

The
MALAYSIAN
Labour Market,
Industrial Relations
and Industrial Psychology
ISSUES AND TRENDS

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FOREWORD

The editors and contributors to this important book are to be congratulated. It is written in a very accessible style as a text for students, but is largely based on substantial and original research. Its reach is also very broad, in three respects. First, it ranges between macroeconomic analysis and case studies based on organisations, institutions and social or occupational groups. Second, whilst based predominantly upon Malaysia, the book develops significant comparative perspectives, across Asia in health care policy, and through a comparative analysis between Indonesia and Malaysia on partnership strategies of unions. Third, the book is innovative in integrating traditional industrial/employment relations with human resource management, labour economics, health studies and industrial psychology in a broad interdisciplinary approach.

I have met or collaborated with most of the editors. Associate Professor Dr Parasuraman, whom I know as Bala, has been a colleague for 13 years. I first met him at the World Congress of the International Labour and Employment Relations Association (ILERA; then the International Industrial Relations Association) in Tokyo in 2000. Soon after he became a doctoral student of mine, researching employee participation in Malaysia, when I was based at the University of Wollongong in Australia. Bala was already extremely well-networked within the ILERA, and a key instigator of a broader international industrial relations focus that encompasses Asia and developing countries. He completed his doctorate with distinction, published few industrial relations textbook in Malaysia, rose rapidly to the rank of Associate professor, has been appointed to the Technical Committee of the National Wage Advisory Council, and has played a leading role in the professional development of industrial relations in Malaysia and throughout Asia.

In recent years Malaysia has developed a substantial institutional base for industrial relations, with the creation of a National Wage Advisory Council, expansion of the role of the industrial court, encouragement of employee participation, growth and consolidation of trade unions and employer organisations, the spread of industrial relations studies in tertiary education institutions, and the emergence of a professional association. Malaysia is a leader for wider developments of this kind in Asia generally.

It is interesting to observe these trends from one of the developed countries where traditional industrial relations institutions have retreated in influence somewhat during the past 25 years. This is particularly evident in the decline in membership of trade unions and employer organisations, and the contraction of collective bargaining coverage. In the developed countries some commentators have suggested that the 'old industrial relations' lacks relevance today. However, Asian developments indicate otherwise, and in fact that its relevance is becoming greater than ever. It is appropriate, therefore, that this book begins to address the issue of industrial relations in Asia.

Prof. Dr Raymond Markey

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2012

PREFACE

The School of Business and Economics, Universiti Malaysia Sabah plays an important role in the creation of new knowledge through academia activities. This publication marks one of the continuous achievements of the human resource programme in realising the school's vision of "One Programme One Book". Serious and concentrated effort has been made in coming up with this publication entitled *The Malaysian Labour Market, Industrial Relations and Industrial Psychology: Issues and Trends*.

This is the fourth publication of the Human Resource Economics programme. This publication offers various research papers jointly produced by researches from three different programmes namely Human Resource Economics, Industrial Relations and Industrial Psychology. These research papers are compiled from the 1st Human Resource Economics Seminar: Issues and Challenges in the Malaysian Labour Market, held in October 2008.

The book covers a wide variety of important topics related to human resource, industrial relations and industrial psychology. This includes topics on unemployment, globalisation and labour market conditions. It also discusses the health care expenditure in selected Asian countries. Apart from that, the book focuses on industrial relations such as the issue of trade unions. Socio-cultural adjustment, occupational stress and psychological health are also dealt with under the area of industrial psychology.

Graduates are expected to have a better understanding of these interdisciplinary areas as it deals with all participants in the employment process: labour, management and government. Such knowledge is the expectation of current employers.

In today's business and economic sphere, the field of human resource, industrial relations and psychological issues is crucial especially in the process of economic development. Thus, there is a pressing need to see these issues in the context of research, practice and teaching. Students, lecturers, industry practitioners, government officials and researchers will find this book particularly useful. This book is our attempt to provide readings to illuminate current events and bring the excitement of human resource economics, industrial relations and industrial psychology into the classroom. Whatever your background or discipline, a thorough study of this text will put you in good stead.

In the future, the Human Resource Economics Programme, Industrial Relations Programme and Industrial Psychology Programme plan to produce more books related to this field. We hope to receive more collaboration especially from policymakers' perspectives in our future publications.

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Finally, to our family members and friends without whose moral support this publication would not have been possible.

Any remaining inadequacies are solely our responsibility.

