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Master in Business Administration

A Case Study Approach:
Workplace Discrimination Influencing Employee Loyalty

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Executive summary

Employee loyalty is the key to organizations success. It become more important in the industries which contribute heavily to a country's GDP. Malaysia is a developing country and it highly relies on manufacturing industry. Malaysia's manufacturing industry has undergone many changes in the past few decades. Thus, researcher intended to explore the discriminatory factors that influencing employee loyalty in manufacturing industry. Career advancement, gender discrimination and disability discrimination are examined. Many previous researches have validated the discriminatory issues exist long time ago; it lower employee loyalty and additional costs incurred for the businesses. The researcher intended to examine the discriminatory factors and recommend the possible solutions to improve the employee loyalty models.

This study can serve as a model to be adopted for years to come in the employee loyalty model in the manufacturing industry of Malaysia. The variables, specifically career advancement, gender discrimination and disability discrimination exist for years, through various industries. These factors will continue to be of use across the manufacturing industry and other industry across Malaysia.

Keywords: *Employee Loyalty, Workplace Discrimination, Manufacturing Industry, Career Advancement Discrimination, Disability Discrimination, Gender Discrimination, Employee Loyalty Models.*

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Chapter 1:

Introduction

1.1 Background

This employee loyalty research highlights the importance of employees as assets to an organization. It defines the workplace discrimination from employees' perspectives and examines the types of workplace discrimination that most contributes to low employees loyalty. Recron (M) Sdn Bhd and Hewlett-Packard (Malaysia) Sdn Bhd (HP Malaysia) from manufacturing industry are selected to examine the workplace discrimination issues. Besides, to what extent employees could tolerate when they face the workplace discrimination will also be explained.

The former prime minister of Malaysia introduced Wawasan.2020 or Vision 2020 in 1991. The vision intended to build a self fulfillment industry for the nation. To achieve the aimed goals of RM920 billion GDP in 2020, Malaysia government recommended several policies to encourage foreign investors to set up plants in Malaysia. Thousand of large multinational corporations including Samsung, Dell, Dutch Lady and other giants are attracted by the favorable policies and started to invest in Malaysia nationwide. The manufacturing industry contributes to more than 20% of GDP since 1996. The foreign investments create the employment opportunities for local talents, and recruits employees for all level position. The manufacturing industry plays an important role in Malaysia economic. However, the employees in manufacturing include Malaysian citizen from all level of society;

the education level and the culture difference among each other could have different prejudice and perspective towards other. Thus, workplace discrimination happened.

There is an exchange relationship involving employees and employers. Employees offer their knowledge, passion and talent including loyalty in exchange for remuneration from their employers. Employees are expecting equitable treatments from employees when total inputs equal to total outcomes. Equal employment opportunity is one of the important determinants required in influencing employee loyalty. Employee loyalty typically known as personal commitment from employee towards their employers, and this could be classified as their attitude (Meyer & Allen, 1990). Monetary rewards and compensation can help in retaining employees to stay with the employers instead of building employee loyalty.

Recognition from employers and involvement in decision making is more appreciated by employees rather than getting a paycheck. Employees expect fair treatment and equal employment opportunities among each other. When the commitment from employers in providing employees welfare, employees will appreciate such effort and return in extra dedication defined as employee loyalty. Employees have the willingness to work beyond their job scope with or without extra pays in assisting the organizations to achieve either short term or long term organizational goals.

Loyal employees will normally stay with the company, through good times and hard times for longer period. There is another definition of employee loyalty which

employees are willing to dedicate extra effort for their employer. The loyal employees consider productivity and honesty are also important characteristics as well. In short, low employee loyalty means that employees do not sacrifice individual benefits for the organizations as compared to loyal employees. They are more preferred to leave. ✓

1.2 Operational Definition

Employee turnover - Employee turnover is referring to the frequency rate of addition or subtraction of manpower within an entity. For example, the number of fresh graduates or experienced professionals was joining an entity and the number of existing employees was leaving the same organization within or over a period of time. The turnover rate is being measured in different scales such as within an organization, industry, country, geographical region and globally. *Source*

In general, employee turned over due to reasons such as relocation of family, attractive remuneration, job satisfaction, retired, medical concerns and sometimes, it was due to economy downturns that lead to organization layoffs. When an employee withdraws from his or her current job, this will costs extra expenses for the organization. This is regardless with the reason an employee quit from employment. For example, when an experienced engineer resigns from his or her current job, the management has to replace his job role by acquiring a new employee. The management has to provide the training program to fit the new joint employee to the said position, no matter he or she is experienced or even less experienced new graduate. The extra training courses shall take place in order to ensure the new joint employee is capable to catch up the resigned employee. All these additional training and development programs are considered the extra ✓

costs towards the organization; even the amount of money is not big. These extra costs could be void if the existing employee could stay.

Employers hope to document the skills and knowledge gained by employees over time in recent business world. The knowledge accumulated from previous experiences could not be transfer to the new joint employees, or even stored. The only way to retain the knowledge is retaining the employees. The intention could be failed, and the new joint employee may experience the same as experienced by the resigned employee. The management aware about the process and their initiatives is to minimize the impact of such leaving. When an experienced employee quit from the job, the small impact will also take place; and there must some extra costs incurred in any form.

In common, organizations initiate increment of salary to retain experienced employees. In some cases, organizations are putting efforts to ensure job satisfaction of employee in a non monetary ways.

In this workplace discrimination research, the employee turnover is being measured in the scale of within the selected organizations. Which are the 2 of the following:-

- Recron (M) Sdn Bhd
- HP Malaysia

The CIPD's Annual Survey Report (2009) showed that companies in UK have an average employee turnover rate of 15.7% in year 2008. Many UK companies from manufacturing and production industry, private sector, public service and non-profit organizations participated in the survey. The report further stated the employee turnover rate in various industries. Moreover, the report also outlined the turnover rate on the basis of industry sector. For example, the employee turnover rates in textiles and electronics sector are 10.8% and 17.0% respectively. These allow the researcher to make comparisons between the 2 selected organizations and the sector turnover rate.

The Annual Survey Report used the standard "crude wastage" method to calculate employee turnover rate. It is calculated as follow:

$$\frac{\text{Number of leavers in a set period}}{\text{Average number employed in the same period}} \times 100$$

Employees' competencies' – Employee's competency in this research refers to the additional returns that the selected organizations can gain with not incurring any additional recruitment cost and salary payable to employees. The employee competencies defined is the additional value created for an organization in following forms:

- The knowledge gaps that exist between the employees who are performing and less performing employees. Both employees are working with the same scope, but the performing employees create the value for the organizations

that does not happen to the less performing employees. The values created could be in form of less time to complete the task assigned, or less costs incurred to do so.

- Some time, the value creation could be based on the knowledge aggregated along the previous serving tenure. For example, the experiences for an existing employee could help him or her to foresee the future demand trends and he or she would keep extra stocks to meet the future demands.
- Physical capabilities of the employee to carry out daily routines, that is meeting the requirements and able to minimize the downtime to avoid negative chain effects in operations.
- Mentality healthiness is referring to the positivity of employees mind set in dealing with hiccups within daily routines and the willingness to cooperate with other to accomplish the assigned tasks within a given timeframe as well as achieving the quality requirements.
- Efficiency or productivity is referring to the ability in accomplish the assigned tasks within a given timeframe as well as incurring limited overhead costs.


- A leadership and management skill is referring to the skills to manage and monitor a group of subordinates and segregate the assignments to them fairly. A leader has to be involved in consulting activities as well. He or she should also solve the conflicts exist among subordinates. Furthermore, a leader shall also need to manage the subordinate regarding the operational problems. The effective leader with leadership and management skills should also synchronize the organizational belief from top management to operational workforce.

Creating competitive advantages –

Competitive advantage is defined as a position that allows a product, an individual, an organization or even a society occupies against its competitors. That position basically put the mentioned objects above the competition.

In the context of this research, competitive advantage refers to the market position a company have created in providing unique goods and services which are considered valued buy and better than the competitors. It could also be defined as an organization could operate at with lower cost. These can differentiate an organization from its competitors based on its valuable core competencies.

Competitive advantage is often being transformed into useful information to measure the performance of organization and make critical judgment for critical decision.



Firms usually heading to the direction to address the following issue for 2 reasons. First is to build competitive advantage and second is to sustain the competitive advantage that the firm has already had:-

- Balancing commercial and national responsibilities
- Securing investment in production capacity
- Financial challenges
- New technology
- Human resources

Identify the position of the firm in the chapter of competitive advantage is crucial and a task itself as it will determines the firm's now and the future. Due to globalization that was started 3 decades ago, the competitions that a firm need to deal with are now tremendous, compared to those of the days. Regardless of a new firm that has just entered the market or a well established firm that has dominant the market for a period of time, they understood that they should be focusing on creation of more competitive advantages or sustaining its existing one, that would be more benefiting the organization instead of being the largest in the industry. ✓

Using technology, marketing or other approaches to achieve sustainable advantage are the common practice. However, competitors can use the same approaches. Therefore, it is very difficult in sustaining existing competitive advantage as it is just a matter of time that the competitors take to imitate. ✓

Referring to the research, using the people within the organization to create competitive advantage will be helpful in creating new competitive advantages rather than sustaining the existing one because an employee that is creative, dedicated and yet loyal to the organization is always goes all out in contributing to the organization and the employee is one of the people that are driving the organization to success.

Managerial employees – Manager can be a director that controls resources and expenditures of the organization. It is known as the decision maker and the person in charge. In this research context, a manager is the one who monitors, guides, consults and manages a team, section or department. The position and role played by a manager is important and vital for any organization. Examples such as operation manager, production manager, marketing manager, account manager and so on. In general, the role played by various functional manager could be said almost the same, to monitor their departments or sections. However, their duties could vary based on the assignments given.

In the context of this research, managerial employees are referring the following:-

- **First line manager:** Employee that is leading, supervising a team with at least 5 subordinates. Decision making is at operational level and scope of tasks is clearly defined. A shift supervisor in production floor, a facility management leader or operational quality consultant that is not organizationally has subordinate are considered. It also known as the management line with lowest level and first line managers monitor the duties of non-managerial employees.

- Second line manager: Employee that is leading a functional department. Decision making at it departmental and functional level and the scope includes manpower planning & recruitment, office administration. It is organizationally assigned with 5 subordinates and above and has been defined as team manager and operations manager. The second lines managers are usually manage first line managers.
- Third line manager: The third line managers are responsible to make decisions across organization wide. They formulate the strategies which are tally with the organization directions and achieve the aimed goals that involve the whole organization. Third line managers manage all facets of the organization. Drive and promote the company's mission, vision and values. Formulate strategies, policies and processes to ensure smooth and efficient management. Oversee the Department and all matters in relation to, amongst others. The one is responsible in driving financial performance of the business, through interaction with departmental heads. Third line manager leads the business planning process including sales planning, annual/long-range budgeting, bi-monthly cash flow and quarterly re-forecasting. Usually supervise second line managers.

However, in the context of this research, non managerial employees are referring to the category of employees who perform tasks not involving the direction and control of enterprise activity. They usually do not posse higher level of education. The scope of routines is often limited. They are the employees who follow the instruction from their direct supervisors and not involving in decision making.

Manufacturing industry – Manufacturing industry is the process of converting inputs such as raw materials, labors, spare parts into finished goods. The recourses carriage inward is always come with large volume and the output are with huge volume as well. This is to attain the economics of scale in order to reduce variable costs. The research selected 2 organizations from manufacturing industry to examine the work related issues.

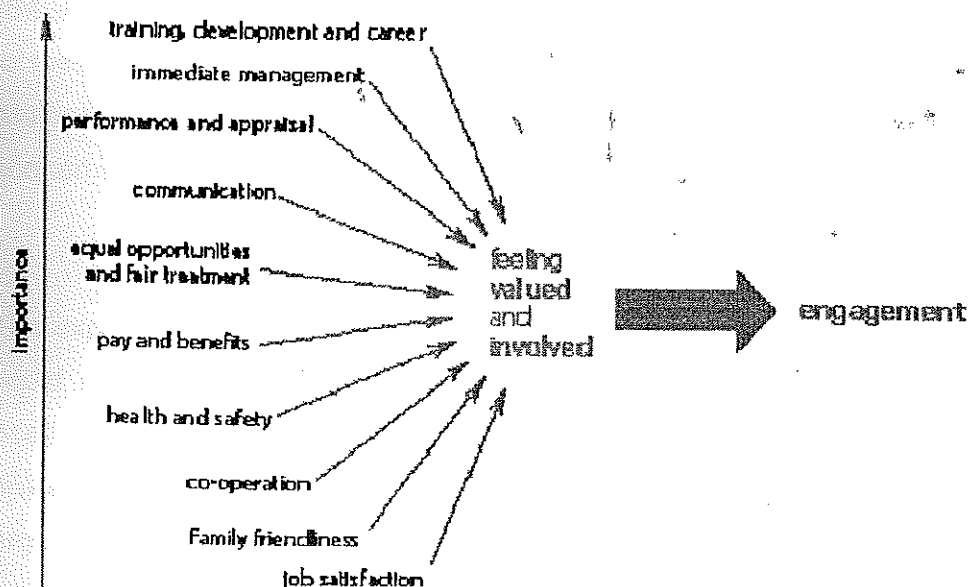
The first organization chosen is Recron (M) Sdn Bhd, a member of Reliance Industries Ltd. It was established since 1980 as Hualon Corporation. It was taken over by Reliance Industries Ltd in year 2007 and restructured and renamed as Recron (M) Sdn Bhd. The textiles manufacturer is the leader in the industry. It serves the domestic and international markets such as Mid East, Africa and South America. The head quarter of Recron (M) Sdn Bhd located in Kuala Lumpur, and it owns 28 plants in Melaka and Nilai. The textiles manufacturer has approximately 2500 employees and it reached a turnover of 2.1 billion ringgit in 1998.

The second organization chosen is Hewlett-Packard (Malaysia) Sdn Bhd (HP Malaysia). It operates as semiconductor manufacturer since 1998. HP Malaysia is located in Pulau Pinang and it produces semiconductors and components for personal computers, laptops, and networking devices. It serves the Malaysia and South East Asian market. It has workforce about 300 and seven distribution warehouses across Malaysia.

1.3 Problem Statement

Employees' turnover is high due to low employees' loyalty. This research tends to find out the most common workplace discrimination which contributes most to the low employees' loyalty. In manufacturing industry, the working environments are not as good as other industry such as banking industry and IT industry. Many issues contribute to the low employee loyalty in manufacturing industry. However, employee loyalty could be build when the workplace discrimination is eliminated and each employee competes for better remuneration and carrier opportunity fairly, based on their performance and productivity.

Robinson et al (2004) contributed the model of driver of employee and it illustrated the important factors that enhance the employee loyalty and engagement.



Source: Robinson et al. 2004 (IES report, p.23)

Table 1: Robinson's employee loyalty model

The table 1 highlighted the factors that contribute to higher employee loyalty and engagement. However, researcher is only interested in how the equal opportunities and fair treatment (workplace discrimination) contribute to the low employee loyalty. Thus, factors other than equal opportunities and fair treatment are excluded in this research; and only discriminatory factors will be examined.

Seibert (2004) stated that low profitability resulted due to employee disloyalty. An employer who provides less few provisions for equal employment, minimal career opportunities, unfair rewards and promotions are less likely to earn employee loyalty. Employee loyalty could be the main component that contributes to an organization's growing profits. It drives an organization to gain competitive advantages in achieving the organizational goals. Majority of loyal employees are likely to execute the organization's declared business strategy in their daily work. Retaining the proficient and well-trained employees could be an effective solution to meet such objective. The in job knowledge and experience gained from daily works could increase employees' productivity and efficiency and thus achieve the economics of scale.

The expenses incurred to replace an employee are remarkable. The organization could also lose their intellectual property due to employee turnover. Employers need to spend extra time and money to go through the recruitment and selection process in order to recruit the suitable employees to fill the vacancies. An organization could possibly lose their loyal customers, when they fail to retain an employee who serves for longtime. The loss of well trained employees, costs incurred in recruitment and selection process and the loss of loyal customers could reduce the competencies of the organization who fail to retain its employees. It is very urgent for employers to earn back their loyalty (P. Drucker, 1988).

1.4 Research Question

Organizations are aware about the sources that cause the high employee turnover. The inefficient HRM procedures of an organization do not meet the changing business world. The inefficiency happens internally as well as externally, because the HR practices could not catch the latest business trend, which is globalization. The cost of doing business will become higher and burden for the business, due to the extra costs incurred resulted from the employee turnover. The costs happen directly as well as indirectly to lower the business performance. The research questions are brought forward as below:

- How do factors like career advancement, disability and gender discrimination contribute to the low employees' loyalty?
- What type of workplace discrimination most affects employees' loyalty in workplace?
- How employees define workplace discrimination?
- What are the possible ways to improve employees' loyalty from the results of the research?
- What is the gap of the seriousness of discrimination between managerial employees versus non managerial employees?

1.5 Research Objective

This research aimed to focus on workplace discrimination factors that contribute to low employees' loyalty in manufacturing industry.

- To determine the different factors like career advancement, disability and gender discrimination that contributes to the low employees' loyalty. ✓
- To identify the type of discrimination that most affect employee loyalty. ✓
- To identify the understanding of employees' loyalty and its contributing factors from both categories (managerial employees and non managerial employees). ✓
- To recommend solutions for employee loyalty models ✓
- To find whether there is a difference in findings between managerial and non managerial employees ✓

1.6 Significance of Study

The research aims to identify the most serious and frequently happened workplace discrimination in Malaysian manufacturing industry. The research analyzes the needs of understanding workplace discrimination in order to create a non-discriminatory working environment. The research conducted from employees' perspective will indicate how loyal employees are when facing the workplace discrimination. Reducing or preventing unfair workplace discrimination would create employees' loyalty in manufacturing industry. The outcomes from the research helps the organization to better understand workplace discrimination and highlights the most serious issues in the workplace that must be taken into consideration towards employees' loyalty. ✓

Furthermore, the survey will examine the different work-related discrimination problems that are prevalent in Malaysia and highlight the impacts of discrimination,

thus, provide solutions to escape the negative effects to organizations' productivity and employees' loyalty. By understanding employees' concerns, organizations could play an initiative role to eliminate the workplace discrimination, and retain their human resources capital for longer period.

The employee retention especially the most desirable employees within an organization are not easy. The most desirable employees are typically skilled, experienced, well trained and educated. The mobility of the most desirable employees is high, due to the globalization. The competitiveness within the industry could encourage the other organization to absorb the talented employees from their employers.

The research highlights the importance of workplace discrimination that affects the employee loyalty. Thus, organizations can amend the human resource strategy by taking consideration of discrimination issues. Organizations with effective employee retention program helps to sustain their leadership and growth in the competitive marketplace. Good organizations understand the importance of human resources capital and consider employee retention a core element of their talent management and long lasting organizational development. Organizations that fail to retain employees especially most desirable employees are at risk of losing their talented human capital to the competition.

1.7 Limitation of Study

This research concerns career advancement, disability and gender discrimination as factors that influence employees' loyalty. Issues other than these are excluded

from the research. Targeted employees from Recron (M) Sdn Bhd and HP Malaysia may not effectively represent the whole workforce in manufacturing industry, and the research finding may appropriate for other population. This research could not be able to develop a useful and create significant impacts towards workplace discrimination.

Besides, the validity and reliability of information gathered is a key challenge. Stone et al. (1992) pointed that majority of the discrimination studies may potentially encourage the response biases which are desired by society. He also stated that obtrusive measures used in most studies are unlikely to gain the actual response and opinions regarding the minority groups of people.

Respondents may less likely to tell the truth or share their discriminated experience they have suffered. The research requires the collection of primary data from employees in Recron (M) Sdn Bhd and HP Malaysia. The respondents may have a different understanding about workplace discrimination and each population may have their own understanding.

There is another limitation of study which is racial issue. Malaysia is a multi-racial society and discussing racial issue could create inharmonic environment due to its sensitivity. The citizens in Malaysia will contribute to maintain a harmonious nation by create issue on the basis of race.

1.8 Assumptions

The employees work to earn a living that provides job satisfaction and workplace comfort. Remuneration is excluded from this research which is structured around working adults who are more focused on acquiring job satisfaction and workplace environment rather than remuneration. The series of job satisfaction factors build the employee loyalty in workplace, but not necessary the remunerations.

Studies have found a number of empirical regularities regarding the factors that affect individuals' job satisfaction such as gender, age, race, establishment size, trade union, education and wages. These mean the wages and salary is not the only issue contributes to employee satisfaction, and thus the employee loyalty.

The literature from previous researchers about employee loyalty has highlighted the factors like economic, demographic factors, and workplace characteristics will have positive impact on employee loyalty. Besides, they are another important element, job security, which has significant positive relation with the employee loyalty. This desire is so great that employees are most likely to leave if they feel underdeveloped (Woodruffe, 2006). Job security also defined as employers provide the secured and long term employment opportunities for their employees, including the fair career opportunity. Employers have to ensure each human resources related arrangement such as promotion, reallocation and retrenchment should be fair to all employees, regardless with their age, race, gender, and religion and so on.

Employees who suffered the workplace discrimination will assume and feel the signal of no career prospects in the organizations they work for. They are less likely to perform in daily works and de-motivated to stay with the organization. The absenteeism for the disloyal employees could be high and incur extra costs for the organization. Thus, the fair workplace policies and administration plays a significant role to ensure the equitable career opportunities for all employees, based on their performance and productivity. There should be no favoritism in workplace.

The assumption for the research assumes that salary and wages factors are excluded in building employee loyalty. This is because the monetary factors could increase the probability for employees to stay with the organization, regardless with the employee loyalty. Sometime, an employee intended to leave the employer, but employer tends to retain the employee with increment in salary. Employee stays with the organization due to the increased salary, but nothing to do with the employee loyalty. The employee will eventually leave the organization in the future if there are opportunities and offers from other potential employers. Monetary factors could lead to conflict in examining the relation between independent variables and dependent variable.

Chapter 2:

Literature review

2.1 Workplace discrimination

Unlawful discrimination was defined as "unfair actions that disallow the opportunity for individuals or groups of people to have equal treatment" (Allport, 1954). These unfair discriminations are normally based on personal characteristics such as race, sex, religion, national origin, age, disability, and veteran status that are irrelevant for employment decisions (Dipboye & Colella, 2005).

When employee treated unfairly or unfavorably by employers due to their legally protected or personal characteristics, it is classified as workplace discrimination. Discrimination in work-related areas, such as unfair in recruitment and selection, and individual's promotion, performance evaluations, training and development program, remuneration and dismissal. An individual should not be treated differently from other peers, as this violates Equal Employment Opportunity (EEO) laws. Furthermore, if such different treatment is not implemented across peers and regardless with the job performance, it could be unlawful. Workplace discrimination could be legally bounded, but unfair to certain groups of employees.

source?

An organization's success highly relies on quality employees who are dedicated, qualified and experienced in order to achieve it aimed goals. Free working

environment and organization culture is contributing to the successful. Working environments which is free from discrimination allows human capital the opportunity to plan and develop their desirable career. At the same time, workplace discrimination would also happen and encourage the wage gap among different groups of employees.

could

Yeung (2003) stated that workplace discrimination would happen more frequently when an individual is influenced by external issues like global economic downturn. He also stated that an individual would change his or her during economic strife. At the same time, the employers are unlikely to recruit job applicant from minority groups when the global economic is less competitive. The limited opportunity for job and employment would create job pressure among peers and employees, and make the people from minority groups become less likely to be concerned, King (2008).

Coleman and Sharpe (2001) viewed that all the black employees contributes to their employers hope their peers and employers could treat them fairly and with no prejudice. Indeed, every job applicant is entitled for fair treatment in job application, promotion and compensation as well. Employers don't have to implement the same treatments to their entire workforce, as long as they can provide the justifiable reasons. Employers are required by laws to provide the equal employment opportunities and apply the same practices towards all employees.

2.2 Career advancement

2.2.1 Experience and age discrimination

Experience discrimination normally happened with ageism. When applicants for jobs go for interviews, those in hiring positions could criticize certain applicants who have insufficient working experience in related fields, so the hiring position are less likely to hire them. Some time job applicants are over qualified and not really suitable for the position offered.

Besides, some applicants may get the feedback from those in hiring positions stated they are young and may not be able to hold the position with higher authority as well as responsibility. Furthermore, some job applicants are criticized to be too old and should not be hired because hiring them is not good investment for long run.

Experience and age of an individual job applicant are now become the argumentative issues in hiring or promotion. The previous experience of an applicant in particular industry may have some added value to the job roles, but the expected performance of the said applicant is more importance than his or her experience and age in this fast changing age.

It is against the industry law when anyone in hiring position discriminates employees based on their age. Age discrimination are normally happen indirectly, and not easy to be identified. It is very difficult to prevent age discrimination. These would encourage the intimidating and unfriendly workplace towards employees who are older. These will create negative impact on their morale, work performance, and advancement opportunities.

same

By understanding and identifying the nature of potential problems, the management within an organization could avoid such unfair violence in the workplace. Management should initiate the non discriminatory policies and disciplinary action will be taken against violators. Promoting non discriminatory work culture, review the recruiting and selecting processes, and training and development could be effective in providing supportive management for older employees.

The training program with objectives to promote fairness workplace is effective to draw employee attention and reduce the discriminatory practices. These training sessions should be encouraged and employees from all level should be involved. Management should encourage employees to launch a complaint or report to management when workplace discrimination occurs. The entire workforce is responsible and obligated to do so in order to reduce the workplace discrimination.

For example, a younger employee would not necessary stay with the employers for longer period as compared to the older employees. Furthermore, the salary and compensation of an employee must not be based on the age. The employers should evaluate and emphasize the skills and ability of employees instead of the ages. Employers could use the mixed-age interview panels to ensure the fair recruitment and selection process whenever possible. Job-related questions asked helps to minimize and eliminate the prejudice against an individual's personal characteristics. The structured questionnaire may better access to an employee's skill and ability during evaluating process. Applying the same procedures to all job applicants and employees during evaluation and appraisal process will enhance the reliability to get the right person for the positions.

2.2.2 Minority status

The globalization make the world become smaller. Many organizations hire and include the talented employees around the world, regardless of their personal characteristics, such as country of origin. Jackson et al (2003) and Milliken & Martins (1996) highlighted that employers does not aware about the reason of inharmonic workplace. For example, 2 organizations which hire minority employees could have significant difference in interethnic relations. Perfect competition market determined by a free of government intervention that encouraging a free competition. Participants in the free competitive market including employees and corporations have to face the rapid competition among each other. This contributes to the mobility of professions from various countries to work in foreign countries and cause the ethnically diverse workplace.

Liberalized and privatized market could be dominated by just a few giant companies and majority groups of population. In this circumstance, the minority group of employees could be ignored and lack of fair competitiveness. They are categorized by general public as minority employees due to their race, religion, nationality and so on. Besides, their benefits and welfare may be intentionally minimized and ignored.

Most of the countries introduce the quota share to protect the categorized minority groups. A quota share is a specified percentage or number of the allotment as a whole which is assigned to each organization. They enjoy the special welfare and rights which are not entitled for majority group of employees. For example, the Malaysia government announced the Quota Policy to force the foreign business entities which operate in Malaysia have to hire a specific portion of Bumiputra.

Minority refers to any group of people, which is characteristically different than the dominant group in the aspects of political power, employment, residential status, education level, and wealth status. Take the example of education, a company that has 30 marketers that possess Bachelor degree in marketing and 3 admin clerks that possess only a high school graduate certificate created an opportunity of discrimination. And such, it often leads to diversification of treatments that the management gives to. Example would be the allowances and benefits that given out on top of their basic salary because the unsatisfactory of minority will create only less negative impact in the organization.

The discrimination against the minority employees could be based on prejudice of an individual, regardless with their job performance and contributions. Unequal and inaccessible social structures will trigger indirect occurrence of it as well.

AICPA (1996) defined few characteristics of minority employees. The minority employees suffer workplace discrimination all the time and being subordinated. Their physical appearance or cultural background which are different from dominant groups, are the key contribution factors of discrimination. The dominant groups would refuse to acknowledge the minority groups as peers, as they do not belong or share the common characteristics with the dominant groups.

Sociologist Louis Wirth defined minority employee are those who are singled out or differentiated from the majority groups of people. Their physical appearances are not same as dominant groups, and they are from different cultural background. These discourage them to be accepted by the majority groups of people. They are treated differently as compared to dominant groups and equal opportunity is not