

RETHINKING EMPLOYEE AWARENESS OF TRADE UNIONS IN MALAYSIA'S PRIVATE SECTOR: A CONCEPTUAL PERSPECTIVE

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Abstract. Trade unions play an important role in protecting employees' rights, improving workplace conditions, and strengthening employee representation. However, employee awareness and participation in trade unions remain relatively limited in Malaysia, particularly within the private sector. Issues such as low union membership, misconceptions regarding trade union functions and limited awareness of labour rights continue to influence employees' perceptions of the importance of trade unions in promoting workplace protection and employee welfare. Therefore, this conceptual paper aims to examine the factors influencing the perceived importance of trade unions among private-sector employees in Selangor, Malaysia. Specifically, the study proposes that employee awareness of trade union functions, awareness of labour rights, and perception of trade union effectiveness significantly influence employees' perceived importance of trade unions. Grounded in Social Exchange Theory (SET), this study explains how employees develop favourable perceptions towards institutions that provide workplace support, protection, and representation. A conceptual approach was adopted through a review and synthesis of relevant literature from both Malaysian and international contexts. Based on the reviewed literature, a conceptual framework and three hypotheses were developed. This study contributes to the existing literature by extending discussions on trade union awareness and perceived union importance within Malaysia's private sector, an area that remains relatively underexplored. The proposed framework may further provide useful insights for policymakers, employers, and labour organisations in strengthening employee awareness and enhancing the role of trade unions in Malaysia.

Keywords: *trade unions, employee awareness, labour rights, trade union effectiveness, perceived importance, Malaysia*

Introduction

Trade unions play an important role in protecting employees' rights, improving working conditions, and promoting workplace justice through collective bargaining and employee representation (Cook et al., 2013; Blau, 1964). In Malaysia, trade unions serve as an institutional mechanism for safeguarding employees' interests in matters relating to wages, occupational safety, welfare, and employment protection. Recent labour reforms, particularly the Trade Unions (Amendment) Act 2024, further reflect the government's efforts to strengthen trade union participation and employee representation in the workplace (JHEKS, 2025). Despite these developments, employee participation in trade unions remains relatively modest. As of 2024, Malaysia recorded approximately 759 registered trade unions with around 1.03 million members, representing a relatively small proportion of the national workforce (KESUMA, 2024). This trend raises concerns regarding employees' awareness and understanding of the importance of trade unions, particularly among younger and non-unionised workers.

Limited awareness may reduce employee participation and weaken the effectiveness of unions in promoting workplace justice, labour protection, and fair employment practices. The issue has become increasingly relevant amid growing workplace challenges, including job insecurity, rising workload pressure, employment disputes, and retrenchment concerns. Recent initiatives by the Ministry of Human Resources (KESUMA) to strengthen trade union engagement and labour education further highlight the importance of enhancing employee awareness regarding union functions and workplace representation (JHEKS, 2025). However, empirical and conceptual discussions concerning employee awareness of trade union importance in Malaysia remain limited. Therefore, this conceptual paper aims to rethink employee awareness of trade unions in Malaysia by examining how awareness may shape employees' perceptions of union importance and workplace outcomes. The study further proposes a conceptual framework to enhance understanding of the role of trade union awareness in strengthening employee wellbeing and workplace protection.

Grounded in Social Exchange Theory (SET) (Blau, 1964), this conceptual paper examines how employee awareness of trade unions may shape perceptions of union importance and workplace outcomes. From a social exchange perspective, employees who perceive stronger workplace representation and protection may develop more positive attitudes towards employee wellbeing, workplace justice, and employment security.

Problem statement

Although trade unions are established to protect employee welfare and represent workers' interests, employee participation in trade unions remains relatively modest in Malaysia. One major concern is the low level of trade union membership and participation across many employment sectors. According to the Department of Trade Union Affairs (JHEKS, 2025), Malaysia recorded approximately 759 registered trade unions with 1.03 million members in 2024, representing only a modest proportion of the national labour force (JHEKS, 2025). Recent academic discussions further suggest that union participation in Malaysia continues to face challenges due to changing workforce expectations, declining employee engagement, and concerns regarding the relevance of trade unions in contemporary workplaces (Yaacob et al., 2024). Another issue relates to misconceptions about trade unions among employees. In many workplaces, trade unions are often perceived narrowly as organisations for resolving workplace disputes or industrial conflict rather than broader mechanisms for employee representation, welfare enhancement, workplace protection, and collective bargaining. Such perceptions may discourage employees from participating in union-related activities and reduce confidence in trade union effectiveness. Recent studies suggest that employees' willingness to participate in trade unions is highly influenced by their perceptions of union relevance, trust, and expected workplace benefits, highlighting how misconceptions may weaken trade union participation (Yaacob et al., 2024; Loganathan et al., 2022).

Furthermore, limited awareness of employee rights continues to hinder employee engagement with trade unions in Malaysia. Many employees, particularly younger and non-unionised workers, demonstrate insufficient understanding of employment rights relating to wages, workplace safety, grievance procedures, legal protection, and collective bargaining. Recent evidence highlights that inadequate labour rights awareness and limited exposure to trade union functions continue to reduce workers'

understanding of workplace protection mechanisms and labour representation, particularly among vulnerable and migrant workers in Malaysia (ILO, 2025; JHEKS, 2025). As workplace challenges such as job insecurity, workload pressure, retrenchment concerns, and employment disputes continue to intensify, improving employee awareness regarding labour rights and trade union functions has become increasingly important. Despite recent labour reforms, including the Trade Unions (Amendment) Act 2024, and increasing efforts by the Ministry of Human Resources (KESUMA) and JHEKS to strengthen employee participation in trade unions, conceptual and empirical discussions examining how employee awareness shapes the perceived importance of trade unions remain relatively limited in Malaysia (JHEKS, 2025). Existing studies have predominantly focused on industrial relations, labour reforms, and union participation rather than examining how awareness of trade union functions, labour rights, and union effectiveness influence employees' perceived importance of trade unions (Yaacob et al., 2024). Therefore, there is a need to rethink employee awareness of trade unions and better understand how awareness-related factors may shape employees' perceived importance of trade unions in the Malaysian employment context.

Literature review

Employee awareness of trade union functions

Employee awareness of trade union functions refers to employees' understanding of the roles, responsibilities, and benefits provided by trade unions in representing workers' interests and protecting workplace welfare. Trade unions generally function as mechanisms for collective bargaining, workplace representation, grievance handling, legal support, and employment protection. Employees with stronger awareness of trade union functions are more likely to understand how unions contribute to fair employment practices and workplace justice (Yaacob et al., 2024). Although trade unions are established to protect employee welfare and represent workers' interests, employee participation in trade unions remains relatively modest, particularly within Malaysia's private sector. One major concern is the low level of trade union membership and participation across private-sector industries, despite increasing workplace challenges relating to wages, employment security, and workplace wellbeing (JHEKS, 2025). In Malaysia's private sector, employee awareness of trade union functions remains an important issue, particularly due to relatively low union participation and uneven workplace representation across industries, which may affect employees' understanding of labour rights and collective representation (Mohd Yusof et.al, 2025; Loganathan et al., 2022).

Recent literature suggests that employee awareness of union functions significantly influences employees' attitudes towards labour participation and workplace representation. In Malaysia, studies indicate that employee engagement with trade unions is often constrained by limited understanding of union responsibilities and benefits, particularly among younger and non-unionised employees (Yaacob et al., 2024). Similarly, international evidence suggests that employees are more likely to support labour institutions when they understand how unions contribute to employee welfare, workplace protection, and collective bargaining outcomes (Budd, 2025; OECD, 2024). In countries with stronger labour awareness, employees tend to perceive unions as valuable institutions that safeguard employment interests and workplace wellbeing (ILO, 2025). In the context of this study, stronger employee awareness of trade union

functions may increase employees' understanding of the relevance and contributions of trade unions in workplace settings. Employees who are aware of union roles are therefore more likely to perceive trade unions as important mechanisms for employee representation and workplace protection. Hence, employee awareness of trade union functions is expected to positively influence the perceived importance of trade unions.

Awareness of labour rights

Awareness of labour rights refers to employees' understanding of legal employment rights and workplace entitlements, including wages, occupational safety, grievance procedures, legal protection, and collective bargaining rights. Employees with greater awareness of labour rights are generally more knowledgeable about workplace justice and mechanisms available to address labour-related concerns (Abdull Rahman and Ismail, 2024). Employees in private organisations may perceive trade unions as disruptive to employer–employee relationships or fear negative workplace consequences associated with union participation. In private-sector employment settings, employees frequently encounter issues related to overtime compensation, job security, workplace grievances, and limited legal protection, highlighting the importance of labour rights awareness in ensuring employee welfare and workplace justice (Abdullah et al., 2022). Recent studies indicate that inadequate labour rights awareness remains a major challenge, particularly among younger employees, migrant workers, and workers in vulnerable employment sectors. In Malaysia, insufficient labour education and limited exposure to employment regulations have contributed to employees' weak understanding of labour protections and workplace rights (Abdull Rahman and Ismail, 2024). Likewise, international studies demonstrate that employees with stronger labour rights awareness are more likely to appreciate labour institutions and engage in workplace representation activities (ILO, 2025; Eurofound, 2024). Employees who understand workplace entitlements tend to demonstrate greater appreciation for institutional mechanisms that protect workers' interests and employment security (Budd, 2025).

Accordingly, employees with stronger awareness of labour rights may perceive trade unions as increasingly important institutions for safeguarding employment rights and ensuring workplace fairness. Therefore, awareness of labour rights is expected to positively influence the perceived importance of trade unions.

Perception of trade union effectiveness

Perception of trade union effectiveness refers to employees' beliefs regarding the ability of trade unions to effectively represent workers' interests, address workplace grievances, negotiate employment conditions, and improve employee welfare. Employees who perceive trade unions as effective are generally more likely to demonstrate trust in labour institutions and support union-related activities (Yaacob et al., 2024). Employees in private-sector organisations may have relatively limited exposure to labour education and trade union engagement. In Malaysia's private sector, employees' perceptions of trade union effectiveness may be shaped by organisational culture, employer support, and the extent to which unions are perceived as capable of addressing workplace and employment-related concerns (Yaacob et al., 2024; Loganathan et al., 2022). Recent literature highlights that employee confidence in union effectiveness significantly shapes participation behaviour and attitudes towards labour

representation. In Malaysia, employees tend to show greater support for unions when unions are perceived as relevant and capable of resolving employment concerns (Yaacob et al., 2024). Similarly, international evidence suggests that workers' perceptions of union effectiveness strongly influence trust, participation, and perceptions of labour institutions (OECD, 2024; Forth et al., 2017). Employees are more likely to recognise the relevance of trade unions when unions are perceived as capable of delivering meaningful workplace outcomes, such as improved employment conditions, legal protection, and workplace justice (ILO, 2025). Despite increasing labour reforms and union-related initiatives, conceptual and empirical discussions examining how employee awareness shapes the perceived importance of trade unions within Malaysia's private sector remain limited.

Perceived importance of trade unions

Perceived importance of trade unions refers to employees' beliefs regarding the significance of trade unions in protecting workers' welfare, improving workplace conditions, safeguarding employment rights, and strengthening employee representation. Employees who perceive trade unions as important are generally more likely to value labour representation and recognise the role of unions in promoting workplace justice and employee wellbeing (ILO, 2025). Recent workplace developments, including job insecurity, rising employment disputes, and changing employment structures, have increased the relevance of labour representation in many countries (OECD, 2024). Consequently, employees' perceptions regarding the importance of trade unions have become increasingly important in understanding labour participation and workplace protection. Positive perceptions of trade union importance may strengthen employees' trust in labour institutions and increase appreciation for workplace representation mechanisms (Forth et al., 2017).

Underpinning theory: Social Exchange Theory (SET)

This study is grounded in Social Exchange Theory (SET) proposed by Blau (1964). SET suggests that individuals develop positive attitudes and reciprocal behaviours when they perceive beneficial support, valuable resources, and meaningful social relationships. In workplace settings, employees are more likely to develop favourable perceptions towards institutions that provide protection, fairness, and support. Applying SET to this study, employees who demonstrate greater awareness of trade union functions, labour rights, and trade union effectiveness may develop stronger perceptions regarding the value and significance of trade unions. When employees perceive unions as beneficial institutions that support workplace welfare and employee protection, they are more likely to recognise the importance of trade unions in employment settings. Based on the reviewed literature and theoretical underpinning, the following hypotheses are proposed: (H1): Employee awareness of trade union functions positively influences the perceived importance of trade unions; (H2): Awareness of labour rights positively influences the perceived importance of trade unions; (H3): Perception of trade union effectiveness positively influences the perceived importance of trade unions (*Figure 1*).

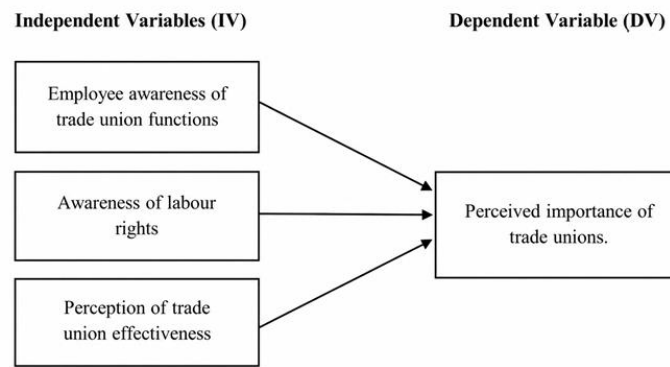


Figure 1. Theoretical framework for this study.

Materials and Methods

Research design

This study will adopt a quantitative research approach using a cross-sectional survey design to examine the influence of employee awareness of trade union functions, awareness of labour rights, and perception of trade union effectiveness on the perceived importance of trade unions among private-sector employees in Selangor. A quantitative approach is considered appropriate as it enables the examination of relationships between variables through statistical analysis and allows for broader generalisation of findings within the selected study context (Creswell and Creswell, 2023). The study focuses on private-sector employees due to the increasing relevance of labour representation, workplace rights awareness, and employee welfare issues within contemporary employment settings. Selangor was selected as the study location because it represents one of the most economically developed and industrialised states in Malaysia, with a high concentration of private-sector employment across various industries, including manufacturing, services, logistics, retail, and finance (DOSM, 2026). The diverse employment structure in Selangor makes it an appropriate setting for examining employee awareness of trade union functions, labour rights, and perceptions of trade union effectiveness.

Population and sampling

The target population of this study comprises private-sector employees working in Selangor, including both employees with and without trade union exposure. The inclusion of employees with varying levels of trade union awareness is considered important to better understand factors influencing the perceived importance of trade unions within private-sector employment settings. A purposive sampling technique will be employed to select respondents who possess relevant employment experience and sufficient exposure to workplace-related matters, labour rights, or employee representation issues. This sampling approach is appropriate as the study specifically targets respondents capable of providing meaningful insights regarding trade union awareness and workplace representation (Bougie and Sekaran, 2026). Based on recommendations for structural equation modelling (SEM) analysis, a minimum sample size of 200 to 300 respondents is considered adequate to ensure statistical reliability and

validity, particularly when examining relationships between multiple independent variables and a dependent variable (Hair et al., 2026).

Data collection procedure

Primary data will be collected using a self-administered questionnaire survey, distributed through both physical and online platforms, including Google Forms, to improve accessibility and response rates. The questionnaire will consist of structured items measuring employee awareness of trade union functions, awareness of labour rights, perception of trade union effectiveness, and perceived importance of trade unions. Respondents will be approached through professional networks, workplace representatives, employee-related associations, and digital communication platforms within private-sector settings in Selangor. Prior to participation, respondents will be informed regarding the purpose of the study, confidentiality, anonymity, and the voluntary nature of participation to ensure ethical compliance.

Measurement of variables

The measurement items used in this study will be adapted from previous validated studies related to trade union awareness, labour rights, employee perceptions, and labour representation. All items will be measured using a six-point Likert scale, ranging from 1 (Strongly Disagree) to 6 (Strongly Agree).

Data analysis

The collected data will be analysed using Statistical Package for the Social Sciences (SPSS) and SmartPLS software. Descriptive statistics will be conducted to analyse respondents' demographic profiles, while inferential analysis will be performed to examine the relationships between variables. Reliability and validity assessments, including Cronbach's Alpha, Composite Reliability (CR), Average Variance Extracted (AVE), and discriminant validity, will be conducted to ensure measurement consistency. Structural model analysis will subsequently be performed to test the proposed hypotheses and examine the relationships between independent variables and the perceived importance of trade unions (Hair et al., 2026).

Conclusion

This conceptual paper highlights the growing importance of understanding employees' perceptions regarding the role and significance of trade unions in Malaysia, particularly within the private sector. Despite the important role of trade unions in safeguarding workers' rights, improving workplace conditions, and strengthening employee representation, employee participation and awareness of trade unions remain relatively limited. Issues such as low union membership, misconceptions regarding trade union functions, and inadequate awareness of labour rights continue to influence how employees perceive the importance of trade unions in workplace settings.

Theoretical implications

This study extends the trade union literature by introducing employee awareness as a key antecedent of the perceived importance of trade unions within Malaysia's private

sector. While previous studies have primarily focused on union participation, industrial relations, or collective bargaining, this conceptual framework integrates employee awareness of trade union functions, awareness of labour rights, and perceptions of trade union effectiveness into a single model. Furthermore, by applying Social Exchange Theory (SET), the study broadens the application of SET within industrial relations by explaining how employees develop favourable perceptions towards trade unions when they perceive unions as providing valuable workplace support, protection, and representation. This contributes to the growing literature on employee perceptions and labour institutions in emerging economies.

Practical implications

The proposed framework provides practical guidance for trade unions, employers, and human resource practitioners in strengthening employee awareness and engagement. If employees better understand trade union functions, labour rights, and union effectiveness, they may be more likely to recognise the value of trade unions and participate in workplace representation initiatives. The findings may encourage trade unions to improve communication strategies, conduct educational campaigns, and utilise digital platforms such as social media, webinars, and workplace awareness programmes to reach younger employees and non-unionised workers. Employers may also benefit by promoting labour rights education, which can enhance trust, reduce workplace misunderstandings, and foster healthier employer–employee relationships.

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Conflict of interest

The authors confirm that there is no conflict of interest involving any parties in this research study.

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