

A CASE STUDY OF THE SOCIO-ECONOMIC CONDITIONS  
OF WORKERS IN FACTORY A AND FACTORY B.

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Dedicated to .....

Latihan Ilmiah

Bagi Memenuhi Sebahagian  
Daripada Syarat-syarat Untuk  
Ijazah Sarjana Muda Sastera

JABATAN ANTROPOLOGI DAN SOSIOLOGI  
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I wish to express my sincere thanks to my supervisor, Dr. Hing Ai Yun, for her kind advice and critical comments. Through her valued guidance and supervision, this study took form and grew.

This graduation exercise would not have been possible without the cooperation of my respondents. To them, I acknowledge special thanks.

Dedicated to .....

I am especially grateful to Henry for his editorial help and his field work assistance. My dearest mum and dad. Thankful to my sister Teresa who so kindly agreed to type this manuscript.

Last but not least, I wish to express my deepest appreciation to my parents and family who have seen me through my formal education.

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SYNOPSIS

This case study is a comparison of the socio-economic problems of workers in Factory A and Factory B. In order to provide a clear and systematic picture, the researcher has arranged this study into various chapters.

Chapter One gives a general introduction of the objectives and significance of the study. It also discusses the research methodology used and the problems encountered during the research.

In Chapter Two, a general overview of the factories is presented, with the discussion ranging from 'who are the employers', to 'why does the Government accommodate them'.

Chapter Three deals with the terms of employment. It shows the similarities and differences between the employment policies and working conditions faced by workers in Factory A and Factory B.

A deeper description of the structure of labour force is depicted in Chapter Four. It shows a distinction between workers of Factory A and Factory B, with regards to their race, sex, age level, working experience, etc.

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LIST OF TABLES

level of education achievement.

PAGES

The discussion in Chapter Six is focussed mainly on the industrial relations in the factories.		22
3.2	- Wage Rates of general workers in Factory A and Factory B.	32
The concluding Chapter, is devoted to elaborating some of the limitations of the study and some suggestions of how to improve it. There is also a short summary of the findings accompanied by some recommendations.		37
3.4 (i)	- Working Time of the 3 Shifts in Factory A.	39
3.4 (ii)	- No. of Working Hours a Week in Factory A and Factory B.	43
4.1	- Sample of Labour Force According to Race.	45
4.3	- Sample of Labour Force According to Age Level.	50
4.5	- Sample of Labour Force with Prior Working Experience.	53
4.6	- Sample of Labour Force According to Length of Service.	55
5.1	- Type of Place of Origin of a Sample of Labour Force.	59
5.2	- Family Size of a Sample of Labour Force.	62
5.4	- Type of Residence of a Sample of Labour Force.	64
5.5	- Education Level of a Sample of Labour Force.	66
5.6	- Monthly Wages of a Sample of Labour Force.	70
5.7 (i)	- Monthly Expenditure on Food of a Sample of Labour Force.	77
5.7 (ii)	- Monthly Expenditure on Rental of a Sample of Labour Force.	78

LIST OF TABLESPAGESPAGES

2.1	- World Distribution of Electronic Technology.	22
3.2	- Wage Rates of general workers in Factory A and Factory B.	32
3.4 (i)	- Working Time of the 3 Shifts in Factory A.	35
3.4 (ii)	- No. of Working Hours a Week in Factory A and Factory B.	37
3.6	- Leave Schedule of Factory A and Factory B.	43
4.1	- Sample of Labour Force According to Race.	45
4.3	- Sample of Labour Force According to Age Level.	50
4.5	- Sample of Labour Force with Prior Working Experience.	53
4.6	- Sample of Labour Force According to Length of Service.	55
5.1	- Type of Place of Origin of a Sample of Labour Force.	59
5.2	- Family Size of a Sample of Labour Force.	62
5.4	- Type of Residence of a Sample of Labour Force.	64
5.5	- Education Level of a Sample of Labour Force.	66
5.6	- Monthly Wages of a Sample of Labour Force.	70
5.7 (i)	- Monthly Expenditure on Food of a Sample of Labour Force.	77
5.7 (ii)	- Monthly Expenditure on Rental of a Sample of Labour Force.	78

TABLE OF CONTENTS

	<u>PAGES</u>
Acknowledgement.....	(i)
5.7 (iii) - Monthly Sum of Money Sent Home of a Sample of Labour Force.....	(ii) - 79
5.7 (iv) - Monthly Expenditure on Transportation of a Sample of Labour Force.....	(iv) - (v) 79
5.7 (v) - Monthly Expenditure on Entertainment of a Sample of Labour Force in Factory B.....	(vi) - (viii) 80
6.3 (i) - Relationship of a Sample of Labour Force with the Supervisors/Foremen and Managers.....	91
6.3 (ii) - A Sample of Workers' Opinion of the Management's Efficiency.....	94
1.1 Objectives and Significance of the Study.....	4
1.2 Research Methodology.....	6
1.3 Choice of Factories.....	20
1.4 Research Design.....	23
5.6 Monthly Wages of a Sample of Labour Force.....	71
(i) Participant Observation.....	72
(ii) Respondent Interview - Sampling.....	73
(iii) Informant Interview.....	74
(iv) Records.....	75
3. Problems.....	76
(i) Participant Observation.....	77
(ii) Interview - Sampling.....	78
(iii) Records.....	79



TABLE OF CONTENTSPAGES

Acknowledgement	A GENERAL ..... (i)
Synopsis	FACTORIES ..... (ii) - (iii)
List of Tables	Who are the Factory Employers? ..... (iv) - (v)
Table of Contents	Why does the Government accommodate the Multinationals? ..... (vi) - (viii)
	..... 24

PAGESCHAPTER 3TERMS OF EMPLOYMENTCHAPTER 1INTRODUCTION

1.1	Objectives and Significance of the Study.	..... 1
1.2	Research Methodology.	..... 30
1.3	1.1 Choice of Factories.	..... 4
1.4	2. Research Design.	..... 6
1.5	(i) Participant Observation	..... 38
1.6	(ii) Respondent Interview	..... 43

CHAPTER 4(iii) Respondent Interview - Sampling

4.1	(iii) Informant Interview	..... 45
4.2	(iv) Records	..... 48
4.3	3. Problems.	..... 50
4.4	(i) Participant Observation	..... 52
4.5	(ii) Interview	..... 53
4.6	- Sampling	..... 55
	(iii) Records	

<u>CHAPTER 2</u>	A GENERAL BACKGROUND OF THE	.....	58
	FACTORIES.	.....	21
2.1	Who are the Factory Employers?	.....	61
2.2	Why does the Government accommodate the Multinationals?	.....	24
3.1	Place of Origin	.....	66
3.2	Type of Residence	.....	64
3.3	Level of Education	.....	66
<u>CHAPTER 3</u>	TERMS OF EMPLOYMENT	.....	27
3.1	Recruitment	.....	28
3.2	Wage Rates	.....	30
3.3	Overtime	.....	34
<u>CHAPTER 4</u>	INTERPERSONAL RELATIONSHIP	.....	31
4.1	Working Hours	.....	35
4.2	Interpersonal Relationship among	.....	38
4.3	Fringe Benefits	.....	43
4.4	Leave	.....	43
4.5	Between Workers and Management	.....	43
4.6	Between Workers and Other	.....	43
<u>CHAPTER 5</u>	STRUCTURE OF LABOUR FORCE	.....	45
5.1	Race	.....	48
5.2	Sex	.....	50
5.3	Age Level	.....	50
5.4	Age at which workers commence employment	.....	52
5.5	Working Experience	.....	53
5.6	Length of Service	.....	55

		<u>PAGES</u>
<u>CHAPTER 5</u>	WORKERS' BACKGROUND	..... 58
5.1	Place of Origin	.....
5.2	Family Background	..... 61
5.3	Marital Status	..... 63
5.4	Type of Residence	..... 64
5.5	Level of Education	..... 66
5.6	Monthly Wages	..... 70
5.7	Monthly Expenditure	..... 74
<u>CHAPTER 6</u>	INTERPERSONAL RELATIONSHIP	..... 81
6.1	Interpersonal Relationship among Workers	.....
6.2	Between Workers and Management	..... 87
6.3	Between Workers and Other Management Staff	..... 91
<u>CHAPTER 7</u>	CONCLUSION	..... 95
7.1	Limitation of the Study	.....
7.2	How to improve the Study	..... 98
7.3	Summary of Findings	..... 99
7.4	Recommendations of the Study	..... 104
BIBLIOGRAPHY		(ix)



- 2 -

CHAPTER I

INTRODUCTION

Development has often been identified with "progress" and "modernisation". The policy and decision makers both in the Third World as well as the industrialised countries define development and modernisation as "the process by which a society comes to be characterised by a belief in the rational and specific control of man's physical and social environment and the application of technology to that end"<sup>1</sup>.

But what is really meant by the term "Development"? There may be many definitions and concepts of development - but the ultimate objective of development must bring about substantial improvement and benefits to the people as a whole.

In this Country, there are numerous plans and economic policies which focus on development. With the rationale that Malaysia lacks the capital, know how and technical expertise necessary for modern manufacturing and development, the government has invited foreign investors to establish factories here, by offering them various kinds of incentives. With this, the government hopes that these foreign companies will bring with them their technical know how and disseminate them to the local technocrats. It is also hoped that such investment will provide employment for our young labour force.

To promote these goals a complete "open-door" policy to foreign investors was adopted. The security of the foreign investment is guaranteed, they are given the freedom to recruit labour at any price and the freedom to repatriate capital without any restriction.

In contrast to the variety of benefits provided to foreign investors, local labour has been subjected to restrictive regulations in order to maintain industrial peace. "There is no minimum wage law in Malaysia".<sup>2</sup> Strikes or lock outs connected with recognition of trade unions or matters connected with management functions are prohibited. During the first 5 years of pioneer status or "for any such extended period" these foreign investors are guaranteed against any "unreasonable demands" of Trade Unions.<sup>3</sup> As such, the hypothesis that industrialisation can bring development and progress to the nation has to be re-examined. This is a crucial matter as it involves quite a big fraction of the population.

Apart from the country's rich natural resources, her most important asset lies in its work force. There are more than 5 million blue-collar workers in the country in various sectors of the economy,<sup>4</sup> out of which it is estimated that the total number of industrial work force amounts to 3,822,900 workers. This constitutes almost 40% of the total population of West Malaysia.<sup>5</sup>

However, it is unfortunate that most workers are still ignorant or uninformed of their basic rights and benefits that they are



entitled to, under the various acts, ordinances and laws. Many workers still labour under exploitative conditions. Others do not know how and where to make complaints, or to claim compensations for any work injuries. The Trade Unions should function to educate and represent the workers, but only 10% of the work force are unionised.<sup>6</sup> The majority of those who are not, are being subjected entirely to whatever decisions that their employers make.

This study is based specifically on the empirical data collected. Labour Laws and the institutions that enforces them are theoretically enacted to guarantee the employers' and the workers' basic rights and benefits in order to ensure industrial harmony and progress. However, for the laws to function properly, the workers themselves must be informed, educated and be consciously aware of the social, economic and political environment affecting them. Most of them have come to the city in search of better paying jobs. All of them have in common a low educational background. Together they form the blue collar workforce of the factories. It is believed that such workers often face the problem of alienation from their work. They are exploited with low wages whilst providing cheap but necessary labour.

As this is a sociological study, the emphasis is on the social aspects of the workers and not the economic aspects of the workers. This case study does not provide a complete picture of the



### 1.1 OBJECTIVES AND SIGNIFICANCE OF THE STUDY

The objective of this study is to achieve a greater understanding of the socio economic problems that are encountered by factory workers. This study will attempt to give an idea of the workers' background such as the age level, education level and their families' financial status; and the present social and economic factors in their work place which affects their lives.

This study is based specifically on the empirical data collected from two factories. It actually aims to compare the two different groups of factory workers - one, a semi-skilled female labour force and the other a highly skilled male workforce.

Workers in general come from a diversity of backgrounds. Many are from the poor villages and small towns of other states. Most of them have come to the city in search of better paying jobs. All of them have in common a low educational background. Together they form the blue collar workforce of the factories. It is believed that such workers often face the problem of alienation from their work. They are exploited with low wages whilst providing cheap but necessary labour.

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industrial scene. However, it is still significant, as it provides an in-depth study of the situations and social conditions that exist in the factories. Information from this study can help to broaden our awareness on the social and economic problems of factory workers that are prevalent in the local industrial factories. Factory workers are essential to industrial progress. As such, social research on factory workers should not be neglected. These factories are situated in one of the Free Trade Zones of the country. Besides both are branches of multinationals which are based in the United States. For easy reference, the electronic factory will be known as Factory A while the car assembly plant will be referred to as Factory B. The workers in both the factories have differing characteristics. Nevertheless they also have some general similarities as they all belong to the same category of blue collar factory workers.

The general workers in Factory A are all females, while those in Factory B are all males. These female workers in Factory A are semi-skilled workers and are commonly known as operators. Those in Factory B are more skilful workers, most of whom have already acquired a certain level of experience or knowledge before their employment in Factory B. Another significant difference between the two factories is that the workers in Factory B enjoy the advantages of having a union while those in Factory A do not.



## 1.2 RESEARCH METHODOLOGY

### 1. Choice of Factories

The researcher has chosen two factories for comparison in this study. The first is an electronic factory situated in Sungei Way, and the second, a car assembly plant in Shah Alam. Both these factories are situated in one of the Free Trade Zones of the country. Besides both are branches of multinationals which are based in the United States. For easy reference, the electronic factory will be known as Factory A while the car assembly plant will be referred to as Factory B.

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The general workers in Factory A are all females, while those in Factory B are all males. These female workers in Factory A are semi-skilled workers and are commonly known as operators. Those in Factory B are more skilful workers, most of whom have already acquired a certain level of experience or knowledge before their employment in Factory B. Another significant difference between the two factories is that the workers in Factory B enjoy the advantages of having a union while those in Factory A do not.



The effects of the presence of a union may be seen in the differing employment policies and working conditions found in Factory A and Factory B.

Factory A was chosen as it was the first one that had a job vacancy, out of the other 8 factories that the researcher visited. Being in need of operators, Factory A readily accepted the researcher, and together with her, 20 other girls were recruited on the same day.

(i) As for Factory B, one reason why it was chosen was because the researcher met a union leader who was willing to help her. He was working in Factory B, and hence, could arrange for the researcher to interview the workers in Factory B.

As a factory worker who has experience, this method of selection requires the researcher to be able to identify the workers in the situation of a work environment. In this way, the researcher will be able to personally experience the physical and psychological stress that a worker faces. Besides, the researcher is also able to receive insights of the underlying attitudes and unspoken feelings of the workers.

(ii) Respondent Interview  
This was the best feasible method used in the research in Factory B. No participant observation was carried out there as the

## 2. Research Design

In this case study, both qualitative and quantitative research methods are used. According to Selltitz, an exploratory case study can be done with a combination of techniques such as participant observation, respondent interview, informant interview, archival study and records research.<sup>7</sup> This study has adopted such a combination of techniques in order to gather various types of data. the 'open-ended' questions are meant to allow the respondents more freedom to express their views, feelings and experiences.

### (i) Participant Observation

Sampling The main method used for the research in Factory A was participant observation, where the researcher played an active role as a factory worker under disguise. This method of data collection requires the researcher to be actively involved in the actual situation of a work environment. In this way, the researcher will be able to personally experience the physical and psychological stress that a worker faces. Besides, the researcher is also able to receive insights of the underlying attitudes and unspoken feelings of the workers.

### (ii) Respondent Interview

This was the best feasible method used in the research in Factory B. No participant observation was carried out there as the



researcher could not be recruited in a factory which employs only male workers. This method was also used in the research in Factory A after the researcher's resignation there. characteristics of the work force.

The interview was based on a prepared questionnaire. It was conducted in a formal manner with 'close-ended' and 'open-ended' questions. 'Close-ended' questions are structured to provide a common basis to enable the researcher to make an easier analysis, while the 'open-ended' questions are meant to allow the respondents more freedom to express their views, feelings and experiences. These interviews provided some personal data which as helpful.

#### Sampling

A total number of 54 questionnaires were answered. 15 questionnaires were answered by the female workers in Factory A, while the remaining 39 were answered by the male workers in Factory B. In order to provide a balanced comparison, 15 workers were selected from each factory as samples for analysis. However, information from the other extra questionnaires from Factory B were used to supplement the data of the selected 30 questionnaires.

The respondents in Factory A were not chosen with any fixed criteria. The researcher accepted any worker who was willing to cooperate. Hence, the researcher has to admit that this sample of workers may not be representative of the entire labour force.



As for Factory B, the respondents were selected at random by the members of the executive committee of the Union. As such, the sample may be more reflective of the general characteristics of the work force.

(iii) Informant Interview

This interview was done informally during casual conversations with some Union leaders, members of the Union's executive committee in Factory B. As these people were aware of the purpose of the research, they were very cooperative and helpful. They were able to share a more open and critical view on issues pertaining to the management techniques of profit maximisation and the passive response of the general workers. However, one weakness is that most of them only look from the point of view of the labour force. Hence, some of their opinions had a strong over tone of biasness against the management.

(iv) Records

Not all the information that the researcher required could be obtained by using the above research methods. Some details regarding the general background information of the factory and their production level could only be obtained from the Registrar of Companies. The researcher also enquired at the Malaysian Industrial Development Authority to find out more about the consequences of

industrialisation in the country.

### 3. Problems

At the start of the research, a lot of effort was made to seek for a job at a factory. The researcher tried 8 other

factories. The researcher has faced many problems in the course of the study. Like most sociological research, there are various

difficulties in the process of gathering data. Due to the nature

of the topic, the research may have caused some discomfort and

fears among both the management and workers. All the research

methods employed here have their advantages as well as their set

backs and problems. of getting the cooperation of the management

and workers without very much difficulty. This would have allowed

her more freedom of movement and speech. Furthermore, she would

not have been looked upon with suspicion and be forced to work under

so much restrictions. However, there were also many disadvantages if she had

revealed her identity. Few managements if any, would welcome a

researcher, especially if the research involves inquiring about

the workers' welfare and touches on the question of wages.

Furthermore, the presence of a known observer would tend to create

an artificial working condition, as the workers may be conscious of

an observer amongst them. Due to the reasons above, the researcher decided to conceal

her identity throughout the 5 weeks of her employment in Factory A.



(i) Participant Observation The researcher went under the disguise of a Form 5 drop-out who was desperately seeking a secure job. The interview At the start of the research, a lot of effort was made to seek for a job at a factory. The researcher tried 8 other factories before succeeding in finding employment in Factory A. This factory always has vacancies because the turn over rate of employment is relatively high among the operators. During the 5 weeks of her employment there, the researcher had to be The question that arose initially was whether to reveal the researcher's identity. If the researcher were to do so, she could be more sure of getting the cooperation of the management and workers without very much difficulty. This would have allowed her more freedom of movement and speech. Furthermore, she would not have been looked upon with suspicion and be forced to work under so much restrictions. Workers who formed the majority of the work force there, found it difficult to accept a Chinese into their cliques within the department. However, there were also many disadvantages if she had revealed her identity. Few managements if any, would welcome a researcher, especially if the research involves inquiring about the workers' welfare and touches on the question of wages. Furthermore, the presence of a known observer would tend to create an artificial working condition, as the workers may be conscious of an observer amongst them. Chinese workers from the other section of the department, Unfortunately, their section had a different work shift from Due to the reasons above, the researcher decided to conceal her identity throughout the 5 weeks of her employment in Factory A.



Hence at the job interview, the researcher went under the disguise of a Form 5 drop-out who was desperately seeking a secure job. The interviewer was a little suspicious initially, as the researcher spoke English quite fluently. However, when the researcher eventually convinced the interviewer that she needed a job very desperately, she was then employed.

It was extremely tedious and strenuous for the researcher who was working in a factory for the first time. Workers were not During the 5 weeks of her employment there, the researcher had to be very cautious of her words and actions, so as not to create any suspicion. If the truth had been discovered before the research was completed, the entire study would have been jeopardised.

Conscious effort was also made to establish rapport with the workers, but unfortunately only few acquaintances were made. Most Malay and Indian workers who formed the majority of the work force there, found it difficult to accept a Chinese into their clique within such a short period of time. Many of them were quite reluctant to answer the questions of the researcher. This may be because they were still unfamiliar with the researcher. Further, they were also afraid of being seen talking, while at work.

However, during the break intervals the researcher managed to join a small clique of Chinese workers from the other section of the department. Unfortunately, their section had a different work shift from that of the researcher. Faced with this, the researcher was unable to develop closer friendship with these particular

workers. Furthermore, the researcher spoke a different dialect from these Chinese workers. Therefore they could not communicate very much on more serious matters.

Although the nature of the work in Factory A did not demand much skill nor energy, it was extremely tedious and strenuous for the researcher who was working in a factory for the first time. Workers were not allowed to leave their seats during working hours, except during the break intervals. They were also forbidden to stand up or walk around to refresh themselves even for a short while, as the supervisors felt that the rate of production may decline if they did.

It was really difficult for the researcher to get used to the change in the work shift every week. The night shift was the most tedious of all. Many other workers who had been working for the past four to five years still complained of the strenuous night shift. The researcher often found herself tired and exhausted. She had often dozed off to sleep during the long hours of routine work.

During the break intervals, she would rather take a good rest by herself at a quiet corner, than mix around and try to make conversation. The researcher could hardly survive the 5 weeks of work necessary for observation. Half of the same recruits left within 2 weeks because they could not bear with the strenuous work. However, the experience gave the researcher a feel of the difficulties faced by factory workers.



(11) Whatever observation that the researcher made was recorded either at the comfort rooms during working hours or at the end of the day. It was sometimes difficult to recall all the incidents that occurred if recording was done at the end of the day. Recording the observations and occurrences as they took place at work would have been more accurate. But to go to the comfort room a few times a day during work would certainly have drawn the attention of the supervisor. of the researcher there. It could not be done during her employment because the researcher did not want to reveal her identity. The restrictive movement at work was a major set back for a method such as participant observation. The supervisors were constantly keeping a check on the workers, especially on the new recruits. Hence, for the first week, the researcher could not even find out what another worker who was sitting just a few seats away, was doing. Apparently it seemed almost impossible for the researcher to understand the production process that was taking place in Factory A. The period of study was definitely too brief for the use of such a method. To arrange for an interview with the workers in Factory A, the researcher got help from a Union leader, Mr. A, who had some contact with the workers there. It took almost 2 months for Mr. A to arrange for the interview. Within that period, the researcher had to make numerous telephone calls and a number of personal trips to the office of Mr. A to enquire about the feasibility of the interview.

In the meantime, the researcher also went back to Factory A,



(ii) Interview familiar faces at the main entrance of the factory. She failed to meet any of them, but was able to introduce herself to The interview involved much more time and effort than what the researcher had anticipated. The respondent - interview was more difficult to conduct than the informant - interview. homes after

their work. Through these 2 girls, the researcher got to know the other work. The interview in Factory A was carried out only after the resignation of the researcher there. It could not be done during her employment because the researcher did not want to reveal her identity. As a matter of fact, the researcher actually did not intend to resign from her work so soon. She only decided to, when she fell ill for almost a week and had been absent from work. When she handed in her resignation officially at the office of the factory, she was not able to inform her friends of her resignation nor reveal her identity to them, because they were all busy working inside the various departments. Since then she has lost contact with them.

leader who was working there. It was carried out for a period of 2 weeks. To arrange for an interview with the workers in Factory A, the researcher got help from a Union leader, Mr. A, who had some contact with the workers there. It took almost 2 months for Mr. A to arrange for the interview. Within that period, the researcher had to make numerous telephone calls and a number of personal trips to the office of Mr. A to enquire about the feasibility of the interview.

The interview was conducted in the factory itself. Although the research In the meantime, the researcher also went back to Factory A,

hoping to meet some familiar faces at the main entrance of the factory. She failed to meet any of them, but was able to introduce herself to two other workers whom she had not known before. They were willing to be interviewed, and hence left their addresses with the researcher so that she could visit them in their homes after their work. Through these 2 girls, the researcher got to know the other workers who became her respondents. The next problem was to look for the houses of the workers and to conduct the interview at a time convenient to them. Most of them were only free at night. Hence the researcher had not much choice but to agree, although it was very inconvenient for herself. Besides, some of the workers' houses were quite far away. The whole length of the interview lasted about a month.

The interview in Factory B was also arranged by a Union leader who was working there. It was carried out for a period of 2 weeks. Within that short period, the Personnel Manager queried the members of the union's executive committee about 4 times and called for the researcher twice to ask for further details of the purpose of the survey. The researcher apparently convinced the Personnel Manager that the interview would not in any way jeopardize the image of the management.

The interview was conducted in the factory itself. Although the researcher had to travel a distance of 20 miles for every trip



that she made, the consolation was that all her respondents were present there and that she did not have to look for them individually.

Gathering data from the factories was not the respec-

tive offi Sampling was not the same. The time and effort spent in searching for the respondents was most

frustrating. There was not much problems in making a choice of the sample of workers, as the researcher did not have the opportunity to select the respondents. She interviewed any worker in Factory A who was willing to cooperate. Those in Factory B were already selected at random by some members in the executive committee of the factory Union. One disadvantage was the limited size of the sample. If it had been easier to conduct the interview, the size of the sample would have been larger.

On the whole, the difficulties encountered by the researcher were very discouraging.



(iii) Records

Footnotes

1. Gathering data from the various reports from the respective offices may seem very simple and easy, but the time and effort spent in searching for the relevant records and files were most frustrating. The researcher had to make a total of 6 trips to the Registrar of Companies before she was able to obtain the necessary report. For each trip made, she had to travel a distance of 15 miles. To arrange for transport to and from these offices was quite inconvenient. Pages 13 - 14.

2. Often after having waited in line for more than an hour, she discovered that the file she had asked for was not on the shelf. On the whole, the difficulties experienced by the researcher were very discouraging. Guide to Labour Laws in Malaysia.

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- 22 -

## CHAPTER 2

### A GENERAL BACKGROUND OF THE FACTORIES

#### 2.1 Who are the Factory Employers ?

Factory A and Factory B are branches of 2 multinational companies with their headquarters in the United States of America. Since the early seventies, these American firms have begun to move into the lower-wage region in Asia, especially into Thailand, Philippines, Indonesia and Malaysia. There is actually an international division of labour where the developed countries (example U.S.A.) monopolise the production of software and high technology, while the labour intensive work is performed in the developing countries, (example Malaysia).

#### Factory A

Factory A is a branch of one of the world's leading manufacturers of electronic equipments and components. It is in fact the second largest American semiconductor producer. The mother company was incorporated in Illinois in 1928 as Calvin Manufacturing Corporation. The present name was adopted in 1947.<sup>1</sup>

This company produces two-way radios and other forms of electronic communication systems, semi conductor, including integrated circuits, T.V. Sets, electronics equipment for military and



aerospace use, automobile radios and stereotape players, and other automatic electronics equipments. chips are usually shipped back to the parent plants in the United States to be assembled into end products. This company operates widely in Asia - in Hong Kong, Philippines, South Korea, Australia, and have 3 plants in Malaysia itself. They employ young rural women who have no former experience in industrial production. It is one of the main (5) U.S.-based companies producing integrated circuits (I.C.) which cover 60% to 70% of the world's production. They are the main producers and consumers of I.C. as illustrated in the Table below.

Factory B is a branch of a well-known car assembly plant

in the United States - The Table 2.1 Manufacturers. In the late

seventies, World Distribution of Electronics Technology of the branch

in Malaysia. The main operation here is to assemble 'completely

knocked down parts' (C.K.D.) World Production World Consumption  
of I.C. (1980) of I.C. (1980)

	World Production of I.C. (1980)	World Consumption of I.C. (1980)
U.S.	64%	42%
Japan	25%	26%
West Europe	10%	26%
Others	1%	6%
Total	100%	100%

It is estimated that 90% of the assembly operators of the American electronics firm are located overseas in the developing

countries in Asia. The main job of the Asian workers is bonding and encapsulation. The assembly chips are usually shipped back to the parent plants in the United States to be assembled into end products.

Many developing countries establish Export Processing Zones (EPZ) which were later known as Free Trade Zones (FTZ). Factories A and B are both located in this FTZ.

Very little information was received about the general background of Factory B, although the researcher tried her very best to inquire. Hence only a very brief summary can be given.

Factory B is a branch of a multinational car assembly plant in the United States - The Ford Motors Manufacturers. In the late seventies, PERNAS Trading bought over 49% of the equity of the branch in Malaysia. The main operation here is to assemble 'completely knocked down parts' (C.K.D.) which are all imported from overseas. Because of the nature of the work involved, the workers are generally skilled. The cars which have been observed to be assembled here are Ford Laser, Ford Cortina, Ford Telstar, Mercedes Benz, etc.

In Malaysia for example, the government has always refused to allow the electronics workers to form their own Union or join the Electrical Industry Workers' Union. The government has even alleged that the workers in the FTZ has been infiltrated by subversive elements.



## 2.2 Why does the Government accommodate the Multinationals ?

in the FTZ. The government also legalized night work for women workers. Since the 1960's most governments have begun to develop an export-oriented economic policy. Many developing countries establish Export Processing Zones (EPZ) which were later known as the Free Trade Zones (FTZ). Factories A and B are both located in this FTZ of the Country.

According to the Government, the objective of the establishment of the zones is to bring in foreign investment for the purpose of :-

1. Creating Employment
2. Earning Foreign Currencies
3. Learning Foreign Technology.

By the early 80's, there are over 30 FTZs distributed all over Asia. The foreign investors in the Asian FTZ are not only exempted from all sorts of tax and tariffs, including income tax, they are also guaranteed industrial discipline and low labour cost by the Government.<sup>2</sup>

In Malaysia for example, the government has always refused to allow the electronics workers to form their own Union or join the Electrical Industry Workers' Union. The government has even alleged that the workers in the FTZ has been infiltrated by subversive elements.

Besides, strikes or any other form of industrial actions are banned in the FTZ. The government also legalised night work for women workers in the FTZ. The government has been very compromising in the labour laws to encourage foreign investment.

These zones obviously provide a haven for these giant multinational firms to secure huge profits. Despite the fact that all industries have been affected by the recession since 1980, investment in the FTZs has not slowed down.

Electronics production has often been regarded as a modern and most technologically advanced industry. Thus, it has often been suggested that the electronics firms can bring in new technology. However, according to a report of United Nations Conference on Trade and Development (UNCTAD), the core technology of production is virtually non-existent in these developing countries.

These multinationals have come in to save labour costs. Thus, the Asian workers are employed only in the most routine and labour-intensive production, while the core technology is maintained in the parent companies in United States.

These multinationals have also taken full advantage of the concessions granted in the Asian FTZ. They retain their technology and at the same time, gain large profits from their investment.



For instance, the tax holiday policy or 'pioneer status' for foreign investors is given for the first 5 years (and an extension of 3 years if necessary). But the actual 'holiday' they enjoy is much more than the stipulated period. Factory A for example, operates on 3 shifts round the clock. The production process runs continuously for 5½ days a week. This continuous operation on 3 shifts tripples the volume of production, as well as the profits. Hence, they actually enjoy a pioneer status of 15 years instead of 5 years.

In order to create more employment, Asian governments have guaranteed the foreign investors "liberal labour laws" where wages of workers are kept low and work force remains flexible to new technology and market changes. In Malaysia, for instance, there is no law stating the minimum wage rate of an employee. Hence, wages are virtually determined by the employers alone.

CHAPTER 3  
Footnotes

TERMS OF EMPLOYMENT.

1. Porise Lo, The Plight of Asian Workers in Electronics.

Christian Conference of Asia - Urban Rural Mission.  
In the previous chapter it has been mentioned that the  
October, 1982. Page 58.

multinationals have set up factories in the Asian Countries to

exploit their cheap labour. Hence, here in this chapter we will

2. Ibid. Page 61.

examine to what extent this is true.

The main objective of any business organisation is profit  
maximisation. One of the major costs of a factory is  
the cost of labour. Hence, in order to minimise costs without reduc-  
ing the general output of the factory, a method often adopted is to  
reduce the rate of wages and to take full advantage of the labour  
available.

We shall now take a look at the employment policies and some  
strategies employed by the management to achieve their objective of  
profit maximisation. From this we can assess the fairness of the  
policies, as well as understand the structure of the labour force.

We will now examine the employment policies of the manage-  
ment with special references to the recruitment techniques, wages, pay,  
working hours, fringe benefits and leave. These will enable us to  
evaluate the extent to which the management provides for the welfare  
and development of the workers.



- 28 -

### CHAPTER 3

#### TERMS OF EMPLOYMENT.

In the previous chapter it has been mentioned that the multinationals have set up factories in the Asian Countries to exploit their cheap labour. Hence, here in this chapter we will examine to what extent this is true.

The main objective of any business organisation is profit maximisation. One of the major costs of production in a factory is the cost of labour. Hence, in order to minimise costs without reducing the general output of the factory, a method often chosen is to reduce the rate of wages and to take full advantage of the labour available.

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We will now examine the employment policies of the management with special references to the recruitment techniques, wage rates, working hours, fringe benefits and leave. These will enable us to evaluate the extent to which the management provides for the welfare and development of the workers.

### 3.1 Recruitment

In Factory A, there are usually vacancies available for the general workers who are also known as operators. This means that the turn over of labour is high. This is mainly due to the low wages offered. As such, the management has adopted a lax policy towards recruitment of workers. Almost any female worker who applies for work there is employed. The only considerations are that the worker is above the minimum working age, is of fairly good health and is willing to work the 3 shifts. Besides these considerations, there are no other restrictions. As the work of an operator requires no skill nor any specific knowledge, education and experience are not pre requisites for employment. Job promotion or wage increment are very slow and there are virtually no incentives to encourage a worker to remain in the factory. As such, many workers leave when they find better paying jobs elsewhere. It is through this high turn over rate of labour that management is able to constantly keep the general wage rate very low.

With such intentions, the management also employs workers who hold a comparatively higher level of education as these workers will surely leave when they find a better paying job. At the interview, the researcher was told that the management had recently recruited a worker who had a Form Six qualification, to work as an



operator. Despite her qualification, she was still paid the same wage rate as the other operators. The above fact was revealed in reply to a question by the researcher as to whether she (the researcher) will be given a higher pay as she had obtained a Form five qualification.

Workers in both the factories will not be paid if they are absent from work without any approved leave. They are paid on an hourly basis. Many senior workers who have served for six to ten years, have been retrenched. During the first week of the researcher's employment she noticed many girls who came back to collect their retrenchment compensation. Of course, the reasons given to them were far from the truth. These workers were made to believe that the management have been forced to retrench them because of the world recession and the decreasing market demand for the factory's products. Nevertheless, some workers are aware of the fact that it was another tactic of the management to keep the wage rate low.

Just as in Factory A, most people who apply for jobs in Factory B, are usually employed. However, their turn over rate of employment is much lower. Generally, the majority of workers stay on for a relatively longer period of service. This may be due to the satisfactory wages and yearly increment that they receive. There has not been any retrenchment of workers since the past three years. Perhaps the management finds it more productive and profitable to retain workers who have accumulated more experience and efficiency through the years. The notice period stated in the Employment Agreement is either of a period of 3 months or of a period not exceeding 3 months.

3.2 Wage Rates Generally, factory workers are paid according to the number of hours they work, the length of their service and the type of work they do. Workers in both the factories will not be paid if they are absent from work without any approved leave. They are paid on an hourly basis. This will mean that if a worker comes late for work, his or her pay will be deducted according to the number of minutes or hours that he or she was late. Workers in Factory A are monthly paid, whereas those in Factory B are given their salary fortnightly. However, management in Factory A does not always pay their workers a full month's salary at the end of every month. Workers are paid a  $3\frac{1}{2}$  week salary every alternate month. Some workers analyse this as the management's strategy to ensure that workers do not leave at the end of the month without any prior notice.

There is quite a vast difference in wage rates between the female workers in Factory A and the male workers in Factory B. A new employee in Factory A who works as an operator in the production line is only paid 85 cents per hour, while their counter parts in Factory B are paid 138 cents per hour. There is still a marked difference despite the monthly shift allowance of \$35/- paid to the workers in Factory A.

The probationary time stated in the Employment Agreement is either of a period of 3 months or of a period not exceeding 3 months.



However, workers in both the factories are confirmed only after fulfilling the former. On confirmation, workers in Factory A will be given a pay increase of 5 cents per hour, hence increasing their salary to 90 cents per hour. Furthermore, every worker who has been confirmed in Factory A is entitled to a wage increase of 3 cents per hour after every 6 months starting from the date of employment.

No. of years	Wage rate (cents per hour)	Grades	Wage rate (cents per hour)
1	85	1	85
2	90	2	90
3	95	3	95
4	100	4	100
5	105	5	105
6	110	6	110
7	115	7	115

Unlike Factory A, Factory B has a more complicated salary scale. Not all the floor employees or general workers in Factory B are paid the same. They are categorized into 6 grades based on the length of their work experience and the type of work that they are given to do. The wage rate increases with the grades, the lowest is Grade 2, while the highest is Grade 7. Workers are not automatically promoted to a higher grade after a specific number of years of service. Some are promoted faster than the others, depending on one's capabilities and productivity.

A comparison of the salary scale of both the factories will give us a clearer idea of the wage discrimination between them. of the respondents. Almost all of them indicated that the management is actually able to increase their wages without having to suffer any losses, but they choose not to, as this will decrease their own profits.

Furthermore, a Table 3.2 difference is distinctly seen

between workers in Factory A and Factory B. A newly confirmed employee in Factory B who will be classified under Grade 2, receives a salary (138 cents p/hr.) which is much higher than a female worker in Factory A who has worked for 6 years. (126 cents p/hr.)

Wage Rates of general workers in Factory A and Factory B.

Factory A		Factory B	
No. of years	Wage rate (cents p/hr)	Grades	Wage rate (cents p/hr)
1	96	2	138
2	102	3	145
3	108	4	159
4	114	5	168
5	120	6	181
6	126	7	198

From the table, it can be seen that workers in both the factories are very lowly paid. This is a general complaint of most of the respondents. Almost all of them indicated that the management is actually able to increase their wages without having to suffer any losses, but they choose not to, as this will decrease their own profits.



3.3 Furthermore, a vast wage difference is distinctly seen between workers in Factory A and Factory B. A newly confirmed employee in Factory B who will be classified under Grade 2, receives a salary (138 cents p/hr.) which is much higher than a female worker in Factory A who has worked for 6 years. (126 cents p/hr.). However, if the workers work overtime on a non-working day, for example on a public holiday, they will be paid twice the amount of what they normally receive. These terms apply to both temporary and permanent workers.

In principle, overtime is done at the request of the management, with the consent of the employees. However in practice, the consent of the workers is immaterial. This is especially true in Factory A. Many workers have complained that they are expected to comply with the request of the Supervisor to work overtime, and that their reluctance or refusal to work overtime is never entertained. This dissatisfaction is enhanced by the fact that the majority of the workers in the factory despise working overtime. This is because the little extra income that they receive from working overtime is quite an insignificant sum, compared to the strain that they have to undergo

However, in Factory B, the overtime rate (which is calculated on their basic wage) is more attractive, as their wages are higher. Workers feel encouraged to work overtime, because this extra income helps to supplement their basic wages.

### 3.3 Overtime

The overtime rate is very similar for both the factories. For any period of extra time put in during a normal working day, payment is one and a half times the usual hourly wage rate. However, if the workers work overtime on a non-working day, for example on a public holiday, they will be paid twice the amount of what they normally receive. These terms apply to both temporary and permanent workers.

In principle, overtime is done at the request of the management, with the consent of the employees. However in practice, the consent of the workers is immaterial. This is especially true in Factory A. Many workers have complained that they are expected to comply with the request of the Supervisor to work overtime, and that their reluctance or refusal to work overtime is never entertained. This dissatisfaction is enhanced by the fact that the majority of the workers in the factory despise working overtime. This is because the little extra income that they receive from working overtime is quite an insignificant sum, compared to the strain that they have to undergo.

However, in Factory B, the overtime rate (which is calculated on their basic wage) is more attractive, as their wages are higher. Workers feel encouraged to work overtime, because this extra income helps to supplement their basic wages.



### 3.4 Working Hours

The number of working hours a week in Factory A, depends on the type of shift. There are three shifts, each shift is a week long. The various time of the shift are as follows :-

and second shifts have a 5<sup>th</sup> day week while those in the third shift work 6 days a week.

Table 3.4 (i)

#### Working Time of the 3 shifts in Factory A

Shift	Work begins	Work ends
1	7.00 am	3.00 pm
2	3.00 pm	11.00 pm
3	11.00 pm	7.00 am

A comparison of the total number of working hours a week between Factory 1 and Factory B is shown in the diagram on the next page.

Factory A actually goes on continuously throughout the day. The 3<sup>rd</sup>. shift (night shift) is most disliked by the workers, as they find it most strenuous to keep awake. Besides, starting work (third shift) or finishing work (second shift) at 11.00 pm. is very inconvenient for most female workers who have to walk home alone at night.

The weekly change in shifts jeopardizes the health of the workers, as it upsets their sleeping habits. Three workers who have worked there for more than 5 years still complain of the difficulty

in adjusting to the changing shifts. (11)

### No. of Working Hours a week in Factory A and Factory B.

The length of working time on a normal day is 8 hours.

Factory	Shift	hours a day	days a week	hours a week
This is inclusive of the meal breaks and tea intervals. However, the total number of working hours depends on the type of shift. First and second shifts have a 5½ day week while those in the third shift work 6 days a week.				
		8 hrs.	5½ days	44 hrs. p/wk.
		8 hrs.	6 days	48 hrs. p/wk.

In Factory B, the workers are more fortunate as there is no shift work. Work commences at 7.30 am. and finishes at 5.00 pm. As such, the workers work 9½ hours a day, however this is also inclusive of the meal and tea breaks. The length of working hours a day is relatively longer than that of Factory A, because this factory operates on a 5 day week. the rest intervals in between the long working hours. Workers in Factory A are given a lunch break of ½ hour and a tea

A comparison of the total number of working hours a week between Factory A and Factory B is shown in the diagram on the next page. tea breaks of 15 minutes every day. Each department has a different break time of their own. This is done to prevent any rush in the canteen.

During tea breaks in Factory A, some workers prefer to take a short nap rather than have their tea. It is very common to find workers sleeping on the long benches at the corridor or resting their heads on tables in the canteen. This happens especially during the night shift, as many workers find it difficult to keep awake throughout the whole night.



Table 3.4 (ii)

No. of Working Hours a week in Factory A and Factory B.

Factory	Shift	No. of working hours a day	No. of working days a week	Total no. of working hours a week
A	1 & 2	8 hrs.	5½ days	44 hrs. p/wk.
	3	8 hrs.	6 days	48 hrs. p/wk.
B	1	9½ hrs.	5 days	47½ hrs. p/wk.

However, In actual fact, workers do not work the whole length of the stated period, because of the rest intervals in between the long working hours. Workers in Factory A are given a lunch break of ½ hour and a tea interval of 15 minutes a day. Whereas in Factory B, the breaks are longer. Besides the 45 minutes lunch break, there are 2 other tea breaks of 15 minutes every day. Each department has a different break time of their own. This is done to prevent any rush in the canteen.

During tea breaks in Factory A, some workers prefer to take a short nap rather than have their tea. It is very common to find workers sleeping on the long benches at the corridor or resting their heads on tables in the canteen. This happens especially during the night shift, as many workers find it difficult to keep awake throughout the whole night.

### 3.5 Fringe Benefits

It is not unusual for management to argue that they always offer their employees very good fringe benefits, although their basic wage may not be so attractive. Some workers might be contented with this kind of argument, but a large number of them, view this as another tactic of the management to justify the low wages.

There are various types of 'so-called' fringe benefits. One of the most commonly known is the yearly bonus. Workers in Factory A are paid a 13 month salary a year, which means that they are given a bonus of one month's salary at the end of the year. However, very few workers appreciate this, as they feel that they deserve it or perhaps even much more.

Not only are the wages higher in Factory B, their bonuses are also more attractive. They receive two months' salary instead of one month's, as in Factory A. Because their pay itself is comparatively higher, the sum of their bonuses is naturally much more than those in Factory A.

The management of both factories also provides free medical service which is obtainable from small clinics situated in the vicinity of the factories. There are always full time nurses in the clinics during working hours in both the factories. The doctors only visit these clinics in the mornings. Most of these doctors are



private practitioners who have dispensaries of their own, elsewhere. These small clinics in the factories treat only minor ailments such as stomach-aches, head-aches and other superficial cuts. Workers can obtain their medical leave from either these factory clinics, the Government hospitals or other private clinics listed out by the management.

However, workers in Factory A and also in Factory B often complain of the difficulty in getting medical leave from these factory clinics. Some workers believe that these doctors who are employed by the factory management have been requested not to issue medical leave to the workers so easily. Many workers have complained that they are required to continue working even when they do not feel well.

Four workers in Factory A have said that the doctors and nurses usually refuse to believe them when they complain of head-aches after looking through the microscope for too long. Similarly, workers in Factory B are also looked upon with suspicion when they complain of skin diseases and allergies caused by the spraying of car paint. The doctors usually remark unsympathetically and suggest that the workers resign if they have too many ailments, instead of bringing the workers' problems to the awareness of the management.

On the other hand, there may be some valid reasons as to why the doctors are reluctant to permit workers to have medical leave too often. This is because there are quite a number of workers

requesting for medical leave. Moreover, there are some who will exaggerate the seriousness of their problem. Besides, if too many workers are given medical leave even for slight ailments, the production level may be affected. Attention of the workers from harping on the question of their low wages.

Besides the free medical treatment and medicine, the management also pays for the expenses incurred by workers during hospitalisation; but only if it is at the recommendation of the small company doctor, or by any other government doctors. However, only very few workers serve long enough to receive this gift.

Usually, The female workers in Factory A are given maternity leave of 60 days. This means that they will be paid for the period of 60 days that they are not working. In addition, they are given \$150/- for every child that is born, - up to a maximum of 3 children. The workers are somewhat different. They seem to be less superficial.

Any worker The management in Factory A used to present small gifts to the workers on their birthdays. Such practice should be encouraged, as it signifies the concern of the management towards every individual worker. However, this practice has just stopped last year, and the reason given by the management is that they cannot afford it anymore, since the start of the economic recession.

The management will also try to provide alternative employment. Another common attraction among young women workers in Factory A is the annual social functions, such as the beauty contest, singing and dancing contest, fashion show, games competition, and the annual dinner in big hotels. The majority of these young workers are



quite excited over such social functions, but there are a few more senior workers who strongly criticise them. These workers realise that the social functions organised, are actually part of management's tactics to distract the attention of the workers from harping on the question of their low wages.

There is also an award for workers who have worked in Factory A for a length of 10 years' service. They are given a small gold locket as a token of appreciation for their long service. However, only very few workers serve long enough to receive this gift. Usually, only the supervisors and the clerical staff are eligible for such gifts.

In Factory B, the types of fringe benefits offered to the workers are somewhat different. They seem to be less superficial. Any worker who retires at the age of 50 or 55 years (which ever they prefer) will be given a retirement payment of quite a significant sum. However, to those who resign before their retirement, a resignation benefit will also be given, on condition that the workers have served for at least 5 years (continuously) in the factory.

The management will also try to provide alternative employment for any employee who suffers any disability due to sickness or accidents. Such conditions of employment and the rate of wages will be determined by the management in consultation with the Union.

3.6 Leave  
From all that have been mentioned above, one can conclude that not all the fringe benefits offered by the management, especially those of Factory A serve the interest of the workers. Neither can it be said that all the facilities do not genuinely provide for the welfare of the workers. There is no doubt that some of the facilities do really benefit the workers, but there are others which have been given with underlying ulterior motives in mind.

Leave Schedule of Factory A and Factory B

Types of Leave	No. of Days	
	Factory A	Factory B
1. Annual Leave		
Length of Service (years)		
Factory A	Factory B	
0 - 1	0 - 1	all
1 - 3	1 - 4	10
3 - 5	4 - 7	12
5 and above	7 - 10	14
	10 and above	16
2. Medical Leave		24
3. Emergency (Compassionate) Leave		5
4. Maternity		60
5. Hospitalisation		22
6. Control Leave		16



3.6 Leave the factories often complain that they do not have the freedom to choose the dates on which they wish to apply for their annual leave. To many workers, leave is one of the most valued benefits. Workers in both the factories are only entitled to their leave after a year of service. The various types of leave available in Factory A and Factory B are shown below :-

Table 3.6

Leave Schedule of Factory A and Factory B

Types of Leave	No. of Days	
	Factory A	Factory B
1. Annual Leave		
Length of Service (years)		
Factory A	Factory B	
0 - 1	0 - 1	nil nil
1 - 3	1 - 4	10 13
3 - 5	4 - 7	12 16
5 and above	7 - 10	16 19
	10 and above	20
2. Medical Leave	14	22
3. Emergency (Compassionate) Leave	6	8
4. Maternity	60	
5. Hospitalisation	21	16
6. Control Leave	in between 2 non-working days.	

Workers in both the factories often complain that they do not have the freedom to choose the dates on which they wish to apply for their annual leave. Often their choice of the dates is not agreeable to the management. This often upsets their family plans and their social activities that they have anxiously been looking forward to.

Besides this, workers also have problems getting approval for their medical leave. As mentioned earlier, majority of the respondents interviewed by the researcher, feel frustrated and dissatisfied with the management for distrusting and neglecting their request for medical leave.

There are also many complaints about the Control Leave. All employees in Factory A as well as Factory B are obliged to take leave on the days (one or two) that are in between 2 non-working public holidays. Workers are usually discontented, as this leave will be deducted from their annual leave. Some prefer to work on those specific days and reserve their annual leave for other more important occasions, but they are given no choice. This is actually one of the tactics of the management to avoid absenteeism, as they believe that there is a high possibility for workers to absent themselves so as to enjoy a longer stretch of holiday.

No doubt, this could be true, but it is unfair of the management to deduct this control leave from the workers' annual leave, without giving them a choice of whether they would prefer to work on those specific days or not.



## CHAPTER 4

### STRUCTURE OF LABOUR FORCE

In order to better understand the problems faced by the factory workers, we need to first of all, understand the structure of the workforce. Based on the sample studied, the characteristics of the workforce such as race, sex, age level, working experience and length of service will be described in detail. A comparison will be made here between the two samples of respondents from Factory A and Factory B. Some implications will be mentioned during the analysis of the data.

#### 4.1 Race

Both the factories have a workforce of multi-racial groups. However, the proportion of the various ethnic groups are not equal in number. The statistics derived from the sample of 30 respondents are as follows :-

Table 4.1

#### Sample of Labour Force According to Race

Race	Factory A		Factory B	
Malays	1,100	55%	765	75%
Indians	880	44%	204	20%
Chinese	20	1%	51	5%
Total	2,000	100%	1,020	100%

The Table shows that the Malays are predominant in both factories. In Factory A, they make up 55% of the total workforce, and in Factory B, 70%. The Indians form a sizable portion of the labour force in Factory A (44%), but a relatively smaller proportion of 20% in Factory B. As for the Chinese, they form the minority in both factories. They make up a mere 1% in Factory A, and 5% in Factory B.

The fact that the Chinese represents a minority in both factories is perhaps reflective of the attitudes that are prevalent. Many Chinese seek to obtain better paying employment, and only resort to factory work as a last resort. Traditionally, it is a common assumption that the Chinese in Malaysia, generally, have not made up a large proportion of the workforce in factories. Instead, many choose to work in tin-mines, forests, and construction sites. Effort to eradicate this identification of race with such traditional roles has been propagated through the New Economic Policy. One non-Chinese worker remarked that "Chinese girls won't work in the Free Trade Zone because the wages are too low." An interesting question that surfaces will then be, - "If wages are too low for Chinese girls, would it not be too low for Malay and Indian girls as well?"

Even if it is really true that Chinese workers seek jobs which offer them a better pay, the ultimate cost that they have to face,



say for example, the insecurity and risks involved in these jobs, may be much higher.

It has already been mentioned earlier that Factory A employs On the other hand, one reason why there are more Malays and Indians in the factories, (apart from the fact that few Chinese look for such jobs), is because Malays and Indians have generally been more cautious about venturing out of their traditional occupational roles. Thus, the tale of coming from a Kampung life (where one works in the fields) to a city life (where one works in the factories) is quite common among the Malays and the Indians.

are males, except for a few female officers and clerical staff. The reason why Another point observed is the formation of cliques among the individual races. Once again being the minority, the Chinese in cliques stood out very clearly. The existence of cliques are symbolic of the insecurity that is felt by each ethnic group. This also means that there is a lack of trust between the different races. This problem is not a result of the factory system but rather a problem of the Malaysian society which is highly politicised along communal lines. An unfortunate implication of such a problem is that the workers are prevented from being more united.

reasons. Poorly educated females in our Country are in general, (due to socio-cultural reasons) more passive. They are often fearful of the management and are usually not informed about their rights and privileges. One probable reason why they are not informed is because many female workers do not see the importance of getting organized. They consider their employment as being only temporary. The turnover rate of

#### 4.2 Sex

It has already been mentioned earlier that Factory A employs only female workers as operators in all their departments. Those in the supervisory and clerical lines are also mostly female workers. The male workers are all employed as technicians, although there are also a few taken in as supervisors and officers in the administration.

On the other hand, in Factory B almost all the employees are males, except for a few female officers and clerical staff. The reason why only males are employed as floor employees is because of the nature of the work which demands physical strength and a certain level of mechanical skill.

This domination of either the male or female workers in a particular factory is important. Factory A which is an electronics factory has a workforce that is almost entirely female. Apart from the fact that the work involved in the factory may require nimble fingers, there are also several less obvious reasons. Poorly educated females in our Country are in general, (due to socio-cultural reasons) more passive. They are often fearful of the management and are usually not informed about their rights and privileges. One probable reason why they are not informed is because many female workers do not see the importance of getting organized. They consider their employment as being only temporary. The turnover rate of



employment at electronics factories are usually very high. Approximately 80 workers are recruited per month to occupy the vacancies of those who have left. This makes up about 4% of the total workforce.

15 workers from each of the factories. Though the figures are not the actual Many also do not even challenge the fact that there is discrimination in wages between both the sexes. It is not uncommon to find a male worker being paid more, for doing the same job as a female worker, among the working class.

Table 4.3

Sample of Labour Force According to Age Level

The main reason why Factory B is male dominated, is because of the nature of the job. Being a car assembly plant, the work involved is more suitable to the males.

Age Level	Factory A		Factory B	
15+ - 20	3	20 %	3	20 %
20+ - 25	7	46.7%	7	46.7%
25+ - 30	4	26.6%	4	26.6%
30+ - 35	1	6.7%	8	53.3%
35+ - 40			1	6.7%
40+ and above			2	13.4%
Total	15	100 %	15	100 %

From the Table, we can see that Factory A has a relatively young workforce. Almost half of them are between the ages of 21 - 25 years. This may be due to the reason that these female workers usually stop working when they get married. It is a social norm for most women, especially those who are not well-educated or highly

#### 4.3 Age Level

Figures presented in Table 4.3 are based on a sample of 15 workers from each of the factories. Though the figures are not the actual and exact distribution, but from the observation of the researcher, they are not far from the general characteristics of the labour force.

Table 4.3

##### Sample of Labour Force According to Age Level

Age Level	Factory A	Factory B
15+ - 20	3 20 %	
20+ - 25	7 46.7%	
25+ - 30	4 26.6%	4 26.6%
30+ - 35	1 6.7%	8 53.3%
35+ - 40		1 6.7%
40+ and above		2 13.4%
Total	15 100 %	15 100 %

From the Table, we can see that Factory A has a relatively young workforce. Almost half of them are between the ages of 21 - 25 years. This may be due to the reason that these female workers usually stop working when they get married. It is a social norm for most women, especially those who are not well-educated or highly



skillful, to stay home as domestic house-wives, and to see to the household chores of the family.

In fact, one of the workers jokingly told the researcher that she hopes to find someone compatible for marriage soon, so that she could quit her job at the factory. This is partly due to the traditional attitude and social expectation for women to get married and become dedicated house-wives. There is also a belief in the need to 'find' a husband when they are still young, as the choice of marriage partners decreases with age.

As for Factory B, more than half of the workforce are between the ages of 31 - 35 years, which is approximately 10 years more senior than the majority in Factory A. Unlike the female workers, they do not resign from work after marriage. Instead, they usually prefer to remain in their job if it is a stable and secure one.

4.5  
4.4

Working Experience  
Age at which workers commence employment

Most of the workers interviewed, have worked before in other factories. As mentioned earlier, it is common practice among the young inexperienced workers to job hop. They always look out work between the age of 16 to 19 years. This is a period where a large proportion of students leave school. The number of factory workers with prior working experience can be seen from the table below.

Likewise, in Factory B, the average age for one to start working is 19 years. However, some have started working at a much younger age. From a sample of 15 respondents, 5 started working below the age of 16. The youngest age recorded is 9 years, while the oldest is 24 years.

From the above, we can perceive that most of the workers in both the factories start working at an age where they have either just completed their secondary school education or have 'dropped out' from school after their Form 3.

Leaving school to work is not a personal choice. Many are victims of poverty and have to work to help sustain the family.

Furthermore, official examinations have proved to be an effective 'filter' in keeping the proportion of the educated in the population, (46.7%) had prior working experience before they were employed in low Factory A. Out of these 8 workers, 7 of them (87.5%) have worked in other factories before. One worker said that she has been working in 3 other electronics factories in the same Free Trade Zone, before



#### 4.5 Working Experience

Most of the workers interviewed, have worked before in other factories. As mentioned earlier, it is common practice among the young inexperienced workers to job hop. They always look out for better paying jobs. The number of factory workers with prior working experience can be seen from the table below.

Table 4.5

#### Sample of Labour Force with Prior Working Experience

No. of Jobs	Factory A		Factory B		Total	
1	7	46.7%	3	20 %	10	33.3%
2	3	20 %	8	53.4%	11	36.7%
3	4	26.7%	3	20 %	7	23.4%
4 and above	1	6.6%	1	6.6%	2	6.6%
	15	100 %	15	100 %	30	100 %

From the sample of 15 respondents in Factory A, 8 workers (46.7%) had prior working experience before they were employed in Factory A. Out of these 8 workers, 7 of them (87.5%) have worked in other factories before. One worker said that she has been working in 3 other electronics factories in the same Free Trade Zone, before

she came to Factory A. When asked why, she answered "saya nak cuba dan tengok yang mana terbaik sekali."

The length of service of workers between Factory A and

The other workers have experienced various types of job, length of service of workers in Factory A is between seven to ten ranging from contract work, driver, store keeper, mechanic in the years. This is however the shortest length of service of workers arm forces and service men.

in Factory B.

Generally, it may seem that the female workers (with exception of some Chinese workers) are less adventurous than the male workers, with regards to the various types of working experience.

Although these female workers do change their jobs often, they stick to the same type of job, meaning they only hop from one factory to another. There may be several reasons for this trend. In the first place there are often many factory jobs which are only available for female workers. As such, because of easy availability these workers often go for such jobs. Secondly, there are few areas (jobs) which are so receptive to a female workforce as the factories. Another factor to consider is that the lack of qualification among these female workers severely limit their choice of work. Amenities like the provision of transport and workers' hostel pose as an attraction to female workers to work in factories.

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#### 4.6 Length of Service

The length of service of workers between Factory A and Factory B is one of the most contrasting features. The longest length of service of workers in Factory A is between seven to ten years. This is however the shortest length of service of workers in Factory B.

Table 4.6

Sample of Labour Force According to Length of Service

Length of Service	Factory A	Factory B	Total
½ - 3 months	4 26.7%		4 13.3%
3+ - 6 months	1 6.6%		1 3.4%
6+ - 1 years	3 20 %		3 10 %
1+ - 4 years	4 26.7%		4 13.3%
4+ - 7 years			
7+ - 10 years	3 20 %	7 46.7%	10 33.4%
10+ - 13 years		6 40 %	6 20 %
14+ - 17 years		2 13.3%	2 6.6%
Total	15 100 %	15 100 %	30 100 %

From Table 4.6, it can be seen that the number of temporary workers (those with less than 3 months of service) in Factory A amounts to 26.7 %. Only about 20 % of the same sample of workers have given more than 7 years of service.

On the contrary, Factory B has no temporary workers nor those with less than 7 years of service, from its sample of 15 respondents. All 100% of them have served for more than 7 years in the factory.

This leads to the fact that Factory A has a much younger workforce when compared to Factory B. Several reasons can be given to explain the difference. As mentioned earlier, Factory A employs mainly female workers. Many of these female workers quit their jobs when they get married. The low wages and long hours also act as disincentives for the workers to stay in service for a longer time.

In Factory B, the reverse happens. As mentioned, all the workers in the sample have worked for more than 7 years. This explains the reason why such a large number of workers (73.4%) are above the age of 31 years. (Table 4.6). Of course there are also some young workers who have worked in the factory for only a short time, however, they are the minority.

The older workers especially those in Factory B remain,



because they are tired of changing jobs. Workers who have served long enough in these factories are reluctant to resign because by then, their pay would have reached quite a reasonable amount with the yearly increment. If they were to be employed in a new job, they would have to start with a beginner's income and slowly work their way up. Besides, they already have their own group of friends. A significant number of them feel that they are already quite senior in age, and a secure job is much better than a new risk. Besides working in Factory B assures them of a steady income.

This explains to some extent why workers find it easier to change jobs when they are young and have not served for long, in a particular place. This is quite true. Many of the factory workers come from villages in the rural districts such as Kutan, Melintang, Segambut, Banting, Sagan Datok or Kuala Lipis. Some others come from small towns like Teluk Intan, Kelang or Raub. Only a very small percentage of them come from large towns like Kuala Lumpur, Ipoh or Johore Bharu. Table 5 shows the place of origin of the sample of workers. It is important to note that this observation is all based on a survey of the whole workforce but only 22.5% of 12 respondents from the two factories.

From the statistics, what seems to be obvious is the fact that the majority of workers come from the rural areas and villages.

## CHAPTER 5

### WORKERS' BACKGROUND

Some knowledge of the workers' background can enlighten our understanding of their present socio-economic status.

#### 5.1 Place of Origin

It is a common phenomena for youths in the rural areas to seek employment in the urban centres. The findings of the researcher have proven this to be quite true. Many of the factory workers come from villages in the rural districts such as Hutan Melintang, Segambut, Banting, Bagan Datok or Kuala Lipis. Some others come from small towns like Teluk Intan, Kelang or Raub. Only a very small percentage of them come from large towns like Kuala Lumpur, Ipoh or Johore Bharu. Table 5 shows the place of origin of the sample of workers.

From the findings, that ought to be obvious is the fact that the majority of workers come from the smaller towns and villages.



Table 5.1

Type of Place of Origin of a Sample of Labour Force

Types of Places	Malays		Total		Chinese		Total		Indians		Total		Total	
	FA	FB			FA	FB			FA	FB				
Large Towns	1		1	7.1%	3	3	60%		2	1	3	27.3%	7	23.3%
Small Towns	2	3	5	35.7%	2	2	40%		4	1	5	45.6%	12	40 %
Villages	5	3	8	57.2%					2	1	3	27.2%	11	36.7%
Total	8	6	14	100%	5	5	100%		8	3	11	100 %	30	100%

Table 5 shows that a majority of 76.7% of the sample of workers come from small towns and villages of various States. Of the remaining 23.3%, only 2 are from Kuala Lumpur and none from Petaling Jaya, although the factories are situated in both these places. There is an indication that the Chinese come from the larger towns while the Malays and Indians come from the smaller towns and villages. However, it is important to note that this observation is not based on a survey of the whole workforce but only on a sample of 30 respondents from the two factories.

From the statistics, what seems to be obvious is the fact that the majority of workers came from the smaller towns and villages

of other States. This observation adds credence to the claim that there is a drift (especially among the youths) from the rural to the urban areas. Both the 'pull and push' factors help to explain this rural to urban drift. Many of the workers come from large families of low income. As such, when the youths reach a certain age (usually in their mid-teens) they feel the need to seek employment so as to lighten the family's financial burden. This explains the 'push' factor.

Jobs are often not available in the respective villages or small towns, so they go to the larger towns and cities to find income. employment. Meanwhile, there is also a 'pull' factor. Many youths are lured to the cities where one can succeed and be 'prosperous'. Of course many end up disillusioned, when faced with the reality that wages are so low and that the cost of living is so high.

in their studies. Respondent 10 of Factory B, for example, is from a family of 8 in Kuala Detok, Perak. He stopped school and started working at the age of 9 in a coconut plantation. He was later invited by a friend to Kuala Lumpur to work in the factory.



5.2

Family Background

Most of the factory workers come from poor family background. Some of their parents (especially their mothers) could not even afford to attend school. Many of these parents are farmers who toil on small uneconomic plots of land, whilst some others work as labourers in the estates. There are others who are employed as watchman, lorry driver, store-keeper, or in the police force. Most of them are low income earners. That is one of the reasons why they often encourage their children to work even when they have not completed their education. By working, they can help to supplement the families' income.

Besides, many of these factory workers come from large families, averaging about 8 children. Hence, their parents are often unable to provide them with enough opportunities and encouragement in their studies. Respondent 10 of Factory B, for example, is from a family of 8 in Bagan Datok, Perak. He stopped school and started working at the age of 9 in a coconut plantation. He was later invited by a friend to Kuala Lumpur to work in the factory.

5.3

Marital Status

Table 5.2

Family Size of a Sample of Labour Force

No. of Persons in the Family	Factory A	Factory B	Total
4 - 5 persons	3	4	7
6 - 7 persons	4	2	6
8 - 9 persons	5	8	13
10 - 11 persons	3	1	4
Total	15	15	30



5.3

Marital Status

Most of the factory workers have been brought up in a poor residential area. They stay in either rural squatter houses, low-cost houses or some small private rented houses. The statistics there seems to be a tendency among the workers to have large families. Furthermore, it is noticed that the age-group between married workers in Factory B. It also shows the residence of the children of the workers are very small. One respondent said that he feels more secure with a large family, as he can be sure that at least one of his children will take care of him when he is old.

As for Factory A, only one worker in the sample is married. The majority of the workers are still young and unmarried. Those who get married, usually stop working in the factory. The only respondent who is married has a young child. When she was asked the reason why she did not stop work, she replied that she needed the money. She receives a monthly salary of \$180/-, of which \$80/- is paid to a helper who takes care of her child and who also helps with the household chores. The remainder of the salary - \$100/- is used to supplement her husband's income. She also said that their combined income is merely enough to meet the expenses of the family.

brick	2	1	3
wooden	3	1	4
Total	10	2	30

#### 5.4 Type of Residence

Most of the factory workers have been brought up in a poor residential area. They stay in either rural squatter houses, low-cost houses or some small private rented houses. The statistics below shows the type of residence of the nuclear families of the married workers in Factory B. It also shows the residence of the parents of the unmarried workers (except for one) in Factory A.

Table 5.4

#### Type of Residence of Sample of a Labour Force

Type of Residence	Rented		Bought		Total
	FA	FB	FA	FB	
Rural squatter houses - brick		1			1
- wooden	4				4
Low cost houses/flats - wooden	3	2			5
Felda houses - wooden	2				2
Estate quarters - brick		3			3
Private rented houses - brick		3			3
- wooden	1	4			5
Personal houses - brick			2	1	3
- wooden			3	1	4
Total	10	13	5	2	30



5.5 Of the 30 respondents in the sample, 20 of them live in houses made of wood. Of the remaining 10 who live in brick houses, 3 are staying in quarters provided by the management of the nearby estate, the other 3 live in rented houses, while one live in a rural squatter area. It will not be wrong to conclude that many of them stay in wooden houses because they cannot afford brick houses which are generally more expensive to buy or rent. This will then reflect the economic background of the workers in the sample. The point will then lead back to the question of wages that workers receive from their employers. Generally, their wages are usually not sufficient for the workers to afford better houses than what they have. (Refer to section 5.7 on expenditure).

Level of Education	Factory A	Factory B	Total
Have not attended school	1	4	5
Standard 1 - 3	3	6	9
Passed Primary School	3	3	6
Form 4 - 5	2	1	3
Passed S.P.H.	5	6	11
Others	1	1	2
Total	15	15	30

## 5.5 Level of Education

one of the 30 respondents have received at least some form of formal education, it can be seen that no one has obtained Education is an important prerequisite for most jobs. It is a common belief that the level of education that one has obtained will determine the type of job that one can get. Those who have received only primary education for example, are most likely to find lower income jobs which require either manual labour or semi-skilled labour. Hence, in the factories it is common to find most workers with a relatively lower level of education achievement. They did not pursue their education further, one replied that his home environment was not at all conducive.

Table 5.5

Education Level of a Sample in the Labour Force

Level of Education	Factory A	Factory B	Total
Have not attended school			
Standard 1 - 6	1	4	5
Passed Primary School	1		1
Form 1 - 3	3	6	9
Passed S.R.P.	3	3	6
Form 4 - 5	2	1	3
Passed S.P.M.	5	1	6
Others			
Total	15	15	30



Even though every one of the 30 respondents have received at least some form of formal education, it can be seen that no one has obtained Form 6 qualification. In fact, only a total of 5 passed their Form 5, while the rest have only achieved a much lower qualification. One immediate question that arises is "Are factory jobs meant only for those who do not have high academic qualification?" In the light of the above facts, it definitely seems so.

Quite a large number of the factory workers are from vernacular. When some respondents were asked as to why they did not pursue their education further, one replied that his home environment was not at all conducive for studies and that it was always very noisy. Yet another replied that "I could not continue schooling after Standard 2 because my parents had financial difficulties." The replies of the other respondents were often very similar. In a foreign company, this is quite necessary as all the management and administration. As such, there seems to be a strong relationship between the level of education that a person has received and the social economic background of the person. It is obvious that the poorer class has more obstacles against them when they attempt to achieve a higher level of formal education. Many of the younger workers in Factory A, for example, recalled that when they were students, they had many other responsibilities apart from their studies, such as baby sitting and household chores. Some of them also regretted that they had not been given the opportunities to pursue their studies further. What is worse is that a few of them actually thought that they did not have an aptitude to study. What is somewhat disturbing

is this fatalistic attitude that these workers seem to have. They seem to accept their position in life without much question, as if to say that they have no choice over what they want to be. This really need not be so, instead with proper guidance and encouragement, and through animated discussions, these workers can be motivated towards more positive action.

Quite a large number of the factory workers are from vernacular schools, where the medium of instruction is in their own mother tongue. The most common language used among the workers is Malay. As such, English is seldom spoken. Yet knowledge of English is a great advantage for promotion. The clerks, supervisors, foremen, leading hand or utility operators are all required to have some knowledge of English, at least well enough to communicate. In a foreign company. this is quite necessary as all the management and administration staff only communicate in English.

To have knowledge of English seems to be a prerequisite before promotion. This is definitely unfair to many workers who were educated in vernacular language and thus had a poor command of the English language.

Sometimes it is quite ironical to find that even those who have obtained their Form 5 still work as operators in the factory. The researcher made special effort to ask all the 5 respondents from Factory A and one from Factory B why they did not look for better



### 5.6 Monthly Wages

jobs with their Form 5 qualification. Everyone of them answered

that they could not find employment elsewhere. When they were

asked what they would like to do if given the chance, most of them indicated that they would like to work in the clerical field.

workers find a job, they are expected to be self-supporting. Some

are even required to send money home for the education of their younger brothers and sisters.

(5) Most of these factory workers especially those in Factory A, are not being paid very much. They just earn enough to make ends meet, and hardly have any savings for their future. The amount of their monthly wages will be shown in the table below.

Table 5.6

#### Monthly Wages of a Sample of Labour Force

Monthly Wages	Factory A	Factory B	Total
200+ - 300	4	4	8
300+ - 400	3	2	5
400+ - 500	4	4	8
500+ - 600	5	5	10
600+ - 700	3	3	6
700+ - 800	1	1	2
Total	15	15	30

## 5.6 Monthly Wages

As mentioned earlier, generally, almost all these factory workers come from the lower income class in society. Once these workers find a job, they are expected to be self-supporting. Some are even required to send money home for the education of their younger brothers and sisters.

Most of these factory workers especially those in Factory A, are not being paid very much. They just earn enough to make ends meet, and hardly have any savings for their future. The amount of their monthly wages will be shown in the table below.

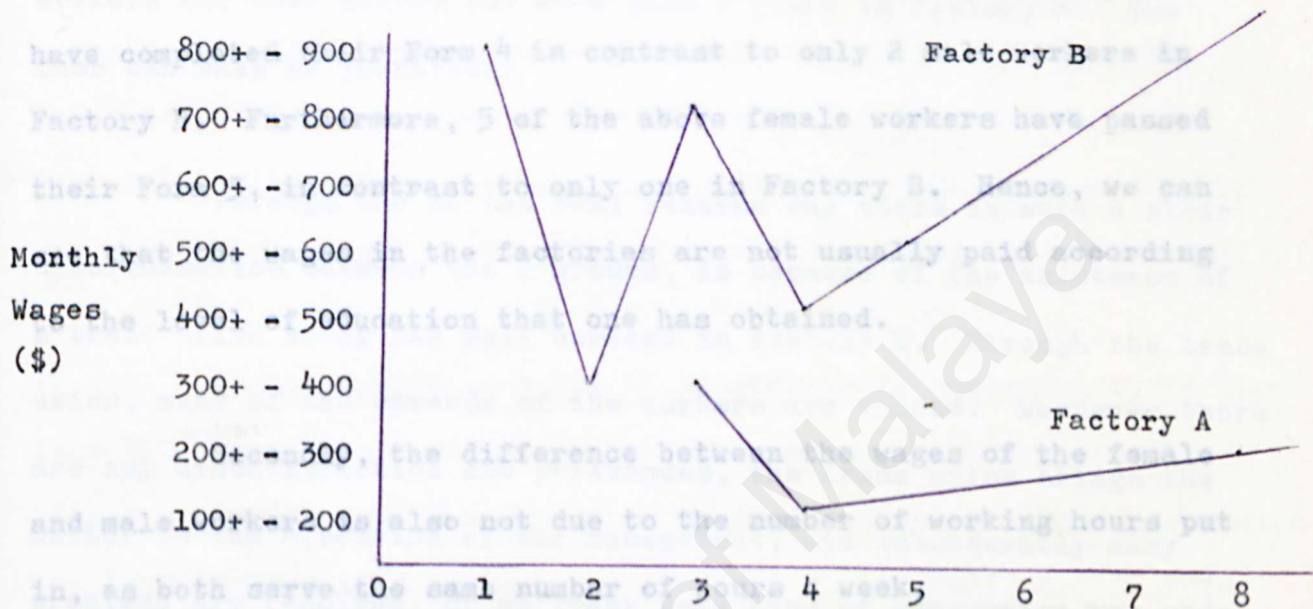
Table 5.6  
Monthly Wages of a Sample of Labour Force

Monthly Wages	Factory A	Factory B	Total
100+ - 200	4	4	4
200+ - 300	8	8	8
300+ - 400	3	2	5
400+ - 500	4	4	4
500+ - 600	5	5	5
600+ - 700	3	3	3
700+ - 800	1	1	1
Total	15	15	30



Graph 5.6

Monthly Wages of a Sample of Labour Force



No. of workers in Factories A and B

It is also not very correct to say that the male workers work much harder or that they put in more effort than the female

Table and Graph 5.6 show a clear contrast between the monthly wages of workers in Factory A and Factory B. The highest wage earned by female workers in Factory A is as much as the wage of the lowest paid male workers in Factory B. The wage discrimination against the female workers is most conspicuous here. There is quite a vast difference between the wages of the female and male workers. The female factory workers are paid between \$100 to \$400 a month, while the male workers in Factory B receive an amount between \$400 to \$800 which is twice the amount of the female workers.

Another reason suggested as to why there is wage discrimi-

This seems ironical if we compare the monthly wages of these skilled labour as compared to the unskilled female workers. However,

male and female workers to the general education level achieved by them. The earlier Table 5.5 shows that of the sample of 15 respondents from each of the factories, 7 female workers in Factory A have completed their Form 4 in contrast to only 2 male workers in Factory B. Furthermore, 5 of the above female workers have passed their Form 5, in contrast to only one in Factory B. Hence, we can see that the wages in the factories are not usually paid according to the level of education that one has obtained.

Secondly, the difference between the wages of the female and male workers is also not due to the number of working hours put in, as both serve the same number of hours a week.

It is also not very correct to say that the male workers work much harder or that they put in more effort than the female workers in Factory A, as the researcher herself has experienced the tedious and strenuous work during her employment in the factory. It is often thought that more physical strength is required in a car assembly plant in Factory B, but the truth of the matter is that working in an electronics factory demands just as much effort and is not any less exhausting. Hence, the difference in the wages between the males and females should not be based on this factor too.

Another reason suggested as to why there is wage discrimination between the groups is because many of the male workers have skilled labour as compared to the unskilled female workers. However,



even those unskilled and inexperienced male workers who have just started work in Factory B, get as much as the experienced female workers who have served for more than 7 years in Factory A. How then can this be justified?

Perhaps one of the real reasons why there is such a clear discrimination between the 2 groups, is because of the existence of a trade union among the male workers in Factory B. Through the trade union, many of the demands of the workers are voiced. Whenever there are any dissatisfaction and grievances, the trade union brings the matter to the attention of the management, and subsequently many problems are resolved, or at least some kind of compromise are made. As for the female workers in Factory A, there is no trade union.

Hence, the workers are disorganised and lack any bargaining power.

What can be of help in this comparison is the fact that workers in Factory A generally receive less pay than those of Factory B (as discussed in the preceding section). As such, the expenditure pattern of the respondents in factories A and B will be reflective of the income that these respondents receive respectively.

Taking a closer look at the expenditure patterns of the workers of Factory A will reveal some rather startling facts. For example, of the sample of 15 workers, a majority of 10, (67%) of the sample, spend on the average of only about \$2 a day on food. Taking the average monthly wages to be only \$200 it is understandable why they cannot afford to spend more. As it is, the expenditure on food

## 5.7 Monthly Expenditure

A comparison of the monthly expenditure on various items such as food, transport etc. between the respondents of Factory A and B is difficult because of the fact that the respondents of Factory B, also account for the expenditure of their 'nuclear family' while the respondents of Factory A are all unmarried (except for one).

As an example, a total of 10 workers in Factory A spent less than \$60 a month on food, while for the workers in Factory B, the lowest expenditure on food amounted to \$200 and above. This is because the \$200 include food expenditure not just for himself, but also for his wife and children.

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alone has already taken 1% (per day) of their total monthly income. Considering the prices of today's food items, that meagre sum is definitely insufficient for a balanced diet. This will mean that the nutritional intake of the respondents will have strong possibility of affecting their health. A proper and balanced diet is essential for the production of the physical energies required to carry out a job. and cigarettes consumption applies mainly to the male workers in Factory B. The majority of the workers in Factory A do not spend anything. It can be safely ruled out that workers are spending so little on food merely because of personal choice, for by taking a look at the wages received, it will indicate that by force of circumstances many workers have to limit the amount that they spend on food and other essential items. The average wages that a worker in Factory A receives, amounts to only \$200, as mentioned. Besides the expenditure on food, she has also to think of the other expenses, say on clothing, transportation and some money to be sent home to her family.

Another expenditure item which should be taken note of is the rental expenses incurred by the workers. In spite of the fact that the majority (12) of the workers in Factory A need only pay a rental of \$60 and below, this will represent a burdensome amount, as it constitutes about 30% of their monthly wage on the average.

As for the workers in Factory B, the rentals paid are generally higher, but a substantial number of the respondents (8) have their own houses. Although these workers are the only bread-

winners in their families, they can still afford to meet the rental expenses. This can be best explained by the fact that the workers in Factory B have put in much longer years of service and are receiving much higher wages when compared to workers of Factory A.

Other expenditure such as entertainment items which include liquour and cigarettes consumption applies mainly to the male workers in Factory B. The majority of the workers in Factory A do not spend anything on entertainment. Quite obviously they cannot afford to.

30 and below		3
30+ - 60		8
60+ - 90		1
90+ - 120		2
120+ and above		1
	Total	15
Factory B		Factory B
200 and below		3
200+ - 300		8
300+ - 400		2
400+ - 500		1
500+ and above		1
	Total	15



Table 5.7 (i)

Monthly Expenditure on Food of a Sample of Labour Force

Monthly Expenditure (\$)	Factory A
Monthly Expenditure (\$)	Factory A
30 and below	3
30+ - 60	8
60+ - 90	1
90+ - 120	2
120+ and above	1
Total	15
Family's house	Factory B
Total	15
200 and below	3
200+ - 300	8
300+ - 400	2
400+ - 500	1
500+ and above	1
Total	15

Table 5.7 (ii)

Monthly Expenditure on Rental of a Sample of Labour Force

Monthly Expenditure (\$)	Factory A	Factory B	Total
Monthly Expenditure (\$)	Factory A		
50 and below	6	2	8
50+ - 100	2	3	5
100+ - 150	1	4	5
150 and above	1	1	2
Do not send	6	8	14
60+ - 70		1	1
70+ and above	15	15	30
Family's house		1	1

Total

15

Monthly Expenditure on Fragmentation of a Sample of Labour Force

Monthly Expenditure (\$)	Factory A	Factory B	Total
Monthly Expenditure (\$)	Factory B		
40+ - 60		1	1
60+ - 80	3	1	4
80+ - 100	2	2	4
100+ - 200	1	4	5
200+ and above		3	3
Own House		1	1
50+ - 60		1	1
60+ and above		1	1
Will to work	9	2	11
Total	15	15	30



Table 5.7 (iii)

Monthly Sum of Money Sent Home of a Sample of Labour Force

Monthly Expenditure (\$)	Factory A	Factory B	Total
50 and below	6	2	8
50+ - 100	2	3	5
100+ - 150	1		1
150 and above		1	1
Do not send	6	9	15
Total	15	15	30

Table 5.7 (iv)

Monthly Expenditure on Transportation of a Sample of Labour Force

Monthly Expenditure (\$)	Factory A	Factory B	Total
10 and below	3	1	4
10+ - 20	2	2	4
20+ - 30	1	4	5
30+ - 40		3	3
40+ - 50		1	1
50+ - 60		1	1
60+ and above		1	1
Walk to work	9	2	11
Total	15	15	30

Table 5.7 (v)

Monthly Expenditure on Entertainment of a Sample of  
Labour Force in Factory B

Monthly Expenditure on Liquour and Cigarettes	Factory B
30 and below	2
30+ - 60	5
60+ - 90	1
90+ - 120	2
Do not spend	5
Total	15

6.1

Interpersonal Relationship Among Workers

Generally, the interpersonal relationship among the workers in both the factories are relatively close. This is partly due to the fact that all of them belong to the working class. They have similar interest and they struggle under the same conditions to earn their living.

The workers interact quite well among themselves, especially with the members of the same 'workgroup'. A workgroup in either of the factories is actually a team of workers who share the same piece of work with a specific function. These workgroups have compositions ranging from 3 to 12 persons depending on the particular job function.



## CHAPTER 6

### INTERPERSONAL RELATIONSHIP

Interpersonal relationship at work or sometimes known as industrial relations is a very important social factor for both the employers and employees. It is actually the treatment and attitude of a person towards another. This work relationship directly affects the contentment or discontent of a worker and it also indirectly affects the productivity of the worker. Hence, if there is poor industrial relations, both the employee and employer will suffer.

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Workers have most opportunities for interaction when they are in their respective workgroups. Interaction within these workgroups apart from being a natural consequence is also seen to be a necessary and vital factor. To illustrate further, the researcher will relate an experience she had in her workgroup in Factory A. She was once told by a co-worker to slow down her pace of work. At first she was a little puzzled, and it was only later that the co-worker explained to her that if the workgroup (4 persons) were to produce an amount which exceeded the normal level of production (7 packets of chips), the supervisor may decide to increase the target of the workgroup. Should this happen all the 4 members of the workgroup will be required to work harder in future to ensure that the new target is achieved.

Through this co-operation, the workers of the various workgroups gradually developed a closer relationship and familiarity. Being with each other for about 8 hours a day, for 5½ days a week, ultimately helps many acquaintances to develop into closer relationship. What is most encouraging here is the fact that given the circumstances, sometimes the co-operation among the workers transcends racial barriers. For example, if a member of a workgroup is to make a mistake, normally the other members around her will not hesitate to help. During the researcher's employment in Factory A, she once accidentally dropped an open packet of chips all over the floor. The workers around her spontaneously got off from their seats to help her pick them up quickly before the supervisor noticed that something was amiss.



naturally However, it will not be true to say that there are no problems among the workers. Rivalry among workers is also a common phenomena, though it may not be very apparent. Friction between workers may arise when some workers feel that a particular worker is too "bossy" or that some have not been doing their fair share of work. Further, when a particular worker is seen to be favoured by the supervisor it may give rise to feelings of jealousy and dissatisfaction. At times there are cases where the personality clashes is so acute that the workers ask to be transferred to other departments.

fore invited her to join them during the meal breaks. However, there are It is sad to know that often the interpersonal relationship is jeopardised by prejudices that exist between workers of different ethnic groups. There is less interaction between workers of different races. The esprit de corp of workers within the same ethnic group is much closer than the one between the different ethnic groups. One very common observation seen in both factories is the inclination to form cliques along communal lines. Workers form cliques of friends of the same race with whom they are more comfortable with. These cliques have their lunch together and share their problems with each other. positions are determined by the supervisors and foremen according to the type of work that they are required to perform.

The Malay workers are often seen together during meal times probably because of their eating custom which is different from the other races. The Indians too, group together because they feel more comfortable among themselves when they speak in their own mother-tongue. The Chinese, being the minority in both the factories,

naturally tend to form a clique of their own also.

There are some social constraints when one tries to be integrated into a different racial group. The researcher once tried to join a group of Malay girls with whom she was quite familiar, for lunch. Though they accepted her, one of them was quite surprised and asked if she (the researcher) has made friends with the other Chinese girls in the factory. Incidentally, after a few days, some Chinese workers noticed that the researcher had no clique and therefore invited her to join them during the meal breaks. However, there are less constraints of mixing with the other races after work. The researcher was able to form a wider network of friends of other ethnic groups before and after work with those who travel with her in the same bus.

An unfortunate implication of such a prejudice attitude is that the workers are not free to mix more. Without This type of racial grouping also exists in Factory B. The most visible racial polarisation is seen at the canteen during lunch breaks. Members of the same ethnic groups tend to sit among themselves, as they have a choice. Whereas in the workshop their working positions are determined by the supervisors and foremen according to the type of work that they are required to perform. residence, though cliques based on such factors are much smaller in number.

The existence of racial cliques are symbolic of the of the insecurity that is often felt by each ethnic group. This also indicates that there is a lack of trust between the different races. This problem is not a result of the factory system but



rather a problem of the Malaysian society in general, which is highly tend to form groups of their own. They often feel more superior polarised along communal lines. This tension is aggravated by the fact that all members of the various ethnic groups are striving for the same objectives as in this case - it is higher pay and promotion. It usually takes some time before these groups integrate. Sometimes they do not integrate at all. This can be illustrated by an example of what a Chinese worker in Factory B said. This dissatisfied worker expressed cynically that he had no chance for any promotion in his department, as his supervisor was a Malay. According to him, if there is a vacancy for promotion, a Malay worker will definitely be recommended and thereafter be selected. The reason cited by the dissatisfied workers as to his poor promotion prospects may or may not be true. The point is that there is a tendency for members of one ethnic group to feel victimised by members of other ethnic groups.

An unfortunate implication of such a prejudice attitude is that the workers are prevented from being more united. Without solidarity among the workers, their collective bargaining power with the management is considerably weakened.

Besides racial differences, the other factors that contribute to the formation of cliques are, age, length of service and place of residence, though cliques based on such factors are much smaller in number.

The more senior workers, meaning either those who are older in age, or those who have longer work experience in the factories,

## 6.2 Between Workers and Management

tend to form groups of their own. They often feel more superior towards the younger workers and those who have just started working.

Generally, the relationship between the workers and management is quite distant and unfamiliar, as compared to the relationship among workers themselves.

Management staff refers to employees who are paid a fixed monthly income, unlike the general workers who are paid on an hourly rated bases. As such, the management staff consists of the Directors, Managers, Engineers and their Assistants, including the clerks, the other office workers and the supervisors and foremen.

The main management figures that the workers are frequently in contact with are the supervisors in Factory A and the foremen in Factory B. Next in line are the technicians in both the factories. On the whole, workers have a relatively good working relationship with their supervisors and foremen. Workers have to refer to these management staff for instructions regarding their work. Often, these supervisors and foremen are seen working side by side with the workers.

Some of these supervisors and foremen have developed very good relationship with their workers. They are sometimes seen laughing and joking with one another. Such close relationships are more evident in Factory B.

Interpersonal relationships between the supervisors or



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Interpersonal relationships between the supervisors or

foremen with the workers often do not extend beyond a certain level of familiarity. This may be due to the reason that these supervisors or foremen are very much seen as part of the management staff. Hence, workers seldom choose to approach them for advice when problems arise. They prefer to seek help from their fellow workers, unless the problems pertain to the break down of machines or some serious disputes that they cannot solve among themselves. Supervisors receive the praises and benefits.

Like wise, most supervisors or foremen prefer to keep a formal and distant relationship with the workers, for fear that they may be unable to control and supervise the workers, should they become too friendly. Foremen in Factory A and Foremen in Factory B have been accused of showing favouritism and not treating their workers equally. Thus, very little effort is being made (if any) to promote closer interpersonal relationship between the supervisors or foremen and the workers. This distance is maintained even during the meal breaks outside the workshop. Although both the supervisors/foremen and the workers eat in the same canteen, they do not sit together, each prefer to sit among their own cliques.

However being an employee there herself, the researcher understand In close working conditions where the supervisors/foremen and workers are constantly in contact with one another, personality clashes and disagreement are sometimes inevitable. (which is usually A few workers in Factory A have complained that their supervisors were very mean and harsh towards them. Five respondents have said that their supervisors often 'forced' them to work overtime, without



giving them a choice. Most of the workers in Factory A detest working overtime because the overtime allowance is not worth the effort and time that they have to sacrifice, - they would rather rest at home. Respondent 4 in Factory A remarked in a sarcastic tone that "Kalau produksi kita tinggi, dia lah (meaning the supervisor) sahaja yang dapat naik gaji". Workers are unhappy that they are not given a fair reward if they work hard, only the supervisors receive the praises and benefits. As such, they are treated as subordinates.

Besides, there are also other limitations of the supervisors/foremen that contributes to the hostility of the workers towards them. Some supervisors in Factory A and foremen in Factory B have been accused of showing favouritism and not treating their workers equally. The supervisors and foremen decide when the workers are able to take their annual leave. When the workers' requests are turned down by the supervisors/foremen, they feel that they have been discriminated against. One respondent angrily said that "hanya orang yang bodik nya sahaja lah yang di berikan annual leave."

However being an employee there herself, the researcher understands the reason as to why the supervisors have often to refuse their request. This is because there are usually many workers who wish to apply for their annual leave on the same day (which is usually before or after a public holiday). Hence, if the supervisor answers every request, there will be a shortage of workers on those specific days and this will subsequently affect the level of production.

### 6.3

#### Between Workers and other Management Staff

Such friction and unfriendly relationship between the supervisors (or foremen) and the workers are more often seen in Factory A. Besides the supervisors and foremen, the workers in both factories A and B have very little contact with the other members of the management. Many of the workers do not even know who the management staff are. There is minimal communication between the foremen themselves. Thus, the foremen usually give them due respect and treat them as equals. Whereas in Factory A, the general workers are comparatively much younger than their supervisors. As such, they are treated as subordinates. Supervisors and foremen have much better relationship with the workers. The table below shows the contrast between these relationships.

Table 6.3 (1) is a picture of the relationship of a sample of Labour Force with the Supervisors/Foremen and Managers employed in both factories of the study.

Interpersonal Relationship	Supervisors and Foremen			Management (Managers)		
	Factory A	Factory B	Total	Factory A	Factory B	Total
Close	5	5	7	1	1	1
Moderate	9	13	22	1	5	6
Distant	1		1	6	7	13
Have not met				8	2	10
Total	15	15	30	15	15	30



6.3 Between Workers and other Management Staff. relationships between management and the workers. Of the sample of 30 respondents, 8 workers Besides the supervisors and foremen, the workers in both factories A and B have very little contact with the other members of the management. Many of the workers do not even know who the management staff are. There is minimal communication between management and the workers. The higher the position of the staff in the management hierarchy, the more alienated they are from the workers. Compared to the rest of the management staff, the supervisors and foremen have much better relationship with the workers. The table below shows the contrast between these relationships.

Whereas in Factory B only 2 respondents from the sample of 15 workers have not met the Table 6.3 (i) It is because a section of the administrative Relationship of a sample of Labour Force of the workshop. Thus, with the Supervisors/Foremen and Managers employees to meet some of the management staff, namely the Chief Engineer, the

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	Factory A	Factory B	Total	Factory A	Factory B	
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Moderate	9	13	22	1	5	6
Distant	1		1	6	7	13
Have not met				8	2	10
Total	15	15	30	15	15	30

Table 6.3 (i) clearly depicts the distant relationships between management and the workers. Of the sample of 30 respondents, 8 workers from Factory A and 2 from Factory B have not even met the Managers in their factories. This is partly due to the reason that the management's offices are situated quite a distance away from the workers' work floor. Besides, the workers in Factory A work in shifts with a different period of working hours from their management who follows the normal working office hours. This suggests the reason why more than 50% (8 workers) of the sample taken, indicated that they do not even know who their Managers are.

Whereas in Factory B only 2 respondents from the sample of 15 workers have not met their Managers. It is because a section of the administration office is situated in the vicinity of the workshop. Thus, there are more opportunities for the floor employees to meet some of the management staff, namely the Chief Engineer, the Assistant Production Manager, and occasionally the Production Manager himself.

Besides them, the workers seldom meet the other management staff. Despite the fact that there is only 1 shift, but because the workers start work earlier and end later than the management, they seldom get to meet each other. Another reason is that all the management staff take their meals outside, and not at the factory canteen.



The objective of the management is to maximise profits and minimise costs, whereas a worker's main objective is to bargain for higher pay and better working conditions. This obvious conflict of interest generates further ill-feelings and hostility.

Therefore, the management and workers do not see eye to eye on many issues. Apart from the fact that there is poor interpersonal relationship between workers and management, there is also conflict of interest among them.

Some of the workers are of the opinion that the management is not efficient and competent in their work. One made a remark that - "Gaji kita selalu lambat mereka bagi, orang di-atas sendiri tidak efisien, tetapi sentiasa marah kepada kita sebab tidak efisien". Many others however cannot comment because they do not even know who makes up the management. The Table on the following page shows the answers of the sample of respondents regarding their opinion of management's efficiency and competence.

comparing to only 2 respondents in Factory B. Workers in Factory B are generally less fearful of the management, probably because they have the support of their trade union to protect their job security.

Table 6.3 (ii)

A Sample of Workers' Opinion of the Management's Efficiency.

	Factory A	Factory B	Total
Yes	6	2	8
No	3	6	9
Do not know	6	7	13
Total	15	15	30

The researcher notices that many of the workers in Factory A are very cautious when giving their opinions on matters concerning the management. They are afraid that the management may come to know of it, and that they might lose their jobs if they say anything that is against the management's interest. Hence, there will be many who will be obliged to answer 'yes' to the question above. As seen in the Table 6.3, six respondents in Factory A answered 'yes' compared to only 2 respondents in Factory B. Workers in Factory B are generally less fearful of the management, probably because they have the support of their trade union to protect their job security. Besides, a longer period of time is also needed to develop friendship that can transcend racial barriers. In Factory B, no participant observation was carried out, because the factory only employs male workers. Hence, the researcher was not able to experience for herself the true working conditions there.

As for the respondent interviewed, although a lot of time



## CHAPTER 7

### CONCLUSION

#### 7.1 Limitation of the Study.

Being only a case study, it must be emphasised that this research is not exhaustive in itself. Many other aspects of work in the factory as well as the socio-economic problems of factory workers have not been dealt with, due to the limited time and space. the interview, after some analysis.

The amount of time spent in the research has been inadequate. The researcher was involved in participant observation in Factory A for only 5 weeks. Many aspects that were observed were perhaps quite superficial. Only a longer period of time can confirm the truth or falsity of some of the conclusion that the researcher has made. There is also a need for more frequent contact before any unspoken feelings of the workers can fully be understood. should not be used to generalise the socio-economic problems of the

Besides, a longer period of time is also needed to develop friendship that can transcend racial barriers. In Factory B, no participant observation was carried out, because the factory only employs male workers. Hence, the researcher was not able to experience for herself the true working conditions there.

As for the respondent interviewed, although alot of time

and effort were spent, the weakness lies in the absence of a follow up. The researcher was not able to put to test the validity of the answers she received from the respondents, as she never saw them

again after the interview. This was solely due to the lack of time and space. Nevertheless, if at all this study has increased some awareness and concern for the factory workers in our country, then it has achieved its main purpose.

Moreover, distance is another barrier. Workers in Factory B are as far as 20 miles away from the residence of the researcher. Hence, the researcher has to accept whatever the respondents say at the interview, after some analysis.

Besides, only a sample of 30 respondents were chosen for the interview, because not only was it difficult to find cooperative respondents, it was also very time consuming to make several distant trips to the factory or houses of the respondents. As such, this limited sample of respondents may not be representative enough of the general labour force in both the factories. Hence, this study should not be used to generalise the socio-economic problems of the entire workforce of the factories, nor should it be seen as a typical case of factory work and conditions in the country.

Initially this study intended to show a comparison between a factory that employs only male workers with one that employs only females. But there are various obstacles which have prevented this. Often, data on a particular aspect which is available in one factory



## 7.2 How to Improve the Study.

is inaccessible in the other factory, hence it is sometimes not possible to make comparisons.

As it has been realised that the major set back of this case study is the limited time, the most obvious way to improve it is to extend the length of time of the research. With an adequate awareness and concern for the factory workers in our country, then period of time, a longer period of participant observation can be employed, a larger sample of respondents can be studied and a consistent follow up can be done. This will permit a deeper analysis of a broader scope of study and lead to a more accurate conclusion.

The problem with Factory B which only employs male workers can be overcome if the researcher can get someone else to work on her behalf in the factory, or have a few informers among the factory workers to 'spy' for her. Similarly, even when one is able to work in a factory, one can still get the help of some 'spies' to observe the other departments in the factory, as well as the other members of the management.

The sample of respondents should not only increase in size, but also in variety. Contacts with the management staff should be created, if possible informally. It is better if the management does not know that the researcher is doing a study on his factory, as this prevent suspicions and undue biasness.

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Most of these workers who have taken the risk to venture



### 7.3 Summary of Findings.

Both Factory A and Factory B are branches of 2 multinational companies situated within one of the Free Trade Zones of our country. The government has invited them (together with the other multinationals) with the hope that these foreign investors will create employment for the huge workforce in Malaysia. Although these companies have provided employment here, the more important question which has to be examined further, is whether these workers are any better off being employed in these multinational factories. has just started working is paid as much as a female worker (in Factory A).

From the preceding chapters one can draw some general conclusions regarding the workers of Factory A and Factory B. One such common factor that stands out is the fact that the majority of the workers from both factories are from poor economic background. Most of these factory workers have migrated from small towns and villages of other States to the city in order to make a living for themselves. This problem may not be so acute if there is a strong Union existing among the workers, and which can voice their grievances

Many of the male workers in Factory B leave their families at a very young age, while the female workers in Factory A usually wait until they have reached their late teens. As such, many of them (especially those in Factory B) have received only very little formal education.

Most of these workers who have taken the risk to venture

to the city in search of employment, have come with the hope of earning enough money for themselves so that they can lead a comfortable life, as well as have some surplus to send home to their families. Unfortunately, none of them have achieved this dream.

Based on the findings, workers in factories receive very low wages. In fact, a worker in Factory A can just barely survive with the wages she receives. (Refer to Table 5.6 of Chapter 5). The wages of these female workers are comparatively much lower than those of the male workers in Factory B. A male worker who has just started working is paid as much as a female worker (in Factory A) who has served for 7 years. However, although workers in Factory B receive higher wages, they are not very much better off as the majority of them are married with children. Low wages is a common complaint among workers in both the factories. The yearly wage increment is very low and is perhaps insignificant in Factory A (6 cents per hour). According to some workers, promotion seems almost impossible. This problem may not be so acute if there is a strong Union existing among the workers, and which can voice their grievances and negotiate with the management.

Other factors that contribute to the dissatisfaction of the workers are related to the working conditions. Some of the obligations that workers in Factory A detest most are the compulsory over-time and the work shifts. Over-time is decided upon by the

dissatisfaction and hostility towards the management.



supervisors, and workers cannot refuse nor can they suggest alternatives. The main reason why most workers dislike having to work over-time is because of the insignificant returns that they receive for the effort and the time that they have to sacrifice. After working over-time, the workers have little time left to do anything else but rest and prepare for the next day's work. The most affected are the married women workers, though they are a minority. Due to the need for extra income, their family life and children have to take a secondary place compared to their work. The rest of the management staff. In fact, some have not even met their Managers.

As for the work shifts, it upsets the 'bio-rhythm' of the body. One has to constantly adjust one's time table and sleeping habits to the weekly change in shifts. This affects not only the workers' physical health but also their social life. does not even

bother to get acquainted with the workers nor do they give priority to the work. However, in Factory B, many complaints pertain to the work environment. Many of the workers have to work under intense heat generated by the machines. Working under such conditions tires them easily and decreases their productivity. Those at the spray not departments, on the other hand, are exposed to the chemicals of the spray which irritates their skin and endangers their respiratory system. These complaints have reached the ears of the management, but no action or more effective precautions have been taken so far. Such a working environment is detrimental to the workers' health and this is one of the contributing factors that have caused dissatisfaction and hostility towards the management. This places

them in Such grievances will eventually cause workers to become indifferent towards their work and the supervisors or foremen. However, some workers do realise that the supervisors/foremen are sometimes not to be blamed. They are aware that when the supervisors/foremen enforce management policies, they are merely performing their jobs. Nevertheless, because they are the only management figures with whom the workers are constantly in contact, much of the workers' grievances and frustrations are directed towards them. This is because the workers are not familiar with the rest of the management staff. In fact, some have not even met their Managers. Industrial relations is an important element in increasing productivity and job satisfaction. But this aspect has always been neglected by the management. Often, the management does not even bother to get acquainted with the workers nor do they give priority to the workers' welfare. Of course there are some who succeed in getting better employment but only very few of them do. Many just Workers' unity is another factor that has been discussed earlier on. The workers (especially those in Factory A) are not really united as a workforce. The racial barrier continues to pose a problem. It is not uncommon to note cliques developing along communal lines. The members of the same ethnic group are closer to one another and often harbour feelings of suspicion and jealousy towards members of the other ethnic groups. Nevertheless, workers in Factory B have been able to unite to a certain extent and have formed a Union to protect their welfare and rights. This places



them in a more secure position and as such, they are generally more confident and courageous to bargain with their management.

Workers' productivity can be effectively increased by offering Due to the unfair terms of employment and management basic policies, coupled with the poor working conditions, many workers end up being frustrated and dissatisfied. They eventually lose their interest and incentive to work. Many of the younger workers are eager to leave their present jobs and constantly hope for a better job elsewhere. As for the unmarried female workers of Factory A, marriage is looked upon as their 'panacea' from the drudgery and misery of life in a factory. The older workers, on the other hand, have less alternatives to choose from. They often have to give consideration to their length of service and the wage level that they have achieved. Many believe that they will not be able to get the same level of wages that they are receiving now, if they were to quit and start employment elsewhere. Of course there are some who succeed in getting better employment but only very few of them do. Many just stay on in the factory as they have little choice. They will continue to complain and be unhappy but the situation and conditions in the factory will still be the same. Besides improving the safety of the workers, it also improves their productivity. In conclusion, what can be pointed out is that factory workers are in general, unjustly exploited. Of course the multinationals will not 'spell out in black and white' that their aim is to exploit the cheap labour available, but the facts speak for themselves. They should show more concern

#### 7.4 Recommendations of the Study.

To become aware of the workers' complaints and dissatisfaction, the management can put up a Workers' productivity can be effectively increased by offering more attractive incentives as well as by meeting the basic economic and social needs of the workers. To do this, the management needs to show more interest in the welfare and problems of the workers. in-charge of the workers, should be more understanding and tolerant. It will be of help if they have been given some prior training. The first and most important change that should be brought about is to increase the workers' wages to a more reasonable amount. Otherwise, the workers' financial needs can never be met.

Workers ought to be given more opportunities for self-improvement. The work place is often regarded as a second home of the workers. As such, the management should also improve the work environment and the working conditions. The work environment should be conducive and safe for work, so that the workers are able to feel comfortable and secure while working. Safety devices should be improved to protect the health of the workers. For example, special face masks that are not cumbersome and protective gloves should be provided for workers in the spray department of Factory B. Besides improving the safety of the workers, it also improves their productivity, and may eventually lead to an increase in the managements' profits. It is also important that workers themselves must want to improve and develop their potential. They must take an initiative themselves. The management should also try to develop a healthy industrial relations with the workers. They should show more concern.



towards the grievances and problems of the workers. To become aware of the workers' complaints and dissatisfaction, the management can put up a suggestion box for the workers to express their grievances. A more effective way is to have regular meetings with the workers. At times, the management should be prepared to compromise with the suggestions and demands of the workers. Supervisors/foremen who are directly in-charge of the workers, should be more understanding and tolerant. It will be of help if they have been given some prior training on industrial relations and how to communicate instructions effectively.

Workers ought to be given more opportunities for self-improvement and personal development. Innovation and initiative should be encouraged. Workers can be motivated to increase productivity with attractive incentive such as higher bonuses or work allowances. Workers should also be trained and be sufficiently informed as to the most efficient way to perform their work functions. By this, less mistakes will be committed and less time wasted. Their important contribution to the production process is indispensable and should be given due recognition. This will provide job satisfaction and can motivate the workers further.

It is also important that workers themselves must want to improve and develop their potential. They must take an initiative themselves to approach the management with their proposals and suggest improvements for their working conditions and other management policies.

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To be able to do this, they must first cooperate and unite among themselves. Prejudices and divisions along racial lines should be eliminated for mutual benefit. Without unity and a collective bargaining power, their demands will never be met.

Last but not least, there is a great need to take a serious look at the injustices and exploitation which factory workers have to experience. Appropriate action needs to be taken to remedy such injustices, and the responsibility lies not just with the workers but also with the management, as well as other relevant authorities.

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