

The Influence of Trade Unions on the Welfare of Production Workers in East Java

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ABSTRACT

The purpose of this study was to determine the influence of trade unions on the welfare of production workers in East Java. In this study as the independent variable is the trade union and the dependent variable is the welfare of production workers. 159 samples taken from five different companies located in five districts/cities in East Java. The analysis conducted in this study include the testing of research instruments, simple linear regression analysis, and hypothesis testing. The analysis showed a simple determination coefficient $R^2 = 0.222$ with a probability value $\text{sig} = 0.000$. because the probability is smaller than the test level research ($\text{Sig} < \alpha$ ie $0.000 < 0.05$), then H_0 is rejected and H_a accepted which means that the value of the coefficient of determination $R^2 = 0.222$ significantly, meaning that a simple linear regression model that formed a decent used to explain the effect of trade union to production workers' welfare variable, it can be concluded that the simple linear regression model can only explain 22.2% influence union variable to production labor welfare in East Java variable. From the results of simple linear regression analysis regression coefficient $b_1 = 0.658$ which has a probability of $\text{Sig} = 0.000$. because the probability is smaller than the test level research ($\text{Sig} < \alpha$ ie $0.000 < 0.05$), then H_0 is rejected and H_a accepted, which means that the value of the regression coefficient $b_1 = 0.658$ means significant Labor unions variable have a positive impact on the welfare production workers variable.

Keywords: Trade Union, Welfare, Production Workers

INTRODUCTION

Both in developing and in developed countries labor issues should be handled well and seriously, especially in developing countries such as Indonesia with a dense population, the labor issues are becoming increasingly complex and it requires serious attention from both government and private sector. In Indonesia, including in East Java current problems between workers and employers are still controlled by conflicting interests. Unemployment is still high enough that happens, it causes labor competition is getting tougher. The government's efforts to expand job has been done. Human resource issues in this case the workers or workers become an important concern for the company in order to still be able to survive in the increasingly fierce competition. Human resources or in this case the worker or workers is a major role in every activity in the company. Although there are still a lot of infrastructure and other resources that complement an organization, without the support of labor activity of the company will not run properly and smoothly even stagnant. Thus the labor issues have to be considered because it will determine the successful implementation of the company's activities.

In the history of human relations, there are three events that contributed to the science of organizational behavior, one of which is the movement of workers. Under Act No. 13 of 2003 on employment Article 1 point (17) is a trade union or labor union is an organization formed

by, of, and for workers / laborers either in the company or outside the company, which is free, open, independent, democratic and responsible to fight, defend and protect the interests of the workers / laborers and improve the welfare of workers/laborers and their families. Organization Workers Union has a very important role in industrial relations. Harmonious industrial relations, dynamic and justice and dignity will only exist at the enterprise level social dialogue therefore equal, healthy, open, and trusting with the same vision that can be used to improve the performance of the workers that would have an impact on the growth of the company. With the growth of good companies will have an impact on improving the welfare of workers / laborers.

LITERATURE REVIEW

Labor Union

Under the general provisions of Article 1 of Law No. 17 year 2003, the union/labor union is an organization formed of, by, and for workers in both the company and outside the company, which is free, open, independent, democratic, and responsible to fight, defend and protect the rights and interests of workers and to improve the welfare of workers and their families. In accordance with Article 102 of the Labor Law in 2003, in the conduct of industrial relations, workers and trade unions have run a job function in accordance with its obligations, to maintain order in the continuity of production, channeling their aspirations democratically, develop skills, and expertise and helping promote the company and the welfare members and their families. In addition, the role of trade unions also provides legal protection to the workers themselves.

Welfare

According to Malayu Hasibuan (2007: 185) "The welfare of employees is complementary remuneration (material and nonmaterial) given wisdom. The goal is to retain employees and improve physical and mental conditions of employees to increase their productivity".

Indicators of welfare programs

According to Malayu Hasibuan (2007: 188)

- 1) The program has economic prosperity: This program aims to provide an additional security over the economy principal payments. The types of welfare program consists of: a) pension money, b) money Eid/Christmas(THR), c) clothing department, and d) money treatment.
2. The program is welfare facilities: This program is intended to ease or relieve and usually is required by the employee. Are included in this group are: a) Means of spirituality, b) Sports facilities, c) Cooperatives, d) Leave/break, e) Permit
3. The program has welfare services: It is lief as providing certain tyongo in revenue stream of family income in lieu of some or all of the family income in lieu of some or all of the lost income. Welfare programs providing services include: Insurance/Social Security. With the welfare program to encourage discipline employees to be more punctual in performing the task and in addition to retain employees in the long term.

METHODOLOGY

Definition Operational Variable

The operational definition according Supranto (2003) is composed of an attempt to reduce the concept of levels of abstraction (not clear) to a more concrete level, with the detailing or

break into a dimension then the element, followed by an attempt to answer any questions related to the element- element, the dimensions of a concept.

The variables in this study include:

I. Trade Unions (X1)

In accordance with Article 102 of the Labor Law in 2003, in the conduct of industrial relations, workers and trade unions have run a job function in accordance with its obligations, to maintain order in the continuity of production, channeling their aspirations democratically, develop skills, and expertise and helping promote the company and the welfare members and their families. In addition, the roles of tradeunions also provide legal protection to the workers themselves.

Limits on indicators of trade unions are: i) fighting for the welfare of members, ii) provide legal protection, iii) channelling aspirations democratically, iv) maintaining order to ensure production, and v) develop skills and justice.

II. Labor welfare production (Y)

Indicators of welfare programs, according to Malay Hasibuan (2007: 188)

1. Economical Characteristically Welfare Program

This program aims to provide an additional security over the economy principal payments. This type of welfare program consists of: a) pension money, b) money Eid/Christmas (THR), c) clothing department, and d) money treatment.

2. Characteristically Welfare Program Facility

This program is intended to ease or relieve and usually is required by the employee. It included in this group are: a) Means of spirituality, b) Sports facilities, c) Cooperatives, d) Leave/break, e) Permit

3. Characteristically Welfare Services Program

It is a relief as providing certainty ongoing revenue stream of family income in lieu of some or all of the family income in lieu of some or all of the lost income. Welfareprograms providing services include: Insurance / Social Security with the welfare program to encourage discipline employees to be more punctual in performing the task and in addition to retain employees in the long term.

Limits of the indicators that affect the welfare of production workers: i) welfare which is economical, ii) welfare facilities, iii) welfare providing services, iv) safety at work, and v) The level of difficulty in working.

Population and Sample

The population in this study is the production workers in the province of East Java. In this study, samples were take nat four companies in East Java are located in four cities/ districts namely PTHM Sam poernain Surabaya, PTInter bat which is located in Sidoarjo, PTGaruda Food, located in Gresik and PTSung Hyun located in Pasuruan. Because the population is very large and not known for certain, the authors define the sample size of 159 people

Technical Analysis

In analyzing and testing hypotheses with respect to the issues in this study, the authors used simple regression statistical analysis tool with the help of a computer program Statistical Product and Service Solutions (SPSS) 19 for windows with the formula:

Multiple regression: $Y = a + b_1x_1$

Where: Y= Welfare production workers

X1=Trade union

a = a constant value

RESULTS

Test Requirements simple linear regression analysis Normality Test To ensure simple linear regression analysis is appropriate analytical tools necessary first testing normality, but it is also to ensure that the data used for simple linear regression analysis of data derived from normal distribution. Testing is done by using a One-Sample Kolmogorov-Smirnov Test. testing is done by comparing the value of the probability of the results of the analysis of the value of α with the following criteria:

- If $\text{sig} > \alpha$, then the variable data used for simple linear regression analysis derived from the data are normally distributed variables
- If the $\text{sig} < \alpha$, then the variable data used for simple linear regression analysis derived from the data are not normally distributed variables. Normality test results can be seen in the table below:

Table 1. KS Normality Test Data One-Sample Kolmogorov-Smirnov Test

		<i>Un standardized Residual</i>
N		159
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.77704084
Most Extreme Differences	Absolute	.104
	Positive	.051
	Negative	-.104
Kolmogorov-Smirnov Z		1.317
Asymp. Sig. (2-tailed)		.062

a. Test distribution is Normal, b. Calculated from data.

Source: Results of the analysis

Normality Test using the One-Sample Kolmogorov-Smirnov Test Kolmogorov-Smirnov obtained value $Z=1.317$ and Z count probability Asymp. Sig. (2-tailed) = 0.062. Because the probability of Z count is greater than the test level research ($0.062 > 0.05$), the value of the regression residuals are normally distributed, which means that the data variables X1 and Y are used for simple linear regression analysis derived from the data are normally distributed variables.

Regression Analysis Model

The results of simple regression analysis in this study to test the effect of the trade union to production workers welfare are presented in the following table:

Table 2. Simple Linear Regression Model Summary X1 Against Y Model Summary^b

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.472 ^a	.222	.218	.77951

a. Predictors: (Constant), X1 b. Dependent Variable: Y

Source: Results of the analysis

From the above output values obtained correlation R=0.472 and the coefficient of determination R square=0.222, the values were tested for significance using ANOVA output

Table 3. Simple Linear Regression ANOVA X1 Against Y ANOVA^b

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
	Regression	27.298	1	27.298	44.925	.000 ^a
1	Residual	95.399	157	.608		
	Total	122.697	158			

a. Predictors: (Constant), X1 b. Dependent Variable: Y

Source: Results of the analysis

The coefficient of determination shows Goodness of Fit test the ability of a simple linear regression model in explaining variation dependent variable Y on the input of independent variables X1.

From the above analysis results obtained by the coefficient of determination simple (R Square) = 0.222 with a probability value sig = 0.000. because the probability is more ketch of the research test level (Sig < α ie 0.000 < 0.05), then Ho is rejected and Ha accepted which means that the value of the coefficient of determination R square = 0.222 significantly, meaning that a simple linear regression model that formed a decent used to explain the effect of X1 independent variable on the dependent variable Y, it can be concluded that the simple linear regression model can only explain 22.2% union influence variables (X1) to variable labor welfare production in East Java (Y).

Table 4. Simple Linear Regression coefficients X1 Against Y Coefficients^a

<i>Model</i>		<i>Un standardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>T</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	1.278	.359		3.561	.000
	X1	.658	.098	.472	6.703	.000

a. Dependent Variable: Y Source: Results of the analysis

From the table the results of the calculation of simple linear regression analysis above can be for med regression model and its significance as follows:

$$Y = 1.278 + 0.658X1$$

Multiple linear regression model can be interpreted as follows:

- Constants of $a = 1.278$ is significant because the calculated probability value is lower than the test level research (Sig. $t < \alpha$ or $0.000 < 0.05$) This implies that if the union does not exist or is zero then the welfare of production workers will be positive by 1.278.
- If the union (X_1) up one unit of labor, welfare production (Y) will increase by 0.658 units assuming other variables constant, so the higher the involvement of trade unions, the higher the production workers' welfare

Hypothesis Testing

Once the requirements are met then the analysis followed by statistical testing. In this study determined the level of confidence (confidence interval) = 95% ($\alpha = 5\%$). Statistical hypotheses were used in this study is formulated as follows:

Ho: There is no effect of X_1 on Y

Ha: There is the effect of X_1 on Y

Testing criteria can be done by comparing the premises t t table or probability (Sig.) with test level research (α).

- If $t > t$ table or Sig. $< \alpha$, then Ho is rejected and Ha accepted means significant regression coefficients.
- If $t < t$ table or Sig. $> \alpha$, then Ho is accepted and Ha rejected it means the value of the regression coefficient is not significant.

From the above output values obtained regression coefficient $b_1 = 0.658$ which has a probability of Sig. = 0.000 because the probability is smaller than the test level research (Sig $< \alpha$ ie $0.000 < 0.05$) then totaled and Ha Ho is accepted, which means that the value of the regression coefficient significant $b_1 = 0.658$ means the union variables (X_1) has a positive effect on labor welfare variable production in east Java (Y)

DISCUSSION

The results of this study found that, the union has a positive and significant effect on the welfare of production workers in East Java. Variables influence the welfare of the union to variable indicated by the regression coefficient $b_1 = 0.658$ which has a probability sig. = 0.000 which is smaller than the test level research (Sig $< \alpha$ is $0.000 < \alpha$). Samples were taken from the four companies spread across four counties and cities namely PT HM Sampoerna in Surabaya, PT Inter bat in Sidoarjo, PT Garuda Food in Gresik, Indonesia and PT Sung Hyun in Pasuruan. In accordance with Article 102 of the Labor Law in 2003, in the conduct of industrial relations, workers and trade unions have run a job function in accordance with its obligations, to maintain order in the continuity of production, channeling their aspirations democratically, develop skills, and expertise and helping promote the company and the welfare members and their families. In addition, the roles of trade unions also provide legal protection to the workers themselves.

If the functions of the trade unions, welfare is maximized production workers in East Java will increase, so the higher the involvement of trade unions in carrying out its functions, the higher the welfare of production workers in East Java. Welfare include programs that should be implemented and translated into indicators that are easy to measure, according to Malayu Hasibuan indicators of welfare programs are:

1. Economical Characteristically Welfare Program

This program aims to provide an additional security over the economy principal payments. The types of welfare program consists of: a) pension money, b) money Eid/Christmas(THR), c) clothing department, and d) money treatment.

2. Characteristically Welfare Program Facility This program is intended to ease or relieve and usually is required by the employee. Are included in this group are: a) Means of spirituality, b) Sports facilities, c) Cooperatives, d) Leave/break, e) Permit

3. Characteristically Welfare Services Program

It is a relief as providing certainty ongoing revenue stream of family income in lieu of some or all of the family income in lieu of some or all of the lost income. Welfare programs providing services include: Insurance / Social Security. With the welfare program to encourage discipline employees to be more punctual in performing the task and in addition to retain employees in the long term. Labour by 2010 Muchtar Pakpahanare those who work and depend on the salary or remuneration due to service or labor expended. According to Malay Hasibuan (2007: 185) is: "The welfare of employees is complementary remuneration (material and nonmaterial) given wisdom. The goal is to retain employees and improve physical and mental conditions of employees to increase their productivity ".Welfare workers must be fought by a legitimate force that is by the union or unions so that workers' welfare is not just a slogan but a truly well-being achieved. If the functions of trade unions was further enhanced and maximized the welfare of production workers in East Java will increase.

CONCLUSIONS

Based on the results, it may be concluded that calculation of simple linear regression analysis resulted in the regression coefficient $b_1 = 0.658$ which has a probability of $\text{Sig.} = 0.000$. Because the probability is smaller than the test level research ($\text{Sig} < \alpha$ ie $0.000 < 0.05$), then H_0 is rejected and H_a accepted, which means that the value of the regression coefficient $b_1=0.658$ means that the variables significantly unions have a positive impact on the welfare variable production workers in East Java.

SUGGESTIONS

Based on these results and conclusions, the recommendations are as follows:

1. It may be kept balance, harmony and transparency between the company and the workers or unions / workers so that no gain or loss is unilateral to increase the welfare of workers.
2. It is recommended to increase the specific variables related to the welfare of workers in production for further research.

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