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# FEMALE LABOUR FORCE PARTICIPATION IN PERAK, MALAYSIA FROM SUPPLY AND DEMAND PERSPECTIVES

THAVAMALAR A/P GANAPATHY



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THAVAMALAR A/P GANAPATHY

THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENT FOR THE  
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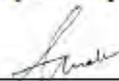
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## ABSTRACT

The objective of this study is to investigate the determinants of female labour force participation in Perak, Malaysia from the demand and supply sides. This study also examines the mean differences of skills and welfare facilities and the effects of savings and household classification on women's employment between employed and unemployed females, and the employers. A quantitative approach (questionnaire) with a total of 214 respondents was chosen as a sample through a stratified random sampling technique. The data are analysed by using the Binary Logistic Regression Model, Mann Whitney and Kruskal-Wallis tests. The findings of the study on the Supply side analyses had figured that age and race factors were significant at the one percent level, while parents and spouse encouragement increased the likelihood of employment for married women (60 times) compared to unmarried women. On the demand side, internship experience increases women's employability (68 times), while male employers were more likely (33 times) to hire female workers than female employers. The likelihood of female employment increases for applicants who are self-sufficient, but the likelihood of female employment decreases for those with significant responsibilities at home. Working women place a higher priority on maintaining effective time management, improving computer skills and choosing better medical benefits. Compared to female unemployment in the B40 income group, there are more women employed in the M40 and T20 income groups. Therefore, household income levels in Perak can be increased if women are given equal opportunities to enter into labour market considering that B40 families make up the largest percentage of households in Perak compared to other states in Malaysia. The implication of the study stresses the potential problem of market size contraction caused by the high ageing rate and low birth rate in Malaysia. Hence, it is crucial to emphasise women's participation in the labour market, especially for those in the B40 income group.





## PENYERTAAN TENAGA BURUH WANITA DI PERAK, MALAYSIA DARI PERSPEKTIF PENAWARAN DAN PERMINTAAN

### ABSTRAK

Objektif kajian ini adalah untuk menyiasat penentu penyertaan tenaga buruh wanita di Perak, Malaysia dari sudut permintaan dan penawaran. Kajian ini juga mengkaji perbezaan min kemahiran dan kemudahan serta kesan simpanan dan klasifikasi isi rumah terhadap pekerjaan wanita bagi wanita yang bekerja dan menganggur serta majikan. Pendekatan kuantitatif (soal selidik) dengan jumlah responden seramai 214 orang telah dipilih sebagai sampel melalui teknik persampelan rawak berstrata. Data dianalisis menggunakan Model Regresi Logistik Binari, ujian Mann Whitney dan Kruskal-Wallis. Dapatan dari perspektif penawaran menunjukkan faktor umur dan bangsa adalah signifikan pada tahap satu peratus, manakala galakan ibu bapa dan pasangan meningkatkan kebarangkalian pekerjaan bagi wanita yang sudah berkahwin (60 kali) berbanding wanita yang belum berkahwin. Dari segi permintaan, pengalaman latihan industri meningkatkan kebolehpasaran wanita (68 kali), manakala majikan lelaki lebih cenderung (33 kali) untuk mengambil pekerja wanita berbanding majikan wanita. Kemungkinan pengambilan pekerja wanita meningkat bagi pemohon yang mampu berdikari, tetapi kemungkinan pengambilan pekerja wanita berkurangan bagi mereka yang mempunyai tanggungjawab penting di rumah. Selain itu, kajian ini juga mendapati wanita yang bekerja meletakkan keutamaan yang lebih tinggi untuk mengekalkan pengurusan masa yang berkesan, meningkatkan kemahiran komputer dan memilih faedah perubatan yang lebih baik. Berbanding dengan pengangguran wanita dalam kumpulan pendapatan B40, terdapat lebih ramai wanita bekerja dalam kumpulan pendapatan M40 dan T20. Justeru, tahap pendapatan isi rumah di Perak boleh ditingkatkan sekiranya wanita diberi peluang yang samarata untuk memasuki pasaran buruh, memandangkan keluarga B40 membentuk peratusan terbesar isi rumah di Perak berbanding negeri-negeri lain di Malaysia. Implikasi kajian menekankan potensi kewujudan masalah pengucupan saiz pasaran semasa yang disebabkan oleh kadar penuaan yang tinggi dan kadar kelahiran yang rendah di Malaysia. Oleh itu, adalah penting untuk menekankan penyertaan wanita dalam pasaran buruh terutamanya bagi mereka dalam kumpulan pendapatan B40.



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## LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
B40	Bottom 40 percent of the Malaysian Household Income
BLRM	Binary Logistic Regression Model
CESD	Combination Employment Status Dummy
DFL	Demand of Female Labour
DHSD	Demand Hiring Status Dummy
FLFP	Female Labour Force Participation
FLFPR	Female Labour Force Participation Rate
HIC	Household Income Classifications
HII	Household Insufficient Income
HL	Hosmer-Lemeshow
HS	Household Savings
KRT	Komuniti Rukun Tetangga
LFPR	Labour Force Participation Rate
M40	Middle 40 percent of the Malaysian Household Income
MQS	Mean Quality and Skills
MWF	Mean Welfare and Facilities
OTMC	Omnibus Tests of Model Coefficients
SDG	Sustainable Development Goals
SESD	Supply Employment Status Dummy
SPSS	Statistical Packages For The Social Sciences
SPV30	Shared Prosperity Vision 2030
T20	Top 20 percent of the Malaysian Household Income
TN50	2050 National Transformation





## CHAPTER 1

### INTRODUCTION

#### 1.0 Introduction



This chapter provides an overview and background study of employment and unemployment; skills and qualities; welfare and facilities; and household income expenditure issues. The sequence of this chapter is as follows; background of the study (1.1), problem statement (1.2), research objectives (1.3), research questions (1.4), research hypothesis (1.5), conceptual framework (1.6), operational variables (1.7), scope and limitation of the study (1.8); significance of study (1.9) and summary of the chapter (1.10).

A country's advancement and development are heavily reliant on its workforce. As a result, human resources have remained one of the most important departments in the workplace. Close collaboration between industries and learning institutions is the primary driver of workforce development. In the last 20 years, women around the world have made strides in their ability to participate in the labour market. Today, more





women than ever before are both educated and participating in the labour market. This has raised awareness about gender equality issues that have the potential to reduce the poverty and boost economic development. In accordance with the adoption of the Sustainable Development Goals (SDGs), which is SDG5, "gender equality," women have been empowered to achieve full productive employment in all countries. This set of SDGs is consistent with the United Nations (UN) Agenda for Sustainable Development 2030 (Economic and Social Commission for Asia and the Pacific, ESCAP). It is also clear that, despite global commitments to improve gender equality, women's prospects in the workplace are far from equal to men's (World Employment Social Outlook, Trends for Women 2018, Global snapshot, International Labour Organization, ILO, 2018). If gender inequalities persist, the world (all countries) will struggle to meet the 17 SDGs. As a result, achieving these 17 SDGs without achieving gender equality and women's empowerment is a failure (UN, 2019).



In view of this problem, Malaysia is dedicated to reducing the gender equality gap. The Malaysian government has emphasised the commitment to close the gender equality gap in its three national visions namely Vision 2020, 2050 National Transformation (TN50), and Shared Prosperity Vision 2030 (SPV30). All of these visions attempted to increase the well-being of women, especially in terms of their involvement in the labour force. Vision 2020 was introduced by the former prime minister of Malaysia, Mahathir Mohamad, in 1991 during the Sixth Malaysia Plan. The expansion of Malaysia's female labour force is one of Vision 2020's objectives (Prime Minister's Office Malaysia Official Website, 2021). The commitment to boosting female labour force participation is essential for economic development and progress.

The second vision stated by Mohd Najib Tun Razak, the former prime minister of Malaysia, was TN50. The objective of TN50 is to change the nation's mentality. The





improvement of women's wellbeing, particularly in the labour market, is one of the objectives of this transformation (Jabatan Perkhidmatan Awam, JPA, Info Ringkas TN50-Aspirasi Malaysia). All of these initiatives seek to increase the contribution of women to national development, so a variety of financial programmes have been introduced with a focus on empowering women. These include the Career Comeback Program (CCP), the Women's Entrepreneurship Incubator Program, and the Incubator Skills Training for Single Mothers (I-KIT). Additionally, the TemanNita Program was launched by TEKUN to support business operations and empower women bumiputera entrepreneurs (MOF, 2018).

The third vision is introduced by the Prime Minister at the time, Mahathir Mohammed to encourage women's involvement in national development is known as SPV30. In addition to promoting the nation's economic expansion, this vision places a high priority on maximising the utilisation of labour resources. Childcare programmes must be streamlined in order to guarantee married women's employment. The efficiency and effectiveness of this childcare programme are essential since it may tempt married women to enter or re-enter the employment. Incorporated as a long-term plan, SPV30 targeted to achieve 59 percent female labour force participation by 2025. It is carried out as part of the Twelfth Malaysia Plan (2021-2025). As a result, maintaining human resource competitiveness is essential to achieving the objective of becoming a high-income country (Economic Planning Unit, 2021). In addition, programmes like Women@Work, which intends to hire 33,000 women, are advantageous to women and should be kept going for the foreseeable future. This programme may enable 40,000 to 45,000 more women to enter the workforce as pointed out by Women's Aid Organisation (WAO), 2021 report. On average, women's temporary job losses brought on by Covid-19 have resulted in a substantially bigger





decline in employment for women than for men, and women's employment has recovered far more slowly than men's (Cheng, 2021).

For Malaysia, increasing women's engagement in national development is both an opportunity and a challenge because gender issues are still crucial when it comes to enhancing human resource ability to handle forthcoming challenges (Ahmad, 1998). In order to assist women in finding employment, it is crucial to strengthen both Malaysia's educational system as well as the seminars and training sessions. Additionally, the technological society must grow, particularly among female candidates. Ageing of the population, gender-based occupational discrimination women face at work, and Malaysia's low female labour force participation are the country's present difficulties; therefore, higher involvement is essential. Malaysia will have nurtured the essential human capital to escape the middle-income trap (Cheok & Chen, 2022).



In order to enhance human capital, investments must be made in education and training. It is evident that the trend of this investment is rising. Human capital investment in education, especially at the tertiary level, is a significant indicator. This is consistent with the dedication to the development of a knowledgeable society. More students than ever before attend colleges and other institutions. There are increasingly more educational institutes in Malaysia. Human capital investment in education is therefore becoming more crucial in each person's life. For people looking for work, investing in education gives a significant return on investment. The money spent on improving their skills may end up being worth more in the future. Each employee then develops and deepens their skills, either through internal training offered by their employer or external training offered by a third party (related organisations). Investments in education and training are both crucial for personal development. In





Malaysia, primary and secondary education are required; however, pursuing tertiary education is entirely up to the individual. Higher education now has a larger student population on an annual basis. The same is true for the rising number of graduates each year. In order to support the growing supply of labour, employers (demanders) must get ready to increase the number of jobs they are offering.

The Malaysian government also actively encourages those who did poorly in school to enrol in programmes or courses that are linked to their technical skills. This prevents anyone from falling behind as a result of subpar academic performance. In order to provide young people with the knowledge and skills they need for the job market, Technical and Vocational Education and Training (TVET) is introduced. In Malaysia, there are a variety of skill-related programmes available at the certificate, diploma, and degree levels. There are 551 TVET institutes in Malaysia, comprising 123 public and 42 private institutions (Ministry of Education Malaysia, 2021). Public institutions include polytechnics, community colleges, colleges and other higher institutions.

In the past, as reported in the "Southeast Asian Economic Outlook, 2013: With Perspective on China and India OECD, 2013," Malaysia's overall labour force participation rate in 2010 was 62.7 percent. The male involvement percentage is over 77 percent, which is significantly higher than the 44 percent female participation rate. Malaysia has the lowest female involvement rate in Southeast Asia, trailing China (68 percent) but surpassing India (29 percent). According to the same report, rigid working arrangements and a lack of sufficient tools to allow women to return to the workforce after quitting, most commonly owing to family commitments, are the reasons for low female involvement in Malaysia. It was also noted that urban-based females in Malaysia have a greater rate of participation (48.5 percent) than their rural counterparts





(41.2 percent), indicating that urban women have more job opportunities, however the figure is still low by worldwide standards (OECD, 2013). Female participation in the labour force is 48.5 percent in cities and 41.2 percent in rural areas.

Whereas, according to a collaborative study conducted by the Ministry of Women, Family and Community Development (MWFCD) and the United Nations Development Programme (UNDP), 2013, Malaysia's female labour force participation rate in 2011 was 47.9 percent, making it one of the lowest in the Association of Southeast Asian Nations (ASEAN). Female labour force participation rates are rising in Brunei and Singapore, both high-income ASEAN countries, despite a downward trend, but Thailand, an upper-middle-income country, has a 20 percent higher female labour force participation rate than Malaysia. Also reported that, the female labour force participation was lower in Chile, Argentina, and Venezuela in the 1990s, but it is now greater than in Malaysia.



Malaysia is placed 87th out of 144 nations for "Economic Participation and Opportunity" in 2017. Malaysia falls seven places from the previous year (2016) and ranks significantly lower than Laos at 22nd, Singapore at 27th, Vietnam at 33rd, and Brunei at 61st, with Indonesia ranking 108th among ASEAN countries. The ranking is reported in "The Global Gender Gap Report, World Economic Forum, WEF, 2017). Additionally, women continue to have a much lower likelihood than men of participating in the labour market globally, according to the International Labour Organization (ILO). Women's global labour force participation rate is 26.5 percentage points lower than men's as of 2018. In many parts of the world, women are more likely than men to be unemployed. Women have a global unemployment rate of 6 percent, which is 0.8 percentage points higher than men. It is also predicted that in 2021 (ILO, 2018), this gap remains stable in developed countries while increasing in both developing and



emerging economies. Young women, in particular, were more than twice as likely as young men to be unemployed or out of the labour force, as well as not in education or training (United Nations, 2019).

Table 1.1

*Comparison of Female Labour Force Participation Rate among ASEAN Countries, 2012 to 2021*

Countries	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Brunei Darussalam	56.33	56.31	56.30	56.30	56.30	56.32	57.38	55.22	54.70	55.08
Cambodia	61.33	62.58	63.81	65.03	66.24	67.42	68.58	69.72	69.06	69.68
Indonesia	51.44	50.67	50.60	50.73	50.90	51.90	53.09	53.91	53.17	52.03
Lao PDR	56.82	56.60	56.42	56.26	56.13	56.01	55.91	55.84	55.31	55.50
<b>Malaysia</b>	<b>46.59</b>	<b>49.31</b>	<b>50.28</b>	<b>50.65</b>	<b>50.81</b>	<b>51.16</b>	<b>51.58</b>	<b>51.97</b>	<b>51.66</b>	<b>52.12</b>
Myanmar	51.93	51.51	51.12	50.81	49.24	47.67	48.45	46.30	44.74	-
Philippines	48.31	48.21	48.97	48.53	48.04	44.89	45.37	46.40	42.52	44.28
Singapore	59.46	59.73	60.96	62.28	62.28	61.71	61.58	62.41	62.44	64.17
Thailand	65.30	62.09	61.53	61.10	60.18	59.40	59.66	59.02	59.21	59.19
Vietnam	71.77	72.65	72.69	72.49	71.96	71.47	70.48	70.52	67.91	68.25

Source: World Bank Data (WBD), Last Updated 14/03/2023

Malaysia is a Southeast Asian country with 13 states and three federal territories. It is also a founding member of the Association of Southeast Asian Nations (ASEAN). Malaysia's population is at 32.7 million in 2021, up from 32.6 million in 2020, with a 0.2 percent yearly growth rate and the population is expected to grow from 28.6 million in 2010 to 41.5 million in 2040 (DOSM, 2021). In the ASEAN area, Malaysia has the third-highest rate of female unemployment and the third-lowest rate of female

labour force participation as shown in Table 1.1 and Table 1.2. The female labour force participation of Malaysia is increasing from 2012 to 2019 and slightly dropped in 2020 (Table 1.1). Malaysia female labour force participation rate is higher than the Philippines and Myanmar in 2020, but significantly lower than Brunei, Thailand, Singapore, Vietnam, Cambodia and Lao PDR in 2021. The information shown is taken from World Bank data, which was last updated on 14 March 2023, and is based on a modelled ILO estimate of the female labour force participation rate (percentage of female population aged 15+). Except for Indonesia and Thailand, all ASEAN countries' female labour force participation rates are increasing between 2020 and 2021.

Table 1.2

*Comparison of Female Unemployment Rate among ASEAN Countries, 2012 to 2021*

Countries	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Brunei Darussalam	7.82	7.81	7.86	8.58	9.21	9.98	10.06	8.28	8.85	8.97
Cambodia	0.50	0.53	0.69	0.46	0.86	0.17	0.17	0.18	0.32	0.35
Indonesia	4.79	4.27	3.88	4.42	3.87	3.48	4.18	3.35	3.77	3.15
Lao PDR	1.24	1.52	1.83	2.13	2.44	2.74	2.75	2.77	2.97	3.15
<b>Malaysia</b>	<b>3.22</b>	<b>3.49</b>	<b>3.22</b>	<b>3.39</b>	<b>3.93</b>	<b>3.82</b>	<b>3.63</b>	<b>3.40</b>	<b>4.68</b>	<b>4.28</b>
Myanmar	0.86	0.85	0.86	0.91	1.27	1.81	0.98	0.48	2.18	-
Philippines	3.72	3.82	3.72	3.22	2.85	2.70	2.68	2.53	2.72	2.97
Singapore	4.23	4.41	4.11	3.98	4.49	4.43	3.87	3.33	4.39	3.78
Thailand	0.53	0.24	0.56	0.61	0.71	0.84	0.75	0.74	1.09	1.03
Vietnam	0.93	1.14	1.11	1.71	1.70	1.70	1.03	1.60	2.44	2.29

Source: World Bank Data (WBD), Last Updated 14/03/2023

The female unemployment rate in Malaysia fluctuated between 2012 to 2016, decreased for three years (2017–2019), and then increased in 2020 and decreased in



2021. Malaysia's female unemployment rate is higher than the Singapore, Indonesia, Vietnam, Philippines, Thailand, Lao, PDR and Cambodia in 2021, but significantly lower than Brunei (Table 1.2). The information shown is taken from World Bank data, which was last updated on 14 March 2023, and is based on a modelled ILO estimate of the female unemployment rate (percentage of female labour force). All ASEAN countries' female unemployment rates are increasing between 2019 and 2020.

According to a World Bank analysis published in September 2019, if macroeconomic simulation could narrow the gender gap, Malaysia's per capita income might improve by 26.2 percent, implying an average yearly income gain of RM 9,400. If all restrictions to employment for Malaysian women are removed and their participation in the country's economy is enhanced, it should be conceivable. It further stated that Malaysian girls outperform boys in school, with girls accounting for 55 percent of graduates in higher education institutions. As a result, allowing women to participate in the labour market could help the country achieve its development goals faster, but problems remain in giving women with equal access to economic possibilities (World Bank, 2019). One of the greatest barriers to women entering productive occupations, according to the survey, is a shortage of accessible and inexpensive child and elderly care facilities.

Table 1.3 shows the female labour force participation rate in Malaysia has increased from 46.8 percent in 2010 to 55.6 percent in 2019 and decreased to 55.3 percent in 2020 and up again by 0.20 percent in 2021. From 2010 to 2019, the female labour force participation rate in Malaysia showed an upward trend but a fluctuating increase. Between 2019 and 2020, Malaysia's female labour force participation rate fell by 0.3 percent. The national and male labour force participation rates have both



decreased. Male labour force participation fell 0.2 percent, while national labour force participation fell 0.3 percent.

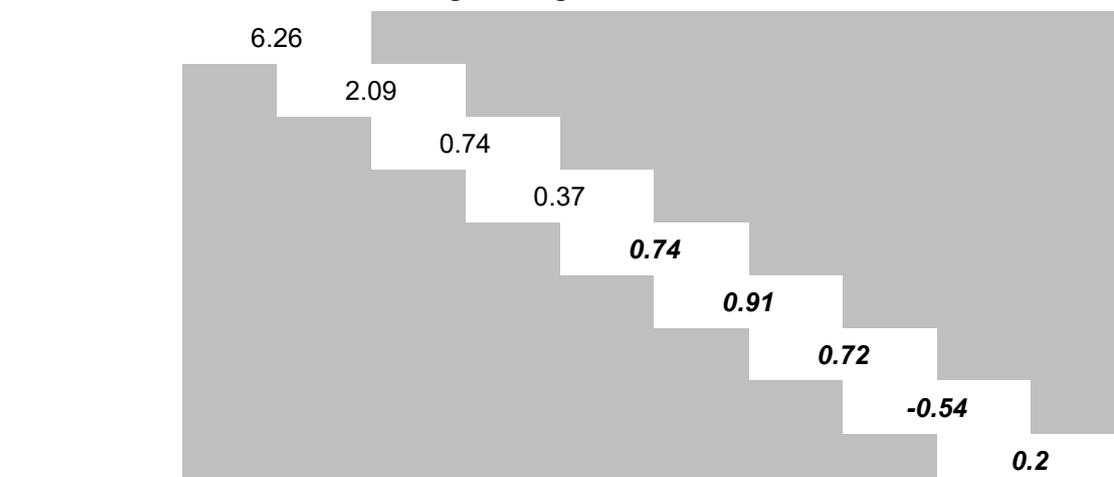
As shown in Table 1.3, Malaysia's national labour force participation rate has decreased twice, once by 0.2 percent in 2016 when compared to 2015 and again by 0.3 percent in 2020 when compared to 2019. When compared to the preceding year, the male labour force participation rate declined in 2014, 2016, 2017, and 2020. Male labour force participation dropped by 0.4 percent between 2014 and 2016, 0.1 percent in 2017, and 0.2 percent in 2020. Even if their labour force participation rates have decreased in recent years, the percentage of males in the labour force still outnumbers the national labour force participation rate.

Table 1.3

*Labour Force Participation Rate (LFPR) by Total, Gender and Percentage Change between years for Female LFPR, Malaysia, 2012 to 2021*

LFPR (%) / Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	65.6	67.3	67.6	67.9	<b>67.7</b>	68.0	68.3	68.7	68.4	<b>68.6</b>
Male	80.5	81.0	<b>80.6</b>	80.6	<b>80.2</b>	<b>80.1</b>	80.4	80.8	<b>80.6</b>	<b>80.9</b>
Female	49.5	52.6	53.7	54.1	54.3	54.7	55.2	55.6	55.3	55.5

**Percentage Changes Between Years**



Source: Department of Statistics Malaysia, 2021



Between 2016 and 2017, there was a considerable growth of 0.74 percent, compared to 0.37 percent between 2015 and 2016. Between 2017 and 2018 and 2018 and 2019, this percentage change increased by 0.91 and 0.71 percent respectively, but then decreased by 0.54 percent between 2019 and 2020. There is increased by 0.2 percent between 2020 and 2021. As per the data, female labour force participation climbed from 55.2 percent to 55.6 percent between 2018 and 2019, with a percentage change of 0.19 percent (0.72 -0.91) between these years, as indicated in Table 1.3. Following the continued drop in female labour force participation from 55.6 percent to 55.3 percent between 2019 and 2020, the percentage change between these years was a negative 0.54 percent.

By end of 2020, the labour force participation rate stayed at 68.4 percent, down 0.5 percentage points from the previous month's rate of 68.9 percent. While 128.2 thousand persons were recorded as inactively jobless or discouraged because they believed there were no employment available, up 1.2 percent from 126.7 thousand people in November 2020. When compared to November 2020, unemployment among people aged 15 to 24 climbed by 0.2 percentage points during the month (DOSM, 2020).

Figure 1.1 depicts Malaysia's unemployment rate by total and gender from 2012 to 2021. Between these years, female unemployment was always higher than male unemployment. The pattern of Malaysia's total unemployment rate from 2012 to 2021 is in the fluctuating rate. The overall unemployment rate was 3.3 percent in 2012, 3.4 percent in 2017, 3.3 percent in 2019 and increased to 4.5 and 4.6 percent respectively in 2020 and 2021. When it comes to gender, female unemployment is higher than male unemployment. In 2016, female unemployment reached an all-time high (3.9 percent) and even higher in 2021 (4.8 percent). Malaysia's national, male,



and female unemployment rates all reached new highs in 2020, reaching over 4.4 percent.

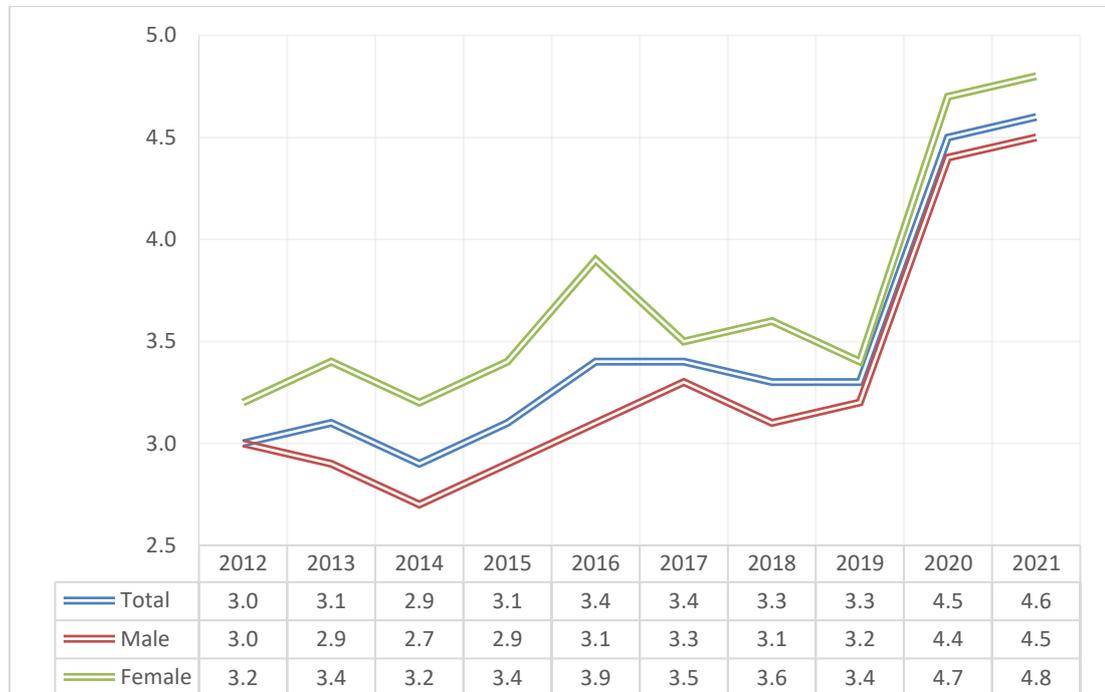


Figure 1.1. Unemployment Rate by Total and Gender, Malaysia, 2012-2021

To support the national agenda, the Malaysian government has implemented a slew of programmes and policies aimed at promoting the development and well-being of Malaysians. The Malaysian government has implemented active policies such as a more family-friendly workplace and work-life balance. To support this strategy, the Ministry of Women, Family, and Community Development (MoWFCD) and TalentCorp launched flexWorkLife.my in 2013 to raise awareness of work-life integration and share employers' best practises for flexible work arrangements. It was followed by Corporate Malaysia, which adopted this flexible work arrangement in order to attract and retain more women in the workforce (TalentCorp, 2016).

According to Sharren Shariza Abdul Ghani, Chief Executive Officer (CEO) of TalentCorp, less than 30 percent of Malaysian companies have adopted this flexible



work arrangement strategy. Furthermore, the MoWFCD and TalentCorp provide two types of grants: resourcing grants and retention grants. These grants are intended to encourage employers to hire and retain women who have been out of the workforce for more than six months. It was also reported that more than 200 women professionals returned to the workforce in 2015 as a result of this programme. To stimulate the economy, numerous stimulus packages have recently been introduced through the Bantuan Prihatin Nasional and Pelan Jana Semula Ekonomi Negara (Penjana).

According to a survey conducted by TalentCorp and PwC with the support of Bursa Malaysia between July and August 2015 to better understand the landscape of Malaysian public listed companies found that 52 percent had a designated car park for pregnant women, 35 percent had a nursing room for mothers to pump breast milk, and only 11 percent had a childcare centre. While, Khazanah Research Institute reported that about 2.6 million Malaysian women did not work in 2017 due to domestic responsibilities, compared to 69,800 men. Equalizing the proportion of caregiving responsibilities is critical because it allows women to work while also ensuring that they are not overburdened when they return home from work.

Additionally, because they are necessary to human survival, household income and expenditures have a big impact on finding employment. The entire amount of money earned by each family member who shares a home and contributes to the household income. Household income comes from a variety of sources, including salaries, wages, and welfare payments, as well as investment returns and retirement funds. On the other hand, household spending is the amount of final consumption that meets each household's necessities, such as food, clothing (durable and non-durable commodities), and desires.





In Malaysia, there are three categories of household income: Top 20 (T20), Middle 40 (M40), and Bottom 40 (B40). According to Department of Statistics (DOSM, 2021), those earning more than RM 10,960 are classified as T20, those earning between RM 4850 and RM 10,959 are classified as M40, and those earning less than RM4,850 are classified as B40. Nearly 30.3 percent of households earn less than RM4,000 per month. The average household requires 68.7 percent of its disposable income to support its consumption expenditure. Whereas, the previous classification published by DOSM in 2016, those earning less than RM 4,360 are classified as B40, those earning between RM 4,360 and RM 9,619 are classified as M40, and those earning more than RM 9,619 are classified as T20.

In the past, according to Dhruva, Ang and Tng, 2013, households earning less than RM1,000 per month would spend an average of RM0.81 of their additional income. Those with a monthly income of more than RM10,000, on the other hand, spend only RM0.25 out of every RM1 they earn. Higher living costs have been felt more strongly by vulnerable and lower-income households, and B40 households have had considerably slower income growth than higher-income households (Ahmad, Tay, and Mohamed, 2018).

As a result, the purpose of this study is to investigate the determinants of female labour force participation in Perak, Malaysia from the perspective of supply (unemployed and employed females) and demand (employers). Perak is the second largest state in Peninsular Malaysia, population distribution was ranked fifth in 2010 and fourth in 2020. In addition, the research also focused at the average disparities in perceptions of welfare and facilities among unemployment women, employed women, and employers, as well as the skills and qualities displayed by women and viewed by employers. Finally, this study also focused to identify whether household savings





(surplus, deficit, and balanced), income classifications (B40, M40, and T20) and insufficient income earned by the household could be the reasons that motivates female employability.

## 1.1 Background of Study

Perak Darul Ridzuan is a state in northwest Malaysia with a land area of 21,146 square kilometres in 2020. Perak was the second-largest state in Peninsular Malaysia, the fourth-largest in Malaysia. Perak's population distribution was ranked fifth in 2010 and fourth in 2020 (Figure 1.2). Perak's population grew at an annual rate of 0.2 percent and the population in 2022 is 2.52 million. The male population is 1.27 million and female is 1.24 million (DOSM, 2022).



There are various programmes and initiative taken by Perak State Government and had outlined eight core policies as a guideline for meeting the “Perak Maju 2015” (Perak as a developed state by 2015) target. The eight policies include creating a knowledge-based state, ensuring that everyone has a home, becoming a major food producer, strengthening the state's economy, narrowing the digital divide, empowering the younger generation, and protecting religious sanctity (Gough, 2010, November 15, IpohEcho, Perak Today).



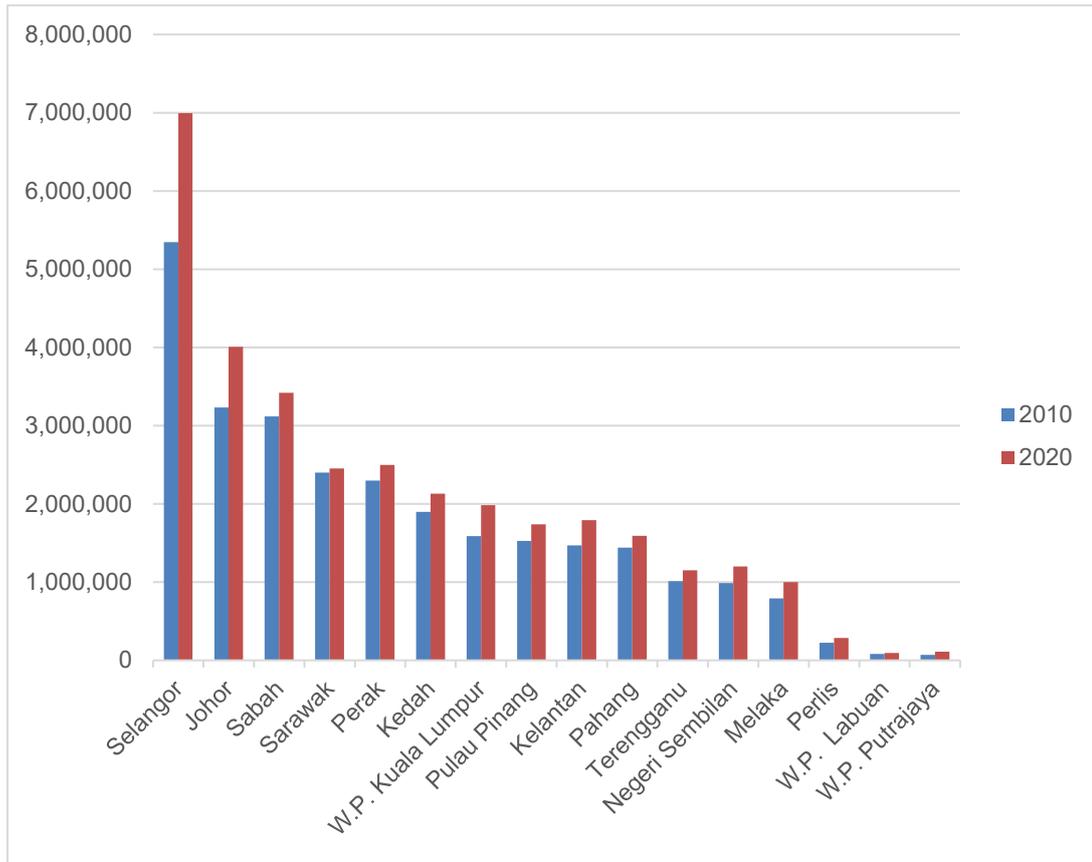


Figure 1.2. Population Distribution by State, Malaysia, 2010 and 2020. Source: Department of Statistics Malaysia, 2022

Whereas Perbadanan Kemajuan Negeri Perak (PKNP) ensures that this initiative and the objectives of the state agenda are in line with the National Agenda and National Transformation Programme in order to elevate Malaysia to developed-nation status by 2020. Perak's standing remains in doubt till the end of 2020, with the median household income ranking fifth-lowest in 2016, fourth-lowest in 2019, and fourth-lowest in 2020. Pahang was fourth-lowest in 2016, outperformed Perak to fifth-lowest in 2019, and then outperformed Sarawak to sixth-lowest in 2020 (Figure 1.3).

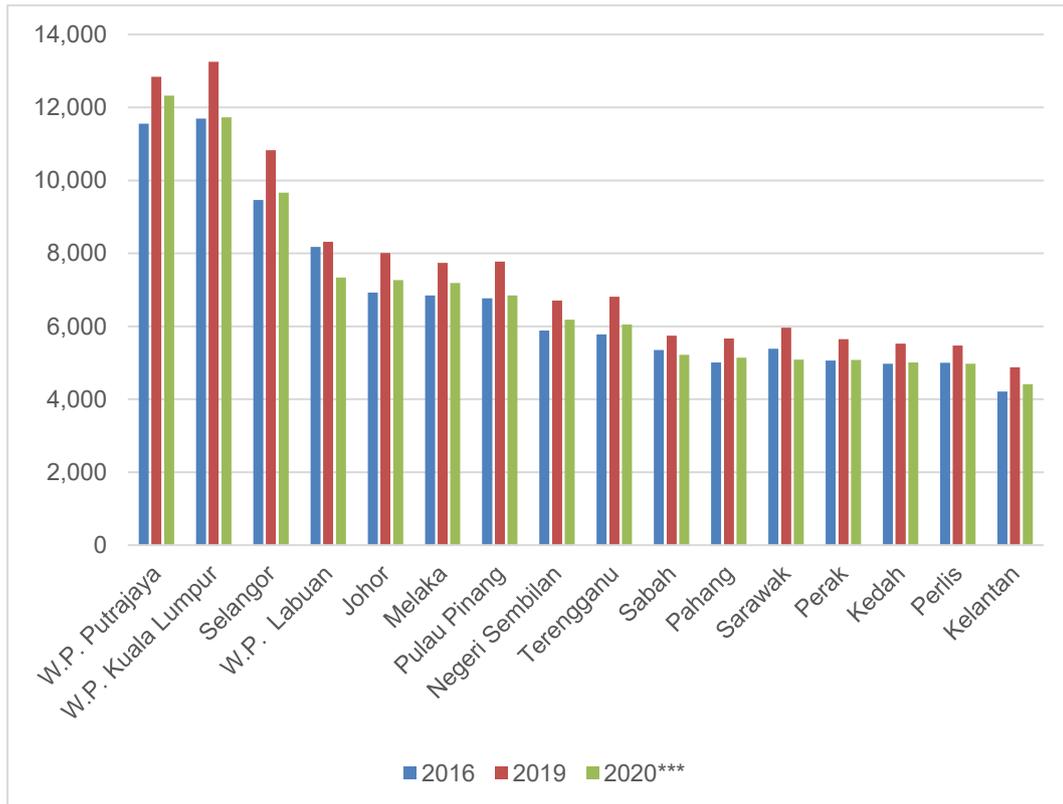


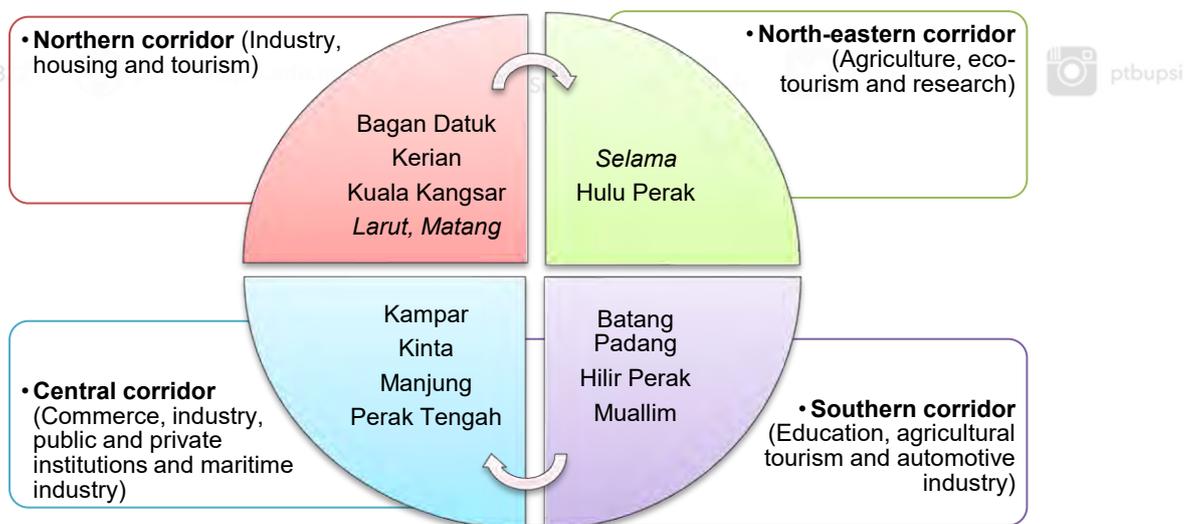
Figure 1.3. Household Median Income by State, Malaysia, 2016, 2019 and 2020. Source: Department of Statistics Malaysia, 2022



Figure 1.4. Map of District in Perak, Malaysia. Source: Adopted from Freepik.com

As of 2020, Perak, Malaysia has twelve (12) administrative districts, including Kinta, Hilir Perak, Perak Tengah, Batang Padang, Kampar, Kuala Kangsar, "Larut, Matang and Selama", Kerian, Manjung, Hulu Perak, Muallim, and Bagan Datuk, as shown in Figure 1.4. These twelve (12) administrative districts are divided into four development corridors: the Northern Corridor, the Southern Corridor, the Central Corridor, and the North-Eastern Corridor.

Figure 1.5 depicts the development corridor, administrative district, and economic sector of Perak. Perak had a diverse economy that included industries, tourism, housing, agriculture, education, automotive, commerce, and maritime. Perak is also very diverse, with a wide range of cultures and ethnicities.



*Figure 1.5.* Development Corridor, Economy Sectors and Administrative Districts in Perak, Malaysia. Source: The Official Portal of The Perak Government

Between 2012 to 2019, the female labour force participation rate in Perak ranged from 42.5 percent to 49.1 percent, increased to 51.1 percent in 2020 and decreased to 50.4 percent in 2021. Other states, such as Melaka, Negeri Sembilan, Johor, and Selangor, which started with a similar rate of female participation as Perak



in 2010, were able to increase female participation by more than 50 percent by 2013, whereas Perak achieved at least 50 percent female labour force participation in 2018, dropped in 2019, and increased in 2020. By the end of 2021, the female labour force participation rate in Johor, Melaka, Pulau Pinang, Sabah, Sarawak, Wilayah Persekutuan Kuala Lumpur and Wilayah Persekutuan Putrajaya remained above 50 percent except for Sarawak in 2011. Table 1.4 summarises Malaysia's Labour Force Participation Rate in percentage terms by gender and state.



Table 1.4

*Labour Force Participation Rate by Gender and State, Malaysia, 2012 to 2021*

State / Year	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
Gender	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Johor	45.1	82.5	50.7	82.2	50.8	82.4	50.9	81.5	49.9	81.4	50.2	81.7	54.4	81.8	56.5	82.6	51.0	87.8	50.0	87.9
Kedah	44.7	78.3	48.7	78.1	50.7	77.0	51.9	76.8	51.4	76.5	52.1	76.9	50.1	76.4	48.6	77.3	46.6	78.9	47.8	77.9
Kelantan	44.4	72.1	46.1	72.6	48.8	71.5	49.5	74.4	45.8	72.3	48.6	73.4	46.5	74.2	44.0	73.7	42.9	72.7	42.8	71.4
Melaka	48.7	75.5	52.8	75.6	55.4	78.0	55.7	77.4	54.0	76.6	54.0	76.7	56.3	76.7	56.6	78.3	55.1	77.1	57.5	78.6
Negeri Sembilan	47.8	77.1	50.6	77.5	50.7	77.9	50.6	77.9	51.1	77.2	50.6	77.7	53.1	77.4	51.0	77.1	53.0	74.3	48.7	76.8
Pahang	43.8	80.6	47.0	80.3	50.3	80.1	51.6	80.6	50.9	78.8	48.7	79.5	49.5	81.3	48.9	81.4	48.8	80.4	47.8	78.8

(continue)

Table 1.4 (continued)

State / Year	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Pulau Pinang	56.5	80.9	57.0	81.0	60.6	80.3	59.0	80.6	57.9	79.9	55.7	79.2	55.9	79.5	54.1	80.5	55.4	80.5	56.6	82.7
<b>Perak</b>	<b>42.5</b>	<b>76.0</b>	<b>42.8</b>	<b>77.0</b>	<b>44.5</b>	<b>75.6</b>	<b>45.9</b>	<b>76.3</b>	<b>46.7</b>	<b>76.1</b>	<b>49.4</b>	<b>75.9</b>	<b>50.0</b>	<b>76.0</b>	<b>49.1</b>	<b>77.5</b>	<b>51.1</b>	<b>77.1</b>	<b>50.4</b>	<b>78.0</b>
Perlis	39.3	74.4	44.2	77.2	44.1	76.5	44.5	77.3	46.3	76.8	44.7	75.5	47.1	78.4	51.4	78.0	49.8	76.3	48.4	79.6
Selangor	56.7	82.0	59.0	81.5	60.3	81.8	63.4	81.9	65.4	82.2	68.8	81.9	69.6	82.5	69.6	81.8	69.9	80.6	69.5	82.7
Terengganu	41.3	74.8	43.9	75.6	44.3	76.2	44.2	75.1	43.4	76.2	44.6	75.0	44.2	75.6	45.5	76.2	42.5	75.7	41.6	75.1
Sabah	47.6	85.4	52.0	86.1	53.0	85.5	51.2	86.1	54.7	85.4	50.1	84.8	49.7	85.0	52.5	85.9	55.4	83.3	57.0	82.7
Sarawak	53.5	83.8	53.2	83.3	54.9	83.4	52.4	82.7	51.1	82.4	52.1	81.8	51.5	82.6	51.7	83.3	50.2	82.0	51.2	81.4

(continue)

Table 1.4 (continued)

State / Year	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Wilayah Persekutuan Kuala Lumpur	55.3	79.6	62.0	81.6	59.3	80.4	59.2	81.4	57.0	78.9	57.2	79.5	56.4	79.3	Na	Na	62.2	81.6	63.7	79.4
Wilayah Persekutuan Labuan	47.2	86.1	48.0	85.9	48.8	86.8	45.0	83.6	47.8	84.9	42.9	83.7	45.8	84.3	42.7	81.5	47.0	82.5	48.9	84.1
Wilayah Persekutuan Putrajaya	78.1	84.4	79.8	85.3	80.9	83.6	76.3	80.7	75.0	80.9	73.6	80.1	74.6	78.3	73.4	79.2	71.1	74.2	75.8	74.0

Sources: Department of Statistics Malaysia, 2021

Based on the female labour force participation rate over the five years from 2017 to 2021, the states of Kelantan, Perak, Terengganu, and Wilayah Persekutuan Labuan recorded a rate of less than 50 percent between 2017 and 2021 except for Perak in 2018, 2020 and 2021. Female labour force participation in Perak fell by 0.9 percent between 2018 and 2019, increased by 2 percent between 2019 and 2020 and dropped by 1.4 percent in 2021. Figure 1.6 depicts female labour force participation in Malaysia over a five-year period from 2017 to 2021.

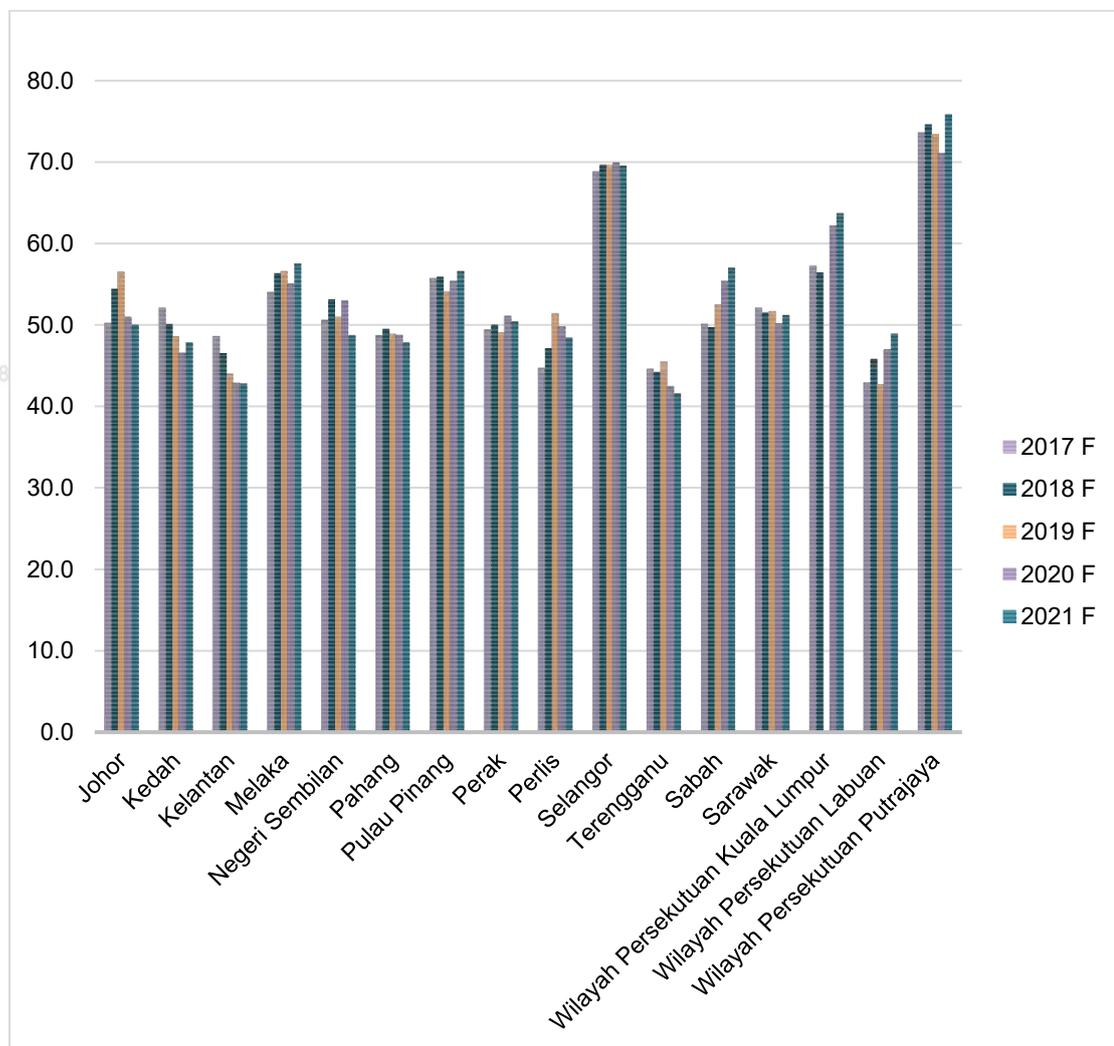


Figure 1.6. Female Labour Force Participation Between Five Years in Malaysia, 2017 to 2021

Between the years, there is a significant difference in female and male participation from 2017 to 2021. As shown in Figure 1.7, female participation is below 50 percent except in 2018, 2020 and 2021, while male participation is above 75.9 percent.

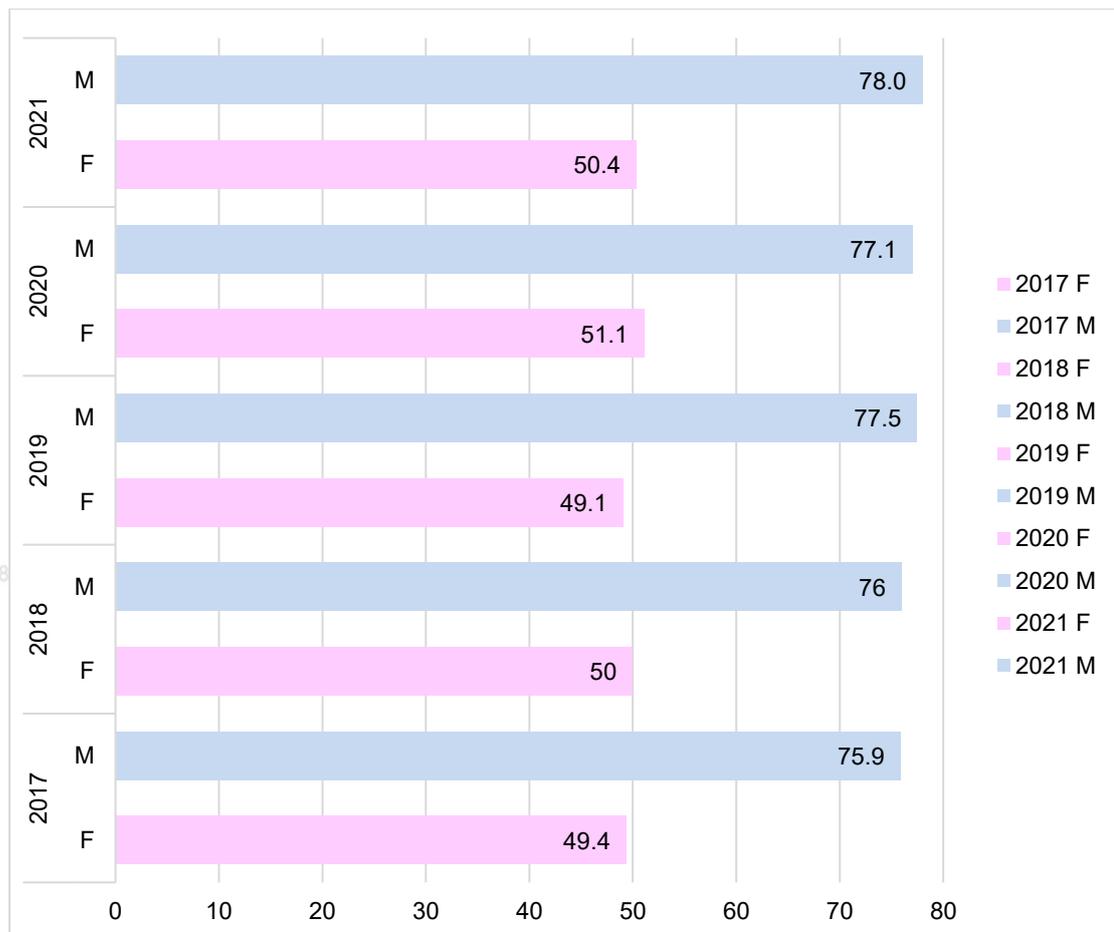


Figure 1.7. Labour Force Participation Perak, Malaysia by gender, 2017 to 2021

As shown in Figure 1.8, Female Labour Force Participation in Perak increased by 1.21 percent between 2017 and 2018, then decreased by 1.8 percent between 2018 and 2019, before rising by 4.08 percent between 2019 and 2020 and fall again by 1.38 percent in 2021.

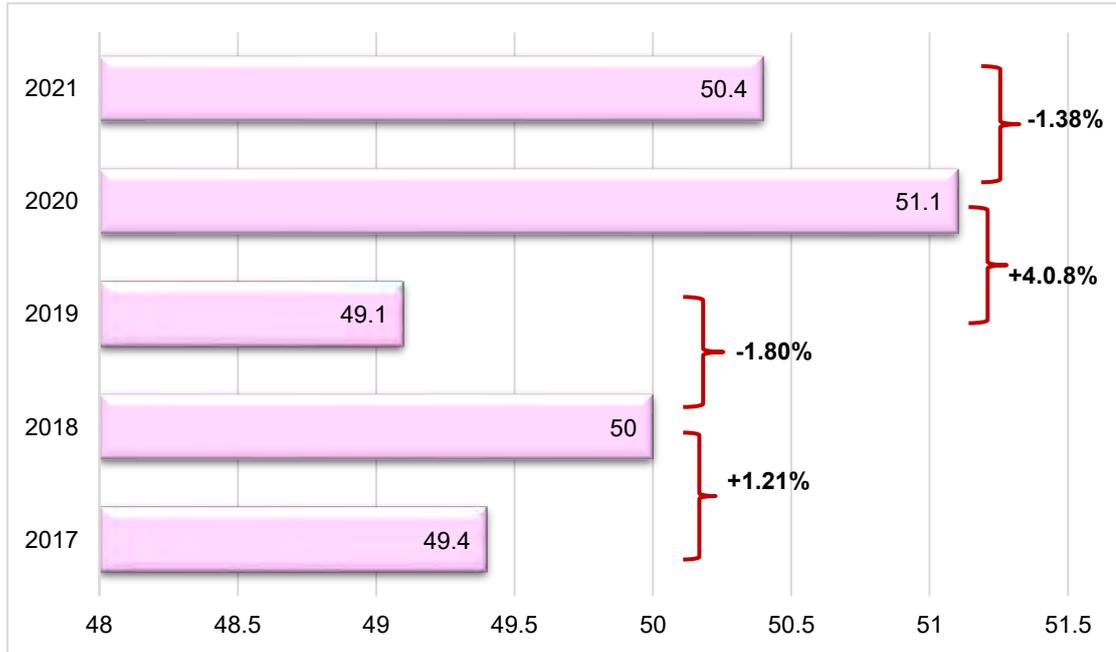


Figure 1.8. Percentage Change of Female Labour Force Participation between the Years in Perak, 2017 to 2021 in Perak

Perak's overall unemployment rate is fluctuating. Perak had the highest total unemployment rate in 2021, at 5.3 percent. From 2012 to 2021, the male unemployment rate was lower than the female unemployment rate. The greatest female unemployment rate of 5.8 percent was reported in 2021. The female unemployment rate has been higher than 4.0 percent for the last six years (2016-2021), whereas the male unemployment rate has been lower than 3.4 percent between 2012 to 2019 but sharp increase in 2020 and 2021. According to Figure 1.9, each year, the female unemployment rate exceeded the national unemployment rate. While the male unemployment rate is consistently lower than the national average.

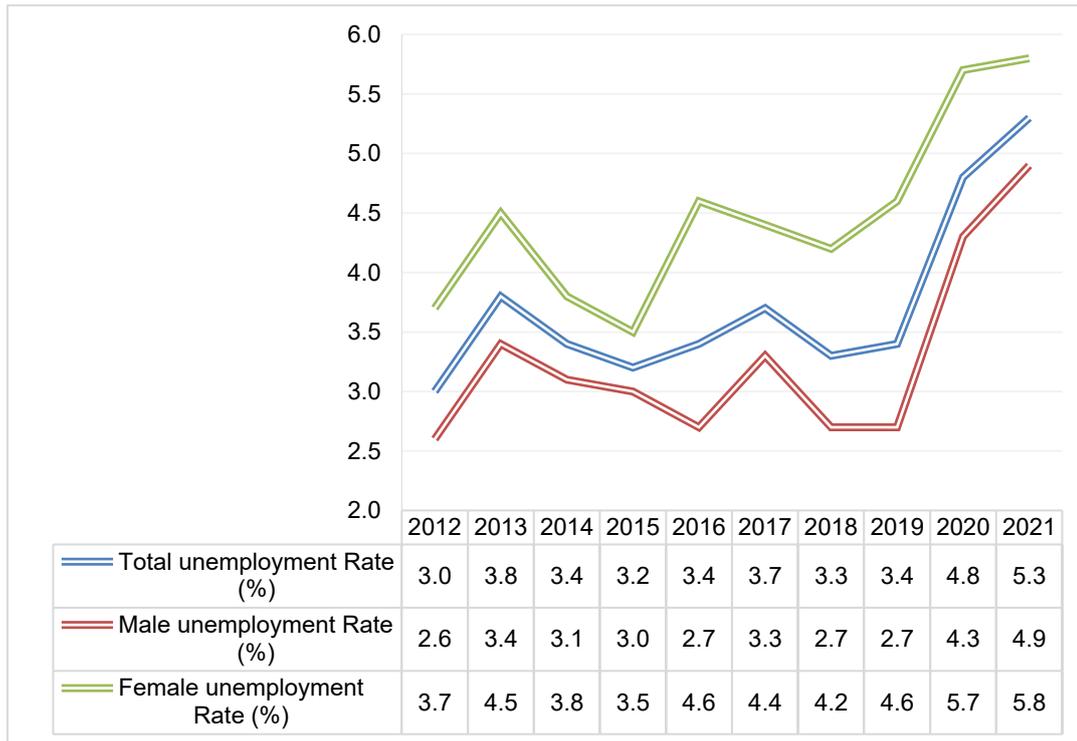


Figure 1.9. Unemployment Rate by Total and Gender, Perak, 2012 to 2021

In terms of income classification in Perak, according to Department of Statistics (DOSM, 2021), those earning equal or more than RM 7,640 are classified as T20, those earning between RM 3,660 and RM 7,639 are classified as M40, and those earning less than RM 3,660 are classified as B40. Whereas, the previous classification published by DOSM in 2016, those earning less than RM 3,460 are classified as B40, those earning between RM 3,460 and RM 6,979 are classified as M40, and those earning more than RM 6,980 are classified as T20.

## 1.2 Problem Statement

The 59 percent female labour force participation rate by 2025 is a national agenda outlined in the Twelfth Malaysia Plan (2021– 2025). In accordance with the national goal, the Perak Sejahtera Development Plan 2030 (The Official Portal of The Perak



State Government, 2021) supports the goal to ensure women's involvement in the labour market and to reduce women's unemployment. The improvement of women's socioeconomic development is one of the top focuses in the current initiative, which is a continuation of the previous Eleventh Malaysia Plan (2016-2020). In order to boost female labour force participation, the government is committed to make sure there is a 30 percent female representation at management and decision-making levels in the public and private sectors. In Malaysia, the percentage of women in the labour force rose from 55.3 percent in 2020 to 55.5 percent in 2021, whereas in Perak, it fell from 51.1 percent to 50.4 percent over those two years. Compared to men, around 24 percent of women are anticipated to leave their professions permanently as a result of the Covid-19 epidemic and its expected women's participation to drop by half as much as men's (Dang & Nguyen, 2020). Malaysia has the third-lowest female labour force participation and second-highest female unemployment in the ASEAN region. One of the greatest barriers to women entering productive occupations is a shortage of accessible and inexpensive child and elderly care facilities. Equalizing the proportion of caregiving responsibilities is critical because it allows women to work while also ensuring that they are not overburdened when they return home from work. As a result, allowing women to participate in the labour market could help the country achieve its development goals faster, but problems remain in giving women with equal access to economic possibilities (World Bank, 2019).

Given that more women are enrolling in tertiary education than men, there will be more female job applicants available as a result of this growth in female enrolment. Despite having a high level of education, Malaysian women still make up a small portion of the labour force (OECD, 2019). Despite numerous state and federal programmes being implemented, the female labour force remains to be low, what factors affect the chances of women finding employment and what do employers





anticipate from female applicants. Malaysia is going through a demographic change as the population ageing and the birth rate falls (DOSM, 2018) which could reduce the size of the current labor market. This highlights the significance of raising female labour force participation to guarantee there are sufficient employees to sustain social services and economic growth. Therefore, it is crucial to conduct a microfocus study on one of the selected states in Malaysia. According to Yusuf, Mohamed, and Ali Basah (2020), there is positive relationship between old dependency ratios with economic growth, hence Malaysia is expected to be categorised as an ageing country by 2050. Perak state is thus chosen based on the factors of being the second-largest state in Peninsular Malaysia, having the highest percentage of B40 families, a well-diversified economy, the fourth highest population distribution, and being located in the strategic region of Malaysia. Finding the reasons behind women's underrepresentation in the workforce is critical for this study, as it will help to reduce the financial strain on families and enhance quality of life. In order to investigate the determinants of the female labour force participations from the perspective of supply (unemployed and employed females) and demand (employers), this study used quantitative techniques such the Binary Logistic Regression Model, Mann Whitney test and Kruskal-Wallis test.

### 1.3 Research Objectives

This study focused on the supply and demand perspectives. The targeted respondents from the supply side are those females either unemployed or employed while the targeted respondents from the demand side are employers and human resources officers. Human resource officers are also considered as part of the targeted respondents from the demand side as the officers have been involved in the process of recruitment. The general objective is to investigate the determinants of Female





Labour Force Participation from the perspective of supply and demand in Perak, Malaysia. The specific objectives of this study are divided into three.

Objective 1:

To explore the determinants of both perspectives from the unemployed and employed female (supply-side) and employers (demand-side).

Objective 2:

To examine the mean differences of “skills and qualities” and “welfare and facilities” between the unemployed and employed females (supply side) as well as between the unemployed, employed and employers.

Objective 3:

To identify the household savings (surplus, deficit and balanced), the income classifications (B40, M40 and T20) and the insufficient income earned by the household between unemployed females and employed females.

#### **1.4 Research Questions**

This section is developed to answer the specific objective 1 (supply-side, demand-side and combination of supply-demand) in Section 1.4.1, objective 2 (mean differences of “skills and qualities” and “welfare and facilities”) in Section 1.4.2 and objective 3 (household income-expenditure) in Section 1.4.3.





### 1.4.1 Research Question: Objective 1

The following research questions are designed to tackle objective 1 in terms of how significantly the determinants could influence female employability. The tested determinants of the supply-side are demographics, family and job availability and the determinants of demand-side are employer's background, employer's preference and employer's perception. This study also intends to investigate either supply-side determinants (unemployed female and employed females) or demand-side determinants (employers) greatly influence female employability in the labour market.

To tackle objective 1, the research questions are further arranged by supply-side, demand-side and combinations of supply-demand. There are two research questions for the supply-side, two research questions for the demand-side and one research question for the combination of supply-demand. The analysis of the combination of supply-demand is further divided into Part 1 which focused on the average (mean) independent variables and Part 2 focused on the 15 independent variables. Thus there is a total of five research questions (1a to 1e) designed to tackle Objective 1. Finally, Part 3 is focused on the conclusion to respond to the developed research question and hypothesis for Model 1e.

#### **Supply-Side (Unemployed and Employed Female)**

- 1a. Do demographic factors significantly influence female employability?
- 1b. Do family background factors of unmarried and married significantly influence female employability?





### **Demand-Side (Employers)**

- 1c. Do the employer's background significantly influence female employability?
- 1d. Does the employer's preferences on female applicants' background and family background significantly influence female employability?

### **Combination of Supply-Demand Determinants**

- 1e. Do the demand-side determinants more likely to influence female labour force participation compares to the supply side determinants?

#### **1.4.2 Research Question: Objective 2**



The following research questions are designed to tackle objective 2 in terms of how significantly the skills and qualities variables are shown by unemployed females, employed females and perceived by employers as well as how significantly the welfare and facilities are perceived by unemployed females, employed females and employers. To tackle objective 2, the research questions are further divided into unemployed females and employed females (supply-side) and unemployed females, employed females and employers (combinations of supply-demand) determinants. The supply-side and combinations of supply-demand consist of two research questions respectively. Thus, there is a total of four research questions (2a to 2d) designed to tackle Objective 2.





### **Means Differences in Skills and Qualities**

- 2a. Are there any mean differences in terms of “skills and qualities” between unemployed and employed females?
- 2b. Are there any mean differences in terms of “skills and qualities” between unemployed females, employed females and employers?

### **Means Differences in Welfare and Facilities**

- 2c. Are there any mean differences in terms of “welfare and facilities” between unemployed and employed females?
- 2d. Are there any mean differences in terms of “welfare and facilities” between unemployed females, employed females and employers?

### **1.4.3 Research Question: Objective 3**

The following research questions are designed to tackle objective 3 in terms of how significantly the household saving (surplus, deficit and balanced) the income classifications (B40, M40 and T20) and the insufficient income earned by the household could motivate unemployed and employed females to secure a job. Thus there are a total of three research questions (3a to 3c) designed to tackle objective 3.

- 3a. Is there any significant difference between household savings and female employability?



3b. Is there any significant difference between income classification and female employability?

3c. Is there any significant difference between household insufficient income factor and female employability?

Summary of Research Questions 1 to 3

Research Questions (RQ)	Supply	Demand	
RQ1	Model 1a • Demographic Factors	Model 1c • Employer's Background	
	Model 1b • Family Background Factor (Unmarried and Married)	Model 1d • Employer's Preferences and Perceptions	
	<b>Combination (Model 1e)</b>		
	• Supply Mean • Supply Independent Variables	• Demand Mean • Demand Independent Variables	• Combination Mean • Combination Independent Variables
RQ2	Mean differences of: Model 2a and 2b • "Skills and qualities" Model 2c and 2d • "Welfare and facilities" between • Unemployed and employed females • Unemployed, employed females and employers		
RQ3	Model 3a • Household savings Model 3b • Income classifications Model 3c • Household income insufficient factor		



## 1.5 Research Hypothesis

Hypotheses are developed to test research questions and to predict expected results. Thus, this section is focused on the development of hypotheses based on the research objectives. The sequence of the hypothesis is based on the research objectives. There is a total of five (1a to 1e) hypotheses development to tackle objective 1, four (2a to 2d) hypotheses to tackle objective 2 and three (3a to 3c) hypotheses to tackle objective 3. The hypothesis 1a and 1b in the section 1.5.1 are related to supply side, 1c and 1d to demand side and 1e to combinations of demand and supply. In the Section 1.5.2, the hypothesis 2a and 2c related to supply-side (unemployed and employed females) whereas the hypothesis 2b and 2d related to combinations of the demand and supply (unemployed females, employed females and employers). While, the hypothesis of 3a to 3c in the section 1.5.3 related to supply side.



### 1.5.1 Research Hypothesis: Objective 1

Hypothesis 1a:

$H_{1a}^S$ : There is a significant influence between demographic factors and female employability.

Hypothesis 1b:

$H_{1b}^S$ : There is a significant influence between family background factors of unmarried and married on female employability.



Hypothesis 1c:

H<sup>D</sup><sub>1c</sub>: There is a significant influence between employer's backgrounds and female employability.

Hypothesis 1d:

H<sup>D</sup><sub>1d</sub>: There is a significant influence between employers' preferences on female applicants' background and family background towards female employability.

Hypothesis 1e:

H<sup>C</sup><sub>1e</sub>: There is a significant influence of demand-side determinants compared to the supply-side determinants on female employability.

The link between Research Questions 1 and Research Hypothesis 1

<b>RQ1</b>	<b>Supply</b> H <sup>S</sup> <sub>1a</sub> & H <sup>S</sup> <sub>1b</sub>	<b>Demand</b> H <sup>D</sup> <sub>1c</sub> & H <sup>D</sup> <sub>1d</sub>		
	Model 1a <ul style="list-style-type: none"> <li>Demographic Factors</li> </ul> Model 1b <ul style="list-style-type: none"> <li>Family Background Factor (Unmarried and Married)</li> </ul>	Model 1c <ul style="list-style-type: none"> <li>Employer's Background</li> </ul> Model 1d <ul style="list-style-type: none"> <li>Employer's Preferences and Perceptions</li> </ul>		
	<b>Combination</b> H <sup>C</sup> <sub>1e</sub>			
	<ul style="list-style-type: none"> <li>Supply Mean</li> <li>Supply Independent Variables</li> </ul>	<ul style="list-style-type: none"> <li>Demand Mean</li> <li>Demand Independent Variables</li> </ul>	<ul style="list-style-type: none"> <li>Combination Mean</li> <li>Combination Independent Variables</li> </ul>	



### 1.5.2 Research Hypothesis: Objective 2

Hypothesis 2a:

$H^{MQS}_{2a}$ : There is a significant mean difference on the “skills and qualities” shown by unemployed and employed females.

Hypothesis 2b:

$H^{MQS}_{2b}$ : There is a significant mean difference on the “skills and qualities” shown by unemployed females, employed females and perceived by employers.

Hypothesis 2c:

$H^{MWF}_{2c}$ : There is a significant mean difference in the “welfare and facilities” perceived by unemployed females and employed females.



Hypothesis 2d:

$H^{MWF}_{2d}$ : There is a significant mean difference in the “welfare and facilities” perceived by unemployed females, employed females and employers.

#### The link between Research Questions 2 and Research Hypothesis 2

	<b>Supply</b> $H^{MQS}_{2a}$ and $H^{MWF}_{2c}$	<b>Demand</b>
<b>RQ2</b>	Mean differences of: Model 2a <ul style="list-style-type: none"> <li>• “Skills and qualities” between Unemployed and employed females</li> </ul> Model 2c <ul style="list-style-type: none"> <li>• “Welfare and facilities” between Unemployed and employed females</li> </ul>	



<b>Combination</b> $H^{MQS}_{2b}$ and $H^{MWF}_{2d}$	
	<p>Mean differences of:</p> <p>Model 2b</p> <ul style="list-style-type: none"> <li>• “Skills and qualities” between Unemployed, employed females and employers</li> </ul> <p>Model 2d</p> <ul style="list-style-type: none"> <li>• “Welfare and facilities” between Unemployed, employed females and employers</li> </ul>

### 1.5.3 Research Hypothesis: Objective 3

Hypothesis 3a:

$H^{HS}_{3a}$ : There is a significant difference in household savings between unemployed and employed females.

Hypothesis 3b:

$H^{HC}_{3b}$ : There is a significant difference in income classifications between unemployed and employed females.

Hypothesis 3c:

$H^{HI}_{3c}$ : There is a significant difference in household insufficient income factor between unemployed and employed females.

### The link between Research Questions 3 and Research Hypothesis 3

<b>RQ3</b>	<b>Supply</b> $H^{HS}_{3a}, H^{HIC}_{3b} \& H^{HII}_{3c}$
	Model 3a <ul style="list-style-type: none"> <li>• Household savings</li> </ul> Model 3b <ul style="list-style-type: none"> <li>• Income classifications</li> </ul> Model 3c <ul style="list-style-type: none"> <li>• Household income insufficient factor</li> </ul>

## 1.6 Conceptual Framework of Research

This section is focused on the conceptual framework and the link between the conceptual framework and hypotheses. The conceptual framework was developed to visually explain the key concepts of the dependant and independent variables of this study. Figure 1.10 shows the conceptual framework for this study which includes Model 1 (1a to 1e), Model 2 (2a to 2d) and Model 3 (3a to 3c). Appendix A1 contains the specific details of Model 1a to Model 1d's conceptual framework, while Appendix A2 contains the specific details of Model 1e's conceptual framework, Appendix A3 contains the specific details of Model 2a to Model 2d's conceptual framework, and Appendix A4 contains the specific details of Model 3a to Model 3c's conceptual framework.

Model 1a to Model 1b is designed to show the visual key concepts of the supply-side determinants, Model 1c to Model 1d is designed to show the visual key concepts of the demand-side determinants and Model 1e is designed to show the visual key concepts of the combination of Supply-Demand determinants. The determinants of demographic factors (Model 1a) and family background factors (Model



1b) from the supply-side are based on the respondents' profile (unemployed females and employed females). Model 1b's data was split into two perspectives: unmarried and married, to better evaluate the influence of family background factors on female employability. The term "unmarried" refers to someone who is not married or single. The dependent variable for the Supply-side is Female Labour Force Participation (FLFP) or also known as Supply Employment Status Dummy (SESD).

Model 1c shows the determinants of an employer's profile factors and Model 1d shows an employer's preference for female applicants' demographic and family background. The regression is done separately for employers' preferences (Model 1d) on the female applicant's background and female applicants' family background to obtain a more accurate picture of the employers' preferences. The dependent variable for the demand-side is Demand of Female Labour (DFL) or also known as Demand Hiring Status Dummy (DHSD).

Model 1e shows the combination of supply-demand determinants. This model is then separated into three independent variables based on the average (first part) and 15 independent variables independently (second part) to investigate the determinants from supply, demand and combination. The supply and demand drivers are combined in this model and all the variables are based on the 5-points Likert scale. Part 1 focused on the mean of the three independent variables from supply (i), demand (ii) and combination (iii) while the Part 2 is focused on the 15 independents from supply (iv), demand (v) and combination (vi). The independent variable for the combination of supply-demand is Combination Employment Status Dummy (CESD). The information is shown in Figure 1.10 by the blue dotted box at the bottom. Model 1a to Model 1e is designed to tackle objective 1.





Model 2a and Model 2b is designed to show the visual key concepts of the skills and qualities (MQS) variables shown by unemployed females, employed females and perceived by employers. Model 2c and Model 2d is designed to show the visual key concepts of the welfare and facilities (MWF) perceived by unemployed females, employed females and offered by the employers. All the variables of skills and qualities as well as welfare and facilities are based on the 5-points Likert scale. Model 2a to Model 2d are designed to tackle research objective 2.

Model 3a to Model 3c is designed to show the visual key concepts of the household savings (HS) from the categories of surplus, deficit and balanced, the income classifications (HIC) from the categories of B40, M40 and T20 and the insufficient income (HII) earned by the household between unemployed females and employed females. Model 3a to 3c are designed to tackle research objective 3.



Appendix A5 shows the link between the dependent and independent variables as well as the link between the variables and hypothesis. The hypothesis with S indicates supply, D indicates demand, C indicates combinations (Supply-Demand), H indicates Household and M indicates "mean".



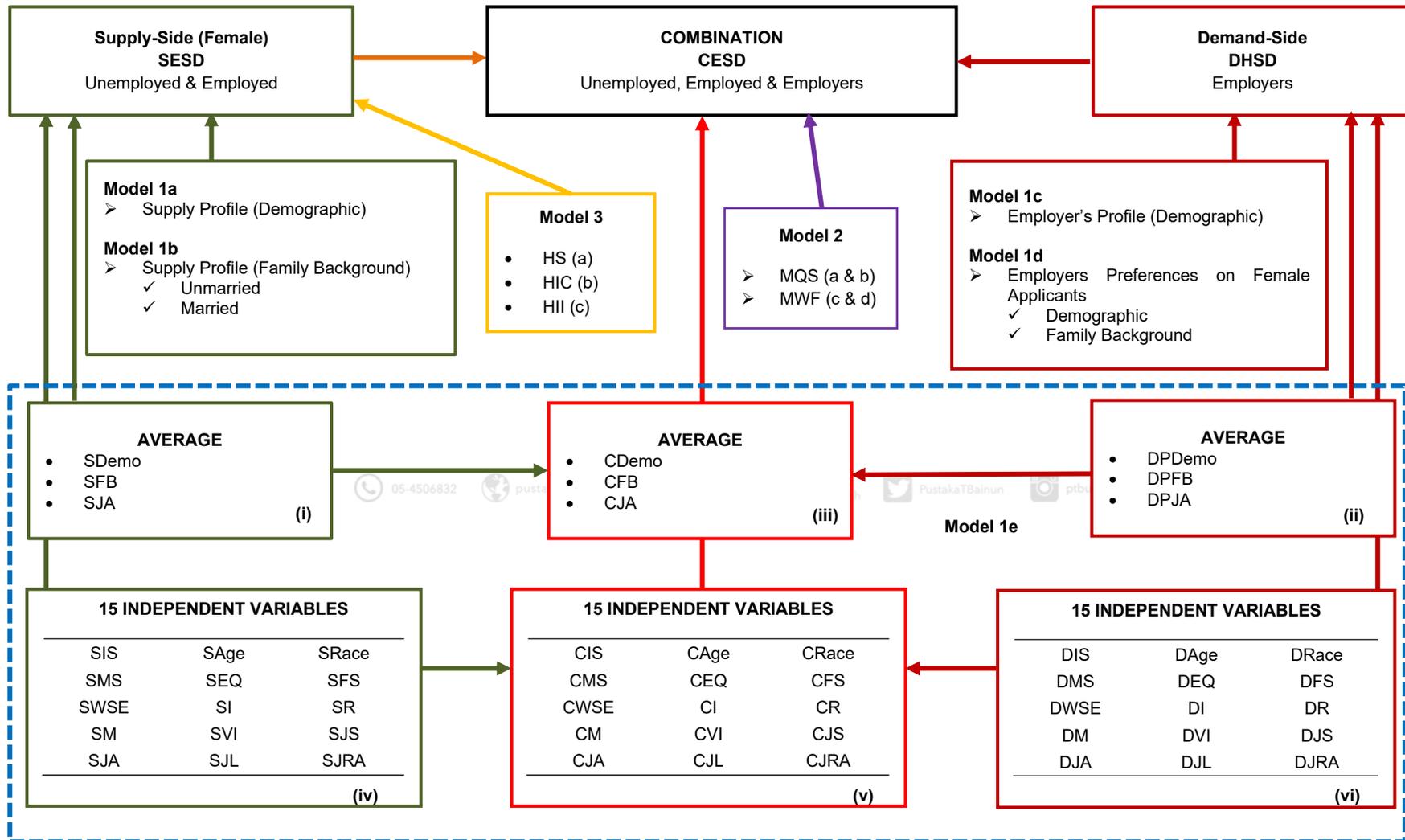


Figure 1.10. Conceptual Framework (Supply, Demand and Combination)

## 1.7 Operational Variable

This section defines terms used in this study such as supply, demand, supply-demand combinations, labour force, employed, unemployed, outside of labour force, female labour force participation rate, and so forth.

According to the macroeconomics circular flow diagram, there are three markets; the goods and services market, the labour market, and the financial market. This research focused on the labour market. The household is on the supply side of the labour market, while the firm is on the demand side. Figure 1.11 depicts the population composition, employment, and unemployment. According to the Malaysia Labour Act, those between the ages of 15 and 64 are considered to be in or out of the labour force. The labour force is further subdivided into two components; unemployed and employed.

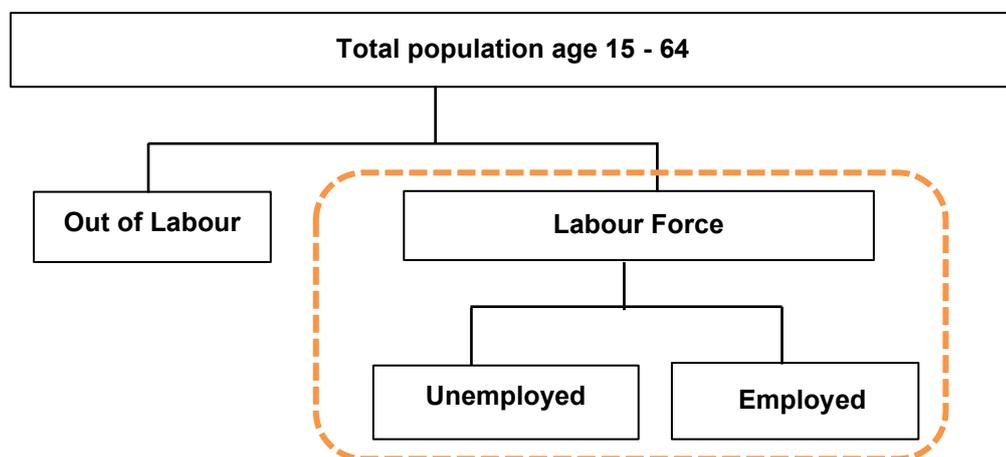


Figure 1.11. Population, Labour Force and Out of Labour Force

The focus of this study is on female labour force participation. The dotted line box shown in above Figure 1.11, is the focused area for the supply side. The supply-side respondents for this study are unemployed females and employed females while demand-side respondents are employers and human resource officers. Human



resource officers are considered as targeted respondents due to their involvement in the process of recruitment. This study also aims to investigate the supply and demand determinants, thus in this study, it is known as the combination of supply-demand determinants.

The labour force is defined as those who are either employed or unemployed during the reference week and are between the ages of 15 and 64 (in completed years at last birthday). All persons who worked at least one hour for pay, profit, or family gain at any time during the reference week, according to the labour force definition (as an employer, employee, own-account worker or unpaid family worker). They are also considered to be employed if they did not work during the reference week due to illness, injury, disability, bad weather, leave, labour dispute, social or religious reasons, but had a job, farm, enterprise, or other family enterprises to return to or were temporarily laid off with pay and would be called back to work (DOSM, 2020).

Unemployed people are those who do not have a job but want to work. Unemployment is further subdivided into actively unemployed and inactively unemployed people. Housewives, students (including those continuing their education), retirees, disabled people, and those who are not interested in looking for work all fall into out of labour force category. The Labour Force Survey (LFS) is used to calculate the unemployment rate. The actual status approach is used by LFS, in which a person is classified based on his or her labour force activity during the reference week (DOSM, 2020).

The Female Labour Force Participation Rate is a measure of the proportion of a country's female working-age population who actively participates in the labour market, either by working or looking for work. Active activities such as agricultural and



informal labour are included, but household work such as cooking, cleaning, and childcare are not. The Female Labour Force Participation Rate is calculated in the following way:

$$FLFPR(\%) = \frac{\text{Female Labour Force}}{\text{Female Working age Population}} \times 100$$

$$FLFPR(\%) = \frac{\text{Employed Female} + \text{Unemployed Female}}{\text{Female Working age Population}} \times 100$$

## 1.8 Scope and Limitation of Study

This research focused the study in Perak Darul Ridzuan. The state of Perak, Malaysia has a population of 2.51 million people. Perak's population expanded at a 0.2 percent annual pace, reaching 2.51 million people in 2020. Males make up 1.27 million, while females make up 1.24 million (DOSM, 2020). In terms of population distribution, Perak is ranked fifth. This research looked at the supply and demand sides from two separate angles. As a result, focusing the study on Perak, Malaysia is important because it is Peninsular Malaysia's second largest state, has the highest percentage of B40 families, has a well-diversified economy as well as located in strategic region of Malaysia.

The study's limitations include not only a financial constraint, but also a time constraint and slow responses from respondents for obtaining data. Due to financial constraints, this study focused on only one state. While the dissemination of the questionnaire was scheduled for three months due to the response rate, it was prolonged for another six months due to the difficulty in getting responses from the



respondents. The period of the survey is between May 2019 to Jan 2020. There is a difficulty to collect data from the respondents from the demand side.

## 1.9 Significance of Study

The study has four research implications in all. First and foremost, to raise the standard of living for women, second, to emphasise the significance of this issue to educators, third, to employers, and fourth, to policymakers.

### Raise Women Living Standard

This study brought to light the reasons for Perak's low participation rates, particularly among women. According to the research, employers place a high value on a woman's independence and self-reliance, which helps her stand out as a candidate for employment. In addition, the support from partners or parents has a big impact on how successfully women land jobs. Therefore, when women are able to get employment, it signifies that they have their own source of income, which may lessen their dependence on their family. Indirectly, the money they make could raise their family's level of living as well as their own. Additionally, this could improve the position of their families, especially those who fall under the B40 income group.

Every woman should grab the chance to improve her soft skills since it will help her obtain a job, particularly in terms of communication. Women should grab the chance to actively participate in extracurricular activities like learning new languages and improving their computer skills, especially when they have the chance to enhance during their study life. Additionally, they should develop time management skills since





this has also been a key factor in securing a job. According to women who have jobs, effective time management is essential for their job satisfaction. Women should take advantage of the advanced technologies in this new era to find suitable employment, especially for jobs that are available close to their residences.

### **Education Provider**

The conclusions emphasised the value of internship programmes in college or university curricula. This may be the first link connecting the candidates and industry. In order for the student to use the material learned during their internship and convince potential employers that they are the best candidate for the job, the curriculum should be well-rounded with both theory and application. Employers perceived individuals who had internship experience as having better work experience. Universities and industry should therefore regularly collaborate for the benefit of candidates, particularly female candidates who often struggle to get employment.

The university may use the online communication medium to invite industry experts to provide lectures to the students, especially in light of the pandemic Covid-19 that has sped up communication in general. The awareness or sharing discussion can be held as a part of the teaching evaluation to enhance student participation.

The concept of mentor-mentee (senior-junior) programmes should also be explored by education providers, particularly to match their alumni with the present "active" students. This might improve the bond between the institution and its graduates, to the advantage of the current students. Additionally, academic staff should be encouraged to participate in industrial attachments by education providers





since this could be advantageous for both the staff and the students. As a result, they should have more industry experience and be better prepared to offer knowledge that is relevant to market demands.

Education providers can also consider at offering extra classes that don't count toward graduation requirements but are more geared at helping students improve their soft skills on their own. Local education providers with connections to industry can meet with neighbourhood committees to inform residents about the value of education and what is expected of them from the industry standpoint. In the end, everyone will support and gain from one another.

### **Employers or Companies**

In order to increase the participation of women in the workforce, some Malaysian firms have already started to offer amenities and welfare. As a result of their employers' lack of support, some women still choose to leave their jobs to take care of their young children. Companies who are ready to provide benefits and facilities to attract female employees may initially find it expensive, but if more women are hired, the cost per head of benefits and facilities can be decreased. It may also be possible to give rewards to the business that offers welfare and amenities with help from the federal and state governments. In the long run, it might be advantageous to the company, female workers, and the general advancement of the country. Furthermore, it can lead to increased work prospects for women regardless of their marital status.





## **Policymaker**

The Komuniti Rukun Tetangga (KRT) was initially created on August 29, 1975. In 2010, it underwent modernization as part of Model Transformation Rukun Tetangga, which placed a strong emphasis on five pillars: harmony, economy, safety, education, and living quality (Jabatan Perpaduan Negara dan Integrasi Nasional). Given that Rukun Tetangga has a restricted concentration on a particular neighbourhood, this may be the greatest medium for disseminating information, particularly since women prefer to work close to where they live.

The use of latest application such as WhatsApp will fasten the process as each of the Rukun Tetangga has their own chat group. This could benefit women and speed up the process of securing a job as well as increase the interest to work. As a result, it's crucial to use this platform to inform the neighborhood's residents about the employment position.

Additionally, the committee of the Rukun Tetangga can plan activities with local academic and industrial partners to raise awareness among their communities, such as giving presentations and providing training to advance the essential skills required by employers. This might be one strategy for increasing labour market participation, particularly among women. The direct interaction with local communities will also be advantageous for academic and industry providers.

The Ministry of Higher Education should also keep an eye on whether the programmes and courses provided by universities are adequate and appropriate for graduate candidates, particularly women, and whether they have the critical abilities





and attributes required by the industry. This can be accomplished in partnership with the Ministry of Works and the Ministry of Women, as well as local universities.

### 1.10 Summary

Finally, this chapter provides an overview of female labour force participation in Malaysia and Perak. This chapter also includes the research objectives, research questions, research hypothesis, conceptual framework, definitions of terms, limitations of study, and significance of the research. The following chapter 2 is devoted to a review of the literature and theoretical framework. Chapter 3 focused on research methodology, Chapter 4 on data analysis and results, and Chapter 5 on discussion, conclusions, and recommendations.

