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#### **BORANG PENGESAHAN TESIS**

JUDUL KAJIAN:	EMPLOYERS' ATTITUD	ES TOWARDS PEOPLEW	ITH DISABILITIES (PWD) AND
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# EMPLOYERS' ATTITUDES TOWARDS PEOPLE WITH DISABILITIES (PWD) AND EMPLOYMENT INTENTION IN KOTA KINABALU

#### **GOY PENG LIAK**

PERPUSTAKAAN ... "INIVERSITI MALAYSIA SABA!"

## DISSERTATION SUBMITTED IN PARTIAL FULLFILLMENT FOR THE MASTER OF BUSINESS ADMINISTRATION

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTANCY UNIVERSITI MALAYSIA SABAH 2014

#### DECLARATION

I hereby declare that the material in the thesis is my own except for quotations, excerpts, equation, summaries, which have been duly acknowledged.

1 August 2014

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Goy Peng Liak
1 August 2014

#### **ABSTRACT**

Despite various labor laws and related people disabilities acts have been established worldwide, people with disabilities (PWD) are continued to be marginalized, underutilized and unfairly treated in workplace and society because of societal negative attitudes and discrimination. Thus, the purpose of this study is to examine the relationship of employes' attitudes on PWD on PWD towards employment intention in Kota Kinabalu. The study has also been examining the moderating effect of company characteristics based on organizational size, type of industry and PWD employment experience between the relationship of employer attitudes and PWD employment intention. The study has conceptualized employer attitudes as multidimensional construct based on Theory of Planned behavior (TPB). The study involved 120 respondents or employers throughout Kota Kinabalu and non-probability convenience sampling with quantitative method was deployed to gather data and analyze by using SPSS (version 20) software system. This study contributes knowledge pertaining to local organization by size, type and PWD employment experience towards PWD employment behavior. The findings of study found that the hypotheses of study was partially supported with two out of six sub-hypotheses were significant to influence employer attitudes on PWD and PWD employment intention. This study also indicated that most of employers expressed their willingness and positive attitudes on employment intention than actual practice in workplace. Further, the findings also showed that there was no moderating effect for all company characteristics namely, PWD employment experience, type of industry and organizational size between employers' attitudes on PWD and employment intention. In term of TPB view, the findings disclosed that positive normative and behavior beliefs were more predictable than negative normative and behavior beliefs were and control beliefs to influence employers' attitudes on PWD towards employment intention. By understanding of employer attitudes based onl employment contexts for matching PWD ability on job offered, it could enhance PWD equal employment opportunity and reduce PWD underutilization through the removal of societal barriers in Kota Kinabalu.

#### **ABSTRAK**

### TINGKAH LAKU PEKERJA TERHADAP ORANG KURANG KEUPAYAAN DAN NIAT PEKERJA DI KOTA KINABALU

Sungguhpun berbagai undang-undang pekerja dan akta-akta berkaitan dengan orang kurang keupayaan (OKU) didirikan di serantau dunia. Tingkahlaku yang negatiye dan sikap diskriminasi dari lapisan masyrakat dan tempat kerja menyebabkan keadaan OKU terus dipinggirkan dan diperlakukan dalam ketidaksaksamaan. Oleh itu, tujuan kajian ini adalah untuk menyelidik hubungan sikap majikan terhadap OKU dan objektif penggajian orang kurang upaya (OKU) berdasarkan konsep model "Teori Kelakuan vang Dirancang (TKD) di bawah konteks penggajian berasaskan alam persekitaran di Kota Kinabalu. Kajian ini juga menyelid hubungan antara sikap majikan terhadap OKU dan objektif penggajian OKU dari majikan berdasarkan ciri-ciri organisasi. termasuk jenis industri, saiz organisasi dan pengalaman penggajian OKU dari kalangan organisasi dari Kota Kinabalu. Kajian ini berkonsepkan sikap majikan dari pelbagai dimensi berdasarkan TKD. Kajian ini melibatkan 120 respondent atau majikan di seluruh Kota Kinabalu, dengan mengamalkan kaedah persampelan ketidakmudahan dan kuantitatif bagi tujuan pengumpulan data, data dianalisis dengan menggunakan SPSS (versi 20) system perisian. Kajian ini menyumbang pengetahuan berdasarkan ciriciri organisasi dar<mark>i segi s</mark>aiz, jenis and pengalaman penggajian OKU terhadap hubungan sikap majikan terhadap OKU dan objektif penggajian OKU. Hasil kajian menunjukkan bahawa sebahagian hipotesis kajian disokong oleh dua daripada enam dimensi yang mempengaruhi sikap majikan terhadap OKU dan objektif penggajian OKU. Kajian ini juga menujukkan bahawa kebanyakan majikan hanya mengamalkan sikap positif dan keinginan untuk mengupah OKU daripada tindakan mengupah di tempat pekerjaan. Kajian juga menunjukkan tiada sebarang kesan penyederhanaan ke atas hubungan sikap majikan terhadap OKU dan objektif penggajian OKU.dari segi ciri-cir organisasi iaitu jenis industri, saiz organisasi dan pengalaman penggajian OKU. Berdasarkan TKD konsep model, hasil kajian menunjukkan bahawa "kepercayaan biasa" dan "kepercayaan tabiat" yang positif adalah lebih mudah dijangkakan berbanding dengan "kepercayaan biasa" dan "kepercayaan tabiat" yang negative; dan "kepercayaan kawalan" terhadap pengaruhan sikap majikan ke atas objektif penggajian OKU. Dengan memahami sikap majikan berdasarkan konteks penggajian alam sekitar di Kota Kinabalu, ia memadankan keupayaan OKU dengan tawaran pekerjaan dari majikan. Seterusnya, ia meningkatkan peluang pekerjaan sama rata OKU dengan mengurangkan penyingkiran halangan masyarakat terhadap OKU di Kota Kinabalu.

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#### **CHAPTER 1**

#### INTRODUCTION

#### 1.1 OVERVIEW

Generally, people with disabilities (PWD) have been categorized under discriminated and underutilization group of society, and related to low employment rate and poverty worldwide (Copeland, 2007 and Markel *et al.* 2009). The number of PWDs were expected equal to 7-10% of the total worldwide population (Brock, 1999) and there were comprised at least 650 million of PWDs worldwide (United Nations, 2007).

According to Organization for Economic Corporation and Development (OECD) countries report (2003), the average employment rates of PWD was only over 60 percent to normal people. Furthermore, they always encountered unequal employment opportunity in recruitment, retained and career advancement or promotion because of their physical barriers and employer negative attitudes (Copeland, 2007 and Markel *et al.* 2009).

According to Ng and Abdullah (2011) based on Welfare Department Report of Malaysia, they stated that total of 259,918 PWD have been registered until May, 2009. However the number was far lower than World Health Organization (WHO) estimation, i.e. around 1.3 to 2.6 million or 5% to 10% of country population (Loong, 2008).

In terms of PWDs' income, Tiun and Khoo (2013), Kidd *et al.* (2000), and Acemoglu and Angrist (2001) commented that the salaries and compensation earned by PWD around the world including Malaysia which was not on a par to their academic qualification and working experience to normal people. Furthermore, despite some PWD obtained at least diploma or degree in academic achievement with skillful competencies to perform job duties, but mostly were being marginalized and

abandoned from society because of prejudice, ignorance and discrimination (Elwan, 1999, Tan, 2004 and Canada's Federal Disability Report, 2009).

Generally, integration PWD into workforce and "equal employment opportunities" of PWD were lack in corporate normal practice and did not taking seriously because of negative perception on low productivity differences although it has been evolved from charity based to right based (Loong, 2008, and. Tiun and Khoo, 2013).

This social exclusion phenomena has caused a loss for talented PWD in terms of their income and contribution to country economy (Loong, 2008, Bruyere, 2000 and Perry 2002). Therefore, Tan (2004) urged that society members should forsake biases, and possess positive attitudes and perception by giving support and awareness of their responsibility towards PWD, and respect their rights and equal employment opportunity as normal people in society. The most important is talented PWD should be given opportunity from society and employer, particularly to contribute to nation economy (Lidom and Law, 2013).

#### 1.2 Problem Statement

Despite various labor laws and policies have been established worldwide, like Malaysia's Persons with Disabilities Act (PDA) 2008, the Americans with Disabilities Act (ADA) 1990, Australia the Disability Discrimination Act (DDA) 1992 and United Kingdom Disability Discrimination Act (DDA) 1995 to promote, encourage and protect of the full participation and integration of PWD into workforce and society from charity based to right based at large. PWDs are continued to being sidelined and unfairly treated in workplace (Jacoby *et al.*, 2005, Bruyee *et al.*, 2004; International labor Organization, 2004). Bruyere (2000) stated that unequal and unfair treatments have pervaded social policy, education admission, skill training, employment and society's attitudes. Further, Jayasooria (2000) cited that lack of financial support and reluctance of employer

attitude to adjust or modify workplace accommodation for PWD also contributed to PWD's low employment.

Further, although plenty of favorable environmental factors such as the increment of Malaysia workforce demand due to rapid economic growth and transformation plan toward vision 2020 as developed country (Malaysia Economic Report, 2004), initiatives action taken by Malaysia government such as given plenty of supports by providing various incentives in terms of financials' double tax deduction on PWD's remuneration, training allowances, and allocation of 1 percent vacancy quota system reserved for PWD in the public sector to encourage and increase firms' awareness on their obligation and social responsibility towards hiring and training PWD. However, only around 538 PWDs had been employed in the public sector (Khor, 2002). Further, Sabah state government has also shown its commitment towards improving quality life of PWD community by approving PWD grant to state's Welfare Department and Council of Social Services for vocational and industrial training program in 2002. (Tan, 2004)

Nevertheless, Hooi (2001) stated that there were only 3,523 or 1.35% of PWD were employed if compared over an estimated 2.4 million normal employed workers in Malaysia private sector in the last 10 years. This employment data showed that many PWD in Malaysia were underutilization and rarely chances to be integrated into local workforce market and experienced a satisfying career by contributing their valuable talents and skills to country productivity and economy.

Further, Nanyang.com (2013) and Tiun and Khoo (2013), stated besides the foreigner employment factor, underutilization and marginalization of PWD as society's productive members have also caused to severe economic ramifications which increased to RM20 billion in 2012 from RM10 billion in 2009, and World Bank also stated a yearly loss about US \$1.68 to US \$ 2.38 billion in Gross National Product like Malaysia (Perry ,2002).

The PWD underutilization or social exclusion issue has appeared as why PWD's employment rates still low and employer refused to hire them although there were favorable environmental factors like the enforcement of the Persons with Disability Act (PDA) 2008 since July7, 2008 (the first rights-based legislation for people with disabilities in Malaysia)(Loong,2008), high demand of local workforce due to favorable rapid growth of local economic transformation activities (Malaysia Economic Report, 2004).

Do Malaysia's employment contexts particularly in Kota Kinabalu such as corporate culture, the jobs nature, PWD's characteristic, and organizational characteristic may constrain and influence employer attitudes on PWD employment opportunities? Further, what are the impacts of the enforcement of RM 900 of minimum wages policy since Jan 2013 with objectives to reduce poverty and better social protection to minority group employees like PWD (Zainal, 2013) may influence employer attitudes and behavioral intention toward PWD employment?

Previous findings stated that less of PWDs were employed by employers although most of employers showed willingness and positive attitudes on PWD employment than actual hiring in workplace (Hernandez *et al.*, 2004 and Greenan *et al.*, 2003). Undoubtedly, physical environment and societal limitation which constrain social and economic benefits like employer characteristic with negative perceptions would affect employer behavioral intention and attitudes toward PWD employment (Gilbride *et al.*, 2003, Bjelland *et al.*, 2010, Copeland, 2007 and Robinson, 2000). Further, employer attitudes toward employment of PWD were also affected by companies' characteristic, like sizes, business characteristic/type (Fraser *et al.*, 2009), Jacoby *et al.*, 2005, Hernandez *et al.*, 2012), sector of business or industries (Domzal, 2008, Jasper and Waldhart, 2012 and Chi and Qu, 2005).

From the empirical findings, Jasper and Waldhart (2012) recommended that research should further explore employer attitudes on PWD and analysis in-depth on

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relationship of organization in terms of sizes and type of activities related to employer attitudes. Jacoby *et al* (2005) and Schrader *et al* (2013) commented that previous researches on the employer attitudes towards PWD employment was outdated because of changing social context like legislation, rapid globalization demographics, federal initiatives and technology. Copeland (2007) stressed that lack of studies under relationship of attitudes in the context of business organizations toward PWD which mostly used convenience sample of college student as research respondent. Vornholt *et al.* (2013) and Fracer *et al.* (2010) also mentioned on many gaps to be finalized of the acceptance concept and relationship between employer attitudes, actual employment and PWD retention behaviors. Bruyere *et al.* (2006) disclosed that few studies related to employer attitudes toward PWD linked to organization by sizes.

Thus, this study seeks to investigate the relationship of employers' attitude on environmental employment context on PWD towards PWD employment intention; where firm characteristic like size, experienced on PWD employment and type of industry play a moderating role on PWD employment intention. Clearly, by examining the employers' attitude based on employment contexts, it would understand an influence and relationship on employer attitudes and behavioral intention towards PWD employment in Kota Kinabalu.

#### 1.3 Research Questions

By exploring the influence of employer attitude toward PWD employment based on employment contexts, two research questions are formulated to guide the investigation for this research as follow:

- a. Does employers' attitude on PWD have an influence towards employment intention?
- b. What are the moderating effects of firms' characteristic by size, PWD
  employment experience and type of industry on the relationship
  between employers' attitude on PWD towards employment intention

#### 1.4 Research Objectives

By determine employer attitudes on PWD by focusing on industry segments i.e. type of industry, experience on PWD employment and company size. Hence, the research objectives for this study are as follows:

- a. To determine the influence of employers' attitude on PWD towards employment intention.
- b. To investigate the moderating effects of firms' characteristic by size, PWD employment experience and type of industry on the relationship between employers' attitude on PWD towards employment intention.

#### 1.5 Scope of Study

This study was to describe the employer attitudes on PWD based on employment contexts and PWD employment intention regarding to the firms' characteristic in Kota Kinabalu generally. As mentioned above, employment rates of PWD in Malaysia was still considered low (Hooi, 2001) and there was also lack of indicator of PWD employment in Kota Kinabalu may influence employers' negative attitudes towards the employment intention (Tan, 2004).

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Besides, this study was also a correlational study and hypothesis testing approach because it intends to investigate the relationship of PWD employment intention between employers' attitudes with the regression of moderating effect of firms' characteristic by sizes, experienced on PWD employment and type of industry. According to Sekaran and Bougie (2009), correlational study was in explaining the essential variables associated with problem and performed in non-contrived settings. Further, this study was also a cross-sectional study that data were gathered by answering study questions just once at one specific in time.

#### 1.6 Rationale/Significance of Study

Through this study, the factors described in employment contexts that influence attitudes of employers in Kota Kinabalu and relationship of firms' characteristic that

lead to their employment intention towards PWD would be known. By understanding the factors influence employer attitude, it would enhance the PWD's employment opportunities and reduce PWD underutilization, further to benefit employers and PWDs.

Furthermore, as stated by previous findings, there were numerous of benefits could positively influence employers' attitudes towards employment of PWD, for instance low absenteeism rates, long tenure and low in turnover rates, loyalty, reliable and good company image or social reputation (Hernandez *et al.*, 2008, Unger, 2002 and Buciuniene, 2010).

From the theoretical perspective, this study would contribute to employer attitudes on PWD and PWD employment intention by providing empirical evidence to support the relationship between employers' attitudes based on environmental employment context and TPB model toward PWD employment intention in Kota Kinabalu. In term of managerial implications, the result of study would enable PWD, vocational rehabilitation central and welfare department personnel to understand and further comprehend the attitudes of employers to increase their awareness on what employers' needs for matching the job offered; and indirectly enhance PWD's employment opportunity.

More than that, organizational senior management and human resource professionals shall work closely with third party agencies like vocational rehabilitation central, welfare department personnel generally to develop and implement business policies and practices toward integrating PWD into local workforce based on the needs of various industries sector and sizes via re-education and re-vocational training program to improve PWD's skills and competencies in Kota Kinabalu.

Finally, by understanding and knowing of promoting and barriers factors which lead to PWD employment practices would help to demonstrate mostly needed solutions and concerns to promote society awareness and equal employment opportunities of

PWD, and further to gain constant source of income to survive without over dependence to either government or charitable organizations' monetary support (ACS, 2011).

#### 1.7 Definition of terms

#### 1.7.1 People with Disabilities (PWD)

PWD is defined as those who have long term physical, mental, intellectual or sensory impairments either in nature or accidently caused; which in interaction with various barriers may hinder their full and effective participating in society (The Malaysian Persons Disability Act, 2008).

#### 1.7.2 Employer

Employer is defined as business owners or senior level managers, human resources managers and personnel as well as project managers with direct or getting involve in hiring and firing authorities (Copeland, 2009).

#### 1.7.3 Employment Context

Employment context is defined as factors related to employment includes of both external environment (like workforce market, legal environment) and internal environment (like organizational culture and practices, discrimination behavior, and strategy), characteristic of organization, PWD's characteristic, and the job (Markel *et al.*, 2009)

#### 1.7.4 Attitude

Attitude is defined as an overall evaluation and factor of learned in expressing the individual to react or general feeling of disposition either positively/favorably or negatively/unfavorably with the respect to the situation, an object, issue, person or action, or any other discrimination aspect of individual's world (Petty *et al.*, 1991, Fishbein and Ajzen, 1975).

#### 1.7.5 Employment

Employment is defined as an individual's right of equal treatment with respect to employment without discrimination of disability, age, record of offences, marital and family status, race, ancestry, and place of origin, color, ethnic origin, citizenship, creed, gender and its expression (Human Right Code 1990).

#### 1.8 Organization of Study

Overall, this dissertation consists of five chapters, namely introduction, literature review, methodology, data analysis and finding, and finally discussion and conclusion.

- Chapter 1 Overviews the background of the research, problem statement, research questions, research objectives, scope of study, rational/significance of study, and the definition of terms.
- Chapter 2 Reviews the literature related to the topic theory used in the study, literature on the different variables, and the relationship between the variables.
- Chapter 3 Explains the methodology used in this study such as the theoretical framework, operationalization of variables, hypotheses, sampling method, questionnaire, data collection methods, validity testing methods, reliability testing methods, and the statistical method used.
- Chapter 4 Analyses of the data collected and the research findings.
- Chapter 5 Discusses the limitations, suggestions and conclusions of the study as a whole. Implications and recommendations for the future research is also discussed.

#### 1.9 Summary

This chapter discussed the overview of the whole research which was regarding to employment of people with disabilities. As a concluding remark, two research questions were formed; then answered by two research objectives that detailed the aims of this study. The following chapter provided an extensive literature review about the topic of study.

#### **CHAPTER 2**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter reviewed the literature on the Theory of Planned Behavior (TPB) and the relationships among the employment context and PWD employment intention. Further, it would provide reviews of literature dealing with employer's behavior and attitudes in their intention to PWD employment. The objectives of this chapter were to evaluate the literature and defined the meaning of respective independent and dependent variables used in this study.

#### 2.2 PWD Employment

In general speaking, disability has been linked to severe handicaps occurred in nature or accidently caused, like sensory impairment (hearing, visual), intellectual impairment, mental and psychological); and physical limitation which may need extra assistance in workplace and generous aids, and may further affected the employment opportunities (Asgeirsdottir, 2003). The International labor Organization (ILO, 2004) stated that "Equal employment opportunities" was a key topic linked to PWD employment to be overcame nowadays. ILO contributed a lot of effort in "promote employment opportunities and disability equality for PWD" nationally in terms of in policy amendment and drafting legislative outline.

Unger's literature review (2002) and Luecking (2008), stated that the shift of society treated of unemployable PWD from a medical model to charitable based, then further evolved to the current right based model by focused on individual's capabilities, right, and accommodation supports in workplace for maximizing overall productivity performance and self-reliant of PWD.

With the execution of the Persons with Disability Act 2008 since 2008, it has improved Malaysia's PWDs' equal opportunities or disability equality in terms of employment, skills improvement and equality training via education, habilitation and re-habilitation by evolving the participation of PWDs from charity-based to right-based into society (Loong, 2008). Although there is without implementation of anti-discrimination laws to protect PWD as stated by Tiun *et al.* (2011), it has also promoted PWD to gain the same rights, hopes and expectations as normal individual to experience equal employment opportunity (Asia Community Service (ACS), 2011), although there is still a gap difference in employment rate between working-age normal people and PWD as stated by Pelkowski (2007).

#### 2.3 Employment Context- Factors Influence Firm's Attitude toward PWD

Prior researches recognized the importance of understanding employer attitudes and perceived disability issues towards PWD and its' employment intention (Unger, 2002 and Vornholt *et al.*, 2013). Furoka *et al.* (2012) mentioned that the formation of job opportunities and growing employability of PWD were the important and complicated issues in labor market.

Markel *et al.* (2009) indicated that employer attitudes on PWD towards PWD employment was influenced by external factors (like supply and demand of labor in workforce, legal environment and roles played by vocational rehabilitation), and internal factors (like organizational characteristics, strategy and culture, PWDs' characteristic and the job itself) based on environmental employment context. Stone and Colella (1996) identified three sets of variables, namely attributes of PWD, environmental factors (like public policy issue) and organizational characteristic (like organizational norm, value, and reward systems) which were key predictors to influence employer decision on PWD employment in organization.