INFLUENCE OF QUALITY OF WORK LIFE, PERCEIVED UNION EFFECTIVENESS AND JOB SECURITY ON UNION COMMITMENT AMONG BANK EMPLOYEES

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Abstract

This study investigated the relationship between quality of work-life, perceived union effectiveness and job security with union commitment among bank employees in Malaysia. This study was motivated by the decline of union density worldwide in recent times. Indeed, the National Union of Bank Employees (NUBE) had experienced a huge decline of membership, which might weaken and challenge the union to perform efficiently. Survey questionnaires were distributed based on a simple random sampling procedure to all five branches of the NUBE in Malaysia. Data were collected from 350 respondents and analyzed using correlation and multiple regression analysis. The findings of the study indicated that quality of work-life and perceived union effectiveness had positive and significant influences on union commitment. On the other hand, job security showed no significant influence on union commitment. Thus, membership declining dilemma and union commitment issue might be resolved by giving more priorities on quality of work-life and perceived union effectiveness among those banking employees.

Keywords: Quality of work-life, perceived union effectiveness, job security, union commitment.

Introduction

A trade union can be defined as an association of employees whose primary aim is to represent the job related interests of their members to employers, and in some situations to the state, but which is not controlled by either of the party’s concerned (Paragshil, 2013). Globally, trade unions are undergoing a tough stage. Many unionized organizations are facing the challenges of business dynamics, heavy competition and rapid changing environments (Bryson, 2005), as well as decreases in union density which lead to the weakening of the union influence (Aminuddin, 2008). Bryson (2005) also quoted that the decline in alternate unionism has been a major characteristic of many nations. Further, over the decade, unions’ enrollment in most developed nations such as USA, UK, Australia and most other Western Europe have recorded declining trends (Rosenberg, 2020; Carter & Cooper, 2002) in which participation in labor unions in 2019 continued their decades-long decline. For instant, union membership in the American workforce was also down to 10.3 percent in 2019 from 10.5 percent in 2018 as reported by Bureau of Labor Statistics of USA (Rosenberg, 2020).

Setting up unions is also remained a big challenge for Malaysia in comparison to the other Asian countries. According to the Trade Union Affairs Department of Malaysia, the membership of union in Malaysia consists only 875,193 members or 6% out of the 14.5 million workers in 2018. Moreover, Hector (2017) made a remark that private sector’s union membership also shows a marked decrease from 433,702 in 2009 to 359,206 in 2017.

According to Barling, Fullagar, and Kelloway (1992), the main drive of the union strength is obviously membership commitment, which is one of the internal organization factors that influences the power of unions to impose sanctions. Union commitment also can be defined as the member’s wish to remain as a member of the union, readiness on behalf of the union to make an effort and the confidence in and recognition of the objective of unions (Gordon, Philbot, Burt, Thompson, & Spüler, 1980; Johari, 2006; Li, Huang, Zang, & Yang, 2019). It is therefore pertinent to empirically revisit the variables that influence union commitment.

Problem Statement

The question that has often raised the attention of unionist, members, theorist, researcher, employer, management and academicians is “Why would individuals choose to be loyal to a labor union?” According to Gordon et al. (1980), Johari (2006), and recently Li et al. (2019), the union leaders take great
delight in the member’s commitment and strongly depend on the loyalty of their membership for the union to have capacity to jointly negotiate with strong employers. Besides, company’s administrators are puzzled and often wary of the employees’ loyalty to trade unions, partly because they see this loyalty as a possible reduction in their ability to direct the company in the way they think it is best.

Moreover, union commitment is the key variable at understanding unions, which is most discussed in any applied psychological approach for union studies (Gordon et al., 1990; Johari, 2006; Li et al., 2019). In fact, it is a formidable task to persuade the members to know better about the effectiveness of the union and the role of union in the tripartite system. As an entity of employee’s representative, the trade union is fully focused in fulfilling the member’s hopes. Without the commitment of the members, unions may not be effective and sustainable.

Newton and Shore (1992) have stated that commitment towards union is defined as the positive attitude of members towards their trade union and it is the basis of the trade union movement. Researchers investigate the psychological connection of an employee to the union because it is labelled as the strongest measure of the strength of the union (Barling et al., 1992). In practice, studying the union’s commitment is a key for organized work, as its strength determines the union’s ultimate success in achieving its overall objectives (Barling et al., 1992; Johari, 2006; Li et al., 2019) and the offered services by union are ultimately intended to create such commitment.

Considering those in a context, the National Union of Bank Employees (NUBE) is a trade union for most of the private banks in Malaysia. It is considered as a strong and effective union compared to other unions in Malaysia. The reason is that it has active participation from members, done proper preparation for further negotiations before hand, highly involved in political and civil activities, a strong union mentality and most of all it has a set of professional leaders (National Union of Bank Employees, 2018; Raduan, Naresh & Nagiah, 2011). However, NUBE has been experiencing a decline of membership in the past few years (National Union of Bank Employees, 2018). The declining membership in NUBE is weakening the union and challenges the union to perform well in the market. From a peak of 20,000 members in the year 2005, it dropped to 11,589 in the year 2017. It was a huge drop in membership in the history of the union (National Union of Bank Employees, 2018).

In view of that, it is crucial to examine the elements or variables that affect union commitment in the case of NUBE. Within the scope of this study, three variables were selected, namely the quality of work-life, perceived union effectiveness and job security that may have significant influence on the union commitment among NUBE’s members.

This section examines the empirical works carried out by researchers in the fields of union commitment, quality of work life (QWL), perceived union effectiveness (PUE), and job security (JS). Inferring from the literature review, work life quality can be defined as individuals’ evaluation of their work/life balance, job characteristics, supervisory behaviour and compensation/ benefits. Specifically, a study conducted by Fiorito, Jarley, and Delaney (1995) among national unions in United States of America (USA) had as its primary goal to examine union members’ perception of union performance. In similar research, Fiorito et al. (1995) have stated that efficiency in organizing as a pulling factor to attract and keep union members. Meanwhile, findings from other studies have expressed support for the proposed relationship between perceived union effectiveness (PUE) and union commitment (UC).

Furthermore, according to Davy, Kinicki, and Scheck (1997), security in job is defined as one’s expectations of continuity in an employment situation. It includes highly desirable employment, such as opportunities for promotion, current employment conditions and future career opportunities. On the other hand, job insecurity refers to an employee’s negative reaction to the changes concerning their jobs (Sverke, Hellgren, & Näswall, 2002). Greenhalgh and Rosenblatt (1984) stated that insecurity in employment is characterized by “powerlessness to maintain desired continuity in a threatened job situation”.

There are evidences derived from past studies that have formed positive relationship between security in job, membership in union and commitment towards union, although there are some exceptions (Allvin & Sverke, 2000; Sverke et al., 2004).

Taking into consideration of the above background and literatures, three (3) research questions were derived:

1. Does quality of work life have significant positive influence on the union commitment?
2. Does perceived union effectiveness have significant positive influence on the union commitment?
3. Does job security have significant positive influence on the union commitment?

Underpinning Theory

The social exchange theory has been a key framework for explaining individuals work related attitudes as well as employee union behaviors. The
social exchange theory proposes that human beings behave in specific ways based on the need to reciprocate and the anticipation that their reciprocal behaviors will be rewarded (Blau, 1964). Social exchange relationship represents improperly specified terms with favorable action from a party being repaid in a non-specific and flexible way over a period of time (Blau, 1964). In social relationships, the obligations established by the parties involved are essentially not explicitly stated, but the exchange relationship typically thrives on the idea that benefits are mutual.

**Conceptual Framework**

Figure 1 below displays the potential relationship between independent variables (quality of work-life, perceived union effectiveness and job security) on the dependent variable of union commitment.

![Figure 1. Conceptual framework](image)

**Research Method**

This section describes the research methods applied that include research design, sampling technique, population of study, unit of analysis, pilot test, adopted measures and data collection procedure. The information sources were from both primary and secondary data. In addition, primary data were collected via questionnaires distributed to members of the National Union of Bank Employees (NUBE) in Malaysia from five (5) different branches.

A set of questionnaires has been developed and distributed to selected respondents using random sampling. The population was the entire number or the group of possible numbers for observation (Zikmund, 2013). The population of this study was the members of National Union of Bank Employees (NUBE). The current population of NUBE is 14,074 members (National Union of Bank Employees, 2018).

This population represents both members in benefit and members not in benefit. For this study, only the active members, the ones in benefit were selected, in total it is about 11,589 members.

In order to determine the required sample size for this study, Krejcie and Morgan’s (1970) sample size determination table was referred. Accordingly, a sample size of 370 would be required for a population of 11,589. Luckily, the researchers managed to get 350 responses (representing 94.5% of response rate), although slightly lower than the target amount.

The questionnaires were distributed to the National Union of Banking Employees through their respective branches. The branches were PKP (Penang, Kedah, and Perlis), SMJ (Seremban, Melaka, and Johor), KT (Kelantan, Terengganu), Ipoh and KLSP (Kuala Lumpur, Selangor, and Pahang). The respondents were the employees of the banking sector, both clerical and non-clerical. The selected samples are employees of both genders from different ethnic groups and aged between 22 and 55 years old.

**Research Instrument**

The questionnaire set was composed of five parts. Part A contains items for the demographic profile of the respondent; Part B contains items for the union’s commitment; Part C contains items for the quality of working life; Part D contains items for the perceived effectiveness of the union; and Part E contains items for the measurement of job security. Refer to Table 1.

<table>
<thead>
<tr>
<th>Part</th>
<th>Variable</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Quality of Work Life</td>
<td>Huang, Lawler, and Lei (2007)</td>
</tr>
<tr>
<td>D</td>
<td>Perceived Union Effectiveness</td>
<td>Chacko (1985)</td>
</tr>
<tr>
<td>E</td>
<td>Job Security</td>
<td>Oldham, Kulik, Stepina, and Ambrose (1986)</td>
</tr>
</tbody>
</table>

The reliability test was carried out using pilot testing. Cronbach alpha value is used to measure the consistency of the scale, how well a set of items measures the construct. The greater the value of the alpha coefficient, the more reliable the construct measurement variable is. Table 2 shows that this study has high Cronbach’s alpha coefficients for all constructs, thus the reliability tests are acceptable.

In this study, the three hypotheses were tested using simple Pearson correlation that shows the correlation coefficient (r). It measures the strength and direction of linear relations among pairs of the tested variables. Besides that, a multiple regression was also used to predict a variable’s value based on the other variable’s value.
Table 2
Reliability Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Commitment</td>
<td>13</td>
<td>0.88</td>
</tr>
<tr>
<td>Quality of Work Life</td>
<td>10</td>
<td>0.92</td>
</tr>
<tr>
<td>Perceived Union Effectiveness</td>
<td>9</td>
<td>0.93</td>
</tr>
<tr>
<td>Job Security</td>
<td>8</td>
<td>0.87</td>
</tr>
</tbody>
</table>

The following section highlighted results and discussion.

Result and Discussion

Firstly, a simple descriptive analysis was performed to identify the mean scores and standard deviations for the dependent and independent variables. Based on 350 returned questionnaires, all were analysed, and the findings of the descriptive analysis are shown in Table 3.

Table 3
Descriptive Statistics of All Variables

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Commitment</td>
<td>4.39</td>
<td>.524</td>
</tr>
<tr>
<td>Quality of Work-Life</td>
<td>3.35</td>
<td>.704</td>
</tr>
<tr>
<td>Perceived Union Effectiveness</td>
<td>4.25</td>
<td>.577</td>
</tr>
<tr>
<td>Job Security</td>
<td>3.25</td>
<td>.845</td>
</tr>
</tbody>
</table>

Table 3 displays the mean values and standard deviations for all tested variables. Moreover, the standard deviations for the variables are between 0.524 and 0.845. These imply the existence of acceptable variability and reliability in the data and are still within a tolerable variance.

Table 4
Regression Co-Efficients: Findings

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.923</td>
<td>.290</td>
<td></td>
</tr>
<tr>
<td></td>
<td>QWL</td>
<td>.204</td>
<td>.099</td>
<td>.152</td>
</tr>
<tr>
<td></td>
<td>PUE</td>
<td>.368</td>
<td>.030</td>
<td>.538</td>
</tr>
<tr>
<td></td>
<td>JS</td>
<td>.043</td>
<td>.025</td>
<td>.076</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Union Commitment

Table 4 indicates the regression coefficients, interception and meaning of all coefficients and interception in the tested model.

Finding and Discussion #1: Influence of Quality of Work-Life (QWL) on Union Commitment (UC)

The findings from this study show that QWL has significant influence on UC. Based on the regression analysis, the result for the first hypothesis is ($\beta=0.204$ at $p=0.01$, $p<0.05$), thus the hypothesis is accepted. The finding reveals that although the positive correlation between QWL and UC is low, the result still supports the proposed hypothesis that quality of work life has significantly influenced the union commitment.

Union member’s motivation to remain committed to the union is contingent upon the belief or the expectation that effort expended will yield desired outcomes such as an improved quality of work life. When a member has a good quality of work-life, they can have a trust and confidence on the union’s roles. The positive relationship realized between quality of work life and union commitment is a clear indication that factors such as gaining autonomy on the job, having a challenging and supportive work environment as well as a balance between work and family life, adequate and fair compensations are equally important to the employees. Literature also shows some studies that used quality of work life as a predictor of certain union joining behaviors has similar results. For instance, research by Kochan, Katz, and McKersie (1986), Johari (2006), and Li et al. (2019) asserted that union members can now seek benefits such as meaningful work from the unions, appreciation of efforts and a sense of belonging to the working situation that required unions to develop a concept of the working environment and to gain control through collective bargaining.

NUBE’s members demonstrate their commitment to the union by participating in all events, training and even demonstration conducted by the union. They believe that the union is fighting for them to get a better quality of work-life all time. NUBE has defended many good things for their members in the recent years through collective agreement such as maternity leave, bonus, increment, loan, allowances, cost of living allowance (COLA), insurance and many more. They have been enjoying such benefits from banks which were from the efforts of the NUBE’s professional leaders.

Finding and Discussion #2: Influence of Perceived Union Effectiveness (PUE) on Union Commitment (UC)

The findings also indicate that PUE has significant influence on UC. Based on the regression analysis, the result for the second hypothesis is ($\beta=0.368$ at $p=0.00$, $p<0.01$). Thus, this regression result supports the proposed hypothesis that perceived union effectiveness has significantly influenced the union commitment. This positive correlation implies that when the member’s perception of the effectiveness
of their unions in term of their performance and priorities increases, their commitments towards their union would be more encouraging.

Effectiveness of union in term of bargaining, organizing, politics, member solidarity and many more are the reasons for members to stay and commit to their unions. Members’ satisfaction with union representation is higher where unions are perceived as effective. Union representative role is one of the influential roles in the union which can greatly affect the trade union membership.

Bayazit et al. (2004) concluded that union member’s perception of leadership priorities was positively correlated with their attitudes and behaviors towards the union. The literature review like Johari (2006) and Li et al. (2019) in their studies also revealed among others that union instrumentality perceptions and satisfaction with the union were positively associated with pro union voting behavior and/or union commitment. It was suggested that even though employee dissatisfaction might attract interest in union representation, it did not necessarily result in pro union vote from union members, instrumentality perceptions indeed would be the major determinant of the direction of union vote.

In general, NUBE members have good perceptions towards their union and the leaders of the union because the collective bargaining functions towards a role dominated by the voice and representation of workers appears to have taken place against the background of unionism of high density. Protecting employees against unfair work practices and encouraging employee training is one of NUBE’s main responsibilities. One of the factors related to union success in organization is having a good leader because a strong leadership certainly will gain confidence and trust from the members in the union. In return, members will express strong support in the union. Many members have benefited and also gained knowledge from the union by participating in union activities.

Finding and Discussion #3: Influence of Job Security (JS) on Union Commitment (UC)

The findings from this study show that the influence of JS on UC hypothesis is not supported. Based on regression analysis, the result for the third hypothesis is ($\beta=0.043$ at $p=0.85, p>0.05$). There is no correlation between job security and union commitment, meaning that commitment to union does not rely on whether employees have job security issue.

Unions protect employees from arbitrary employer actions and provide them with legal assistance in the event of a workplace problem that could lead to discipline or dismissal, such as sexual harassment or complaints from customers. Before an employee can be terminated, he or she can proceed with a grievance process and arbitration if necessary. In recent years, however, it has become increasingly difficult for trade unions to keep jobs safe, because many industries have had to make mass redundancies. Market forces like globalization, the most recent pandemic COVID-19 (Sarah & Stella, 2020), changing technology and using robotics instead of people to perform tasks have caused a decrease in job security. As a result, membership of the union has declined. The tendency among most workers, especially younger ones, not to remain in the same job or workplace for their entire career is also contributing to the decline in membership of the union. This has been highlighted by many unions worldwide, however this issue remains inconclusive.

NUBE has managed to resolve many issues regarding job loss and layoff, nevertheless there were scenarios whereby the conditions and laws are in favor of employers rather than the union. Subsequently, some members may feel in secured and show less support and commitment towards union. However, this doesn’t mean that the union has not performed effectively.

Conclusion

This correlation and regression method employed for this survey study was basically to explore the relationship between QWL, PUE and UC among union employees of the National Union of Bank Employees, Malaysia. The study examined the variables based on the responses of 350 union members from different bank and different region in Malaysia. Participants were consisted of clericals and non-clerical staff in the banking industries. The social exchange theory served as the main theoretical underpinning for the research. The theoretical framework from the theory proposed that QWL, PUE and JS will predict UC. Respondents were given Likert type questionnaires to answer after which their responses were subject to analysis.

The study revealed that quality of work life and union effectiveness predict union commitment, but job security does not predict the union commitment. These relationships indicate that a union member’s psychological attachment to the union is likely a determinant of his or her behavioral engagement in the activities of
the union. Unions may be considered effective based on how they relatively bargain for and also how responsive they are to their members in terms of their commitment to them.

Practically, the finding suggests that if unions want to influence membership commitment as well as positive attitudes and behaviors, utmost attention should be given to improving the quality of work-life of its members which requires unions to take pragmatic steps such as collaborating with employers to improve the welfare of employees as well as solving their work related issues. These would lead to a reduction of or slower the number of declining of membership in future.

Based on the study, it is understood that the employers’ policy and moves, global movements, as well as the government laws are among the main causes of the unwanted condition happening in trade union history, especially the declining of membership in recent years.

As a final note, it is hoped that observations made in this research shall not only be useful to the unionization literature, but it can be extent to aid organizations and government agencies who interested in improving the welfare of employees by providing them with appropriate strategies. Lastly, considering the present pandemic of COVID-19 (2019 – 2020 and may continue until end of 2021), off course similar study should be replicated to see what are the latest development and variables that influence union commitment.

Implications

Findings of this study provide an insight and understanding on the issue of union commitment and membership that might be useful for National Union of Bank Employees (NUBE). Potential implications and contributions of this study are classified and discussed in the following sub-sections.

Theoretical Implication

Theoretical implication from this study is related to union commitment, which is associated with quality of work-life and perceived union effectiveness. Social Exchange Theory by Blau (1964) has been the underpinning theory in explaining the findings of this study. According to social exchange theory, self-interest drives people to social exchanges (Blau, 1964). Therefore, depending on their judgments, people enter and leave relationships pertaining to the benefits and costs of the relationship. Results of this research show that quality of work-life and perceived union effectiveness are believed to influence the union commitment positively. When NUBE is playing its roles effectively in terms of negotiations on member’s rights and benefits with their employers, members would feel secured and thus remain committed to their union. In brief, if the members’ quality of work life and job security have been taking care of, and if the members have good perception on the union effectiveness then the members will be more committed to the union. Indirectly, the issue of declining membership can be resolved by the union representatives.

Practical Implications

In this context, the practical implications suggest possible approaches or solutions to improve and solve those particular issues related to the area of the study. This study offers evidence and support for NUBE and the union members with regard to their perceptions towards the importance of union commitment. Thus, membership declining dilemma and union commitment issue might be resolved by offering more priorities on quality of work-life and perceived union effectiveness among those banking employees. From this study, opportunities and way forward to realize and sustain NUBE as a strong and effective union compared to other unions in Malaysia is far brighter.

Recommendations

Based on the results, only QWL and PUE are significantly associated with UC, whereas JS has no correlation with UC. Researchers may consider further study by providing broader and comprehensive measures for the JS scales in order to be more reliable and accurate to predict member’s commitment to this union.

Next, trade union has very broad roles in shaping the future of work force. So, it is essential for the researchers to analyze deeper on the history and also the factors affecting the union commitment or a rather general organizational commitment (Purani, Abdul-Halim & Noor Asma, 2020; Sarah & Stella, 2020) in recent years. Hence, to get in depth data on issues related to the unions researchers may need to employ qualitative study, in which researchers can meet face to face and have interviews with the union member and at the same time with the management of the union or the representatives of the union. This may give different perspectives on the future study about trade unions and union commitment.
Moreover, future research with larger sample sizes and longitudinal research styles would enhance the claims that the research findings are valid, generalizable and reliable. Small sample of respondent could produce bias results which can’t define the exact problems faced by the union in declining union commitment and membership.

Lastly, it is suggested that future studies look more deeply into the predictors of union commitment in different work environments by comparing the participation behavior of clerical/non-clerical members and executive level union members towards their union. This could help the unions to strategize their effort to attract and sustain their members in this field.

As for trade unions, firstly they should focus more on how to promote the union to non-union workers. The unions need to improve on their knowledge of their target employees in order to understand how best they can contribute to the union values and union goals. The best way to promote the trade union to workers is using the communication medium such training, newsletter, educational videos, marketing and many more. This can contribute to the increase of union participation and membership in the future.

Secondly, job security variable does not meet the significant relation with union commitment. Hence, union must give more attention to this part where the necessity of negotiations must be more detailed with the employer. This can give big impact on members who feel insecure in their work. Unions need to do more research on job insecurity among members of NUBE. This is to understand more about the practice of the employer on their worker’s dismissal.

Lastly, the union should focus more on union branches which having low level of commitment towards union. This is based on the result that shows the East Coast Region is showing least mean score compare to other branches in the level of commitment. Union can approach more employees or members from East Coast Region, via trainings, gatherings, events and many more. Union may encourage and get them engaged in the decision-making process.

References


