

## ECONOMIC DEVELOPMENT PLAN AND EMPLOYEE PARTICIPATION IN PUBLIC SECTOR IN MALAYSIA

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### Abstract

Employee Participation (EP) is an important area of research in the field of industrial relations and employment relations. Extensive literature review has argued that EP has the capacity to enhance the quality of decision making by broadening inputs, promotes commitment to the outcomes of the decision making process, improves motivation, cooperation and communication in the workplace. EP also may reduce workloads of supervisors, encourage skill development in the workforce, and can contribute to improved employment relations in general. For that matter, the issue of EP in decision making has attracted the interest among management scholars, industrial relations researchers and managers in organizations as well especially in promoting partnership between employer-employee work relationship. EP has been practiced in the private sector; however there is a broad gap on the importance of EP in the public sector. Therefore, the objective of this paper is to explore on the effectiveness of EP in the public sector from the academic, employers and trade union's perspectives. The finding of this research has some implication to the industrial relations system and practices in in the public sector in Malaysia.

**Keywords:** employee participation, public sector, decision making

## 1 INTRODUCTION

### 1.1 Employee Participation: General Overview

From the previous literatures, different writers and researchers have used different definition and terminologies in addressing EP in organizations (Strauss, 2006; Parasuraman, 2007). Salamon, (1992, p. 340) claims that EP *"is a term which does not have a universally accepted meaning"*. While Marchington, (1992), wrote that, *"the definition of EP varies from one organization to another depending on the size and nature of business"* (Salamon 1998). EP has been defined as *"a process which allows employee to exert*

some influence over their work and the conditions under which they work” (Strauss, 2006). The Department of Industrial Relations in Australia (1985:1) cited in Parasuraman, (2007) defined EP as “employees having opportunities to influence the decision that affect them, their work and their work environment”.

There has been a considerable amount of research in the past on EP, which has been widely discussed on the two forms of EP: direct and indirect participation (Harley, Hyman and Thompson, 2005). According to Salomon, (1998), direct participation allows workgroups/individuals employee to involve in the decision making process (Cabrera, Ortega and Cabrera, (2002), direct participation involves the employee themselves. Examples of direct participation include the Quality Circles Group (QCC), Total Quality Management (TQM), ISO, 5S’, Group Briefings and many others. Indirect participation on the other hand (Cabrera et al. 2002) indirect participation takes place through an intermediary of employee representative bodies. Examples of indirect participation include Joint Consultative Committee (JCC), Union, Work Councils, Partnership, In-house Union and Labour Management Committees (LMC).

There are considerable research on EP have been done in Western Europe, Scandinavian countries, US, and less in Australia, New Zealand and also in Asia (Markey, 2006). From the literature survey, the research on EP especially on indirect participation in the public sector is less emphasis compared in the private sector. Therefore this paper will focus on EP in the public sector in Malaysia, a country to be a developed nation by year 2020. The objective of this paper is (i) to explore on the effectiveness of EP in the public sector from the government, employers, academicians and union’s perspectives; (ii) to analyze and examine on the importance of EP in the public sector in order to improve the government delivery system.

## 1.2 Industrial Relations in Malaysia

From the views and arguments on EP, it brings to a conclusion that EP is promoting good relationship between employer and employee. Through EP, workers can participate in the decision making process through trade unions and work councils. EP is promoting a balanced power between the employer and employee for mutual benefits.

In the Malaysian context, the legal framework surrounding the industrial relations systems refers to the Employment Act 1955, Industrial Relations Act 1967 and Trade Union Act 1959 aimed to protect the welfare and benefits of its members (Aminuddin, 2007; Idrus, 2001). In the Industrial Relations Act 1967 workers in the private sector have the right to join trade union where employers should not prevent a worker from joining a union. Reasons for employee to join unions are to improve their terms and conditions of service such as wages and welfare benefits. According to the (MTUC) Senior Officer during an interview with him on 25<sup>th</sup> May 2010 said; “*the goal of trade union is to struggle for the rights and aspirations of the workers*”. Therefore it is obvious that workers should receive a fair living wage in return for the labour they contribute to the organizations (Aminuddin 2007). However, the trade unions have to recognize the management prerogatives under the law. Section 13(3) Industrial Relations Act 1967, stated that union should not interfere in areas of promotion of employees, transfer of workers, the hiring of workers, the termination of workers or re-employment of workers and to offer work that is appropriate with the terms of the contract of service. These rights are the domain of the employers and it is up to the employer’s consideration and satisfaction in deliberating upon them (Aminuddin, 2007). In most cases, the court will not interfere with employer’s prerogative unless there is evidence of injustice or unfair labour practice (Aminuddin, 2007; Idrus, 2001; Parasuraman, 2006).

Aminuddin, (2007), stressed that, one significant advantage that a union has is the power of conducting collective bargaining. In relation to that, the PSD Senior Officer quoted that, “*when you have a union which is registered under the Trade Union Act 1967, they are being recognized and have the bargaining power*”. When workers are organized into trade union, collective bargaining is a process by which representatives of the employers (union) together with the employer to negotiate and decide upon workers’ wages and other terms and conditions of service (Aminuddin, 2007). In this process, it involves joint decision making by the employers and the employees and therefore a form of employee participation in decision making process (Aminuddin, 2007).

In the Malaysia context, the industrial relations system and practices in the public sector are very different as compared to their counterpart, the private sector. The private sector, they are governed by legal framework such as the Employment Act 1955, Industrial Relations Act 1967 and Trade Union Act 1959 aimed to protect the welfare and benefits of its members (Aminuddin, 2007; Idrus 2001). In relation to this, the workers in the private sector are allowed to join unions under the law (Industrial Relations Act 1967, Section 5).

However, the situation is different in the public sector. The government only allowed the supporting staff to join CUEPACS (Aminuddin, 2007; Idrus 2001). The role of CUEPACS however, as an advisory body to the

government on common issues but not the subject of CB [Industrial Act 1967, Section 13(3)]. In this respect, the professionals in the public sector are not given the privilege to join unions. The government being the largest employer in the country does not allow professionals to form unions to represent them (Aminuddin, 2007; Idrus 2001). The government is practicing the autocratic approach whereby all policy, procedures and strategies is drawn to be adhered to by employees without any questions. Aminuddin, (2007), exerted that the legal procedures relating to collective bargaining does not apply in the public sector. There has been no negotiating between unions and the government over wages and other terms of service since 1960s. During an interview with the Government Senior Officer on 27th July 2010 on the similar issues said that; *"it is spelled out clearly in the IR system in Malaysia that the public sector has no bargaining rights"*.

### **1.3 Public Sector in Malaysia: A General Overview**

The industrial relations system in Malaysia was highly influenced by the political, economic and social factors (Parasuraman, 2005) that contributed to the series of significant transformation for the betterment of the country. As we acknowledged that since Malaysia's independence in 1957, public sector reform has been a part of the country's development agenda. However, in the quest of transforming the country to achieve its goals and objectives, reforms is an ongoing process for sustainability of the country (Karim, 1995; Arif & Iyer, 1995; Abdullah Sanusi, 1997). Therefore this section will provide on the reforms that has taken place from 1960's to the most current for better understanding on the evolutions of the public sector in Malaysia.

According to Adam, Yacob, Samuri and Fadzil, (2004), the British has introduces several policies in order to fulfill their interest in the country. The system introduced were foreign exchange, banks, international trading, and use of modern technology and efficient administration system which is very alien to the people in the country. At that time the administration was focusing on the maintenance of law and order known as maintenance administration phase (Karim, 1995).

#### *1.3.1 Economic Development Plan in 1960s to 1970s*

To understand the current economic development in Malaysia, we must look into the factors contributing to the changes made in the past (Aminuddin, 2007; Idrus, 2001; Parasuraman, 2004). Raja Rasiah, (1995) explained that, the colonial tenure in the country has not emphasis in the industrialization development except support for rural industries. Therefore after independence, the government has to carry on the economic development plan in accordance with the Five Years Economic Development Plan to balance up with the gap left by the colonial parties.

The economic development of the country was implemented through the Five Years Economic Plan (RPLT) which started before independence by the Federation Alliance. This plan emphasizes on the development on rural areas. Later, the New Economic Policy (DEB) was introduced to eradicate poverty level irrespective of ethnicity. When the DEB term was expired in 1990, the National Development Policy (DPN) was introduced until the year 2000. In the implementation of RPLT through DEB and DPN, the government has drawn up development policies and has established agencies to ensure the success of the economic development plan.

Under the First Malaysia Plan (1966-1970), emphasizing on encouraging foreign investment to the country through an act passed in 1968 which was called as Investment Incentive Act (Parasuraman, 2004). Apart from that the formation of Malaysia consisting Sabah, Sarawak and Singapore was established is also a factor on the economic growth in the country. The move was opposed by the neighboring countries such as Indonesia and the Philippines. Another significant factor which contributed to the economic development of the country is closely related to the racial riots between the Malays and Chinese in 1969. As a result from that, the government has introduced the New Economic Policy (NEP) in 1971 (Parasuraman, 2004). The NEP is aimed to eradicate poverty and to reconstruct the society so as to eliminate the identification of race with economics and at the same time to create for employment (Parasuraman, 2004).

#### *1.3.2 Economic Development Plan in 1980s*

In 1980s the *Look East Policy* was introduced by the Prime Minister to continuously encourage foreign investor from countries such as South Korea, Japan and Taiwan (Parasuraman, 2006). This policy has significantly drive Malaysia to receive a steady economic growth throughout the year till 2020 (Zin, 1998; Idrus, 2001; Parasuraman, 2006).

#### *1.3.3 Economic Development Plan in 1990s*

In the 1990s, Malaysia has so far achieved to be an industrial nation. As a result of this the industrialization policy was made under the Sixth and Seventh Malaysia plan Parasuraman, (2009). The economic

development plan in 1990s was to increase productivity, efficiency, product variety to the very maximum output growth the economy would generate. Under this policy, the public sector is required to adapt to new product and processes. In other words the public sector is to facilitate and the private sector is the prime mover to lead Malaysia in achieving its aspiration of becoming an industrialized nation by year 2020 appears to be realistic (Parasuraman, 2004).

#### 1.3.4 Globalization

The jobs are changing, expectations are changing and everything is changing (Aminuddin, 2007), and so as Malaysia. According to Aminuddin, (2007), globalization and liberalization is not a new phenomenon, but has become very controversial. Malaysia wasn't spared; we are fully dominated with issues of globalization and liberalization. To some people it is the best solutions for them; and others regard this as a problem. In this era, the rich are powerful and become richer whereas, the poor became poorer. As a result, there is a widening gap between the rich and the poor which contributed to social problems to the country. Globalization has actually weakened the strength of employees' collective voice at the workplace (Aminuddin, 2007). Under the globalization, new technologies encourage decentralized production. Jobs were out sourced and sub-contracted as the organization seeks for greater flexibility at a lower cost. Decentralization also enables organization to stop or avoid trade unionism and labour conflicts (Aminuddin, 2007).

#### 1.3.5 Privatization

The privatization policy was launched by the former Prime Minister Dato' Seri Dr. Mahathir Mohamad in Mac 1993 (Adam, Yacob, Samuri and Fadzil, 2004). Through this policy, the government has moved the services, trading, investment and special rights to the private sector. This move is to reduce the financial burden of the government. Apart from that, this policy drives the private sector to increase productivity and at the same time to produce quality output in services and products. This is because the private sector is more efficient as compared to the public sector. It is with confidence that the privatization policy is able to assist Malaysia to achieve greater heights in the economic development.

#### 1.3.6 Vision 2020 and New Economic Model: After 2009

As Malaysia progresses significantly towards a developed nation by 2020, we are still struggling with issues and questions how we are going to get there. Whether or not it can be achieved largely depends on the readiness of our workforce. Vision 2020 has high regards to its people and has special emphasis on the human development aspect. In his address to the Malaysian Business Council, the Honorable Prime Minister, YAB Dato' Seri Dr. Mahathir Mohamad quoted, *"in our drive to move vigorously ahead nothing is more important than the development of human resource"*

In the same forum, Dr. Mahathir further stressed that, *"from the previous experience in the last two decades, the government has acknowledged that the most important resource of any nation must be the talents, skills, creativity and the will of its people"*. Malaysia currently has reached to a defining moment in its development path, where under the leadership of YAB Datuk Seri Najib Tun Abdul Razak, the current Prime Minister, we are at the implementation stage. This is supported by comments by a Senior Academician during an interview on 25<sup>th</sup> May, 2010, *"Now is emphasizing on "how" to get there and it is very clear that what to change. If Malaysia wants to be a global player, we have to change accordingly and the "how" is very tricky"*.

Moving forward, the government has developed a transformation plan based on eight main thrusts that incorporate four pillars. The four main pillars are the 1Malaysia concept: "People First, Performance Now", the Government Transformation Programme (GTP), the New Economic Model (NEM) and the 10<sup>th</sup> Malaysia Plan (10 MP). These four pillars are complemented by the inculcation of four core values, which are imbuing creativity and innovation, enhancing integrity, accelerating implementation and increasing cost efficiency). The implementation of 1Malaysia concept includes assimilation of the "Principles of Unity" and inculcation of "Aspirational Values", (YAB Datuk Seri Najib Tun Abdul Razak, Prime Minister of Malaysia, 2010), which is very much inclined with "People"

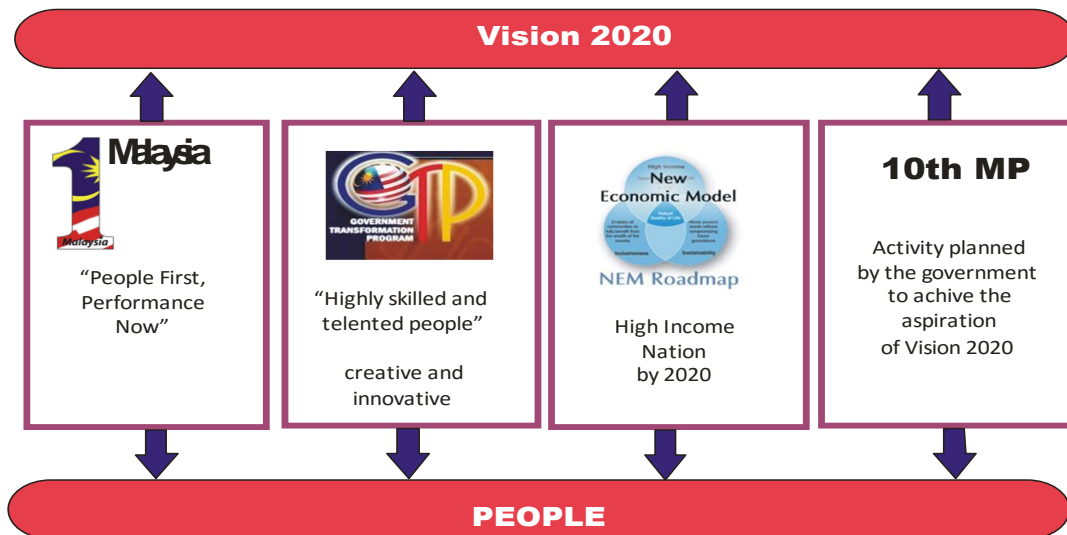


Figure 1 Aspiration of Vision 2020

In summary, the social economic development policy has significantly played an important role in developing Malaysia. The policy aimed to stimulate each and every individual in the public sector and private sector to work as a team in achieving the Vision 2020. The public sector facilitates, and the private sector is expected to understand the government policies. This requires a total commitment from the people of Malaysia. The Vision 2020 is to drive the country to be competitive so as to be at par with the new economist such as South Korea, Vietnam and Japan by using our own style and method. In order to achieve that, therefore, it is high time for Malaysia to think to make employees of the public sector as partners and to allow them to participate in the decision making process for the betterment of the country (Mansur, Kasim & Ahmad, 2009).

## 2 OBJECTIVES OF THE STUDY

The objectives of the study are:-

- 1 To explore on the effectiveness of EP in the public sector from the government, employers, academicians and union's perspectives
- 2 To analyze and examine on the importance of EP in the public sector in order to improve the government delivery system

## 3 RESEARCH METHODOLOGY

The research methodology was based on a qualitative case study approach using multi-method techniques (Kelly, 1999; Yin, 2003). Over a period of two weeks key respondent from the government, employers, academician and unions from Public Service Department (PSD), Employer from a public service department, Academician, Malaysian Trade Union Congress, (MTUC), Congress of Employee in the Public Sector and Civil Services Union (CUEPACS) were interviewed and observed. Interviews were transcript and compiled. In addition various documents were obtained from the unions and management, the analysis of which was added to the overall empirical report. Even though the methodology used mix-method techniques, this paper presents the analytical views from respondents' perspective and not statistical generalization (Mitchell 1983). For ethical and confidential issues, the location understudy remained to be anonymous.

## 4 FINDINGS: EP IN THE PUBLIC SECTOR

This section presents the findings on (1) the effectiveness of EP: the direct and indirect participation in the public sector and (2) the importance of EP in the public sector in order to improve the government delivery system from the government, employers, academicians and union's perspectives.

### 4.1 The Effectiveness of EP: Direct And Indirect Participation in the Public Sector from Participation in the Public Sector from the Government, Employers, Academicians and Union's Perspectives

#### 4.1.1 Direct Participation

Salamon (1988) quoted that; direct participation allows workgroups/individuals employee to involve in the

decision making process. Cabrera, Ortega and Cabrera, (2003), direct participation involves the employee themselves. Examples of direct participation include QCC, TQM, ISO, 5S', and Group Briefings. While indirect participation Indirect EP affects mass of employees where Work Council/CB represents their role and discusses their issues with the management (Solomon 1998). This is further supported by Cabrera, Ortega and Cabrera, (2003) where they state that indirect EP takes place through an intermediary of employee representatives' bodies. Examples of indirect participation are Joint Consultative Committees (JCC), Union, Work Councils, Partnership, In-House Union, Labour Management Committees and Non-Employee Representatives (NER)

In the context of Malaysian public sector, there is a number of direct participation programs being introduced in the 1980's, for example the Look East Policy, Clean, Efficient and Trustworthy Policy, Total Quality Management, ISO, 5s' and in-house union (Zin, 1998) in order to encourage employees direct involvement. Through the numbers of direct EP programs introduced, such as mentioned above, the Government hoped it would help to address the problems, efficiency, productivity and attitudinal development of the public sector including in the Malaysian Public Universities.

A Senior Officer of CUEPACS argued that direct participation "*refers to management activities which drive the workers to work such as HR, TQM, QCC and ISO. CUEPACS also commented that in direct participation, employees has no say when comes to direct participation*". Similar view was obtained from MTUC Senior Officer quoted that "*direct participation is management driven activities and here workers are not required to participate but get involved only*". The Senior Academicians views that "*direct participation refers to management activities such as ISO, TQM, QCC and the latest is the CPD. It is meant to discipline the staffs in order to achieve government goals and objectives. Staffs required to get involved and KPIs being set to enable them to achieve it*". While a Government Official exerts that direct participation "*We as the public service servants we have to follow the directive from the government. All the activities planned are to achieve the goals and objectives set by the government*". The same view was shared by the employer of a public service department; direct participation refers to "*activity planned by the management to encourage employee participation. As a public servant, employees are expected to follow the instructions*".

It is therefore, it can be concluded that the direct participation are management initiative through Human Resource Management schemes and found to be effective in order to discipline the workers in the public sector (Idrus 2001).

#### 4.1.2 Indirect Participation

Indirect participation affects mass of employees where Work Council/Collective Bargaining represents their role and discusses their issues with the management (Solomon, 1998). Cabrera et al., (2002) indirect participation takes place through an intermediary of employee representative bodies. Examples of indirect participation are Joint Consultative Committee (JCC), Union, Work Councils, Partnership, In-house Union and Labour Management Committees.

In relation to the above, it is evidence that the hierarchical structure in public sectors in Malaysia is as a result from the colonial days of the British administration (Zin 1998; Idrus 2001; Aminuddin 2007; Parasuraman, 2007). The hierarchical structure known as the "Whitley Committee" can be found in all government departments (Zin, 1998; Idrus, 2001; Aminuddin, 2007; Parasuraman, 2007). The British administration system practices the highest degree of hierarchical structure where as an employer, they are in power to rule, instruct and to divide on how work should be done. The purpose of "Whitley Committee" is to allow workers to address their issues and concern regarding their welfare. However, at present, the Whitley Committee has gone through many changes. The Senior Officer of CUEPACS said that, "*the joint consultation in the public sector was originated from Whitley Committee. Now we have changed it to Majlis Bersama Kebangsaan and Majlis Bersama Jabatan according to the current needs*". The system is still apparent until today (Idrus, 2002).

JCC has been established in the public sector through an association which can be registered with the Registrar of Societies. The establishment of the JCC in public sector is passed through the Service Circular No. 2, 1979 and No. 7, 1989 that indicates that all government agencies, and statutory bodies are required to establish "*Majlis Bersama Jabatan*" (MBJ) or JCC with the aim to create a well-balanced management-employees relationship and to provide platform for employees to voice their concern certain issues in order to create a harmonious working environment. CUEPACS claims that, "*a department consists of fifty (50) staffs is required to form a MBJ as per in the Article 10 on the rights to join association*". These MBK/MBJ is required to have scheduled meetings three (3) times quarterly in a year, failing to do so, the departmental head will be held liable for disciplinary action. Senior Officer of CUEPACS said that there are three mechanism of consultation is made available in the public sector for (i) the Managerial and Professional

Group; (ii) the Supporting Staff of Science and Technology Group; and (iii) the General Support Staff accordingly. He further explained that the issues discussed are arranged accordingly to their classification where all the three consultation mechanism has their own President and office bearer.

#### **4.2 The Importance of EP in the Public Sector In Order To Improve the Government Delivery System**

Various programmes to improve service delivery systems and productivity was drawn by the government to ensure that the goals and objectives of each and every department are achieved. In relation to this, the employer was in the view that. *"The struggle of the private sector is very different from the public sector. Private sector emphasizes on productivity and profitability. We in the public sector, we care about productivity and quality of our delivery system. We are service oriented organization"*.

Regarding indirect participation, the employer was in the view that *"indirect participation is an association of the same group representing the staffs by looking into the welfare and benefits of its members"*. While, Senior Academician argued that, *"indirect participation is an intermediary body or association being established. However due to the association has no CB, it is less powerful as compared to the private sector"*. CUEPACS, in the other hand said that, *"in the public sector, indirect participation refers to MBK/MBJ and more towards looking into the welfare and benefits of its members"*. MTUC is of the opinion that; *"in organization such as in the public sector, where there is no CB, the workers participation is very minimum"*. The Government Official quoted that, *"JCC is very much a management lead mechanism, if you are not in equal footing with the management, how to be effective"*.

The Government Officer stressed that, in the private sector, if the management does not recognize union; JCC is established to substitute the union. Since the government is the largest non-union organization, JCC is established in the public sector as a form of indirect participation. According to MTUC, *"JCC usually established when there is no union, and also to make sure that the workers don't join the union"*.

However, there have been arguments on the effectiveness of indirect participation in the public sector. According to CUEPACS, the union in the public sector has no bargaining power; even though ILO has urged public sectors must be given consultation rights. CUEPACS is given the special privileges but not the rights; we don't have Trade Union Act in the public sector. He further elaborated that, *"in the constitutions there is clauses that any decision making must be followed with consultation form the employees, however, in reality it does not happen. Most of the policies are decided by the government without prior consultation due to so much of management prerogatives. When the government wishes to implement the policies, it will affect the people and it is very bad for the government image"*.

Therefore, the government is practicing top-down communication activities especially on issues related to policies, rules and regulations particularly issues related to service matters. In other words, matters which do not concern system and policies, employees can voice out their concerns to the JCC.

In relation to the above, the Senior Academician was of the opinion that; *"Government is the largest employer. Government has bigger aspiration and they are the ones who pay us. How much freedom you think the government can give you? We have to adapt to the system. We cannot work against the agenda"*.

However, there are contending issues claimed that indirect participation was an ineffective mechanism to participate in the decision making process. The objectives and functions of JCC looks very clear; however in real practice there are limitations on the implementations for them to be effective. This statement is supported by the Senior Academician (interview on 25<sup>th</sup> May 2010) that, *"the MBK/MBJ, I don't see it happening. There is representative from the workers and management. However it is not effective and more cosmetic in nature. At present, decision made by the management, and we just follow, how strong it is still in question and there is so much can be done"*.

On the same subject, MTUC (interview on 24<sup>th</sup> May 2010) commented that, *"JCC is actually has no impact and matters brought up are mainly on general issues such as food in the canteen, workers not wearing safety shoes. The moment they talk about salary increment and overtime, it is not their role to do so"*. He further elaborated that; *"Let's put it this way, JCC has no teeth, and they cannot talk matters with the union"*. On the issue of JCCs recognition, he clarified, *"if JCC submit proposal to IR Department for instance, IR Department would say that they cannot accept or entertain it because it is not a recognized body. Because of it is not recognized, JCC is not effective. It is a vehicle to prevent union to come in"*.

He emphasizes that, *"if there is no union, the workers participation is very minimum"*. The management will make all decisions and workers just follow. JCC can talk and suggest but if the management says "No", it stops there". Lastly he commented that, *"Government does not have CB. They only submit memorandum"*

and public statements. *JCC in the public sector is just cosmetic in nature; it is not a bargaining body*".

On the other hand, the Government Official is of the opinion that, *"when you have a union which is registered under the Trade Union Act 1967, they are being recognized and have the bargaining power. If the management doesn't recognize the union, then there is no bargaining power"*.

In summary to the above, the similar views received from the government, academicians, trade unions and employers with regards to the effectiveness of indirect participations. They are of the opinion that the indirect participation that is JCC in public sector are not effective due to it is not recognized as a bargaining body. The JCC has only consultative power. In meetings, the JCC can voice out their concerns, however it may not be considered by the management and all decision making lies on the management at the end of every meeting.

It can be concluded that the public servants in the public sectors are bound to follow instructions from the government and nothing much can be done about it. In addition, the arguments above indicated that the JCC has no bargaining power that resulted this intermediary body is seen to be not effective in the public sector.

## **5 DISCUSSION: SHOULD JCC IN THE PUBLIC SECTOR BECOME LAW?**

The JCC's role is to look into the welfare and benefits of its members. However, the arguments now is the issue on whether JCC should be enacted or endorsed as an Act so as to make it an effective mechanism in the public sector similar to Work Councils in the Western Europe countries. The arguments come to a conclusion that if EP is being legalized, it will force the employers to implement it. However, citing to the respondent argument above, it is very clear that the government does not totally agree to legalize these at the moment. The government does not want to be bonded with any legal obligation with regards to this matter.

MTUC is of the opinion that, *"There is no way for JCC in the public sector to be effective unless; government must be convinced to give full authority or recognition to JCC. IR Act applies to the private sector only, and if it is applied to the public sector than the JCC can be effective"*.

The Government Official is of the opinion that, *"if you are not in equal footing with the management, how to be effective"*. Another comment received from the employer on the same issue that is, *"the Western European countries have long existence maybe a hundred years ago as compared to Malaysia. Of course they have the experience on EP and reasons to legislate EP are very crucial need in their country. For Malaysia, we are moving towards that. There need for us to copy them is very significant but not in the near future. We still need the government involvement to spearhead the country to achieve the Vision 2020"*.

From the above arguments, it is being said that the only way to make the JCC to be effective is to have the government recognized it as a bargaining body. However, is the government is willing to change accordingly in order to be effective?

## **6 CONCLUSION AND IMPLICATION**

Based on the study, it has provided the necessary information that EP is quite weak in the public sector if compare to private sector. The reason for this is because EP has no CB as it is in the private sector. Another possible reason is the government as the largest employer would not want to be bonded with a legal obligation with regards to EP in the public sector because it affects a mass of employees in the country. Apart from that there is no legislation to support and encourage EP through compulsory mechanism such as the CB. The other reason is because the government is playing a dual role; the legislator and an employer at the same time. The matter is worsened where CUEPACS is more of an advisory body rather than an actively participate in the genuine decision making process. Therefore, there are limitations for the JCC to be effective.

As mentioned, Malaysia is moving towards achieving a developed nation by year 2020. And as for that, we need to move forward fast due to year 2020 is just around the corner. In relation to that, as a way forward, the public sector has to adapt, adjust and innovate to transform public service in order to achieve the government vision. We have to adapt and adjust to the Western Europe countries on the concept of EP respectively according to our values. This is very important so that Malaysia can compete with the rest of other nation in developed countries. Now is the best time for Malaysia to step up and move forward for the betterment of its people. This is in line with the 1Malaysia Concept towards achieving the Vision 2020.

As we progresses significantly to these changes, the JCC is seen to be the most appropriate indirect participation mechanism to promote change in the public sector. The most important thing that the government has to do is to allow JCC to be a partner in the organization so as to enable employees to



participate in the decision making process. As mentioned by the Senior Academician, the role of the MBK/MBJ must be redefined and review and must look at what is their new role. The new role would be able to drive active participation and involvement from all employees in decision making process in order to provide excellent delivery system. The next move would be to get the involvement from the private sector, trade unions, NGOs, employees in the public sector to work together to transform Malaysia into a develop nation by year 2020.

However, if the government persist not to change, there will be more harm than good in such a way that the employees of the day has become more intelligent than ever before. The good ones may not stay long in the government and would easily change their direction to other countries which appreciate their views, wants and needs. In the other hand, if the government is willing to make EP as a legal obligation, similar to the Western Europe countries; and what the impact would be towards the whole concept of EP in the public sector. Would the EP in decision making process between the employee and management take place effectively as claimed by the literatures on EP?

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