

# **Exploring the Implementation of Joint Consultation Committees in the Postal Industry: Case Studies in Malaysia and Indonesia**

Balakrishnan PARASURAMAN, Ph.D\* and  
Aryana SATRYA\*\*

## **Introduction**

Strauss (1998) argues that the effectiveness of direct participation will be restricted if it is not combined with indirect participation. The arguments supporting indirect participation are significant because many high level decisions affect people in the organization and vice versa. This is due to the fact that the strategic direction of the company is usually a determinant of worker's actions and beliefs (Wilpert 1998). As such, high-level company decisions should be made in consultation with and participation of a representative body of employees. In Europe, countries such as the Netherlands have even enacted legislation to support indirect participation through work councils (Goodijk and Veersma 2001; Parasuraman 2003). Worker representation is a large issue in Europe where National Works Council Legislation has a big influence on business (Blyton and Turnbull 2004; Markey and Monat 1997). They are constructed based on 'the collective power of workers,' as

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\* Senior Lecturer and Industrial Training and Soft Skills Coordinator, Industrial Relations Program, School of Social Sciences, Universiti Malaysia Sabah; Member, International Industrial Relations Associations, Malaysian Institute of HRM and the International Employment Relations Association.

\*\* Lecturer, School of Economics, University of Indonesia; PhD candidate in Industrial Relations, School of Political Science, University of Queensland, Australia.

demonstrated by strong union solidarity and participation among their members (Gahan and Bell 1999; Heery 2002, 33).

Across Europe, the United States, and the United Kingdom, different forms of indirect participation are being practiced. In most English speaking countries, indirect participation takes the form of joint consultative committees (JCC), Collective Bargaining (CB) machineries, worker-director schemes, and occupational health and safety organizations. In Western Europe and in most Scandinavian countries, work councils and co-determination bodies are important mechanisms for indirect participation.

While the developed world is already working to achieve a balance in effective worker participation, the utilization of effective schemes in developing countries such as Malaysia and Indonesia is still lagging behind. The research from which this paper was taken is intended to serve as our pioneering work on the practices of JCCs at the firm level in Malaysia and Indonesia. In this respect, two basic questions arise: (i) How does a company manage its JCC? (To answer this, we conducted case studies of the Malaysian and Indonesian postal industries), and (ii) To what extent does Marchington's (1992; 1994) models on JCC apply to these cases?

The aim of this paper is to examine the actual process of implementing a JCC in the postal industry in Malaysia and Indonesia. The paper begins with a brief overview on JCC and a discussion of some relevant literature. Afterwards, the paper discusses the main components of a JCC. Finally, the paper utilizes the JCC model proposed by Marchington (1992; 1994) to examine the actual practice of JCC in Malaysia and Indonesia.

## **Joint Consultative Committee (JCC): an overview of literature**

### ***Brief History***

Marchington et al. (1992, 1) define JCC as:

A mechanism for managers and employee representatives to meet on a regular basis, in order to exchange views, to utilize members' knowledge and expertise, and to deal with matters of common interest which are not the subject of Collective Bargaining.

JCC is part of the concept of partnership. Gollan and Patmore