

Give priority to the newcomers when hiring, say experts

PETALING JAYA: While older folks and retirees opt to continue working, the big question that arises is: what does the younger generation do?

Many experts say the young ones should be the priority when it comes to hiring.

Universiti Malaysia Perlis' economic expert, Dr Mohd Shahidan Shaari, said allowing senior citizens to work might lead to a rise in the unemployment rate.

"According to studies, as many as 733,000 people were unemployed last year. There were 15,797,200 people in the labour force, and only 15,064,200 people were employed. This economic condition does not permit more senior citizens to participate in the job market.

"If we turn a blind eye and allow them to continue working, the unemployment rate may rise," he said.

"Some cannot adapt to life after retirement, so they seek jobs that do not require a lot of physical activity, such as security officers at hospitals and schools," he said.

However, he cautioned that workers' productivity peak at between 35 and 44, suggesting that workers who were older were less productive. If they keep on working, it may affect economic growth.

"Besides, the likelihood of suffering from diseases is also greater," he said.

He added that this was not the case in some sectors, such as lecturing, policy making and management as experienced workers were still needed in the job market.

"In my opinion, due to the high unemployment rate, the younger generation should take precedence. Let them build their new lives.

As of May, the Statistics Department revealed that the country's unemployment rate stood at 3.9% (637,700).

Human resource expert Koljit Singh said priority must be given to potential and competent young candidates, although seniors had a critical role in an organisation.

"It's good to have a blend of experienced seniors and young blood in any organisation for business continuity, but this will only come with a healthy work environment.

"Retaining retirees can help in terms of knowledge retention. Graduates may have certain knowledge and innovative thinking but not the skills that seniors have.

"As much as we want to fill the position with young, energetic individuals, we must also acknowledge the importance of age diversity to maximise the potential of an organisation," he said.

In October 2021, the country's **chief statistician, Datuk Seri Dr Mohd Uzir Mahidin**, pointed out that Malaysia was forecast to become an ageing nation earlier than projected, with the elderly population – aged 60 and above – expected to reach 15.3% by 2030.

A World Bank report in 2018 noted that the low retirement age in Malaysia and high life expectancy will lead to a life expectancy-pension gap of 19.2 years in Malaysia – higher than in other countries in the region.

“There is a lack of pension coverage as only half of those in the labour force are contributing to EPF, leaving the other half without old-age pension coverage. Financial awareness for retirement in Malaysia is low,” said the report.

In 2021, Malaysia's population of 60 years and above increased to 3.6 million (11.2%) as compared to 3.5 million (10.7%) in 2020.

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