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# PERCEPTION OF HUMAN RESOURCE PERSONNEL TOWARDS MALAYSIA OLDER WORKERS

Benjamin CHAN YIN-FAH®

#### Abstract

Elderly aged sixty and above is gaining a larger share of the population pie in Malaysia but their involvement in the labor force is on a steady decline. In general, Human Resource personnel (HR) is the gatekeeper for the recruitment of elderly workers and the decision to recruit or re-employ an elderly worker might depend on their perception towards elderly workers. This study aims to identify the HR personnel's perception towards elderly workers. A self-administered survey with 136 HR respondents was conducted using a 13 items modified version of the Mature Age Worker Employer Survey (Alpha=0.728) by the Social Policy Research Centre, NSW. The perceptions of HR personnel towards elderly workers are more likely associated with positive characteristics than negative. Interestingly, the younger HR personnel group reported a better perception towards. Rather than instilling a positive image of elderly workers, improving the employability of the elderly workers is crucial since paid employment is the key to maintain an equivalent standard of living in old age.

Key Words: Elderly workers, Employment, Malaysia

#### Introduction

As Malaysia citizen born between 1946 to 1964 reach retirement age, the demographic profile of the Malaysia population will undergo a profound change. Currently the population above 60 years in Malaysia is 6.6% of 25 million. By year 2020 those above 60 years and beyond will grow to 9.5% of an expected total population of 33.4 million. Even Malaysia elderly aged sixty and above is gaining a larger share of the population pie in Malaysia but their involvement in the labor force is on a steady decline. Rabieyah & Hajar (2003) in their report indicated that the percentage of Malaysia elderly workers keep decreasing since 1980 (It was about 23 percent of the population over the age of 60 in year 2000 are employed compared to 33 percent in 1980).

### Who are the Elderly workers in Malaysia?

Out of the 23 percent of employed elderly workers (as mention above) in year 2000, clerical occupations and semi-professional occupation are not particularly popular among the elderly, but there is an increasing trend to move into service and sales occupations, probably more on a cottage industry basis. When looking for gender preferably, elderly female workers have increased their participation in wholesale & retail trade, hotels & restaurants, and in manufacturing. Elderly male workers were mainly in wholesale & retail trade, manufacturing, construction, transport, storage & communication, as well as in public administration and defense. The issue of economic activity among older persons is crucial as it has direct effect on the financial wellbeing of the older persons (Chan et.al., 2010) and also contributes overall to the economy of the population (Rabieyah & Hajar, 2003). While the retirement age is currently 56 years and the average lifespan is about 72 for men and 78 for women (DOSM, 2005), this means that one has about 20 or so lease of life after retirement.

<sup>\*</sup> Institute of Gerontology, Universiti Putra Malaysia, Centre of Excellent for Sustainable Consumption Studies, Universiti Putra Malaysia

#### Work Accessibility Barriers among Older Worker

Many studies report the determinants of work on and work accessibility barriers to work off among elderly workers. Most analysts recognize that age (Arrowsmith, 1997), health and income (Andrews, 1992) are the important factors in the decision to retire. Arrowsmith (1997) in his paper found that age barriers in the labour market still exists in UK and as people expect to live longer than before, they also seek continuing wealth throughout their extended old age (DeVaney, 1995). This is because living longer will increase the chances of experience poverty and outliving available income and thus, a small portion of Malaysian elderly, for certain financial security purposes, have to keep themselves occupied. For health reasons, people chose to stop working if they found that they are not capable for their job anymore.

There is limited research information on the determinants of work on and work accessibility barriers to work off among Malaysian elderly. At least one local study was carried out in 2004 with sample size of 2,327 elderly aged 55 and above by Jariah et.al (2004). Jariah et.al., (2004) in her study found that health status was noted as the highest main reason why the respondents stopped work and compulsory retirement was another. Further analysis showed that more male than female mentioned compulsory retirement as reason for stop work. As expected, more female than male mentioned family responsibilities as main reason for not working. Rather than exploring the work accessibility barriers experienced by the elderly workers, it is also important to explore the perception of employer towards elderly workers. Previous research have well documented that elderly workers are more likely to face redundancy and experience more difficulty in securing re-employment following job loss (Taylor and Walker, 1993; Brewington and Nassar-McMillan, 2000). Studies on employer attitudes have consistently indicated many believe elderly workers might cost more than younger ones (Kidwell, 2000). However, the employers' perceptions towards Malaysian elderly workers are not widely discussed in academic paper yet. The purpose of this study is to explore Malaysia human resource personnel' attitudes towards employing elderly workers. Specifically, the factors in reemploy and not reemploy older worker, the correlation between perceptions towards elderly workers with their social demography (gender and age) were discussed.

#### Methodology

The sample in this study was targeted for human resources personnel (n=136), who is the gatekeeper for the recruitment of elderly workers and the decision to recruit or re-employ an elderly worker might depend on their perception towards elderly workers. This study had collaborated with Malaysia Employer Federation (MEF) for data collection considering the difficulties in interviewing the HR personnel individually. A self-administered survey was carried fifteen minutes before each biaanual meeting in Central Region (WPKL), Eastern (Kuantan), Western (Ipoh), Southern (Melaka), Northern (Penang). A 13 items modified version of the Mature Age Worker Employer Survey (Alpha=0.728) by the Social Policy Research Centre, NSW was used to measured the perception of HR personnel towards elderly workers.

#### **Research Findings**

Most of the HR personnel in this study are female, aged less than 40 years old (median age = 40), Chinese, with bachelor degree level, indulged in production industry, working in an organization with more than 500 employees (Table 1). This study used a single question - "I will recruit elderly workers into my organization as they are ......" to identify the factors in recruit elderly workers of the HR personnel. According to Graph 1, the Malaysia HR personnel will recruit elderly workers due to their experience and specific skills. Rather than the two reasons, "elderly workers as a mentor within the organization", "for work continuity purposes" and "less costly in recruiting elderly workers" tended to be the strength of an elderly worker perceived by Malaysia HR personnel (Graph 1)

Looking into the HR personnel reasons for not to reemploy elderly workers, Malaysia HR personnel (one out of every four in this study) would like to replace the position with younger staff. Almost 25 percent of the respondents noted that there is no specific policy in their company that acquires him/her to recruit elderly workers. The remaining reasons are all related to cost-benefit factors. Malaysia

HR personnel in this study perceived that elderly workers is not productive; older worker is costly and bad attitude among elderly workers (Graph 2)

In general, of the 13-item of perceptions towards elderly workers, Malaysia HR personnel is more likely associated with positive characteristic: (1) skillful, (2) calm and is thorough, (3) trustworthy and reliable, (4) a good problems solver, (5) obedience, (6) able to adapt in new workplace and, (7) less sick leave than negative characteristics (1) unable to work extra time when required, (2) not energetic enthusiastic, (3) not innovative and not enjoy challenge, (4) having difficulties in working in different area/unit/departments and, (5) slower worker). Further analysis found that there is a significant relationship of flexible-work (item 9) with gender. Table 3 shows that more female than male HR personnel felt that elderly workers can adapt in new workplace  $[X_2 = 2.981 \text{ df} = 1, p = 0.046]$ . This study also found that younger HR personnel group reported a better perception (elderly workers is innovative and they enjoy challenge) than the older group  $[X_2 = 8.896 \text{ df} = 1, p = 0.003]$  (Table 4). However, older HR group have a better perception towards elderly workers in sharp thinking than the younger HR group  $[X_2 = 6.797 \text{ df} = 1, p = 0.009]$  (Table 5).

#### Conclusion

This study shows that "specific skills and experience" is the strongest bargaining power hold by the Malaysia elderly workers to be recruited or even reemployed. This implies that elderly workers with hard-to-replace skills are prized by their existing employers, who try to retain them. Even though only a small portion of the HR personnel perceived that their elderly workers is not productive, costly and with bad attitude, but majority of them have a more positive view of elderly workers than they are often thought to have. However, too few of them have specific policies that are suitable for recruiting or even retaining elderly workers. In fact, as HR personnel in an organization, he or she is playing an important role in making certain policy related in employment but it is seems that less tangible output has been done in this matter. For those who treat work as their life, the day of stop working becomes more like a period of bereavement since life after work can easily last for another 20 years or more.

It is worth to note that some of the older persons are still dependence and they will become the economic burden of the country. In fact, Ithnin (1995) did show that the standard of living of older persons who stop working will decreased upon retirement. Rather than instilling a positive image of elderly workers, improving the employability of the elderly workers is crucial since paid employment is the key to maintain an equivalent standard of living in old age. Skills upgrading training, improving working conditions, facilitating access to part-time jobs and developing flexible work arrangements need to be addressed to minimize the work accessibility gap of this older population.

On a final note, this research was clearly based on 136 Human Resource personals and thus the results did not represent the whole perception towards older workers in general. Others segments, such as HR from government sectors may have a different perceptions towards older workers, should be investigated. Also, additional studies comparing the perceptions to the different types of jobs as well as by stratum (urban and rural) by the older workers might produce interesting findings.

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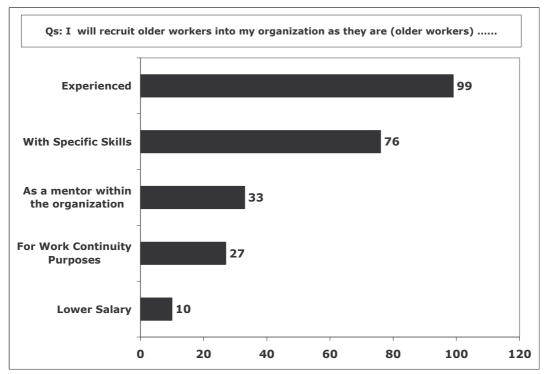
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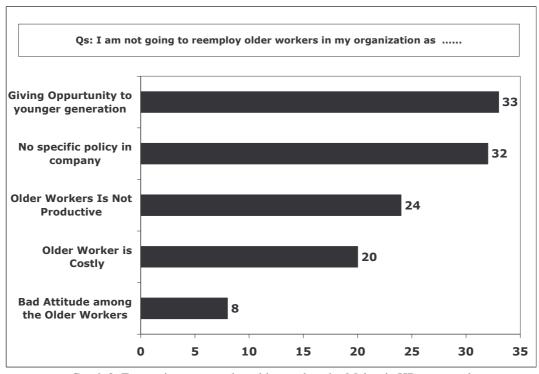
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Table 1: Profile of the HR personnel

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~	n = 134	%
Sex		4.50
Male	61	46.9
Female	69	53.1
Missing data	4	
Age group		
Less than 40	62	51.7
40 +	58	48.3
Missing data	14	
Ethnicity		
Malay	56	42.7
Chinese	60	45.8
Indian	15	11.5
Missing data	3	
Educational Attainment		
Below Diploma Level	10	7.5
Diploma Level	28	20.9
Degree Level	57	42.5
Master level and above	39	29.1
Types of Industry		
Agricultural	2	1.5
Health	4	3.0
Education & Training	4	3.0
Retail and Marketing	6	4.5
Finance, Insurance and Property	10	7.5
Construction	12	9.0
Transportation and Communication	16	12.0
Electrical, gasoline	17	12.8
Production Production	62	46.6
Number of employee employed	2	1.5
Less than ten	2	1.5
10 - 50 employees	18	13.6
51 - 100 employees	18	13.6
101 - 250 employees	33	25.0
250 - 500 employees	20	15.2
500 employees and above	41	31.1



Graph 1: Factors in reemploy older workers by Malaysia HR personnel



Graph 2: Factors in not reemploy older workers by Malaysia HR personnel

Table 2: Itemized Perception towards Older Workers, (n=136)

No	Older worker is	Disa	Disagreed		Agreed	
		n	%	n	%	
1	Able to work extra time when required	71	53.0	63	47.0	
2	With special skills	5	3.7	129	96.3	
3	Energetic and Enthusiastic	76	57.1	57	42.9	
4	Calm and is through when work	26	19.4	108	80.6	
5	Trustworthy and reliable	15	11.2	119	88.8	
6	Innovative and enjoy challenge	94	71.2	38	28.8	
7	Disobey instructions	91	68.4	42	31.6	
8	Problems solvers	21	15.8	112	84.2	
9	Difficulties in adapting new workplace	86	64.7	47	35.3	
10	Mentally sharp	60	44.8	74	55.2	
11	Can work in any unit/department	94	70.7	39	29.3	
12	Prone to ill	82	62.6	49	37.4	
13	A slow worker	45	33.6	89	66.4	

Table 3: Chi-Square Analysis of Itemized Perception towards Older Worker by Gender

No	Older worker is	Male				Female				Chi-Square Analysis		
		Disagreed		Agreed		Disagreed		Agreed		x2	df	р
		n	%	n	%	n	%	n	%			
1	Able to work extra time when required	30	49.2	31	50.8	37	53.6	32	46.4		ns	
2	With special skills	2	3.3	59	96.7	2	2.9	67	97.1		ns	
3	Energetic and Enthusiastic	30	50.0	30	50.0	43	62.3	26	37.7		ns	
4	Calm and is through when work	9	14.8	52	85.2	16	23.2	53	76.8		ns	
5	Trustworthy and reliable	8	13.1	53	86.9	6	8.7	63	91.3		ns	
6	Innovative and enjoy challenge	40	66.7	20	33.3	50	73.5	18	26.5		ns	
7	Disobey instructions	41	68.3	19	31.7	47	68.1	22	31.9		ns	
8	Problems solvers	11	18.3	49	81.7	9	13.0	60	87.0		ns	
9	Difficulties in adapting new workplace	46	75.4	15	24.6	40	58.8	28	41.2	3.981	1	0.046
10	Mentally sharp	23	37.7	38	62.3	36	52.2	33	47.8		ns	
11	Can work in any unit/department	44	72.1	17	27.9	48	70.6	20	29.4		ns	
12	Prone to ill	33	56.9	25	43.1	46	66.7	23	33.3		ns	
13	A slow worker	23	37.7	38	62.3	22	31.9	47	68.1		ns	

Table 4: Chi-Square Analysis of Itemized Perception towards Older Worker by Age Group

No	Older worker is	Younger Group (< 40)				Older Group (40+)				Chi-Square Analysis		
		Disagreed		Agreed		Disagreed		Agreed		x2	df	p
		n	%	n	%	n	%	n	%			
1	Able to work extra time when required	33	53.2	29	46.8	30	51.7	28	48.3		ns	
2	With special skills	1	1.6	61	98.4	4	6.9	54	93.1		ns	
3	Energetic and Enthusiastic	40	64.5	22	35.5	28	49.1	29	50.9		ns	
4	Calm and is through when work	10	16.1	52	83.9	15	25.9	43	74.1		ns	
5	Trustworthy and reliable	5	8.1	57	91.9	9	15.5	49	84.5		ns	
6	Innovative and enjoy challenge	51	82.3	11	17.7	32	57.1	24	42.9	8.896	1	0.003
7	Disobey instructions	42	67.7	20	32.3	41	71.9	16	28.1		ns	
8	Problems solvers	9	14.5	53	85.5	10	17.5	47	82.5		ns	
9	Difficulties in adapting new workplace	38	61.3	24	38.7	37	64.9	20	35.1		ns	
10	Mentally sharp	35	56.5	27	43.5	19	32.8	39	67.2	6.797	1	0.009
11	Can work in any unit/department	47	75.8	15	24.2	40	70.2	17	29.8		ns	
12	Prone to ill	33	54.1	28	45.9	39	69.6	17	30.4		ns	
13	A slow worker	17	27.4	45	72.6	21	36.2	37	63.8		ns	