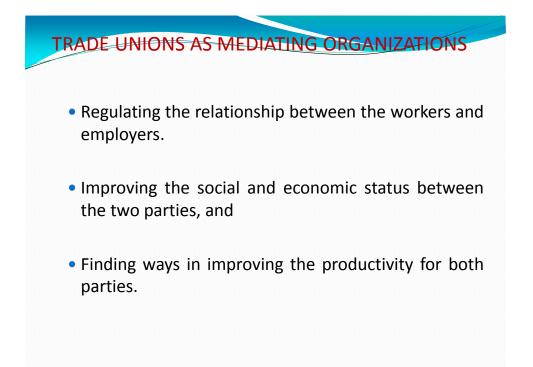


Transformasi Kesatuan Sekerja Dalam Pembangunan Negara

Konvensyen Kesatuan Sekerja Riverside Majestic 30 April 2015 Kuching, Sarawak

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Number of Workforce, Trade Unions and Employees Covered, Malaysia 2005 -2014

Workforce , Unions and employees' covered	2005	2006	2007	2008	2009
Total number of labour force employed ('000)	10,043.7	10,275.4	10,538.1	10,659.6	10,897.3
Number trade unions	621	631	642	659	680
Number of employees covered	761,160	801,585	803,212	805,565	806,860
Jnions density	7.5 %	7.8 %	7.6 %	7.6%	7.4 %

Source: Department of Trade Unions Affairs; Department of Statistics

Trade unions density in Malaysia

Number of Workforce, Trade Unions and Employees Covered, Malaysia 2005 -2014

Workforce , Unions and employees' covered	2010	2011	2012	2013	2014
Total number of labour force employed ('000)	11,899.5	12,284.4	12,723.2	13,210.0	13,532.1
Number trade unions	690	697	690	706	735
Number of employees covered	803,289	800,171	889,718	914,677	930,512
Unions density	6.7 %	6.5%	7%	7%	6.9%

Source: Department of Trade Unions Affairs; Department of Statistics



FROM MANUFACTURING TO SERVICES INDUSTRY

- Union membership is influenced by the structure of labour force, including the type of job, industry and socioeconomic demography.
- Historically, union membership is high in manufacturing sectors while the service sector comprises only a small entity in union memberships (Salamon, 2010).
- The challenge to trade unions in Malaysia will be identifying the appropriate measures to align their presence along with the vision of the nation to achieve high income country by 2020.

FROM MANUFACTURING TO SERVICES INDUSTRY

Services industry and knowledge workers will be the main driving force towards building sustainable Malaysian economic development.

- In 2012 services industry contributes 54.6% to GDP (Dept. of Statistics, 2013) and is targeted to increase to 59% by the year 2020 (Economic Planning Unit, 2014).
- According to Wills (2005), the private sector services particularly the hotel industry has been facing very low rates of unionisation in the UK due to the nature of employment such as fixed term contract, outsourcing, part time, casual as well as high turnover rate.

FROM MANUFACTURING TO SERVICES INDUSTRY

In one of the interviews conducted by Wills (2005) with a union activist the following response indicated the degree of difficulties faced during organizing campaign by the union in one of the popular hotels in London;

'Beyond the centres of skill in management, engineering and the kitchen, the hotels have the "CV tourists" who have come to London for 6 months or so to learn the language and get the Dorchester or the Savoy or somewhere like that on their CV...then there are the "traveller tourists", the Australians, the New Zealanders, people who just want 2 or 3 months in the hotel industry. Then you get students who are at university here, they are doing a few hours a week to help pay their way in a very expensive city. Then there are those who are working part-time, it is not their main work, but they do banqueting and things. Then there are the contract workers who come in during the night. They do the dirty work and we never see them...They are all mobile and they don't really have any interest in organising'

(Quoted from interview transcript of Wills 2005)

FROM MANUFACTURING TO SERVICE INDUSTRY

- Similarly findings from Bist (2010) indicated that although unions have found roots in the service industry (IT), it was highly difficult given the nature of the job, employers' resistance and highly internationalized feature of the industry.
- A survey conducted among 800 employees in the IT companies in India, however, found that 67% of the employees were in favour of organized trade unions. They indicated that trade unions could address concerns related to their job and work environment such as long working hours, high stress level, denial of annual leaves and wage differential across companies.

EMERGENCE OF A KNOWLEDGE-BASED ECONOMY

The knowledge economy comprises a better-informed and highly educated labour force as the government invests more on human development (EPU, 2015).

- □ The K-economy has changed the nature of the relationship between employers and employees with lesser emphasis on stable or lifelong employment (Mustapha & Abdullah 2004).
- As Malaysia moves towards K-economy it creates a new generation of employees whose occupations are mostly in the professional, technical, administrative and managerial categories (Syed Ahmad, 2002).
- Demand for engineers, and technicians in mechanical, electrical and IT will be greater as low skilled and routine jobs are being replaced with automation.

	2	013	2014	
INDUSTRY	NUMBER	MEMBERSHIP	NUMBER	MEMBERSHIP
AGRICULTURE, FORESTRY AND FISHING	51	73,901	53	75,357
MINING AND QUARRYING	3	961	4	96
MANUFACTURING	161	95,306	172	96,990
ELECTRICITY,GAS,STEAM AND AIR Conditioning supply	18	43,840	18	44,435
WATER SUPPLY,SEWERAGE,WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	17	9,134	22	9,186
CONSTRUCTION	7	2,729	7	2,340
WHOLESALE AND RETAIL TRADE, REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	34	43,897	35	39,853
TRANSPORTATION AND STORAGE	78	47,492	81	49,468

NUMBER OF TRADE UNION BY INDUSTRY IN MALAYSIA 2013-2014

Source : Department of Trade Unions Affair, 2015

NUMBER OF TRADE UNION BY INDUSTRY IN MALAYSIA 2013-2014								
INDUSTRY	20	013	2014					
	NUMBER	MEMBERSHIP	NUMBER	MEMBERSHIP				
ACCOMODATION AND FOOD SERVICE ACTIVITIES	17	14,492	18	13,526				
INFORMATION AND COMMUNICATION	26	14,227	28	14,347				
FINANCIAL AND INSURANCE/TAKAFUL ACTIVITIES	47	54,013	47	43,204				
REAL ESTATE ACTIVITIES	7	181	7	272				
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3	3,249	3	3,319				
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	14	1,184	15	995				
PUBLIC ADMINISTRATION AND DEFENCE, COMPULSORY SOCIAL SECURITY	119	124,208	122	127,033				
EDUCATION	57	330,582	58 5	340,625				
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	43	64,084	41	67,895				
ART, ENTERTAINMENT AND RECREATION	3	91	5	84				
OTHER SERVICE ACTIVITIES	1	106	2	111				
TOTAL	706	914,677	731	930,002				

Source : Department of Trade Unions Affair, 2015

WOMEN, LABOUR FORCE AND PROPENSITY TO JOIN UNIONS

- Feminist authors tend to believe that women are less likely to join a union compare to men (see Sinclair, 1995; Walters, 2002).
 - Nonetheless, other studies have shown that low rate of trade union membership among women is not due to women being less inclined to join a trade union, but to the fact that they are concentrated in sectors where the rates of trade union membership are low such as part time and services sectors (Salamon, 2010).
 - Kirton (2005) found that four key influences on women's propensity to join and participate in trade unions are family background, union experiences, work experiences and feminism.

WOMEN, LABOUR FORCE AND PROPENSITY TO JOIN UNIONS

- Although in Malaysia women represent 48.2% of working age population, it only account 36% of the labour force.
- The World Bank Report stated that female labour force participation rate in Malaysia was 47.9% in 2011 well below the average of other East Asia and Pacific countries.
- A study conducted by UNDP estimated that 55% of women will be in the workforce by 2015. This poses greater challenges to unions' participation among women in Malaysia in many years to come.

UNIONS PRESENCE IN THE MALAYSIAN PUBLIC SECTOR

- The public sector unions represent nearly 35% of the total unions registered in Malaysia. Taking this into consideration the density of unions in the private sector could even be much lower.
 - Public sector managers were more likely to have favourable attitudes towards trade unions than the private sector and were less likely to view union activity as detrimental to the organisation's economic interest (Mamman and Rees, 2005).
 - Despite facing various constraints, trade unions in the public sector in Malaysia have been able to perform their functions to benefit their members.
 - Time-Based Promotions-National Union of Teaching Profession Malaysia (NUTP) Union.

					_				
ſ	NUMBER OF TRADE UNION BY SECTOR IN MALAYSIA 2014 - FEB 2015								
	SECTOR TRADE UNION MEMBERSHIP								
		2014	2015 (FEB)	2014	2015 (FEB)				
	GOVERNMENT	144	145	437,302	471,751				
	PRIVATE	464	481	381,839	375,852				
	STATUTORY BODY	100	105	79,680	82,399				
	TOTAL	708	731	898,821	930,002				

Source : Department of Trade Unions Affair, 2015



- Social values determine the way government reacts to trade unions through the formulation of laws and regulations (Salamon, 2000).
- Adam and Markey, 1997 argued that the overall behaviour of government may have greater effects on industrial relations than the specifics of any piece of legislation.
- There are clear differences between the rights of private sector unions and the public sector union in Malaysia as found in the Trade Unions Act 1959.

SOCIAL VALUES AND TRADE UNION

- It has been proposed that the government policy to exclude public sector and statutory authority from Part II to Part VI of the Industrial Relations Act 1967 be reviewed (Department of Industrial Relations 2012).
- Trade unions need to be able to influence the policies adopted by employers and governments to remain relevant (Ramasamy, 2008).

Trade unions in Malaysia need to reassess their roles beyond its usual traditional role.

SOCIAL VALUES AND TRADE UNIONS

- Van et al. 2011 noted that the Ghent system contributed to a high rate of unionism in Denmark, Finland and Sweden although being skeptical that it would cure declining union density in many parts of the world.
- Malaysia has since 2011 worked on laying the foundation for unemployment insurance to strengthen the social safety net and protect the unemployed (ETP Annual Report 2013).
- Will trade unions in Malaysia be able to collaborate in implementing this welfare system Malaysia.







- Management strategies play an important role in determining levels of unionisation.
- The contemporary HRM approach encourages enterprise bargaining (i.e. wage and working conditions negotiated at the level of individual organisations), thus reduce the need for unionisation among workers or even disregarding unionisation altogether.
- Machin & Wood (2005) however found no evidence to support that HRM strategies as an important factor underpinning union decline in Britain.

MANAGEMENT STRATEGIES AND TRADE UNIONS

-Mamman and Rees (2005) found that although all categories of managers have favourable attitudes to trade unions, the majority of them did not agree that trade unions act in organisations' economic interests.

14.9% respondents agreed that employers display a positive attitude towards unions while 56.5% were not sure whether their employers being negative towards their union (Che Rose, Kumar & Ramasamy, 2011)

"Nothing in any contract of service shall in any manner restrict the right...to participate in the activities of a registered trade union, whether as an officer of such union or otherwise..."

> Non-Metallic Mineral Product Manufacturing Employees Union & Ors vs. South East Asia Fire Bricks Sdn Bhd [1976] 1 LNS 85:

MANAGEMENT STRATEGIES AND TRADE UNIONS

"Under such circumstances, it is difficult for us to believe that the transfer was bone fide. It was designed to frustrate the Honourable Minister's orders of recognition. We, therefore, hold that the transfer is mala fide in nature and should be struck down as such".

Soon Seng Cement Products Sdn. Bhd & Anor. V. Non-metallic Mineral Products Manufacturing Employees"s Union [1996] 1 ILR 414

'The United Auto Workers is ratcheting up pressure on Nissan in the hopes it may finally succeed at organizing the Japanese automaker's plant in the typically anti-union southern US state of Mississippi. It has taken its campaign to the world stage in a bid to pressure Nissan to cease what the UAW has called unionbusting tactics'.

New Straits Times, 05 March 2014

CHARACTERISTICS OF UNION AND STRATEGIES Union strategies, policies and leadership also contribute to the increase and decrease in unionization among workers. As the primary role of trade unions is to represent the workers in ensuring their welfare is safeguarded, union members expect leadership style to be consistent with meeting unions' policies and objectives. Union leaders are capable of conditioning and influencing the ideology of their members.

Union Leaderhip-Code of Conduct for Industrial Harmony

Trade Union should have:

- Effective officials.
- Have good communication skills.
- Conduct regular meetings and active members' participation.
- Have effective procedures for dispute settlement.

In Malaysia, however some trade unions are seen as being weak, devided and practice confrontational politics. leadership crisis/inability to settle differences (Ramasamy, 2012).

CHARACTERISTICS OF UNION AND STRATEGIES

Unions in Malaysia need to reflect its primary roles in representing workers who are in need as a strategy to win their trust.

'Another reason is to get compensation. I can say that nearly 75 percent of the claimant does not genuinely want reinstatement. They come here under the influence of the union, for example It could be from what we call a runner who is a third party such as lawyers or ex-claimant or union leaders. We can know their intention during or before the conciliation'.

'Normally when the workers are represented by the unionthey are not interested to be reinstated; the representative will say, 'you keep quiet, let me talk on behalf of you in the conciliation process'

(Quoted from two interviewees responses, Eden, 2012)

Comparison of Unions' Strategy								
Dimensions	SPPI -Indonesia	Posco-Malaysia						
Union goals	emphasised the employment- security oriented goals as the highest importance followed by economic							
Union methods	collective bargaining, political lobby and rallies, arbitrations	collective bargaining and agreement, political lobby						
Union tactics	 traditional (meetings, industrial action) organising (ICT use, new issues, training) servicing (advocacy, cooperation, shopping cards) partnership (JCC, participates in program and budget meetings) external relations(affiliates to national federation, meetings with other unions) 	 Traditional(meetings) organising training) servicing advocacy, gathering, work-related benefits) Partnership (JCC) external relations (affiliates to international federation, attends national federation activities) 						
Levels of strategy- making	national and regional annual meetings; centralised decision for strategic policies	national and regional annual meetings; centralised decision for strategic policies						
Satrya & Parasuraman, 2007								



Way Forward: Redefining the role of Trade Unions in line with National Development Policies

80 Wage negotiations through National Wages Council

Higher wages would not affect Singapore competitiveness as skills and productivity of workers increase proportionately.

Embarked on Skills Development Programme to help workers increase their skills

Coordinate with Singapore Development Fund (SDF) to train workers

NTUC set up its own training department to train workers who were not eligible under SDF or those not trained by employers.

>>> Work together with affiliated unions to upgrade workers' skill.

Way Forward: Redefining the role of Trade Unions in line with National Development Policies

 Unions' strategy was to help companies to be competitive and profitable which encouraged them to remain in Singapore resulting in:

>>> Higher wages with more jobs available.

©Greater cooperation between unions and employers.

bonus payment to match company and industry's performance (minimum of one month bonus and up to 5-9 months bonus per year.

➣Flexible wage system.

Way Forward: Redefining the role of Trade Unions in line with National Development Policies

>> Priority on employability rather than employment security.

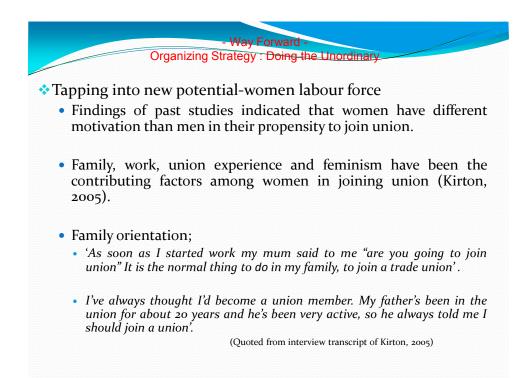
>>> Lesser focus on of life-long employment.

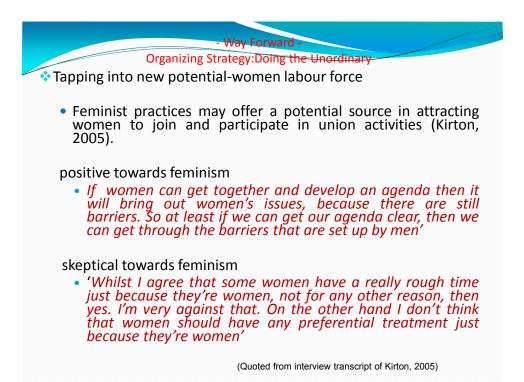
©Greater workers' mobility within industry/job/company.

>> Provide certification for skill training and upgrading.

- Collaborate with Economic Development Board and training agencies to train workers (whom are at the risk of redundancy).
- **Skills** training are tailored to meet specific industry's needs.
- ≈ Reaching out to workers in the SMEs through NTUC and affiliated Unions' training center.
- ≥ Sought early consultations with employers (minimizing and finding alternatives to retrenchment).



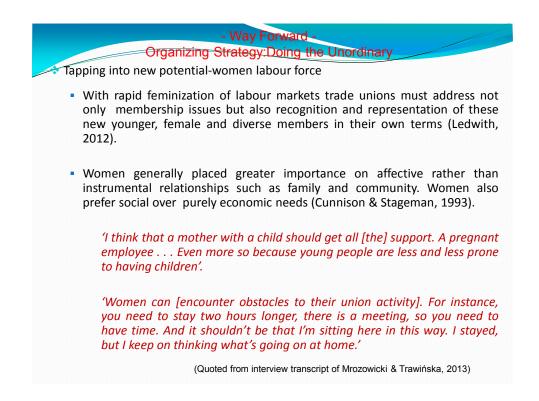


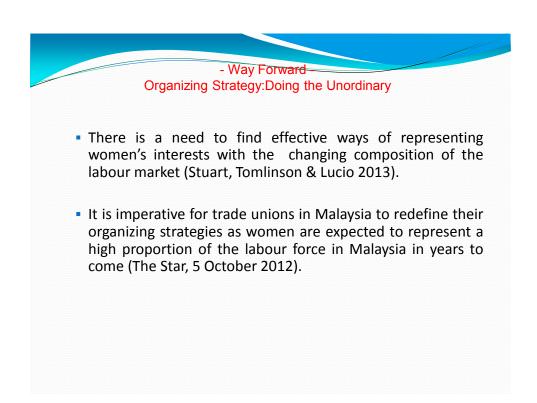


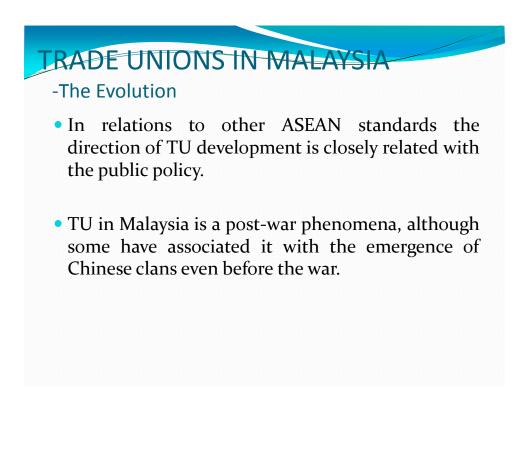
LABOUR FORCE AND TRADE UNION MEMBERSHIP BY GENDER MALAYSIA 2008-2012

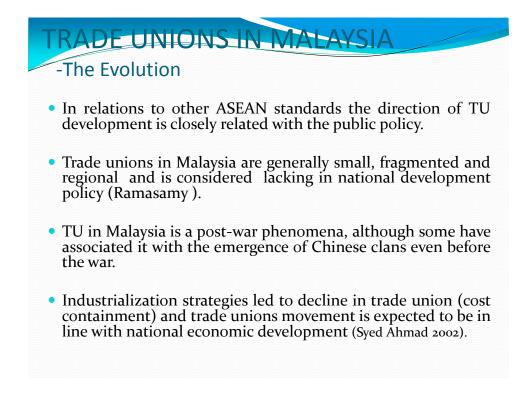
YEAR	Male Labour Force	Female Labour Force	NUMBERS OF TRADE		MEMBERSHIP		
	10100		UNION	MALE	FEMALE	TOTAL	
2008	7,074.6	3,953.5	659	486,978	318,587	805,565	
2009	7,218.1	4,097.2	680	487,679	319,181	806,860	
2010	7,955.5	4,348.4	690	485,747	317,542	803,289	
2011	8,129.5	4,546.3	697	482,653	317,518	800,171	
2012	8,338.8	4,780.7	690	515,664	374,054	889,718	
2013	8,485.4	5,149.2	706	520,972	377,849	898,821	
2014	8,577.6	5,354.0	731	527,195	402,807	930,002	

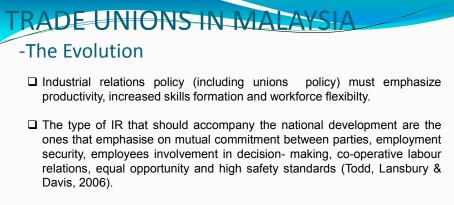
Source : Source : Department of Statistics, Malaysia











- □ Young workers are more concern with issues such as rights at the workplace, work life balance, voice in decision making, democracy and transparency than just 'bread and butter issues hence, union must devise and negotiate new base of solidarity (Syed Ahmad 2002; Ramasamy, 2008).
- □ Failure to organise beyond traditional sectors led to decline in union density in Malaysia (Ramasamy, 2008).

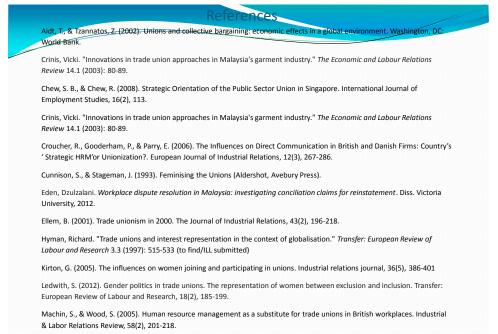
TRADE UNIONS IN MALAYSIA -The Recommendations:

- Organizational restructuring by capitalizing on economies of scale.
 - Merger.
 - Internal reorganization.
 - Eliminating inter-union competition and division.
- Redefining economic function of trade unions.
 - Emphasising on productivity and work quality.
 - Promoting decent but competitive wage to match the industry/firm's ability to pay.
 - Provisions for renegotiations particularly during economic slowdown.
 - Balancing between wage increase and job prospect.



TRADE UNIONS IN MALAYSIA The Recommendations:

- Engaging in community service (CSR).
 - Greater public support
 - Strengthening solidarity
- Partnership with employers.
 - May help in protecting or developing bargaining institution.
 - To pursue a new kind of interest.
- Strengthening international linkages.
 - Exchange of information about new technology and work process.
 - Mobilization of members.
 - Enhancing bargaining power.



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