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Research paper



Trade Union Participation in Malaysia: Drivers of Acceptance and Rejection Among Public Servants

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Abstract

This study examines the determinants affecting Malaysian public officials' choices to join or decline trade union membership, emphasizing both behavioral and economic aspects. Notwithstanding legal safeguards provided by the Trade Union Act 1959, union engagement in the public sector remains minimal, prompting apprehensions regarding labor representation and the efficacy of collective bargaining. This research used a sequential exploratory mixed-methods methodology, grounded in social exchange theory and enhanced by labor economics perspectives. The qualitative phase comprised focus group discussions with both union and non-union members, and the quantitative phase involved a poll of 1,382 civil servants throughout Malaysia. Research indicates that leadership credibility and concrete welfare advantages are the primary factors influencing union adoption, but perceived inefficiency and the lack of visibility of benefits substantially hinder involvement. Regression models reveal that union leadership and employer influence are the most significant drivers of membership ambitions. The rejection model accounts for only a small portion of the variance, indicating the presence of more profound structural or perceptual challenges. The research underscores the necessity for transparent financial governance, aggressive recruitment techniques, and enhanced institutional coordination to rejuvenate union significance. These ideas possess practical qualifications for trade union leaders and policymakers in improving public sector labor relations via organizational and fiscal reforms.

Keywords: *Trade unions, public servants, union membership, acceptance factors, rejection factors, Malaysia.*

1. Introduction

Trade unions serve as critical institutions in modern labor markets by safeguarding worker rights, improving employment conditions, and negotiating equitable compensation. Globally, trade unions are recognized as key stakeholders in labor economics due to their role in influencing wage distribution, reducing inequality, and fostering workplace democracy. In Malaysia, trade unions are legally protected under the Trade Union Act 1959, granting public servants the right to organize and advocate for better working conditions. This legal framework is supported institutionally by the Congress of Unions of Employees in the Public and Civil Services (CUEPACS), yet the participation of civil servants in unions remains disproportionately low compared to the public sector labor force. In 2023, the Department of Trade Union Affairs (JHEKS) reported that only 33.5% (537,127) of the 1.6 million public servants in Malaysia were registered members of trade unions. This indicates that more than half of civil servants opt not to participate in union activities, posing significant challenges to union legitimacy, bargaining power, and relevance. Although there has been a modest recovery in membership numbers in recent years—from 518,017 in 2022 to over 537,127 in 2023—the decline in union organizations, from 167 to 164, signals potential structural fragility. Such trends raise questions about the underlying dynamics that either facilitate or hinder union participation among public sector employees.

Several factors may explain this phenomenon. From an organizational standpoint, civil servants often perceive trade unions as inefficient or mismanaged, with weak leadership and unclear benefit structures. From a socioeconomic perspective, increasing workloads, family obligations, and competing professional commitments further limit active involvement. Economically, civil servants may be reluctant to

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pay union dues when non-members can benefit from collective bargaining outcomes—a classic case of the "free rider" problem, well-documented in labor economics literature.

This research aims to bridge the gap between organizational behavior and labor economics by investigating the drivers of union participation and non-participation among Malaysian civil servants. The study adopts a mixed-methods approach to examine both the personal and institutional factors affecting union membership decisions, including perceptions of leadership effectiveness, welfare benefits, and professional constraints. Special attention is given to the role of union financial governance, transparency, and member trust, areas often neglected in traditional HR or sociological analyses but critical to economic sustainability. Specifically, the research objectives are:

1. To identify the factors that motivate civil servants to join trade unions.
2. To determine the reasons behind their decision to avoid union membership.
3. To assess how these factors relate to their aspirations for future union engagement.

The findings from this study are expected to inform trade union strategies and policy interventions aimed at increasing union relevance and efficacy in the Malaysian public sector. By integrating both behavioral and economic dimensions, the research contributes a more holistic understanding of union participation, offering insights for union leaders, government agencies, and labor economists alike.

2. Literature Review

Trade unions have historically been instrumental in influencing labor markets, safeguarding worker rights, and promoting fair employment practices. The Trade Union Act 1959 in Malaysia allows for the formation of unions in the public service, regulated by CUEPACS. Despite the institutional support offered by this legal framework, union density is low, with just 537,127 civil servants unionized out of a workforce of 1.6 million as of 2023 (Department of Trade Union Affairs, 2023). This diminishing tendency necessitates a reassessment of union efficacy, governance, and perceived worth among public employees.

A significant body of literature links declining union membership to reduced public faith in union effectiveness. Visser (2019) contends that the diminishment of negotiating power, particularly in regulated areas such as public service, undermines union influence and significance. Boeri et al. (2021) augment this critique by highlighting that bureaucratic limitations and hierarchical management frameworks frequently obstruct substantive union negotiations. Muzdalifah and Fazli (2018) observe that in Malaysia, ineffective leadership, restricted autonomy, and insufficient communication tactics exacerbate the issue.

From a labor economics standpoint, diminishing union density has significant ramifications for wage disparity, productivity, and equilibrium in the labor market. Freeman and Medoff (1984) illustrate that unions can augment productivity via voice effects while concurrently reducing salary inequalities. Kaufman (2004) contends that unionized workplaces affect wage determination via institutional power rather than solely through market supply and demand, hence influencing public sector labor cost frameworks. However, as membership declines, these economic roles diminish.

The economic modeling of union behavior emphasizes the significance of cost-benefit analysis in membership choices. Budd (2010) asserts that the perceived advantages of union representation—such as job security, wage premiums, and grievance procedures—must surpass both financial and psychological costs for members. Union sustainability is compromised when non-members can achieve comparable results without financial contributions, exemplifying a free-rider scenario (Schnabel, 2020).

In addition to economic issues, psychological and social dynamics influence union participation. Fadillah (2022) posits that familial obligations, occupational stress, and pressures for professional progression deter civil servants from participating in union activities. These obstacles, however individual, signify more extensive structural problems in union formation and strategy. Mahadirin Ahmad et al. (2020) assert that unions must adapt to meet the demands of a contemporary, digitally empowered workforce that prioritizes transparency, flexibility, and inclusive leadership.

Financial governance, a subject inadequately addressed in conventional union literature, is becoming increasingly essential. Gordon and Meade (2004) contend that trust in nonprofit organizations, such as unions, is significantly associated with financial openness, consistent reporting, and member supervision. Hyndman and McConville (2018) assert that governance systems based on accountability can enhance legitimacy, draw membership, and stabilize internal operations. In Malaysia, lack of transparency in financial management and insufficient use of union dues have led to member mistrust and organizational disengagement (Ismail, 2022).

This study examines the convergence of organizational theory, labor economics, and governance accounting by evaluating intrinsic and extrinsic motivators for union engagement. This research incorporates economic rationality and accounting responsibility as critical components, alongside core ideas like social exchange (Blau, 1964) and organizational commitment. This approach offers a comprehensive analysis of union participation, including economic rationale, behavioral motivations, and fiscal integrity. Figures 1 and 2 illustrate how trade union members and non-members evaluate acceptance and rejection factors for their trade union participation aspirations.

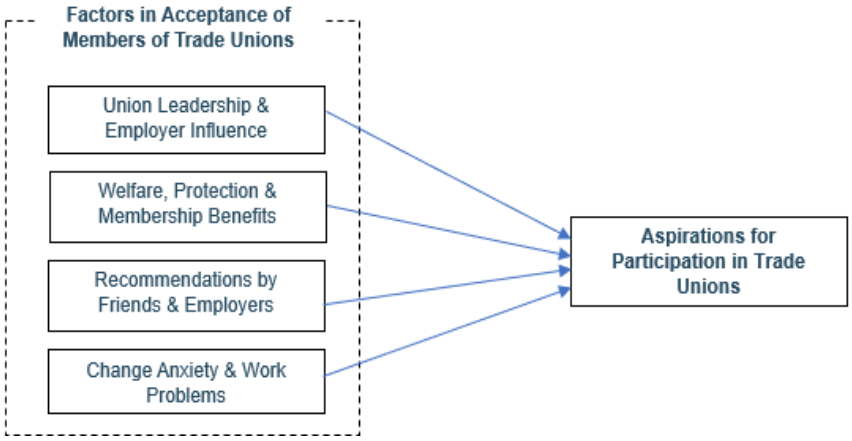


Fig. 1: The relationship between the acceptance factors of members towards trade unions and aspirations towards participation in trade unions.

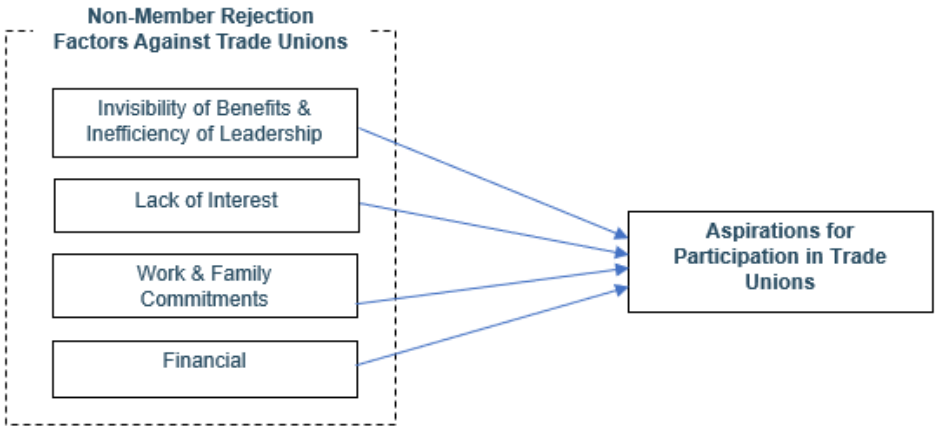


Fig. 2: The relationship between non-members' rejection of trade unions and aspirations for participation in trade unions.

3. Methodology

The structured questionnaire serves as a quantitative instrument to analyze Malaysian civil servants' driving factors for participating or abstaining from trade union membership. The developed survey derives from qualitative insights while evaluating members' union objectives, together with their motivators and deterrents to join unions.

Online distribution of the questionnaire through Google Forms focuses on civil servants working in ministries, departments, and agencies throughout Malaysia. The researchers selected convenience sampling to achieve a diverse set of participants from members and non-members of trade unions. Several sections make up the survey, which asks questions about trade unions as well as captures respondents' membership viewpoints and membership influencing factors. Survey participants evaluate their agreement level with statements about union effectiveness alongside leadership skills and the perceived advantages through a scale that uses Likert-type items.

The analysis of the obtained data utilizes the SPSS software for processing. After acquisition, the investigators employ descriptive statistics, including mean calculations with standard deviation, along with frequency distribution analysis to present the results. Inferential statistical techniques, including multiple regression analysis and factor analysis, are applied to identify the significant determinants of union membership decisions. The regression model assesses the relationship between independent variables—such as leadership perception, job security, and economic benefits—and the dependent variable of trade union participation.

This quantitative approach enables a systematic examination of the key factors influencing trade union membership among Malaysian civil servants. The findings contribute to a deeper understanding of union engagement trends and provide practical recommendations for trade union leadership to improve membership recruitment strategies

4. Results and Discussions

This research encompassed 1,382 civil servants from Peninsular Malaysia and the Federal Territory of Labuan, comprising 706 current trade union members and 676 non-members. Participants encompassed a variety of backgrounds—management, professional, and support service sectors—across numerous ministries and agencies. Of the 34 unions questioned, the National Union of the Teaching Profession (NUTP) had the largest number of respondents (n = 298), followed by the Union of Executive Officers (n = 207). A significant proportion of non-members (54%) expressed uncertainty regarding future membership, indicating a possible willingness to join the union if systemic obstacles are mitigated.

Table 1: Reliability and Normality Analysis

Variables	Average	Standard Deviation	Skewness	Kurtosis	Cronbach's Alpha	Number of Items
Satisfaction With Trade Union Goals	3.41	0.63	0	0.43	0.96	24
Aspirations for Participation in Trade Unions	3.39	0.66	0.16	0.63	0.98	25
Factor Acceptance of Members to Trade Unions						
Union Leadership & Employer Influence	3.50	0.68	0.01	0.52	0.96	12
Welfare, Protection & Membership Benefits	3.58	0.68	-0.14	0.28	0.95	12
Recommendations of Friends & Employers	3.31	0.73	0.07	0.56	0.68	3
Change Anxiety & Work Problems	3.39	0.73	0.08	0.58	0.79	3
Non-Member Rejection Factors Against Trade Unions						
Invisibility of Benefits & Inefficiency of Leadership	3.19	0.68	-0.13	1.41	0.97	19
Lack of Interest	2.97	0.65	-0.55	1.44	0.71	4
Work & Family Commitments	3.48	0.80	-0.04	0.42	0.88	2
Finance	3.20	0.88	-0.22	0.46	0.81	2

Table 1 verifies the reliability and normalcy of the constructs, with Cronbach's Alpha values between 0.68 and 0.98, demonstrating substantial internal consistency among items assessing acceptance and rejection criteria. The mean score for welfare and benefits was the greatest at 3.58, while disinterest, with a mean of 2.97, represented the least significant rejection factor, indicating that although scepticism is there, apathy is not a substantial hindrance. These findings establish a robust empirical basis for the subsequent examination of the psychological and institutional factors involved.

Table 2: Multiple Regression Analysis between the Second Independent Variable Dimension and Aspirations for Participation in Trade Unions

Independent Variables	Unstandardized Coefficient		Standardised Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant	.63	.08		7.64	<.001		
Union Leadership & Employer Influence	.65	.04	.666	16.46	<.001	.29	3.46
Welfare, Protection & Membership Benefits	.21	.04	.214	5.24	<.001	.28	3.54
Recommendations of Friends & Employers	-.05	.03	-.052	-1.68	.093	.49	2.04
Change Anxiety & Work Problems	.01	.03	.004	.14	.887	.51	1.96
F-Value: 352.634 (Say: <.001)							
R-Square: 0.668							

The regression analysis in Table 2 highlights the significant influence of leadership and welfare on participation expectations. Union leadership and employer influence ($\beta = 0.666$, $p < .001$) were identified as the most significant predictors of acceptance, followed by welfare, protection, and benefits ($\beta = 0.214$, $p < .001$). Figure 3 depicts the standardized beta coefficients for all acceptance variables. The bar chart illustrates that recommendations from friends and anxiety related to change had minimal or negligible impacts on participation.

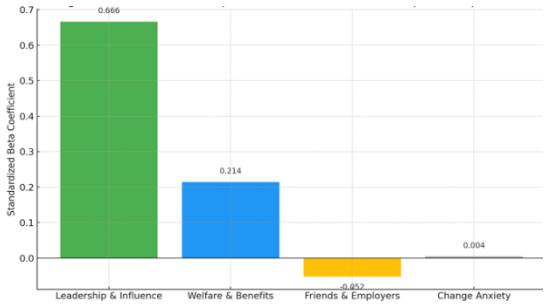


Fig. 3: Influence of members' acceptance factors on aspiration of trade union participation.

This image underscores that participation decisions are predominantly shaped by structural assurances—leadership efficacy and concrete benefits—rather than peer influence or apprehension regarding change. These findings embody fundamental concepts in labor economics, wherein collective activity depends on perceived value and confidence in representation methods.

Table 3: Multiple Regression Analysis between the Third Independent Variable Dimension and Aspirations Towards Participation in Trade Unions

Independent Variables	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant	3.22	.15		21.37	<.001		
Invisibility of Benefits & Inefficiency of Leadership	-.14	.04	-.15	-3.22	.001	.69	1.45
Lack of Interest	.06	.04	.07	1.52	.128	.80	1.25
Work & Family Commitments	.13	.04	.16	3.67	<.001	.78	1.29
Finance	-.04	.03	-.06	-1.21	.225	.71	1.40
F-Value: 5.192 (Say: <.001)							
R-Square: 0.030							

Conversely, Table 3 exhibits a model that accounts for merely 3% of the variance in union rejection factors ($R^2 = 0.030$). Despite the modest predictive power, two variables were statistically significant: job and family commitments ($\beta = 0.16$, $p < .001$) and the invisibility of union benefits ($\beta = -0.15$, $p = .001$). Figure 4 illustrates that the sense of benefit opacity and leadership inefficiency discourages involvement, but significant life commitments paradoxically elevate union aspirations, potentially due to anticipated structural support from unions.

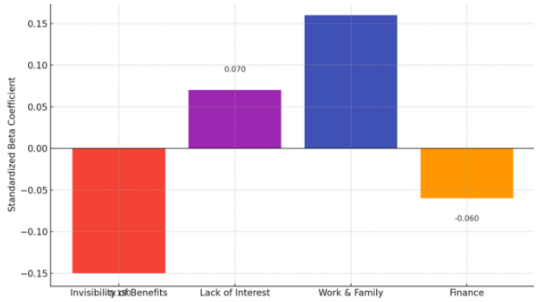


Fig. 4: Influence of non-members' rejection factors on aspiration of trade union participation.

The diminished R^2 in the rejection model may be ascribed to latent variables, including trust, prior bad experiences, or institutional culture, elements inadequately represented in the existing framework. It emphasizes the necessity for unions to have more transparent governance and enhance clarity in benefit communication to counteract this trend. Gordon and Meade (2004) assert that financial transparency is crucial for the sustainability of membership-based organizations in nonprofit governance.

These findings correspond with Blau's (1964) social exchange theory, which posits that individuals assess potential involvement through a cost-benefit analysis. In public sector unions, where financial accountability is often lacking, perceptions of benefit obscurity diminish engagement, despite potential agreement with union objectives. Union leaders must use behavioral engagement techniques and governance

reforms, including the publication of audited financial reports and the utilization of digital dashboards for benefit tracking, to enhance legitimacy.

According to research by Ganesan (2015) and Yusop & Hassan (2020), robust leadership and trust-centric governance are associated with increased union engagement. In contrast, the research of Ru et al. (2014) and Ismail (2022) emphasizes structural impediments, like administrative rigidity and diminishing institutional significance, which this study similarly addresses. The discourse underscores the dual function of trade unions as representative bodies and financial stewards. To enhance membership and fortify their negotiating power, unions must establish credibility via leadership reform, financial transparency, and effective benefit administration.

5. Conclusion

This study demonstrates that government workers' engagement in trade unions is significantly influenced by their faith in leadership and the perceived equity and value of welfare benefits. The acceptance drivers far surpass peer influence or anxiety associated with job change. The existence of human and structural obstacles—especially perceptions of inadequate leadership, unclear benefits, and substantial work-family responsibilities—remains a hindrance to membership expansion. To remain relevant in the public sector, trade unions must transform both their strategic orientation and governance mechanisms.

First, leadership quality must be enhanced through training in transparent decision-making, fiscal responsibility, and participatory communication.

Second, financial governance must be improved by adopting accounting practices aligned with nonprofit accountability standards (Hyndman & McConville, 2018). For example, unions should publish semi-annual financial reports and benefit distribution summaries to bolster member trust. The Department of Trade Union Affairs (JHEKS) also has a crucial role. By disbursing operational grants more frequently (e.g., biannually) and encouraging digital governance tools, JHEKS can support unions in enhancing efficiency and responsiveness. Moreover, policy dialogues between ministries and union leadership should be formalized through joint management-union councils and labor forums to rebuild institutional legitimacy and influence.

CUEPACS and affiliated unions should also diversify outreach strategies—targeting younger and contract-based civil servants—while investing in hybrid engagement channels (e.g., mobile apps, member portals). The development of open-door union initiatives and digital benefit dashboards could serve as key enablers for building continuous engagement. Ultimately, the findings point to a broader agenda: the modernization of union governance through behavioral, economic, and accounting reforms. Future research should examine how union financial practices, wage negotiation outcomes, and digital engagement platforms interact to shape long-term membership trends. Additionally, the inclusion of contract and foreign workers in union models should be explored, as labor protections in these groups remain underdeveloped. By addressing internal leadership, external policy alignment, and fiscal integrity, Malaysia's public sector unions can regain their role as indispensable advocates of fair employment and worker empowerment in an evolving labor economy.

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