

**THE ROLE RELATIONSHIP CAPITAL AS THE MEDIATOR BETWEEN
TRADE UNION AND WORK ENVIRONMENT**



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1. Letter of Report Submission

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SUBMISSION OF FULL REPORT

As mentioned above, we would like to submit our full report with the title '**The role relationship capital as the mediator between trade union and work environment**'.

02. We would like to express our deepest gratitude and immeasurable appreciation to RMI for the continuous support and advice in accomplishing this research.

Thank you.

Sincerely,

Dayang

(Dg Kamisah Binti Ag Budin)

Project Leader

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5. Report

5.1 Proposed Executive Summary

Globally trade union is weak which prohibits the union to function effectively in improving the working environment. Past studies in union field addressed union effectiveness, union support and union commitment as few of the factors that contributes to this problem. Hence, this study is to examine the relationship between union effectiveness, perceived union support and relationship capital (communication, trust and commitment) in order to improve the working environment in the organization. Moreover, past studies in public sector collaboration and strategic alliances found that communication, trust and commitment are interdependent. This is supported by personal relationship theory which introduce by Kelley (1979).

This study used survey questions to collect the data. SPSS and Structural Equation Modeling (AMOS) analysis has been used to test the model. The finding of this study found the important role of union relationship capital as the mediator between union effectiveness, union support with working environment. This study also showed the important of communication, trust and commitment within trade union in order to improve the relationship between them. Furthermore, effective union relationship capital found to improve the working environment.

This study is important because this study helps to add literature on trade union and its relationship with working environment. The finding of this study helps the practitioners as well trade union in improving their relationship for better working environment.

5.3 Introduction

Globally, we are witnessing the weak trade union movement particularly in developing countries. The weak trade unions for instance reflect deficiencies of trade union in improving the employees' terms and conditions employment (Chen and Chan 2004; Freeman 2004; Fossum 2006; Mohamed, Shamsudin et al. 2010). In other words, weak trade unions are associated to the lack of relationship capital and poor outcomes of collective bargaining between trade union leaders and management (Lee, 2009). Weak trade unions cause poor collective bargaining outcomes such as poor working environment. In fact, trade unions in Malaysia was facing a similar problem whereby Malaysia's trade unions is weak and affect the trade unions competencies in improving the employees' welfare as well working environment (Ariffin 1997; Mohamed, Shamsudin et al. 2010).

5.3.1 Problem Statement

It is claimed that to improve the trade union competencies/effectiveness was crucial in order to improve the terms and conditions of employment in the workplace (Morrow and McElroy 2006). This is because trade union ineffectiveness or disability to making the difference in the workplace particularly in improving the terms and conditions of employment hinders the positive work environment (Chen and Chan 2004; Freeman 2004; Fossum 2006). Lack of relationship capital (communication, trust and commitment) between the union leaders and union members makes the union unable to responsive to the union members' needs (Brett 1980; Mohamed, Shamsudin et al. 2010; Sambasivan, Ioke et al. 2011). Hence, the trade union is not capable to improve the employees' terms and conditions of employment that lead to poor working environment (Robinson and Rousseau 1994; Mohamed, Shamsudin et al. 2010). Poor working environment such as low wages and compensation (Johnson and Lipscomb 2006), long working hours (Bosch 1999; Caruso, Hitchcock et al. 2004; Caruso, Bushnell et al. 2006; Johnson and Lipscomb 2006), and poor safety and health (Makhbul and Idrus 2009) can leads to poor health outcomes like poor physical health, poor mental health, illness, injury, and pain in the workplace (Caruso, Hitchcock et al. 2004; Dawson, Heitmann et al. 2004; Caruso, Bushnell et al. 2006; Makhbul and Idrus 2009). Hereby, the role of relationship capital is seems to prevail as the key tool in improve the trade union effectiveness.

Evidently, lack of understanding of the relationship capital processes could leads to trade union ineffectiveness. Lack of understanding on the interaction between communication, trust and commitment within the trade union is also mentioned as possible reasons for the union inability in improving the employees' wellbeing (Mohamed, Shamsudin et al. 2010). The incompetence in improving the trade union effectiveness often leads to failures or poor collective bargaining outcomes between the trade union leaders and management. The effectiveness of trade union is important because it can improve the trade union's members' wellbeing (Mohamed, Shamsudin et al. 2010). At the same time, union effectiveness improves the work environment by reducing the health problems, accidents and death in the workplace (Chen and Chan 2004; Freeman 2004; Fossum 2006).