



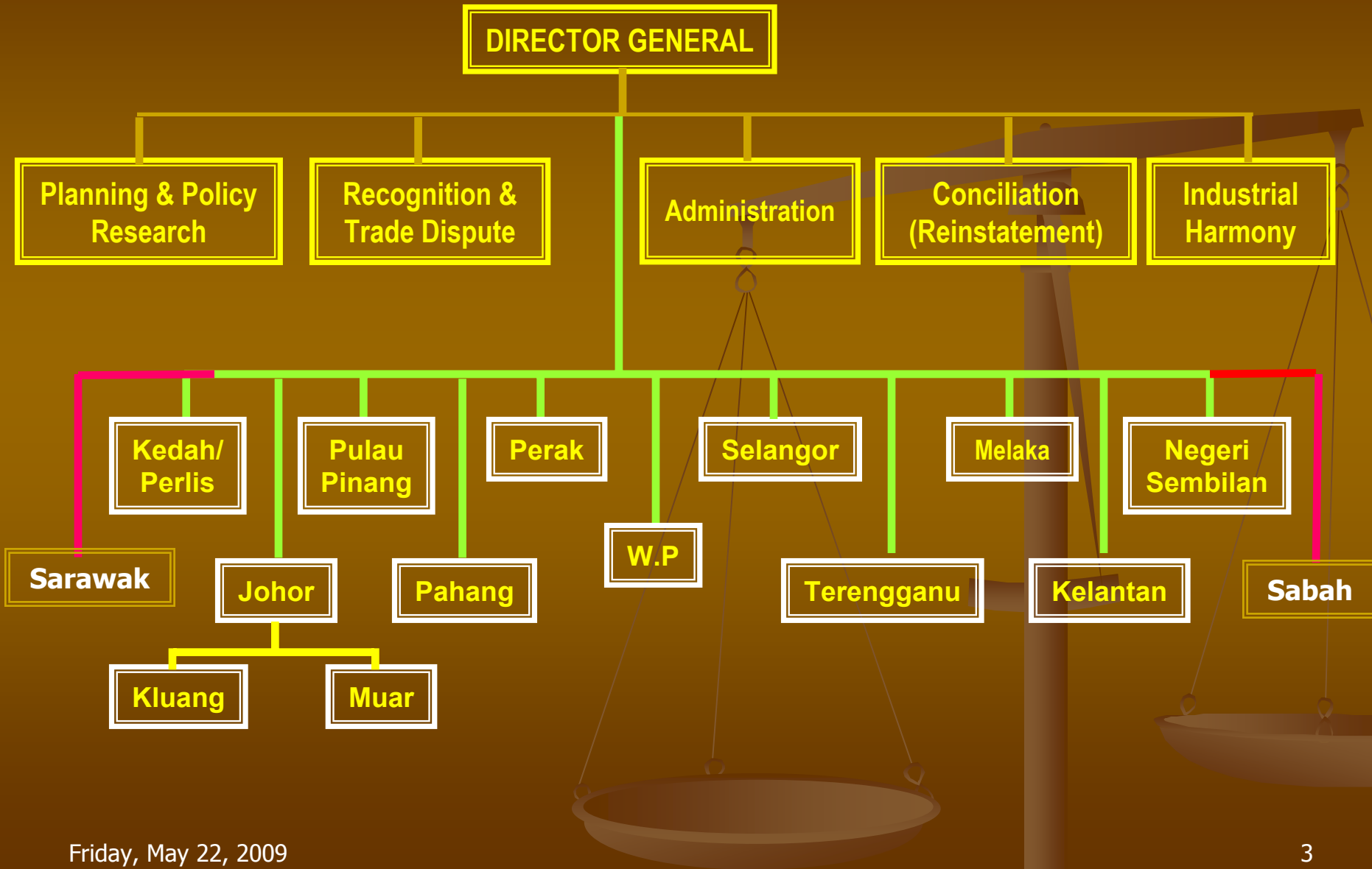
**THE DEPARTMENT OF  
INDUSTRIAL RELATIONS MALAYSIA  
(MINISTRY OF HUMAN RESOURCE)**

***AN INTRODUCTION IN BRIEF***

# PROFILE

- **The department is headed by a Director General and assisted by a Deputy Director General;**
- **He is responsible to the Minister Of Human Resources through the Secretary General of the Ministry for all the functions and duties of the department.**

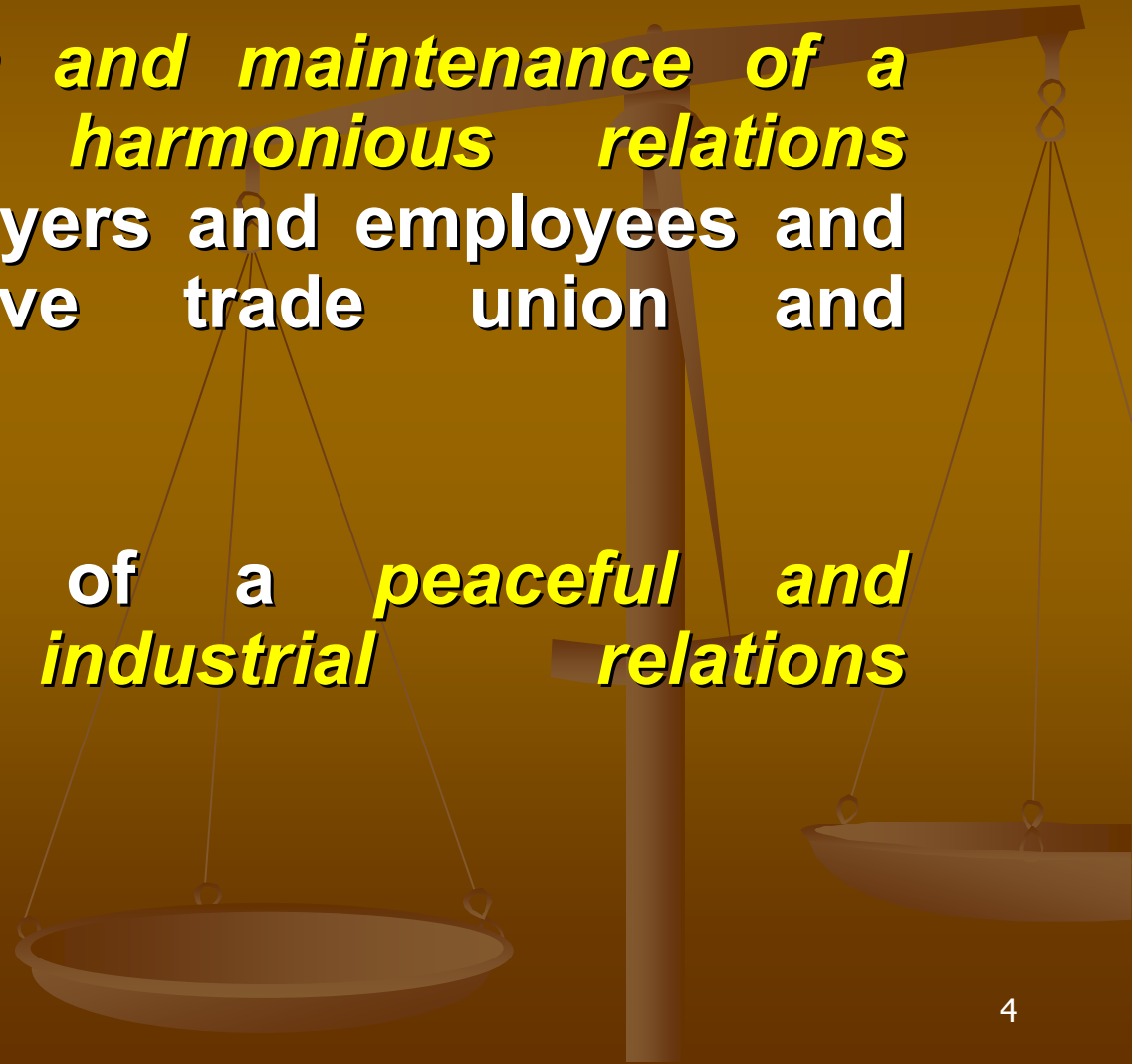
# ORGANISATION CHART





## OBJECTIVES

- The ***promotion and maintenance of a positive and harmonious relations*** between employers and employees and their respective trade union and organizations.
- The creation of a ***peaceful and conducive industrial relations atmosphere***



# MISSION

To assist in creating a ***conducive climate for investment*** so as to induce internal and external investors to stimulate economic growth.

# LEGISLATION



## Principal act & regulations

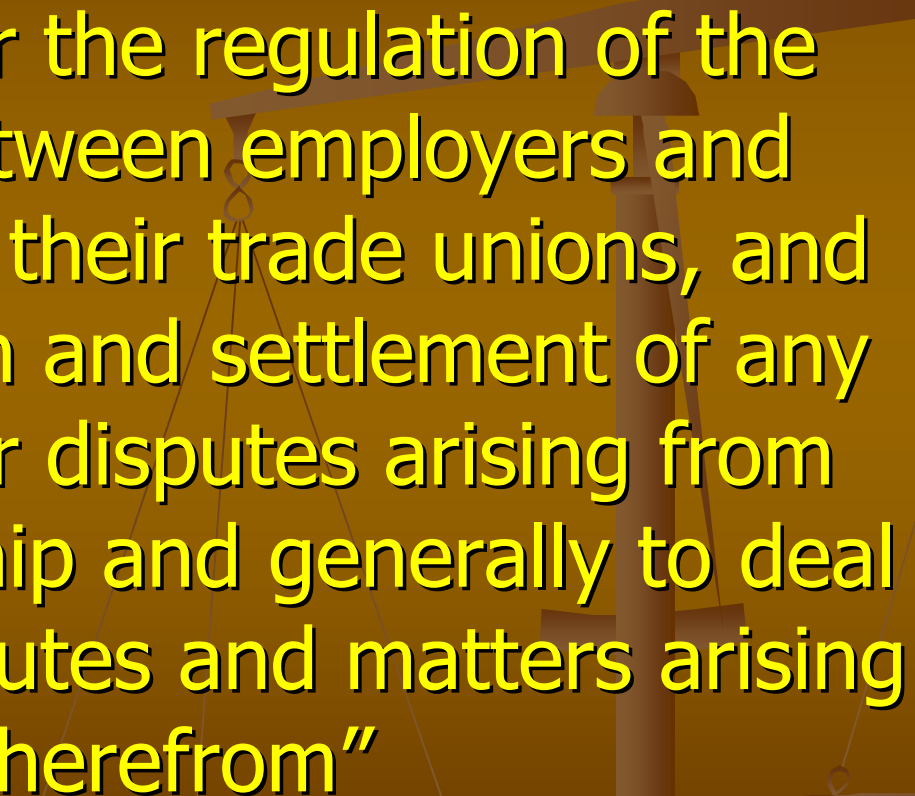
- Industrial relations act 1967
- Industrial relations regulations 1980

## Other relevant acts

- Employment act 1955
- Trade unions act 1959

# THE PREAMBLE OF INDUSTRIAL RELATIONS ACT 1967

“To provide for the regulation of the relations between employers and workmen and their trade unions, and the prevention and settlement of any differences or disputes arising from their relationship and generally to deal with trade disputes and matters arising therefrom”



# FUNCTIONS

## ADVISORY

To provide *advisory services* to employers and employees and their respective trade union and organization to *promote good and healthy industrial relations practices*;

To advice the Minister Of Human Resource on matters pertaining to industrial relations.



# FUNCTIONS

## *SERVICES AND PROMOTION*

- To provide ***advisory services*** to employers and employees and their respective trade union and organization to ***promote good and healthy industrial relations practices;***
- To ***encourage the growth and development of a democratic*** and responsible trade union/organization of workmen and trade union/organization of employers;
- To ***encourage and assist in collective bargaining*** between employers/employer's organization and trade union/organization of workmen;
- To ***encourage and assist in the formation of joint-consultative mechanism at workplaces*** to motivate practices of self-government in industry and joint consultation.

# FUNCTIONS

## SERVICES AND PROMOTION

- To **coordinate and foster cordial tripartite relations and cooperation** between the government, employers and workers' trade union/organisation in the area of industrial relations.
- To **provide conciliatory services** to prevent and resolve trade disputes and industrial action as well as representation for reinstatement in dismissal cases.
- To deal with **claims for recognition** by trade unions.
- To assist workers in **resolving problems** pertaining to exploitation and unfair treatment.

# ***FUNCTIONS***

## ***PREVENTIVE***

- ***To assist in the prevention and resolution of trade disputes and industrial action such as picket, strike and lock-out through pre-emptive measures and related preventive mechanism.***

# CORE ACTIVITIES

- Resolve representations for reinstatement by dismissed workmen;
- Resolve trade disputes/ industrial action;
- Resolve trade union recognition claims and scope of representation;
- Assist parties in collective bargaining;
- To Promote Code of Conduct For Industrial Harmony and PLWS
- Provide operational services.



# ***TRADE DISPUTE AND TRADE DISPUTE RESOLUTION PROCEDURES***

***‘Trade Dispute’ means:***

***“Any dispute between an employer and his workmen which is connected with the employment and non-employment or the terms of employment or conditions of work of any such workmen.”***

***(Section 2, Industrial Relations Act, 1967)***

# MECHANISM IN RESOLVING DISPUTES (Sec. 18 & 20)

■ **NEGOTIATION**

■ **CONCILIATION**

■ **ARBITRATION**

**WORKPLACE**

**DEPARTMENT**

**INDUSTRIAL COURT**

# ***DISPUTE RESOLUTION PROCEDURES***

## ***Direct Negotiation :***

- **Direct negotiation processes between worker's union and their employer;**
- **Conducted *in accordance with outlined procedures set in the collective agreement or in line with existing procedures of an enterprise.***

# ***DISPUTE RESOLUTION PROCEDURES***

## ***CONCILIATION AT THE INDUSTRIAL RELATIONS DEPARTMENT***

- If settlement fails to reach through direct negotiation, the employer or the trade union of workmen concerned may ***report*** to the Industrial Relations Department.
- The Industrial Relations Department may assist both parties to reach a fair and just settlement through ***conciliation***.
- The process of seeking a settlement through conciliation is ***voluntary and without any constraint***.

***(Section 18 and Section 20, Industrial Relations Act, 1967)***



# ***DISPUTE RESOLUTION PROCEDURES***



## ***CONCILIATION***

**“Where a settlement fails to reach through conciliation, the dispute may be reported to the Minister of Human Resources.”**

***(Section 18(5), Industrial Relations Act, 1967)***

# ***DISPUTE RESOLUTION PROCEDURES***

## ***DECISION OF THE MINISTER***

Having considered all the facts of a dispute, the Minister may ***decide to refer or not to refer the dispute to the Industrial Court.***

***Reference of a trade dispute to the Industrial Court may be made :***

- \* on the joint request in writing to the Minister by both parties to the dispute***

***(Section 26, Industrial Relations Act, 1967 Act)***

# ***DISPUTE RESOLUTION PROCEDURES***

## ***DECISION OF THE MINISTER***

- \* The Minister may of his own motion or upon notification of the Director General ... ***refer any trade dispute to the Court ...***
- \* ... Provided that In the case of a trade dispute in any Government service or statutory authority, reference shall not be made except with the consent of the Yang Di Pertuan Agong or the State Authority ...

***(Section 26, Industrial Relations Act, 1967).***

# ***DISPUTE RESOLUTION PROCEDURES***

## ***ARBITRATION IN THE INDUSTRIAL COURT***

After hearing evidence from both parties, the Court may ***hand down an award*** pertaining to the trade dispute or pertaining to a reference in respect of a representation for reinstatement in dismissal cases.

***(Sections 30, Industrial Relations Act, 1967)***

# ***DISPUTE RESOLUTION PROCEDURES***

## ***ARBITRATION IN THE INDUSTRIAL COURT***

However, ***reference to the High Court on question of law*** may be made upon application of any party to the proceedings.

***(Section 33 A, Industrial Relations Act, 1967).***

***Decision binding*** upon the parties concerned ***which is final and conclusive*** and shall not be ***challenged, appealed against, reviewed, quashed or called in question in any court.***

***(Section 33B, Industrial Relations Act, 1967).***

# TRADE DISPUTE SETTLEMENTS

## Objectives Of The Dispute Settlement

- To create harmonious industrial relations in order to generate industrial growth
- To ensure that the interest of the disputing parties is safeguarded through the efficient and expeditious settlement mechanism

# ***THE ROLE OF IRD***

The Industrial Relations Department assumes the role of:

- \* a '**peace-maker**' in resolving trade disputes;
- \* a '**development facilitator**' in providing advise to parties in industrial relations on ways to **maintain sound workplace relations and cooperation** which is conducive and inducive to productivity improvement.
- \* The Malaysian industrial relations system is **voluntary and compulsory** in nature.

# ***THE INDUSTRIAL RELATIONS SYSTEM***

***Legislative action*** through enforcement of the provisions of the laws and ***executive action*** by the Industrial Relations Department as well as specially formulated ***code (The Code of Conduct of Industrial Harmony)*** has played vital role in shaping the present system of industrial relations.



## ***STRATEGIES AND FOCUS***


In order to ***promote a cordial and sound industrial relation***, parties concerned need to ***understand and appreciates each others respective rights and obligations*** under the laws as well as those provided under established and agreed principles and practices.

The Industrial Relations Department focuses on preventive industrial relations through:

- ***awareness of the Code of Conduct of Industrial Harmony;***
- ***contact visits to workplaces;***
- ***dialogues with social partners in industries;***
- ***formation of Joint Consultative Committee (JCC).***

# STRATEGIES AND FOCUS

- Ensure that there is a proper disciplinary procedure including a proper procedure for the speedy settlement of disputes and grievances as when they arise to maintain better labour relations in a workplace;
- Ensure that employers always transparent with the employees/their unions, sharing ideas with employees in making companies' decision to produce effective decision making within the workplace/company



*“Cooperation between employers and workers unions in maintaining a harmonious industrial environment can boost stability and economic growth and this could attract more investments to Malaysia”*

The statement made by Datuk Seri Abdullah Ahmad Badawi , Former Prime Minister of Malaysia on Labour Day.

# CONCLUSION

- Labour–management co-operation has become the key issues in most industrial relations system in the world.
- Good industrial relations will only exist if there is workplace co-operation. In this situation, managers and workers in an organization come together to talk and listen to each other in order to find mutually acceptable ways of dealing with common problems and issues and it will create cordial employee relations.
- An investment in improved labour relations and cooperation in workplace, particularly through increased worker's participation or involvement in the day-to-day decision making, which affect working lives, can improve *flexibility in work organization and adaptability to change*.

# *Thank You*

