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“A STUDY ON THE EMPLOYEE’S PERCEPTION TOWARDS NEW
RETIREMENT AGE POLICY IN MALAYSIA: CASE STUDY IN
PUBLIC SECTOR”

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TABLE OF CONTENT

No	Particular	Page
1	CHAPTER I: INTRODUCTION	
1.1	Introduction	1-2
1.2	Problem Statement	3-4
1.3	Research Question	5
1.4	Objective of study	5
1.5	Definition of term and concepts	5-6
	1.5.1 Retirement Age	
	1.5.2 Perception of Public Servants towards New Age Policy.	
1.6	Scope of Study	7
2	CHAPTER II: LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK	
2.1	Literature Review	
	2.1.1 Malaysia Perspective on the Retirement Age Policy	8-13
	2.1.2 international Perspective On the Retirement age Policy	13-17
2.2	Employee Performance	17-18
2.3	Factors influenced Employee's Perception in the Retirement Age Policy	
	2.3.1 Age	19-20
	2.3.2 Financial	20-22
	2.3.3 Health	22-24
	2.3.4 Motivation	24-25

LIST OF FIGURE

Table 2.4.1	Conceptual Framework	26
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LIST OF TABLE

Table 4.2.1	Reliability Test	34
Table 4.3.1	Normality Test	35
Table 4.4.1	Demographic of Respondents	36-38
Table 4.5.1	Does employee's perception on new retirement age policy will influence their decision to continue working?	39
Table 4.6.1	Does age influence the public employee's perception on new retirement age policy?	40
Table 4.6.2	Does financial influence the public employee's perception on new retirement age policy	41
Table 4.6.3	Does health influence the public employee's perception on new retirement age policy	42
Table 4.6.4	Does motivation influence the public employee's perception on new retirement age policy	43
Table 4.7.1	Spearman Correlation	44
Table 4.8.1	Causal Regression	45

CHAPTER I

INTRODUCTION

1.1 Introduction

Malaysia is a country that has many policies especially to the employees' itself. One of the policy is related to the employees is Retirement Age policy in the government sector. This policy is enforced to all civil servant that working with the government organization in Malaysia. Malaysia was adapting the retirement age policy from the British retirement system where mandatory retirement for the government servants is set at 55 years old in 2001. As all know, this policy was increased from 56 to 58 in 2008, where it is the lowest number or retirement age policy in Asia. Finally it increased again from 58 to 60 in 2012. This is due to the demand from made by the Malaysia Congress of Unions of Employees in the Public and Civil Service (CUEPACS) where they want to extend the retirement age from 58 to 60 years old. Due to this policy where fully implemented early 2012, there have different response among the public especially to the public servant.

Datuk Maznah Mazlan, the former Deputy Minister of Human Resources (2011), stated in news that the aimed of this extended of retirement age among the public servant was to enabled the civil servant to be prepared in the rising cost of living including the medical cost, housing and the routine needs. Means, with the extension of this retirement age, it can help the older workers to support for their financial security as the cost of living nowadays are keep increasing. This can be support through the research made by KWSP on 2009 which stated that 73 percent of the employees which retired at the age 55 was having the saving amount of RM 50,000 that indicate less enough to support for the future lives. So, with the increment of the