

**FACTORS INFLUENCING INTENTION TO
HIRE PERSONS WITH DISABILITIES IN
SABAH AND LABUAN**

LIM TZYY WEE

**PERPUSTAKAAN
UNIVERSITI MALAYSIA SABAH**



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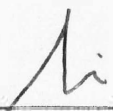
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DR. MAGDALENE ANG CHOOI HWA

Senior Lecturer

Labuan School of International Business & Finance

Universiti Malaysia Sabah

(DR. MAGDALENE ANG CHOOI HWA)


Penyelia

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

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Lim Tzyy Wee
PL 2010 8201



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CERTIFICATION

NAME : LIM TZYY WEE
MATRIC NO. : PL2010-8201
TITLE : **FACTORS INCLUENCING INTENTION TO HIRE PERSONS
WITH DISABILITIES IN SABAH AND LABUAN**
DEGREE : **MASTER IN BUSINESS (INTERNATIONAL BUSINESS)**
VIVA DATE : **9th JULY 2013**

DECLARED BY

1. MAIN SUPERVISOR

Dr. Magdalene Ang Chooi Hwa

Signature

2. CO-SUPERVISOR

Dr. Geoffrey H. Tanakinjal



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Two handwritten signatures are present. The first signature is in black ink and appears to be 'Magdalene Ang Chooi Hwa'. The second signature is in blue ink and appears to be 'Geoffrey H. Tanakinjal'.

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ABSTRACT

FACTORS INFLUENCING INTENTION TO HIRE PERSONS WITH DISABILITIES IN SABAH AND LABUAN

This study examined whether the attributes of employees, attributes of employers, Persons with Disabilities Act (PWDA) (2008), and organizational culture would influence intention to hire persons with disabilities (PWDs) in Sabah and Labuan. Theory of Reasoned Action was employed as the underlying theory for purposes of predicting and understanding employers' intention to hire PWDs which would eventually translate to inclusion of PWDs in the workforce. A total of 201 surveys were collected from employers, representing various industries in Sabah (*i.e.*, Kota Kinabalu, Sandakan, Tawau, and Lahad Datu) and Labuan. The study found that nature of disability (*i.e.*, visual disability and auditory/communication disability), social desirability (*i.e.*, need for approval), previous contact with PWDs, PWDA (2008) and organizational culture had significant influence on intention to hire PWDs. Entrepreneurial culture, had a moderating effect on the relationship between physical disability and intention to hire PWDs. The study findings have important implications for employers, the government, and non-profit organizations regarding the promotion of PWDs' employment in the Malaysian context.



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ABSTRAK

Kajian ini mengkaji tentang sifat-sifat pekerja, sifat-sifat majikan, Akta Orang Kurang Upaya (2008), dan budaya organisasi yang boleh mempengaruhi niat untuk mengupah orang kurang upaya di Sabah dan Labuan. "Teori Reasoned Action" telah digunakan sebagai teori asas untuk meramal dan memahami niat pihak majikan untuk mengupah orang kurang upaya yang mungkin mempengaruhi orang kurang upaya mendapatkan pekerjaan. Sebanyak 201 kaji selidik telah dikumpul dari para majikan dari pelbagai industri di Sabah (contohnya: Kota Kinabalu, Sandakan, Tawau, Lahad Datu) dan Labuan. Kajian ini mendapati bahawa jenis ketidakupayaan (cth: ketidakupayaan visual, ketidakupayaan auditori/komunikasi), keinginan sosial ("social desirability") (contoh: "need for approval"), hubungan sebelumnya dengan OKU, Akta Orang Kurang Upaya (2008) dan budaya organisasi membawa kesan ketara ke atas niat untuk mengupah orang kurang upaya. Budaya keusahawan, mempunyai kesan penyederhanaan ke atas hubungan antara ketidakupayaan fizikal dan niat untuk mengupah orang kurang upaya. Dapatan kajian membawa implikasi yang penting kepada pihak majikan, kerajaan, dan pertubuhan bukan berasaskan keuntungan dalam menggalakkan penggajian orang kurang upaya dalam konteks Malaysia.



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LIST OF ABBREVIATIONS

ADA	Americans with Disability Act (1990)
ARA	Ambivalence Response Amplification theory
CVF	Competing Value Framework
DDA	Disability Discrimination Act (1995)
FCM	Flexible Correction Model
JKM	Department of Social Welfare
JPA	Public Service Department
NGOs	non-government organizations
PWDA	Person with Disabilities Act (2008)
SPSS	Statistical Package for the Social Sciences
TRA	Theory of Reasoned Action
UN	United Nations
UNESCAP	United Nation's Economic and Social Commission for Asia and the Pacific
UK	United Kingdom
US	United States
PWDs	Persons with disabilities
WHO	World Health Organization

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CHAPTER 1

INTRODUCTION

1.1 Introduction

According to United Nations' Economic and Social Commission for Asia and the Pacific (UNESCAP, 2009), the proportion of persons with disabilities (PWDs) to the normal population is one per cent. This rule of thumb, however, provides a conservative estimate of the size of the disabled population. Nonetheless, recent statistics revealed that there are over 650 million PWDs in the world (UNESCAP, 2003). Of this number, about 400 million resides in the Asian and Pacific region [Department of Social Welfare (JKM), 2006]. Eighty percent of the disabled population is said to come from developing countries (United Nations, 2006). It is believed that the number of PWDs will continue to increase through population growth and ageing process (WHO, 2006).

In a report by the United Nations (UN, 2006), PWDs constitute 20% of the poorest people in the world. The majority of the population of PWDs live in poverty because they are kept from attending school and acquiring the necessary skills which can help them to be employed (UN, 2006). Similarly, a report by British Trades Union Congress (cited in Bagshaw, 2006) documented that PWDs are twice as likely as others to live below the breadline. The appalling incidence of poverty among PWDs could be closely linked to their exclusion from education, employment, and other economic and social opportunities (Bagshaw, 2006). It follows that poverty among PWDs could be minimized by increasing PWDs' participation in paid employment.

Lamentably, numerous studies (*e.g.*, Hale *et al.*, 1998; UN, 2006; Williams, 2006) in the west revealed a large discrepancy in the labor force participation and labor outcome between the disabled and non-disabled population. In fact, the unemployment rates of PWDs are significantly above the rest of the population in any part of the world. The official statistical data in some countries (*e.g.*, Britain,

the United States, and Canada) show that the participation rate of PWDs in employment is still much lower than that of non-disabled people. For instance, in the United Kingdom (UK), only 50% of PWDs of working age are in work, compared with 80% of non-disabled people (British Employers' Forum on Disability, 2009). In the United States (US), 15% PWDs of working age were unemployed in 2011, compared to 8.7% non-disabled people of working age in 2011 (Bureau of Labor Statistics, 2012). Seemingly, legislations in these countries such as Disability Discrimination Act (DDA) (1995) and Americans with Disability Act (ADA) (1990) have not been able to help PWDs gain employment. So, what have caused PWDs to be mostly ignored and excluded from employment? Many authors (*e.g.*, McLaughlin *et al.*, 2004; Shier *et al.*, 2009; Stone and Collella, 1996) contended that stereotyping, prejudice, discrimination, and stigma present the major obstacles for PWDs to gain employment. PWDs are often perceived as unable to work, less capable, weak, dependent, needy, and incompetent (Bell and Klein, 2001; Staniland, 2009; Stone and Colella, 1996). Consequently, most employers consider PWDs as risky hires and as such are not keen to hire them (Gilbride *et al.*, 2000).

That being said, it is believed that there are a host of other factors which can influence hiring decisions for PWDs. These factors could include attitudes towards PWDs, attributes of employers and of PWDs themselves, legislation, organizational culture, and others. Still, some researchers (*e.g.*, Albritton, 2005; Park, 1995; Premeaux, 2001; Unger, 2002) argued that positive attitudes toward PWDs do not necessarily translate into intention to hire PWDs. Clearly, the employment of PWDs remains a challenging issue for human resource managers. This also warrants more studies concerning PWDs' employment to be conducted. Indeed, research that examined PWDs' employment (*e.g.*, Capella, 2003; Neufeldt and Albright, 1998) have been done in the western countries. For instance, Lengnick-Hall *et al.* (2008) explored the perspectives and concerns of employers on hiring of PWDs. Other research (*e.g.*, Bell and Heitmueller, 2009; Jones, 2009) has been conducted to determine the impact of ADA (1990) and DDA (1995) on PWDs' employment rate. However, research with specific reference to PWDs and employment is relatively scarce in Malaysia. As such, much of the development gained in disability literature from the western countries may not appropriately

portray the reality in the Malaysian context (Ang, 2004, 2012b). Hence, a study is much needed on employment of PWDs in Malaysia, particularly on the factors which can contribute to higher employer intention to hire PWDs.

1.2 Persons with Disabilities in Malaysia

As noted earlier, up-to-date statistical information and scholarly research about the disabled population is relatively limited in Malaysia (Ang, 2004; Fumitaka *et al.*, 2011). Most of the available data and/or reports on PWDs in Malaysia come from the Department of Social Welfare (JKM). For instance, JKM (2012) recently reported that a total of 359,203 PWDs have registered with JKM (see table 1.1). However, this figure may not reflect the actual number of PWDs in this country, and could even be an underestimate. This is because registering as PWDs with the Malaysian authorities is still done on a voluntary basis (Tan, 2007; Tiun *et al.*, 2011). In some cases, children with disabilities were discovered late, or their parents/guardians are ignorant to send them to special schools or vocational training. In others, the onset of a disability occurs late in the normal person's life (Salleh *et al.*, 2001). Nevertheless, it is encouraging to note that more and more PWDs are coming forward to register with JKM in recent years.

As shown in table 1.1, the number of registered PWDs in Malaysia in 2007 was 220,250. This number increased by 13% to 248,858 in 2008, 14% to 283,512 in 2009, 10% to 314,247 in 2010 and 14% to 359,203. This increase could suggest that more and more PWDs in Malaysia have become more aware of their rights to obtain welfare from the government and as such the higher motivation to register themselves as PWDs. However, it should be reiterated that the figure is likely to be an underestimate of the actual population of PWDs in Malaysia. It can also be seen from the table that Selangor has the largest population of PWDs and Labuan the smallest in these 5 years. Furthermore, reviewing the highest and lowest growth states of PWDs' population in Malaysia from year 2007 to 2011, Negeri Sembilan recorded the highest growth rate of 18.8% in 2008, following by Kedah (23.3%) in 2009, Pahang (17.5%) in 2010 and (37.8%) in 2011. Sabah recorded the lowest growth rate of 1.9% in 2008, following by Sarawak (1.8%) in 2009, Perak (4.6%) in 2010 and Kedah (8%) in 2011.

Table 1.1: Registered PWDs by state (2007-2011)

State	Year				
	2007	2008	2009	2010	2011
Johor	27,554	30,840	35,096	37,411	43,610
Kedah	15,224	17,720	21,854	24,841	26,829
Kelantan	19,561	22,229	24,893	27,554	31,611
Malacca	9,687	11,322	13,736	15,874	18,325
Negeri Sembilan	10,149	12,058	14,089	15,843	18,172
Pahang	8,496	10,062	12,242	14,382	19,822
Perak	23,006	26,310	29,946	31,326	34,630
Perlis	4,024	4,374	4,719	4,971	5,587
Pulau Pinang	13,824	15,855	18,223	20,831	23,183
Sabah	13,823	14,087	15,546	17,407	19,936
Sarawak	13,289	13,719	13,961	15,374	18,036
Selangor	28,969	34,311	40,107	45,287	51,238
Terengganu	13,083	14,828	16,404	18,941	21,398
W.P. Kuala Lumpur	19,060	20,570	22,003	23,406	25,940
W.P. Labuan	501	573	693	799	886
Total	220,250	248,858	283,512	314,247	359,203

Source: Department of Social Welfare Malaysia, 2012

Another report by JKM (2010) documented that a policy was enforced by the Malaysian government in 2008 to ensure that one percent of the public workforce was reserved for PWDs. But this initiative has not matched initial expectations. Public Service Department (JPA) targeted roughly 4,000 vacancies for PWDs but only a mere 581 PWDs had been employed from 2008 until 2010 (New Straits Times, 2010). In addition, a study conducted by several non-government organizations (NGOs) in Malaysia found that only 3,870 PWDs have paid employment over 95,435 PWDs who have registered with the authorities in the same year. Based on this finding, it can be concluded that more than 95% of PWDs are still unemployed (Memorandum on Employment for PWDs, 2001). Although some Malaysians with disabilities may be incapable of work, a large proportion

expressed they are capable and willing to work if given the opportunity and that if some workplace modifications are made (Memorandum on Employment for PWDs, 2001). Malaysians with disabilities have always been struggling to obtain basic rights in all areas of life, particularly employment (Memorandum on Employment for PWDs, 2001). Hence, the passing of the Person with Disabilities Act (PWDA) (2008) was a much welcome move and an important milestone in Malaysia's history such that Malaysians with disabilities can finally obtain some protection under the legislation. However, the intended impact of the act for PWDs has yet to be empirically gauged.

Apart from the above statistics, other information on PWDs is still sporadic and sparse in Malaysia. As such, more information relating to PWDs' employment is much needed to help in the formulation of policies to increase the participation of PWDs in paid employment. Given that, a study was undertaken to investigate some potential factors that might influence employers' intention to hire PWDs in the Malaysian context. The factors are—attributes of PWDs, attributes of employers, PWDA (2008), and organizational culture.

This chapter aims to provide some background information for the current study. The chapter starts with the problem statement. It goes on to highlight the research scope, research objective, significance of the research, and definitions of key terms. The chapter concludes with a brief outline of the organization of the remaining chapters in this thesis.

1.3 Problem Statement

Paid work provides us the opportunity to earn an income, forge social relationships, and gives us a sense of self-fulfillment (Jameson, 2005; Jongbloed and Crichton, 1990). Conversely, unemployment or poor wages can result in poverty that may in turn restrict social and leisure pursuits (Jongbloed and Crichton, 1990). For PWDs particularly, paid work provides meaningful life of independence and human dignity (Schur *et al.*, 2005; Tiun *et al.*, 2011; Zhang, 2007). More importantly, work can also help PWDs escape from the vicious cycle of marginalization, poverty, and social exclusion (Schur *et al.*, 2005; Tiun *et al.*, 2011; Zhang, 2007). Despite the

importance of work, PWDs still face struggles to gain employment. Past studies (e.g., Ang, 2004, 2012a, 2012b; Bell and Klein, 2001; Hale *et al.*, 1998; Krefting and Brief, 1976; Rose and Brief, 1979) have reported that PWDs are perceived as less favorable workers and thus experience limited employment opportunities than non-disabled people. Many national policies or legislations to protect and support the disabled population seemingly do little to arrest this problem (Fumitaka *et al.*, 2011).

Although PWDs can work at least as well as non-disabled employees if not better (Ang, 2012b), PWDs still face discrimination in the workplace, largely due to the lack of understanding of disability (French, 1999). Employers discriminately view all PWDs as weak, dependent, and incompetent as compared to non-disabled people (Bell and Klein, 2001). As such, they are likely to be excluded from the workforce. It is important to note two crucial points to underline the importance of hiring PWDs: (a) PWDs are an untapped but significant human resources (Salleh *et al.*, 2001); and (b) the inclusion of PWDs in gainful employment can help boost the country's economy (Evans, 2007). World Bank estimates a loss of between US\$1.37 trillion to US\$1.94 trillion to the global gross domestic product due to exclusion of PWDs in the mainstream society (Metts, 2000). The figures for a medium-income country like Malaysia would probably range from US\$1.68 to US\$2.38 billion dollars (Perry, 2002).

In view of the above, it is hence of utmost importance that the employment of PWDs receives more attention from researchers in Malaysia. UNESCAP (2003) noted that the data collected in many developing countries do not reflect the full extent of disability. Also, the "lack of data about these issues clearly creates an impetus for studying this little-researched area and neglected demographic group" (Florey and Harrison, 2000, p. 224). Further, whether our disability act, PWDA (2008), has helped promote the inclusion of PWDs in the workforce has thus far not been empirically ascertained (Ang, 2012b). Simply put, a study to examine factors that can contribute to managerial intention to hire PWDs within a more comprehensive framework is clearly warranted. Hence, useful statistical data can be

obtained to help develop policies that will in turn enhance employment of PWDs in Malaysia (Ang, 2004, 2012a).

Against this background, this study was undertaken to primarily examined factors that could potentially influence managerial intention to hire PWDs in Sabah. The factors include attributes of PWDs, attributes of employers, and PWDA (2008). Organizational culture was also examined as a determinant factor as well as a possible moderator. Based on the researcher's knowledge, no known empirical studies in Malaysia have explored these variables from a management perspective.

1.4 Research Questions

This study is guided by the following research questions:

- Do attributes of PWDs, attributes of employers, PWDA (2008), and organizational culture influence intention to hire PWDs in Sabah and Labuan?;
- Which factors [*e.g.*, attributes of PWDs, attributes of employers, PWDA (2008), and organizational culture] explain more variance in intention to hire PWDs in Sabah and Labuan?; and
- Does organizational culture moderate the relationships between independent variables and dependent variable?

1.5 Research Objectives

This study was undertaken to address the question, "What are the factors that can influence employers' intention to hire PWDs?" Accordingly, the objectives of the study are as follows:

- To determine the factors [*e.g.*, attributes of PWDs, attributes of employers, PWDA (2008), and organizational culture] that can significantly influence the intention to hire PWDs in Sabah and Labuan;
- To ascertain the factors [*e.g.*, attributes of PWDs, attributes of employers, PWDA (2008), and organizational culture] that can explain more variance in the intention to hire PWDs in Sabah and Labuan; and

- To investigate whether organizational culture moderates the hypothesized relationships.

1.6 Research Scope

This study investigated the influence of attributes of PWDs, attributes of employers, Malaysia's PWDA (2008), and organizational culture on employers' intention to hire PWDs. In addition, it examined the role of organizational culture in moderating the proposed relationships.

The respondents of this study were non-disabled employers, human resource managers and/or recruiters representing private organizations located in Sabah. These respondents might or might not have employed PWDs in their companies at the time of the research.

1.7 Significance of the Research

Malaysia's local labor force is increasingly insufficient to maintain local industries despite the government's ambitious plans for a high-income economy under the New Economic Model (Sani, 2010: pg. 1). In order to solve the problem of manpower shortage in various industries, Deputy Prime Minister Tan Sri Muhyiddin Yassin announced that: "There is need in which local labor cannot satisfy and our economy will be affected. So, we will allow foreign workers to come in to help the economy (Sani, 2010: pg. 1)." He noted that Malaysia raises the levy on foreign workers in 2011 based on the different workforce need of specific sectors.

It is sad to note that while the Malaysian government has given jobs to more than two million foreign workers (Labor and Human Resource Statistics, 2010), they have yet to recognize the huge untapped workforce among PWDs (Memorandum on Employment for PWDs, 2001). Employing more PWDs could indeed help buffer the burden of Malaysian labor market relying on foreign workers. However, perhaps due to a lack of understanding about disability, Malaysian employers tend to perceive PWDs as risky hires and as such many capable and qualified PWDs were not given the jobs they applied for.