

CHAPTER THREE

EMPLOYEES' PROVIDENT FUND (EPF)

1.0 Historical Background

The Employees Provident Fund was set up in 1951 under the EPF Ordinance 1951 and was placed under the National Director of Post with powers delegated by the EPF Board. The EPF Regulations (Temporary) were gazetted, laying down procedures for registering employers and employees. The rate of contributions for both employers and employees was 5% of monthly wages at that point of time.

The first contributions were received, totaling RM2.6 million. The EPF Ordinance 1951 was extended to cover workers 16 years old and above earning not more than RM400 a month on the payroll of an employer with more than 10 employees. Eventually over the years, the coverage that was received by the employees increased. From widening the coverage rate to wages up to RM500 by employers with three or more employees to cover all salaried workers in 1970. In addition to that foreign workers and domestic helpers were also included by expanding the coverage.

The role of enforcement of the EPF Ordinance also increased when enforcement offices were set up in all state capitals in the peninsula namely Perlis, Negeri Sembilan, Terengganu, Sabah and Sarawak.

Between the years 1970-1991, EPF saw a tremendous growth in terms of the number of contributors, number of employees as the economy grew. In line with this growth, the members and employers saw a need for a more active role-played by EPF. Thus with this need in mind, EPF liberalized its investment regulations, improved withdrawal schemes and facilitated enforcement. In order to establish these expansion and

improvements in 1991, EPF started its decentralization program to get closer to its members and employers at various parts of the country.

In order to face the new challenges, EPF began to increase its workforce as well. In 1951 EPF started its operations with a mere 40 employees. In 1990, to facilitate greater efficiency the organization grew to a monumental 2123 employees and finally as at October 1999 the employee strength of this organization stands at 3400 employees.

Taking into consideration the rapid expansion in EPF, this chapter seeks to determine the current practices within the organization in terms of promotion, recruitment, and training and compensation policies in relation to gender.

2.0 Organizational Structure

The EPF Board and the Investment Panel, are responsible in all its decision making pertaining to regulations, policies and investment governing the EPF. However, the Executive Chairman heads the operations.

The actual operations are performed by two Assistant Chief Executive Officers. The Assistant Chief Executive Officer 1 manages functions which encompasses EPF's core business. For example members services, enforcement and the state office operations are the responsibility of the Assistant Chief Executive Office 1. As for the Assistant Chief Executive Officer 2 manages functions that deal with the policies and procedures and departments that play a supporting role.

EPF has 13 state offices, which is headed by a Senior Manager or a Manager depending on the number of employers and employees in that respective state. As for the functional departments there are 9

departments. The Senior General Manager or General Manager either heads these functional departments and among these positions there is only one female representative.

3.0 Analysis of Position

The various positions in EPF are categorized into two categories and they are as follows: -

3.1 Executive Categories

3.2 Non-Executive Categories

3.1 Executive Categories

This category consists of position between Grades 31 to 21. The positions in this grade are as follows: -

3.1.1 Chief Executive Officer (Grade 31)

3.1.2 Assistant Chief Executive Officer (Grade 29-30)

3.1.3 Senior General Manager (Grade 28)

3.1.4 General Manager (Grade 27)

3.1.5 Senior Manager (Grade 26)

3.1.6 Manager (Grade 25)

3.1.7 Deputy Manager (Grade 24)

3.1.8 Assistant Manager (Grade 21)

Generally with these grades there are 410 employees (as at end October 1999). The breakdown between gender is, men being 59% and women 41%.

As for the position of Senior General Manager among the 4 positions vacant, there is one woman representative. For the position of General Manager there are no women representation.

Both the positions are similar to their function of head of departments.

As for the Senior Managers' position there are about less than 5% of women representation. It is interesting to note though that these women make up in great numbers in the Investment and Research Department. Traditionally, men were expected to excel in areas, which required analytical skills. And as such the fact that there are many women in this department reflects that the confidence given towards women's analytical skills. Another interesting observation is that in the Administrative Department, which is historically dominated by women, we find that there are a lesser number of women represented in this department. This reflects the organizational climate in which EPF exists. And the confidence placed in having women in areas that historically are dominated by men reflect that equal opportunities are given regardless of gender. As such in the true sense of the word there doesn't seem to be an organizational barrier that exists.

3.2 Non Executive Positions

As for the non-executive categories the following are the positions that exist in EPF: -

- 3.2.1 Senior Inspector (Grade 20)
- 3.2.2 Senior Account Officer (Grade 20)
- 3.2.3 Senior Executive Officer (Grade 20)
- 3.2.4 Senior Training Officer (Grade 20)
- 3.2.5 Senior Legal Officer (Grade 20)
- 3.2.6 Senior Computer Programmers (Grade 20)
- 3.2.7 Inspector (Grade 18)
- 3.2.8 Technical Assistant (Grade 18)
- 3.2.9 Computer Programmers (Grade 18)

- 3.2.10 Account Officer (Grade 18)
- 3.2.11 Executive Officer (Grade 18)
- 3.2.12 Public Relations Officer (Grade 18)
- 3.2.13 Senior Stenographer (Grade 15)
- 3.2.14 Senior Computer Operator (Grade 15)
- 3.2.15 Senior Clerk (Grade 15)
- 3.2.16 Senior Microfilm Operator (Grade 15)
- 3.2.17 Microfilm Operator (Grade 14)
- 3.2.18 Clerk (Grade 14)
- 3.2.19 Stenographer (Grade 14)
- 3.2.20 Senior Data Entry Operator (Grade 12)
- 3.2.21 Senior Typist (grade 12)
- 3.2.22 Typist (Grade 9)
- 3.2.23 Dispatch Clerk (Grade 9)

Of these many position in the non-executive categories there seems to be a vast difference between grades. For example within the Grade 18-20 the breakdown between gender is 70% men and 30% women. This is contributed to the reason because majorities of the positions that are recruited are for the position of Inspectors. And historically Inspectors have been males because of their nature of job that requires one to enforce the EPF Act. As such some of the expectation of this position is to have a certain amount of aggression.

However, for the Grade 14-15, the breakdown between gender is 37.6% men and 62.4% are women. This is also due to the nature of the position whereby most women are seen to be better suited for clerical positions. Again within the Grade 5-12, we find that the breakdown between gender are 41.1% men and 58.9% are women. The reason being that many of the positions that are available in

this category are for data entry operators and typists. And historically women do these jobs and the management feels that it is more suited for women. It is apparent in this category that there is an inherent gender discrimination whereby males are discriminated for not being able to perform these functions as well as women.

4.0 Distribution of Gender Between Departments

The distribution of gender between departments is rather interesting in EPF. As opposed to the traditional placement of women in more service-oriented department as compared to their male counterparts we see here some differences. As such it is interesting to find that women predominately dominated areas which were formerly male domain. For example many of the women executives were found in the Finance, Investment & Research and Computer Departments. This is interesting as historically men were thought to be able to perform better in these areas than women. Also these are areas where more analytical and technical skills are required and as such it goes to show that women are able to perform these tasks as such are placed in these departments. Further analysis also indicates that the least women are found in the Administrative Department.

In addition to that a cursory glance at the distribution of male/female managers. It would be interesting to note that solely men hold the position of State Managers. The reason behind it is because in the State level, there are quite a substantial amount of enforcement work. Therefore, the Management feels that men would be better suited to handle aggressive employers. These decisions are not expressed explicitly but implicitly by appointing men rather than women for the position of State Managers.

The questions raised at such situations are, if women's various roles within the organization and at the social scope eliminate their suitability in leading a State Office or if women are simply not capable to perform such functions. In addition to that 30 Local Enforcement Office all over men also hold the country. The function of a Local Enforcement Office is to provide services for its members and also enforce employers' responsibility towards contributing to the fund. This is seen as a position that requires a more aggressive personality. As such in a social context men are expected to possess these qualities. Therefore men purely fill these positions. EPF seems selective in its extending its selection criteria based on the situation and the position. The organization seems to be giving a conditional opportunity for women to excel, however, they still believe that positions that need to have a certain amount of aggression can only be done by men. They fail to realize that managing a State Office does not require physical strength rather mental tenacity.

5.0 Human Resources Policies

An analysis of the human resources policies within the organization it is difficult to determine if it's practicing gender bias in recruitment, placement and training policies. A cursory glance reflects no signs of discrimination on the skills of women in management. However, there may be more deep-rooted perception among those who make these decisions. But there is a possibility that the "glass ceiling" phenomenon may exist in EPF.

Despite the lack of indication of gender discrimination persisting in EPF there may be a more serious problem that is being felt by the employees themselves. As such this study will determine if the lack of any problems with the organization is valid or not.