



# HRDF HUMAN CAPITAL REPORT

Issue: Feb 2019/1

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# INCLUSIVITY OF DISABLED PERSON AT THE WORKPLACE



## QUICK TAKEAWAYS AND HIGHLIGHTS

15% of the world's population, experience some form of disability which is higher in developing countries.

- The World Bank Group, 2018

Under the Employment Equality Act 1998, it is **illegal** to discriminate in employment, e.g.: in hiring, training or promotion due to disability.

Reasons why employers often assume that persons with disabilities are unable to work and are unwilling to give them the opportunity:

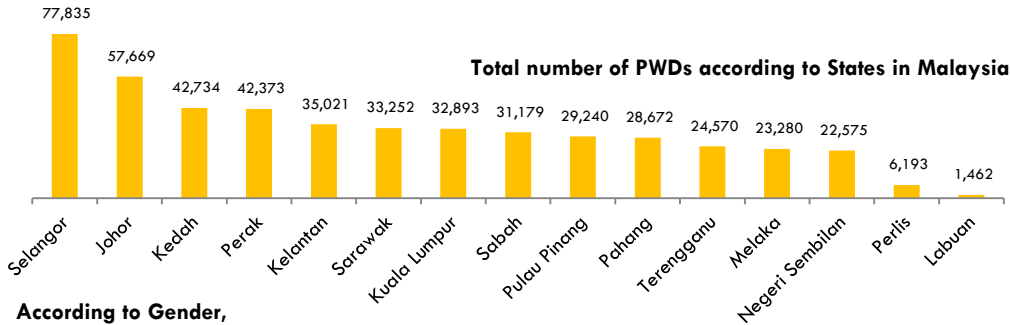
- 1) lack of access to education or training in employable skills
- 2) support services required unavailable
- 3) unsupportive legislation and policies

- International Labour Organization

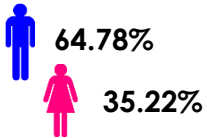
HRDF has approved **401** training places under OKU Talent Enhancement Programme (OTEP) incentives for Year 2016 – 2018 with Financial Assistance of **RM2.6 million**.



According to Department of Social Welfare (JKM), there are **488,948** registered Persons with Disabilities (PWDs) as at October 2018, which translates to **1.53%** of the Malaysia's population.

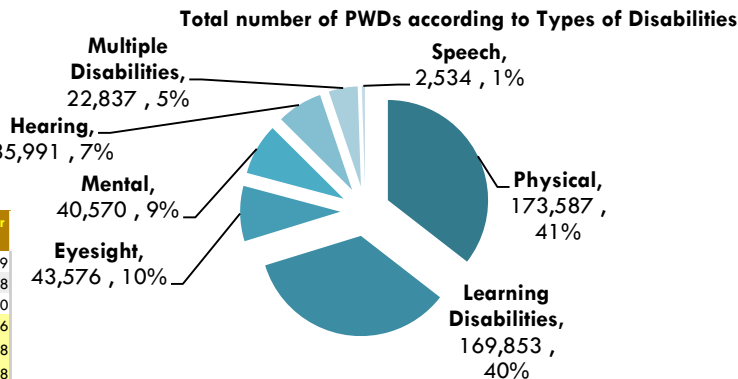


According to Gender,



Source: Department of Social Welfare (JKM)

Age Range	Total number of PWDs
Not specified	9
Less than 6 years old	13,118
7 - 12 years old	61,020
13 - 18 years old	57,606
19 - 21 years old	25,658
22 - 35 years old	93,068
36 - 45 years old	62,012
46 - 59 years old	94,924
More than 60 years old	81,533
<b>TOTAL</b>	<b>488,948</b>



Based on Labour Force Participation rate, not more than **80%** of registered PWDs are within working age population (15-64 years).

PWDs are more likely to be unemployed due to physical limitation. The initiative of inclusiveness or antidiscrimination for disabled people is intended to promote the inclusion of people with disabilities in employment by increasing access to the workplace and change biased perceptions about people with disabilities as less productive workers.

To start practising inclusivity:

Making recruitment and selection procedures accessible

Modify working times

Adapt conducive working environment

Provide assistive technologies

### What are the benefits for employers when hiring PWDs?

- Employers are eligible for **double tax deductions** by Inland Revenue Board Of Malaysia (LHDN);
- Employers are entitled for a **tax rebate** on the costs of modifying facilities for the disabled; and
- Employers are eligible for **training grants incentives** under OKU Talent Enhancement Programme (OTEP) by HRDF.

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## QUICK TAKEAWAYS AND HIGHLIGHTS

“Dasar Satu Peratus Peluang Pekerjaan dalam Perkhidmatan Awam kepada Orang Kurang Upaya (OKU)” is the 1% policy for Public Sectors.

- *Jabatan Perkhidmatan Awam (JPA)*

Based on HRDF OTEP financial assistance approval, **53.6%** are PWDs with learning disabilities, **24.4%** speech and the most popular types of jobs among the PWDs are Sales/Marketing/ Service Staff, Housekeeping Attendant, Pizza Maker/Barista.

- *HRDF OTEP Report Dec 2018*

**Hotel Industry** has the highest number of trainees trained under HRDF (OTEP) incentives, followed by Hypermarket/ Supermarket/ Departmental Store industry.

Companies report that employees with disabilities have better retention rates, reducing the high cost of turnover. Other American surveys reveal that after one year of employment, the retention rate of persons with disabilities is **85%**.

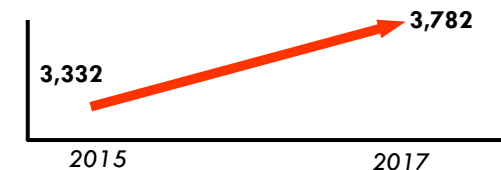
- *U.S. study, 2002*

Beginning 2010, the Malaysian Government has implemented **1%** policy for hiring PWDs in the Public Sectors to ensure inclusivity for PWDs which aims to encourage all government agencies providing employment opportunities to PWDs .

### Total number of PWDs being employed in Public Sectors in 2015 - 2017

The total number of Public Sectors' employees as at August 2018 is **1.2 million** (excluding Royal Malaysia Police (PDRM) & Malaysian Armed Forces (ATM)).

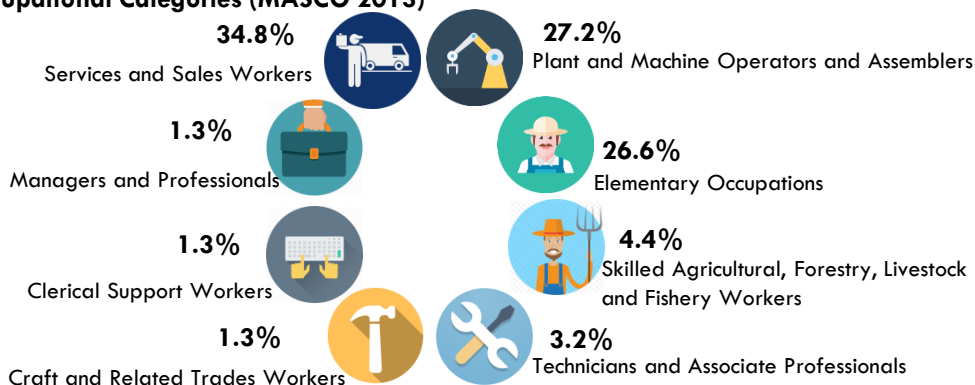
Source: Public Service Department Malaysia (JPA)



Source: Kajian Separuh Penggal, Rancangan Malaysia Kesebelas (2016-2020)

On the other hand, for Private Sectors, **14,252** PWDs have been employed from Year 1990 to 2018 out of the **13.74 million** of workforce in Private sectors.

### Job Placement for PWDs at Private Sectors based on Occupational Categories (MASCO 2013)



Source: Department of Labour Peninsular Malaysia (JTKSM) Laporan Penempatan Pekerjaan OKU di Sektor Swasta (Jan - Jun 2018)

“India enforced the “People with Disabilities” Act, which reserves them 3% of government jobs. Of the some 70 million persons with disabilities in India, **100,000** have succeeded in obtaining employment in industry which equals to **1.43%**.” - *National Centre for Promotion of Employment for Disabled People (NCPED)*

“People with disabilities have a higher rate of self-employment and small business experience successful as small business owners (**12.2%**) than people without disabilities.”

- *U.S. Department of Labor*

### Key takeaways for HRDF and other relevant stakeholders:

- Opportunity to establish framework for PWDs skills standards and trainings to ensure suitable training for 7 types of disabilities can be explored as part of assistance in encouraging employers based on their business nature and job scope.
- Further, focus to relevant industries and category of jobs for e.g.: Services and Sales and Plant and Machine Operators and Assemblers in promoting OTEP incentives and to encourage more trained and skilled PWDs.
- In ensuring inclusivity, Private sectors may also implement the policy of employing the disabled.
- Ministry of Entrepreneur Development to take initiatives in promoting self-employment and small businesses to the PWDs.



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