

**ENVIRONMENTAL CHANGES AND COLLECTIVE BARGAINING
PRIORITIES:
ANALYSIS, IMPLICATIONS AND OUTLINE FOR FUTURE
RESEARCH**

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Abstract

There has been limited attempt to examine the issue of collective bargaining, the changes in the larger industrial relations environment and the impact of these changes on Malaysian trade union movement. Thus a study was conducted to enhance the understanding of the process of collective bargaining and the underlying environment within which it is conducted. The emphasis is to examine the nature, extent, and scope of changes in the sector/industry environment, management strategies, workplace practices, and work environment and how they shaped collective bargaining priorities among private sector employee unions in Malaysia. The findings of this research have several practical and theoretical implications.

Keywords: Environmental Changes, Collective Bargaining, Employee Unions, Private Sector, Malaysia

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Introduction

The influences of the underlying environment on industrial relations as a whole and on collective bargaining per se are well established in literature. Commons (1909), a century earlier has shown the influence of the economic factor – the product market competition on collective bargaining. Dunlop (1958) theorized that dynamic interaction among labour, management and government in the environment of an industrial relations system, in particular the market and budgetary context, the technological settings, and the power context in the larger society as tools in understanding what is happening to industrial relations processes (such as collective bargaining) and outcomes (such as contract agreement). Changes in the environment contexts of the system have far reaching consequences. Several scholars after Dunlop provided both modification and refinement of the system approach to better understand how the environment contexts are shaping industrial relations processes and outcomes (Wood et al., 1975; Begin & Beal, 1989; Kochan, Locke, & Piore, 1992; Katz & Kochan, 2004). But this phenomenon of the constant changes in the environment and its consequences on industrial relations in the developed economies has not wholeheartedly been engaged by industrial relations theory and adequately addressed in the literature of industrial relations (Bognanno and Kleiner, 1992; Gagnon, 1998; Debrah and Smith, 2002; Haworth and Hughes, 2003). This deficiency is unwarranted as there has been long-standing discussions and debates concerning extend to which collective bargaining outcomes diverge from those that would have resulted from the operation of the changes in the environment (Beaumont, 1990).

The advent of globalisation and the associated forces of globalisation have been significantly felt in the more advanced economies in recent decades help to explain the availability of the majority studies conducted on the consequences of changes in the environment on collective bargaining. There have been limited attempts to examine and answer the questions on the nature, extent, and scope of environmental changes at the workplace and their effects on bargaining in Malaysia. This was to some extent, the view of Jomo (1989) when he stated that since Malaysia is trying to emulate certain industrial relations policies from Taiwan and Korea under former prime minister, Tun Dr. Mahathir's 'Look East Policy' in 1983, there would be changes at firm-level such as the introduction of enterprise unionism, employee participation, work culture, total quality management, quality circles, work organisations, and work ethics. These are the factors that have been taken into consideration in the present study

In Malaysia the studies of trade unionism were mostly broad in nature. The notable works of Awberry and Dalley (1948), Azizan Bahari (1989), Gamba (1955), Jomo and Todd (1988; 1994), Miller (1992), Rudner (1973), Wad (1988) and Wilson (1981) are some of the commendable investigation of organized labour in Malaysia. There has been limited attempt to examine the issue of collective bargaining, the changes in the larger industrial relations environment and the impact of these changes on Malaysian trade union movement. Some of the notable works that touches on the aforementioned environmental contexts in shaping industrial relations in Malaysia and are much debated are (i) economics: industrialisation strategies (Kuruvilla, 1993; 1996a; 1996b, Kuruvilla, & Arudsothy, 1995; Kuruvilla and Venkataraman, 1996), industrialisation levels and capital accumulation (Sharma, 1996), capital transformation (Yun, 1990), and employment structures (Ariffin, 1997); (ii) political/historical: the dominant role of the State (Deyo, 1989; Arudsothy, 1990; Arudsothy and Littler, 1993; Bhopal and Rowley, 2002); and (iii) sociological/behavioural factors: local conditions such as religion, cultures, ethnic composition and management system (Parasuraman, 2004). Unfortunately most of the studies are conducted at macro level, rather general and limited in nature and are mostly policy based. There is a vacuum in literature in term of studies at the micro level analysis of the collective bargaining environments, the nature, extent and scope of the changing environment and its relationship with firm-level industrial relations practices and outcomes and their effects on organised labour in Malaysia.

Nevertheless there are a few studies which are praiseworthy. Kuruvilla and Arudsothy (1995) looked into the industrial relations/human resources practices and future trends in Malaysian manufacturing. The study revealed that in term of employment and staffing, job security is not well established; there was a noticeable trend toward temporary or casual employment and outsourcing. In term of compensation, traditional form of wage payment dominates Malaysian business landscape. In short, the projected future changes in the environment are: i) intensified competition and the need for upgrading of labour force skills through education, training and labour market policies, and ii) rapid technological change and its effect on production methods and work organisation.

Abdullah (1995) in his study of the changing nature of work organisation and industrial relations policies stated that there is a broad pattern of change in human resource management, technology and work organisation among Malaysian manufacturing firms. He insisted that Malaysian firms are embracing elements of both 'old' competition – hierarchical mass-production model and 'new' competition – flexible manufacturing. Whereas a research by

Todd and Peetz (2001) on four industries: banking, automobile and components manufacturing, electronic manufacturing, and hotels reported of evidence of substantial growth in training, the implementation of multi-skilling in some workplaces as well as isolated instances of some lean production practices. However they argued that there is no fundamental change occurring – workers remain excluded from the decision-making process both within and outside the workplace.

There is little doubt of the fact that the environment within which trade unions operate are changing and having adverse effects on collective bargaining, a major function of trade unions as revealed by the literature discussed at the later part of this chapter. When trade unions and employers bargain collectively, both are entering into negotiation relationships that are influenced by local, regional, and national features of industry, the product market, the labour market, framework of law and custom, the surrounding community, and patterns of cyclical fluctuations of the economy, the comparative organisational capacities and broader philosophies and objectives of the parties to the negotiation. Such was the relationships that any underlying changes to the environment within the framework would affect structures, processes, and outcomes of collective bargaining (Lewis, 1962).

The present study attempts to bridge the gap in literature concerning the nature, extent, and scope of environmental changes at workplace-level and their effects on Malaysian trade unions bargaining priorities. It is purported that environmental changes in (i) sector/industry environment, (ii) management strategies, (iii) workplace practices, and (iv) work environment will affect unions' bargaining priorities. Bargaining priority is the degree of importance attach to a list of items pursued during bargaining round. The bargaining priorities among Malaysian private sector employee unions that are purported to be their response to the relative adversity of the environmental changes outlined above: (i) the protection and improvement of wages and benefits; (ii) concerns pensions, mechanisms for protecting and enhancing employment security and the protection of workers from the stresses of the workplace; (iii) concerns role of union in workplace, protection for workers in the context of change, easing time pressures on individual workers and equity issues; and (iv) concerns question of work time, access to financial information, regulation of atypical employment and child care. The following research hypotheses were proposed:

- **Hypothesis (H1):** There is a significant linear relationship between environmental changes and bargaining priorities concerning the protection and improvement of wages and benefits.
- **Hypothesis (H2):** There is a significant linear relationship between environmental changes and bargaining priorities concerning pensions, mechanisms for protecting and enhancing employment security and the protection of workers from the stresses of the workplace.
- **Hypothesis (H3):** There is a significant linear relationship between environmental changes and bargaining priorities concerning the role of union in workplace, protection for workers in the context of change, easing time pressures on individual workers and equity issues.
- **Hypothesis (H4):** There is a significant linear relationship between environmental changes and bargaining priorities concerning question of work time, access to financial information, regulation of atypical employment and childcare.
- **Hypothesis (H5):** There is a significant linear relationship between changes in sector/industry environment, management strategies, workplace practices, and work environment and collective bargaining priorities.

A research hypothesis predicts the nature of the relationship being examined in rather general, non-quantitative terms; a statistical hypothesis is a translation of the research hypothesis in terms of the statistical parameters of the population being studied. In this study, all hypotheses are written as research hypotheses rather than as statistical hypotheses.

Research Method

This study adapted the research framework developed by Kumar, Murray and Schetagne (1998a; 1998b) and Kumar and Murray (2001; 2002). Self administered questionnaire was used to collect the primary data. Respondents were asked to assess the degree of environmental change on a five-point Likert type scale ranging from “1= significantly decreased” to “5= significantly increased”. Whereas for the measurement of bargaining priorities, respondent were asked to evaluate the level of importance of each item bargained during the last bargaining round on a five-point Likert type scale

ranging from “1= Not Very Important” to “5= Extremely Important”. The respondents were randomly selected according to strata, which enabled representative of a particular establishment, trade, occupation or industry in the country. Each of the self administered questionnaires was mailed to 211 private sector employee unions in Peninsular Malaysia, 38 to Sarawak and 29 to Sabah. In total 278 questionnaires which represent 76 per cent of the target population were distributed. A total of 90 valid responses were received, giving a response rate of 32.4 per cent. The collected data was tabulated and analyzed using SPSS.

Findings and Discussion

The relationship between environmental changes in sector/industry environment, management strategies, workplace practices, and work environment and the four levels of collective bargaining priorities were investigated using Pearson product-moment correlation coefficients and multiple linear regression analysis. The findings of the study were presented based on the research hypotheses. However, preliminary analyses were performed to ensure that there is no violation of the assumptions of normality and linearity. The scatter plot, normal Q-Q plot, detrended normal Q-Q plot and Kolmogorov-Smirnov and Shapiro-Wilks test of normality suggest that assumptions on linearity, normality and equality of variance is met.

The first hypothesis (H1) of the study was: There is a significant linear relationship between environmental changes and collective bargaining priorities concerning the protection and improvement of wages and benefits. A Pearson Correlation test was performed to test the direction and strength of any linear relationship between the two variables respectively. The mean for environmental changes and collective bargaining priorities concerning protection and improvement of wages and benefits were 82.15 (Std. Deviation = 9.13) and 8.90 (Std. Deviation = 1.39) respectively. The correlation coefficient (r) is 0.258 and the p -value is 0.007. Correlation coefficient of 0.258 indicates that there is a positive negligible linear relationship between bargaining priorities concerning protection and improvement of wages and benefits and environmental changes. It can be concluded that there is a relationship between environmental changes and the level of collective bargaining priorities of respondent unions during their last bargaining round. Since $r = 0.258$, p value is 0.007 less than alpha values 0.01, null hypothesis is rejected and hypothesis H1 is accepted.

The finding seems to support Kumar et al. (1998a) and Kumar and Murray (2001) contention that the degree of importance attached to items

concerning the protection and improvement of wages and benefits is related to the adversity of the environment. Changes in the union environment is perceived by respondent unions appears to be significant and such intense changes required unions to coordinate collective bargaining strategies over the change process. This exploration is based on the premise proposed by Szapiro (1996) who stated that to effectively regulate the pace and nature of workplace change, unions need to develop a network of policies and support systems to inform, guide, and coordinate their activities for the benefits of their members.

Hypothesis H2 is tested for a significant correlation between environmental changes and collective bargaining priorities concerning pensions, mechanism for protecting and enhancing employment security and protection of workers from stresses of the workplace. The mean for both environmental changes and collective bargaining priorities concerning pensions, mechanism for protecting and enhancing employment security and protection of workers from stresses of the workplace were 82.155 (Std. Deviation = 9.13) and 27.88 (Std. Deviation = 5.00) respectively. The correlation coefficient (r) is 0.293 and the p -value is 0.003. Correlation coefficient of 0.293 indicates that there is a positive negligible linear relationship between bargaining priorities concerning pensions, mechanism for protecting and enhancing employment security and protection of workers from stresses of the workplace. Since $r = 0.293$, p value is 0.003 less than alpha values 0.01, null hypothesis is rejected and hypothesis H2 is accepted. It seems that the finding also support Kumar et al. (1998a) and Kumar and Murray (2001) contention the degree of importance attached to items on pensions, mechanism for protecting and enhancing employment security and protection of workers from stresses of the workplace is related to the changing environment facing unions. It appears that Malaysian private sector employee unions were also adapting to the changing environment by stressing the need for a better deal in pensions, employment security and stress management for their members.

The relationship between environmental changes and collective bargaining priorities concerning role of union in workplace, protection for workers in context of changes, easing time pressure for individual workers and equity issues was also tested using Pearson Correlation. The mean for both environmental changes and collective bargaining priorities concerning role of union in workplace, protection for workers in context of change easing time pressure for individual workers and equity issues were 82.155 (Std. Deviation = 9.13) and 28.97 (Std. Deviation = 5.10) respectively. Since $r = 0.348$, p value is 0.000 less than alpha values 0.01, null hypothesis is rejected and hypothesis H3 is accepted. Hence, there is a significant linear relationship between

environmental changes and collective bargaining priorities concerning role of union in workplace, protection for workers in context of change, easing time pressure for individual workers and equity issue.

It can be implied that issues on role of union in workplace, protection for workers in context of change, easing time pressure for individual workers and equity issue has the strongest linear relationship with the changing environment. This finding supported Kumar et al. (1998a) and Kumar and Murray (2001) framework that stated items pertaining to increasing union role in decision making, better severance pay, employment equity, consultation and advance notice of change, technological protections, health and safety improvements, guarantees of minimum level of employment, and merger/amalgamation protections were given high priority in the wake of the changing environment. At the very least, the above issues seem to be relevant in the context of bargaining priorities of private sector employee unions in Malaysia and in relation to the local union environment.

The mean for both environmental changes and collective bargaining priorities concerning question of work time, access to financial information, regulation of a typical employment and childcare were 82.155 (Std. Deviation = 9.13) and 15.72 (Std. Deviation = 3.92) respectively. Correlation coefficient of 0.069 indicates that there is no positive linear relationship between environmental changes and bargaining priorities concerning question of work time, access to financial information, regulation of atypical employment and childcare. With p-value of 0.259 which is more than alpha values 0.01, the null hypothesis was accepted and hypothesis H4 was rejected. Thus the present framework that was based on Kumar et al (1998a) and Kumar and Murray (2001) to test the relationship between the two variables was not supported. It can be concluded any degree of importance given by our private sector employee unions on items such as the restriction on overtime, access to financial information, work time reduction, control and regulation on a typical employment, flexi-time and childcare provisions are not related in any way to the adversity in the union environment. Furthermore as found earlier, these set of items were given a low priority by the participating unions and considered not much of a strategic value during collective bargaining negotiation. Work time and overtime is already regulated by law under section 60A of the Employment Act 1955. The question of access to financial information, flexi-time and childcare provisions and how noble they seem to be, had not really took off as anticipated in developing countries such as Malaysia. It seem logical to argue that the collective bargaining priorities concerning the protection and improvement of wages and benefits; pensions, mechanism for protecting and

enhancing employment security and protection of workers from stresses of the workplace; and role of union in workplace, protection for workers in context of change, easing time pressure for individual workers and equity issue is more likely to be related to the environmental changes. However, at this juncture, the study would not be able to determine whether, an increase in one variable caused an increase in the value of a second variable.

The final hypothesis (H5) of the study was: There is a significant linear relationship between changes in sector/industry environment, management strategies, workplace practices, and work environment and collective bargaining priorities. In order to find out the determinants of bargaining priorities (BP), a four predictors multiple regression model was proposed. The four-predictor variables of environmental changes are sector/industry environment (X1), management strategies (X2), workplace practices (X3), and work environment (X4). The equation of the proposed multiple regression model is as in Figure 1.

$$Y (BP) = b_0 + b_1 (X_1) + b_2 (X_2) + b_3 (X_3) + b_4 (X_4) + e$$

Where:

Y = Bargaining Priorities (BP)

b₀ = Constant (Intercept)

b₁₋₄ = Estimates (regression coefficients)

X₁ = Sector/Industry Environment

X₂ = Management Strategies

X₃ = Workplace Practices

X₄ = Work Environment

e = Error

Figure 1: Proposed multiple regression model

A stepwise regression method was used to determine the best set of predictor variable in predicting BP. Based on the stepwise method, only one predictor variable, workplace practices (X3), was found to be significant in explaining BP. Sector/Industry environment (X1) ($t = -.730$, $p = .467$), Management strategies (X2) ($t = -.739$, $p = .462$), and work environment ($t =$

.982, $p = .329$) were excluded from further analysis since the variables did not contribute significantly to the variation of the dependent variable (BP).

Since the data did not fit the proposed model, it appear that the finding is unable to confirm part of the framework that stated changes in sector/industry environment, management strategies, and work environment would predict the variance in the level of priority attached to items negotiated during collective bargaining. It could be implied that the theoretical framework proposed by Kumar et al. (1998a) and Kumar and Murray (2001) could not be apply uniformly across countries, especially in developing countries such as Malaysia. Pencavel (1995) contended that a great deal of multi-country comparative research on industrial relations were unsuccessful in producing useful insights or sets of analytical tool or 'models' that have withstood the test of application in diverse contexts. Sharma (2001) in his study of union growth in Malaysia and Singapore using what he called western-based model of union membership growth confirmed the above argument. He argued that model developed in industrialised countries cannot uniformly apply across less developed countries. They differ in their applicability as countries show markedly different characteristics of industrial relations framework, union growth and density and at different stages of industrialisation. There were stark differences in industrial relations framework in Malaysia pertaining to unionism and collective bargaining compare to those in the developed countries. This differences help to explain why the proposed model was not supported by the data gathered in this study. In Malaysia, union influence has been clearly circumscribed by law pertaining to union recognition, the definition of issues subject to bargaining, freedom to strike and dispute resolution (Kuruvilla, 1993). OECD study on labour standards placed Malaysia in Group 3 category – where restriction on freedom of association are significant, that is, stringent registration requirements exist, and political interference or acts of antiunion discrimination make it very difficult to form independent workers' organisations or union confederations (OECD, 1996). Thus, the country's industrial relations system was designed to contain and resolve conflict rather than fostering productivity and quality-oriented management-labour practices.

These characteristics interact to produce weak unions – dwindling membership and density, which hindered the establishment of genuine and stable collective bargaining. The bargaining structure in the country is largely enterprise-based except in some major industry such as banking and plantation. When referring to collective bargaining structures in the private sector, it tend to be decentralised, with variety of different forms and little evidence of any consistent pattern. Bargaining power, not surprisingly rests with employers,

given the limitation on unions' right to strike (Arudsothy and Littler, 1992). Since most collective bargaining is enterprise-based, it is not as effective as national bargaining. Most enterprise-based bargaining is concessionary and unilateral in nature, as unions are not provided with much strategic option than to concede to management demands. The acceptance of unions as a partner in business is conspicuously absent or still in its infancy in Malaysia (Kuruvilla and Arudsothy, 1995).

It can be concluded that fundamentally, collective bargaining in Malaysia remain unchanged despite the constant changes in the environment – state intervention remain pervasive, management continue to dominant at party the workplace, and unions' ability to bargain collectively remains restricted. These combinations of characteristics explains why western-based model such as the one used in the present study to test relationship between environmental changes and collective bargaining priorities in Malaysia failed in parts to fully and intelligently analyzed the relationship between the two variables. Future research in the determinants of bargaining priorities in Malaysia will have to consider the historical, social, political and economic evolution and it linkage to the development and growth of trade unions, the nature of union structure, bargaining structure, and the current state and trends of collective bargaining process in the country. By virtue of the above limitation, the final model forwarded in the study is as depicted in Figure 2:

$$Y (BP) = 1.66 + .002 (X3) + e$$

Where:

Y = Bargaining Priorities (BP)

b0 = Constant

b3 = Estimates (regression coefficients)

X3 = Workplace Practices

e = Error

Figure 2 : The prediction equation of bargaining Priorities

The R^2 implies that the only predictor variable, changes in workplace practices explain about 12.1 per cent of the variance/variation in the bargaining priorities of respondent unions. This may not be the best model of all time. The ANOVA revealed the F-statistics (12.146) is small but the corresponding p-value is highly significant (0.001) or lower than alpha value of 0.05. This indicates that the slope of the estimated linear regression model line is not equal to zero, confirming that there is linear relationship between bargaining priorities and the predictor variable of workplace practices.

The beta coefficient for workplace practices is 0.348 and makes a unique contribution in explaining the dependent variable (BP). It suggests that one standard deviation increase in workplace practices is followed by 0.348 standard deviation increases in BP. Based on the collinearity diagnostic, none of the model dimensions has condition index above the threshold value of 30.0, none tolerance value smaller than 0.01 and VIF statistics are less than 10.0. This indicated that there is no serious multicollinearity problem with predictor variable of workplace practices of the model and therefore the model is stable. Since there is no multicollinearity problem between the predictor included in the final model and the assumptions of normality, equality of variance and linearity are all met, hence, it is reasonable to conclude that the estimated regression model to explain bargaining priorities is stable, good and respectable.

Conclusion

This study was conducted to enhance the understanding of the process of collective bargaining and the underlying environment within which it is conducted. The emphasis is to examine the nature, extent, and scope of changes in the sector/industry environment, management strategies, workplace practices, and work environment and how they shaped collective bargaining priorities among private sector employee unions in Malaysia. Analysis using Pearson product-moment correlation coefficients found significant linear relationship between predictor variable of workplace practices and work environment and bargaining priorities. Unfortunately, the Pearson product-moment correlation test did not support the correlation with changes in sector/industry environment and management strategies. Whereas, the stepwise regression method to determine the best predictor variable in predicting dependent variables BP, found that only changes in workplace practices (X3) to be of significance in explaining BP. The other three predictors were excluded. The findings of this research have several practical and theoretical implications.

Practical Implications

Second, the research finding show that changes in sector/industry environment, management strategies, workplace practices and work environment correlated with bargaining priorities concerning wages and benefits; pensions, protection and the enhancement of employment, security mechanism, protection of workers from stresses; and increase in the role of union in the workplace, protection for workers in the context of change, easing of time pressure and equity. A better understanding of the relationship between the two variables would enable labour organisations to identified elements of change and developed their own agenda on workplace change for the benefit of constituents and organisation. With better knowledge of the situations, unions can develop goals. The finding revealed changes in the environment warranted management change initiatives, subsequently local unions barrage with continuous management change initiatives. Taking into consideration of the already obstructionist nature of the country industrial relations system with management provided with considerable freedom over labour issues and trade union rights restricted, strategic choices made by unions are crucial to stay relevant. Private sector employee unions in this country must have a broad understanding of the interrelated issues concerning environmental factors influencing the well being of their organisation and constituents, implications of continuous change, and alternatives and consensus on what action take. It also raises the question of whether the local unions are passengers, opponents or active participant in the change process.

Third, a through understanding of the relationship between environmental changes and bargaining priorities, trade unions are able to achieved their objectives and expectation of their constituents. With better knowledge of the situations, unions can develop goals and bargaining issues to better address the needs of workers in general. Simple objectives of a union would be to seeks fair and just wages for its members, employee benefits that provide a decent quality of life, economic security, economic progress together with company progress and respect for the workers as human-being (Gatchalian, 1998). In order to able to achieve objectives and expectation of their constituents, trade unions themselves must become more effective in the workplace. To be effective they need to intelligently analyses present and future trends and changes of the neoliberal environment that they increasingly face and respond pro-actively to the change process. There is a need for labour organisations in this country to developed policies on specific change initiatives

and instituted programs or working plans to analyse potential threats and opportunities, educate and train local leadership and membership and provide technical help in organising and advocacy. According to Boxall and Haynes (1997) effective unions not only meet the expectations of their members in respect of equitable outcomes in fundamental concerns such as better pay and conditions, increased influence over what are relevant workplace decisions and protection against arbitrary management action but also on effective management of primary and critical means of a union – its mode of engagement with employers. It is plainly true that a union can satisfy workers needs in neo-liberal environment only through a successful engagement with employers. Hence, it is critical for the local unions to recognised dramatic changes within which they are operating and prioritised the goals and objectives in order to be successful in engaging employers at the bargaining table.

Theoretical Implications

Several implications for theoretical contributions may also be drawn from the current study regarding environmental changes and bargaining priorities in particular and industrial relations in general. The findings confirmed partly some of the theoretical assumptions and highlighted the fact that a single homothetic equation or model may not be sufficient to account for variations in collective bargaining priorities and its relation with environmental changes. The findings in this study partly confirmed previous environmentalist approach in trying to interpret and gain understanding of changes in the internal and external environment and its influences on industrial relations processes and outcomes. The partly correlated relationship between environmental changes and collective bargaining in the context of Malaysia revealed that the theoretical framework used in the study to a certain extent is able to provide answers to a few things with certainty. It can be argue that changes in the environment had strong influence on collective bargaining priorities relating to wages and benefits; pensions and retirement provisions, mechanism for protecting and enhancing employment security and protection for workers form stresses at the workplace; and role of union at workplace, protection for workers in context of change, easing of time pressures for workers and equity issues.

However it can be argue that it cannot confidently identified the unique effect of changes in sector/industry environment, management strategies and work environment on collective bargaining priorities among private sector employee unions in Malaysia as described in the model for the present study. It revealed of the danger of hypothizing that an analytical tool developed in one

country would apply uniformly in another. Pencavel (1995) succinctly reminded that western developed models are mostly macro-economic in nature. He further contended a great deal of multi-country comparative research on industrial relations unsuccessful in producing useful insights or sets of analytical tools or 'model' that have withstood the test of application in diverse context. Most scholarship in industrial relations in developing countries chosen to focus on level and complexity of current economic tensions occasioned by process of capital accumulation and the relative economic performance of the state in the national income stakes. As indicated earlier, models developed in one country may not apply uniformly in others, as there are distinct differences in the system of industrial relations in each country. Common sense and past research indicate that there may be other variables of significance. The relationship between collective bargaining priorities and environmental changes is far more complex phenomenon than earlier studies have shown. It is hazardous to try to explain a phenomenon of this complexity in terms of only a few variables. There are other significant variables and that relationship between the two variables of interest in this study may be more complex than the simple effects hypothesized thus far.

The implication is that there are other factors that have to be considered in the case of the Malaysia. Other determinants such as historical evolution, political, social, cultural, and behavioural and personality factors may decide on bargaining priorities of trade unions in Malaysia than in the industrialised West. The interaction of these variables is of greater influence over the conduct and practices of collective bargaining in the country. Kassalow (1971) stated that the current state and trends in the industrial relations of a country couldn't be understood or intelligently analysed without knowledge of its historical evolution and the social and political context of their changing over time. Echoing the same sentiment, Arudsothy (1990) contended that since the great diversity of industrial relations practices that often originated during colonial period, it is extremely hazardous to hypothesize that such systems derive solely from economic plans and strategies.

Historical and political context has resulted in weak union with weak bargaining power and restricted range of collective bargaining issues. This surely has great influence on what items or issues are considered important and what not. Local culture and value system are also relevant in the context of Asian countries in understanding and managing employment relationships. Respect for authority, age and seniority and the acceptance of power distances in most Asian societies ought to be taken into account when devising and implementing social and human relations system in Asia (De Silva, 1998). Behavioural and personality traits of the parties in the collective relations are

also another variable that may be overlooked by the present study. Hameed Syed (1967) contended that there is a need to analyse labour-management relations in term of personality factors apart from institutional-environmental factors. The deficiency according to him is partly because labour-management relations have fallen within the exclusive jurisdiction of the economist and that they explained too much quite incorrectly and left too much unexplained. In summary, institutional-environmental analysis of labour relations partly explained relationship between changes in the environment and collective bargaining priorities among private sector employee unions in the country. Other variables not to be overlooked include historical and political context, social, cultural and behavioural factors that would be able to give better insights of the other half of the relationships. Subsequently, western-based model differ in their applicability in other countries they show markedly different characteristics and industrial relations framework.

Limitation of the Study

This study is subjected to three limitations. First, the relatively small sample (n=90 private sector employee unions) rendered the representativeness of sample, generalisation of results and conclusion to be questionable even though they represent 259,192 union members. The respondents in this study were made up of 78 private sector employee unions from Peninsular Malaysia (mostly from the Klang Valley), 8 private sector employee unions from Sarawak and 4 private sector employee unions from Sabah. Since the majority of the respondent unions were from Peninsular Malaysia, specifically the Klang Valley, it raises an issue whether the perception towards changes in the environment and its relationship with collective bargaining priorities can be generalised to other parts of Peninsular Malaysia, Sarawak and Sabah. This limitation might have led to differences in perception among private sector employee unions regarding environmental changes and bargaining priorities. Hence, the generalisation of the findings cannot totally be made to all private sector employee unions in the country.

Second, since this study is descriptive and quantitative in nature, with the sole use of a questionnaire survey to obtain data regarding private sector employee unions' perception toward environmental changes and collective bargaining priorities, it might not fully cover the real feeling of the respondents. The subject of unionism and collective bargaining in this country tend to attract strong feelings and emotions among the parties involved especially the trade unionists. A survey questionnaire might not be able to captured true emotions

and perceptions of the respondents elected representatives – President/Vice President, Secretary/Assistant Secretary and Treasurer/Assistant Treasurer who were the unit of analysis in the study, toward environmental changes and what would be the bargaining priorities of their respective unions in light of the adversity in the environment. A combination of questionnaire surveys and a series of interviews covering elected union officials from the labour centre, national/industrial unions and in-house unions are recommended in the future in order to obtain more comprehensive data and to improve the overall findings of the study.

Third, the decision to use self-administered mail questionnaire to gather data in this study due to the lack of manpower, time and financial constraints may hindered the response rate. Since there were only 366 private sector employee unions in the country, a better alternative would be to survey the whole population (national/industrial unions and enterprise/in-house unions) in order to obtain higher response rate. This will help to increase the representativeness and generalizability of the findings.

Suggestions of Future Research

Several research recommendations concerning the study analysis of environmental changes and collective bargaining priorities can be made. First, future research should focus on applying qualitative data to get better insights of how trade unionist perceived the change in the environment and how it is related to their perception on items negotiated during collective bargaining. Research methods such as survey interviews, attitude scales, participant observer techniques could make the qualitative approach more effective than quantitative approach.

Second, future researchers should also focus on identifying variables such as personality-behavioural factors of union leaders and management. According to Friedman (1994) the structure of labour negotiation is made up of lead bargainers and the negotiating team and the constituents from both sides of the table. A further investigation of personality and behavioural traits of each structure might provide important empirical evidences relating to collective bargaining priorities of both parties.

Third, future research should attempt to devise a distinct model or analytical tools of relationship between the two variables that is sensitive to the local context. It is of interest of whether distinction is possible and is accurate to speak of ‘western’ and ‘eastern’ approach of industrial relations. De Silva (1998)

contended there are some elements, which are fairly distinctive in some countries in Asia and the West. According to him western approaches to industrial relations is a value system founded on the concepts of democracy and pluralism, a balance of power between two social partners (employers and workers and minimal State intervention). In Asia, unions have been relatively weak and State intervention is substantial. The value system in western societies places greater emphasis on individual rights, whereas in some Asian countries it is on group values. In the West, industrial conflict is a natural occurrence, whereas in Asia, industrial conflict is considered as a disturbance and destructive in nature.

Fourth, a distinction should be made on the type of union to be analyzed. The bargaining in the country is largely enterprise-based and a few industrial-based or national unions. They might have different set of objectives and goal when negotiating for contract agreement. Enterprise unions relatively have much weaker bargaining power compared to industrial unions. This directly is significant in relation to the effectiveness of each union when dealing with management.

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