

Engaging Mixed Methodology to Gauge Industrial Relations Quality Determinants

Elizabeth Caroline Augustine^{1*}, Nur Aida Kipli² and Kuldip Singh³

^{1,2,3} Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA Cawangan Sarawak, Malaysia

^{1*}elizabeth@uitm.edu.my; ²aidan@uitm.edu.my; ³kuldip@uitm.edu.my

*Corresponding Author

Received: 21 October 2022

Accepted: 28 February 2023

Published: 31 March 2023

ABSTRACT

Several scholars have claimed that harmonious and quality industrial relations lead to organizational development. There are studies and instruments to measure industrial relations harmony. However, so far, document searches based on SCOPUS and Google Scholar databases revealed a lack of evidence based on empirical studies conducted on industrial relations quality and measurements used to determine the quality of industrial relations. This paper attempts to discuss how industrial relations quality determinants are gauged employing a mixed methodology approach. The quality of industrial relations in East Malaysia would be assessed. Data collection for both approaches was conducted online due to the COVID-19 movement control order. NVivo 12 plus was used to explore and identify industrial relations best practices. The Statistical Package for Social Sciences (SPSS) version 26 was used to gauge industrial relations quality determinants and determine the quality of industrial relations. There were seven industrial relations practices identified. Data obtained via qualitative and quantitative approaches were then triangulated to determine the viability of the seven industrial relations best practices as quality



This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

determinants. It was found that three out of the seven industrial relations best practices were noticeably best practices for both methods and hence, considered industrial relations quality determinants. It was also found that the private sector in East Malaysia is compliant with industrial relations best practices. This paper provides insights into organizations to determine the means to enhance quality industrial relations at their workplaces and set a benchmark for organizations to incorporate their industrial relations into their strategic planning, particularly in the area of human resource management, to attract and retain talented employees. This paper also highlighted the need for future researchers to conduct studies on the quality of industrial relations in East Malaysia as most current industrial relations studies are typically centered in West Malaysia.

Keywords: *industrial relations quality, compliance, negotiation, communication, consultation*

INTRODUCTION

Several scholars claimed that harmonious and quality industrial relations lead to organizational development. Acknowledging whether the industrial relations of an organization or a country is harmonious or not is important, but determining its quality is even noteworthy because as claimed by the Malaysian Department of Industrial Relations, the state of industrial relations of a country will determine the country's ranking in the World Competitiveness in Labor Relations to attract the interest of foreign investors to do business in the country for the benefit of the country's economic progression and growth. Thus, industrial relations need to be not only harmonious but they should also focus on quality.

There have been studies and instruments to measure industrial relations harmony. So far however, document searches based on SCOPUS and Google Scholar databases revealed a lack of evidence of empirical studies conducted on industrial relations quality and to measure the quality of industrial relations. Thus, exploring, identifying, and determining the determinants to gauge industrial relations quality is worthwhile. This paper discusses a study conducted employing a mixed methodology approach to explore, identify, and determine industrial relations best practices which can

potentially be employed as industrial relations quality determinants to gauge the quality of industrial relations.

PROBLEM STATEMENT

Aminuddin (2009) claimed Malaysia's industrial relations is harmonious. The country introduced a guideline in 1975 known as the Code of Conduct for Industrial Harmony (CCIH) to foster and enhance cooperative relationships between management and union. It has since been a seemingly ideal guideline on best practices for harmonious industrial relations in Malaysia. The CCIH states four main areas of cooperation as key factors to establishing industrial relations best practices between employer and employee in particular. Todd and Peetz (2001) also claimed that Malaysian industrial relations as accommodative as there are union inputs in decision-making at the workplace. Wad (1997) categorizes Malaysian industrial relations as peaceful. Sharma (1996) classified Malaysia's industrial relations pattern as being rather repressive instead. Parasuraman and Schwimbersky (2005) are of the view that Malaysia's industrial relations is more conflictual than accommodating. If Malaysia's industrial relations is harmonious as claimed by Aminuddin (2009), Todd, Lansbury, and Davis (2006), and Wad (1997), then what is its quality, because others like Ariffin (1997), Arudsothy and Littler (1993), Jomo and Todd (1994), Parasuraman and Schwimbersky (2005), and Sharma (1996) claimed otherwise.

Although the Department of Industrial Relations in the Ministry of Human Resources Malaysia reported the national industrial harmony index score for the three consecutive years from 2017 until 2019 as good, there exists an inconsistent trend which merits further study. It was claimed that IHI is able to present a more reflective and comprehensive state of industrial harmony. Nevertheless, it is insufficient to just identify whether a given industrial relations is harmonious or not because it is more vital to check on its quality instead, as its quality will determine whether it will be harmonious or otherwise. An organization or a country's industrial relations quality should also be measured and determined whether it complied with a certain standard of industrial relations best practices of being peaceful, harmonious, and cooperative as suggested by Feldmann (2006). As mentioned earlier, there are numerous studies conducted to learn about industrial relations climate and industrial relations harmony. So far

SCOPUS and Google Scholar databases have yet to show any study conducted on industrial relations quality. It seems to be left unstudied although Dastmalchian (2008) stressed that it is crucial to conduct a study on industrial relations quality. Moreover, De Silva (1998) and Schappe (1997) highlighted that such relationships must have certain qualities. There is also a need to conduct a study to determine Malaysia's industrial relation quality to support and justify Industrial Harmony Index (IHI) result. Furthermore, the IHI study is not only a study on industrial relations per se but rather one on employer-employee relations as the study takes into account all organizations with or without trade unions existing in the organization when Aminuddin (2020) highlighted that industrial relations refer to the relationships between employers, employees, and their unions.

Hence, this study attempts to uncover what are the most common industrial relations best practices that can potentially be used as industrial relations quality determinants and what is the state of quality of industrial relations particularly in East Malaysia.

LITERATURE REVIEW

The term industrial relations has various definitions. According to Ayadurai (2014), industrial relations is defined as as the relations created by parties who are concerned with employment and its concern for the study of the regulation of relations between employers, employees, and their unions. Aminuddin (2020) viewed industrial relations as a study to examine the relationship between employers and employees, where only when the employees are represented by their union then industrial relations exist. Wu (1995) stated that industrial relations is a form of relationship between employee and employer at the workplace, and the ways and means of handling the relations. Wijayanti, Endarto, and Kusnadi (2022) refer to industrial relations as a system of relations formed between players in the process of producing goods and/or services consisting of elements of employers, workers, and the government. "Industrial Relations Quality" on the other hand as defined by Feldmann (2006), is peaceful, productive, and cooperative industrial relations. Industrial relations quality refers to a situation where the features, inherent characteristics, and requirements of industrial relations at the workplace complied and conformed to industrial

relations standard which is adopted and modified from industrial relations best practices.

The Code of Conduct Industrial Harmony (CCIH) is an agreement made between the Ministry of Human Resources (then known as the Ministry of Labour and Manpower) and the Malaysian Council of Employers' Organisations (the predecessor to the Malaysian Employers Federation and the Malaysian Trades Union Congress) was introduced in 1975 to provide a guideline to parties involved in achieving greater harmonious industrial relations. Among other aims of the CCIH are to protect both the employers' and employees' interests, enhance the relationship between employers and employees, and minimize industrial disputes and industrial actions occurrence. The code also outlines how each party should behave and areas in which they should cooperate to ensure industrial ethics and fair labour practice. Consultation and communication is the most mentioned industrial relation practice across the CCIH followed by procedures to negotiate, procedures to resolve individual grievances, and procedures to resolve trade disputes. Ayadurai (1985) said that although the code is not legal by morals, it has been accorded semi-legal status by the Industrial Relations Act 1967. According to de Silva (1998) even though the CCIH 1975 is merely a guideline to enhance harmonious industrial relations and it is not a law that is enforced to do so, the industrial court however will refer to it when arbitrating industrial relations cases referred to it. Thus, the CCIH can be considered one of the key elements in achieving harmonious industrial relations.

The CCIH 1975 stressed that both employer and employee must tolerate each other through discussion and negotiation to reach vital mutual understanding that it is impossible to avoid conflict at all. Thus minimal conflict during negotiation is reasonable. The Code also indicated that a prerequisite of good industrial relations is a sound employment policy. It should reflect the government's policy requirements as announced from time to time. The CCIH 1975 highlighted communication and consultation as one of the areas of cooperation between employers and unions in order to reach harmonious industrial relations at the workplace.

There were several studies conducted locally and abroad on industrial relations practices, industrial relations climate, and industrial relations in general. Among the studies were those by Dastmalchian, Blyton,

and Adamson (2014), Deery, Erwin, and Iverson (1999), He (2010), Ostrowsky (2005), Parasuraman (2007), Lakra and Srivastava (2019), Schappe (1997), Sundaray and Sahoo (2013), and Yarrington, Townsend, and Brown (2007). These scholars are among those who had conducted studies on factors promoting harmony relationship between management and union. Thus, concluding that there are many factors that contribute to harmonious industrial relations but which of them may possibly lead to industrial relations quality.

Dastmalchian (1989; 2008) conducted two series of industrial relations studies and he refers to those studies as “Industrial Relations Climate”. Dastmalchian’s first study in 1989 was to evaluate whether the relationship between management and union is harmonious or otherwise (Dastmalchian, Blyton, & Adamson, 1989). Dastmalchian et al (1989) had introduced ten-item ‘harmony’ dimension to evaluate such relationships. In 2008, Dastmalchian conducted a second study and introduced the concept of industrial relations climate. It was a continuation of his first study. In his second study, Dastmalchian (2008) introduced the concept of industrial relations climate. He described industrial relations climate as workplace norms and attitudes. These studies brought Dastmalchian together with Blyton and Adamson in 2014 in which wrote a book based on their study on industrial relations climate entitled *‘The Climate of Workplace Relations*. ‘Dastmalchian, Blyton, and Adamson (2014) highlighted union legitimacy, consultation, negotiation, employee participation and involvement, and conflict management approach had led organizations in their study to harmonious industrial relations. They pointed out that employees should be encouraged to get involved in union activities and organizations should also often seek input from employees and unions before initiating changes. Negotiations that take place in an atmosphere of good faith will enhance harmonious industrial relations. Their study also discovered both union and management cooperated to settle disputes by putting in sincere efforts to solve common problems, and grievances are normally settled promptly. Organizations in the study by Dastmalchian et al (2014), also showed a great deal of concern towards the views of employees and unions which contributed to better industrial relations at the workplace.

Dastmalchian in all his industrial relations studies (1989, 2008, 2014) has consistently stressed that the relationship between management and union needs to be cooperative and quality as it has an impact on an

organization. Deery, Erwin, and Iverson's (1999) study was to determine factors to develop cooperative industrial relations at an organizational level. They measured industrial relations based on management-related variables, union-related variables, and individual-related variables. Among the dimensions used to measure cooperative union-management relationships are open communication and management willingness to share information with the union. A study by He (2010) was concerned with constructing a model to calculate harmonious labour relations. He assessed the state of labour relations based on eight criteria which are strictly implementing labour contracts and employing people according to labour laws; establishing consultation and collective contract system; protecting employees' labour economic rights according to laws; wholeheartedly depending on employees to run in-house and insisting on workers congress and other forms of democratic management system; respecting and protecting employees' spiritual cultural rights; establishing legal supervision organization and labor dispute mediation organization; protecting the legitimate rights of female employees and juveniles; establishing trade unions and conducting work according to the laws governing trade unions. He (2010) highlighted factors like union legitimacy, conflict management approach and employment policy are essential to designing harmonious industrial relations measures. The specific details of these factors are; establishing consultation, recognition of trade unions, labor disputes mediation, career development, education and training, labor safety and labor protection, social insurance and benefits, working hours, income equality, and lastly level of compensation and working environment. He also emphasized the importance of evaluating industrial relations as the organizations will know where corrective action is necessary, and this will then lead to improved organizational development.

Ostrowsky (2005), based on her vast review of the literature on constructive union-management relationships, highlighted a few factors such as communication, trust, commitment, and resolving conflict as guidelines for cooperative union-management relationships. She emphasizes information being cascaded down to all levels of workers where information must be shared with all members of the organization while mechanisms for communication purposes must also be in place. She also found out that the need for both the union and management to respect each other and employee involvement in decision-making is essential in fostering such relationships. Meanwhile a study by Lakra and Srivastava (2019)

identified seven dimensions that contribute to harmonious industrial relations. The dimensions are union-management cooperation, mutual regard, trust and fairness, hostility and aggression, apathy, joint participation, and mutual support for union membership. Sundaray and Sahoo (2013) in their study are of the opinion that an organization needs to adopt suitable industrial relations practices to secure quality industrial relations which will lead to a satisfied, committed, and productive workforce. They see industrial relations quality as a potential factor for an organization to attain sustainable competitive advantage. They also highlight the need for organizations to engage in conflict management approaches to prevent and resolve issues that may arise out of or affect work situations.

Yarrington, Townsend, and Brown's (2007) discovered that trust, communication, employee voice, and respect for the rules of the relationships are the essence for such relationships to prosper. They also highlighted other aspects such as management recognizing the union as the representative of the employees, genuine union involvement in decision making and the decision made considered consequences on employees, the willingness of management to share information, conflict resolving approach in place, having a hybrid mechanism for communication purposes, regular consultative meetings, regular visit sites to discuss issues and support for valid arguments. Yarrington, Townsend, and Brown (2007) also state that meetings are the best way to communicate between the union and the management and hence can ensure harmonious industrial relations.

Most studies on industrial relations in Malaysia are conducted by Parasuraman (2013; 2007; 2006) with much emphasis given to employee participation and part of communication and consultation as specified in the CCIH (1975). Based on a study conducted by Parasuraman, Mustapha, Kooiker, Goodijk, and Kneppers-Heijnert in 2013 noted that harmonious effects of employee participation such as management sharing information were detected in Dutch Subsidiary in Malaysia where it increased employee commitment and productivity.

Table 1 below exhibits the relevant literature on industrial relations best practices based on documents and studies conducted locally and abroad.

Table 1
Relevant Literature on Industrial Relations Best Practices

Elements of Similarity	Relevant Literatures
Union Legitimacy	<ul style="list-style-type: none"> • CCIH 1975 • Dastmalchian, Blyton, and Adamson (2014) • He (2010) • Lakra and Srivastava (2019) • Schappe (1997) • Sundaray and Sahoo (2013) • Yarrington, Townsend, and Brown (2007)
Employment Policy	<ul style="list-style-type: none"> • CCIH 1975 • He (2010) • Yarrington, Townsend, and Brown (2007)
Communication	<ul style="list-style-type: none"> • CCIH 1975 • Deery, Erwin and Iverson (1999) • Ostrowsky (2005) • Sundaray and Sahoo (2013) • Yarrington, Townsend, and Brown (2007)
Consultation	<ul style="list-style-type: none"> • CCIH 1975 • Dastmalchian, Blyton, and Adamson (2014) • He (2010)
Employee Involvement and Participation	<ul style="list-style-type: none"> • Dastmalchian, Blyton, and Adamson (2014) • Deery, Erwin, and Iverson (1999) • Lakra and Srivastava (2019) • Parasuraman (2007) • Schappe (1997) • Sundaray and Sahoo (2013) • Yarrington, Townsend, and Brown (2007)
Negotiation	<ul style="list-style-type: none"> • CCIH 1975 • Dastmalchian, Blyton, and Adamson (2014) • Sundaray and Sahoo (2013)
Conflict Management Approach	<ul style="list-style-type: none"> • Dastmalchian, Blyton, and Adamson (2014) • Deery, Erwin, and Iverson (1999) • He (2010) • Ostrowsky (2005) • Schappe (1997) • Sundaray and Sahoo (2013) • Yarrington, Townsend, and Brown (2007)

A study was also conducted by the Department of Industrial Relations in the Ministry of Human Resources, Malaysia in collaboration with a team of researchers from Universiti Putra Malaysia (UPM), one of the public universities in Malaysia. The study produced an instrument known as Industrial Harmony Index (IHI) was launched on 8th August 2019 categorizes industrial harmony index score into four levels of in-house harmony where 90% - 100% is Excellent, 70% - 89.9% is Good, 50% - 69.9% is Satisfactory and lastly, 0 - 49.9% is Weak. The instrument which is known as the Industrial Harmony Index (IHI) contains five dimensions and twenty-four items to measure the level and state of harmony relationship between employers and employees in Malaysia. The five dimensions are nurturing relationships with six items, connectedness with five items, mutual peace-making with three items, being responsible with five items, and mutual cooperation with five items. Nurturing relationships refers to the efforts of workers and employers to build and maintain a good relationship between them. Connectedness on the other hand refers to the cooperation or intimacy between workers and employers. While mutual peace-making refers to the willingness of workers and employers to prevent, resolve and reduce unresolved conflicts between them. Being responsible refers to members' willingness to coordinate their activities in an effort to help all members achieve their goals and lastly, mutual cooperation refers to the sense of responsibility of organizations and employees in fulfilling their promises and in carrying out their duties.

There are several conflict management approach theories. Among them are McShane and Von Glinow (2013) and Thomas and Kilmann (1977). McShane and Von Glinow (2013) state that the numbers of conflict-handling styles identified by conflict experts are varied. They further claim that the most common is the Five-category Conflict Management Model. The model also identified five conflict management styles where they are problem-solving, forcing, avoiding, yielding, and compromising. However, according to McShane and Von Glinow (2013), the problem-solving style has been the most preferred conflict-handling style as it concerns a win-win situation where it tries to find a mutually beneficial benefit for the parties involved in the conflict. This style promotes information sharing which is vital for improving long-term relationships, reduces stress, and minimizes emotional defensives and other indications of relationship conflict. The Thomas-Kilmann Five Conflict-Handling Model was developed by Thomas and Kilmann in 1977, that measures five interpersonal conflict-handling

modes which are competing, collaborating, compromising, avoiding, and accommodating. Kilmann and Thomas (1977) indicate that most ideal conflict management mode is collaborating as collaborators tend to see conflicts as problems to be solved, wanting quality decisions that truly resolve the issues. They believe in the power of consensus and in sharing information and understanding. They regard teammates as allies and tend to see people outside the team as potential allies. They build on other people's ideas and listen well. Collaborators value innovation, open-mindedness, learning, and consensus. They look for value in what others say and combine that with their own insights to find win-win solutions. Collaborators tend to be more helpful in reaching win-win solutions that provide a long-term resolution to a conflict issue. They ask questions, listen to others' viewpoints, and try to incorporate those viewpoints into a richer, shared understanding.

Aminuddin (2011) claimed that Malaysia's industrial relations is harmonious. She made a such claim based on her judgment on the reduction trend in the country's industrial relations disputes statistics. Aminuddin (2016) reported before the year 2001 there were more than ten strikes per year in Malaysia but starting from the year 2002 onwards, strike occurrence had decreased to less than five per year. According to Todd and Peetz (2001), the Malaysian industrial relations is accommodative as there are union inputs in decision-making at the workplace. Wad (1997) categorizes Malaysian industrial relations as peaceful. Sharma (1996) classified Malaysia's industrial relations pattern as rather repressive instead. Parasuraman and Schwimbersky (2005) too commented Malaysia's industrial relations is rather conflictual than concession accommodating. The study conducted by the Department of Industrial Relations in the Ministry of Human Resources, Malaysia reported the national industrial harmony index score for four consecutive years from 2017 until 2020 as good which means Malaysia's industrial relations is harmonious. If Malaysia's industrial relations is harmonious as supported empirically by the national IHI and also as claimed by Aminuddin (2009), Todd and Peetz (2001), and Wad (1997), what of its quality then as others like Ariffin (1997), Arudsothy and Littler (1993), Jomo and Todd (1994), Parasuraman and Schwimbersky (2005), and Sharma (1996) claimed otherwise.

METHODOLOGY

Both methodologies are engaged in the study. The qualitative method using Nvivo was used to explore and identify industrial relations best practices. The quantitative method used Statistical Package for Social Sciences (SPSS) version 26. SPSS was used to determine the possibility of the industrial relations best practices identified via the qualitative approach as the determinants to measure industrial relations quality. The study was conducted in unionized private sector organizations in East Malaysia. It was initiated by reviewing vast literature on industrial relations best practices both locally and abroad. Seven industrial relations best practices were identified. This information was then confirmed through online in-depth interview (IDIs) sessions with two managerial officials and two union officials conducted via video conferencing platform on google meet. The management officials and trade union officials were selected from registered unionized private sector organization frequently reported in the newspapers or other mass communication media as they are actively involved in industrial relations affairs in their organizations. The qualitative data collected in the IDIs were analyzed using NVivo version 12 plus where text queries were performed to identify the number of references of each industrial relations best practice identified.

The quantitative data for this study which required the respondents to respond to a five-point Likert scale (5 = Very High Compliance to 1= Very Low Compliance) was obtained through an online survey. Data collection of both qualitative and quantitative approaches was conducted online due to the COVID-19 movement control order. Google form link for the quantitative method was sent to the officers in the Department of Industrial Relations in the Ministry of Human Resource (MOHR), Malaysia in Putra Jaya, the Department of Trade Union Affairs Sarawak, and the Department of Trade Union Affairs Sabah who had helped in disseminating the google form link to all unionized private sector organizations in East Malaysia. A total of hundred and four (104) respondents out of eight hundred and twenty-eight (828) sample size responded to the online survey. The respondents for the online survey were also the managerial officials and trade union officials of the targeted organizations in East Malaysia. The google form consisted of three main sections, which include the

respondents' demographic profile, industrial relations quality, and recommendations. A pilot study using unionized private sector organizations in West Malaysia samples was conducted to test the instrument's reliability and validity before it was used in the actual study.

RESULTS AND DISCUSSION

This section presents the findings of the study and also discusses the findings against previous studies, views of scholars, related documents, and related theories.

Industrial Relations Best Practices from the Perspective of Management Officials and Trade Union Officials Using Qualitative Approach

In-depth interviews were conducted with management officials and trade union officials to gauge information on industrial relations best practices that contribute to harmonious industrial relations in their organization. In this study, these practices were taken into consideration as the determinants of industrial relations quality and used to assess the quality of industrial relations. The management officials and trade union officials selected were from registered unionized private sector organization that is frequently reported in the newspapers or other mass communication media as they are actively involved in industrial relations affairs in their organizations.

Four informants from the same unionized private sector organizations in East Malaysia were interviewed. Although the informants were from the same organization, they represent different target groups and states. During the interview, several structured questions related to the study were asked. Table 2 shows the result based on the in-depth interview sessions which were analyzed using text query analysis in NVivo. It is found that negotiation, conflict management approach, consultation, and communication were among the top four (4) terms that were always mentioned by informants with reference scores of 167, 164, 116, and 106 respectively. These four industrial relations best practices attained three (3) digit reference scores. The other three (3) industrial relations best practices were also mentioned by informants. They scored two (2) digit references.

The three (3) other industrial relations best practices are union legitimacy, employment policy, and employee involvement and participation. They scored 61, 62, and 71 respectively. Meanwhile, Table 3 exhibits the number of references by the individual informant.

Table 2
Industrial Relations Best Practices on Text Frequency using NVivo

Industrial Relations Best Practices	N	Number of References
Union Legitimacy	4	61
Employment Policy	4	62
Communication	4	106
Consultation	4	116
Employee Participation and Involvement	4	71
Negotiation	4	167
Conflict Management Approach	4	164

Table 3
Industrial Relations Best Practices based on Text Query using NVivo by Individual Informant

Industrial Relations Best Practices	Number of References			
	Informant 1	Informant 2	Informant 3	Informant 4
Union Legitimacy	28	18	3	12
Employment Policy	21	10	21	10
Communication	29	37	10	30
Consultation	30	41	12	33
Employee Participation and Involvement	13	29	7	22
Negotiation	48	48	21	50
Conflict Management Approach	46	51	24	43

From the interview sessions conducted, some valuable inputs were acquired to gauge industrial relations quality determinants and to assess industrial relation quality from a qualitative perspective. Negotiation, conflict management approach, consultation, and communication are

among the criteria to assess the quality because after analyzing the in-depth interview sessions using NVivo, these four best practices are among the seven best practices that scored the highest text query in the interview. Other best practices namely, employee involvement and participation, union legitimacy, and employment policy are also mentioned but not as frequently as the four best practices mentioned earlier.

All the informants interviewed in this study also highlighted and emphasized practices where negotiation, conflict management approach, consultation, and communication practices are mostly and highly practiced in their organization. Informant 1 state that *“Here in this organization we still practise win-win situation. So, any matters that involve the union, any problems or issue, we will always negotiate, do consultation and communicate with the company. But everything can be solved through negotiation. Indeed, that is what always been practiced by this company which is negotiation and consultation”*. While Informant 2 commented *“We will try to solve the issue from the lowest level before it becomes a major problem or dispute. Usually, we will try to prevent any dispute and try to settle issues at the lowest level. Besides email we have meeting which is JCM and SCM. In our organization we have one section that known as union management, this union management they will talk directly to the union. Whatever happen the union management will discuss with the union regarding the organization. In the world there will be different view between the parties. Then if this happens you need to sit and settle down the problems”*. Informant 3 said that *“Meetings with HR HQ KL management. Via Emails to all staff, Zoom meeting, No issues to be discuss except handle by HR office & section head of department. After collective agreement is due there is a need to discuss on the salary, allowances, issues on the employee needs before being brought to management of company to HR office. Methods used is to discuss in meeting or discussion among union exco team. Any issue or dispute are discussed with section of department before to resolve”*. Informant 4 states that *“So far, we have never experienced any deadlock in our organization and we have already done 10 times of collective agreement. So far, the understandings between the parties are good. We did a forum to discuss and settle the issue. Sit together and talk openly or direct to HR and it is better. Yes, usually they will consult us in meeting to discuss on the thing that we bring up from the employee. Usually, our voice will be heard by the union management regarding what is happening”*.

As indicated by Informant 1, his organization practices a win-win situation. This practice is consistent with the problem-solving style in the Five-category Conflict Management Model by McShane and Von Glinow (2013) and collaborating mode in Thomas-Kilmann Five Conflict-Handling Model developed by Thomas and Kilmann (1977). The problem-solving style in McShane and Von Glinow (2013) model has been the most preferred conflict-handling style as it improves long-term relationships, reduces stress, and minimizes emotional defensives and other indications of relationship conflict. While the collaborating mode in the Thomas and Kilmann (1977) model is most preferred as collaborators tend to see conflicts as problems to be solved, requiring quality decisions that truly resolve the issues. They believe in the power of consensus and in sharing information and understandings. They regard teammates as allies and tend to see people outside the team as potential allies. They build on the ideas of others and listen well. Collaborators value innovation, open-mindedness, learning, and consensus. They look for value in what others say and combine that with their own insights to find win-win solutions. Collaborators tend to be more helpful in reaching win-win solutions that provide a long-term resolution to a conflict issue. They ask questions and listen to other points of view.

These findings also correspond with the statement made by Maimunah (2011) where she emphasized the need for collective bargaining to achieve employee relations. The CCIH (1975) also mentioned that unions and management representatives must employ regular consultation with their workforce, as this will ensure peace in the workplace. It is also consistent with the Malaysian industrial relations principles on collective bargaining and collective agreement, and conflict resolution where according to Ayadurai (1998) employee unions constantly use this platform to negotiate periodically with the employers. The findings in this section also match with the CCIH 1975 on the area of cooperation of consultation and communication is the most mentioned industrial relation practice followed by procedures to negotiate, procedures to resolve individual grievances, and procedures to resolve trade disputes. It suggests that employers and employees constantly communicate with each other as much as possible using various methods. The informants in this study also stated that there are various communication channels used between the management and the union to communicate with each other.

The CCIH 1975 stressed that both employer and employee must tolerate each other through discussion and negotiation to reach vital mutual understanding. It was stated in the CCIH 1975 that it is impossible to avoid conflict at all thus minimal conflict during negotiation is reasonable. This is exactly what Informant 2 said. Ideally, deadlock is to be avoided when negotiating and ensuring that there are always solutions. This reflects Informant 4 statement stating there are no deadlocks occurring so far in his organization. It is best to reach mutual understanding easily to avoid conflict and deadlock. In fact, it is advisable that employers establish effective procedures together with trade unions. These findings match with Ostrowsky (2005) discovery based on the vast review of the literature on constructive union-management relationships. She noticed that communication and resolving conflicts often contribute to cooperative union-management relationships. The findings also supported the discussion by Cutter (2018), De Silva (1998), and Parasuraman (2005).

These findings correspond with Yarrington, Townsend, and Brown's (2007) discovery that trust, communication, employee voice, and respect for the rules of the relationships are the essence for such relationships to prosper. They also highlighted other aspects such as management recognizing the union as the representative of the employees, genuine union involvement in decision making and the decision made considered consequences on employees, the willingness of management to share information, conflict resolving approach in place, having a hybrid mechanism for communication purposes, regular consultative meetings, regular visit sites to discuss issues and support for valid arguments. Yarrington, Townsend, and Brown (2007) also suggested that meetings are the best way to communicate between the union and the management and hence can ensure harmonious industrial relations. The informants in this study also stated that meetings are one of the best methods of communication where every matter can be brought to the attention of the top management and meeting is one of the most commonly and regularly practiced methods in their organization. This section's findings are also in tandem with the findings in Parasuraman's studies (2013; 2007; 2006) about communication and consultation as specified in the CCIH (1975).

Industrial Relations Best Practices from the Perspective of Management Officials and Trade Union Officials Using Quantitative Approach

Data analysis using SPSS version 26 was employed to verify whether the best practices via review of the literature can be gauged as industrial relations quality determinants and to use them to measure industrial relations quality. Other than determining the frequency and mean score for each dimension, explorative factor analysis (EFA) was also conducted to determine the dimensions that can be used to develop industrial relations quality construct, and criteria to measure industrial relations quality. The level of agreement was measured based on the mean score and converted into percentages.

As revealed in Table 4, when rounded off to the nearest value, the potential determinants for industrial relations quality are those that scored mean values ranging from high to very high with consultation having the highest mean value at 4.04, while conflict management approach has the lowest mean value at 3.81 but yet considered as high. When these mean values are translated to percentage values, consultation is at eighty-point eight percent (80.8%), while conflict management approach is seventy-six point two percent (76.2%). The variables are also ranked from the highest to the lowest percentage as exhibited in Table 4.

Table 4
Dimensions to Develop Industrial Relations Quality Construct and Criterion to Assess Industrial Relations Quality based on Frequency and Mean using SPSS

Dimensions of Industrial Relations Quality Construct	N	Mean	Frequency (%)
Consultation	104	4.04	80.8
Union Legitimacy	104	3.98	79.6
Negotiation	104	3.94	78.8
Communication	104	3.93	78.6
Employee Participation and Involvement	104	3.91	78.2
Employment Policy	104	3.90	78.0
Conflict Management Approach	104	3.81	76.2

Table 5 shows findings based on Exploratory Factor Analysis (EFA). The analysis was conducted based on Rotated Component Matrix^a. All seven dimensions have Kaiser-Meyer Olkin (KMO) measure sampling adequacy greater than 0.5 while their Barlett tests for sphericity are all significant at $p = 0.01$. All communalities are also greater than 0.3. Therefore, based on Table 5, it can be seen that the data is valid and reliable.

Table 5
Goodness of Data

Variables	Item	Factor Loadings	Kaiser-Meyer-Olkin Test (KMO)	Bartlett's Test of Sphericity	Eigen Value
Union Legitimacy	7	0.759	0.906	$\rho = 0.000$	5.44
Employment Policy	10	0.832	0.915	$\rho = 0.000$	6.68
Communication	6	0.935	0.898	$\rho = 0.000$	4.61
Consultation	4	0.894	0.842	$\rho = 0.000$	3.35
Employee Participation and Involvement	7	0.901	0.931	$\rho = 0.000$	5.39
Negotiation	5	0.912	0.890	$\rho = 0.000$	3.97
Conflict Management Approach	9	0.920	0.955	$\rho = 0.000$	7.27

Industrial Relations Quality Determinants from Both Methods

The focal point of this paper is to discuss industrial relations quality determinants employing both the quantitative and qualitative approaches with input from management officials and trade union officials. Later, the determinants will be used to assess the quality of industrial relations. Table 6 depicts the result of all the seven best practices based on both approaches, which are viewed as potentials to be adopted as industrial relations quality determinants and to gauge industrial relations quality. Consultation (80.8%) is the top dimension for the quantitative approach. While the least is the conflict management approach (76.2%). Negotiation (164) has the highest number of references for text queries for the qualitative approach. Union legitimacy (61) recorded the least number of references for the qualitative approach. Although the measurement for both methods is different, it can be seen through the scale of the given result depending on the highest and lowest result of the test used. When data from both qualitative and

quantitative approaches were triangulated as shown in Table 6, it showed that communication, negotiation, and consultation are the determinants that exist in both approaches as illustrated in Figure 1.

Table 6
Industrial Relations Quality Determinants from Both Methodologies

Dimensions and Criterion	Methodologies	
	Qualitative: In-depth Interview (No of References)	Quantitative: Survey (%)
Consultation	116	80.8
Union Legitimacy	61	79.6
Negotiation	167	78.8
Communication	106	78.6
Employee Participation and Involvement	71	78.2
Employment Policy	62	78.0
Conflict Management Approach	164	76.2

Figure 1
Dimensions from Both Qualitative and Quantitative Approaches



The result as illustrated in Figure 1 signify industrial relation best practices can harmoniously influence industrial relation quality. This supports the CCIH (1975) principles that in order for an industrial relations climate to be harmonious, the areas of cooperation between employer and employees to foster harmonious industrial relations such as responsibility, employment policy, collective bargaining and negotiation, and also elements of communication and consultation must present in an organization. The three industrial relation best practices as exhibited in Figure 1 support the studies by Dastmalchian, Blyton, and Adamson (2014), Deery, Erwin & Iverson (1999), He (2010), Ostrowsky (2005), Sundaray

and Sahoo (2013), and Yarrington, Townsend & Brown (2007). Where they state that negotiations that take place in a good-faith atmosphere will enhance harmonious industrial relations. Both unions and management cooperate to settle disputes, putting in sincere efforts to solve common problems, and grievances settled promptly. The scholars also pointed out that communication is the key to harmonious industrial relations. They found out in their studies that management and unions practice open communication, management willingly shares information with unions, information is cascaded down to all levels of workers where information must be shared with all in the organization, hybrid mechanisms for communication purposes are in place, and regular meetings conducted. He (2010) stressed the need for organizations to establish consultation sessions with the unions. Yarrington, Townsend, and Brown's (2007) specify organizations need to have regular consultative meetings, while Dastmalchian, Blyton, and Adamson (2014) suggested that the management show greater concern towards the views of employees and unions.

The results discussed in this paper also support related documents and previous studies conducted locally and abroad on industrial relations. Overall, this study adopted the scopes of 1) union legitimacy from the CCIH, and studies by Dastmalchian, Blyton and Adamson (2014), He (2010), Schappe (1997), Sundaray and Sahoo (2013) and Yarrington et al (2007), 2) employment policy (CCIH, 1975; He, 2010; Yarrington et al, 2007), 3) communication (CCIH 1975; Deery, Erwin & Iverson, 1999; Ostrowsky, 2005; Sundaray & Sahoo, 2013; Yarrington, Townsend & Brown, 2007), 4) consultation (CCIH 1975; Dastmalchian, Blyton & Adamson, 2014; 1998; He, (2010), 5) employee involvement and participation (Dastmalchian, Blyton & Adamson, 2014; Deery, Erwin & Iverson, 1999; Parasuraman, 2007; Schappe, 1997; Sundaray and Sahoo, 2013; Yarrington, Townsend & Brown, 2007), 6) negotiation (CCIH, 1975; Dastmalchian, Blyton & Adamson, 2014; Sundaray & Sahoo, 2013), and 7) conflict management approach (Dastmalchian, Blyton & Adamson, 2014; Deery, Erwin & Iverson, 1999; He, 2010; Ostrowsky, 2005; Schappe, 1997; Sundaray & Sahoo, 2013; Yarrington, Townsend & Brown, 2007).

Nevertheless, the three determinants and methods identified as industrial relations quality determinants using both qualitative and quantitative approaches as specified in Figure 1 were used to gauge the quality of industrial relations in East Malaysia.

Industrial Relations Quality Status in East Malaysia’s Private Sector Organizations

Based on the analysis found on the mean score as shown in Table 7, we can conclude that the quality of the industrial relations in East Malaysia’s private sector organizations can be considered as high as its mean value is 3.9083, which is close to 4.00. To be precise, converting to percentage is about seventy-eight point six (78. 2 %). This also means East Malaysia’s private sector organizations complied with industrial relations practices standards.

Table 7
Industrial Relations Quality Status in Malaysia

Item	N	Mean	Standard Deviation
Communication	104	3.9407	0.7799
Consultation	104	3.8053	0.8694
Negotiation	104	3.9788	0.7299
Industrial Relations Quality	104	3.9083	0.7433

The finding of this study on the status of industrial relations quality in East Malaysia’s Private Sector is about the same as the national IHI index where it stands in the range between seventy percent (70%) to eighty-nine percent (89%). Based on the IHI indicator, it signifies as good. The result in this study achieves about the same percentage recorded by the IHI which is about seventy-eight percent (78%). The IHI supports the claims made by Aminuddin (2009), Todd and Peetz (2001), and Wad (1997)

The findings as illustrated in Table 6 above, indicate the mean value for industrial relations quality is about 3.91. This score apparently indicates that the status of industrial relations quality in East Malaysia is high. This shows that organizations in East Malaysia’s private sector highly complied with industrial relations best practices. The finding of this study is also in tandem with claims made by Aminuddin (2009), Todd and Peetz (2001), and Wad (1997) that Malaysia’s industrial relations is harmonious. It also supports our informant’s opinion in our in-depth interviews, that industrial relations quality in East Malaysia can be regarded as good.

Based on the literature review, the level of industrial relations in Malaysia has two sets of opinions. The first opinion (Ariffin, 1997; Arudsothy & Littler, 1993; Bahari et al., 2004; Jomo & Todd, 1994; Parasuraman & Schwimbersky, 2005; Sharma, 1996) stated that it is disharmonious but, the second opinion (Aminuddin, 2009; Aminuddin, 2013; Todd & Peetz, 2001; Wad, 1997) stated that it is harmonious. Obviously, the finding in this study supports the second opinion and it is confirmed by the informants of this study. They stated that the trade disputes or labor cases in East Malaysia are minimum and rarely happened.

The result shown provides evidence that the level of industrial relations quality in East Malaysia is high. East Malaysia private sector organizations complied with industrial relations best practices.

CONCLUSION

It is noticeable that negotiation, communication, and consultation are among the obvious best practices for both methods. The industrial relations quality in East Malaysia is in tandem with the national IHI recorded in 2017 and 2018. It is also highly recommended for future researchers to conduct studies on the quality of industrial relations in East Malaysia as the current industrial relations studies are typically centered in West Malaysia. At the same time, future researchers could explore the quality of industrial relations in the country by conducting industrial relations quality study covering the whole country to promote quality industrial relations in order for organizations to attract and retain talented employees.

CONTRIBUTIONS OF AUTHORS

The authors confirm the equal contribution in each part of this work. All authors reviewed and approved the final version of this work.

FUNDING

This work received no specific grant from any funding agency.

CONFLICT OF INTERESTS

All authors declare that they have no conflicts of interest.

ACKNOWLEDGEMENT

We would like to take this opportunity to thank the two managerial officials who participated in the online in-depth interview sessions and the two union officials in the video conferencing. We also would like to express our gratitude to the one hundred and four managerial and trade union officials who responded to our online survey. Our appreciation also goes to the Directors and Staff of the Trade Union Affairs Department in Sarawak and the Trade Union Affairs Department in Sabah.

REFERENCES

- Aminuddin, M. (2009). Employment relations in Malaysia: Past, present, and future. *New Zealand Journal of Asian Studies*, 11(1), 304-317.
- Aminuddin, M. (2020). *Malaysian industrial relations & employment law*. McGraw-Hill.
- Ariffin, R. (1997). Changing employment structures and their effects on industrial relations in Malaysia. *The Economic and Labour Relations Review*, 8(1), 44–56. <https://doi.org/10.1177/103530469700800104>
- Arudsothy, P., & Littler, C. (1993) ‘State Regulation and Union Fragmentation in Malaysia’, in S Frenkel (ed) *Organized Labor in the Asia-Pacific Region: A Comparative Study of Trade Unionism in Nine Countries*, Ithaca: ILR Press.
- Ayadurai, D. (1985) *The employer, the employee and the law in Malaysia*. Singapore: Butterworth.
- Ayadurai, D. (2004). *Industrial relations in Malaysia: Law and practice*. Malayan Law Journal Sdn. Bhd.
- Code of Conduct Industrial Harmony (1975), Retrieved from <https://www.mprc.gov.my/sites/default/files/reference/Code%20of%20Conduct%20For%20Industrial%20Harmony%201975.pdf>
- Cutter, J. (2018). Developing positive employment relations: international experiences of labour management partnership, edited by Stewart Johnstone and Adrian Wilkinson. Palgrave Macmillan, London, 2016,

- 334 pp., ISBN: 978-1-137-42770-0, £ 67.99, hardback. *British Journal of Industrial Relations*, 56(1), 229-231.
- Dastmalchian, A. (2008). Industrial relations climate. *The SAGE handbook of industrial relations*, 548-571.
- Dastmalchian, A., Blyton, P., & Adamson, R. (2014). *The climate of workplace relations (Routledge Revivals)*. Routledge.
- Dastmalchian, A., Blyton, P., & Adamson, R. (1989). Industrial relations climate: Testing a construct. *Journal of Occupational Psychology*, 62(1), 21-32.
- De Silva, S. R. (1998). Elements in the shaping of Asian industrial relations. *Bangkok: International Labour Office*.
- Deery, S., Iverson, R., & Erwin, P. (1999). Industrial relations climate, attendance behaviour and the role of trade unions. *British Journal of Industrial Relations*, 37(4), 533-558.
- Feldmann, H. (2006). The quality of industrial relations and labour market performance. *Labour*, 20(3), 559-579.
- He, W. (2010, May). Study on evaluation of harmonious labor relations of Chinese private enterprises. In *Modeling, Simulation and Visualization Methods (WMSVM), 2010 Second International Conference on* (pp. 37-41). IEEE.
- Kilmann, R. H., & Thomas, K. W. (1977). Developing a forced-choice measure of conflict-handling behavior: The "MODE" instrument. *Educational and psychological measurement*, 37(2), 309-325.
- Lakra, B., & Srivastava, D. K. (2019). Union and management perception towards industrial relations climate: A survey study. *BVIMSR's Journal of Management Research*, 11(1), 29-39.
- McShane, S. L., & Von Glinow, M. A. (2013). *Organizational Behavior*, Global Edition.
- Ostrowsky, J. (2005). "Union-management cooperation: Can a company move from an adversarial relationship to a cooperative relationship and is interest-based bargaining a necessary condition to do so?" Schmidt Labor Research Center Seminar Research Series, University of Rhode Island.
- Parasuraman, B. (2007). An examination of employee participation in the private sector: Malaysian case studies. Unpublished Ph.D. Dissertation, University of Wollongong, Australia.

- Parasuraman, B., & Jones, M. L. (2006). Joint Consultative Committee in the Malaysian Postal Industry. Ph.D. Thesis, University of Wollongong, 2006.
- Parasuraman, B., Mustapha, N., Kooiker, L., Goodijk, R., & Kneppers-Heijnert, E. M. (2013). The study on employee participation and involvement (EPI) in Dutch subsidiary in Malaysia. In: 10th European Conference of The International Labour and Employment Relations Association (ILERA), 20-22 June 2013, Amsterdam. (Unpublished)
- Parasuraman, B., & Schwimbersky, S. (2005). The present scenario of Malaysian industrial relations: accommodating or conflictual. International Society for Labour and Social Security Law: 8th Asian Regional Congress Proceedings, 295–312.
- Schappe, R. H. (1997). Union-management cooperation: Different relationships, different forms. *American Journal of Business*, 12(2), 39-46.
- Sharma, B. (1996). *Industrial relations in ASEAN: A comparative study*. Management Future.
- Sundaray, B. K., & Sahoo, C. K. (2013). Impact of strategic industrial relations measures on quality of work life: The Indian experience. *Employment Relations Record*, 13(1), 25.
- Todd, T., & Jomo, K. S. (1994). *Trade unions and the state in Peninsular Malaysia*. Oxford University Press.
- Todd, P., Lansbury, R., & Davis, E. (2006). Industrial relations in Malaysia: Some proposals for reform. *Philippine Journal of Labor and Industrial Relations*, 26(1-2), 154-170.
- Todd, P., & Peetz, D. (2001). Malaysian industrial relations at century's turn: Vision 2020 or a spectre of the past? *International Journal of Human Resource Management*, 12(8), 1365-1382.
- Wad, P. (1997). Enterprise Unions: Panacea for industrial harmony in Malaysia?. *The Copenhagen Journal of Asian Studies*, 12(1), 89.
- Wijayanti, A., Endarto, B., & Kusnadi, S. A. (2022). Industrial relations mediator as an effort to settle industrial relations disputes after the Covid-19 pandemic. *KnE Social Sciences*, 525-536.
- Wu, M. A. (1995). *The industrial relations law of Malaysia*, 2nd ed., Longman Malaysia Sdn. Bhd.
- Yarrington, L. M., Townsend, K. J., & Brown, K. A. (2007). Models of engagement: Union management relations for the 21st century.