

Understanding Gender Inequality Towards The Firm: The Case of Garment Factories in Vietnam 2012-2014

Annisa H. Imron¹, Muthia Pramesti^{1*}, Sari Wahyuni¹

¹Department of Management, Faculty of Economics and Business, Universitas Indonesia

Email: muthia.pramesti@ui.ac.id

ABSTRACT

This research aimed to explore descriptive study on the working conditions for the garment factories workers in Vietnam based on gender and to find out the causes of gender inequality in the factories during the period of 2012-2014, especially since empirical evidences suggest gender equality in the workplace is beneficial for firm performance when managed properly. The research methodologies used for this study are quantitative research and qualitative research. The quantitative research used descriptive study to explain the data of the workers' survey collected by Better Work. The qualitative research is utilized literature review on barriers in the workplace for women both in Vietnam.

Keywords: garment factories, gender equality, female workers, working condit

1. Introduction

The developing countries of Asia-Pacific region accounted more than half of garments, textiles, and footwear of global exports in 2014 with \$601.1 billion (ILO, 2015). In the Southeast Asia region, Vietnam has the highest share in world's textile exporters with 1.7% or 11th when compared to other countries. Furthermore, women in Vietnam have a long tradition of participating actively in the labor force. According to ADB, the labor force participation of females in Vietnam is 73.2 percent or higher than the average of ASEAN at 59.2 percent as well as having the highest female labor force participation among ASEAN countries (ADB, 2014).

Apparently, this does not translate to the country having fair and equal treatments for workers in regard to gender. In general, the tendency of feminization in garment industry is due to the exploitative dimensions that come in employing women which include low wages, absence of security benefits, a lack of promotion prospects, and vulnerability to sexual harassment (Better Work, 2013). In Vietnam, ILO found up to 42 percent of Vietnamese enterprises perceive employing female workers can negatively impact productivity with reasons such as child bearing and family care, higher cost of female workers, and low productivity of older female workers (ILO, 2003). Female workers are discriminated in recruitment due to marriage and child-bearing responsibilities and/or capabilities—even if a woman hasn't had a child yet, the employers prefer not to employ those who plan to in the near future (ILO, 2003).

This empirical evidence indicates the existence of gender inequality in Vietnam. Hence, using the datasets provided by Better Work, the author investigated the working conditions of the garment factories worker based on gender. If significant disparities appear, the author wanted to understand the reasons behind the situation.

2. Literature Review

Gender Equality

In general, gender equality is defined as the equal rights, responsibilities, treatment and valuation of women and men in employment and in the relation between work and life (ILO, 2003). Previous findings have found that gender inequality had costed on not only individuals and communities, but also at nationwide-level—the Asia and Pacific region is annually losing USD \$47 billion because of limited opportunities' access for women and another US\$16 billion to US\$30 billion annually due to gender gaps in education (ILO, 2011). Thus, in order to create a more sustainable and inclusive growth for economies and societies, the chosen strategy needs to also focus on closing the gender gaps (McKinsey, 2010).

Gender Equality in the Workplace

A way to build broader empowerment for women is through the workplace, as they help to teach skills, build networks, and change attitudes, behaviors, and aspirations (World Bank, 2013). Women make 40 percent of the global labor force. In 2012, the labor participation rate for working age (15-64) was 82 percent for men compared to 55 percent for women (World Bank, 2013). The labor force participation for women has stagnated and dropped by two percent since 1990. While there is a narrow gender gap decrease from 27 percent in 1990 to 26 percent, this is completely due to the labor force participation for men that also decreases (World Bank, 2013). According to the World Bank, the challenges for gender equality at the workplace—particularly in East Asia and the Pacific region—remained within the gender stereotypes in school curricula as well as gender disparities in ownership and control of productive assets (World Bank, 2013). While the number differs from country to country, female participation in the workforce within Asian countries is generally lower than for European countries and the U.S., and most likely due to the 'double burden' duty (i.e. one in the workplace and one in managing the household) assumed by working women (Süssmuth-Dyckerhoff et al., 2012).

Working Conditions Based on Gender

The Better Work program provides datasets that describe workers' objective characteristics along with their subjective perceptions on working conditions and their own well-beings hence give a chance to better understand the circumstance of women workers in the export-oriented apparel sector. The assessments done by Better Work follows the core international labor standards and the national labor law for each country. The analysis is focused into interrelated five dimensions:

The dimensions, along with their indicators of work condition above, were chosen based on the aim that they will be able to provide base for richer research findings and suggestions for gender-related actions in two ways—firstly, by pointing to the main sources of gender bias existing in factories that already join Better Work program hence giving understanding regards

Table 1. The dimensions and indicators of gender-based working condition

No	Work Condition	Variables	Scale
1	Occupational segregation	Occupations	Occupations in garment factories
2	Pay and hours of work	Average weekly hours	Hours
		Usual monthly pay	IDR; VND
		The piece rate is not a concern	1=no, not a concern 0=yes
		Low wages are not a concern	1=no, not a concern 0=yes
3	Training and promotion	Average years of schooling	1=no formal education 2=elementary school 3=junior high/lower secondary school 4=high school/upper secondary school 5=associates degree/technical training 6=bachelor degree
		Employed at factory for 3 years or longer	1=employed more than 3 years 0=employed less than 3 years
		Promoted once or more	1=promoted at least once 0=never been promoted
		Received training in past 6 months	1=received training in past 6 months 0=do not received training in past 6 months
4		Health and well-being	Severe dizziness
	Severe backache		1=occasionally; often; everyday 0=never
	Severe hunger		1=occasionally; often; everyday 0=never
	Severe thirst		1=occasionally; often; everyday 0=never
	Sought treatment at health facility		1=yes 0=no
	Consider factory clinic poor		1=poor 0=fair; good; very good
	Time for rest and fun		Hours
	Satisfied with current life		1=very satisfied; satisfied; somewhat satisfied 0=somewhat unsatisfied; unsatisfied
5	Perceived barriers and voice	Concerned with sexual harassment	1=yes 0=no, not a concern
		Concerned with overtime	1=yes 0=no, not a concern
		Concerned with verbal abuse	1=yes 0=no, not a concern
		Concerned with physical abuse	1=yes 0=no, not a concern
		Complained over past year	1=yes 0=no, not a concern
		Satisfied with outcome of complaint	1=yes 0=no, not a concern
		Comfortable with supervisor	1=yes 0=no, not a concern
		Treated with fairness and respect	1=yes 0=no, not a concern
		Supervisor follows rules	1=yes 0=no, not a concern
		Gave ideas to supervisor	1=yes 0=no, not a concern
	Comfortable with trade union representative	1=yes 0=no, not a concern	

matters that need to be closely monitored in current Better Work activities; and secondly, by exposing possible limitations of existing data and survey instruments for understanding factors contributing to women workers' emancipation and thus, helping to explore ways to address these gaps (Better Work, 2013).

Gender Equality Towards Performance

The topic of diversity management gathers a lot of attention in the recent years. Businesses are recognizing that non-financial performance is interlinked to financial performance and in turn, understand that managing social impacts present risks, but more importantly, presents opportunities as well (UN Women, 2010). Many organizations today put focus on facilitating diversity and equality under the assumption that diversity and equality management can lead to the improvement of firm performance (Armstrong et al., 2010). The practices of gender diversity in the workplace can be derived from resource-based theory (Ali, 2015). This theory views an organization can obtain a sustained competitive advantage if it takes an advantage of its valuable, rare, inimitable, and non-substitutable resources (Barney, 1999).

A tangible competitive advantage of the diversity practice is for firms to be able to save on employee turnover costs. The impressions of pro-diversity workplace are significantly negative related to turnover intentions, as well as related to favorable worker attitudes (McKay et al., 2007). At all levels of management, hiring and retaining female employees also enlarges a company's pool of talent at a time when labor shortages are appearing throughout the industries (McKinsey, 2010). McKinsey then further reports the benefits of investing in women empowerment with 66 percent of its respondents mentioned an increase in the talent pool and 64 percent have an increase in employee productivity and retention in developing countries and emerging markets. One Europe Commission study suggested that 58 percent of firms with diversity programs show higher productivity resulted from increased employee motivation and efficiency (Desvaux et al., 2008). Gender diversity can possibly be a source of the intangible and socially complex resources of market insight, creativity and innovation, and improved problem-solving (McMahan et al., 1998).

Gender diversity can also possibly be a source of the intangible and socially complex resources of market insight, creativity and innovation, and improved problem-solving (McMahan et al., 1998). This is due to male and female employees are likely to have different experience in their social lives as well as demonstrate different thinking patterns. Gender diversity may increase employees' creativity and innovation because they are given with a combination of different skills, perspectives, and backgrounds (Ali, 2015). In addition, higher quality of decisions can also be produced from because more diverse alternatives will be available and can be evaluated from multiple viewpoints (Rogelberg & Rumery, 1996).

However, it is important to note that firms cannot simply impose diversity in the workplace and hope to obtain the benefits of it without having the appropriate management. Firms that induce a diverse workplace but failing to manage that diversity adequately may even experience negative outcomes—such as a lack of consensus and dysfunctional conflict. So, Armstrong et al. (2010), suggested that the triggers for negative outcomes can be avoided if diversity and equality is managed effectively to obtain the desired business benefits of it. The effective management include maintaining top management support, integrating diversity and equality in the organization's mission and vision—also in establishing objectives and reward and

Table 2. The number of participants in Vietnam

Year	Vietnam
2012	1,212
2013	1,544
2014	588

Data Source

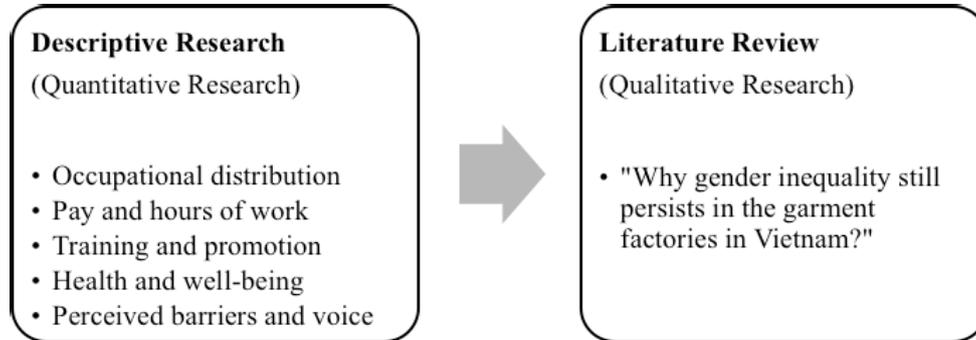


Figure 1. The research flow

recognition, providing diversity and equality-related trainings across all levels in the firm, and assessing the impact of diversity and equality within the firms (Monks, 2007).

3. Methodology

This study employed both quantitative and qualitative research. The quantitative research was done with descriptive research using cross-sectional design which involve collecting data from a population at one specific point in time (Malhotra, 2010). The qualitative research was done after the descriptive research conducted and the author found interest in understanding the causes for gender inequality in Vietnam for the context of garment factories. The type of qualitative research used is exploratory research on secondary data.

This study utilized judgement sampling method, in which it has several deciding factors made to achieve the purpose of study. The number of participants from each country during the period of observation is shown at Table 2.

The data for this study is using secondary data. The quantitative data is provided by Better Work in a form of raw dataset and the qualitative data use published materials such as journals and reports. The method of data collection of Better Work is by conducting survey involving both managers and workers. In each factory, 30 randomly selected workers and four managers undertake a 'self-interview' using a computer program running on a PC tablet (Better Work, 2013).

Research Flow

This study is using the means of research flow as follow:

Data Analysis Method

The data analysis method of the quantitative research used for this study is the independent t-test. The method of independent t-test was chosen because there are two unrelated groups

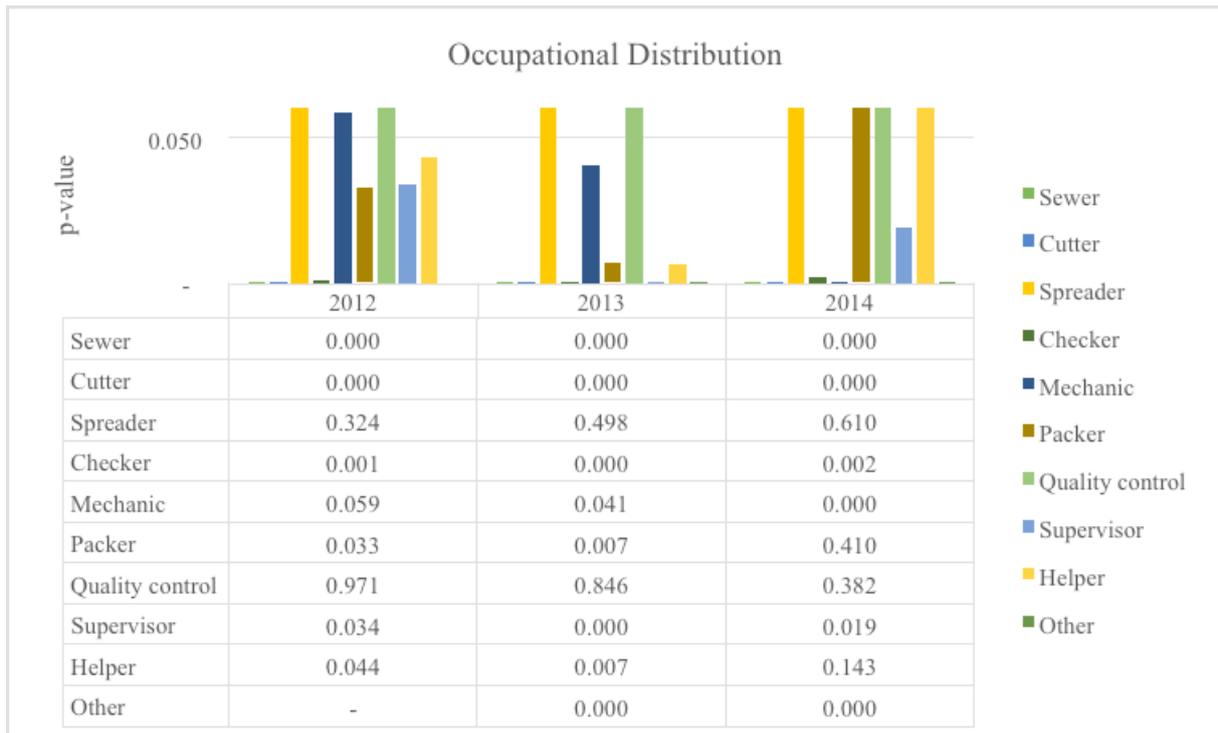


Figure 2. Vietnam: Occupational distribution by gender

being analyzed, which are female workers and male workers, and this statistical test can determine whether there is a statistically significant between the means in two unrelated group, with the significance level of five percent. If the research conducts two tests on the same subject to analyze the effects of treatment pretest and posttest, then the method of paired t-test is more proper. The data analysis is using the statistic software, Stata 13. The data analysis method of the qualitative research for this study is using literature review. The data analysis is using the software for qualitative data analysis, NVivo 11.

4. Results

Dimensions of Working Condition Based on Gender

In the figures of the following section, disparities in findings between male and female workers will be highlighted according to their significance. The chosen significance level is at 5 percent hence the p-value cannot be higher than 0.05—the set bar in the figure—to be deemed as significant.

Occupational Distribution

The case of gender-based occupation segregation also occurs in the observed garment factories in Vietnam as seen in Figure 3. Except for spreader and quality control work, all the occupations have significant disparities in the number of female and male workers. The differences in Vietnam appear to be more consistent in terms of the gender that dominates a certain occupation during the observation period. Occupations that are traditionally categorized as “females job” significantly have more female workers than male workers. In the said category of occupation, sewer and helper are included again.

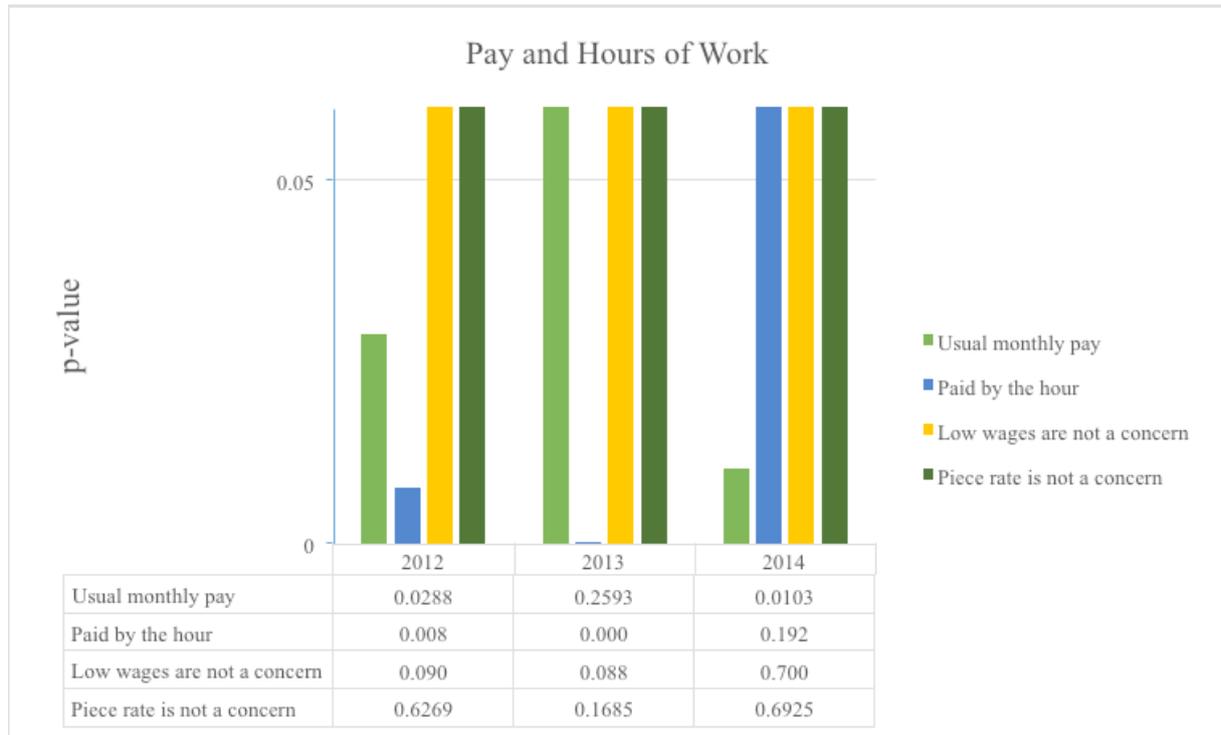


Figure 3. Vietnam: Pay and hours of work

Pay and Hours of Work

The Vietnamese male workers persistently earn more compared to the female workers with significant difference. The wage difference is not significant only in the year 2013 as can be seen in Figure 5. When linked to the distribution of occupation between the gender, the fact that male workers significantly dominated occupations with higher skills requirement may have a part in this because a more skilled job may be rewarded with higher compensations as well.

Training and Promotion

Refer to Figure 7, a more important note needs to be taken from the significant differences between the promotions and the trainings received by female workers and male workers. The male workers have ominously more opportunities given in terms of both—with insignificant dissimilarity in received trainings occurs only in 2013. This hint a strong indication how the garment factories in Vietnam still value the investments for male workers to be more beneficial relative to the female workers. It can be associated with the traditionalists’ view on women being anticipated to have shorter/interrupted work lives, thus may not be worth the investments (Jamali et al., 2008).

Health and Well-Being

More male workers in Vietnam found themselves to be in higher good overall health but the difference is not significant in 2013 and 2014 as showed in Figure 9. In addition, health issues such as fatigue, headache, and dizziness are significantly more apparent in male workers. As most jobs that require physical activities and certain specialties (e.g. packer, mechanic,

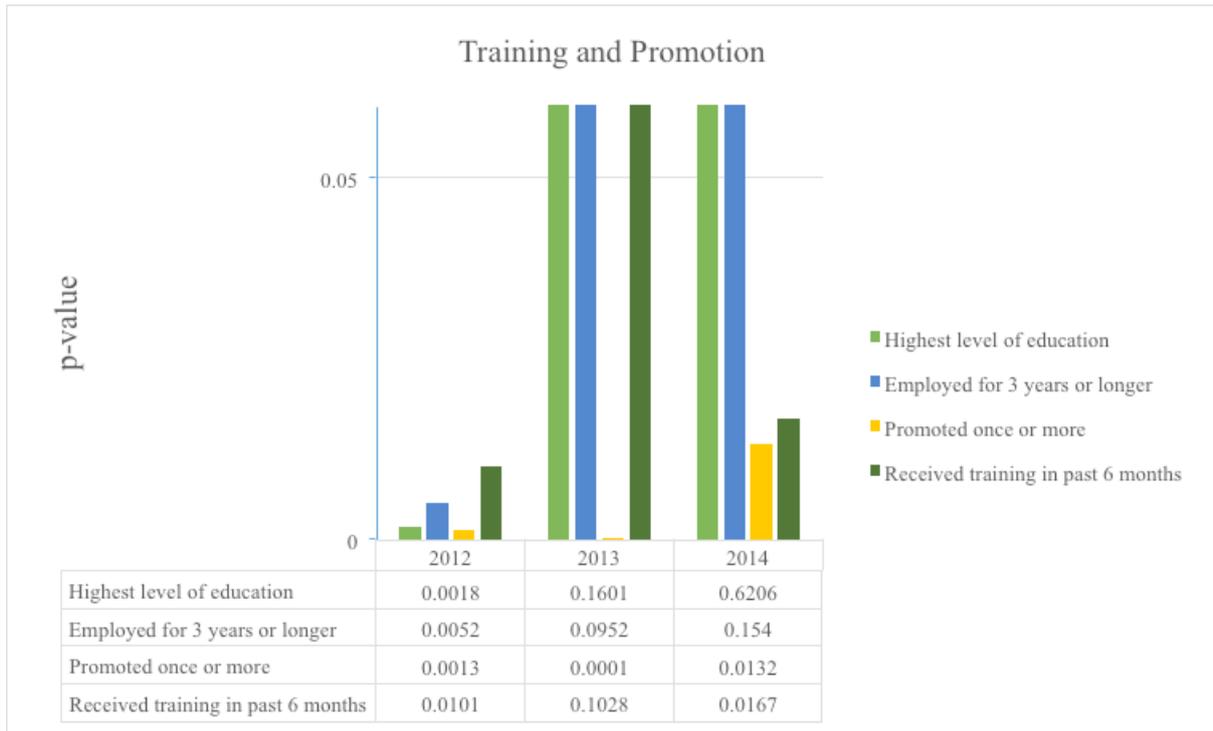


Figure 4. Vietnam: Training and promotion

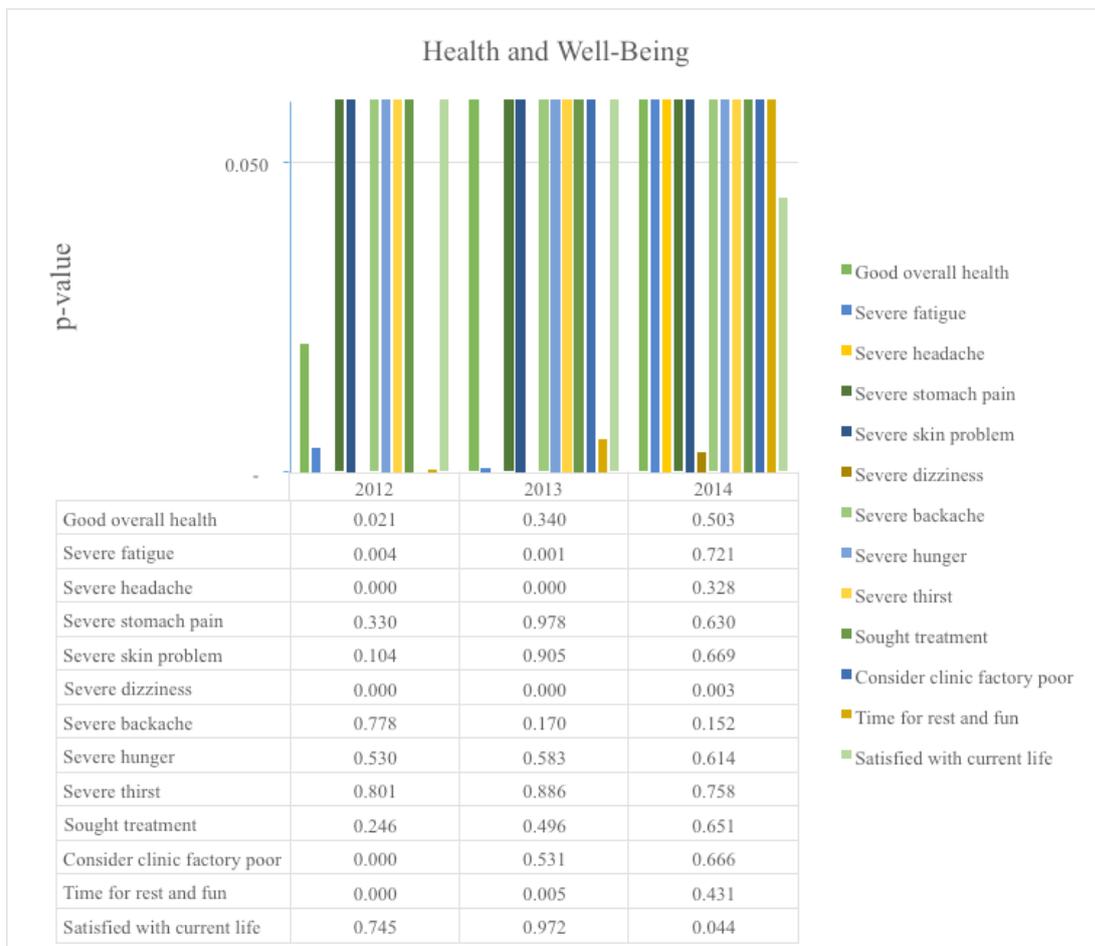


Figure 5. Vietnam: Health and well-being

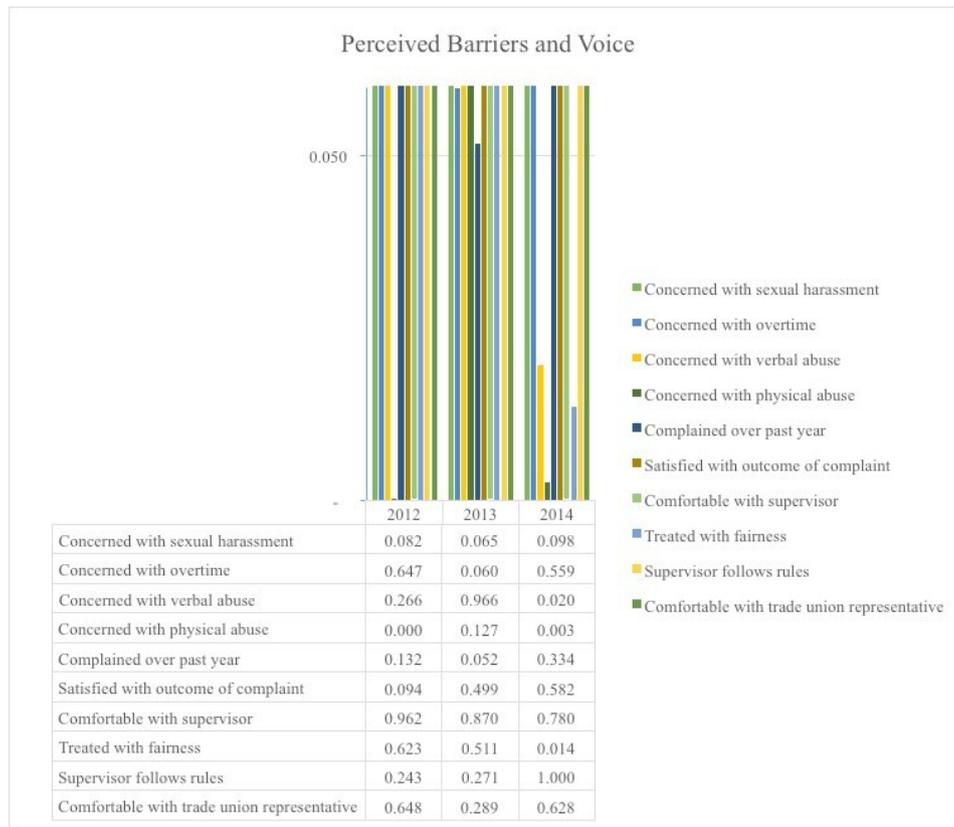


Figure 6. Vietnam: Perceived barriers and voice

supervisor) are occupied by men, these health issues may be related to the line of jobs. In accordance with various empirical findings, working women show lower time allocation for resting and fun activities.

Perceived Barriers and Voice

Among the Vietnamese garment workers, the concerns of verbal abuse and physical abuse are significantly more apparent in the female workers. The Better Work program that has been established earlier as well as the country being its' largest project may have a fair amount of impacts to this result.

An interesting finding can be found in the way workers of each gender convey complains Vietnam. During the time of observation, male workers are more profound in expressing complains. However, the workers that are found to be better satisfied with the outcome of complaint are the females. Hence, it can be claimed that men are more vocal and aggressive when it concerns about how they feel about something. In contrast, women may unknowingly more accepting of the situations they are thrown into.

Understanding Gender Inequality in the Workplace

In Vietnam, the matter of gender relations cannot be ruled out as an impact of the socialist revolution occurred in the country (Long et al., 2000), known as "Doi Moi". As state services declined, households need to pay higher costs for medical and educational which used to be

state-provided and this has resulted in several disadvantages that impact women—in household, women in urban areas are left to spend almost 6 hours a day for housework, while women in rural areas can spend up to 7.5 hours a day for housework.

The government also established The Vietnam Women's Union (WVU) as a mass organization which is assigned to protect women's legitimate rights and strive for gender equality. Yet, while the organization promotes women's advancement and gender equality through variety means of economic, health, and other social-support programs, WVU also mainly pressures women to be the sole master of family harmony through socially-valued traditions (i.e. Confucianism) which are essentially rooted on gender inequality (Schuler et al., 2006). Thus, suggesting WVU may be missing the opportunities to bring fundamental improvements in gender equality as they continuously exhort women to improve themselves but failing to take involvement of men into account.

Gender stereotype is also a recurring factor in Vietnam as more women than men had been laid-off during the contraction of the state economy (Tran & Le, 1997). One rationale for this is because in the face of pressures from market and product competition, enterprises favor to recruit or retain male workers rather than to meet the benefits or costs to pay for the reproductive time of female workers (Croll, 1998). Many employers perceive women to be more likely in having to carry family obligations relating to marriage, childcare, and/or elder care and hence limiting their contributions to company goals.

While according to the moral code of Confucianism, a woman must show obedience to father before marriage, to husband when married, and to the eldest son when widowed—hinting a strong patriarchal concept within this tradition. Several scholars argue that Confucian ideals are latent within Vietnamese culture and male preference has been something shaped and reinforced over so many generations in the society, that it is deeply rooted in people's mind and exists as a social stronghold resistant to opposition (Long et al., 2000). Hence, the existence of gender equality is exposing the contending strengths of law and tradition in contemporary Vietnam.

5. Discussions

Several factors of gender inequality still persist among the factories in Vietnam. Occupational segregation is apparent in the garment factories—most of the findings in the division of work are consistent with the study done by Anker (1997) regarding the common women stereotypes and the way they affected what would be described as “females job” and “males job”, the existence of gender wage gap is more cohesive in the factories in Vietnam with male workers significantly earn more than female workers during the two out of three years of observation, and the average highest level of education for workers in Vietnam is junior high/lower secondary school and the male workers in both countries significantly attain higher level of education. But the workers in Vietnam report high percentage of comfort in voicing their voice, whether through supervisor and/or trade union representative.

In Vietnam, the gender equality in several aspects is higher when compared to other Asian countries but this study suggests it does not translate to the ceasing of patriarchy view, especially post-reformation era as women are pursued to improve themselves to provide for their family and country, but challenging status quo—as in making men to involve and help household

management—is still a matter out of question. Since it is important that firms should impose diversity in the workplace, including gender, and there are some benefits of it by having the appropriate management. Looking toward the results, garment industry in Vietnam is possible to have difficulties in gaining optimal performance in the future due to unequal gender existence.

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