The Relationship between Employees' Need and the Formation of Trade Union: The Malaysian Manufacturing Company's Experience

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Abstract

Globalization of economy has spread all over the world after the end of the Cold War and has changed the attitude of companies in managing their workforce. Increasing in foreign direct investment has spurred increasing interest in globalization (Gilpin, 2001). Globalization is the era of mega-competition, in other words, the competition among giant transnational company (TNC) which accelerates the race for the bottom to make TNC acquire more profit by further exploitation of labor including of lowering the wages, cutting the welfare benefits, laying off employees, depriving workers of their labor rights, using cheap labor such as casual and even child labor, and also by further destruction of environment which direct to the existence of workplace discrimination. In order to reduce this discrimination, the formation of trade union becomes important in industrial relations. Trade union is an organization of workers that seek through collective bargaining with employers to protect and improve of their members' compensation, job security, protect workers against unfair dismissal and other issues relating to employment legislation and better working conditions. The two main functions of a trade union are to represent their members and to negotiate with employers. The basic concept behind a trade union is that of increased bargaining and negotiation power which comes from acting together. Hence, by utilizing theory of needs by McClelland, this study aims to examine the relationship employees' needs and the formation of trade union.

Keywords: Trade union, theory of needs, industrial relations

1.0 Introduction

In the new economic environment, employers strive to maintain flexibility in production and employment and resist the promises of job security, seniority and benefits that employers used to employ to bind employees to the job (Dau-Schmidt, 2007). Workers feel that their employer abusing them in term of better work and pay conditions. In Malaysia, additional to the minimum wage, Malaysia Trade Union Congress (MTUC) and its affiliates have also demanded a cost of living allowance (COLA) of RM300 per month (MTUC, 2007). Many workers complain that turning to the Ministry of Labor is a waste of time since they do nothing, and if their employers find out they can be fired (Raphaelidis, 1997).

Globalization of economy has spread all over the world after the end of the Cold War and has changed the attitude of companies in managing their workforce. Increasing in foreign direct investment has spurred increasing interest in globalization (Gilpin, 2001). Globalization is the era of mega-competition, in other words, the competition among giant transnational company (TNC) which accelerates the race for the bottom to make TNC acquire more profit by further exploitation of labor including of lowering the wages, cutting the welfare benefits, laying off employees, depriving workers of their labor rights, using cheap labor such as casual and even child labor, and also by further destruction of environment.

Workers have to look for other parties to fight for their rights and the best alternative that they have are to form and join the trade union. A general perspective is unionization increases labor standards (Freeman, 1984) but high labor standards discourage foreign investment (Dickens, 2007). Management attitude and Trade Union recruitment strategies will influence employees' decision to for and join the trade union (Mason, 1991)

Many companies try to show their power on its employees (Salamon, 2000). Jomo and Todd (1994) and Maimunah (2007) stated that tactics used by employers to control the workforce included indefinitely delaying union recognition applications, victimizing or promoting activists to remove them from the shop floor and forming company-sponsored in house unions. Hence these tactics may invite dissatisfaction among employees.

1.2 Problem Statement

In 1991, there was an attempt by a group of employees to establish a Trade Union but they failed to get majority after the balloting process. The employees only managed to secured forty six percent of secret ballot compared to fifty one percent of permitted employee as stated by statutory regulation.

In the mid 2009, the Malaysian Government has approved the formation of Regional Trade Unions in the electronics sector namely as Northern, Central, Southern and Eastern Electronics Regional Trade Union. In line with the announcement by Malaysian Cabinet, the Regional Union was established according to the approved regions and started to recruit employees to become the Trade Union member. In Johor, the southern state of Malaysia, Regional Electronics Trade Union Southern Peninsular (KKSIEWSSM) was officially registered by the Trade Union Department Johor in March 2010 (KSIEWSSM website, 2010). At the same time employees in the company have established their own In house union and submitted the registration at the Trade Union Department in Johor Bahru.

Unfortunately, The Regional trade union has earlier submitted a notice of claim for recognition under section 9(2) of the Industrial Relations Act (IR Act 1967) in August 2010 and the company management has rejected the claim with reason that most of their employees are not a member of the trade union.

Between fourth quarter of 2008 until the first quarter of 2009, electronics industry was impacted by the economic crisis in the United States and Europe. The demand of semiconductor product has reduced tremendously and affected most of the electronics companies worldwide. In Malaysia 25,064 employees were retrenched from the employment in 2009. This phenomenon has created a tension in industrial relations environment in Malaysia particularly. A lots of trade union been registered in the attempt to secure employees' right.

There is no simple answer on the reasons for employees to form and join the trade union. Basically there are three main reasons on how worker decides to form and join the trade union, first is to improve their economics situation, second to ensure their rights are protected and third are social reasons (Maimunah, 2007). Expected benefit to be obtained from unionization against the expected costs of membership is another factor on worker's decision to join a trade union (Ashenfelter and Pencavel, 1969). These facts are crucial to understand the need of the workers. Therefore this study tends to examine the needs of workers that direct them to form and join a trade union.

1.3 Scope of Study

This study was only focusing on the workers at the biggest electronic manufacturer in northern part of Johor, Malaysia. The respondents included the workmen who are eligible to be a member of a trade union as defined in section 26 of Malaysian Industrial Relations Act 1967, excluding any workmen working in managerial capacity, executive capacity, confidential capacity and security capacity (Section 9(1) of Malaysian Industrial Relations Act 1967). The main focus of this study is to examine factors that contributed to the formation of the trade union.

2.0 Literature Review

In Malaysia, A trade union will refer to "any organization, whose membership consists of employees, which seeks to organize and represent their interests both in the workplace and society and, in particular, seeks to regulate the employment relationship through the direct process of collective bargaining with management" (Salomon, 2000).

Section 2 of the Malaysian Trade Union Act 1959 (TUA) defines the trade union as association or combination of workmen or employers, being workmen whose place of work is in West Malaysia, Sabah or Sarawak within any particular trade, occupation or industry or within any similar trade, occupation or industries and whether temporary or permanent and having among its objects one or more of the following objects:

(a) The regulation of relations between a workmen and employers for the purpose of promoting good industrial relations between workmen and employers, improving the working conditions of workmen or enhancing their economic and social status, or increasing productivity.

(b) The representation of either workmen or employer in trade dispute.

(c) The conducting of, or dealing with trade disputes and matter related thereto.

(d) The promotion or organizing or financing of strike or lock-outs in any trade or industry or the provision of pay or other benefits for its member during the strike or lock-out.

The special features according to the definition of Trade Union Act 1959 can be explained as:

(a) A union can be a temporary or a permanent association or combination of employers or employees

(b) A union must be an association or combination of employers or of employees, and cannot be an association or combination of both employers and employees.

(c) A union must be confined to Malaya, Sabah or Sarawak and cannot embrace Malaysia as a whole.

(d) An employer union must be confined to a particular establishment or industry or trade or occupations

(e) Any association of combination of employers and employees which fits the definition would be a union whether or not it has been registered as one.

Workers tempted to join union because of several reasons. Salamon (2000) and Maimunah (2007) have indicated that there are three main reasons why workers joining a trade union. Those reasons are economic regulations, protection of rights and social needs.

2.1 Economic Regulations

Economic factors such as salary and monetary benefits are the major contribution to the intention of workers to join trade union (Salamon, 2000). Competitive salary and monetary benefits enable employees to enjoy a good quality of life, better education opportunity and improve spending ability. Farber and Saks (1980) argued that employees' joining union mainly due to the expectation of higher wage rates. Davis (1952) commented that trade unions are more than vehicles by which employees expect to raise their wages.

Bargaining process with the employer is very important for the workers as they perceived that successful bargaining process resulted to a collective agreement between employee and employer. Employees expect that with the written collective agreement, employer is bound to provide better term and conditions of employment for their workers. Workers individually are not able to start bargaining process and trade union has the legal right to represent their members during the bargaining process (Jarley and Fiorito 1990). Interest of workers to join trade union will be increasing if the workers feel that the trade union secures the rewards for them (Brett, 1980). In addition, unions may raise compensation of members by enforcing existing awards, thereby preventing employers from paying wages below the award rate (Drago, Wooden, and Sloan 1992).

In addition to the benefits provided by employer for employees, trade union also give direct benefits to their members. Benefits such as insurance coverage, training centre cum holiday centre, funeral benefits and education assistance has a great impact to the workers to join trade union (Maimunah, 2007). Towers (1989) suggested that one of the strategies used by British unions to fight membership loss under Thatcher was to expand members' services such as private health insurance and financial services.

2.2 Security Reasons

Individuals are less secured than a group. Individuals gain power in their relationship with their employers by forming unions. Workers get their strength, authority, or power from the union they belong to. Workers expect by joining union, they can be protected from discrimination, unfairness treatment and exploitation in the workplace.

Perlman (1928), for example, suggested that workers join unions in order to obtain job security. The statement was confirmed Farber and Saks (1980) whereby he found job security and possibility of alternative employment to be linked with joining a union. Trade union can protect their members and ensure job security. During economy slowdown, employers took drastic approaches to maintain their profit and to reduce business operating cost. Trade union plays an important role to protect their members from unethical retrenchment and unfair dismissal.

Farber and Saks (1980) found job security and possibility of alternative employment to be linked with joining a union. Hills (1985) found that workers with fewer alternative career or job options were more likely to rely on the union to provide job security, wages, and benefits.

Several characteristics of employers may be associated with attitude of joining the union. Employers who denies employees rights to be organized, violates human rights, practicing unequal treatment will trigger employees motivation to join union. Trade union can be used by workers to voice their views and ideas. Davis (1955) suggested that Unions are also agencies of protest and as such they reflect labor's grievances and aspirations. DeCotiis and LeLouarn (1981) contended that workers who feel isolated from employers or who are unable to influence management were more likely to turn to unions.

2.3 Social Needs

Workers may join trade union because they believe they have the attributes of a leader and they see opportunities to exercise their leadership quality in the union hierarchy (Maimunah, 2007). Workers join trade union to show their friendship and collaboration spirit. This spirit will enable union members to consider themselves as a big family and to help each other during bad times. Davis (1955) commented that employees join union because the possible assistance in finding re-employment that union has sometimes provided and to build relationship with others (Atkinson, 1956).

Peers can become very important force for workers to join trade union. Workers who are reluctant to join the trade union might be boycott by their peers. This situation normally happened during the early stage of formation of trade union. Thus some workers join union to avoid any conflict between each other and maintain good relationship among members.

2.4 McClelland's Theory of Needs

McClelland's theory of needs was developed by David McClelland and his associates (McClelland, 1961). The theory focuses on three needs which can be defined as:

- Need for achievement (nAch) is the drive to excel, to achieve in relation to a set of standards, people effort to be successful and to strive to succeed.
- Need for power (nPow) is the need to make other behave in a way which in which they have not behaved otherwise and have an impact to others.
- Need for affiliation (nAff) is the desire for friendly, close interpersonal relationships or established and maintain contact with others.

2.4.1 Need for Achievement

There are times when it takes more than one person to accomplish a particular task but it can only be done by group. Normally there is a need to pool talents, knowledge or having certain sets of skills in order to complete a task or job. Therefore, a group is established to carry out the task than can be done by individual. Combination of different individual knowledge, expertise, experiences and ability will motivate them to achieve their goals. According to Steers and Braunstein (1976), the need for achievements (nAch) is a desire to accomplish something and to attain a standard of excellence.

Job satisfaction and performance of individual has a very strong relationship with (nAch). Study by (Matsui et al., 1982) found n-Ach to be positively related to performance and promotion. Dreher (1980) found that (n-Ach) had positive correlations with job involvement and satisfaction. High need for achievement should always lead to better performance than low need for achievement (McClelland, 1985). Very low job satisfaction and work performance may arise from various reasons such as dissatisfaction with peers, superior, organizational system, rules and regulations or limited tools to perform the task. Individual becomes frustrated and hence hopes by joining a group, individual can expect to improve their job satisfaction and performance. Job dissatisfaction and frustration is the most prevalent explanations to the decision of individual to join a union (Guest and Dewe, 1988). Trade union provides workers with a "collective voice" vis-a-vis employers, enabling them to eliminate sources of dissatisfaction (Freeman and Medoff 1984).

Individual who have high need of achievement (nAch) wants frequent and specific feedback about performance so they can enjoy the experience of making progress toward objectives or for status confirmation. McClelland (1987) stated that individual with high (nAch) need regular and positive feedback regarding the progress of their work and experience satisfaction when their achievements are recognized and thus have a strong sense of accomplishment and success. People who have a significant need for achievement tend to believe that they have control over the outcome of their behavior and that they have reliable feedback about their progress toward their goals (Locke and Latham, 2004).

Most of the time individual is not able to receive the expected feedback unless they join a group. Group will enable them to continuously receive feedback about their achievement and status aspirations. Cassidy and Lynn (1989) suggested that status aspirations are one of the basic factors of achievement motive. People who have a significant need for achievement tend to believe that they have control over the outcome of their behavior and that they have reliable feedback about their progress toward their goals (Locke and Latham, 1994).

2.4.2 Need for Power

Yulk (1989) has stated that (nPow) reflects influencing others, defeating an opponent or competitor, winning and argument or attaining a position of greater authority. Benson and Hornsby (1988) found (nPow) to be related to certain influence strategies. The need for Power (n-Pow) is the desire to wield power, and to influence and control other people (Steers and Braunstein, 1976). Murray (1938) stated that (nPow) is desire to control the sentiments and behavior of others. Individual may decide to join group or trade union because he hopes to influence other individuals to behave according to what he thinks and believes. Group can use their power to influence management or organization. Members in the group can use their solidarity power to change management policy, management decisions, approached toward the workers, overcome unequal treatment and having collective agreement with the management. Individual who believe in workers' solidarity join unions because they perceive trade unions as a major instrument for collective action (Fiorito et al. 1986)

Leader and leadership have a very close relationship with (nPow). Individual with high needs for power have the tendency to seek leadership opportunities (Pritchard, 1978). Leadership opportunities can only be executed if individual join the group or trade union. Individual cannot be a leader if he acts alone without a group. Good leader can creates opportunity for others in the group, develop other, deliver result and motivates members to achieve group objectives. Persons with low need for power may lack the assertiveness and self confidence necessary to organize and direct group activities effectively (Yulk, 1989)

2.4.3 Need for affiliation

The Need for Affiliation (nAff) means that people seek good interpersonal relations with others. Steers and Braunstein (1976) commented that the need for affiliation (n-Aff) is a desire to have warm and friendly personal relationships. Hills (1985) offered a comprehensive framework to the study of the affiliation motive, where he identified four fundamental reasons behind individuals' desires for social contact: positive affect; attention or praise; emotional support; and social comparison. The (nAff) can be relates to the behavior of people joining group or trade union. Individual join group in order to have close and warm relationship with other members. They want to be liked and accepted by others, and attach importance to a personal interaction. They obtain great satisfaction from being liked and accepted by others, and prefer to work with others who prefer group harmony and cohesion

People with high (nAff) like to be with people and prefer cooperation over competition. They strive to make and keep relationships with a high amount of trust and mutual understanding. Schneer and Chanin (1987) found there are positive associations between n-Aff and conflict-handling behavior. People who join group normally try to avoid any conflict between members and prefer to settle the conflict mutually in a very cordial environment. In trade union, conflict will reduce the effectiveness of the union and deter the union to attract potential future members. Inability for the trade union to increase their membership will affect the strength of the trade union and the trade union will be ineffective to fulfil member aspiration.

The (nAff) generally are not concerned with task accomplishments unless they are instrumental in building interpersonal relationships (Atkinson, 1956). They believe on similarity and equality. In other words people who prefer affiliation are collectivism-oriented. Collectivists believe that the pursuit of self-interest can disturb group harmony (Hofstede, 1980) and are not willing to avoid group and, if necessary, concede their benefits and chances to others in the group. This tendency is similar to individual who join trade union as they prefer to be called "brother" among each other to show their strong spirit of affiliation. Individual with strong (nAff) prefer to join group or trade union as interdependence and cooperation with others are emphasized. They prefer to have trust relationships with others, obtain social esteem, and promote socialization with others.

An individual who has moderate (nAff) is related to effective management. Individual in this dimension often lead to avoidance of unpopular decisions, permitting exceptions to rules, and showing favoritism to friends.

Studies have shown that individuals with a moderate need for affiliation tend to be more effective managers and helpers than those with high and low affiliation (Boyatzis, 1974). Finally, a person low in (nAff) tends to be a loner who dislike socializing with others except for a few close friends or family. They may lack motivation or energy to maintain high social contacts in networking, group presentations, public relations, and building close personal relations with peers and subordinates. This type of individual who has low (nAff) may not join any group.

3.0 Research Methodology

This study is a correlational study because it involves the examination of the relationship between employees' needs namely need for achievements, need for power and need for affiliation and the formation of trade union. The population of this study involves all employees who are eligible to join the trade union. The number of population in this study is 1788 (N). In the company only workers in manual category like in Manufacturing, Maintenance, Warehousing, Facilities and Quality department are allowed to join the union. This in line with Section 9(1) of the Industrial Relations Act 1967 that indicates workers in managerial, executives, confidential staff and security capacity are not allowed to join or form a trade union.

The appropriate sample for a population of 1788 is 317 (Sekaran et al., 2004). Since sample for this study are from various departments in the organization, the researcher decided to use disproportionate stratified simple random sampling.

Measurement for the formation of trade union was adopted from founding team partner's commitment developed by Lei-Yu Wu et al. (2008). This study developed the following four items to measure founding team partners' commitments: "You are willing to work under the lead entrepreneur's leadership," "You are willing to devote most of your time to the company," "You are willing to contribute most of your resources and abilities to the company," "You are not willing to leave the company easily." Respondents were asked to subjectively assess founding team partners' commitments on the lead entrepreneurs on five-point Likert scales (from strongly agree to strongly disagree). The Cronbach Alpha value for this instrument is 0.85.

This study employs needs for motivation as suggested by McClelland (Robbins, 2005). McClelland stated there are three needs for motivation; need for achievement, need for power and need for affiliation. Measurement for motivational need was adopted from implicit motivation variables (needs assessment questionnaire, NAQ) developed by Heckert et al. (1999). The NAQ assesses three types of motivation, first, need for achievement; second, need for affiliation and third, need for dominance (power).The need for achievements consist of three dimensions known as Hope of success (achievements), fear of failure (achievements) and Need for achievements. The coefficient Cronbach's for the existing three items are 0.89, 0.71 and 0.84.The need for power consist of three dimensions known as Hope of power, fear of power and Need for power. The coefficient Cronbach's for the existing three items are 0.52, 0.82 and 0.77. The need for affiliation consist of three dimensions known as Hope of affiliation, fear of affiliation and Need for affiliation. The coefficient Cronbach's for the existing three items are 0.85, 0.78 and 0.78.

Before pursuing further analysis, this study executing data screening which involved normality, linearity and outliers tests. For normality test, examination of skewness and kurtosis is performed where both values must score ±1.96. Scree plot test is executed in determining linearity and this study performed multivariate outlier for outlier identification.

To identify dimensions of each variable involve in this study, factor analysis is carried out. Number of factor will be determined by eigenvalue where factor with eigenvalue is equal or greater than 1 will be accepted. In identifying the relationship between variables understudied, correlation analysis has been performed. In this analysis, the value of correlation coefficient (r) is examined. The value range for correlation coefficient is from -1 to +1, with +1 indicates a perfect positive relation, 0 indicates no relationship, and -1 indicates a perfect negative or reverse relationship (Hair. Jr, et. al, 1998). Meyers, et. al (2006) have categorized correlation coefficient value of .5, .3 and .1 as large, moderate and small. Pilot study has been performed to examine the reliability of the measurement used in the study. The value of Cronbach alpha of 0.7 and above is considered as reliable while Cronbach alpha of 0.6 is considered fair. (Sekaran, 2003).

A pilot test is performed in order to examine the reliability of items consist in instruments used in this study. Table 1 indicates the Cronbach Alpha value for every variable.

Table 1: Reliability Test Results

Variables	Dimensions	No of Items	Cronbach Alpha (α)
Need for achievement	a. Hope	2	**0.791**
	b. Achievement	4	**0.689**
	c. Fear	2	**0.282 (discarded)**
Need for power	a. Achievement	3	**0.60**
	b. Hope	3	**0.611**
	c. Fear	1 (discarded)	
Need for affiliation	a. Hope	3	**0.697**
	b. Fear	3	**0.699**
Formation of Trade union		4	**0.894**

According to Sekaran (2003) all variables are considered reliable as the Cronbach Alpha values are exceeding .60.

Correlation Analysis

Correlation analysis is performed to examine the relationship between independent and dependent variables understudied. Result for correlation analysis is shown in table below.

Table 2: Correlation Analysis Result

		Nach_Achievement	Nach_Hope	Npow_Achievement	Npow_Hope	Naff_Hope	Naff_Fear	Group_Formation
Nach_Achievement	Pearson Correlation	1	.461**	.342**	-0.038	.282**	-0.109	0.113
	Sig. (2-tailed)		0	0	0	0	0	
	N	291	291	291	291	291	291	291
Nach_Hope	Pearson Correlation	.461**	1	.340**	0.027	.393**	-0.046	.171**
	Sig. (2-tailed)	0						
	N	291	291	291	291	291	291	291
Npow_Achievement	Pearson Correlation	.342**	.340**	1	.153**	.427**	0.015	.291**
	Sig. (2-tailed)	0						
	N	291	291	291	291	291	291	291
Npow_Hope	Pearson Correlation	-0.038	0.027	.153**	1	.175**	.337**	.185**
	Sig. (2-tailed)	0.518	0.644	0.009		0.003	0	0.002
	N	291	291	291	291	291	291	291
Naff_Hope	Pearson Correlation	.282**	.393**	.427**	.175**	1	0.069	.293**
	Sig. (2-tailed)	0	0	0	0.003		0.241	0
	N	291	291	291	291	291	291	291
Naff_Fear	Pearson Correlation	-0.109	-0.046	0.015	.337**	0.069	1	.130*
	Sig. (2-tailed)	0.063	0.434	0.802	0	0.241		0.027
	N	291	291	291	291	291	291	291
Group_Formation	Pearson Correlation	0.113	.171**	.291**	.185**	.293**	.130*	1
	Sig. (2-tailed)	0.054	0.003	0	0.002	0	0.027	
	N	291	291	291	291	291	291	291

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

3.1 Correlation between Need for achievements and Formation of Trade Union

Table 2 shows that the value of coefficient correlation between Need for achievement-achievement is r = 0.113. The positive correlation coefficient of r = 0.171 for need for achievement-hope. The positive correlation coefficient of 0.171 indicates that the need for achievements is significant with group formation. According to Muchinsky (1993) this relationship is considered as very low.

3.2 Correlation between Need for power and formation of Trade Union

Table 2 shows the positive correlation coefficient of r = 0.291 for need for power-achievement and r = 0.185 for need for power-hope. The positive correlation coefficient of .291 and 0.185 indicates that need for power is significant with the formation of group.

3.3 Correlation between Need for affiliation and formation of Trade Union

Table 4.29 shows the positive correlation coefficient of r = 0.293 for need for affiliation-hope and r = 0.130 for need for affiliation-fear. The positive correlation coefficient of .293 and 0.130 indicates that need for affiliation is significant with the formation of group.

4. Discussion

4.1 Need for Achievement and Formation of Trade Union.

There are several factors contribute to the significant result in the company. The regional trade union is very new to the employees and not much activity has been carried out by the union. Firstly, employees are also not very familiar with the trade union leader as the union has not aggressively meeting the employees in briefing or meeting. Therefore, the trade union has no track records to show to the employees and very less expectation from the employees on trade union success story.

Secondly, employees hope by joining the trade union, workers can channel their dissatisfaction of the salary issue, better benefits and working conditions to the management. Since 2001, the basic salary earned by Technician was at RM1050 per month which is relatively low to the major semiconductor companies in Malaysia. The finding in this study was in line with the statement that trade union can deliver employees demand to raise their wages (Davis, 1955).

Thirdly, most common issues raised by employees is Friday prayer. Coincidently, male muslim employees who involved in 12 hours shift pattern would not be allowed to perform Friday prayer. Through trade union, the employees hope the management will consider and come out with some alternatives to overcome this issue. Positive solution is expected from the negotiation between management and trade union.

Finally, most sensitive and popular issue is the yearly performance appraisal. Feeling of unfairly treated and evaluated by superior as according to specific rating such as excellence, very good, good, satisfactory and need improvement to determine the yearly increment quantum. Employees find the current performance appraisal system using by the company is not fair and does not reflect the true performance appraisal exercise. No One to One evaluation assessment on the achievements between employees and supervisor to review the performance gap. Thus, employees hope that by joining the trade union, the management will established a new systematic approach in conducting a performance appraisal.

4.2 Need for Power and Formation of Trade Union.

There was an association between need for power and formation of trade union. To explain the association, we have to look back at the situation which had happened in 2009. During this year, electronics industry was badly affected by economy crisis in the US and Europe. Major electronics companies in Malaysia lay off or retrenched their employees including The company. This negative signal has triggered employees to think on their job security. Job security not only referring to maintaining existing employment but also on avoiding discrimination, unfair working treatment and victimisation Employees understand that they must have a tool to achieve job security. Without legal power the management can decide on their job security unilaterally. As such employees motivated to form a trade union to seek bargaining power. As stated in Section 13, Industrial Relations Act 1967, where a trade union of workmen has been accorded recognition by an employer, the trade union can commence collective bargaining.

The trade union during the collective bargaining will try their best to defend and promoting the worker's interest such as to raise worker's standard of living, express in practical terms the worker's desire to be treated in due respect and worker's job security. Therefore, employees join the trade union as they know that the trade union will help them to achieve their goals and objectives. This finding is significant with the statement by Perlman (1928) that suggested workers join unions in order to obtain job security.

The company has changed employees' work pattern from 8 hours shift per day to 12 hours shift per day effective January 2009 and remained till to date. The move was intentionally to align human capital during crisis period. Some employees were not happy with the changes. The reasons given were long working hours per day, difficulties to adjust with family requirements, extra money to pay to baby sitter, unpredictable of future relationship with husband or wife due to work commitment, medical issue and travelling time especially for long distance workers. A lot of requests and feedbacks to review the work pattern were received during dialogue sessions, daily briefing sessions and during department manager meeting with employees. The management decided to maintain the work pattern and no indication that it will be changed in near future. Employees frustrated and felt dissatisfaction.

Therefore, employees hope by forming and joining the trade union, during the collective bargaining the trade union can negotiate with the management on the12 hours shift pattern. They hope trade union will success and the work pattern will be changed back to 8 hours shift pattern. Employees are motivated to seek for power and form a trade union. They hope that with forming and joining trade union, the current work pattern can be changed back to 8 hours shift pattern.

4.3 Need for Affiliation and Formation of Trade Union.

There was a positive correlation between need for affiliation and formation of trade union. Muar is a small town and most of the employees in the company come from the same locality and might be related to each other. Some of their children are also working together with their parent.

In term of employee's stability, more than 40% of the employees have been working in the company for more than 10 years. They know each other very well and have very strong sense of belonging. Therefore, employees motivated to form a trade union as they hope to build a very strong interpersonal relationship among each other. This finding is parallel with Atkinson (1956) study that employees join the trade union in order to build interpersonal relationship.

Pressure from peers is another factor that drives employees to join the trade union. Some of the employees initially are not so interested to join the trade union as they are comfortable with the current environment. When their peers pressure them to join the union, they try to avoid any conflict with their peers. They fear that by rejecting the trade union, their peers will boycott them and deter them from having good relationship with others. Therefore to avoid any conflict with their peers and maintaining good relationship, this group of employees will join the trade union to shows their support to their peers.

5. Conclusion

The findings of the study revealed that the trade union must double their promotion strategies to attract more employees to become union members. Promotion should include the rationale of becoming union members, consultation assistance to be provided to members, training to union members and the successful story of the union or reference union in protecting employees. Trade union must promote their organization to the employees to strengthen their relationship with union members, to gain confidence and support, to cascade union ideas and view and to show that the existence of trade union will benefit all union members. Trade union can use different ways of promoting their organization such as website, monthly or yearly newsletter, briefing sessions, meeting with their members or established sub committees for employees to participate.

Trade union must be able to build trust among members especially during early stage of formation. Membership rate will increase if employees trust the union. Trade union must be willing to open more office bearer position to the employees in the company to build confidence and opportunity for the employees to show their talent leadership are not just a follower. So many ways for the trade union to build trust such as be reliable to the union members by keeping their promises, be fair to all union members, avoiding dishonest and bias, be consistent, share information with union members, help members and admit mistakes.

The result of the study also brings important indicators on how management should react towards the inspiration of the employees. Management must be willing to use participative management style when dealing with any issues pertaining to employees. By using participative management style, employees views can be heard within the company, employees a chance to put forth the suggestions that he feels will benefit both himself and the company and it creates a better work environment due to improve employee satisfaction. Management can negotiate with employees on any issue arise, compromise with employees on work related issue, give employees authority and accountability over their work and provide tools to employees to perform their job. Participative management style reduced employees' dependency on unions to resolve issues.

Management must encourage employees to participate and involve in managerial decision making process to portray justice. Management approaches towards employees must be in cordial atmosphere so that employees feel that they are not being exploits, discriminate and victimise. By encouraging employees to participate in managerial decision, employees will trust the company, increase job satisfaction, increase motivation and morale, creates innovative culture and. Management can encourage employees to involve in decision making process by established task group with management staff, established employees suggestions scheme, involve employees in management meeting and perform a survey if there are any changes to be done for entire organization. Employees who are motivated and engaged with company are loyal and difficult for the trade union to approach. Therefore this suggestion can help management to operate without trade union involvement.

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