

**THE WAY FORWARD  
TO MANAGING  
INDUSTRIAL HARMONY  
IN MALAYSIA**

**EMPLOYEE / UNION  
RELATIONSHIP**

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# EMPLOYER / UNION RELATIONSHIP

Historically this relationship is founded on

rights and privileges.

obvious when you look at:

- 1) Industrial Relations Act 1967  
and
- 2) Trade Union Act 1955

# “THE UNION”

THE TERM BRINGS:

- DISLIKE
- HATRED
- SEEN AS TROUBLEMAKERS
- ETC.

# MANAGEMENT

- SEEN AS OPPRESSIVE
- UNCARING
- PROFIT MOTIVATED
- ETC.

**IS THIS TRUE**

# 1) TRADE UNION ACT 1946-1956

**PURPOSE:** An Act relating to Trade Unions

## HIGHLIGHTS:

1) Definition: Trade Union means “.....” having among its objects one or more of the following objects – (5 objects).

# OBJECTIVE

- VERY NOBLE
- SEEMS SUPPORTIVE
- VERY RESPONSIBLE
- CARES FOR PRODUCTIVITY

# SIMILARLY COMPANIES

- EMPLOYMENT NOBLE
- COMPANIES CARE
- EMPLOYER OF CHOICE
- SUPPORTS EMPLOYEE DEVELOPMENT

# WHERE IS THE PROBLEM FOR POOR INDUSTRIAL HARMONY

TRI PARTY SYSTEM -GOOD  
OUR LEGISLATIONS -GOOD  
MINISTRY OF HR -GOOD

# THE OBSERVATION

# EMPLOYER / UNION RELATIONSHIP

- is built on rights and privileges.
- Is built on a negative setting
- Has inbuilt disputes

# TODAY'S EMPLOYER / UNION RELATIONSHIP HAS TO CHANGE

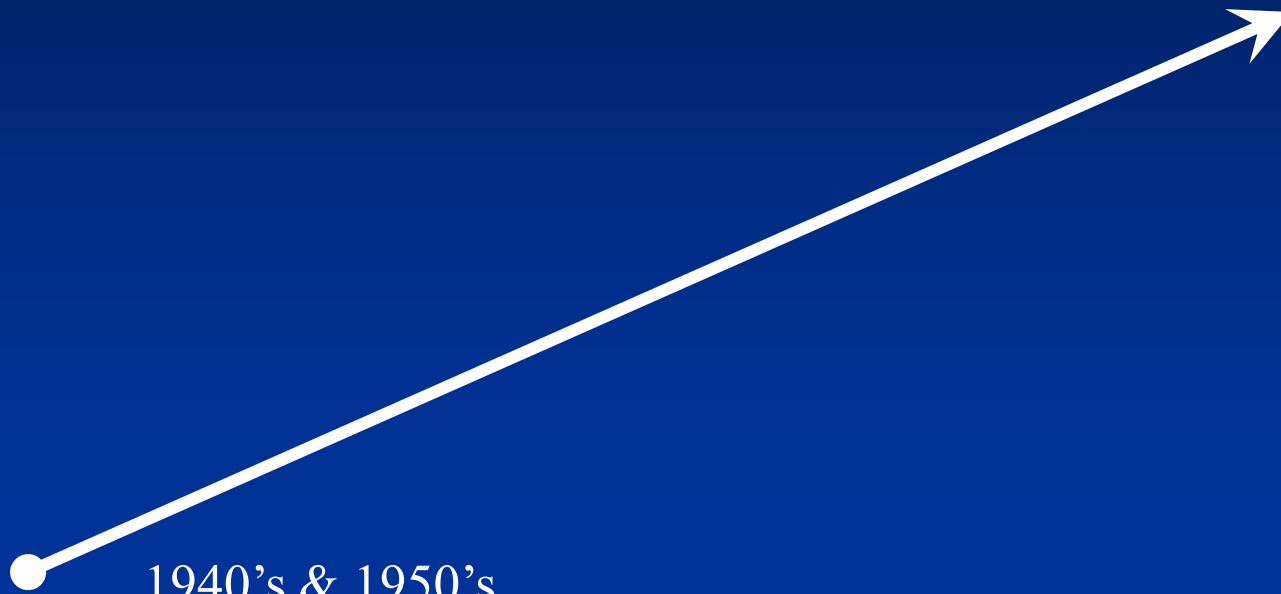
# NEW RELATIONSHIP NEEDED

- Economic development is intense
- Competition has become Global
- Productivity and costs is a concern
- Urgent need for shift from rights and privileges
- Employees' needs be must met
- Organization goals must be achieved
- A balance is required
- A new vision is needed for the relationship

# THE FOUNDATION OF THE PAST AND THE VISION OF THE FUTURE



Therefore the Legislation that provides rights and privileges cannot be stretched to meet the new vision of employees and employer



1940's & 1950's  
LABOUR LEGISLATION-  
RIGHTS & PRIVILIGES

# CASE STUDY 1 – RIGHTS COMPANY ‘A’

- FACTS: 30YRS, MULTINATIONAL,  
PROFITABLE & COMPETITIVE
- ISSUES: CA, REST DAY
- RELATIONSHIP: UNCOMPROMISING
- LEGAL BATTLE
- VERDICT REACHED: NO DEMAND

# CASE STUDY 2 - 'MSC' COMPANY 'B'

- **FACTS: 40 YRS, LARGE,  
LOSING PROFITS**
- **ISSUES: CA, CHANGES-JOB /PRODUCT**
- **RELATIONSHIP: UNDERSTANDING  
AND OPEN**
- **FINAL: BUSINESS SUCCESS**

# OBSERVATION

- BOTH ISSUES ON CHANGES
- BOTH AFFECTED TOTAL WORKFORCE
- BOTH FOR NEEDS OF BUSINESS

## DIFFERENCES

IN 'A'-PARTIES CLOSE MIND

-REFUSE TO SHIFT

-REFUSE THE NEEDS

IN 'B' -OPPOSITE

# CASE STUDY 3 - COMPANY 'C'

- **FACTS:** 30Years, 500 WORKFORCE, LOSING PROFITS - 3Years
- **ISSUES:** 7<sup>TH</sup> CA RENEWAL, UNION 8%+BEN.(30%); MANAGEMENT MAINTAIN OR CLOSURE
- **RELATIONSHIP:** ON RIGHTS, MATTER REFERRED
- **SETTLEMENT:** 5% ADJUSTMENT, COMPANY CLOSED 6MONTHS LATER.

# CASE STUDY 4 - COMPANY 'D'

- **FACTS: SUB. OF MULTINATIONAL,  
15 YRS, SMALL WORKFORCE,  
LOSING PROFITS LAST 2YRS**
- **ISSUE: 4<sup>TH</sup> CA, UNION:10% ADJ + IMP.BEN;  
MGT.4.5% AND KIV BEN. UNTIL 'BLUE'**
- **RELATIONSHIP: RIGHTS ASIDE / OPEN  
MIND**
- **SETTLEMENT: 4.5% ADJ AND 1YR  
LATER BENEFITS  
IMPROVED**

# OBSERVATION

- BOTH ISSUES ON CA'S
- BOTH AFFECTS EMPLOYEES
- BOTH FOR NEEDS OF BUSINESS

## DIFFERENCE

- ATTITUDES OF PARTIES
- ONE 'KILLED' BUSINESS AND EMPLOYMENT
- OTHER 'HELPED' BUSINESS AND EMPLOYMENT

# TO MEET THE SHIFT – DYNAMIC CHANGE IS REQUIRED

- Change in the Legislation itself is not enough.
- Code of Conduct is insufficient.
- Change in the mindset of professionals involve in Employers / Union relationship is necessary.

1. Need to shift from the base of rights and privileges to the achievement of needs of people Company, and nation.

2. A common vision must be struck in the relationship.

3. A common objective and purpose must be set.

❖ All these calls for innovation, understanding and visionary professionals in managing Industrial Relations (in both Employers and Union Leaders).

# CONCLUSION

**HARMONIOUS EMPLOYER/EMPLOYEE  
RELATIONS NOT DEPENDANT ON:**

- **LEGISLATION**
- **OR MINISTRY**
- **OR ORGANIZATIONS LIKE MEF/MTUC AND  
ETC.**

**BUT ON YOU AND WITH YOU PARTIES**

# CHAIRMAN OF UK ROYAL MAIL

- **ALAN LEIGHTON (QUOTED IN PEOPLE MANAGEMENT MAGAZINE)**
- **TRADE UNIONS HAVE TO MODERNIZE AND SHIFT FROM BEING REACTIVE TO MORE PROACTIVE'**
- **INDUSTRIAL RELATIONS SHOULD NOT BE NEGATIVE BUT ABOUT PROGRESS**
- **UNIONS AND FIRMS SHOULD SHARE THE SAME GOALS**

The end...

THANK YOU