study undertook a semi-structured interview. The central theme of questions for the interviewee was to get their perceptions of the top management's leadership style and the practice of performance measurement in their company. Discussion with each respondent took thirty to sixty minutes, mostly done at different times and places. During the conversation with some respondents, internal documents were shown to support their responses. Each company permitted the researcher to stay and observe some daily activities performed.

The data collected from various methods were then analyzed to refer to the designed theme in the research questions. Records and notes taken from interviews were then classified into groups of themes. The triangulation was demonstrated through the various interviewees of each company. In addition, triangulation is shown from contrasting data from documents and observation, which were then classified into each group accordingly.

## 3 Results and Discussion

The data collected for this research underlined perceptions created by BLUE Corp and PINK Corp staff regarding their leader showing two types of leadership styles. All respondents from BLUE Corp said their leaders had the character of strict discipline and created a formal relationship with the company's staff. It is also found that Mr. Biru prefers to delegate the tasks to his staff to develop their management skills better. However, most managers of BLUE Corp agree with the leadership style because they were given the opportunity to develop their skills. Mr. Biru is also perceived as a strict

leader and set up a reward system to encourage employees to give their best performance in achieving the target.

*“Kalo berhasil ya dia dapet bonus, biasanya uang. Tapi kalo ga bisa ya ga dapet uangnya. Masa kalo ga berhasil tetep dapet uang? Kan harus sesuai sama yang dilakuin. Kalo bisa dapet, kalo ga bisa ya ga dapet. Jadi adil.”* (Leader of BLUE Corp).

The leader applies punishment such as strictly cutting the employee salary when they were absent for more than two days. All employees of BLUE Corp are aware of the performance measures applied in their company. On some occasions, when employees are unable to perform well, such as breaking the printing machine, being unable to fix it as the standard time given, or wrongly cutting the materials, they are aware of the consequences. Some of them mentioned that strict measures encouraged employees to perform better as they needed rewards to fulfill their needs.

Conversely, the data from PINK Corp mentioned that Mrs. Meramuda shows a leadership character which creates a family atmosphere in the company's daily conditions. She treats her staff and employee as a family. Most of the respondents from PINK Corp said that Mrs. Meramuda is a leader who always tries to understand the personal matter of each employee. On many occasions, employees will get their bonus even though they cannot achieve the target; there is no punishment for the employee who was absent for more than two days, and the company will give a loan to the employee who needs it. The PINK's leader encourages teamwork and advises them to have empathy for the team member who has a problem.

*“Bu Indah orangnya baik pengertian, lebih dekat sama karyawannya, lebih mengerti dengan pegawainya, sering curhat-curhat. Semua karyawan dekat sama bu Indah enak diajak ngomong. Suasana kerja juga kekeluargaan.”* (Staff of PINK Corp).

Most of the time, the leaders of PINK Corp tolerate the non-financial performance measures that are unable to be achieved and then motivates the employee to settle their problem and improve their performance. Most employees of PINK Corp feel comfortable working with the leadership style of Mrs. Meramuda, as they feel that the leader could understand their failure in achieving the target. This sympathy and kindness of the leader create a sense of belonging in most employees that motivates them to improve their performance continuously.

The case shows that male and female leaders tend to play the different leadership styles in each company. Mr. Biru as a leader from the BLUE Corp, tends to play a role of a transactional leader who strictly applies a rewards and punishment system for the company. Meanwhile, Mrs. Meramuda from PINK Corp is a transformational leader who creates an informal (family atmosphere) within employees and motivates them to improve their performance with a personal approach. This study underlines that the masculine character tends to perform transactional leadership style with strictly performance measures. In contrast, the feminine character tends to become the transformational leader with non-financial measures and less punishment [15, 16].

## 4 Conclusion

This case study uses two printing companies in Indonesia as a context to explore the role of gender ideology in the leader's leadership style and to understand how the leader

manages their performance measures. Data collected from interviews, document analysis, and observation found that the male and female characteristics influence the leader's leadership style in managing each company. The study underlined that BLUE Corp leaders with a masculine character leader tend to play the role of a transactional leader. The leader of PINK Corp, with a strong feminine character leader, tends to demonstrate a transformational leadership style in managing the company. In addition, this study highlights that the masculine character leader strongly links the non-financial performance with the financial reward and punishment system. Meanwhile, the feminine leader manages the non-financial performance of the employee mainly based on social interaction.

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