

Employee Participation in Malaysia

THEORY AND PRACTICES



BALAKRISHNAN PARASURAMAN

Employee Participation in Malaysia: Theory and Practices

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Glossary of Abbreviations and Acronyms

AEU	Airlines Employees Union
ASRC	Autoco Sports and Recreation Committee
CCP	Chinese Communist Party
CCR	Cabinet Committee Report
CA	Collective agreement
CB	Collective Bargaining
CFL	Chinese Federation of Labour
CLA	Council of Labour Affairs
CUEPACS	Congress Unions of Employees in Public Sector and Civil Service
DAP	Democratic Action Party
EBAs	Enterprise Bargaining Agreements
ECOP	Employer Confederation of Philippine
EIWU	Electrical Industry Workers Union
EOI	Export-Oriented Industrialisation
EP	Employee Participation
ESS	Employee Suggestion Scheme
EWCs	European Works Councils
GDP	Gross Domestic Product
HIP	Heavy Industry Policy
HICOM	Heavy Industries Corporation of Malaysia
HRM	Human resource management
IR	Industrial Relations
ISA	Internal Security Act
ISI	Import Substitution Industrialisation
JCCs	Joint Consultation Committees
LMCs	Labour-Management Councils
MAPA	Malayan Agricultural Producers Association
MAS	Malaysian Airline System
MASEU	Malaysian Airlines Employees Union, Peninsular Malaysia
MCA	Malaysia Chinese Association
MCBA	Malaya Commercial Banks Association
MCEO	Malayan Council of Employers' Organization
MCP	Malayan Communist Party
MESA	Malaysian Airlines Executive Staff Association
MEOA	Malaysian Estates Owners' Association
MGLU	Malaya General Labour Union
MIEU	Metal Industry Employees Union
MLO	Malaysian Labour Organisation
MNCs	Multinational Corporations
MMEA	Malayan Mining Employers' Association
MSC	Multimedia Super Corridor
MTUC	Malaysian Trade Union Congress
NCCIM	National Chamber of Commerce and Industry of Malaysia
NEP	New Economic Policy

NICs	Newly Industrialised countries
NJCs	National Joint Councils
NST	New Strait Times
NUBE	National Union of Bank Employees
NUPW	National Union of Plantation Workers
NUTW	National Union of Transport Workers
OECD	Organisation for Economic Co-operation and Development
OSHA	Occupational Safety and Health Act
PAS	Malaysian Islamic Party
PAEU	Postal Assistant Executive Union
PSD	Public Services Department
PST	Public Services Tribunal
PSRC	Posco Sports and Recreation Committee
PMGLU	Pan-Malayan General Labour Union
PMFTU	Pan-Malayan Federation of Trade Union
PIO	Pioneer Industry Ordinance
RTU	Registrar of Trade Union
SHC	Safety and Health Committee
SSRC	Steelco Sports and Recreation Committee
TPS	Toyota Production System
UMNO	United Malay National Organisation
UPCW	Union Postal Clerical Workers
UPUS	Union Postal Uniform Services
VSS	Voluntarily Separation Scheme

Prologue

It is with great pleasure that I write the prologue for this important work by my colleague Professor Balakrisham Parasuraman. I have known him and his work for 15 years or more through collaboration in the Workers' Participation Study Group of the International Employment relations Association (ILERA) and from our days together at the University of Wollongong in Australia, where he was my PhD student. Professor Parasuraman has enjoyed a major intellectual impact in his field of employment relations, with his pioneering Malaysian textbook (*Malaysian Industrial Relations: A Critical Analysis*, Pearson Prentice Hall, 2004), and his longstanding contributions to the international community of scholars and practitioners in ILERA. These efforts have placed Professor Parasuraman in the forefront of global debates over industrial relations and human resource management, and brought wide international interest in how these spheres are managed in Malaysian public policy.

In a context of intensified global competition and rapid economic development in a country such as Malaysia, finding the competitive edge at the level of the firm or organization is more important than ever before. At the same time, Malaysia is now transitioning from the early stage of industrialization, where low labour costs are the primary attraction for capital, to a more advanced stage, where value-added production processes and distinctive quality products are more important. In this more advanced stage of development, the contribution of human resources becomes more critical, with an emphasis on skills development and workforce motivation and cooperation, rather than just labour costs. As Malaysia enters this new stage of development, therefore, an emphasis on the human factor in production is moving to the centre of focus for organizational and macro public policy development.

This book is a pathfinding contribution to the theory and practice of employee participation in this Malaysian transition. It could not be more timely because of the major contribution that employee participation in organizational decision-making can make to efficiency through improving communication, tapping employee knowledge, and improving employee morale, motivation and cooperation. Employee participation has also been strongly associated with employee well-being.

Professor Parasuraman's book is a comprehensive contribution which I am confident will have a wide impact in Malaysia and internationally. It is particularly comprehensive in examining the great range of different forms of employee participation in action across case studies that include private and public sector organisations, in manufacturing and service delivery. The studies include consideration of direct participation – work teams, problem solving groups, communication strategies and the like – and representative participation through joint consultation committees and collective bargaining with trade unions. One of the key overall findings, that confirms research elsewhere, is that all of these forms of employee participation are mutually reinforcing and work best when a variety of forms are in place. This means that participative, cooperative cultures generally are critical for organizational efficiency and employee well-being.

This book deserves to be read widely in Malaysia and beyond, and I am sure it will be.

Raymond Markey
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Director of the Centre for Workforce Futures
Macquarie University, Australia
and
Chair, Workers' Participation Study Group
International Labour and Employment Relations Association

CHAPTER 1

INTRODUCTION OF EMPLOYEE PARTICIPATION

“In recent year employee involvement or participation in workplace decision-making has been a major focus of international attention for authors, managers and policymakers alike as they seek means for improving communication and cooperation between management and labour. The concern with employee participation has included direct job-oriented employee involvement through, for example, teamwork and quality circles, as well as representative forms of participation” (Markey, Ray., 2005:2)

1.1. Introduction

From the earliest research in employment relations / industrial relations, there has been a long tradition of investigating the nature and extent to which employees should or could participate in workplace and company affairs. In particular, employee participation (EP), industrial democracy (ID) and employee involvement (EI) have been discussed widely in industrial sociology, industrial relations, organisational behaviour, human resource management and political economy (Blumberg, 1968; Ramsay, 1977; Poole, 1979; Strauss, 1982; Marchington, 1992; Cotton, 1993; Markey, 2001; Poole et al., 2001a; Hyman et al., 2005; Parasuraman, Lim, Furuoka and Jikunan, 2013; Townsend, Wilkinson and Burgess, 2013; Franca & Pahor, 2014; Markey and Knudsen, 2014).

The existence of these terms indicates the manifold ways in which employees might participate. This book joins these long term debates, and indeed aims to contribute to such debates, by exploring critical analytical issues in the scholarly literature, as well as seeking to understand how participation is practised in a successful emergent economy. The empirical study of forms, perceptions, policies and practices in participation in private sector firms in Malaysia in the twenty-first century aims to gain insights from current theoretical frameworks. This book seeks to illuminate ways in which theoretical and analytical frameworks could be modified to take account of the practice and context of employee participation in Malaysian workplaces.

The main characteristics of the common terms noted above and used in the literature employee participation (EP), industrial democracy (ID) and employee involvement (EI) reflect different expectations of what participation might encompass. More recently, as the literature review will demonstrate, debate has often considered to the extent which employees participate, either directly or indirectly through representative organisations. In line with this argument, the next significant question to be asked is whether or not employees (including trade unions) have any capacity to influence management decisions that have impact on workers' working lives. The debates over the influence of employees in management decision will be discussed more detail in the Chapter 2.

It is also important to note that the priorities and conceptualisation of participation have shifted over time. As will be discussed more fully in the literature review, the terminologies of EP have changed through different eras. The early twentieth century, Webb and Webbs (1902) and other

authors like Cole (1971) in the UK studied industrial democracy (ID) in order to determine the capacity of trade unions to influence management decisions. Later in 1960s and 1970s, many authors still used the term ID but interchangeably with EP (Clegg, 1960; Blumberg, 1968; Walker, 1976; Poole, 1979). From the 1980s onwards, the term EP was often discussed under the title of EI due to the emergence and rapid development of human resource management which developed in the US in the 1980s. A second reason for the expansion of the rise of EI as a commonly accepted concept is that from the end of the 1970s, trade unions declined in many OECD-type economies, due to a complex mix of economic, political and social factors (Marchington, 1992). Generally, as will be discussed later, the term employee involvement (EI), refers to practices and policies where employees are involved in programs which have been management initiated and directed. Good examples of EI can be found in quality circles, total quality management, teamwork, 5S and so forth (Hyman & Mason, 1995; Davis, E.M. & Lansbury, R.D., 1996; Benson & Lawler, 2003; Marchington, 2005). Under EI development, the workers have very limited capacity to influence management decisions.

The changes in terminologies of EP in the literature are influenced by many political, economic, and social factors such as those found by Dachler & Wilpert, 1978 (see also Markey, 2001 and Poole et al., 2001a). Most of studies on EP come from the western (OECD) countries, particularly in Western Europe, and the UK. On the other hand there has been very little research undertaken in Asia, including Malaysia which is the focus of this book (Markey, 2006). It has been for all of these reasons that this book investigates why there are direct and indirect forms of (EP) that have been developed and implemented in the Malaysian private sector. Extensive case studies were undertaken in the three selected companies in the different industries in the private sector, which provided significant insights for this research. Moreover, the analytical and theoretical frameworks that have emerged in the broad EP literature in recent years could be tested, and evaluated, in order to identify ways in which insights from non-western experiences of EP can strengthen the models of EP that have been derived from scholarly studies of western (OECD-type) research. In these kind of ways this book seeks to contribute to practices of EP in Malaysia and to the broad international scholarly literature.

This chapter offers an overview of the study. It begins with the background of the study followed by the objectives and significance of the study. This chapter concludes with an outline of the organisation of the book.

1.2. Background of employee participation

The subject of EP in the organisation has attracted a great deal of interest in the literature as has been evident in the extensive research carried out on this subject. (see for example Marchington, 1992; Knudsen, 1995; Davis, E. M. & Lansbury, R. D., 1996b; Markey & Monat, 1997b; Heller et al., 1998; Gill & Krieger, 1999; Markey, R. et al., 2001; Harley et al., 2005b). Many authors have defined EP from different angles. It is not surprising therefore that Marchington and Wilkinson (2005) pointed out that the EP is an elastic term. In relation to this aspect, Strauss (1998) gave some examples by stating some authors may think.

... participation must be a group process, involving groups of employees and their boss, others stress delegation, the process by which the individual employee is given greater freedom to make decisions on his or her own.. Some restrict the term participation to formal institution,

such as works councils; other definitions embrace 'informal participation', the day-to-day relations between supervisors and subordinates in which subordinates are allowed substantial input into work decisions (Strauss, G., 1998:15)

From the above quotation, we can infer that EP deals with the decision making process in the workplace, and with communication between employees and management, either directly or indirectly. Another key issue that the above quotation highlights, is the question 'To what extent employees and their representatives have the capacity to influence their own work or influence management decisions at the company and workplace level?' Further clarification of EP terms will be examined more detail in next chapter.

In the literature on EP, conceptually and in practice, three forms of participation are generally identified, namely financial participation, direct participation and representation or indirect participation, all of which may coexist in the same workplace (Nel, 1984; Knudsen, 1995; Davis, E. M. & Lansbury, R. D., 1996a; Heller et al., 1998; Gill & Krieger, 1999; Markey, 2001). Financial participation happens when employees own all or part of a company. The examples of financial participation is profit sharing or employee share ownership as part of management strategy for improvement of performance and employee commitment to the organisation (Markey, 2001:4). However, Markey (2001) and Poole et al. (2001a), both of whom are highly experienced and widely read EP scholars, have argued that financial participation does not involve participation of employees in the management decision making process, and it is thus conceptually separated. Therefore in this book, financial participation is excluded. Rather the focus here is on direct and indirect forms of participation and the nature and extent of such participation.

Direct participation is normally concerned with task-oriented employee involvement schemes, either through group or individual employees, and includes initiatives such as team briefings, suggestion schemes, teamwork, quality circles and total quality management (Markey, 2001). Direct participation normally takes place at the lower levels of the organisations (Marchington, 2001; Marchington & Wilkinson, 2005).

Indirect participation is established either through statutory rights or on voluntary basis (Markey & Monat, 1997b; Strauss, G., 1998). Indirect EP forms include Works Councils, collective bargaining, joint consultation committees, and employee representation on boards of directors. These forms vary from country to country, but their key feature is the role of representation as a form of EP. In Western European countries such as Germany and Netherlands, Works Councils are one of the most important modes of employee representation. By contrast, in English speaking countries such as Australia, United Kingdom and USA, collective bargaining and joint consultation are the more significant channels of indirect participation.

Many employers are interested in EP because this program can bring many possible benefits to their organisations, such as improved employee morale, increased performance and higher job satisfaction (Likert, 1961; Lunjew, 1994; Wilpert, 1998; Markey, 2001; Markey, 2006). It can also be instrumental in creating satisfied and highly committed employees (Lawler, Mohrman, & Ledford, 1995; Zin, 1998; Marchington, 2001, 2005). These benefits were recognised by Japanese organisation as early as the 1970s (Odaka, 1975).

Strauss (1998:8-10) has also pointed out that there are three rationales for the implementation of EP in the organisations. First, he explored the issue from a humanistic perspective, which is the dominant approach of the industrial and organisational psychologists. From the humanistic perspective, EP is mainly implemented in the organisation to fulfil non-economic desires such as personal growth, selfwork, and self actualisation (Likert, 1961; Wilpert, 1998). In this way, employees are seen to give greatest weight to how much they can influence their own job, rather than how much they will get paid for their job. Vaughan (1983) also supports Wilpert's argument that EP will lead to employee job satisfaction that will eventually increase organisational productivity. Wilpert further explains if employees are satisfied with the nature and organisation of work, and have input in the organisational decision making, then it will lead to their higher motivation that will benefit the company in the long term, in terms of the employees' work performance, and their desire to perform in their job even better in future.

Secondly, Strauss considered EP in terms of the idea of power sharing perspective and democratic principles in the workplace (Strauss, G., 1998; Strauss, 2006). Some scholars interested in this aspect favoured the notion of "industrial democracy" (Pateman, 1970; Poole, 1975; Dachler & Wilpert, 1978; Poole, M., 1986; Strauss, George., 1998a). This has been a long-term area of interest. For example, both Pateman (1970) and Strauss (1998a) have argued that employees or their workplace representatives (e.g. trade union or works councils) are interested in EP because they want to have more power in influencing the organisational decision making. Similarly, Poole et al. (2001a) also stated that employees are more interested in indirect EP, rather than direct, particularly in the Western European countries such as Germany and the Netherlands because employees believed that their collective efforts through trade unions or works councils are more effective than individual methods in influencing or controlling decision making process in the workplace.

On the other hand, if employees are actively involved in EP particularly in direct participation, then employers benefit in terms of productivity, company business performance, and excellent service quality (Cotton, 1993) but the gains for employees or unions are less (Ramsay, 1991; Markowitz, 1996). Drawing on her research in US industry, Markowitz (1996) argued that EP is not beneficial for employees and indeed may create stress as a consequence of increased control by management and less participation in giving ideas in their own work. She also found that it can undermine the influence of the union in the workplace decision making process.

The third rationale that Strauss found, was that EP could contribute significantly to organisational efficiency and performance in organisations. In this context, EP has a positive effect on organisational effectiveness, particularly in terms of strategic decision making, improved communication, and cooperation between management and employees or trade unions. Other labour advocates also found that EP can enhance job performance, commitment, and employee skills in organising their own work (Walton, 1985; Ackers, Marchington, Wilkinson, & Goodman, 1992; Youndt, Snell, Dean, & Lepak, 1996; Addison, Siebert, Wagner, & Wei, 2000; Benson & Lawler, 2003; Preston & Crockett, 2004).

While the above rationales focus on expected outcomes, other scholars seek a more macro perspective. For example, much scholarship explores EP in terms of broader social and economic changes. Thus authors have argued that the implementation of EP in the company and workplace are also based on the cycles of control phenomenon which reflects political and economic pressure

(Ramsay, 1977). Ramsay (1977) argued that EP would increase in organisations when management authority was under challenge. Thus employers will introduce various forms of EP in the organisation in order to regain the support from workers and trade unions when these are strong and growing. Ramsay (1977) observed this phenomenon in the Britain in early twentieth century. During this period, the British employers introduced forms of EP such as joint consultation committees, and profit sharing when they felt their authority was challenged by the unions or workers. By the same token the initiatives of participation will be decreased when the power of labour declines (Ramsay, 1983).

Different macro factors led Lammers and Szell (1989) to seek to identify why EP may ebb and flow. They pointed out that in the 1970s and 1980s macro factors such as economic recession, socio-cultural and political changes also led companies to become more interested in EP. For example, during the economic crisis in the 1970s, employers implemented various forms of EP in order to improve their competitiveness and flexibility in the workplace and also introduced new technologies in the company. The state has also played an important role in terms of introducing labour legislation directed at either promoting or constraining EP in the workplace. For example, under the Conservative Government in UK in 1980s, unions gradually weakened in terms of their power to influence management decision making processes. Anti-union sentiment among employers also spread out during this period due to strong support from the Conservative Government. But this phenomenon changed when the Labour Government in power in late 1990s under the Tony Blair administration (Tailby & Winchester, 2005). The Blair government encouraged the unions to work closely with the employers through cooperation and partnership relationship (Stuart & Lucio, 2005). However, these latter perspectives have been questioned by some authors who have doubted the effectiveness of genuine partnership in the workplace (Ackers, Marchington, Wilkinson, & Dundon, 2005; Hyman, 2005; Edwards, Belanger, & Wright, 2006). Nevertheless, partnership agreements between union and management have expanded in the UK industry in recent years.

Marchington et al. (1993) tended to focus on factors at the level of the firm as being more important in explaining the rise and fall of interest in EP. They also observed that in the 1980s and 1990s, the level of interest in individual forms of EP by companies waxed and waned because of internal attributes. They argued that companies sought to implement various forms of EP due to their own individual management styles, management education, management awareness of the importance of employee commitment and other micro factors at the firm level.

In 2001, Poole et al. (2001a) proposed a favourable conjunctures model for comparative analysis of industrial democracy in which they sought to integrate company level aspects with a range of wider factors. Thus, in the favourable conjunctures model, Poole et al. argued that macro factors such as the role of state, legislation, cultural values and economic matters (which are external to the organisation) will influence the organisation to develop different forms of direct and indirect EP (Poole et al., 2001a:494). Apart from the macro factors, the various forms of EP in the organisation were also seen to be determined by the strategic choices of the state, employers, and unions as well as the power of industrial relations actors. Finally, developments at the firm level such as organisational structure and process of modernisation also affect the establishment of EP forms. In summary, all these factors are interrelated which impact the organisation to develop certain forms of EP. The aspect will be discussed further in Chapter 2.

It is clear then that EP has been fairly well researched in Europe (Hyman & Mason, 1995; Knudsen, 1995; EPOC, 1997; Markey & Monat, 1997b; Gold, 2003; Hyman et al., 2005) and US (Markowitz, 1996; Strauss, G., 1998; Foley & Polanyi, 2006). By contrast, as Markey (2005; 2006), Wimalasari & Kouzmin (2000), Wan & Phee (2001), Wu & Lee (2001) and Erez (1995) have found, research on EP is rather less common in Asia and in developing countries. Given the rate of economic growth and the growing importance of Asian economies, more studies should be conducted in the EP field in order to understand the nature of EP from the Asian countries perspective. Their argument also supported by Gollan and Markey who concluded a major effort is necessary on the part of authors and the International Industrial Relations Association (IIRA) to expand their horizons, particularly to the participative practices of Asia and Africa, if our perspective is to be truly international (2001:341)

The veracity of Gollan and Markey's assertions are evident from any survey of the existing literature in Malaysia, for example, where there have been few studies conducted in this area (Lunjew, 1994; Zin, 1998; Naceur & Varatharajan, 2000). EP in Malaysia has been studied predominantly by authors trained in the organisational behavioural and administrative sciences (Lunjew, 1994; Zin, 1998; Naceur & Varatharajan, 2000). These authors focus the research on EP from an organisational perspective. For example, Zin (1998) studied the relationship between participation in decision making and its impact on organisational commitment in the Public Service Department among non-managerial employees only. Lunjew (1994) and Naceur and Varatharajan (2000) also studied the relationship between participation, job satisfaction and job performance. They all studied EP from the organisational behaviour perspective, generally drawing on quantitative approach.

As well, there has been no detailed research in Malaysia on the reasons that companies have implemented direct and indirect forms of EP in the private sector business organisations. As a result, there is a need to fill this gap by examining why private sector companies in Malaysia have chosen and developed different forms of direct and indirect EP at the firm level.

1.3. The objectives of this book

The main purpose of this book is to explore why different forms of EP (direct and indirect) have developed in different companies in the Malaysian private sector. In the literature review (see Chapter 2), there are many factors such as economic, political, cultural and social elements that can influence the implementation of EP in organisations (Ramsay, 1977; Ackers et al., 1992; Marchington, Goodman, Wilkinson, & Ackers, 1992; Marchington et al., 1993; Knudsen, 1995; Markey, R. et al., 2001; Poole et al., 2001a; Harley et al., 2005b; Marchington, 2005).

Specifically this book attempts to meet the following objectives:

1. to examine the similarities and differences in the objectives of EP from the perspectives of management, union and non-managerial employees.
2. to describe and examine comprehensively direct and indirect forms of EP in three private companies in Malaysia and explain how these forms have operated at the company and workplace level.
3. to determine the factors that explain the nature of EP in three private companies in Malaysia in light of the theoretical literature briefly discussed above and at greater length in the next chapter.

In other words, this book seeks to contribute to the substantive literature by investigating EP in firms in Malaysia, an under-researched area, and to the scholarly literature by testing the Malaysian experience against the current Eurocentric theoretical literature and exploring how models might be adapted.

1.4. Significance of this study

First, in the Malaysian context, there are few studies conducted in EP in the public sector (Lunjew, 1994; Zin, 1998; Naceur & Varatharajan, 2000). Additionally, no studies on EP have been conducted in the Malaysian private sector. This is despite the importance of the private sector which has played a vital role in achieving the nation's long term economic and development goals (Lunjew, 1994; Rasiah, 1995; Ghosh, 1998). Indeed, this book is an opportunity to make a substantial contribution to the Malaysian industrial relations literature.

Second, the findings of the study test current analytical frameworks and show how they are not adequately generalisable to Malaysia. As a consequence, the book offers modifications to a theoretical/ analytical framework which enable broader generalisation.

Third, Gollan and Markey (2001) also argue that, particularly in the Anglophone research, most research evidence of EP is either from surveys, or from company level case studies which focuses on responses from managers or sometimes from unions or works councillors. They believed that there was insufficient focus on non-managerial employees and expressed the hope that in the future more studies on EP should be conducted from the non-managerial employees' perspective, particularly if taken together with perspectives from managers and union representatives. In response to such gaps in the scholarly literature, the author researched EP from the management, union and non-managerial employees' perspectives in each of the case study organisations. Multiple perspectives contribute to reinforce validity and reliability of the research (Yin, 2003; Cepeda & Martin, 2005).

Fourth, the motives for EP in the workplace and company level can be multifactorial and the effects may be real (i.e. genuine participation). In these respects, it is important to understand whether the driving forces for EP are due to organisational efficiency, control, or industrial democracy motives. This study is the first attempt to explore these issues, taking account of the direct and indirect EP forms in three Malaysian private companies. Unpacking the ways in which different forms of EP affect all the parties is important, as is the extent to which these forms provide evidence of effective participation, especially for non-managerial employees.

Fifth, the book also offers practical benefits for companies that attempt to introduce direct and indirect EP. The findings of this study will provide a better understanding of the factors that influence the effectiveness of EP and the role and contribution of management, union, and employees to EP initiatives.

Sixth, the findings of this study will also assist the policymakers, especially within the Ministry of Human Resources Malaysia, to look seriously at EP and perhaps prepare for revising the Code of Conduct for Industrial Harmony 1975 in regards to EP. Based on the evidence in this book, potential revisions may be developed to enhance the current scenario of industrial relations

development in Malaysia. Apart from this Code, the existing labour laws such as the Industrial Relations Act 1967 and Employment Act 1955 have not incorporated EP issues, a gap which deserves closer examination and consideration by policy makers.

In other words, this book will not only contribute to the academic literature on EP in terms of analysis and method, but could also have an impact on the philosophy, policy and practices of EP at the level of the firm, and indeed, nationally through the insights into enhancing the workings of government legislation and the Code of Conduct for Industrial Harmony.

1.5. Organisation of the Book

There are nine chapters in this book, which are organised in the following order.

Chapter 1 has briefly highlighted the issues surrounding in EP. It also indicates the research background, and objectives of study, as well as identifying the significance of research and offering the organisation of the book.

Chapter 2 contains a review of previous research on the main topics covered in this study. It addresses the major theoretical and empirical contributions to the understanding of EP processes and also research questions. The immediate outcomes of Chapter 2 set the points of departure from the traditional approaches and demonstrate the originality of the proposed study.

The methodology of this study is presented in Chapter 3. Key areas addressed therein include the qualitative and quantitative modes of inquiry, the qualitative case study research strategy employed, the choices regarding the nature of the cases, the number of cases, various instruments utilised, and data analysis. As shown in Figure 1.1, Chapter 5, 6 and 7 belong in a cluster that deals with thematic organisation, presentation, and analysis of data collected. Thus, these sections, in general, set the scene for the case studies. In order to put the case studies in context it is important however to consider the broader context in which the Malaysian firms operate.

As a consequence, Chapter 4 contains a review of political, social, and economic development and industrial relations setting of Malaysia. It deals with the role of state in economic development and industrial relations, the role of employers in industrial relations, the development of trade union and collective bargaining, and finally describes the Code of Conduct for Industrial Harmony 1975 and the nature and extent of its impact on EP in Malaysia.

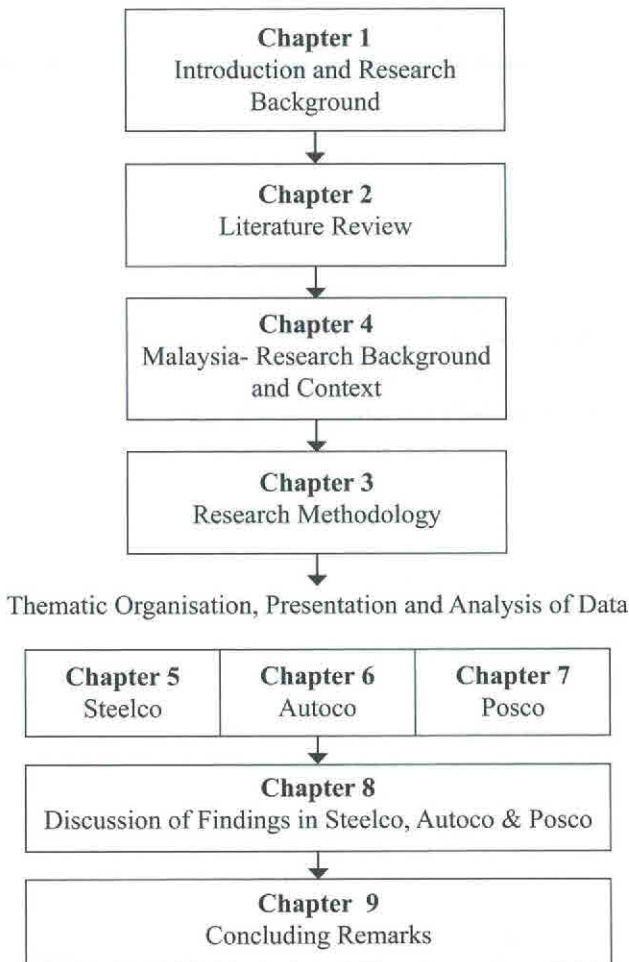
As shown in Figure 1.1, Chapters 5, 6 and 7 give the results of the empirical research. For the ease of presentation and analysis, the author follow a standard outline in these case study chapters. The descriptions of the case studies are based on the conceptual and theoretical considerations which are discussed in Chapter 2, along with other empirical findings learned from interviews seeking to understand the experiences of the managers, non-managerial employees and union delegates from the three companies in Malaysia.

Following the pattern of clustering of sections, as shown in Figure 1.1, Chapter 8 is dedicated to discussion of findings of the three case study firms, and the insights such analysis offers for the ideals and practices of EP in the private sector in Malaysia. This analysis takes also evaluate

contextual factors such as history, economic and cultural factors, organisational innovation, industry structure, and aspects of politics that have influenced EP practices in the three Malaysian private companies. Such analysis also highlights potential areas for further study which could enrich the scholarly debates in EP and strengthen policy-making over EP in Malaysia.

Chapter 9 is the concluding chapter in this book. This chapter offers a summary of the book, based on research objectives presented in Chapter 1. The later part of this chapter explains the book academic and methodological contributions, and implications of these, as well as identifying the limitations of the study. It also reflects on further research which would essentially contribute to broaden the horizons of the body of knowledge and wisdom on direct and indirect EP in Malaysia.

Figure 1.1: Structure of the book





Employee Participation in Malaysia: Theory and Practices

This book is based on the author's PhD research work at the University of Wollongong, Australia. The purpose of this book is to explain the theory and practices of employee participation (EP) in the private and public organizations in Malaysia. The book is not only contributes to the academic literature and theory on EP but it should be of value of practitioners in industrial relations and human resource management, unions, employers, and the government agencies such as the Ministry of Human Resources Malaysia.

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“After being involved in Dutch research on employee participation some years ago, the author has been challenged to explore the possibilities in Malaysia. This book on EP in Malaysia substantially contributes to getting a deeper insight in forms of direct and indirect participation in the south-east Asian context.”

Prof. Dr. Ir. Rienk Goodijk, Distinguished Professor
Tilburg University, Netherlands

“The book and particularly its empirical core, the three case studies provides extremely details and informative evidence and offers new knowledge on employee participation in the Malaysia context. The knowledge build on author's thorough knowledge of the Malaysian industrial relations and HR system.”

Professor Herman Knudsen, Professor of Emeritus
Aalborg University, Denmark