

DIFFERENCES OF PERCEPTION AMONG TEACHERS ON  
NEW RETIREMENT POLICY

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DIFFERENCES OF PERCEPTION AMONG TEACHERS ON  
NEW RETIREMENT POLICY

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## ABSTRACT

When CUEPACS called for Malaysian Government to increase the retirement age from 56 to 60, many believes that the bold moves provides more rooms for the teachers to have prudent financial security for the retirement preparation. However, many researches show that there are mixture feeling between those who prefer to retire early and those who do not. This paper aims to look at the association between the new retirement age policy and selected independent variables. This study involves 200 teachers from primary and secondary school at Felda Semenchu, and in Klang. Questionnaires were used to tab respondents' inputs and profiles. Our objectives are (1) to determine whether there are relationships between job performance, career advancement, financial security and job satisfaction on the new retirement policy; and (2) to examine differences of perception among the school teachers on the new retirement age policy. The findings show that there are significantly positive relationships between the new retirement policy and all tested variables job performance ( $r = 0.731$ ,  $p < 0.05$ ), career advancement ( $r = 0.603$ ,  $p < 0.05$ ), financial security ( $r = 0.836$ ;  $p < 0.05$ ) and job satisfaction ( $r = 0.715$ ,  $p < 0.05$ ). Meanwhile 65.5 % of the respondents agree that they need more ample time for their retirement saving. Discussion, limitations and suggestions for future studies are also highlighted towards the end of this project paper.

**Keywords: retirement, teacher, job performance, financial security, career advancement, job satisfaction.**

## ABSTRAK

Apabila CUEPACS menggesa Kerajaan Malaysia untuk meningkatkan umur persaraan 56 kepada 60 tahun, ramai yang percaya bahawa langkah ini bakal menyediakan lebih banyak ruang kepada guru-guru untuk mempunyai jaminan kewangan yang berhemah sebagai persediaan persaraan. Walau bagaimanapun, banyak penyelidikan menunjukkan bahawa terdapat beberapa perbezaan persepsi di kalangan mereka yang memilih untuk bersara awal dan yang tidak memilih untuk bersara awal. Kertas kerja ini bertujuan melihat hubungan di antara pembolehkan bebas terpilih dan dasar umur persaraan yang .Kajian ini melibatkan 200 orang guru dari sekolah rendah dan menengah di Felda Semenchu, dand di Klang. Borang soalselidik digunakan dalam memperoleh input dan profil reponden.Objektif kajian adalah (1) menentukan sama ada terdapat hubungan antara pembolehkan prestasi kerja, kemajuan kerjaya, jaminan kewangan dan kepuasan kerja dengan dasar umur persaraan baru; dan (2) menganalisis perbezaan persepsi guru-guru terhadap dasar umur persaraan baru. Dapatan kajian menunjukkan bahawa terdapat hubungan signifikan yang positif di antara pembolehkan prestasi kerja ( $r = 0.731$ ,  $p < 0.05$ ), kemajuan kerjaya ( $r = 0.603$ ,  $p < 0.05$ ), jaminan kewangan ( $r = 0.836$ ;  $p < 0.05$ ) dan kepuasan kerja ( $r = 0.715$ ,  $p < 0.05$ ) dan dasar umur persaraan baru. Manakala 65.5% respond bersetuju bahawa mereka memerlukan lebih banyak masa yang mengukuhkan simpanan kewangan mereka bagi tujuan persaraan. Perbincangan, kekangan dan cadangan kajian lanjutan juga diketengahkan di akhir penulisan kerja kerja ini.

**Kata kunci:** persaraan, guru, prestasi kerja, kekukuhan kewangan, kemajuan kerjaya, kepuasan kerja.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

During the 20th century, pensions in developed countries were generally payable from a statutory retirement age which provided a norm for retirement behavior and a threshold dividing older from younger age groups. Governments, by setting fixed starting dates for work and retirement, created a standardized life cycle with clearly delineated and uniform boundaries between education, work and retirement stages.

Over the last 30 years or so, retirement behavior has diverged from official norms and moved towards earlier retirement, although pressures for later retirement are now increasing as concerns over pension finance provoke calls for older workers to remain economically active. Weaker retirement norms have prompted speculation that working practices may be evolving from a Fordist Life Cycle with fixed stages to post- Fordist life courses with fluid and variable personal experiences. Formal retirement from work at a given age became widespread only in the mid- 20th century, when public pension scheme were introduced on a large scale in developed countries. Pensions were subject to a retirement condition and payable from a statutory retirement age, which became the norm for retirement behavior and was the threshold marking the start of old age.

For the first time, an official boundary separated younger from older age groups and confirmed the inactive status of older people. Retirement, defined by a fixed starting date, became a stage in a standardized life cycle with uniform progression from education to work to retirement. In order to be with these growing pension pressures, many countries have announced reforms to their public pension system. In

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